General Plan 4-Year Review
Task Force Meeting #3

January 30, 2020
Agenda

1. Welcome & Agenda Overview
2. Task Force Recommendation on Urban Village Horizons
3. Signature Project Policy & Changes to Policy IP-5.12
   - Staff presentation
   - Task Force discussion & public comment
   - Task force vote
4. Residential Uses in Neighborhood Business Districts
   - Staff presentation
   - Task Force discussion & public comment
   - Task force vote
Agenda Item 2
Task Force Recommendation on Urban Village Horizons
Envision 2040 General Plan 4-Year Review
Staff Recommendation: Urban Village Horizons

• No wholesale move to Horizon 2
• Shift Five Wounds BART and S. 24th St./William Ct. to Horizon 1
If Horizons Were Eliminated

• Path for housing **does not change**
  • Still need urban village plan to build housing
  • Three exceptions:
    1. Sites with residential General Plan designations
    2. Signature Projects (not intended to be common-place)
    3. 100% affordable housing projects

• Don’t need to open a new growth horizon
• Residential Pool Policy not applicable
Potential Elimination of Horizons

• Horizons used to prioritize preparation of Urban Village Plans
• Modify Policy IP-2.10 to prioritize future urban village planning efforts
  • “Prioritize the preparation of Urban Village plans to give priority for new residential growth to occur in areas proximate to Downtown, with access to existing and planned transit facilities, and adequate infrastructure to support intensification, and proximate to other Growth Areas to contribute to the City’s urban form. Growth Areas with high market demand shall also be prioritized to ensure that development follows the community’s vision for the future.”
Agenda Item 3a
Signature Project Policy & Changes to Policy IP-5.12
Envision 2040 General Plan 4-Year Review
Signature Project Policy

• Task Force voted to recommend staff’s recommendation with two amendments:
  1. Projects to provide commercial “fair share”
     • Originally: “above fair share”
  2. Interior site selection criteria of 1.5-acre and 100-foot frontage minimums
     • Originally: 3 acres and 150-foot frontage

• Task Force follow-up requests
  1. Impact of Interior Site Selection Recommendation Change
  2. Community Engagement Requirements
  3. On-site Affordable Housing Incentive
# Interior Parcel Size Analysis

<table>
<thead>
<tr>
<th></th>
<th>Corner Parcels</th>
<th>Interior Parcels</th>
<th>Total Parcels</th>
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</thead>
<tbody>
<tr>
<td><strong>Original Staff Recommendation</strong> (Interior Parcels: 3 acres with minimum 150-foot frontage)</td>
<td>337</td>
<td>18</td>
<td>355</td>
</tr>
<tr>
<td><strong>Task Force Motion</strong> (Interior Parcels: 1.5 acres with minimum 100-foot frontage)</td>
<td>337</td>
<td>41</td>
<td>378</td>
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Signature Project Community Engagement

- General Plan Goal CE-1: Active Community Engagement
- Policies under the Goal include:
  - Convenient access
  - Transparent process
  - Use multi-media
  - Diverse stakeholder group
  - Improve interactive participation process
Signature Project Community Engagement

• Council Policy 6-30: Public Outreach

• Audit recently completed – 3 of 8 recommendations underway:
  • Community meeting and hearing surveys (complete)
  • Neighborhood language map (tentatively online Feb. 2020)
  • Plain language for public notices (tentative completion June 2020)
Signature Project Community Engagement

• Every community is different, engagement should be customized
• Prescriptive requirements not effective in maximizing reach of community engagement
• Staff confirmed that State law requirements for objective standards only apply to development standards
Staff Recommendation: Community Engagement

“Create a tailored community engagement strategy to optimize broad and diverse stakeholder engagement in the community where the project is located to better collect feedback of the design and quality of the project. The community engagement strategy must adhere to and include the policies outlined under General Plan Goal CE-1 Active Community Engagement.”
Community Engagement: Childcare

- Liability issues and stringent requirements for official “childcare”
- Past projects provided “supervised activities for children”
  - Recreation Leader supervises activities during meeting
  - Service typically not used; many parents keep children with them
Signature Project Affordable Housing Incentive

• Propose affordable housing criteria that could reduce required commercial space
• Tie to City’s Inclusionary Housing Ordinance (IHO) for consistency
• Staff proposes 3 options
Inclusionary Housing Ordinance (IHO)

- Applies to new residential developments ≥ 20 units
- 15% of units on site must be affordable (AMI)
  - Compliance alternatives:
    - Must equal 20% of affordable housing on-site
    - In-lieu fee, dedication of land, surplus in-lieu credits, acquisition and rehab of units, etc.

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<tr>
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<th>Existing IHO</th>
<th>Proposed IHO</th>
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<tr>
<td>Affordable Housing</td>
<td>15%</td>
<td>15%</td>
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<tr>
<td>Requirement</td>
<td></td>
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<tr>
<td>Affordability Levels</td>
<td>9% at 80% AMI (Moderate)</td>
<td>5% at 100% AMI (Moderate)</td>
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<td></td>
<td>6% at 50% AMI (Very Low)</td>
<td>5% at 60% AMI (Low)</td>
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<td>5% at 50% AMI (Very Low)</td>
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Signature Project Affordable Housing Incentive Proposals

- Reduce required commercial by providing affordable units:
  - All affordable housing must be on-site
  - Must exceed the 15% IHO requirement
- No alternatives or combination of alternatives
- Housing and commercial components must be developed concurrently

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<tr>
<th>Percentage of On-Site Affordable Units</th>
<th>Percentage Reduction in Required Commercial Space</th>
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<tbody>
<tr>
<td>20%</td>
<td>15%</td>
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<td>50%</td>
<td>45%</td>
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Signature Project Affordable Housing Incentive Option 1

- 15% IHO on-site not required
  - Alternatives OK
- Can take advantage of commercial requirement reduction if:
  - IHO provided on-site
  - Exceed 15% IHO
Signature Project Affordable Housing Incentive Option 2

- 15% IHO on-site REQUIRED
  - Regardless of incentive
  - Only alternative accepted: Land donation @ 20%
- Can take advantage of commercial requirement reduction if:
  - Exceed 15% IHO
Signature Project Affordable Housing Incentive Option 3

• 15% IHO on-site not required
  • Alternatives OK
• If IHO not on-site, "above fair share" commercial is required
  • Based on Urban Village type
• If IHO provided on-site, only "fair share" commercial is required
• Can take advantage of commercial requirement reduction if:
  • IHO provided on-site
  • Exceed 15% IHO
# Signature Project Affordable Housing Incentive Proposals

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<tr>
<th></th>
<th>Option #1</th>
<th>Option #2</th>
<th>Option #3</th>
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<tbody>
<tr>
<td><strong>On-Site 15% IHO Requirement</strong></td>
<td>No</td>
<td>Yes</td>
<td>No, if providing above fair share of commercial</td>
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<tr>
<td><strong>IHO Alternatives Accepted</strong></td>
<td>Off-Site at 20%</td>
<td>In-Lieu Fee at 20%</td>
<td>Off-Site at 20%</td>
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<td>In-Lieu Fee at 20%</td>
<td>Dedication of Land at 20%</td>
<td>In-Lieu Fee at 20%</td>
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<td>Surplus In-Lieu Credits at 20%</td>
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<td>Acquisition and Rehab of Units at 20%</td>
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<td>HUD Restricted Units at 20%</td>
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<td>Combination of Methods at 20%</td>
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<td>Dedication of Land at 20%</td>
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<td><strong>Affordability Level to Redeem Commercial Reduction Incentives</strong></td>
<td>Less than 80% AMI</td>
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<td><strong>Commercial Reduction Incentives</strong></td>
<td>20% affordable housing : 15% reduction of commercial</td>
<td>25% affordable housing : 20% reduction of commercial</td>
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Additional Considerations on Affordable Housing
Incentives for Signature Projects

• Staff conducting further analysis
  1. Financial analysis to determine:
     • Implications and feasibility
     • If it incentivizes affordable housing
  2. Identify key employment opportunity sites for preservation
Signature Project Staff Recommendations

- Incentivize more on-site affordable housing by providing commercial requirement reduction (Task Force to vote on the 3 options provided)
- Signature projects tailor their community engagement strategies by project
GP 4-Year Scope of Work

1. Consider allowing mixed-income housing within mixed-use developments with a significant percentage of restricted affordable homes to proceed within an urban village ahead of a Growth Horizon. (Housing Crisis Workplan Item #19)

2. Explore changes to commercial space requirements for affordable housing developments. (Housing Crisis Workplan item #22)
Existing Policy IP-5.12

• 100% affordable deed restricted residential developments (for a period ≥ 55 years to low income residents earning ≤ 80% AMI), ahead of a Horizon or an Urban Village Plan if it:
  • Criterion #1: Is not more than 25% of the total residential capacity of the UV
  • Criterion #2: Is consistent with the UV Plan
  • Criterion #3: Substantially replaces the existing commercial square footage
  • Criterion #4: Is not located on identified key employment opportunity sites
  • Criterion #5: Would not pull from the residential Pool capacity
Proposed Changes: Policy IP-5.12

- Proposal for Signature Projects already address mixed-income housing ahead of a Plan and Horizon
- No changes to affordable units provided (100%) or affordability level (80% or less AMI)
- Why?
  - Disincentivize use of the Signature Project policy
  - Result in fewer affordable housing units at any level
  - Result in less commercial development
Recommendation: Policy IP-5.12

• 100% affordable housing developments to replace 50% of existing on-site commercial
  • Example: 397 Blossom Hill Road
  • Drastically less than commercial required for Signature Project and other market-rate mixed-use projects

• Remove criterion 1 and criterion 5 of the policy:
  • Criterion 1 limits the number of residential units
  • Criterion 5 refers to the Residential Pool Policy
Recommendation: Policy IP-5.12

“Residential projects that are 100% affordable deed restricted by a public entity for a period not less than 55 years to low income residents (earning 80% or less of the Area Median Income), can proceed within an Urban Village regardless of Growth Horizon or a Council Approved Plan, if the project meets the following criteria:

1. The development is consistent with the goals, policies, and land use designation of the Urban Village Plan for a given Village, if one has been approved by the City Council.

2. Development that demolishes and does not adaptively reuse existing commercial buildings shall replace at least 50% of the existing commercial square footage.

3. The project is not located on identified key employment opportunity sites, which are sites generally 2 acres or larger, located at major intersections and for which there is anticipated market demand for commercial uses within the next 10 to 15 years.”
Agenda Item 3b
Task Force Discussion & Public Comment
Envision 2040 General Plan 4-Year Review
Agenda Item 3c
Task Force Vote
Envision 2040 General Plan 4-Year Review