

## 8 IMPLEMENTATION



This Station Area Plan includes a broad array of goals and recommendations to realize the vision of a walkable, livable, and accessible transit-supportive neighborhood. These recommendations provide general guidance to the City’s decision-makers and input to other City policy documents such as the General Plan. They also identify studies and actions that should be undertaken following completion of this Plan. This chapter outlines the implementing actions for the priority recommendations of the Station Area Plan, discussed in the following sections:

- Next Steps
- Regulatory Actions
- Implementation Action Plan
- Funding Strategy

### NEXT STEPS

Following is a discussion of actions that should be undertaken to implement the recommendations of this Plan. These next steps include recommended planning and design studies and necessary regional agency or municipality coordination. A variety of physical improvements to implement over the lifetime of the Plan are identified. In several cases additional studies are needed to clarify the specific improvements needed or to supplement studies already completed.

Multiple agencies have an interest in the success and functionality of the area around the SMART station. Virtually every issue that affects the area will require the cooperation among the City and other agencies to identify and implement solutions. In all cases, ongoing community involvement and input is a necessary requisite of future planning and design work.

### ADDITIONAL PLANNING STUDIES AND AGENCY COORDINATION

#### Transportation Management Association, Transportation Demand Management Program and Trip Cap

In order to monitor and manage development and associated vehicular trips within the station area, the City will work with TAM and other agencies as appropriate to design and implement a Transportation Management Association (TMA). As described in the Access, Circulation and Parking chapter, the TMA can be funded through voluntary fees, tax revenues, and/or grant funding, and would provide information, tools and management services to property owners, residents, and businesses within the station area. By enhancing and implementing the City's Transportation Demand Management program, the TMA would arrange for tools such as transit discounts, shared parking, and bicycle parking.

The Vehicle Trip Cap program would require the TMA to measure and monitor trips from the area and ensure consistency with trip limitations established for the station area and their impact on Sir Francis Drake Boulevard.

No new development and/or expansion of existing uses or structures would be permitted in the station area until the TMA and Trip Cap are in place.

### SMART Station Location

From the inception of the Station Area Plan process, questions were raised by the community about the planned location of the Larkspur SMART station in the SMART right-of-way adjacent to Highway 101, north of Sir Francis Drake Boulevard. Many CAC members as well as members of the public expressed a desire to colocate the SMART station with the Larkspur Ferry Terminal, to allow for more direct and convenient mode transfer. Community members expressed concern that the distance between the planned SMART station and the ferry terminal as well as the busy roads between them, would present disincentives to transit use, diminishing the potential benefits to these systems.

The Plan recommends that the transit agencies give serious consideration of an extension of the SMART rail line from its currently planned terminus to a new terminus near the Larkspur Ferry Terminal. Recognizing that this will require significant additional study and community input, the City would cooperate with SMART and other relevant agencies in this endeavor. The study would need to consider such factors as the change in grade between the two locations, the possibilities for extending the tracks above Sir Francis Drake Boulevard, and patterns of property ownership along any future alignment.

### Alternative Pedestrian Connections from the SMART station to the Ferry Terminal

Improved pedestrian and bicycle connectivity within the station area is a primary goal of this Plan. In particular, safe and convenient connections between the SMART station and ferry terminal will be critical to achieving the goals of this Plan and key to the overall success of the SMART corridor. As described in previous chapters, the Transportation Authority of Marin (TAM) and the City of Larkspur studied a route through the Marin Country Mart property that would connect pedestrians and cyclists coming from the Cal Park Hill Tunnel pathway and SMART station to the ferry terminal via the pedestrian bridge over Sir Francis Drake Boulevard. This Plan recommends implementation of this route.

In addition to this route, alternative, more direct routes connecting the tunnel pathway and station to the ferry terminal via the intersection of Lark-

spur Landing Circle and Sir Francis Drake Boulevard should be explored. The proposed routes (discussed in Chapter 5) would require additional study to determine their safety and feasibility.

#### **Mini Parks Master Plan Update**

During the planning process, members of the community and the CAC identified a number of potential public open space and park improvements that could enhance quality of life in the station area and provide additional open space for the Larkspur community at large. New public plaza spaces were envisioned at the water's edge on the ferry terminal property and along the north side of Sir Francis Drake Boulevard at the Marin Country Mart. Needed improvements were identified at Remillard and Miwok Parks as well.

To ensure these improvements are realized, the City of Larkspur should conduct outreach and public involvement in order to update the Mini Parks Master Plan to include these parks projects. Construction of the new parks would require the involvement and cooperation of the Marin Country Mart and the GGBHTD and could be completed as part of larger development projects or independent of long-term development. Consideration of funding options, including a public open space provision fee, will be included in the master plan update.

#### **Impact Fee Updates**

The City of Larkspur implements a variety of impact fees, such as traffic impact fees, road impact fees, and park in-lieu and improvement fees. These are used to offset the potential impacts of new and existing development on City amenities and resources. The City should conduct studies and update relevant fee programs as needed to coordinate with and capitalize on any future development in the station area.

#### **Parking Management Plan**

There are significant opportunities to optimize parking utilization through shared parking among complementary land uses. In conjunction with local property owners, SMART, and the GGBHTD, the City should undertake a study to develop a parking management plan for the station area east of US 101.

#### **Regional Traffic Monitoring**

This Plan recognizes that Sir Francis Drake Boulevard experiences very high volumes of traffic and congestion at AM and PM peak periods. The majority of traffic that affects the circulation network within and near the station area at peak travel times is primarily regional in nature and not generated by land uses in the immediate area. The City should encourage GGBHTD, Caltrans, the County, the City of San Rafael, and others to consider network and transit improvements in and around the station area to manage and, if possible, improve overall regional circulation outside of the City's jurisdiction.

#### **Larkspur Ferry Terminal Improvements**

Continuing coordination and cooperation between the City of Larkspur and the GGBHTD is an essential Plan action. This coordination is needed in two areas: the potential development of the ferry terminal site with transit-supportive land uses, and the management and location of parking for ferry patrons to reduce congestion in the station area.

The ferry terminal parking lot is an important long-term development opportunity site. This Plan recommends consideration of development of residential uses as well as structured ferry patron parking on the site. The Plan encourages the District to study the feasibility of mixed use development on the site, recognizing that ferry operations must continue to be optimized.

Parking at the ferry terminal is a major source of traffic congestion in the station area at peak morning and evening commute hours. Potential measures to reduce ferry terminal parking demand include the additional of SMART service to the ferry terminal and feeder shuttle services. These measures could also be coordinated with parking pricing and demand management strategies to provide incentives and funding to support these measures. The ferry terminal is currently testing a pilot shuttle and parking pricing program. These strategies should be coordinated with those proposed in this Plan.

### **Marin Airporter**

The community strongly supports maintaining the Marin Airporter at the existing site to ensure continuity of this important transit service to San Francisco Int'l. Airport. The City should work with the GGBHTD and Marin Airporter to support the service's retention. The City should also support Marin Airporter's possible expansion of service to Oakland Int'l. Airport.

### **Bicycle and Pedestrian Master Plan and Bicycle Share Programs**

The City should work with TAM and its consultants to update the City's Bicycle and Pedestrian Master Plan to accommodate the proposed circulation improvements in this Plan. The City should also work with TAM, MTC and local employers to determine if a bicycle share program could be implemented at the ferry terminal, SMART station, and Larkspur Landing, to create a local bicycle share system. The MTC opened the Bay Area Bike Share program in August 2013 in San Francisco and at select Caltrain stations in San Mateo and Santa Clara Counties. This program could serve as an example for an expanded countywide bike share program.

### **Sea Level Rise**

Future sea level rise has the potential to have significant detrimental effect on portions of the station area including the Redwood Highway area, Drake's Landing along Corte Madera Creek, and the ferry terminal site. The City of Larkspur should continue to work with the Bay Area Joint Policy Committee of ABAG and other regional agencies to address regional adaptation and mitigation strategies for sea level rise. The City of Larkspur should also coordinate with the Town of Corte Madera and the County of Marin to study the potential for adaptive measures along the railroad right-of-way in Larkspur and Corte Madera.

### **Greenbrae Corridor**

The outcome of the Greenbrae Corridor Improvement Project will have direct implications for vehicular circulation as well as pedestrian and bicycle connectivity in the station area. As the project develops, the City of Larkspur should conduct ongoing coordination with TAM, Caltrans, and the Town of Corte Madera to ensure safe, multi-modal access in the Greenbrae Corridor.

## **REGULATORY ACTIONS**

### **GENERAL PLAN AMENDMENTS**

The Larkspur SMART Station Area Plan should be incorporated into the Larkspur General Plan in the form of a Local Area Plan in order for the Plan's recommendations to be realized. Policy recommendations identified in this Plan and pertaining to the station area should be considered for reference or incorporation into all relevant General Plan elements. These policy recommendations are included at the end of the Land Use; Access, Circulation and Parking; Urban Design Guidelines; and Public Facilities and Services chapters of this Plan.

### **HOUSING ELEMENT**

Investment in station areas often leads to increases in local property values, which in turn indicates the need for strategies to preserve and enhance existing affordable housing and businesses serving lower-income residents as well as to produce new affordable housing as part of new development projects. An Affordable Housing and Anti-Displacement Strategy was prepared for this Plan and highlights the need for a concerted program to ensure that as station area investments are made and property values rise, these actions will create further affordable housing needs.

Most of the recommended actions in the Anti-Displacement Strategy and this Plan should be incorporated into the City's upcoming Housing Element Update. In accordance with State requirements, the City will be updating its Housing Element in 2014 to accommodate the 2014-2022 planning cycle. A summary of recommended actions to implement the Affordable Housing and Anti-Displacement Strategy through the upcoming Housing Element is included later in this chapter.

### **ZONING AMENDMENTS**

Following the update of the General Plan, the City Zoning Ordinance should be amended as appropriate to recognize the recommendations of this Plan. These zoning-related recommendations are included in the policy recommendations at the end of the Land Use chapter of this Plan.

### Planned Development Districts

The key development opportunity sites identified in this Plan are located within the Planned Development (PD) zoning district. The PD district allows a mixture of uses, building intensities, and design characteristics that would not normally be permitted in any single-use zoning district of the City. Generally, PD districts are applied to tracts of land “subject to potential development and where coordination of such development is essential to achieve unique and innovative community design.” (LMC 18.55.010)

Continuation of the PD zoning will allow appropriate scrutiny and control of any development proposals in the station area. The PD development review process requires the following steps:

- Developer submits preliminary development plan showing the proposed land uses and densities
- Planning Commission reviews and recommends approval to City Council
- Preliminary development plan approved by ordinance by City Council
- Developer submits precise development plan showing the design and location of all buildings, parking, recreation or open space, landscaping, and multi-modal circulation
- Planning Commission reviews for conformance with preliminary development plan and recommends approval to City Council
- Precise development plan approved by ordinance by City Council

Project approvals in the PD district would be guided by the new General Plan land use designations—Mixed-use and Administrative and Professional Two—that apply to the station area opportunity sites.

### IMPLEMENTATION ACTION PLAN

Implementation of this Plan will require a variety of public infrastructure projects, planning efforts and programs. The following Implementation Action Plan (Table 8.1) lists the specific actions that need to be taken by the City of Larkspur, in coordination with developers or local property owners and partner agencies, to fully implement the vision outlined in this Plan. The Action Plan summarizes each action by type of project or program and provides a priority time frame (tier), primary responsibilities and partners, approximate costs, and potential funding sources. It should be noted that phasing and cost estimates are based on current costs, funding sources and logistics. The Implementation Action Plan will be used by the City throughout the life of this Plan, and as such should be periodically reviewed and updated by the City to reflect conditions as they change over time. Priority tiers in Table 8.1 defined as follows:

#### TIER ONE: SHORT-TERM (0-5 YEARS)

This tier encompasses capital improvement projects that address critical threats to pedestrian safety in the station area or that need to be initiated early in order to achieve the fundamental goals of the Station Area Plan.

#### TIER TWO: MEDIUM (5-10 YEARS)

Improvement projects that are important as part of an interconnected pedestrian or bicycle network and generally enhance safety and accessibility are included in this tier as are improvements to existing parks in the station area.

#### TIER THREE: LONG-TERM (10-20 YEARS)

This tier includes significant capital improvement projects that are primarily designed to enhance open space in the study area and contribute to a more attractive and diverse public realm (these have been assigned to this tier with the assumption that development on the relevant sites is unlikely to occur sooner; if development does move forward prior to this time frame, the priority of these improvements should be advanced). All recommended planning studies and programs are either required as part of the General Plan update, should be implemented prior to new development, or are otherwise dependent on action by the City and thus are not assigned priority tiers.

**Table 8.1: Implementation Action Plan**

Infrastructure Items	Est. Cost Tier One/1-5 Yrs	Est. Cost Tier Two/5-10 Yrs or with Site Development	Est. Cost Tier Three/10+ Yrs or with Site Development	Total All Actions	Responsible Agency	Funding Source
<b>CROSSWALK IMPROVEMENTS</b>						
Larkspur Landing Circle & Old Quarry Road S.	\$53,000			\$53,000	Public Works	Grants, CIP (a)
Larkspur Landing Circle & Lincoln Village Circle N.	\$53,000			\$53,000	Public Works	Grants, CIP (a)
Larkspur Landing Circle & Lincoln Village Circle S.	\$30,000			\$30,000	Public Works	Grants, CIP (a)
Larkspur Landing Circle & Sanitary District No. 1 Site	\$110,000			\$110,000	Property Owner	Property Owner (b)
Larkspur Landing Circle & Cinema Site	\$30,000			\$30,000	Public Works	Grants, CIP (a)
<b>Crosswalk Improvements Subtotal</b>	<b>\$276,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$276,000</b>		
<b>NEW SIDEWALK IMPROVEMENTS</b>						
Cinema Frontage off Larkspur Landing Circle (LLC)	\$49,500			\$49,500	Public Works	Grants, CIP, Assessment District (a)
LLC (south frontage): Fidelity Building to Marin Country Mart (MCM) Entry		\$100,500		\$100,500	Public Works	Grants, CIP, Assessment District (a)
LLC (south frontage): Weight Watchers Building to Larkspur Offices East Entry		\$84,000		\$84,000	Public Works	Grants, CIP, Assessment District (a)
LLC (south frontage): Larkspur Offices East Entry to Old Quarry Road S. and into MCM		\$87,000		\$87,000	Public Works	Grants, CIP, Assessment District (a)
LLC (south frontage) Old Quarry Road S. to Lincoln Village Circle N. and into MCM		\$150,000		\$150,000	Public Works	Grants, CIP, Assessment District (a)
LLC (south frontage) Lincoln Village Circle N. to Lincoln Village Circle S.		\$130,500		\$130,500	Public Works	Grants, CIP, Assessment District (a)
LLC (east frontage) Lincoln Village Circle S. to Sanitary District No. 1 Site		\$58,500		\$58,500	Public Works	Grants, CIP, Assessment District (a)
LLC (southeast frontage) Sanitary District No. 1 to Larkspur Offices		\$51,000		\$51,000	Public Works	Grants, CIP, Assessment District (a)
LLC (northwest frontage) MCM South Entry to Sir Francis Drake Blvd.	\$81,000			\$81,000	Public Works	Grants, CIP, Assessment District (a)
Sir Francis Drake Blvd. (north frontage) east of the Melting Pot to Existing Sidewalk		\$100,000		\$100,000	Public Works	Grants, CIP, Assessment District (a)
<b>New Sidewalk Improvements Subtotal</b>	<b>\$130,500</b>	<b>\$761,500</b>	<b>\$0</b>	<b>\$892,000</b>		
<b>PUBLIC PARK AND TRAIL IMPROVEMENTS</b>						
Miwok Park		\$478,700		\$478,700	Public Works/ Recreation	General Fund & Park Fees (c)
Remillard Park		\$165,400		\$165,400	Public Works/ Recreation	General Fund & Park Fees (c)
Marin County Mart Promenade			\$11,100,000	\$11,100,000	Public Wks/Prop. Owner	Grants,CIP/Park Fees, Property Owner (c)
Ferry Terminal Plaza			\$10,200,000	\$10,200,000	Public Wks/Prop. Owner	Grants,CIP/Park Fees, Property Owner (c)
Upgrades to Existing Path: Ferry Terminal to Remillard Park		\$387,100		\$387,100	Public Works	Grants,CIP/Park Fees, Property Owner (c)
<b>Public Park and Trail Improvements Subtotal</b>	<b>\$0</b>	<b>\$1,031,200</b>	<b>\$21,300,000</b>	<b>\$22,331,200</b>		
<b>TOTAL ALL INFRASTRUCTURE</b>	<b>\$406,500</b>	<b>\$1,792,700</b>	<b>\$21,300,000</b>	<b>\$23,499,200</b>		

**Notes:**

- a) Requires further analysis to determine portion that can be funded from existing traffic impact fee, and portion that is attributable to new residents/businesses that will require revision to traffic impact fee.
- b) Requires further refinement to prepare financing strategy and phasing with property owner
- c) Requires further analysis to determine portion of upgrades attributable to prior nexus study for in-lieu fee and portion attributable to new residents/businesses, which may require revision to in-lieu fee or other mechanisms

Programs and Plans	Estimated Cost <sup>1</sup>	Responsible Agency	Funding Source
Create TMA and Vehicle Trip Cap Regulations	TBD	Public Works/ Planning Dept.	General Fund
Amend City TDM Program	TBD	Planning Dept.	General Fund
Prepare Parking Management Plan	TBD	Planning Dept.	General Fund
Update Inclusionary Policy and Conduct In-Lieu Fee Nexus Study	\$50,000	Planning Dept.	General Fund
Conduct Commercial Linkage Fee Study	\$25,000	Planning Dept.	General Fund
Conduct Impact Fee Study	TBD	Public Works/ Planning Dept.	General Fund
Support Bicycle and Pedestrian Master Plan Update	TBD	Public Works/ Planning Dept.	General Fund
Study Alternative Pedestrian Connections - SMART station to Ferry	TBD	Public Works	General Fund
Update General Plan, including Housing Element	TBD	Planning Dept. - 2014	General Fund
Update Larkspur Zoning Ordinance	TBD	Planning Dept.	General Fund
Update Larkspur Mini-Parks Master Plan	TBD	Recreation Department- 2014	General Fund
<b>TOTAL ALL PROGRAMS AND PLANS</b>	<b>TBD<sup>2</sup></b>		

1) All recommended planning studies and programs are either required as part of the General Plan update, should be implemented prior to new development, or are otherwise dependent on action by the City and thus are not assigned priority tiers.

2) Programs/plans with "TBD" cost will need to be assigned an estimate at a future date. Providing accurate cost estimates at this time is difficult due to uncertain timelines.

## FUNDING STRATEGY

### OVERVIEW

The City of Larkspur's recently adopted its FY 2013-2014 budget shows roughly \$24 million of expenditures for this current year for both operations and capital improvement projects. While the City receives some revenue from federal, state, and regional sources, its primary revenues are derived from local property taxes, sales and use taxes, hotel taxes, and business license fees. It is important to note that for new development projects, the City also collects planning fees, plan check fees, and other fees for services; these generally cover the costs of processing plan submittals, building permits, and other services related to new development projects.

The FY 2013-2014 adopted budget also includes a detailed four-year Capital Improvement Program (CIP), with a total planned expenditure of \$8.8 million in this fiscal year (included in above total budget expenditure), and additional funding already in place for the next three fiscal years to fund approximately \$19 million of additional, much-needed capital improvements. The CIP also shows numerous unfunded capital improvement projects across the four-year period. It is important to note that in addition to substantial funding from federal, state, and regional sources, the CIP also is funded by smaller amounts contributed by the General Fund, as well as from collection of impact fees from new development. These impact fees from new development are collected by the City in the form of both a park fee and a traffic fee program. Both of these are considered restricted funds, due to state law, and must be used to fund improvements needed to support the new development. Thus, as shown in the Implementation Action Plan table (Table 8.1), many of the improvements will fall into these two categories, and could be partially supported by impact fees charged to the new projects envisioned in the Plan.

However, in small cities such as Larkspur, major new capital improvements typically need additional outside sources of funding, beyond feasible local impact fees and other contributions from local revenues. These typically come from two major sources: local assessment districts which directly assess the properties that will benefit from the improvements, and a myriad

of regional, state, and federal grants. Both types of funding mechanisms are profiled below in more detail.

It is important to note that a key regional grant applicable to the Station Area Plan is the recently initiated One Bay Area Grant (OBAG). These funds, allocated by the Metropolitan Transportation Commission (MTC), have been created to support streetscape improvements, affordable housing, and infill infrastructure, with some of the funds targeted to only Priority Development Areas (PDAs). While the Larkspur station area is not designated as a PDA, applying for and receiving this designation would enhance Larkspur's eligibility to compete for these grants. Many of the recommended Tier 1 and Tier 2 projects would be particularly well-suited for this grant program.

### PHASED APPROACH TO FUNDING STRATEGY

As shown on the Implementation Action Plan, the capital improvements envisioned in this Plan are grouped according to criteria that include cost, feasibility, and importance to ensuring safety and improved circulation and needed facilities. The most expensive capital improvements, for public facilities related primarily to anticipated construction of the SMART station and development of the ferry terminal site, are generally envisioned as Tier 3 actions in years 10+ after Plan adoption. These longer-term major improvements would include participation by the two respective property owners, and would be coordinated with their plans for site development.

It should be noted that this overall strategy has been calibrated to the timing of creating or enhancing funding mechanisms, allowing for early basic circulation improvements, then enhancements to parks and open space, and finally implementing the infrastructure necessary to support Plan buildout.

#### Funding for Tier 1 Actions (Year 1 to 5)

The total cost of improvements in this Tier is estimated at \$406,500, including \$110,000 anticipated to be funded by property owners directly benefiting from these improvements. Deducting the private funding, there will be a remaining balance of \$296,500, or \$59,300 per year. These improvements, for critical early crosswalk and sidewalk improvements, are relatively modest

expenditures that could be funded primarily by Larkspur's Capital Improvement Program, and should be integrated into the next CIP, if adopted.

In addition, as shown in the Appendix, there are numerous regional, state, and federal grants available for this type of modest improvement. In particular, the One Bay Area Grant (OBAG) may help augment Larkspur expenditures for Tier 1 actions.

#### **Funding for Tier 2 Actions (Year 6 to 10)**

Tier 2 actions include the majority of the sidewalk improvements totaling \$761,500, existing park improvements totaling just over \$644,000, and a trail improvement costing about \$387,000. Depending on available CIP funds and the applicability of Larkspur's two impact fees (parks and traffic), some portion of these improvements could also be funded locally. It is recommended that the City re-evaluate its two fee programs to identify if the new development envisioned by this Plan can be leveraged to fund these improvements, in part, through these mechanisms. Again, there are also a host of regional, state, and federal funds available for these types of projects.

In addition, this Tier 2 stage may require creating an assessment district (a general term for mechanisms which assess property owners in a defined area to pay for improvements which directly benefit their properties) for the station area. There are many different types of assessment districts, each with its own legal framework, voting procedures, and restricted purposes (see Appendix for examples). Consideration of this approach will depend in part on evaluating the ownership structure of key parcels, the timing of anticipated new development, and the costs to create the district, which will also likely apply to funding portions of Tier 3 improvements.

#### **Funding for Tier 3 Actions (Years 11+)**

This Tier includes approximately \$22 million in recommended capital improvements, including \$21.3 million for two key open space projects: the Marin Country Mart Promenade and the Ferry Terminal Plaza. Each of these signature projects will require consideration of a combination of funding

mechanisms, including grants, assessment districts, and/or direct property owner contributions.

### **FUNDING FOR AFFORDABLE HOUSING AND ANTI-DISPLACEMENT STRATEGIES**

The Station Area Plan process included the preparation of an Affordable Housing and Anti-Displacement Strategy to address affordable housing needs resulting from implementation of this Plan. In summary, the Affordable Housing and Anti-Displacement Strategy identified that gap financing needs resulting from implementing the Plan could range from \$42 million to over \$50 million during the buildout of the Station Area Plan (\$1.5 million or more on average per year). While most of these actions should also be included in the 2014 Housing Element update, they are included here to underscore the relationship between the Plan's buildout vision and the need to strengthen programs serving lower-income households.

#### **Housing Element Update**

Actions that should be included in the next Housing Element update include monitoring the status of the three mobile home parks, which may require eventual replacement to preserve this vital affordable housing resource, both due to need as well as rising sea levels. The Housing Element Update process will provide an opportunity to engage with property owners and residents to explore options for replacing the housing with new affordable development at comparable AMI levels, either at existing sites or elsewhere in Larkspur.

#### **Update Inclusionary Housing Ordinance and Conduct Nexus Study for In-Lieu Fee**

Recent court cases have resulted in the need for cities in California with inclusionary ordinances to prepare a nexus study that clearly shows the relationship between the fee and the increased need for affordable housing resulting from market rate housing to which the fee is applied. This Implementation Action would bring the City's Inclusionary Housing program into compliance and may result in a different in-lieu fee, depending on the find-

ings of the nexus study process. In-lieu fees generate revenue for the City to invest in affordable housing by providing gap funds on these difficult-to-finance projects. It will be important to set this revised in-lieu fee to ensure sufficient funding to produce needed new affordable units.

### **Conduct Study for Commercial Linkage Fee**

Some cities in California with strong demand for commercial development have created a commercial linkage fee ordinance and program. This concept offsets the impacts of new commercial development and its resulting impact on affordable housing need, which often rises due to increased workforce in the new development that cannot afford to live in the same community. This implementation action recommends conducting a study to analyze the feasibility of creating this linkage fee, including the preparation of the required nexus study if this fee program were adopted. The exact formula for determining a commercial linkage fee for new commercial development in Larkspur must be based on a rigorous nexus study that clearly shows the relationship between the new commercial development and increased demand for workforce housing and community facilities.