

**STAFF REPORT**

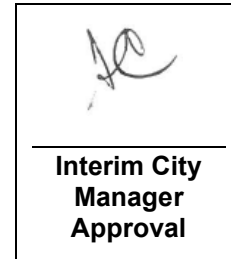
MEETING

DATE: January 23, 2024

TO: City Council

FROM: Steve Marshall, Deputy Director of Community Development

SUBJECT: **773, 775, & 777 SAN MARIN DRIVE  
CEQA ADDENDUM; GENERAL PLAN 2035 EIR  
GENERAL PLAN LAND USE MAP & TEXT AMENDMENTS  
MASTER PLAN, PRECISE DEVELOPMENT PLAN, & DESIGN REVIEW  
773, 775, & 777 SAN MARIN DRIVE; APNs 125-202-03, -04, & -05**



**PUBLIC HEARING AND POSSIBLE ACTION TO: (1) ADOPT A CEQA ADDENDUM TO THE EIR FOR NOVATO GENERAL PLAN 2035; (2) ADOPT GENERAL PLAN LAND USE MAP AND TEXT AMENDMENTS ALLOWING RESIDENTIAL REDEVELOPMENT OF THE FORMER FIREMAN'S FUND OFFICE CAMPUS; AND (3) INTRODUCE AN ORDINANCE REPEALING AND REPLACING ORDINANCE NO. 887, APPROVING THE FIREMAN'S FUND OFFICE CAMPUS, WITH A COMBINED MASTER PLAN AND PRECISE DEVELOPMENT PLAN REGULATING RESIDENTIAL REDEVELOPMENT OF THE FORMER OFFICE CAMPUS**

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**REQUEST**

Conduct a public hearing to consider and:

- (1) Adopt a resolution accepting a CEQA addendum to the certified environmental impact report ("Certified EIR") for Novato General Plan 2035, prepared to address residential redevelopment of 773, 775, & 777 San Marin Drive;
- (2) Adopt a resolution amending the land use map and text of Novato General Plan 2035 to assign the High Density Multiple Family Residential (R20) and Open Space (OS) land use designations to 773, 775, & 777 San Marin Drive and amend select text of the General Plan to support residential redevelopment of the property; and
- (3) Introduce an ordinance repealing and replacing City of Novato Ordinance No. 887, originally approving the Fireman's Fund office campus, with a combined master plan, precise development plan, and design review supporting residential redevelopment of the former office campus property at 773, 775, & 777 San Marin Drive.

**DISCUSSION**

***Background***

Bay West Development ("Bay West") submitted a design review application in September 2021 to initiate the entitlement process to redevelop the former Fireman's Fund office campus ("Property") with a residential community featuring a mix of dwelling types (detached single-family, townhomes, and apartments) and various on-site common open space and outdoor use areas. Thereafter, Bay West requested staff recommend designating the Property for residential development as a policy of the then in-progress 6<sup>th</sup> Cycle Housing Element. For reference, the 6<sup>th</sup> Cycle Housing Element was adopted in January 2023.

The adopted Housing Element acknowledges Bay West’s residential redevelopment proposal as a “Pipeline Project” potentially providing up to 1,300 dwellings counting toward Novato’s Regional Housing Needs Allocation (“RHNA”) of 2,090 dwellings. Given this substantial contribution toward Novato’s RHNA, the Community Development Department (“Department”) agreed to prepare general plan and zoning amendments allowing residential redevelopment of the Property for Planning Commission and City Council consideration, provided Bay West prepared objective design standards appropriate for the densities and building heights envisioned at the Property. This request was made of Bay West because the objective residential design standards of Novato’s Zoning Ordinance address lower densities and building heights. As discussed below, Bay West satisfied the Department’s request.

**General Plan Land Use Map Amendment**

The Property is currently assigned the Business and Professional Office (BPO) land use designation of General Plan 2035, a designation prohibiting residential development. Based on this circumstance, the Department is proposing to assign the High Density Multiple Family Residential (R20) and Open Space (OS) land use designations to the Property as depicted in Figure 1 below.

The R20 land use designation would apply to a 44-acre portion of the Property bounded by East Campus Drive and San Marin Drive. The R20 designation allows a residential density of 20.1 to 30.0 dwelling units per acre. Accordingly, the R20 designation would allow up to approximately 1,300 homes within the noted area on a net acreage basis. For comparison, 1,300 dwellings represents a density of 20 dwelling units per acre accounting for the Property’s gross area of 65-acres.

The OS land use designation would apply to approximately 21-acres of the Property. This designation prohibits residential development. As a result, this area of the Property would be retained in its current condition, including preserving the oak woodlands and wetlands therein. Passive recreation uses would be allowed, including hiking trails.

**Figure 1 – Proposed Land Use Designation Assignments**



## General Plan Text Amendments

Select text of the General Plan must be amended to allow the mix of dwelling types envisioned at the Property, as well as to maintain consistency between the General Plan land use map and the policies and programs applicable to the Property. The following specific text amendments are proposed (~~deleted text~~ and added text):

Table GP-3 Land Use Categories; High Density Multiple Family-Residential:

The High Density Multiple-Family Residential land use designation applies to areas appropriate for multi-family housing and related accessory residential uses. Additionally, certain education, assembly, lodging, day care and utility uses may be allowed. For the former Fireman's Fund Office campus, identified as Site 7 on Figure GP-8 North, North Redwood Corridor, a mix of detached single-family dwellings, townhomes, and apartments are allowed.

LU 27: North, North Redwood Corridor. Consider the following preferred land use concepts and design guidelines for the bounded area and individual sites depicted in Figure GP-8 in evaluating development and infrastructure proposals for the North, North Redwood Corridor.

Site 7 ~~Reserved-Preferred Land Use Concept.~~

~~Allow conversion of existing office space to research and development.~~

~~• Allow addition of up to 30,000 square feet of small locally-serving retail/personal service space in a location near the new SMART station.~~

~~• Consider general plan and zoning amendments for a mixed use redevelopment if proposed by the property owner to benefit from proximity to the new SMART station.~~

### Circulation

Evaluate, consider, and implement, where appropriate and feasible, the following circulation improvements:

- In conjunction with redevelopment of Site 7, ~~connection of East Campus Drive to the Rush Creek Landing Road/Redwood Boulevard intersection, including pedestrian and bicycle facilities to promote providing access by office employees to the SMART station and to create a location for the retail/personal service uses described above,~~ while respecting existing wetlands in making the roadway bicycle and pedestrian connections to Redwood Boulevard.

LW 2: Community and Neighborhood Parks. Provide a network of community and neighborhood parks within walking distance of all neighborhoods to the maximum extent feasible. As appropriate, identify locations for additional neighborhood and community parks.

Program LW 2e: ~~Reserved American Assets Facilities.~~ ~~Look for opportunities to obtain public access to the private recreational facilities at the American Assets site (former Fireman's Fund) through future redevelopment of the property.~~

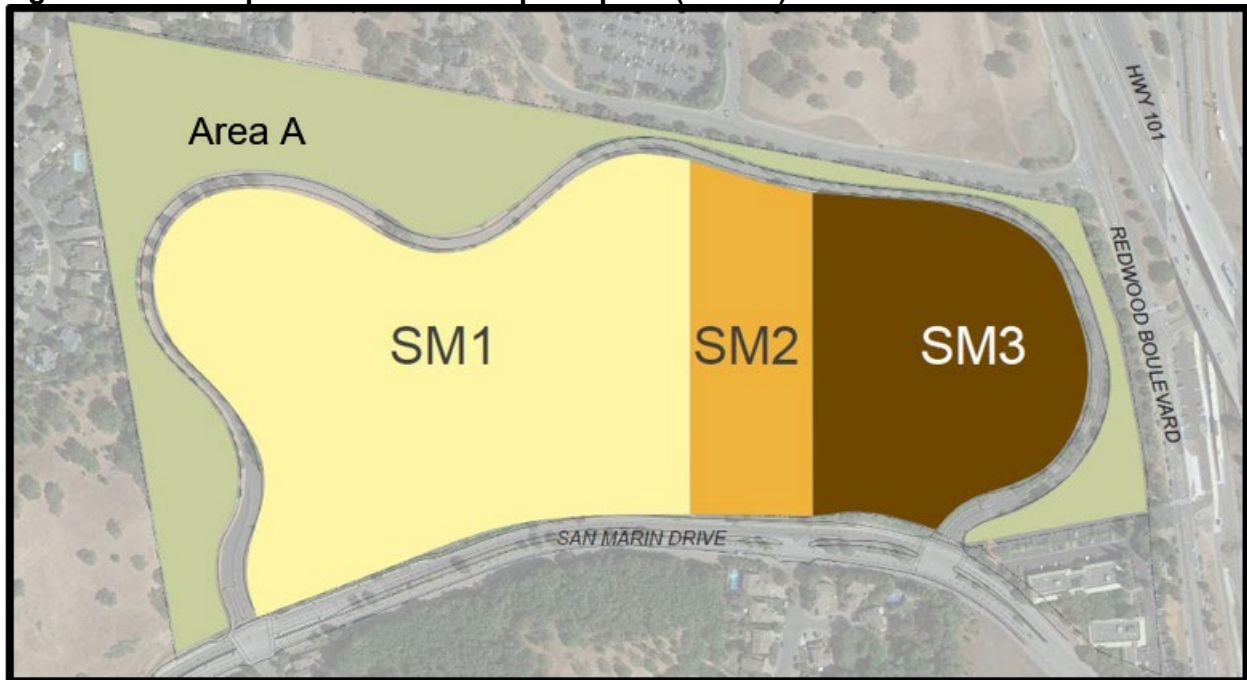
Amending the description of the R20 land use designation is necessary to allow detached single-family dwellings to be constructed at the Property under this designation. The amendments to Land Use Policy 27 are required to remove references to the commercial occupancy and potential mixed-use redevelopment of the Property since these land uses are no longer envisioned. The amendments to the Circulation policy are proposed to reference residential use of the Property since office, retail, and personal services would no longer be acceptable land uses. Finally, Program LW 2e is proposed for deletion on the basis this program is aligned with commercial occupancy of the Property and retention of the existing recreational facilities thereon, none of which can be accomplished with residential redevelopment of the Property as these facilities would be removed.

### ***Master Plan & Precise Development Plan***

The Property is currently zoned Planned District (PD) and is subject to the Fireman’s Fund Office Campus Master Plan and Precise Development Plan. The Department is proposing to repeal and replace these plans with a combined master plan and precise development plan (“MP/PDP”) providing land use and development standards applicable to the future residential and open space uses anticipated at the Property, including the objective design standards prepared by Bay West.

The draft MP/PDP is organized around three residential development districts (SM1, SM2, and SM3) and the area proposed to be retained as open space (Area A) as depicted on Figure 2 below.

**Figure 2 – Development Districts & Open Space (Area A)**



The following are key elements of the MP/PDP:

#### Allowed Land Uses

SM1 – Detached Single-Family Dwellings, Accessory Dwelling Units (ADU), and Junior Accessory Dwelling Units (JADU)

SM2 – Multi-Family Dwellings (Townhomes, Rowhouses, Garden Homes) and ADUs

SM3 – Multi-Family Dwellings (Apartments) and ADUs

Area A – No development; hiking trails and passive recreation features only.

### Development Intensity

Minimum Primary Dwellings - 1,000

Maximum Primary Dwellings - 1,300

SM1 - 160 to 240 Detached Single-Family Dwellings

SM2 – 115 to 210 Multi-Family Dwellings (Townhomes)

SM3 – 725 to 850 Multi-Family Dwellings (Apartments)

### Common Outdoor Use & Open Space Areas

Approximately 6-acres of useable outdoor area spread across the three development districts.

Flexible open space zone within which the location/alignment of an open space area can be adjusted subject to Community Development Director approval.

Requires continuous connections between development districts, East Campus Drive, San Marin Drive, and Redwood Boulevard.

Includes a menu of amenities; requirement to provide minimum number/type of amenities based on area size.

### General Requirements

New residential development and/or subdivision proposals shall comply with all objective standards of the MP/PDP and all other applicable objective requirements of the Novato Municipal Code as specified in Chapter V – Development Standards, Chapter VI – Excavations and Fills, Chapter IX – Land Subdivision, and Chapter XV – Streets and Sidewalks as applicable to a given proposal.

New residential development and/or subdivision proposals shall comply with the mitigation measures of the Certified EIR for General Plan 2035.

New development and/or subdivision proposals are subject to Design Review for the purpose of confirming compliance with the objective standards of the MP/PDP and the mitigation measures of the Certified EIR.

### Objective Development Standards

The MP/PDP includes a variety of objective development standards addressing: fencing, sight distance, mechanical equipment screening, solid waste and recyclables storage, public art, exterior lighting (DarkSky compliant), landscaping, on-site parking (vehicle and bicycle), and signs. The majority of these standards are taken from Novato's Municipal Code as uniformly applied to new residential development.

The following parking ratios are required:

SM1 (detached SFDs) – 2 garage parking spaces per dwelling;

SM2 (townhomes) – 2.25 parking spaces per dwelling; 2 parking stalls in a garage with fractional stalls aggregated and provided via surface parking; and

SM3 (apartments) - Studio/1 Bedroom: 1 parking stall per unit; 2/3 Bedroom: 1.5 parking stalls per unit; 4 Bedroom: 2 parking stalls per unit. Parking to be provided in parking structures.

## Objective Design Standards

Bay West, as requested by the Department, prepared objective design standards, including site design criteria (e.g., minimum lot size, setbacks, etc.), building height and massing requirements, and architectural styles (e.g., Contemporary, Craftsman, etc.), based on accommodating 1,000 to 1,300 dwelling units at the Property. Key standards are summarized below. The full text and graphics of the draft objective design standards are provided in Exhibit A1 of attachment No. 3.

### *Section 1 - District and Development Standards*

Section 1 assigns specific standards (e.g., minimum lot size, setbacks, building height, etc.) and requirements addressing the dwelling types proposed therein. The following maximum height limits are requested by Bay West:

SM1 (SFDs) – 30 ft. maximum; up to 30% of homes in this district can be up to 40-feet in height subject to additional limitations.

SM2 (Townhomes) – 40 ft. maximum;

SM3 (Apartments) – 65 ft. maximum. *For reference, the existing office buildings at the Property are approximately 68-feet in height measure from ground level to the top of the mechanical penthouses on the roof.*

### *Section 2 - Open Space & Landscape*

Section 2 details the overall open space, common outdoor amenities, and pedestrian circulation features intended to serve the entire development. This includes five different types (in nine distinct areas) of open space/green space/common areas to be located throughout the overall project area. Each type of open space has minimum design standards including overall size, width, length, public pathways, and a menu of amenities (i.e., – green space, hardscape, playground, etc.) that can be located in a given district.

### *Section 3 – Circulation*

Section 3 identifies street cross-sections, including vehicle travel lanes, on-street parking and bike lanes, sidewalks, landscaping planters, and utilities, representing the road typologies planned for use within the MP/PDP area. East Campus Drive (identified as the “Loop Road”) is intended to be retained as the primary circulation route through the Property; this road defines the boundary of development proposed within the Property. The balance of the proposed street sections would be available for construction within a given development based on the volume of vehicles that will be served by the roadway and emergency access needs.

### *Section 4 - Architectural Standards*

Section 4 provides architecture options for the different dwelling types proposed at the Property. For the single-family (District SM1) and townhome (District SM2) typologies, the standards offer seven potential architectural styles: Craftsman Bungalow, Prairie, Spanish Colonial, Tuscan, Traditional Farmhouse, Modern Farmhouse, and Contemporary. For the multi-family apartment typology (District SM3), the standards provide three architectural styles: Transitional Craftsman, Modern Farmhouse, and Contemporary

### *Inclusionary Affordable Housing*

The draft MP/PDP includes provisions addressing inclusionary affordable housing. The Department initially proposed applying select provisions of the City’s current inclusionary housing ordinance (Novato Municipal Code Division 19.24) requiring 20% of the total dwelling units in

each development district to be reserved for lower income households (e.g., very low, low, and moderate income categories). However, Bay West requested the Department and Planning Commission consider a custom blending of affordable housing percentages - 15% of the dwelling units in development districts SM1 and SM2 and 23% of the dwellings in district SM3. Bay West's percentages are based on its perspectives regarding the marketability of the development districts and future financing opportunities.

Bay West's requested affordable housing percentages would yield 209 affordable housing units based on the low-end of dwelling unit allocations in each development district and 264 affordable housing units based on the higher end of allocations. These yields represent an affordable housing contribution of 20.9% based on a total of 1,000 primary dwelling units and 20.3% based on a total of 1,300 primary dwelling units.

Staff and the Planning Commission support Bay West's affordable housing allocations since the percentages result in a total affordable housing reservation consistent with that of the City's inclusionary housing ordinance, but will provide slightly more rental affordable dwelling units in the low and very low income categories due to the larger percentage of affordable dwellings being allocated to district SM3. As a result, the Planning Commission deferred to staff and Bay West to collaborate on refinement of the affordable housing provisions in the MP/PDP for consideration by the City Council.

Staff and Bay West had further discussions about affordable housing requirements. As a result, staff has revised the draft MP/PDP to specify a 15% affordable housing reservation in districts SM1 and SM2 and a 23% reservation in district SM3. For reference, affordable rental dwellings will be divided equally for households of very low and low income; for-sale affordable dwellings will be divided equally for households of low and moderate income.

The balance of the inclusionary housing provisions in the MP/PDP address income categories, rental and sales price calculations, rounding and in-lieu fees for fractional affordable dwellings, location, building permit timing, affordable unit standards (mix, size, and number of bedrooms), and affordable housing plan and agreement requirements. The majority of these provisions are adapted from or cross-referenced to the City's inclusionary affordable housing ordinance.

The City Council will note the draft affordable housing provisions require for-sale affordable residences in districts SM1 (detached single-family district) and SM2 (townhome district) to be dispersed throughout a given neighborhood. However, affordable housing units in district SM3 (apartments) can either be mixed with market rate dwellings in multiple apartment buildings or provided in a single apartment building(s) fully reserved for affordable housing. The option to provide a fully affordable apartment building(s) offers a broader range of financing opportunities based on Bay West's experience, such as partnering with a non-profit housing developer (e.g., Eden Housing, EAH Housing, BRIDGE Housing, etc.).

#### *Junior Accessory Dwelling Units*

The draft MP/PDP requires 25% of the detached single-family residences developed in district SM1 to include a junior accessory dwelling unit ("JADU"), representing 40 to 60 JADUs based on a range of 160 to 240 detached single-family residences. These units are envisioned to increase the variety of housing types at the Property and serve a broader range of income levels. JADUs can be counted toward meeting Novato's RHNA in the low and very low income categories, but cannot be accepted to meet inclusionary affordable housing requirements as JADUs are not equivalent in size or amenities to market rate single-family dwellings.

#### *California Environmental Quality Act (CEQA) – Addendum*

Redevelopment of the Property with up to 1,300 dwelling units was considered in an addendum ("Addendum") to the Certified EIR for General Plan 2035. The Addendum analyzes the potential environmental implications of modifying the land use designation and intensity of development

applicable to the Property based on the setting, available information, impact findings, and mitigation measures addressed in the Certified EIR for General Plan 2035.

The Addendum confirmed that redevelopment of the Property with up to 1,300 dwellings will not result in new significant environmental effects or substantially increase the severity of previously identified impacts in Certified EIR on the basis there is no new information of substantial importance showing such development will have new significant effects nor increase the severity of known significant effects. Similarly, the Addendum confirmed all previously adopted mitigation measures remain feasible and new or substantially different mitigation measures are not necessary to reduce or avoid the potentially significant and significant and unavoidable impacts described in the Certified EIR.

The Addendum is provided as attachment No. 8.

The draft resolution adopting the Addendum and making the required CEQA findings is provided as attachment No. 1.

### *Planning Commission Recommendation*

The Planning Commission considered the general plan amendments, draft MP/PDP, and Addendum at its meeting on December 11, 2023. The Planning Commission recommended the City Council accept the Addendum and adopt the amendments and MP/PDP. Resolutions memorializing the Planning Commission's recommendations are provided as attachments Nos. 4, 5, and 6.

The staff report to the Planning Commission can be accessed at: <https://bit.ly/3vDjpiX>

The minutes of the Planning Commission's meeting have yet to be transcribed and adopted. However, a video of the Planning Commission meeting can be accessed at: <https://bit.ly/3U498GH>

### *Design Review Commission Recommendation*

Bay West's residential redevelopment plan was presented to the Design Review Commission ("DRC") on September 15, 2021. Thereafter, the DRC considered Bay West's objective design standards at a workshop on January 18, 2023, and a public hearing on May 17, 2023. The purpose of the DRC's review was to provide a recommendation to the Planning Commission and City Council regarding the objective design standards from the perspective of whether the standards would result in future development compatible with the characteristics of the Property and surrounding development.

The DRC recommended the Planning Commission and City Council approve the objective design standards for the Property with minor modifications. The DRC recognized the standards for presenting a logical arrangement of residential development, acceptable building mass/scale, and satisfactory architecture. Overall, the DRC considers the portion of the Property to be assigned the High Density Multiple Family Residential (R20) land use designation to be physically suitable for residential redevelopment as directed by the objective design standards.

Bay West revised the design standards based on the DRC's comments and received Planning Commission support for a subsequent modification related to the maximum length of townhome building in district SM3. The complete set of standards are incorporated into the MP/PDP.

The City Council may reference the following documents regarding the DRC's review of the objective design standards.

DRC Staff Report – May 17, 2023 - <https://bit.ly/47VuCZW>

The draft meeting minutes of May 17, 2023, are provided as attachment no. 7.

### *Findings & Recommendation*

The Addendum and amendments to General Plan 2035 and the proposed MP/PDP have been reviewed against all applicable CEQA findings and those of the Zoning Ordinance, respectively. The Addendum meets the applicable CEQA findings. The general plan amendments and MP/PDP meet all applicable findings of the Zoning Ordinance, including consistency with relevant policies and programs of General Plan 2035. Based on this circumstance, staff recommends the City Council adopt the attached resolutions accepting the Addendum and making the required CEQA findings and amending the land use map and text of Novato General Plan 2035, as well as introduce an ordinance adopting the MP/PDP.

### **FISCAL IMPACT**

Bay West has covered the costs of staff and consultant time dedicated to reviewing the objective development standards for the Property. The balance of staff time devoted to preparing and presenting the draft general plan amendments and MP/PDP have been covered by the Department's general budget. The cost of the Addendum was covered by Department's budget allocated to implementing the rezoning program of the City's 6<sup>th</sup> Cycle Housing Element.

### **STRATEGIC PLAN ALIGNMENT**

Residential redevelopment of the Property does not precisely align with the work plan items specified in the Strategic Plan. However, residential redevelopment of the Property will include a variety of affordable housing options, including affordable detached single-family dwellings, townhomes, apartments, and junior accessory dwelling units. This outcome is generally aligned with Strategic Plan work plan item No.1 – “Explore zoning solutions to encourage tiny homes and other affordable housing options.”

### **PUBLIC OUTREACH**

Public notices describing the City Council's public hearing on the Addendum, Amendments, and MP/PDP were sent to all affected property owners within 600 feet of the boundaries of the Property, all public agencies potentially serving future residential development or having some oversight of residential construction at the Property, all responsible and trustee agencies, the Marin County Clerk, and all persons requesting notice pursuant to Novato Municipal Code Section 19.58.020, posted on the City's website, and published in the Marin Independent Journal, a newspaper of general circulation, on January 12, 2024.

Additionally, this item was noticed per standard City of Novato City Council agenda noticing procedures including posting the agenda 72 hours in advance on the City Community Service Board at 922 Machin Ave, posting on the City's website at [novato.org/councilagendas](http://novato.org/councilagendas) and sending an email notification to all e-notification subscribers.

### **RECOMMENDATION**

Adopt the draft resolutions and introduce the draft ordinance.

### **ALTERNATIVES**

1. Adopt the resolutions and introduce the ordinance as recommended by staff;
2. Adopt the resolutions and introduce the ordinance with revisions;
3. Do not adopt the resolutions or introduce the ordinance; or
4. Continue the public hearing and provide direction to staff.

## **ATTACHMENTS**

1. Draft CEQA Addendum Resolution
2. Draft General Plan Amendment Resolution
3. Draft Master Plan/Precise Development Plan Ordinance
4. Planning Commission – CEQA Addendum Resolution
5. Planning Commission – General Plan Amendment Resolution
6. Planning Commission – Master Plan/Precise Development Plan Resolution
7. Design Review Commission – Draft Meeting Minutes – May 17, 2023
8. CEQA Addendum
9. Correspondence