

ORDINANCE NO. 1365

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILL VALLEY TO REPEAL ORDINANCE NO. 24-1348 AND AMEND TITLE 20 “ZONING”, SECTION 20.12.020 TO REAFFIRM THE REZONE OF THE PROPOSED 1.60-ACRE HOUSING SITE LOCATED ON THE NORTHERN PORTION OF 1 HAMILTON DRIVE (APN 030-250-01), FROM “OPEN AREA” (O-A) ZONING DISTRICT TO “RESIDENTIAL MULTI-FAMILY-BAYFRONT” (RM-B) ZONING DISTRICT AND UPDATE THE ZONING MAP ACCORDINGLY

THE CITY COUNCIL OF THE CITY OF MILL VALLEY HEREBY FINDS AS FOLLOWS:

SECTION 1. On November 11, 2022, City Council directed city staff, in partnership with EAH Housing, to prepare a development review application to rezone and build approximately 45 affordable housing units on the northern portion of the city-owned property known as “1 Hamilton Drive”, assessor’s parcel number 030-250-01 (“Project”).

SECTION 2. The Original Project Site (“Original Project”) that was the scope and boundary of the Original Design Review and Tree Removal Permit Applications comprised 3.67 acres and included the Original Housing Site and the adjacent Public Safety Building (PSB) site. The Original Project Site, located on the east side of Hamilton Drive, is part of a larger 13.3-acre City-owned parcel (APN 030-250-01). The Original Project included the establishment of a new ground lease covering an approximately 1.75-acre area of the northeastern portion of the City-owned parcel, referred to herein as the “Housing Site” or “housing development site.” This site would be rezoned from O-A (Open Area) to RM-B (Multi-family Residential Bayfront), allowing for the development of affordable multi-family rental housing on the site. The Original Project included the development of up to 50 affordable rental housing units, approximately 63 residential parking spaces, and private outdoor spaces on the Housing Site. The Original Project also included the replacement of the existing 38 public parking spaces, one electric vehicle (EV) charging station with two ports, and restroom facilities currently located on the Housing Site to the adjacent PSB parking lot, referred to herein as the “PSB Site.” The relocation of these facilities would be accomplished by reconfiguring the adjacent PSB parking lot to provide secured private parking and storage for public safety employees, up to approximately 50 public parking spaces, public restrooms, and the EV charging station; and

SECTION 3. The Original Project required rezoning of the Housing Site to permit development of affordable multi-family housing, approval of the design review and tree removal permit application, and certification of an environmental impact report (“EIR”) for the Original Project. In addition to these development application items, the development of affordable housing on the Housing Site required the approval of a ground lease/disposition and development agreement with EAH Housing (“EAH”) to construct and manage the Original Project; and

SECTION 4. On May 23, 2023, July 11, 2023 and November 28, 2023, the Planning Commission held public hearings to solicit public comments and provide direction to the applicant and staff regarding the rezoning, design review, tree removal and environmental review for the Project.

SECTION 5. On May 15, 2024, City Council adopted amendments to the Mill Valley General Plan Land Use Map and Element, reflecting potential changes to land use based on those housing programs established as part of the adoption of the 2023-2031 Housing Element, which identified the northern portion of 1 Hamilton as a potential housing site.

SECTION 6. The amendment to the Mill Valley General Plan Land Use Element and Map included the reclassification of the land use for the Housing Site from “Community Facility” (CF) to “Multi-Family Residential-2” (MFR-2) with a maximum density of 29 units per acre.

SECTION 7. On November 28, 2023, the Planning Commission held a public hearing to hear comments on the Draft EIR for the Original Project and consider the development application items for the Original Project. At this meeting, the Planning Commission adopted Resolution Nos. PC23-06, PC23-07, and PC23-08 recommending that the City Council certify the EIR for the Original Project, approve rezoning the northern portion of 1 Hamilton Drive (Housing Site) from Open Area (O-A) zoning district to Residential Multi-Family Bayfront (RM-B) zoning district, and approve the design review and tree removal permit applications for the Original Project, respectively; and

SECTION 8. On February 5, 2024, the City Council introduced Ordinance No. 24-1348 rezoning the Housing Site from Open Area (O-A) to Residential Multi-Family Bayfront (RM-B), and adopted Resolution No. 24-06 certifying the Final Environmental Impact Report for the Original Project and adopting the Mitigation Monitoring and Reporting Program, Resolution No. 24-07 authorizing the City Manager to finalize the lease disposition, development and loan agreement (DDA), ground lease and city loan documents with EAH Inc to allow development of affordable housing on the Housing Site and proposed modifications to the PSB parking lot, and Resolution No. 24-08 approving the design review and tree removal permit applications for the Original Project. The City Council adopted Ordinance No. 24-1348 at the regular meeting of the City Council on February 22, 2024; and

SECTION 9. The City’s certification of the Final Environmental Impact Report and approval of the Project was challenged under the California Environmental Quality Act. The lawsuit is still pending.

SECTION 10. On June 30, 2025, the Governor signed into law Assembly Bill (AB) 130 and Senate Bill (SB) 131, effective immediately, which, among other things, created a new CEQA exemption for certain housing development projects and rezonings that implement the schedule of actions contained within an approved housing element.

SECTION 11. With one minor revision to exclude approximately 0.15 acres in the northeastern most corner of the parcel from the Housing Site, the Project is eligible to be exempt

from CEQA pursuant to the new CEQA exemption in Public Resources Code Section 21080.66. The City desires to revise and reapprove the Project with this revision (“Revised Project”) pursuant to Public Resources Code Section 21080.66 and reaffirm the rezoning of the Revised Project site.

SECTION 12. The Revised Project Site that is the scope of this Design Review and Tree Removal Permit comprises 3.52 acres and includes the Housing Site, modified to remove approximately 0.15 acres from the northern top triangle, including the removal of a seasonal wetland at the northwestern most corner of the parcel (“Revised Housing Site”), and the adjacent PSB site (collectively, the “Revised Project Site”). The Revised Housing Site covers the approximately 1.60-acre area of the northeastern portion of the City-owned parcel. The Revised Housing Site would be rezoned from O-A (Open Area) to RM-B (Multi-family Residential Bayfront), allowing for the development of affordable multi-family rental housing on the site. The design of the Revised Project is otherwise identical to the Project in all respects. The Revised Project involves the development of up to 50 affordable rental housing units, approximately 63 residential parking spaces, and private outdoor spaces on the Revised Housing Site as well as the replacement of the existing 38 public parking spaces, one electric vehicle (EV) charging station with two ports, and restroom facilities currently located on the Revised Housing Site to the adjacent PSB Site. The relocation of these facilities would be accomplished by reconfiguring the adjacent PSB parking lot to provide secured private parking and storage for public safety employees, up to approximately 50 public parking spaces, public restrooms, and the EV charging station; and,

SECTION 13. On November 26, 2025, the City sent notices to properties within 1,000 feet and published a public notice in the Marin Independent Journal on November 26, 2025 notifying the public about the Revised Project and rezoning of the Revised Project Site and the date, time and location of December 17, 2025 Planning Commission hearing; and

SECTION 14. On December 17, 2025, Planning Commission held a duly noticed public hearing to consider Resolutions PC25-06 and PC25-07 recommending that the City Council reaffirm the rezoning of the Revised Project Site from Open-Area to Residential Multi-Family Bayfront and reapprove the design review and tree removal permits for the Revised Project, respectively. The Planning Commission voted 5-0 to recommend City Council approve the Revised Project and associated tree removal permit, find the Revised Project exempt from CEQA, and reaffirm the rezoning of the Revised Project site.

SECTION 15. On December 24, 2025, the City sent notices to properties within 1,000 feet and published a public notice in the Marin Independent Journal on December 26, 2025 notifying the public about the Revised Project and rezoning of the Revised Project Site and the date, time and location of the January 12, 2026 City Council hearing; and

SECTION 16. On January 12, 2026, at a duly noticed special meeting of the City Council, the City Council introduced this Ordinance for first reading; and

SECTION 17. The City Council finds that the Revised Project is consistent with the City of Mill Valley’s General Plan, including the Multi-Family Residential-2 (MFR-2) land use

designation and allowable density for the Revised Housing Site, based upon the analysis in the Planning Commission recommendations provided on December 17, 2025 as part of Resolution PC25-07, the proposed application materials, and the Findings for Approval set forth as Exhibit A in the staff report associated with this Ordinance and hereby incorporated by reference.

SECTION 18. Based on the foregoing, the City Council hereby makes the following findings:

1. The Revised Project is exempt from the California Environmental Quality Act pursuant to Public Resources Code Section 21080.66.
2. The Revised Project is consistent with the requirements of the Multi-Family Residential – Bayfront (RM-B) zone except as modified by concessions and waivers from RM-B zoning standards, as allowed by State Density Bonus Law.
3. The Revised Project, as approved, consists of 44 affordable housing units and one (1) manager unit for a total of 45 units, which is consistent with the allowable density range of up to 29 units/acre for the MFR-2 General Plan land use category.
4. The Revised Project is consistent with the General Plan objectives, including implementing the Mill Valley General Plan Goal (#2) to “encourage the continued diversity of housing, income levels and lifestyles within the community” and the 2023-2031 Housing Element Program 10 and sites inventory, which identifies the proposed multi-family affordable rental housing project (the Revised Project) at 1 Hamilton Drive.
5. The Revised Project is consistent with the City’s interest in providing new affordable housing units to meet the current and future housing needs of the community with very low, low, and affordable workplace incomes, including households with special needs, and to increase the supply of affordable housing in Mill Valley because of its positive impact on diversity, equity and inclusion, allowing families with more diverse economic backgrounds to join Mill Valley schools and contribute to the community.
6. The Revised Project maintains access to at least 38 public parking spaces and public restroom facilities adjacent to Hauke Park.

FURTHERMORE, THE CITY COUNCIL OF THE CITY OF MILL VALLEY HEREBY ORDAINS AS FOLLOWS:

SECTION 19. **Amendment to Mill Valley Municipal Code Section 20.12.020.** The City of Mill Valley hereby reaffirms and adopts the modification of the Zoning Map of the City of Mill Valley as follows:

Rezone of the approximate 1.60-acre Revised Housing Site from “Open Area” (O-A) Zoning District to “Multi-Family Bayfront” (RM-B) Zoning District, as set forth in Exhibit A of the staff report associated with this Ordinance and is hereby incorporated by reference, and

update the City of Mill Valley Zoning Map, as referenced in Mill Valley Municipal Code Section 20.12.020, to reflect such changes.

SECTION 20. CEQA. This Ordinance was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. The City of Mill Valley City Council finds that this Ordinance is exempt from CEQA pursuant to Public Resources Code Section 21080.40 because this Ordinance rezones the Revised Housing Site specifically and exclusively to allow for the construction of an affordable housing project, as that term is defined by Section 21080.40. Pursuant to this exemption, the City Council hereby finds and determines that the Revised Project Site can be adequately served by existing utilities or extensions and satisfies the environmental requirements specified in Government Code Section 65913.4(a)(6)(B) through (K), inclusive. A Phase I Environmental Assessment was completed for the Original Project, which comprised a larger project site than the Revised Project, in February 2022. The Phase I Environmental Assessment found no recognized environmental conditions. In addition, the City Council finds and determines that the housing proposed on the Revised Project Site is not located within 500 feet of a freeway or within 3,200 feet of a facility that actively extracts or refines oil or natural gas and the Revised Project Site is not within a very high fire hazard severity zone. In addition, the City has included as a binding condition of approval for the Revised Project that the Revised Project shall be subject to a recorded California Tax Credit Allocation Committee regulatory agreement, as set forth in Exhibit C of the City Council Resolution to approve the Design Review and Tree Removal permit applications, attached to the January 12 City Council Staff Report.

SECTION 21. Repeal Ordinance No. 24-1348. The City Council hereby repeals Ordinance No. 24-1348, effective on the Effective Date of this Ordinance.

SECTION 22. Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, the remainder of this Ordinance shall be and remain in full force and effect.

SECTION 23. Effective Date and Certification of Publication. This Ordinance shall be effective 30 days following its adoption by the City Council. A summary of this Ordinance shall, within fifteen (15) days after passage, be published in accordance with Section 36933 of the Government Code of the State of California with the names of the City Councilmembers voting for and against it.

INTRODUCED at a regular meeting of the City Council of the City of Mill Valley on the **12th day of January 2026** and

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Mill Valley on this **20th day of January 2026**, by the following vote:

AYES: Councilmember: Burke, Jones, Carmel, Joachim, Perrey

NOES: None.

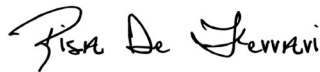
ABSENT: None.

ABSTAIN: None.



Max Perrey, Mayor

ATTEST:

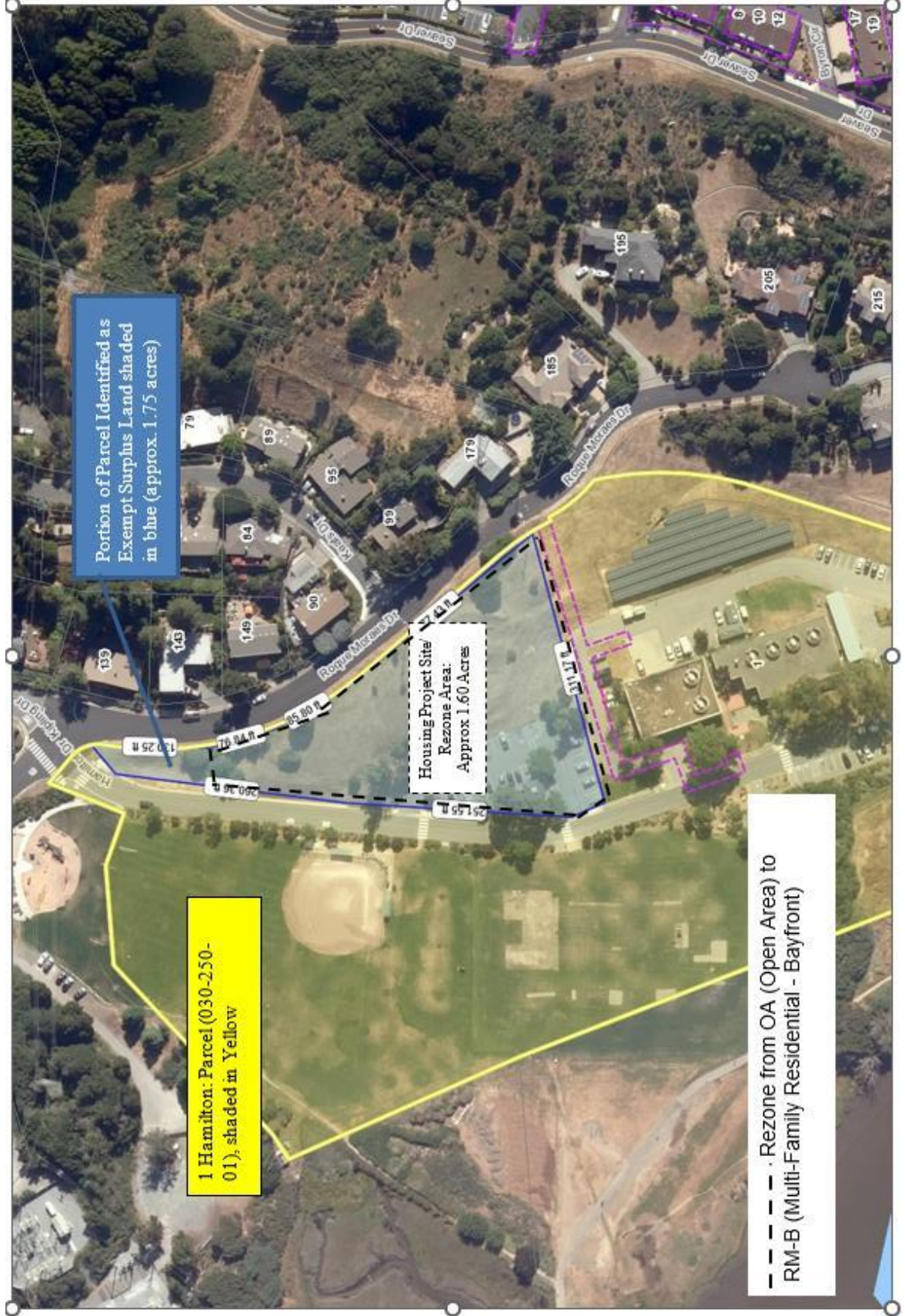


Risa De Ferrari, City Clerk

ATTACHMENTS:

RESOLUTION EXHIBIT A: PROPOSED AREA FOR REZONING (REVISED PROJECT BOUNDARY AND HOUSING SITE)

EXHIBIT A to CITY COUNCIL ORDINANCE (REZONING)
1 Hamilton Drive (APN 030-250-01)
Proposed Area for Rezoning (Approximate Footprint)



1 Hamilton: Parcel (030-250-01), shaded in Yellow

Portion of Parcel Identified as Exempt Surplus Land shaded in blue (approx. 1.75 acres)

Housing Project Site/ Rezone Area: Approx 1.60 Acres

--- Rezone from OA (Open Area) to RM-B (Multi-Family Residential - Bayfront)