

VICTORY VILLAGE FREQUENTLY ASKED QUESTIONS (FAQ)

This FAQ list provides brief responses to the most frequently asked questions of the public. For more detailed responses, please refer to the staff report for the Planning Commission (www.townoffairfax.org, 4/20 PC meeting).

Project Description

Resources for Community Development (RCD) has submitted an application for a rent-restricted senior housing community (referenced as Victory Village) at the former Christ Lutheran Church site located at 2626 Sir Francis Drake Boulevard (Site). The project proposes 53 units of affordable rental housing and a single manager's unit on a 2-acre portion of the Site.

How many parcels are there?

RCD proposes to subdivide the existing 20-acre Site into three parcels: one 2-acre parcel and two 9-acre parcels. Only the 2-acre parcel is being proposed for development at this time, with the 9-acre parcels remaining unimproved.

What is the existing zoning for the Site?

The property is currently zoned UR-7 (Upland Residential) which means one (1) unit for every 7 acres. The 2-acres for the senior housing will require a rezoning of the property. The remaining 18 acres will continue to be zoned UR-7.

When was Victory Village contemplated in the Town General Plan?

The concept and location for the project was identified as a housing opportunity site in the Town's draft 2010 General Plan and Housing Element. The project continued to be listed as Opportunity Site #1 in the Town's adopted 2013 and updated 2015 Housing Element.

What is the proposed rezoning for the property?

The Town initially envisioned rezoning the property to Planned Development District (PDD) which allows for a higher density than the typical multi-family (RM) zone. However, the Town is proposing an alternative approach based on Council's direction and community input.

Why was the PDD zoning originally proposed for site?

The Town proposed a PDD zoning for Victory Village because it was the only zoning district that would allow for the minimum 20 units/acre required for the project. The California State Housing and Community Development Department (HCD), who certifies the Town's Housing Element, indicated that was acceptable, but the Town needed to revise the PDD code to ensure that the project would only require design review approval. In other words, HCD found the existing PDD code had too many discretionary approvals based on subjective standards. Hence, the proposed "streamlining" of the PDD zone for a senior housing project.

What is the new proposed zoning for the project?

We are proposing a new General Plan land use designation, Multiple-Family Residential – Senior (RM-S) for the project. This zoning is only available for projects that propose 100% senior housing and are 2-3 acres in size. At this time, Victory Village is the only project requesting this designation.

Why did the Council want to change the zoning from PDD to Multiple-Family Residential – Senior (RM-S) zoning?

At its March 1, 2017 meeting, the Town Council considered an alternate zoning approach. In lieu of streamlining the PDD process, a zoning district would be created for senior housing, which could apply to projects such as the proposed Victory Village senior affordable housing project. This approach would address the concerns raised at Planning Commission (PC) and Town Council (TC) meetings that streamlining the PDD zone would enable other projects listed as "opportunity sites" in the Housing Element to also use the streamlined approach.

The proposed RM-S zone would have development standards similar to the existing RM (multi-family) zone, such as height limitations, setbacks, and a maximum density, but would be limited to parcels of 2 to 3 acres in size, and have eligibility requirements tied to state and federal law regarding housing for seniors. Only projects meeting these requirements would be able to apply for such a zoning designation, and any decision to rezone any other parcel to this district would be at the Council's discretion.

Why did staff propose an alternative zoning approach?

During its February meeting, the Town Council discussed their interest in following the lead of Orange County that led to a favorable court decision in *Foothill Communities Coalition v. County of Orange* ("Foothill"). In *Foothill*, Orange County created a special zoning district allowing senior housing within a Specific Plan district.

Due to the desire to use the protections afforded by this court decision, the Town Attorney's office further researched whether the Town could use *Foothill* as a guide for zoning of the former Lutheran Church site. The Town Attorney advised that the Town could create a single purpose use more like the one created in *Foothill* which would better address the Council and community's concerns regarding streamlining the PDD process for Qualifying Sites, narrowly tailor the Council's approvals to just the former Lutheran Church site, and be in line with the policies of *Foothill*.

Why can't Victory Village have less units?

In general, affordable housing projects need to have a minimum number of units in order to be financially feasible. While a typical affordable housing project such as Victory Village has a variety of financing sources (e.g., loans, grants, tax credits), a project does need to have enough cash flow (i.e., rent payments) to cover its maintenance and management operations, debt service for loans, and capital maintenance reserves.

Why does Victory Village need to have a 3 story building?

RCD reports (refer to letter in PC report) that there are economies of scale associated with a more compact building footprint. To "spread out" the building into more 2 story structures would significantly add to construction and long term maintenance costs. These buildings would require more elevators and the existing soil conditions would require more expansive foundation work. In addition, the seniors would need to travel longer distances to access the on-site amenities (e.g., community room).

It should be noted that RCD has revised the elevations to reduce the roof ridgeline height from 40 ft. 10 in. to 38 ft. 7 in.

What is the State Density Bonus Law?

In 1979, the State of California adopted the State Density Bonus Law (Government Code § 65915) which requires all cities and counties to offer a density bonus and other incentives (concessions) to housing developments that meet certain criteria.

What is RCD requesting as a density bonus?

RCD is proposing a 100% affordable housing project which, thus, qualifies for a density bonus of 35%, as well as three (3) concessions. The Town's General Plan prescribed a 20 unit/acre density for Victory Village. With the density bonus, the project would have a density of 27 dwelling units per acre, or 7 units per acre in excess of what is permitted by the General Plan.

RCD is requesting its three concessions for covered parking, height, and preserving the current overhead utility wires on Sir Francis Drake Blvd.

Please refer to the Planning Commission staff report for more detail (www.townoffairfax.org, planning commission, 4/20 meeting)

Why does Victory Village provide less parking than other multi-family projects?

The state density bonus law, separate and apart from any concessions or incentives, allows senior housing developments where residents are 62 years or older to provide parking at a ratio of .5 spaces per unit, provided the project is located within one half mile of a fixed bus route that operates at least eight times per day or the project offers para-transit service. (State Government Code § 65915(p).)

By meeting these parameters, Victory Village will qualify for this reduced parking standard. Thus, the project's 54 units would only require 27 parking spaces. The project initially proposed to include 39 on-site parking spaces. However, in response to resident's concerns, RCD added four (4) additional parking spaces to the front of the site.

The total number of 43 spaces (0.8 parking spaces/units) more than exceeds the state law minimum requirement for the on-site parking.

Can RCD give priority to Fairfax residents?

RCD has prepared a letter in response to this question (see PC staff report). RCD states that "Victory Village will be leased according to RCD's marketing policy which includes both local outreach as well as outreach to ethnic, language, and cultural minorities in order to meet local housing needs while complying with fair housing laws."

RCD further states that "A tenant-selection preference based on geography is only achievable in cases where the ethnic or racial composition of the region or state is comparable to that of the tenant pool from the "preferred" geography." According to the data, Fairfax's demographics do not reflect Marin County's demographics.

However, it should be noted that all apartments with Project-Based Vouchers (should RCD receive an allocation) will be leased under the policies of the Marin Housing Authority (MHA), which gives two preference points for applicants currently living or working in Marin County.

RCD also reports that a 2008 study by the County's Community Development Agency found that 89% of the residents of existing affordable units in Marin had already been residents of Marin. Additionally, since July 2016—when Bennett House discontinued its application of a local preference—six out of seven of the new residents had already been living in Marin.

Who can apply for the units?

RCD states that prospective residents must be 62 years of age or older and meet the income requirements (subject to applicable laws). For about half of the units, households can make no more than \$25,520 and for the remaining units, households can make no more than \$49,200 per year.

Is there less public input on the project because of the proposed change of zoning?

It depends on your perspective. In the PDD zone, a project requires a 3 step review process for plans: Preliminary, Master, and Precise Development Plans. Typically, the PDD zone applies to larger parcels in which development will be phased. In the case of Victory Village, the applicant knows exactly what they want to construct. In addition, PDD zoning allows for a whole host of uses and development standards to be requested or applied to a given site, and there is significantly greater flexibility to craft the regulations that will apply to a site. Under the proposed RM-S Zone, the permissible uses and development standards are already established.

Under the proposed RM-S Zone, Victory Village would follow the same process as the existing Multi-family Zone (RM).

Below is a listing of the Town Council (TC), Planning Commission (PC), and other Town Committees meetings that have been conducted since late 2015 to discuss one aspect or another of Victory Village. We believe RCD has attended all these meetings. These meetings do not include any meetings RCD or the Christ Lutheran Church may have had with local organizations such as a HOA.

- 11/12/15 PC workshop
- 7/26/16 Open Space Committee
- 8/3/16 TC meeting
- 11/1/16 PC hearing on the project
- 12/15/16 PC workshop
- 1/19/17 PC meeting
- 1/23/17 Tree Committee
- 2/1/17 TC meeting
- 3/1/17 TC meeting
- 3/16/17 PC meeting
- 4/20/17 PC meeting (scheduled)
- 5/3/17 TC meeting (scheduled)
- 6/7/17 TC meeting (scheduled)

The above also does not include any workshops/forums the Town conducted prior to 11/2015 which discussed the project within the context of the General Plan and Housing Element.

What is the primary financing/funding for the project?

RCD will be applying to the State of California for State and Federal Low Income Housing Tax Credits. How the financing works is that RCD sells the tax credits to corporate investors who in turn use the state and federal tax credits to offset their tax liabilities over a specific period of time. The structure of the transaction requires the corporate investors to be partners in the project. However, RCD is the managing partner and the corporate investors typically retain an ownership interest for the minimum 15 year period as required by the tax credit structure.

What is the length of affordability for the Victory Village?

The financing for the project requires a 55 year rental affordability covenant for the units. This restriction is included in the Density Bonus agreement between the Town and RCD and will be recorded against the property. There may be additional documents recorded against the property as required by the Low Income Tax Credit program.

Why can't the affordability restriction be in perpetuity?

The state density bonus law requires that projects be restricted for 55 years. In addition, RCD indicates the financing structure does not allow for the project to be affordable in perpetuity. RCD has expressed a desire to retain the property as affordable beyond the 55 year period. In the event this is not possible, RCD is willing to grant the Town a right of first refusal to purchase the property.

What is a right of first refusal?

Under this provision, the Town or its assignee could purchase the property from RCD at fair market value before RCD could sell the project to another buyer.