



Affordable Housing Requirements for All Residential Development (valued over \$100K)

Effective: October 9, 2017

The City of Mill Valley continues to strive toward the Community's General Plan goal, originally established in 1989, to "encourage the continued diversity of housing, income levels and lifestyles in the community". In the 1970's and 80's the City brokered many deals, creating affordable housing projects based on vacant land opportunities; in 1990-2000 the City created a very progressive Accessory Dwelling Unit ordinance exempting square footage to diversify and encourage more affordable housing stock within its large and predominately zoned single-family areas. Now, building upon work of previous Housing Element guidance and City Council direction, the City has launched an impact fee that is assessed at 1% on the Construction Valuation for those projects valued at \$100,000 or more.

Development Projects Subject to the Ordinance

- ALL new construction and newly constructed residential buildings with a construction valuation of \$100,000 or more. This includes all single-family and multi-family projects such as renovations, additions, new and replacement buildings (excluding accessory dwelling units)
- The impact fee is assessed at 1% of the construction valuation of a project (over \$100,000).
- Construction valuation is determined by the Building Official, and is cumulative based on a construction within a 24-month period at one location.
- Those projects receiving a building permit PRIOR to November 1, 2018 are exempt from the fee. (*Note: a building permit must be granted, not just the application for a building permit.*)
- Multi-family projects with 4+ units must build affordable units rather than paying fees.

Requirements *See back side of this handout*

Why is my development project subject to the Fee?

Increasingly, persons on fixed incomes are unable to locate housing at prices they can afford in Mill Valley. While Mill Valley is mainly a built-out community, the high cost of new construction does not, to any appreciable extent, provide housing that is considered affordable to low-moderate income households¹. Similarly, large renovation projects that tear down and replace residences with new construction also tend to displace current residents by replacing smaller, older and more affordable units with larger, more expensive housing.

How will funds be used?

An Affordable Housing Fund has been established to receive and disburse Impact Fee revenues to address the needs of affordable households in the City. The purpose of the Trust Fund is to maintain, acquire, convert and build new affordable housing units in Mill Valley, and is maintained as a separate account. The City intends to collect the fees for the first year (through the end of 2019), during which time administrative guidelines will be established to identify the priorities, use and selection process for the distribution and use of Trust Fund monies.

For More Information

Please contact Danielle Staude, Senior Planner for additional information at (415) 388-4033, or via e-mail at dstaude@cityofmillvalley.org.

¹ By way of example, a household size of 4 making up to \$105,350 is considered low-income; a family of 4 making up to \$138,350 is considered moderate income. (Source: Marin Housing Authority, 2017 data).

Summary of Affordable Housing Requirements

Type of Project	Description	Requirement
Accessory Dwelling Units (ADUs) or Second Units	New, legalized or remodeled ADUs	Exempt
Micro Units	New, legalized or remodeled Micro Units	
Residential Development less than \$100,000*	Single Family and Multi-Family Residential development Projects less than the Construction Valuation Threshold	
Single Family Residential Development \$100,000 or More*	Residential Development Projects with a Construction Valuation equal to or exceeding \$100,000 including the following types of improvements: <ul style="list-style-type: none"> • Renovations • Additions • Replacement Unit /Tear Down • New Unit 	Impact Fee 1% of Construction Valuation (based on a construction within a 24-month period) Note: Those projects receiving a building permit PRIOR to November 1, 2018 is exempt from the fee. (A building permit must be granted, not just the application for a building permit).
Multi-Family Ownership Units	Multi-Family and Mixed Use Ownership Projects with a Construction Valuation equal to or exceeding \$100,000, including Renovations, Additions and Projects with up to three (3) New or Replacement Units.*	Impact Fee 1% of Construction Valuation (based on a construction within a 24-month period) Note: Those projects receiving a building permit PRIOR to November 1, 2018 is exempt from the fee. (A building permit must be granted, not just the application for a building permit).
	Multi-Family and Mixed Use Ownership Projects constructing four (4) or more New or Replacement Units.	Construction of Affordable Unit(s) 25% of the total number of proposed Units shall be sold to Moderate and Low Income Households. Fractional numbers of Affordable Units are rounded up to the nearest whole integer and treated as a whole Unit. At least 50% of Affordable Units shall be sold to Low Income Households.**
Multi-Family Rental Units	Multi-Family and Mixed Use Rental Projects with a Construction Valuation equal to or exceeding the Construction Valuation of \$100,000 , including Renovations, Additions, Replacement Units or New Units.*	Impact Fee 1% of Construction Valuation Construction of Affordable Unit(s) As an alternative, the Project may propose the construction of Affordable Units as summarized above and stipulated in 20.80.060.**

* The \$100,000 Construction Valuation Threshold shall be adjusted on an annual calendar year to reflect market conditions, based on the California Construction Cost Index, in accordance with Section 20.80.070.

** Other Affordable Housing incentives available in this ordinance for those qualifying multi-family or mixed use projects building affordable housing units, based on the ratio and level of affordable housing provided as part of a Project.