

Transmittal

Date: Friday, January 16, 2008

To: Chico General Plan Advisory Committee

From: Brendan Vieg, Principal Planner (City)
Pam Johns, Project Manager (PMC)

Subject: Distribution of Materials for January 28, 2009 GPAC Meeting

Greetings GPAC Members:

The topic for the January 28th GPAC meeting is Land Use and Housing Policies. As part of the General Plan process, the City and PMC are reviewing and evaluating the existing General Plan Guiding and Implementing Policies. Based on new state legislation, the visioning process, key issues input, research and analysis, sound planning principles, and the Council's Preferred Land Use Alternative, the Project Team has identified several key policy areas that need to be addressed as the policy document is drafted. Over the next several months, the Project Team will be taking select policy issues to the GPAC, Downtown Committee, stakeholder groups, and ultimately to the City's decision makers for input and direction. With the selection of the Preferred Land Use Alternative and now focus on the individual plan elements, getting meaningful and informative input from the GPAC becomes critical to the creation of a policy document that supports and advances the vision of the City and its residents.

Over the next four months, the Project Team will be bringing these significant policy issues to the GPAC for input and discussion. Policies have been organized by General Plan topic or element. The first of four monthly GPAC meetings starting in January addresses key policies associated with the land use and housing elements. Specifically, we're asking the GPAC for input on potential policies associated with inclusionary housing, mixed use, and infill development.

You will find below, a list of the various resource materials that have been provided to support your work to complete the "homework" questionnaire. We hope that you will be able to utilize the information provided to formulate your response to the questions provided and to allow you to come to the meeting on January 28th prepared and informed. These are all clearly complex issues.

Background Information

You have been provided a task assignment consisting of three primary policy questions (each with a subset of related questions) dealing with important land use and housing issues facing the City. Your task is to review all of the material and come prepared to discuss the information and share your thoughts.

Transmittal

Land Use and Housing Policy Support Materials

Question #1: Inclusionary Housing Support Material Provided:

- Summary of Chico Affordable Housing Need
- Inclusionary Housing overview
- Inclusionary Housing Program Summary (Davis/Woodland)
- City of Davis Inclusionary Housing Program Ordinance
- Article – Inclusionary Zoning: A Viable Solution to the Affordable Housing Crisis?
Inclusionary Zoning: Pros and Cons
- Analysis of 15 Jurisdictions' Inclusionary Housing Programs

Question #2: Mixed Use Support Material Provided:

- Mixed Use Overview and Sample Solutions
- Chico's Current Mixed Use Policies/Regulations
- Chico 2030 General Plan Mixed Use Designations and Descriptions
- Highlights from Mixed Use Development Seminar
- Mixed Use Project Case Study Summaries
- Attorney General's letter on Petaluma General Plan (mixed use and Green House Gases)

Question #3: Infill Development Support Material Provided:

- Excerpted pages from a Planning Department Memo dated March 26, 2006 to the City Council on Infill Development and Compatibility
- Summary of feedback provided by Council at the March 26, 2006 Workshop on Infill Development and Compatibility
- Example Definitions of the words "Infill", "Redevelopment", and "Compatibility"
- Narrative on Infill Development Incentives
- Example Neighborhood Compatibility Worksheet (City of Monterey)

Process and Next Steps

The GPAC Meeting on January 28th will be structured similar to the last 3 GPAC meetings with a 10 minute introduction, a 15 minute public comment period, a 2 hour GPAC discussion period, and a 5 minute closing comment period. This agenda assumes a two and half hour meeting from 6:30 to 9:00 pm. With majority support from the GPAC, the meeting can be extended up to an additional 30 minutes. As a reminder, you will need to review the materials and complete the written work assignment so that you can participate in planned exercises for the GPAC meeting. We'll also be asking that you turn in your written work assignments so that we capture all of your individual ideas.

The support materials that have been provided to assist in the completion of the committee's work assignment are intended to provide information and to help the committee members respond to and answer the work assignment questions. It is acknowledged that the materials may not provide a full explanation or definition of the question topic, however, it is hoped that the materials provided will provide adequate information to allow the committee members to understand the issue(s) and to respond

Transmittal

to the question. The Project Team will provide a brief context introduction to each policy topic to assist and advance the dialogue and will be available to answer questions, provide input and assist the committee members in their understanding of the issue or topic.

We look forward to seeing you all on January 28th. If you have any questions or concerns, please call Brendan Vieg at (530) 879-6806.

**CITY OF CHICO
GENERAL PLAN ADVISORY COMMITTEE
AGENDA**

REGULAR MEETING OF January 28, 2009
Municipal Center - 421 Main Street - Conference Room 1
6:30 p.m.

**Noel Carvalho
Thomas Murphy
Nancy Ostrom
James Owens
Jim Stevens
Scott Winter**

**Dave Kelley
David Kim
Tony Kilcollins
Kirk Monfort
Sara Adams
Michael Worley**

NOTE: Items Not Appearing on Posted Agenda - This agenda was posted on the Council Chamber bulletin board at least 72 hours in advance of this meeting. For each item not appearing on the posted agenda, upon which the Committee wishes to take action, it must make one of the following determinations:

1. Determine by a two-thirds vote, or by a unanimous vote if less than two-thirds of the Committee is present, that there is a need to take immediate action and that the need for action came to the attention of the City subsequent to the agenda being posted.
2. Determine that the item appears on a posted agenda for a meeting occurring not more than five calendar days prior to this meeting and the item was continued to this meeting.

Items may be added to the agenda for the committee to acknowledge receipt of correspondence or other information, or for discussion only, of items brought up by a member of the general public that are within the subject matter jurisdiction of the Committee.

AMERICANS WITH DISABILITIES ACT:

Please contact the City Planning Services Department at 879-6800 should you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation in order to participate in a meeting. In order to accommodate your request, it should be received at least three working days prior to the meeting. Anyone who has difficulty hearing the proceedings of a meeting may be provided with a portable listening device by requesting one from the City Planning Services Department.

Citizens and other interested persons are encouraged to participate in the public process and will be invited to address the Committee regarding items listed on the Public Hearing Agenda during the public comment period.

Persons wishing to address the Committee are requested to clearly state their names for the record before beginning to speak and to refrain from speaking at any time other than during the public hearing.

CITY OF CHICO
GENERAL PLAN ADVISORY COMMITTEE

REGULAR MEETING OF January 28, 2009

Municipal Center - 421 Main Street - Conference Room 1 - 6:30 p.m.

Part 1: Introduction (10 minutes)

Announcements
Meeting purpose and plan (result goal, process, tools)
Report on CC selection of a Preferred Land Use Alternative
GPAC meeting plan and discussion of how input is used

Part 2: Initial Public Comment (15 minutes)

Part 3: GPAC Discussion of Land Use and Housing Policies (2 hours)

Task Description:

The GPAC task is to provide individual input and discussion on three major land use and housing policy considerations for the Chico 2030 General Plan. Each of the discussions represent an opportunity to develop new policies or changes to existing City policies.

Result Goal:

To receive input from the members of the GPAC on issues associated with specific land use and housing policies being considered for the 2030 General Plan.

Process:

GPAC members were asked to review materials and prepare individual written work assignments regarding the questions posed to the committee in advance of the meeting. Specific questions for GPAC consideration and input are as follows:

1. **If the City chooses to establish a new policy for inclusionary housing, how should it be applied?** For example, should the policy/program be mandatory, optional, or incentivized? What is a reasonable percent of affordable housing that should be provided? Should it apply to all residential development types, including mixed use? What is the minimum size or number of units it should apply to? Could the requirement be met through in lieu fees, integration of homes into the development, provision of land, etc.?
2. The Preferred Land Use Plan includes five new mixed use designations in strategic locations throughout the City. Local governments have adopted a wide range of strategies to implement mixed use, including mandatory, incentivized, and voluntary market driven approaches, etc. **Which mixed use approach do you believe is most appropriate for the City of Chico? Are there any special policies that should apply to any one mixed use type or geographic area (e.g., minimum percentage of residential use in the Downtown Retail Mixed Use designation)?**
3. The Preferred Land Use Alternative selected for the City's 2030 General Plan is based on the idea that significant amounts of the City's projected future

growth will occur through infill projects, redevelopment projects, and new development at higher densities than current practice in Chico. Many jurisdictions like Chico are facing the same issues and are establishing mandates and incentives to achieve the desired result with a focus on infill and redevelopment opportunities. **What are the best ways for the City to achieve higher density housing on infill and redevelopment sites to meet our future housing needs? How do your proposed infill/redevelopment strategies address the current compatibility problem (real or perceived) with higher density/intensity infill projects locating adjacent to lower density/intensity neighborhoods and uses?**

The project team has planned one or more group exercises to facilitate individual sharing of ideas and group discussions about these land use and housing policy items.

Part 4: Closing Public Comment

(5 minutes)

BUSINESS FROM THE FLOOR

The Chair will invite persons in the audience wishing to address the Committee to identify themselves and any matter not appearing on the current posted agenda that they may wish to discuss. Although the Committee may discuss items brought forward at this time, no action can be taken. Should the Committee determine that action is required, the item or items may be included for action on a subsequent posted agenda.

ADJOURNMENT



GPAC Member Name: _____

Meeting Topic: Land Use and Housing Policy Discussion

Result Goal: To receive input from the members of the GPAC on issues associated with specific land use and housing policies being considered for the 2030 General Plan.

The GPAC task is to provide individual input and discussion on three major land use and housing policy considerations for the Chico 2030 General Plan. Each of the major policies represent policies that do not currently exist or changes to existing policies.

The information provided by the GPAC will be used to assist in the formulation of new policies and modifications to existing policies. For those policies we're seeking City Council direction for, a summary of GPAC input will be provided to the decision makers. GPAC members are invited and encouraged to attend the Joint City Council/Planning Commission Study Sessions on important General Plan policies.

Please review the workshop materials for background and context on these land use and housing topics and write your individual thoughts on the following question. Remember that the GPAC's purpose is to function as a philosophical 'think tank' from the perspective of a community-member, this is not a quantitative exercise. We're looking for your individual perspective.

Question #1: Inclusionary Housing Policy

1. **If the City chooses to establish a new policy for inclusionary housing, how should it be applied?** Please review the attached materials and provide your input on the following questions below. It is important to note that you are not being asked whether or not the City should establish a policy, but rather if the City Council does decide to establish such a policy, how should it be applied.

a. Should any inclusionary housing policy/program for Chico be mandatory, optional, or incentivized?



GPAC Member Name: _____

b. What is a reasonable percent of affordable housing that should be provided? For example, what percentage of new dwelling units should be affordable to moderate and lower income households?

c. Should any inclusionary housing policy/program in Chico apply to all residential development types, including mixed use?

d. What is the minimum size or number of units that an inclusionary requirement should apply to (e.g., minimum acreage or minimum number of total units)?

e. If established in Chico, do you think the program should allow the obligation to be met through in lieu fees, integration of homes into the development, provision of land, etc.?

GPAC Member Name: _____

Question #2: Mixed Use Policy

2. The Preferred Land Use Plan includes five new mixed use designations in strategic locations throughout the City. Local governments have adopted a wide range of strategies to implement mixed use, including mandatory, incentivized, and voluntary market driven approaches, etc. Please review the attached materials and provide your responses to the questions below.

a. Which mixed use approach do you believe is most appropriate for the City of Chico?

b. Are there any special policies that should apply to any one mixed use type or geographic area (e.g., minimum percentage of residential use in the Downtown Retail Mixed Use designation)?

Question #3: Infill Policy

3. The Preferred Land Use Alternative selected for the City's 2030 General Plan is based on the idea that significant amounts of the City's projected future growth will occur through infill projects, redevelopment projects, and new development at higher densities than current practice in Chico. Many jurisdictions like Chico are facing the same issues and are establishing mandates and incentives to achieve the desired result with a focus on infill and redevelopment opportunities. Please review the attached materials and provide your responses to the questions below.

a. What are the best ways for the City to achieve higher density housing on infill and redevelopment sites to meet our future housing needs?

**GPAC Written Work Assignment for:
January 28, 2009 Meeting**



GPAC Member Name: _____

b. How do your proposed infill/redevelopment strategies address the current compatibility problem (real or perceived) with higher density/intensity infill projects locating adjacent to lower density/intensity neighborhoods and uses?

Please bring your written responses to the GPAC meeting on January 28th. We'll be asking you to participate in one or more group exercises intended to solicit your individual thoughts and to encourage better dialogue of shared ideas. We will also be asking you to turn in your written notes to ensure that we're getting maximum results from your participation.

Feel free to use the back side of the sheets or to otherwise type or write your responses to these questions.

City of Chico
General Plan Update 2030
General Plan Advisory Committee Meeting – January 28, 2009

Supplemental / Support Information for:

Question #1. Inclusionary Housing

If the City is going to establish a new policy for inclusionary housing, how should it be applied? For example, should the new policy/program be mandatory, optional or incentivized? Should it apply to all residential development types, including mixed use? What is the minimum size or number of units it should apply to?

Support Materials Provided:

1. Summary of Chico Affordable Housing Need;
2. Inclusionary Housing Overview;
3. Inclusionary Housing Program Summary (Davis / Woodland);
4. City of Davis Inclusionary Housing Program Ordinance;
5. Article - Inclusionary Zoning: A Viable Solution to the Affordable Housing Crisis? Inclusionary Zoning: Pros and Cons.
6. Analysis of 15 Jurisdictions' Inclusionary Housing Programs

Summary on Housing Needs for GPAC Inclusionary Housing Discussion

James Coles, Housing Manager, City of Chico

Over the last 20 years, the City of Chico has experienced an affordable housing shortage that has remained relatively constant regardless of economic cycles. During strong economic times, the principle challenge to affordability has been sharp housing cost increases relative to incomes. During weak economic times, the principle challenge to affordability has been stagnant incomes and job loss. The affordable housing shortage has impacted both renters and potential home buyers.

According to the U.S. Census 2006 American FactFinder Report, about one-third of renter households (an estimated 5,969) pay over half of their income in rent. This group most likely includes almost all of the estimated 1,694 Chico families that live below the national poverty level. The poverty level is the minimum amount of income necessary to obtain the necessities of life. For example, the 2006 poverty level for a family of four was \$19,350 (U.S. Census, 2006 American FactFinder). In an effort to address these needs, the City of Chico has provided funding to develop an average of 57 low-income affordable units per year over the last eight years. A typical low-income affordable rent for a family of four earning \$32,700 would be \$818. Overall, the City has funded the development of about 1,300 low-income affordable rental units in total, representing about 11% of the estimated total need as of 2006 (figured by dividing 1,300 low-income affordable rental units by the total number of renter households earning less than \$35,000 as estimated by the U.S. Census 2006 American FactFinder).

A decrease in the median home sales price over the past two years has improved affordability for potential homebuyers. The Housing Opportunity Index (HOI) is a measure of the percentage of homes on the market that are affordable to a median income household (published by the National Association of Homebuilders). After dropping to 24% in 3rd Quarter of 2006, the HOI for Chico rose to 45% in the 3rd Quarter of 2008. Still, the median price home is out of reach for the median income household. A median income family of four earning \$54,500 could afford a home priced at \$229,000, assuming payment of 35% of income for housing expenses, and a 6% interest rate. By comparison, the median priced home in Chico is about \$275,000, amounting to a difference of \$46,000.

Inclusionary Housing is a potential vehicle to address the gap between the supply and need for affordable housing. This strategy harnesses the private market to address this need at a fraction of the cost required for the City to directly fund housing construction. The City has spent about \$38,000 per unit of low-income affordable housing produced over the past eight years, and current costs are about \$75,000 per unit.

Inclusionary Housing

What is 'Inclusionary Housing'?

Inclusionary Housing (or inclusionary zoning) is defined as a program with mandatory requirements or voluntary goals to reserve a certain percentage of housing units for lower-income households in new residential developments. The affordable units are often expected to be dispersed throughout the development in an effort to include a mix of income levels within new residential areas.

In California, mandatory inclusionary requirements, when used, are usually incorporated in the general plan housing element or the zoning code, and obtaining building permits is made contingent on the developer's agreement to provide affordable housing. Jurisdictions often allow developers to pay fees in-lieu of providing the units on-site.

Inclusionary housing, while somewhat controversial, is increasingly being used as a tool for addressing the affordable housing shortage, especially in high-cost housing markets. According to a report entitled *Inclusionary Housing in California: 30 Years of Innovation*, as of March 2003, 107 California jurisdictions were known to use local inclusionary practices to provide affordable housing, outside of the requirements of redevelopment law. These include cities and counties that require affordable construction through an ordinance, general plan, or permit approval process. This list consists of 12 counties (21 percent of all counties) and 95 cities (20 percent of all cities). As the map below demonstrates, inclusionary housing is most prevalent in high-cost housing markets in the coastal counties. The most significant clusters are in the San Francisco Bay Area, metropolitan Sacramento and San Diego County. (Source: California Coalition for Rural Housing and Non-Profit Housing Association of Northern California, 2003.)

This observation also indicates that, by far, the majority of cities in California do not have full inclusionary housing programs. Cities without inclusionary housing programs do typically have various policies, zoning provisions and incentives that encourage and support affordable housing. For example, the California Government Code (Sections 65915-17, AKA, State density bonus law) requires local governments to make incentives available to residential developers that voluntarily propose to reserve specified portions of a proposed development for occupancy by low- or moderate-income households.

The figure below indicates cities and counties in California that had inclusionary housing programs as of March, 2003. (Source: California Coalition for Rural Housing and Non-Profit Housing Association of Northern California, Inclusionary Housing in California: 30 Years of Innovation, 2003.)



CITY OF CHICO RELATED CURRENT POLICY

The term “**inclusionary housing**” is not used in the current City of Chico General Plan or Housing Element. The current Housing Element includes several policies that encourage and/or support the voluntary provision of affordable housing in ways similar to what might be considered in an inclusionary program (e.g., provide incentives for providing affordable housing). Following are excerpts of some of these current policies:

H-G-9. Encourage development incentives that result in production of below-market rate housing.

H-G-14. In special situations, subsidize development fees for projects affordable to very low and low income households.

H-G-16. Continue to view density bonus provisions as a useful tool for creating below market rate housing.

H-I-8. Provide financial assistance to assist private developers and non-profit agencies to acquire rental housing that will be affordable to very low and low income households and maintain affordability for at least 55 years.

The Chico Municipal Code includes Chapter 19.62, Affordable Housing Incentives/Residential Density Bonuses. While this is not a full “inclusionary housing ordinance”, it is noted because it provides, in short, an incentive that when a developer enters into an agreement pursuant to Government Code Section 65915 to provide at least 25 percent of the total units of a housing development for low or moderate income households, as defined in the California Health and Safety Code, the developer shall be eligible for a housing density bonus or incentives if the housing development consists of five or more units.

ISSUES TO CONSIDER

In contemplating an inclusionary housing program, the most significant policy considerations are:

1. The inclusionary percentage-how much is required;
2. Income levels targeted;
3. Alternatives to construction on-site;
4. Developer incentives;
5. Length of affordability.

The following notes concerning these considerations are derived from the 2003 study and report entitled *Inclusionary Housing in California: 30 Years of Innovation*, which evaluated 107 inclusionary housing programs in California.

1. Inclusionary Percentage

There is considerable variation in terms of percentage of units required under these programs. The mean percentage of affordable housing required in both rental and for-sale housing developments is 13 percent, indicating little variation in requirements by form of tenure. Half of all programs require at least 15 percent, of which nearly one-quarter of programs require 20 percent or more. The most frequent inclusionary percentage is 10 percent (44 percent of jurisdictions).

2. Income-Targeting

Most programs require that inclusionary homes be targeted to one or more pre-determined income groups, rather than providing developers with discretion or choices about whom to serve. Rental units are targeted most frequently to low-income households (earning 51 to 80 percent of median income), while for-sale units are most frequently targeted to moderate-income households (81 to 120 percent of median income).

3. Alternatives to Construction On-site

Programs typically offer developers one or more alternatives to constructing affordable units within the market-rate project. The most common is paying fees in-lieu of construction, offered by 81 percent of reporting programs. However, the in-lieu fee option is automatic in only 45 percent of programs; for instance, payment of fees may be an option only if the developer can prove that construction of affordable units is infeasible. In two-thirds of programs, developers are permitted to construct affordable units off-site. Less commonly, land dedications are allowable. The mean in-lieu fee level among 57 programs reporting was surprisingly low at \$107,598 (2003 dollars) per affordable unit. Given that this fee level is lower than the actual subsidy amount needed to create an affordable unit in many jurisdictions in California, it seems likely in these cases that in-lieu fees are effectively undercutting the stated goals of governing policy or ordinance. This is not necessarily an argument for eliminating in-lieu fees, however, since they can provide jurisdictions with funds to build affordable housing serving people of even lower incomes, or to create supportive housing for people with special needs.

4. Developer Incentives

Density bonuses are by far the most popular incentive offered to developers to build affordable housing, reported by 91 percent of the programs. This is hardly surprising given that State Density Bonus law requires such a bonus. Nonetheless, many jurisdictions have adopted additional density bonus provisions to provide developers further incentives. Among other options, fast-track permit processing is an incentive in 44 percent of programs, followed by subsidies in 43 percent, and design flexibility in 40 percent. In addition, fee waivers (38 percent), fee reductions (32 percent) and fee deferrals (25 percent), were also reported.

5. Length of Affordability and Monitoring

Virtually all jurisdictions now report that they have formal mechanisms to maintain affordability over time. Restrictions range from periods of ten years to 'in perpetuity', with the mean term for rental housing being 42 years, and for homeownership housing being 34 years. Permanent affordability is reported in at least 20 percent of programs for both rental and for-sale. Monitoring remains an area of great concern. Many jurisdictions declined to answer survey questions related to monitoring and overall tracking of inclusionary production. Among those that responded, the responses were often incomplete, leading the researchers to believe that greater emphasis on monitoring and tracking is needed.

ADDITIONAL CONSIDERATIONS

In adopting or amending inclusionary housing strategies, cities and counties should consider the following points (some of which have mentioned above):

Involve Developers. Include both for-profit and non-profit developers in discussions about program design.

Examine the use of In-Lieu Fees. In-lieu fees offer an alternative when the actual construction of affordable units may not be feasible. In-lieu fees should not be completely optional for the developer if the desire is to scatter low- and moderate-income units throughout the community. The fee should be sufficient to facilitate the development of the required affordable units at another nearby location.

Establish Appropriate Fee Level. In-lieu fees, if too low, may not generate enough funding to construct housing units. Also, low in-lieu fees are a major disincentive to construct the affordable housing on-site.

Consider Land Donation. Land donation may be considered as a preferred alternative to in-lieu fees. The developer donates (or sells at a considerably reduced price) a portion of the development site to the locality or a non-profit housing developer. A non-profit developer then develops the donated land, using their expertise and resources for constructing and managing affordable housing.

Consider Increasing Densities. Increased densities and other land use changes to enhance residential development capacity may accompany inclusionary zoning. This will help offset the financial impact of inclusionary requirements to the developer.

Set Reasonable Requirements. Affordable housing requirements should be relatively modest (10-15 percent of the total number of units), if there are no development incentives such as density bonuses and fee waivers.

Vary Requirements by Area. Inclusionary requirements may vary by district. For example, infill housing in downtown areas may have a lower inclusionary requirement because infill housing is desired and/or significant affordable housing may already exist downtown.

Establish Design Guidelines. Ensure that inclusionary units are integrated within the development so as not to be distinguishable from the market-rate units.

Establish Criteria for Future Residents. Criteria need to be established to screen the applicants for the low-cost units because the demand from eligible buyers and renters is sure to exceed the supply.

Establish Resale Controls. Resale controls assure that the units remain affordable after the unit is sold or rented to new occupants. This requires on-going management and administration. Some cities and counties have contracted with local housing authorities to run this staff-intensive activity.

Caution . . .

Lastly, the Department of Housing and Community Development has expressed the need for caution in considering mandatory inclusionary programs. In correspondence dated December 13, 2007, from Lynn L. Jacobs, Director, Department of Housing and Community Development, to the Building Industry Association of Orange County, it is noted:

Many local governments adopt mandatory inclusionary programs as one component of a comprehensive affordable housing strategy and have demonstrated success in increasing the supply of housing affordable to low- and moderate-income households. However, some inclusionary programs may have the potential to negatively impact the overall development of housing. As a result, local governments must analyze mandatory inclusionary policies as potential governmental constraints on housing production when adopting or updating their housing elements, in the same way that other land-use regulations must be evaluated as potential constraints. For example, local governments must analyze whether inclusionary programs result in cost shifting where the cost of subsidizing the affordable units is underwritten by the purchasers of market-rate units in the form of higher prices. (Source: Correspondence dated December 13, 2007, Department of Housing and Community Development, posted on the HCD website. http://www.hcd.ca.gov/hpd/thalman_inc121307.pdf.)

INCLUSIONARY HOUSING PROGRAMS EXAMPLES

The following material includes a comparison of the Inclusionary Housing Programs managed by the City of Davis and the City of Winters. Also attached is a more thorough discussion of the Davis program.

Program:	Inclusionary Zoning
How it Works:	A policy that requires developers to set-aside a certain percentage of new homes as affordable to various income levels. Inclusionary Zoning can include alternatives to building the units, such as land dedication or payment of in-lieu fees. It can also offer incentives to developers, such as density bonuses, use permit variances, public subsidy, and impact fee deferrals or waivers.
Benefits:	<ul style="list-style-type: none"> • High Production— harnesses the private market to build affordable units • Economic Integration— results in mixed income communities
Housing Produced:	New construction rental and homebuyer, some special needs housing through partnerships with nonprofits.
Case Studies:	<p><i>City of Davis</i> Year Adopted— 1990 Inclusionary Requirement— 35% for very low income rental; 25% median income and 10%-20% middle income for ownership</p> <p>Minimum Units— 5 Alternatives— in-lieu fee for 15 units or fewer in downtown area or land dedication Incentives— density bonus; fee deferral; fee reduction; subsidies Uses— rental and ownership housing for low to moderate, and above moderate “workforce” households Production— 1,750 units</p> <p><i>City of Winters</i> Year Adopted— 1994 Inclusionary Requirement— 15% (6% for very low income, 9% for low to moderate income) applies to rental and ownership</p> <p>Minimum Units— 5 Alternatives— in-lieu fee, land dedication, off-site construction Incentives— density bonus; fee deferral; fee reduction; fee waiver; flexible design standards Uses— rental and ownership housing for low to moderate income households Production— 267 units</p>

City of Davis

full ordinance can be found at: www.ci.davis.ca.us/cmo/citycode, see Chapter 18.05

Applicable Developments	All residential development projects with 5 or more units.
Required Set-Aside	<p><i>For-Sale Projects:</i> At least 25% of all units must be affordable to very low-, low-, and moderate-income households:</p> <ul style="list-style-type: none"> • Must build 40% of the required inclusionary units on site (10% of total units); at least 50% of the on-site inclusionary units must be affordable to households earning up to 90% AMI • Must dedicate sufficient land to constitute 40% of the required inclusionary units (10% of total units) • Must reserve 20% of the required inclusionary units in the form of lots for self-help housing (5% of total units) <p><i>Rental Projects:</i> In projects with 20 or more units, at least 25% of all units must be affordable to low-income households and at least 10% to very low-income households. In projects with fewer than 20 units, at least 15% of units must be affordable to low-income households and at least 10% to very low-income households.</p> <ul style="list-style-type: none"> • All units must be built on-site <p>OR</p> <p>May develop a “project individualized program” for single- or multi-family projects which generates the same or more than the number of required inclusionary units. Program must be developed jointly by the developer and City staff and approved by the Planning Commission at a public hearing.</p>
Phasing	Inclusionary units must be developed concurrently with market-rate units, unless a land dedication has been approved to satisfy the project’s affordable housing requirements.
Unit Location and Design	<p><i>For-Sale Units:</i> Must provide 2- and 3-bedroom inclusionary units in a mix approved by the City.</p> <p><i>Rental Units:</i> Inclusionary units must include a mix of unit sizes dispersed throughout the entire development.</p>
Term of Affordability	<p><i>For-Sale Units:</i> Initial occupancy only.</p> <p><i>Rental Units:</i> In perpetuity.</p>
Affordability Enforcement	<p><i>For-Sale Units:</i> Deed Restriction.</p> <p><i>Rental Units:</i> Deed Restriction.</p>
Alternatives to On-Site Construction	Dedicate Existing Units. At the discretion of the Planning Commission, may dedicate existing units on a one-for-one basis for the required number of inclusionary units.
	Land Dedication. May dedicate land sufficient to meet the total required affordable units. Land must be improved, zoned-multi-family, and located within the project.
	In Lieu Fee. At the discretion of the Planning Commission, projects of 30 units or fewer may pay an in-lieu fee. The City will likely only accept in-lieu fees in much smaller projects, or in extreme instances when other alternatives are not feasible.
	Transfer of Credit. In projects where more than the required numbers of inclusionary units are built, a recipient may be designated for the excess units. Allowed at the discretion of the Planning Commission and only for projects that are also eligible to pay in lieu fees.

City of Davis

Incentives	Density Bonus. One-for-one density bonus for inclusionary units built on-site or through alternative methods.
	Flexible Development Standards. May be allowed changes in requirements such as setbacks, lot coverage, parking, etc. Allowances are determined on a project-by-project basis.
Responsibility for Filling and Monitoring Units	<p><i>For-Sale Units:</i> Developer required to screen potential buyers in a manner approved by the City. Staff and applicant work together on the resident selection guidelines and possible preferences. This information is brought forth to the Planning Commission in a staff report, where the Commission can either request changes or approve the method and preferences. The method is also likely to be examined by the City Attorney for compliance with fair housing practices. All deed restrictions will be monitored by the City's Housing Coordinator, or a designated city employee.</p> <p><i>Rental Units:</i> Process is similar to method described above. Developer must also submit an annual report to the Housing Coordinator in the Administrative Services Department with details on affordable units.</p>
Fees	<ul style="list-style-type: none"> For-sale unit fee of \$8,500 per affordable unit, in addition to 2:1 temporary interest rate buy down. Fee generally must be paid at the time of sale of the first or second market-rate unit. A separate fee (\$900 deposit) is imposed for review of the affordable housing plan.
Process	<ol style="list-style-type: none"> Submit affordable housing plan along with project application to the Planning & Building Department. The plan should include details of how the affordable requirements will be met, including the proposed site, amount and type of housing, income levels and estimated costs. The Planning Department will work with the developer to perfect the details of the plan. Following this negotiation, the Planning Department will submit its recommendations to the Planning Commission, who will either approve the plan or request further work. If other aspects of the project require City Council approval, the plan will then move forward to the City Council. The affordable housing plan is processed concurrently with the project application and overall project approvals will delineate timing for the dedication of land or selling of affordable units.
Local Public Funding	<p><i>Buyer:</i> City "community equity mortgage" loan of approximately \$16,000, 2:1 mortgage interest buy down.</p> <p><i>Developer:</i> Generally, no funding assistance to for-profit developer.</p>
Contacts	<p>Danielle Foster Housing Coordinator Administrative Services Department (530) 757-5691 dfoster@ci.davis.ca.us</p>

At the time of printing, a task force was revisiting Davis' ordinance. It is likely that some of the requirements discussed above will be modified, therefore, you should check with the City to ensure you are aware of the most current requirements.

Inclusionary Zoning: A Viable Solution to the Affordable Housing Crisis? Inclusionary Zoning: Pros and Cons

By Dr. Robert W Burchell and Catherine C. Galley

Introduction and Definitions

The fundamental purpose of inclusionary zoning programs is to allow the development of affordable housing to become an integral part of other development taking place in a community. At the local level, this is accomplished by zoning ordinance, mandatory conditions or voluntary objectives for the inclusion of below-market housing in future market-level developments. Incentives designed to facilitate the achievement of these conditions or objectives are often included (Stegman and Holden 1987, 50).

A typical inclusionary zoning ordinance will set forth a minimum percentage of units to be provided in a specific residential development affordable to households at a particular income level, generally defined as a percentage of the median income of the area. The share of units allocated to such households is termed a "mandatory set-aside." The goal of such a process is to establish a relatively permanent stock of affordable housing units provided by the private market. This stock of affordable housing units is often maintained for 10 to 20 years or longer through a variety of "affordability controls" (Mallach 1984, 11). Often these are ownership units that do not require a great deal of community administration, except for the income qualification of successive occupants.

In many ordinances, some form of incentive is provided by the county or municipality to the developer in return for the provision of affordable housing. These incentives can take the form of waivers of zoning requirements, including density, area, height, open space, use or other provisions; local tax abatements; waiver of permit fees or land dedication; fewer required developer-provided amenities and acquisitions of property; "fast track" permitting; and/or the subsidization or provision of infrastructure for the developer by the jurisdiction (Calavita and Grimes 1998; Minnesota Housing Partnership 1999; Land Use Law Center 1999).

Historical Background

Inclusionary zoning programs are the mirror image of exclusionary zoning ordinances. They originate in areas where exclusionary zoning is visibly present or where housing costs are overly high despite more liberal zoning practices. Thus, it is not surprising that proactive inclusionary zoning took root in the Washington, D.C. metropolitan area, in California and in the New York metropolitan area (including New Jersey).

In the Washington, D.C., metropolitan area, the inclusionary zoning technique was first employed in 1971 in Fairfax County, Virginia. A mandatory zoning ordinance required that developers of more than 50 multifamily dwelling units provide 15 percent of their units

within an affordable range, determined to be between 60 and 80 percent of median income. This ordinance requirement was overturned by the Virginia Supreme Court in 1973 on the grounds that it involved a "taking" [surrendering property rights without just compensation] (*Board of Supervisors of Fairfax County et al. v. DeGroff*) (Rubinowitz 1974, 56). A voluntary program reemerged two decades later. Beginning at about the same time (1973) and still in existence today, Montgomery County, Maryland, instituted countywide mandatory inclusionary zoning, known as the Moderately Priced Dwelling Unit (MPDU) ordinance. Montgomery County is the leading national example of the use of this technique at the county level (Burchell et al. 1995). The program requires developers of more than 50 residential units to set aside 12.5 to 15 percent MPDUs, dispersed throughout their subdivisions. Since its inception, the Montgomery County program has produced nearly 10,000 units of affordable housing in that county (Innovative Housing Institute 1999a). In Montgomery County, affordable housing at 50 to 80 percent of median is approximately \$85,000 to \$125,000 per unit.

The State of California has a 15-year old statute that allows municipalities to incorporate inclusionary provisions into their zoning ordinances (Burton 1981; Schwartz and Johnston 1983, 5). Thirty-eight of 72 inclusionary housing programs identified throughout the United States in 1982 were operative in California communities (Mallach 1984, 201).

In the New York metropolitan area, with the exception of New Jersey, inclusionary housing programs are both scattered and relatively modest in scale. In New Jersey, most of the communities currently before the New Jersey Council on Affordable Housing (about 250 of 566 communities) have a de facto inclusionary housing requirement to meet affordable housing need with new construction. From 1986 to 1999, approximately 12,000 inclusionary units have been developed in New Jersey at about \$75,000 each, or one-third the cost of new housing (Bishop 1999). Nationally, other locations of inclusionary zoning programs include Highland Park, Illinois; King County, Washington; Boulder, Colorado; Bellevue, Washington; and a growing number of communities in the states of Connecticut, Florida, Massachusetts, Oregon, Rhode Island, Virginia and Washington (Mallach 1984, 259; Taub 1990, 678).

Current Use

A survey of programs compiled in the early 1980s by Mallach (1984) identified inclusionary programs in 72 local jurisdictions across the country. Inclusionary housing programs were operative in the states of California (38); New Jersey (16); Colorado (5); Massachusetts, Illinois and New York (2 each); and Connecticut, Delaware, Florida, Maryland, Oregon, Virginia and Washington (1 each). Mallach described this now 15-year-old survey as neither definitive nor complete (Mallach 1984, 256). In a more recent 1990 survey, Mary Nenko identified some 50 local inclusionary programs nationally, again with a disproportionate number in California (Nenko 1991, 484). Similar to Mallach's findings, Nenko noted that her listing was illustrative of the inclusionary programs existing in the United States at that time, not exhaustive. According to a survey by Edward Goetz (1991, 341), of 133 U.S. cities with a population of more than 100,000, only about 10 percent (12 cities) had inclusionary provisions in their zoning ordinances. This is about the same percentage of those cities that

required linkage fees, replacement of demolished units, rent control or other means of facilitating low-income housing. Thus, a city with an inclusionary housing program also was likely to implement other affordable housing activities. Finally, in the early 1990s, a California survey identified more than 50 inclusionary programs in that state that had produced over 20,000 affordable units during their histories (San Diego Housing Commission 1992; Newman 1993). Thus, even though no definitive source or comprehensive national survey of these efforts exists, the literature indicates that there are 50 to 100 jurisdictions nationally that employ one or more, or a variant, of these programs.

The Positive Features and Outcomes of Inclusionary Zoning

The Provision of Affordable Housing at Little or No Financial Cost to Local Governments

Advocates of inclusionary zoning argue that this regulatory tool creates economically diverse communities and allows local governments to create more heterogeneous communities at little or no direct financial cost (Hill 1984; Smith et al. 1996, 170; Parrott 1999). Generally, the provision of affordable housing units as part of an inclusionary program does not require significant expenditure of public funds. Inclusionary units are delivered in step with market units through incentives to developers such as density bonuses, fee waivers and/or local tax abatements offered by the local jurisdiction (Municipal Research and Service Center of Washington 1999). Inclusionary zoning relies on a strong residential market to create below-market units. This type of program reached its zenith in the 10-year period from 1975 to 1985. During this time (except for the 1980-82 recession), market housing was built in record numbers, and a share of this housing was allocated to lower-income households.

The Creation of Income-Integrated Communities

The affordable housing enabled by inclusionary programs is not produced as an "island" of the poor but rather is integrated into the development of the overall community in lockstep with market-rate units. The integration of a percentage of low- and moderate-income housing units into market-rate housing developments thus avoids the problems of overconcentration, ghettoization and stigmatization generally associated with solely provided and isolated affordable housing efforts (Innovative Housing Institute 1999a; Municipal Research and Service Center of Washington 1999). Inclusionary programs make possible the integration of populations that traditional zoning segregates—young families, retired and elderly households, single adults, female/male heads of households, minority persons and households of all types.

Suburban and exurban employers further benefit from the presence of this proximate low- and moderate-income work force (Downs 1992). The oft-cited spatial mismatch between available suburban jobs and employment-seeking urban households is significantly reduced by inclusionary zoning.

"Inclusionary zoning is a compromise that I support to ensure that more housing is closer to places of employment, social services, and public transportation; allowing certain privileges

in return for affordable housing will enable local business to prosper while awarding [sic] residents with these advantages (Sheila T. Russell, Cambridge, MA, Councilor 1995)."

Less Sprawl

Findings from the County Council of Montgomery County, Maryland, indicate that the inadequate supply of housing in the County for persons of low- and moderate-income results in large-scale commuting from outside the County to places of employment within the County, thereby overtaxing existing roads and traffic. Yet another argument advanced by the proponents of inclusionary zoning is that it provides the critical mass necessary to create a town center and reduce the proliferation of sprawled bedroom subdivisions (Downs 1992; Innovative Housing Institute 1999a). Transportation facilities, significantly contributing to air and noise pollution, and engendering greater than normal personnel turnover in the businesses, industry and public agencies of the County, all adversely affecting the health, safety and welfare of and resulting in an added financial burden on the citizens of the County (Innovative Housing Institute 1999b).

From a regional perspective, density bonuses often make possible residential environments of a variety of housing types. They enable developments to be built more densely than those of primarily single-family zones, which helps to reduce the sprawl that would otherwise be created by single-purpose residential zones. A large development containing inclusionary zoning often allows for mixed-use and transit-oriented development, while protecting surrounding open spaces (Burchell et al. 2000).

The Negative Features and Outcomes of Inclusionary Zoning

The Shift of the Cost of Providing Affordable Housing to Other Groups in Society

Critics claim that inclusionary zoning changes the financial characteristics of real estate developments and reduces the saleable value of the development upon completion. They equate inclusionary zoning mandates with a tax on new development—especially when there are no compensating benefits provided to developers to cover the full cost of providing affordable housing. Opponents of inclusionary programs assert that developers cannot make money on affordable housing and thus are saddled with the burden of economically integrating neighborhoods that have been demographically homogeneous for decades (Innovative Housing Institute 1999a). Developers become scapegoats for problems beyond their control (Breckenfield 1983) but quickly pass this burden onto the new occupants of the housing that they develop (Mallach 1984; Ellickson 1985; O'Sullivan 1996; Johnson 1997; Calavita and Grimes 1998).

Who pays for inclusionary zoning? The requirement of subsidized housing has the same effect as a development tax... The developer makes zero economic profit with or without inclusionary zoning, so the implicit tax is passed on to consumers (housing price increases) and landowners (the price of vacant land decreases). In other words, housing consumers and

landowners pay for inclusionary zoning (O'Sullivan 1996, 294).

Another deficiency of the inclusionary zoning strategy is that it is based on a market-supply equation that relies primarily upon a developer's ability to sell market-level units—as an example, eight market units for every two affordable units produced. This reliance on the private sector to finance affordable housing based on the sale of market units is not necessarily a major issue when the economy flourishes, but it is a very serious one when the economy falters.

Finally, "shift" criticisms of inclusionary zoning have become focused on the very structure of the inclusionary zoning technique. Inclusionary programs that are mandated without compensation were challenged constitutionally in the 1990s as a taking.

Breaking Up Pockets of the Poor

A lingering criticism of inclusionary zoning is that it "distills" the most upwardly mobile poor from central neighborhoods and artificially transports the citizens who could do the most for reviving central city neighborhoods to the suburbs. The "best" of the poor are enticed outward by a write-down on the cost of housing there. While this is certainly a valid concern, and the more economically mobile residents may move out, leaving the less mobile behind, such is the nature of residential choice; it has existed in housing markets since time immemorial (Burchell et al. 1995).

Similarly, in-kind housing subsidies are nontransportable devices that may not significantly improve the welfare of recipient families (Ellickson 1985). These programs may provide individual economic benefits that are difficult to "cash out." For example, affordable housing units usually carry with them affordability controls that typically limit the sales price increase on such housing to a small multiple of the rate of inflation.

More Development/Induced Growth

In instances where density bonuses are provided as part of the inclusionary solution, criticisms about "massing" have emerged. Some argue that increased density represents an unwanted and unplanned-for glut of development that burdens both the overall environment and the public service capacity of local governments (Innovative Housing Institute 1999a).

In New Jersey, New Jersey Future (a conservation and State Plan advocacy group) brought suit against the New Jersey Council on Affordable Housing (a legally mandated affordable housing oversight agency known as COAH) because housing need in agricultural preservation or environmentally sensitive areas would be met primarily by inclusionary programs operating outside a State Plan-designated center. Development would require a density bonus, thus producing an overall greater number of units outside the center because affordable housing would be provided at the developer's expense. The New Jersey Future lawsuit caused COAH to acknowledge inclusionary programs in non-center areas contributed too much growth (Bishop 1999).

Conclusions and Future Directions

Inclusionary zoning is simple to understand and apply, and coupled with density bonuses and other incentives, allows higher-income communities to achieve a balanced economic composition. Inclusionary zoning also helps limit sprawl by concentrating more development in a single location.

Inclusionary zoning works best when combined with developer incentives. It has delivered the greatest numbers of units when the populations "included" are closest to median income. Inclusionary zoning is the by-product of expensive housing markets that have been spawned by either raw demand or exclusionary zoning controls. Typically, these have been in northeastern and western United States housing markets and today are likely to extend to specific locations in southeastern and southwestern U.S. housing markets.

In summary, inclusionary zoning has been criticized for shifting the burden of affordable housing provision to other groups, for distilling the upwardly mobile poor from the remainder of central city residents and for causing undue growth in locations that would not otherwise experience it. These criticisms, while warranted and substantive, pale by comparison to the roster of accomplishments and benefits attributable to inclusionary housing programs.

Historically, there has been no equivalent to this mechanism that enables a community to retain its character while accommodating affordable housing. Adopting an inclusionary zoning ordinance does not require basic zones in the community to be altered significantly. The standards that govern development there remain intact. When certain conditions are met (for example, the developer delivers 25 percent of his units as affordable), the builder is granted an increase in density in the zone. Additional conditions that must be satisfied as part of the permitting process include buffering the development from other existing and future development in the zone and providing a traffic mitigation plan to control traffic congestion that occurs beyond that expected to occur in the absence of inclusionary zoning. Other development in the zone proceeds at its original density. The inclusionary provisions differ markedly from the typical community-wide review of densities and housing types allowed in each zone, and the subsequent revision of these provisions to accommodate affordable housing.

Inclusionary zoning will continue to be sought in tight and expensive housing markets where there is socially responsible interest in providing both housing opportunity and economic balance. The technique must be implemented cautiously, however, with sensitivity to the locality paying for it and the population benefiting from it.

‘The term affordable housing usually applies to below-market housing in a particular geographic location. It often relates to the median price of housing in an area. For the purpose of this article, affordable housing includes housing valued between 40 and 120 percent of a statewide median. This is a somewhat different range than HUD Section 8 income requirements wherein low-income is defined as between 50 and 80 percent of median and very low-income is defined as below 50 percent of median. Most states term HUD’s two income categories of low income and very low income as moderate and low income, respectively.

References

- Bishop, Shirley, Director, New Jersey Council on Affordable Housing (COAH). 1999. Telephone interview (October 18).
- Breckenfield, Gurney. 1983. "'Robin Hood' subsidies: A dubious new fad." *Fortune* 107, 6 (March): 148-152.
- Burchell, Robert W., David Listokin and Arlene Pashman. 1995. *Regional Housing Mobility Strategies in the United States*. Washington, DC: U.S. Department of Housing and Urban Development.
- Burchell, Robert W., David Listokin, and Catherine C. Galley. 2000. Smart growth: More than a ghost of urban policy past, less than a bold new horizon. *Housing Policy Debate* 11, 1 (forthcoming).
- Burton, Carolyn. 1981. "California Legislature Prohibits Exclusionary Zoning, Mandates Fair Share: Inclusionary Housing Programs a Likely Response." *San Fernando Valley Law Review* 9:19-46.
- Calavita, Nico, and Kenneth Grimes. 1998. "Inclusionary Housing in California: The Experience of Two Decades." *Journal of the American Planning Association* (Spring): 150-169.
- Downs, Anthony. 1992. "Creating More Affordable Housing." *Journal of Housing* 49,4 (July/August): 174-183.
- Ellickson, Robert C. 1985. "Inclusionary Zoning: Who Pays?" *Planning* (August): 18-20.
- Goetz, Edward G. 1991. "Promoting Low-Income Housing Through Innovations in Land-use Regulations." *Journal of Urban Affairs* 13: 337-351.
- Hill, Henry A. 1984. "Government Manipulation of Land Values to Build Affordable Housing: The Issue of Compensating Benefits." *Real Estate Law Journal* 13, 1 (Summer): 3-27.
- Innovative Housing Institute. 1999a. *Inclusionary Zoning*. World Wide Web page <<http://www.inhousing.org/Inclusionary%20Zoning/izoning.htm>> (Accessed October 1, 1999). 1999b. 25A-1 Legislative Findings. World Wide Web page <<http://www.inhousing.org/Inclusionary%20Zoning/zonelawl.htm>> (Accessed October 15, 1999).
- Johnson, Jerald W. 1997. *Issues Associated With the Imposition of Inclusionary Zoning in the Portland Area*. World Wide Web page <www.hobsonjohnson.com/news.htm> (accessed October 1, 1999).
- Land Use Law Center. 1999. *Affordable Housing*. World Wide Web page <<http://www.law.pace.edu/landuse/bafford.html>> (accessed October 1, 1999).
- Mallach, Allan. 1984. *Inclusionary Housing Programs: Policies and Practices*. New Brunswick, NJ: Center for Urban Policy Research.
- Minnesota Housing Partnership. 1999. *Inclusionary Zoning*. World Wide Web page <<http://www.mhponline.org/rthc/rthcincz.htm>> (accessed October 1, 1999).
- Municipal Research and Service Center of Washington. 1999. *Affordable Housing Techniques—Inclusionary Zoning*. World Wide Web page <<http://mrsc.org/textaht.htm>> (accessed October 1, 1999).
- Neeno, Mary K. 1991. "State and Local Governments: New Initiatives in Low-Income Housing Preservation."

Housing Policy Debate 2: 467-496.

Newman, Morris. 1993. "California Sweet-talks Its Way Into Affordable Housing." *Planning* 59,2 (February): 16-20.

O'Sullivan, Arthur. 1996. *Urban Economics*. 3rd ed. Chicago, IL: Irwin Publishers.

Parrott, Britt. 1999. "Ensure Variety of Housing Prices." *The Oregonian* (July 3). World Wide Web page <[http://www.oregonlive.com/cgi-bin/ printer/printer.cgi](http://www.oregonlive.com/cgi-bin/printer/printer.cgi)> (Accessed October 1,1999).

Rubinowitz, Leonard E. 1974. *Low-income Housing: Suburban Strategies*. Cambridge, MA: Ballinger.

Russell, Sheila T. 1985. *Candidate Responses to Cambridge Civic Forum*. World Wide Web page <<http://civic.net/cambridgecivicnetwork/ed/qlrespon.html>> (accessed October 12, 1999).

San Diego Housing Commission. 1992. *California Inclusionary Housing*

Survey. San Diego, CA: San Diego Housing Commission (January).

Schwartz, Seymour I. and Robert A. Johnston. 1983. "Inclusionary Housing Programs." *APA Journal* (Winter): 3-21.

Smith, Marc, Charles Delaney, and Thomas Liou. 1996. "Inclusionary Housing Programs: Issues and Outcomes." *Real Estate Law Journal* (Fall).

Stegman, Michael A. and J. David Holden. 1987. *Nonfederal Housing Programs: How States and Localities are Responding to Federal Cutbacks in Low-Income Housing Programs*. Washington, DC: Urban Institute.

Taub, Theodore C. 1990. "The Future of Affordable Housing." *The Urban Lawyer* 22: 659-692.

Analysis of 15 Jurisdictions' Inclusionary Housing Programs

The following spreadsheet provides a summary of each of the 15 approved jurisdictions' use of some type of "inclusionary housing" program. In addition to providing an overview of each program we have also provided some general pros and cons regarding the program's requirements, incentives, and output. County staff also requested that we include a list of development impact fees charged by each of the jurisdictions. The jurisdictions were then ranked by cost of their development impact fees.

Jurisdiction	Population 2006 (Dept. of Finance)	Type of Program	Program Description	Land Dedication and Other Alternatives	Adopted Year	Pros and Cons	Total Units Produced	Units Produced per year (Approx.)	Special Features	Development Fees (Infrastructure Cost per Unit)
City of Elk Grove	130,874	Fee	The city collects a per unit affordable housing fee and distributes the money through a competitive RFP process or as projects are brought forth to the City.	None	2002	Pro: Straightforward program, no set distribution by income level. Provides flexibility with the use of funds. Produced many units in short period of time. Con: Doesn't directly produce units	788 units	197 units	Single family fee: \$4042; Multifamily fee: \$2015; \$32M in fees collected	\$91,343 ¹ (Laguna Ridge Development)
Sacramento County	1,385,607	Mandatory	Developments containing five or more units must provide 15 percent of new development to extremely low-, very low- and low-income with 6 percent of that set aside for very low income and 3 percent for extremely low- income.	Land dedication and in-lieu fees are an option. The in-lieu fee is \$7,000 per unit with an additional \$3,000 affordability fee per unit. Incentives include streamlined review for affordable and special needs projects, removal of application fees, permit requirements for select affordable housing projects; 25 percent fee reduction for infill development; deferred impact fees; encourages developers to apply for special development permits to enable flexibility	2005	Pros: Wide variety of developer incentives Cons: No set aside for moderate- or workforce income levels	Approximately \$49,000 in fees collected	0	Subdivisions with less than 100 units have the option of in-lieu fees and those with more than 100 units don't have the option.	\$87,026 ¹ (North Vineyard Station)
City of Woodland	52,972	Mandatory	For Sale Units: 10 percent to low-income in development of eight or more units. Multifamily rentals: Developments of 10 or more units must put 10 percent aside for low-income and 20 percent for very low-income OR 25 percent for very low-income. Some special consideration for large infill developments in Redevelopment Areas.	Developer may dedicate land if they demonstrate that on-site would be infeasible or if the Community Development Director decides the dedication would accomplish the objectives of the ordinance. With for sale units, the developer can give or sell land to a non-profit developer. In lieu fees are an option on for sale units. When a project has less than 50 units and it is not feasible for the project to have on-site affordable units, fees can be paid. Fees are figured by assessing the affordability gap (cost of constructing an affordable unit minus the affordable purchase price for a low income household). That gap amount is multiplied by the number of affordable units that would have been required. This amount plus an	2004	Pros: Flexibility when developing infill in a Redevelopment Area Cons: No mention of in-lieu fees for rental units; development of less than 10 units don't have to contribute units or fees	260 units	130 units	There is a provision for the City Council to decide to require 10 percent of new units be put aside for moderate-income if housing conditions warrant it. If providing inclusionary units is infeasible for infill projects, special considerations apply, but the developer has to work with the Council. For sale units sold by lottery. The city helps the sale of inclusionary units by offering a "soft second" mortgage program whereby the maximum down payment is 5 percent and the "silent second" is the	\$78,382 ¹ (Spring Lake Development)

				administrative fee equal the total of an in-lieu fee.					difference between 95 percent of the purchase price (or purchase price minus down payment amount) and the amount of the affordable maximum first mortgage (also determined by the city). Soft second has 30-year due date, which can be extended. There are rules for resale and recapture. Fund from payoffs and payments of silent seconds go into an affordable housing fund.	
City of San Luis Obispo	44,439	Mandatory	<p>The program applies to both residential and commercial development. In new residential subdivisions in expansion areas, 15 percent of the dwellings built must be sold at prices affordable to low- and moderate-income households. Most new commercial projects must include affordable housing, build it offsite, or pay into a citywide affordable housing fund.</p> <p>Projects of five or more units built within the City limits must build 3 percent low-income or 5 percent moderate-income or pay in-lieu fees.</p> <p>Projects of five or more units built within the expansion area must built 5 percent low-income and 10 percent moderate-income or pay in-lieu fees.</p> <p>Commercial projects must build 2 affordable dwelling units per acre or pay an in-lieu fee.</p>	<p>Alternatives to building the inclusionary units on-site include building the units off-site, dedicating real property, or rehabilitating units with guarantees the units remain affordable, and or paying an in-lieu fee equal to 5-15 percent of building valuation.</p>	2004	<p>Pros: Program applies to residential and commercial projects, everyone is held accountable.</p> <p>Cons: In-lieu fee is high in hopes of getting developers to build units on-site.</p>	75 units \$750,000 in funds (as of 2006)	10 units	<p>Affordable units must remain so for either 30 years or, for for-sale properties, the owner may chose to participate in the "shared equity program." In this program, the owner may sell the affordable property within six years of initial sale by sharing the property's built up equity value with the City upon resale of the affordable unit.</p>	\$55,456 ²
City of Folsom	69,445	Mandatory	<p>Applies to developments of 10 or more units: 15 percent of the total units excluding density bonus units are required to be set aside. 10 percent of this set aside must go to very low-income and 5 percent to low-income. In the case of condo conversions of 10 or more units, 10 percent must be set aside. 4 percent of this set aside must go to very low-income, 4 percent to low-income and 2 percent to moderate-income.</p>	<p>Land dedication is allowed with review. Off-site construction, rehabilitation of existing market-rate units, deed restricted accessory units, credits, fee waivers, flexible public works standards, density bonuses, and incorporation into mixed use.</p>	2002	<p>Pros: A wide variety of developer incentives have helped to create many units in a short time frame. Requires resale to income eligible families but allows provisions for sale at market rate if needed.</p> <p>Con: No in-lieu fees option</p>	336 total units including constructed, under construction and approved.	84 units	<p>There is a recapture feature whereupon a seller of an inclusionary unit can sell it for market rate after 60 days of trying to sell to low-income. That seller pays the proceeds to the City Housing Trust Fund except for a percentage determined by the ordinance.</p> <p>In small development where 4 or less inclusionary units are required: 1 required=1 low-income, 2 required=1 low- & 1 very low-, 3</p>	\$53,085 ¹ (Empire Ranch Development)

									required=2 low- and 1 very low-; 4 required=2 low- and 2 very low-income.	
City of Roseville	104,655	Mandatory	The City has a 10 percent inclusionary policy; actual requirement is determined through a specific plan process; implemented with developer agreements which the city requires in return for development funding or to raise income targets for inclusionary units.	In-lieu fees have been allowed within the last 1.5 years in the case of rezones, where the development of very low-income for sale units was not feasible. Calculations were based on the subsidy gap analysis for rental housing in the Housing Element (which is dated 2002), which was \$50 - 65K/unit and converts to a payment of \$2200/unit within these rezoned subdivisions.	1988	Pros: The City is preparing to go before the City Council this year with alternative developer incentives. Con: The current incentives depend on public funding that is already limited.	1245 units since 1999	130 units		\$48,448 ¹ (North Roseville Specific Plan)
City of Pleasanton	67,876	Mandatory	Multi-family projects of 15 or more units: 15 percent affordable to very low- and low-incomes. For single family projects of 15 units or more, 20 percent affordable to very low-, low and/or moderate-income. These standards apply to both renter and owner occupied developments. The specific mix of units for the three affordability categories is subject to approval by the city and special consideration is to be given to project with significant percentages of very low- and low-income units.	The City offers incentive to build on-site units such as: fee waiver or deferral, design modifications, reductions in infrastructure, open space, landscaping, and parking requirements, second mortgages, and priority processing. Alternative to on-site construction: off-site projects, land dedication, credit transfers, applicant proposals and in-lieu fee.	1978	Pros: Wide range of incentives for on-site construction. Keeping the specific mix of the 3 income categories open for review could be good or bad. It is good because it allows the program to change with housing conditions, bad because political pressure could cause more "higher" income units to be approved than is needed. Cons: Offering second mortgages is not a developer incentive to build on-site.	500 units	17 units	Allow inclusionary units to be smaller and have less amenities than market rate units.	\$41,038 ³
San Luis Obispo County	263,242	N/A	The inclusionary housing ordinance is not yet adopted; proposal includes: developments < five units subject to in-lieu fee of \$2-\$3000/house, 20 percent of base project set aside, with 5 percent for very low-income, 5 percent for lower-income, 5 percent for moderate income & 5 percent for "workforce" housing, which is defined as those making 120 percent-160 percent of area median income.		TBD	Pros: Includes workforce, moderate-, low- and very low-income Con: Does not have separate requirements for sale and rental units; No plan for in-lieu fees at this point.			Proposal exempts rental developments with at least 10 unit/acre density, farm worker housing, secondary dwellings, on-site or off-site employee housing.	\$40,381.23 ²
Santa Barbara County	421,625	Mandatory	All residential developments of five or more new lots: in the South Coast and Santa Ynez Housing Market Area's (HMA) 5 percent to very low, 5 percent to low-, 10 percent to moderate- and 10 percent to workforce income units. In the Santa Maria and Lompoc HMAs 5 percent to very low-, 5 percent to low- and	Land donation (subject to approval) fee payment, on-site building or a combination of these things outside the Coastal Zone. Only on-site development in the coastal zone. The in-lieu fee for the very low- and low-income categories shall be based on the amount of funds needed by County Housing and Community	1981 amended 2004	Pros: Specifies set asides according to area characteristics; some incentives for creating workforce units on-site Cons: No workforce allocation in Santa Maria/Lompoc.	695 units	28 units	Requires price restricted rentals to be managed by property management company. Rentals must remain affordable for minimum of 45 years.	\$39,628.86 ²

			10 percent to moderate- income units.	<p>Development (CHCD) to subsidize a very low- or low-income unit in an HMA. The fee shall be updated based on either updated subsidy information or the percent change in the median sale price of condominiums in an HMA over a twelve month period.</p> <p>The in-lieu fee for the moderate- and workforce-income categories shall be based on the estimated cost to build a housing unit calculated as the median sale price of condominiums in an MHA over a twelve month period less 15 percent to reflect applicant/developer profit.</p> <p>Density increase of one unit over base density for each required moderate and/or workforce inclusionary unit on-site.</p>						
Monterey County	424,842	Mandatory	New ordinance requires 20 percent of units to be built on-site. This 20 percent is divided into 6 percent for very low-income, 6 percent for low-income, and 8 percent for moderate-income.	Building off-site and paying fees is discouraged and only allowed in special circumstances.	1980, 2003	<p>Before 2003 update, most developers paid fees. The 2003 plan only allowed alternatives to on-site development in special circumstances.</p> <p>Pro: 100 percent Affordability Program</p> <p>Con: No set aside for workforce income levels (but their goal is to create this with the 100 percent affordable program); Complex program may discourage some developers</p>	At least 470 total units	18 units	There is a 100 percent affordability goal that enhances the inclusionary unit production. On a case-by-case basis, a number of incentives are paired to try to encourage 100 percent affordable developments. The goal is to create mixed income developments with very low-, low-, moderate- and workforce housing units (sometime workforce is defined above moderate income).	\$39,203 ³
Sonoma County	479,929	Mandatory	The County has a 20 percent inclusionary requirement for sale developments – half for low-, half for moderate-; in rental developments, 15 percent low- and very low- and 10 percent for very low- and extremely low-income.	The in-lieu fee is a fraction of the estimated subsidy cost of providing the affordable units, is graduated based on the size of the new home and is paid at the time of building permit. Land dedication is an option not used recently.	Policy: 2002 Fee: 2005	<p>Inclusionary policy was established in 2002, and a fee was subsequently implemented.</p> <p>Pro: Concentrates on low- and very low-income rental units</p> <p>Con: Doesn't designate rental set asides for moderate or workforce incomes; no requirement for moderate in for sale units; fee structure is complex.</p>	<p>22 Single Family units</p> <p>52 second dwelling units</p> <p>\$604,000 in fees since 2005.</p>	18 units	Special needs developments can get a fee deferral if 20 percent set aside for extremely low-, very low-, or low-income special needs tenants. Individual home builders can pay a fee, or build second dwellings or farm worker housing.	\$32,095-\$41,558 ⁴
City of Petaluma	56,727	Mandatory	Projects with five or more units either for rent or for sale must put 15 percent aside for lower- and moderate-income households	<p>Land dedication and in-lieu fees are accepted.</p> <p>The fee has remained unchanged since its original adoption in 1984. According to the housing element 2002 update, this fee (\$2400).</p> <p>Fast-tracking approval process including encouraging second units by approving conditional use permits</p>	1984	<p>Pros: Straightforward structure; offers a 50 percent density bonus.</p> <p>Cons: No set aside for very low- or workforce income levels; secondary dwellings are good options, but are limited; fee is low (determined in 1984 when home prices were around \$120,000).</p>	1442 units	65 units		\$32,095-\$41,558 ⁴

				quicker. Allow for up to 50 percent density bonus.						
Yolo County	190,344	Mandatory	For sale developments with 10 or more units: 20 percent of the units for low- and moderate-income; 50 percent of these must go to low- and 50 percent to moderate-income. Developments of less than 10 units will be subject to in lieu fee. Multifamily rental units with 20 or more units must provide 25 percent to very low- and at least 10 percent to low-income; development between 7 and 19 units must provide 15 percent to very low-income and 10 percent to low-income (on-site units); Project with less than 10 (single family) units, or seven units (multifamily) shall be subject to in-lieu fees	Developer housing credit: a developer can petition to building excess affordable housing and get credits, which may be applied to another development within 3 miles of where units actually built. Incentives available to offset cost of inclusionary units: fee waivers or deferrals, modification of planning & public works department standards, streamlining processing, density bonus.	2005	Pros: This program separates for sale and rental requirements. Cons: This program allows a developer credit, which could result in less mixed income developments or more concentration of one income category.	71 units	35 units		\$29,003 ¹ (South Davis Development)
Contra Costa County	1,029,377	N/A	County is in the process of adopting a program. The following information is part of the draft program. Applies to developments with five or more units. 20 percent of rentals must be set aside for very low-, low- and moderate-income people. 20 percent of for sale units must be set aside as well. Of that 20 percent, 20 percent will be set aside for low- income and the remaining 80 percent (of that 20 percent set aside) will be for moderate-income.	Land dedication and an in-lieu fee are features of the proposed ordinance. Fees will be deposited into a specific fund that will be used to produce extremely low-, very low-, low- and moderate- income housing.	In process of adoption	Pros: Plan for use of fees, different set asides for rental and for sale units Cons: No set asides for workforce housing				\$20,000 - \$60,000 ⁵
Town of Truckee	15,915	Voluntary	In order to get density bonuses, developers are required to set aside 20 percent for low-income and 10 percent for very low-income. Without an ordinance, projects are handled on a case-by-case basis.	Reduction in parcel development standards. Workforce housing: density bonus if housing provided for 50 percent of very low-, low- and moderate-income workforce created by commercial and industrial projects	2005	Pro: In a smaller area, the staff have been able to work on a case-by-case basis to create some affordable and workforce units. Con: Not a true inclusionary program; if a developer doesn't want a density bonus, there is little incentive to build on-site affordable units. No in-lieu fee requirement.	300-350 affordable units; 40-45 workforce units	100 units	Allows higher density bonus when site is within ¼ mile of commercial center with grocery store/drug store & within ¼ mile of transit.	\$18,000 ⁶

¹Economic & Planning Systems, Inc. (EPS) Single Family Homes Development Cost Comparison September 2006

²2005 Development Fee Study. Home Builders Association of the Central Coast.

³Monterey County Development Impact/Capacity Fee Study, Environmental Resource Policy Department-General Plan Update, October 2001

⁴Information provided by the Sonoma County Planning staff as of September 2006

⁵Contra Costa County: Growth or Sprawl? An in-depth analysis of the county's sprawl threats and opportunities for smarter growth. Greenbelt Alliance, Winter 2003

⁶Information provided by the Town of Truckee as of September 2006

City of Chico
General Plan Update 2030
General Plan Advisory Committee Meeting – January 28, 2009

Supplemental / Support Information for:

Question #2. Mixed Use

The Preferred Land Use Plan includes five new mixed use designations in strategic locations throughout the City. Local governments have adopted a wide range of strategies to implement mixed use, including mandatory, incentivized, and voluntary market driven approaches, etc. Please review the attached materials and provide your responses to the questions below.

A. Which mixed use approach do you believe is most appropriate for the City of Chico??

B. Are there any special policies that should apply to any one mixed use type or geographic area (e.g., minimum percentage of residential use in the Downtown Retail Mixed Use designation)?

Support Materials Provided:

1. Mixed Use Overview and Sample Solutions
2. Chico's Current Mixed Use Policies/Regulations
3. Chico 2030 General Plan Mixed Use Designations and Descriptions
4. Highlights from Mixed Use Development Seminar
5. Mixed Use Project Case Study Summaries
6. Attorney General's letter on Petaluma General Plan (mixed use and Green House Gases)

Introduction/Background

The City Council's Preferred Land Use Alternative for the 2030 Chico General Plan identifies several new growth areas, but relies heavily on infill and redevelopment to meet the City's future jobs and housing needs. As such, the City will need to establish new policies regarding the integration of uses in key locations throughout the City.

In the draft land use designation descriptions (attached), mixed use is defined as allowed or permitted, but not required. Moving forward, the City may want to consider policies for significant incentives for mixed use and/or requirements for mixed use in one or more designations and/or geographic areas of the City. Early determination of this policy issue is important as it will have significant impact on the land use development assumptions utilized for the traffic modeling and environmental analysis.

Mixed Use development has several advantages including reduced reliance on new land, greater economic return, reduced transportation costs or traffic loads (living, working, shopping in same development), place-making with day and evening activity, and development that reflects trends in lifestyle preferences and marketability.

There are two types of mixed use development as described below:

- **Vertically-Integrated Mixed Use.** Mixed uses in same building, which may be a single site or part of a larger project. Historically, this type of mixed use is prevalent in downtowns and neighborhood business districts. The most common mix of uses is commercial on the ground floor with residential uses above.
- **Horizontally-Integrated Mixed Use.** Defined single uses that relate to each other, often by trail or pedestrian links. The most common application is for large master planned developments. This type of mixed use may include a "vertically-integrated" project and typically includes residential, office, and retail components.

Mixed use development is in keeping with the future vision for the City of Chico. While the 1994 General Plan encourages mixed use and identifies some incentives, there has not been significant development of mixed use projects since that time. This policy consideration is intended to identify appropriate provisions to better achieve the future vision. Does the City want to maintain the existing policy approach of encouraging mixed use as an allowed development type? Alternatively, does the City want to establish clear and meaningful incentives or mandate the integration of uses? If so, how should that be done to be most effective in Chico?

What Have Other Communities Done to Achieve Mixed Use?

Mixed use regulations are either voluntary (with or without incentives) or mandatory. In most communities, mixed use is generally a voluntary, rather than a mandatory tool in terms of the policies and regulations. In those jurisdictions where we have found mandatory mixed use, they are typically applied in one of 3 ways:

City of Chico Mixed Use Policy Overview and Sample Solutions

1. Geographic Area. Isolated requirement for a particular geographic area (Specific Plan, Master Plan). Examples are listed below:

Central Hercules Specific Plan

The Regulating Plan adopted for Central Hercules is a form based code that requires ground floor retail with residential or office above in mixed use and live work areas designated on the land plan.



Central Petaluma Specific Plan

The city of Petaluma adopted a Smart Code for their Downtown including some mandatory mixed use provisions for ground floor retail with office and/or residential uses above.



City of Chico Mixed Use Policy Overview and Sample Solutions

Stapleton, Colorado Master Plan

The City of Denver adopted a Redevelopment Master Plan for the previous Stapleton International Airport site with vertical and horizontal mixed use. Mixed use is mandatory in the Town Center area with ground floor retail and a combination of office and/or residential above.



2. Land Use Designation/Zoning District. Applied to a particular land use designation/zoning district. Examples are listed below:

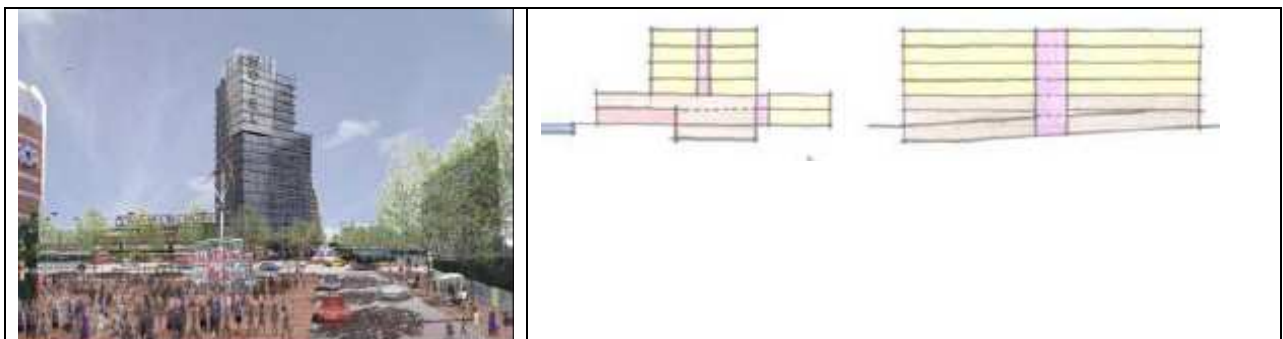
Fresno Mandatory Mixed Use Ordinance

The City of Fresno adopted special mixed use regulations unique to the City's Central Area Plan to ensure a fully integrated mix of uses both horizontally and vertically. In one district, new development must include a combination of any two or more of the following uses, subject to the allotment of gross floor area as provided:

- (1) Office Use: Minimum of 30%
- (2) Residential Use: Minimum of 35%
- (3) Commercial Use: Maximum of 35%.

Oklahoma City Core to Shore

The City of Oklahoma adopted mandatory vertical mixed use requirements in a newly designated City Core located along the water.



City of Chico

Mixed Use Policy Overview and Sample Solutions

3. Special Purpose. Required to include a targeted use such as housing.

City of Seattle

The City adopted a workforce housing ordinance to allow for increases in building heights in mixed-use developments in exchange for addition of more affordable units.

For those jurisdictions with voluntary mixed use, where the vertical and/or horizontal integration of uses is allowed (either by right or with a use permit), establishing meaningful incentives is credited with achievement of the desired result. Examples of incentives adopted in other jurisdictions are listed below:

- **Public investment in infrastructure.** Road improvements, transit service, and bicycle or pedestrian pathways can provide needed incentives for a desired development project. Many jurisdictions use tax increment financing generated through redevelopment areas to finance infrastructure improvements that benefit mixed-use developments.
- **Subsidies.** Direct grants, guaranteed or low interest loans for land and infrastructure or parking facilities may increase the financial viability of development projects. Subsidies can take many forms, such as land acquisition or construction of a portion of a project, such as a parking garage.
- **Tax credits and incentives.** The federal government offers 20% tax credits for rehabilitation projects that produce income.
- **Reduced fees.** Cities can reduce system development charges or waive permit fees within mixed-use centers. Many jurisdictions allow such waivers for residential developments that receive federal funds to serve lower-income families. These types of developments are often in higher-density areas where a variety of transportation amenities exist.
- **Land assembly.** Cities can create large, developable tracts of land by purchasing multiple parcels through voluntary negotiations with owners or acquisition through eminent domain profitable for the developers while benefitting the public.
- **Point of contact.** Appoint an ombudsman or contact person for business owners and potential developers. Provide information and access to as many incentives as possible.

City of Chico

Existing Mixed Use Policies and Regulations

Current General Plan Policies Related to Mixed Use

The current 1994 General Plan includes policies to encourage mixed use and compact development, particularly along transit corridors (voluntary and incentivized mixed use). The General Plan also establishes policy directives for the integration of uses in the Mixed Use Neighborhood Core (MUNC) designation and the Special Mixed Use (SMU) designation (mandatory mixed use, vertical or horizontal). The City's zoning code currently allows voluntary vertical mix of uses in several districts, but mixed use requires approval of a use permit in many cases.

Land Use Element:

LU-G-8 - Provide incentives for development of mixed-use (residential, retail, and office) neighborhood centers, in both the new neighborhoods and in established neighborhoods that lack them. Centers are concentrations of activity and uses that serve a neighborhood function. They are located within close proximity and easy walking distance from adjacent residences and are intended to provide focus and a sense of community for Chico's neighborhoods.

LU-I-9 - Provide for and encourage a mix of uses... in neighborhood centers.

LU-G-3 - Ensure that new development is at an intensity to ensure a long-term compact urban form.

LU-I-23 - Use an overlay zoning designation for transit-served corridors,.....to encourage mixed-use development with bonus floor area for housing, or other incentive provisions.

LU-I-27 - Revise the zoning ordinance to support mixed-use rehabilitation of existing buildings.

LU-I-32 - "retrofit" existing neighborhoods that lack convenience retail facilities with small (3-5 acre size) neighborhood mixed-use centers, provided suitable sites are available.

LU-I-53 - Develop Diamond Match into an active mixed-use center accommodating a variety of commercial, industrial, residential and public uses.

LU-I-56 – (For Diamond Match) Ensure that the program for the site allows for adaptive reuse of existing buildings and provides a range of housing types, retail commercial space, office space, and neighborhood parkland.

Community Design Element

CD-G-48 - Establish a central focus within each neighborhood. The mixed-use neighborhood core is an important element in providing an activity center to each neighborhood; they should be located in a geographically central position, combining activities that are both publicly oriented and commercial in nature.

City of Chico

Existing Mixed Use Policies and Regulations

CD-G-64 - Locate mixed-use neighborhood cores centrally within neighborhoods and closely tied to the framework of other parks and community facilities that structure the neighborhoods. The location of these neighborhood centers is important so that they can serve all parts of the neighborhood within an easy walking distance and reinforce pedestrian and bicycle routes.

CD-G-67 - Ensure that the scale and character of development does not overwhelm the surrounding neighborhood. These neighborhood centers should be designed at a higher density than surroundings and provide for an innovative mix of uses, but with a fine-grained pedestrian scale and positively integrated within the surrounding neighborhood.

CD-G-69 - Establish build-to lines and require buildings to front on the primary streets (within Mixed-Use Neighborhood Cores).

LU-G-14 - Encourage development of Downtown as a mixed-use activity center with retail and visitor-oriented uses, business and personal services, government and professional offices, communications facilities, civic uses, and high-density residential uses.

Housing Element:

H-I-4 - Prepare and adopt a "parallel code" regulating alternative development patterns to facilitate neighborhood development characterized by mixed housing types, smaller and more variable lot sizes and narrower street sections and use of rear lanes.

H-I-12 Develop mechanisms that promote and facilitate mixed residential-commercial development along target strip commercial corridors served by transit. Such mechanisms should be directed to:

1. Allow horizontal and vertical residential-commercial uses.
2. Enable separate ownership of ground-level commercial and above-ground level residential uses.
3. Include development standards that act as an incentive for mixed use, including reduced off-site parking and open space standards.
4. To achieve a better balance of jobs and workforce housing, target appropriate mixed-use residential/commercial areas for a minimum ratio of residential to commercial.

H-I-7 - Develop residential standards which encourage more use of cluster and mixed use development which provides higher density, efficient use of development and land best suited for preserving the area's natural resources.

City of Chico

Existing Mixed Use Policies and Regulations

General Plan Mixed Use Land Use Designation

In 2006, a Special Mixed-Use (SMU) designation was added to the General Plan to establish City-wide standards and guidance for mixed-use development consistent with the new TND zoning district. Creating a new land use designation gives clear direction of the City's intent to support development of mixed-use neighborhoods. The SMU designation is defined as follows:

Special Mixed-Use (SMU)

Property with the SMU designation would accommodate development of a mix of residential and non-residential uses subject to approval of a regulating plan.

A regulating plan would, at a minimum, demonstrate the following:

- A connected network of streets.
- Block lengths that typically do not exceed 660 feet.
- Street sections designed for safety, beauty and appropriate function.
- A variety of building types and their placement on individual parcels, location of parking, height and use.
- Relationship of building types to the street.
- Appropriate transitions between proposed building types, frontages and adjacent buildings.

Traditional Neighborhood Development Code

With the addition of the SMU Designation, the City adopted an alternative or parallel development code that fosters mixed-use - the Traditional Neighborhood Development (TND) Code. The TND Code seeks to reverse the separation of uses found in Euclidian zoning, instead it seeks to bring many activities into close proximity, in the interest of convenience, walkability, and liveliness. This is achieved through vertical mixed-use, commercial space on the ground floor with residential and/or office space above, and by allowing a variety of uses within the Neighborhood Center and Core sub-designations. Hand-and-hand with mixed-use development is the promotion of density, which in turn supports the uses, and enhances opportunities for transit service. The Code also focuses on building form in recognition that uses may change over time, so the buildings need to be flexible for different uses and mixing of uses.

Specific goals from the TND Code that speak to mixed use include:






- Encourage a mixture of residential and non-residential land uses, with proximity that encourages walking between them.
- Promote a mixture of housing types, including single-family dwellings, townhouses, courtyard housing, and other multi-dwelling housing types that can accommodate a variety of household sizes, incomes and stages in life.

City of Chico
Existing Mixed Use Policies and Regulations

Citywide Zoning Code

In addition to the General Plan policies, the following City zoning districts allow mixed use under certain conditions:

- CN, CC, C-1 and CD zones allow residences by right on the second story or above (ground floor use must be non-residential)
- The OR zone allows residences with a use permit, and the C-2 zone allows a mix of business & residential uses with a use permit.
- The ML and MP zones allow Live/Work with a use permit.

Land Use Image	CHICO 2030 GENERAL PLAN Land Use Designations/Corresponding Descriptions
Mixed Use Designations	
	<p>Residential Mixed Use (RMU) with special Downtown provisions</p> <ul style="list-style-type: none"> This new land use category is characterized by predominantly residential development at medium densities. It allows for commercial or office uses to be located on the same property either vertically or horizontally. It does not preclude solely residential development within the category, but rather encourages a mixing of uses. Allowable density 10 – 20 dwelling units/acre (allowable density in the Downtown is 20 – 60 dwelling units/acre)
	<p>Special Mixed Use (SMU)</p> <ul style="list-style-type: none"> This land use designation provides for development of a mix of residential and non-residential uses subject to approval of a regulating plan. Allowable density 7 – 35 dwelling units/acre
	<p>Mixed Use Neighborhood Core (MUNC)</p> <ul style="list-style-type: none"> This land use category accommodates businesses, institutions, and service organizations serving the daily needs of nearby residents. Allowable uses include retail shops, small-scale financial, business and personal services and small-scale restaurants. Residential uses are allowed above ground floor services in the medium and medium high density range. Allowable density 6 – 22 dwelling units/acre
	<p>Commercial Mixed Use (CMU) with special Downtown provisions</p> <ul style="list-style-type: none"> This new land use category encourages the integration of retail and service commercial uses with office and/or residential uses. In mixed-use projects, commercial use is the predominant use on the ground floor. Parking for mixed-use projects may be combined or separated, depending on the characteristics of the project. This listing may also include hospitals and other public/quasi-public uses. Allowable density 6 – 20 dwelling units/acre (allowable density in the Downtown is 20 – 60 dwelling units/acre)
	<p>Downtown Retail Mixed Use (DRMU)</p> <ul style="list-style-type: none"> This new land use category encourages the integration of retail uses with service commercial, office, and/or residential uses. Retail uses or active uses are required on the ground floor, but other uses may be included in a vertical (preferred) or horizontal configuration. It does not preclude solely retail development within the category. Allowable density 20 – 60 dwelling units/acre

Land Use Image	CHICO 2030 GENERAL PLAN Land Use Designations/Corresponding Descriptions
Mixed Use Designations	
	<p>Regional Commercial (RC)</p> <ul style="list-style-type: none"> • This new land use category provides for a horizontal or vertical mix of integrated retail, office, and residential uses that serve both the entire City and the region. Large retail stores, restaurants, public/quasi-public uses, and entertainment venues are common. • Allowable density 6 – 20 dwelling units/acre
	<p>Office Mixed Use (OMU) with special Downtown provisions</p> <ul style="list-style-type: none"> • This new land use category the integration of commercial and/or residential use in conjunction with office use of a site. In any case, office uses are the predominant use, but others may be included in a vertical or horizontal configuration. • Allowable density 6 – 20 dwelling units/acre(allowable density in the Downtown is 20 – 60 dwelling units/acre)
	<p>Industrial Office Mixed Use (IOMU)</p> <ul style="list-style-type: none"> • This new land use category is intended to designate property for a wide range and combination of office and light industrial development. The designation is intended for the seamless integration of office and light industrial uses with supporting retail and service uses. Offices may be developed in an office park setting, but most office and light industrial development stands alone. Commercial and other support services may be integrated vertically and/or horizontally, but the predominant use is office and/or light industrial. Live-work use may be permitted in select areas with special consideration of compatibility with predominant uses. • Allowable density is 6 – 20 dwelling units/acre

Excerpts from a seminar on

**Mixed-Use Development
Design Challenges and Opportunities**

Mr. Sal Musarra, RLA
Senior Planner
Kimley-Horn and Associates
3001 Weston Parkway
Cary, NC 27518
919-677-2000



Mr. Kerry Finley, AIA
President
Finley Design PA
Durham, NC 27713
919-484-8200



Mixed Use Development:
Design Challenges and Opportunities

“mixed-use by any other name....” How exactly do we define mixed-use... and why do we care?

- ICSC definition of mixed-use;
 - 3 revenue producing uses
 - Entertain; hotel; recreation; sports; lifestyle center
 - ***mixed-use OR multi-use:***
 - Some municipalities discourage a multi-use approach under certain zoning districts and require a vertical mix of uses within individual structures.
-

Mixed Use Development:
Design Challenges and Opportunities

“mixed-use by any other name....” How exactly do we define mixed-use... and why do we care?

One example of how mixed-use is defined and regulated locally:

“ The Mixed Use District is hereby established in order to accommodate the development of fully designed project that may incorporate a range of uses. This district is intended to encourage high quality design, an the innovative arrangement of buildings, uses, and open space throughout the project. This district shall provide substantial flexibility from the conventional use, dimensional requirements, and development standards ... It is further intended that this District shall encourage development within which mutually supporting uses may be located. ...”

Factors Contributing to Growth of Mixed-Use Projects:
Municipal Codes

- Many of our downtown zoning districts require vertical mixed-use
 - Suburban codes are following suit: this is not a by-product of the marketplace. Local ordinances seek downtown-like urban streetscapes with activated “main streets” with upper-level residential uses.
 - The developer must determine if the proper tenant mix can be found for non-traditional development forms in a given market.
 - Codes are the frequent driver of urban form and complicate marketing and leasing strategies.
-

Factors Contributing to Growth of Mixed-Use Projects:
The Green Machine

- Mixed-use development as smart growth – can synergy between land uses foster behavioral changes that can mitigate the impacts development?
 - Can mixed-use support reductions in required parking, shared parking, and result in reduced vehicle trips/
-

Factors Contributing to Growth of Mixed-Use Projects:
The Green Machine

- mixed –use redevelopment or infill projects make use of existing infrastructure, encourage walking, and little or no net increase in impervious area.
 - mixed-use form is not inherently green but when done properly, can present a lighter carbon footprint than conventional development patterns.
-

Factors Contributing to Growth of Mixed-Use Projects:
Market Demand

Many markets or specific sites will not support a mixed-use approach. Outside of downtown environments, it is hard to argue that mixed-use is a response to a large hue and cry from the public.

- Increased interest in downtown living cannot be extrapolated to a demand for **residential** over retail in a suburban setting
 - **Retailers** benefit residential base built-in to their projects but are generally more concerned with demographics rooftops within a large trade area than living units above.
-

Factors Contributing to Growth of Mixed-Use Projects:
Market Demand

- **Office tenants** benefit from having food, services and entertainment within walking distance for their employees - but competition for parking and potential traffic snarls may not be as desirable as a nice office park environment.

Still, companies, individuals, and retailers may find mixed-use a powerful draw for recruiting, an urban lifestyle, and good synergy for retailing.

Mixed Use Development
External Success Indicators

Master planning efforts should reflect an understanding of the political environment and level of community support or opposition that may inform your design approach and program:

- **Zoning trends and code provisions**
 - **Community Support**
 - **Political Environment**
-

Master Planning Mixed-Use: “Main Street and Beyond”

A 360 degree mixed-use perspective

- A retailer’s view: major tenant: full movement access; visibility; co-tenant exclusions; parking fields and adjacent parking ratios;
 - A retailer’s view: shops: anchor shadow development; parking at the door; shared parking with office; service; visibility from juniors and anchors;
 - An Office tenant’s view: dedicated parking field; access for loading and unloading; amenity areas; deliveries
 - A resident’s view: dedicated and secure parking; refuse collection; amenity areas
-

Master Planning Mixed-Use: “Main Street and Beyond”

Visioning

- visioning can be very useful as a pre-design activity to develop ideas about land use districts, public amenity areas, view corridors, and landscaping that may influence the overall development character and form.
-

Architectural Design Challenges:
Functional Floor Plates

Residential over Retail

- Dimensional requirements for each use – how to strike a balance
 - Building Code Issues
 - Structural Systems
 - Plumbing, Mechanical, & Electrical Systems
 - Other Issues
 - Potential Pitfalls
-

Architectural Design Challenges:
Functional Floor Plates

Office over Retail

- Dimensional requirements for each use – how to strike a balance
 - Building Code Issues
 - Structural Systems
 - Plumbing, Mechanical, & Electrical Systems
 - Other Issues
 - Potential Pitfalls
-

Architectural Design Challenges:
Functional Floor Plates

Other Uses over Retail

- Hotel
 - Works well with restaurants that can also serve the hotel
 - Can be combined with residential with shared amenities
 - Cinema
 - Challenging structural requirements
 - Somewhat flexible first floor space requirements
 - Other Uses
-

Architectural Design Challenges:
Functional Floor Plates

Residential and Office over Food Service

- Integration of Vertical Chases
 - Building Code Issues
 - Acoustics
 - Odor Containment
 - Other Issues
 - Potential Pitfalls
-

Architectural Design Challenges:
Parking Wars

Office vs. Retail

- The needs of the workers vs. the needs of the customers
 - Organizational approaches
 - Distribution of surface parking
-

Architectural Design Challenges:
Parking Wars

Integration of Structured Parking

- Design considerations for retail
 - Design considerations for residential
 - Design considerations for office
 - Structural considerations
 - Building Code Issues
-

Master Planning Mixed-Use:

Key Design Elements

Parking

On-street Parking:

- The “main street” component of mixed-use centers has become a staple of this development form.
 - limited amount of critical convenience parking for small shops
 - traffic calming the benefits
 - Angled – parallel 90 degree
 - helps establish scale and an activated street that benefits shops
-

Master Planning Mixed-Use:






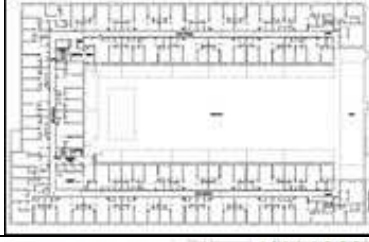


Key Design Elements













Parking








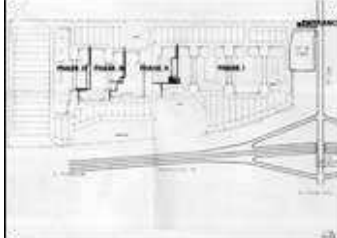




Structured Parking:

- free up valuable real estate for revenue generating uses
- In the Southeast, deck construction can vary from \$15,000 to \$20,000 per space for ventilated structures and up to \$40,000 per space for mechanically vented subsurface decks.
- Deck configurations vary widely - typical minimum footprint = 130 feet by 300 feet.
- 6 levels should be viewed as maximum height for most situations.
- ventilation - use topography to your advantage where possible
- Explore

Mixed Use Project Case Studies

Project Name, Location, and Land Use Description	Site Statistics	Other Photos	
Mixed Use Developments – Retail, Office, Housing			
	<p>Museum Place in Portland, OR (central city) Mixed Use Block: Residential-Retail, Apartments, Townhouses, Mixed-Use Building, Downtown Housing, Convenience Center, Retail, Underground Parking</p>	<p>Site = 0.9 acres 60,000 sf retail 140 mf units (140,000 sf) 220 structured parking spaces (95,000 sf) FAR: 5.0 # stories: 3 - 7</p>	
	<p>West River Commons in Minneapolis, MINN (inner suburban) Residential Mixed Use: Residential-Retail, Urban Park, Townhouses, Affordable Housing, Apartments, Community Retail Center</p>	<p>Site = 1.1 acres 8,000 sf retail 30 sf units and 53 mf units (75,000 sf) 111 underground parking spaces (25,000 sf) FAR: 0.84 # stories: 3 - 4</p>	
	<p>Renaissance Plaza in New York (central business district) Mixed Use Building: Residential-Retail Development, Apartments, Cooperatives, Multifamily Housing,</p>	<p>Site = 1.9 acres 62,000 sf retail 240 multi-family units (285,000 sf) 200 underground parking spaces (50,000 sf) FAR: 5.41 # stories: 9 - 11</p>	
	<p>Bethesda Row in Maryland (urban/suburban business district) Mixed Use District: Retail, Restaurant, Office, Entertainment, Cinema, Lifestyle Center, Neighborhood Retail Center</p>	<p>Site = 12 acres 190,000 sf office 360,000 sf retail and restaurant 100,000 sf residential FAR: 1.24 # stories: 2 - 4</p>	

Project Name, Location, and Land Use Description		Site Statistics	Other Photos	
	Alley 24 in Seattle, WA (central city) Mixed Use Block: Multifamily Rental Housing, Townhouses, Office Building, Neighborhood Retail Center, Affordable Housing	Site = 2.0 acres 191,000 sf office 35,000 sf retail 172 mf units (154,000 sf) 366 structured parking spaces (133,000 sf) FAR: 4.41 # stories: 2 - 7		
	South Campus Gateway in Columbus OH (central city) Entertainment Center: Community Retail Center, Apartments, Office Building(s), Cinema, Restaurants, Structured Parking	Site = 7.5 acres 98,000 sf office 249,000 sf retail 184 mf units 1,200 structured parking spaces FAR: 2.91 # stories: 4 - 7		
	Winter Park Village in Winter Park, FL (inner suburban) Lifestyle Center: Retail, Office Building(s), Multifamily Rental Housing, Loft Housing, Open Space, Cinema	Site = 40 acres 350,000 sf retail 124,000 sf offices 52 residential lofts (60,000 sf) FAR: 0.31 # stories: 1 - 3		
	Birkdale Village in Huntersville, NC (outer suburban) Mixed Use Town Center: Office-Retail, Residential-Retail, Office Buildings, Town Square, Multifamily Housing, Townhouses, Community Retail Center, Open Spaces, and Restaurants	Site = 52 acres 54,000 sf office 233,000 sf retail 53,000 sf movie theater 1,354 parking spaces 320 apartments (371,000 sf) FAR: 0.32 # stories: 3 - 4		

Project Name, Location, and Land Use Description	Site Statistics	Other Photos		
	<p>Santana Row in San Jose, CA (suburban) Mixed Use District: Retail, Residential, Hotel, Main Street Retail</p>	<p>Site = 42 acres 8,700 sf office 680,000 sf retail and restaurant 1,200 dwelling units 404 hotel rooms 1,200 structured parking spaces FAR: 1.24 # stories: 3 – 5</p>	 	
	<p>Media Village in Burbank, CA (urban infill) Residential Mixed Use: Elderly/Seniors Housing, Retail, Downtown Housing, Restaurant, Recreation Facility, Underground Parking</p>	<p>Site = 2.5 acres 14,500 sf office 41,000 sf retail 147 mf residential units 486 public parking spaces 100 residential parking spaces FAR: 3.7 # stories: 6</p>	 	
	<p>Grove City Factory Shops in Pennsylvania (suburban) Regional Retail Center: Lifestyle/Entertainment/Specialty Center, Retail, Outlet Center, Open-Air Center</p>	<p>Site = 70 acres 555,000 sf retail 3000 surface parking spaces FAR: 0.18 # stories: 1 - 2</p>	 	
	<p>Legacy Village in Lyndhurst, OH (inner suburban) Lifestyle Center/Main Street Retail</p>	<p>Site = 67 acres 550,000 sf retail 20,000 sf office 2,575 surface parking spaces FAR: 0.13 # stories: 1 - 3</p>	 	



1515 CLAY STREET, 20TH FLOOR
P.O. BOX 70550
OAKLAND, CA 94612-0550

Public: 510-622-2100
Telephone: 510-622-2145
Facsimile: 510-622-2270
E-Mail: sandra.goldberg@doj.ca.gov

January 3, 2008

By Electronic Mail and Telecopy

Pamela A. Tuft
Director of General Plan Administration
City of Petaluma
P.O. Box 61
Petaluma, CA 94953

RE: Comments on Revised Draft EIR (Greenhouse Gas Emissions Section) and Revised Draft General Plan (Air Quality: Greenhouse Gas Emissions Section)

Dear Ms. Tuft:

The Attorney General submits these comments on the Revised Draft Environmental Impact Report (Greenhouse Gas Emissions Section) ("Draft EIR") and Revised Draft General Plan (Air Quality: Greenhouse Gas Emissions Section) for the City of Petaluma.

We know that Petaluma is a City that takes very seriously the threat of global climate change. Petaluma has demonstrated a commitment to reduce climate change by joining the U.S. Mayors' Climate Protection Agreement and participating in the Cities for Climate Protection program. The City has completed a greenhouse gas (GHG) emissions inventory and adopted GHG reduction targets of 25% below 1990 levels by 2015 and 20% below 2000 levels by 2010 for municipal operations. The City has also devoted substantial time and effort to identifying policies to include in the General Plan that are intended to reduce GHG emissions.

Climate Change Background

Emissions of GHG on the Earth's surface accumulate in the atmosphere: the increased atmospheric concentration of these same gases in turn adversely affects the climate.¹ According to NASA's James Hansen, proceeding at the emissions rate of the past decade will result in "disastrous effects, including increasingly rapid sea level rise, increased frequency of droughts

¹ Intergovernmental Panel on Climate Change, Fourth Assessment Report (IPCC 4th) (2007), Working Group (WG) I, Frequently Asked Question 2.1, *How do Human Activities Contribute to Climate Change and How do They Compare with Natural Influences?* http://ipcc-wg1.ucar.edu/wg1/Report/AR4WG1_Pub_FAQs.pdf.

and floods, and increased stress on wildlife and plants due to rapidly shifting climate zones.”² The atmospheric concentration of carbon dioxide (CO₂), the leading GHG, is now 379 parts per million (ppm), higher than any time in the preceding 650,000 years.³ According to some experts, an atmospheric concentration of CO₂ “exceeding 450 ppm is almost surely dangerous” because of the climate changes it will effect, “and the ceiling may be even lower.”⁴ Experts are clear that if we continue our “business as usual” emissions trend, atmospheric concentrations of CO₂ will likely exceed 650 ppm by the end of the century.⁵

The need to make substantial cuts in emissions drives the global targets embodied in the Kyoto Protocol and the State’s targets established by Governor Schwarzenegger’s Executive Order S-3-05, and AB 32, California’s Global Warming Solution Act of 2006. In California, by these authorities, we are committed to reducing emissions to 1990 levels by 2020, and 80% below 1990 levels by 2050. Achieving the 2020 target will require California to reduce emissions by 29% below projected levels.⁶

In short, our past and current GHG emissions have pushed us to a climatic “tipping point.” If we continue our business-as-usual emissions trajectory, dangerous climate change will become unavoidable. The recent Bali accord recognized that we must cut greenhouse gas emissions from 25 to 40% *below* 1990 levels by 2020 to avoid the most catastrophic impacts of climate change, which is even more aggressive than the reductions required in California under AB 32. And, the experts tell us, we have very little time to take decisive action.⁷ Rajendra Pachauri, Chairman of the United Nations Intergovernmental Panel on Climate Change (“IPCC”) recently declared: “If there’s no action before 2012, that’s too late. What we do in the next two to three years will determine our future. This is the defining moment.”⁸

² <http://www.giss.nasa.gov/research/news/20070530/>; see also Hansen *et al.*, *Dangerous Human-Made Interference with Climate* (2007) 7 Atmos. Chem. Phys. 2287–2312 http://pubs.giss.nasa.gov/docs/2007/2007_Hansen_et_al_1.pdf.

³ IPCC 4th, WG I, Frequently Asked Question 7.1, *Are the Increases in Atmospheric Carbon Dioxide and Other Greenhouse Gases During the Industrial Era Caused by Human Activities?* <http://www.ipcc.ch/pdf/assessment-report/ar4/wg1/ar4-wg1-faqs.pdf>.

⁴ http://www.nasa.gov/centers/goddard/news/topstory/2007/danger_point.html.

⁵ <http://www.epa.gov/climatechange/science/futureac.html>.

⁶ California Energy Commission, 2007 Integrated Energy Policy Report, December 2007, at p. 16.

⁷ *Id.* For further discussion of dangerous climate change, see IPCC 4th, WG III, Ch. 1 at pp. 6-7 http://www.mnp.nl/ipcc/pages_media/FAR4docs/chapters/CH1_Introduction.pdf.

⁸ Rosenthal, *U.N. Chief Seeks More Leadership on Climate Change*, N.Y. Times (November 18, 2007).

CEQA Requirements

As the legislature has recognized, global warming is an "effect on the environment" as defined by the California Environmental Quality Act ("CEQA"), and a project's contribution to global warming can be significant.⁹ CEQA was enacted to ensure that public agencies do not approve projects unless they include feasible alternatives or mitigation measures that substantially reduce the significant environmental effects of the project.¹⁰ CEQA requires that "[e]ach public agency shall mitigate or avoid the significant effects on the environment of projects that it carries out or approves whenever it is feasible to do so."¹¹ This requirement is extremely important and is recognized as "[t]he core of an EIR"¹² The City has determined in the Draft EIR that the global warming-related effects of the General Plan are cumulatively significant. This triggers the lead agency's obligation to require feasible mitigation. (Pub. Res. Code, § 21002.1(b)). The City must ensure that the measures adopted to mitigate or avoid these significant effects "are fully enforceable through permit conditions, agreements, and other measures."¹³ Accordingly, where there are goals and policies in the proposed General Plan that "support" or "encourage" measures that would reduce GHG emissions, these should be strengthened wherever possible, to establish enforceable requirements.

Potential Mitigation Measures

The proposed General Plan includes policies to employ "smart growth" principles and "mixed use development" as a way to reduce vehicle trips, and therefore reduce GHG emissions resulting from new development. While these are laudable policies, in some respects it appears that the City could strengthen the land use designations in the draft General Plan to insure that "smart growth" development principles are actually carried out and that "mixed use" development actually occurs. Modifications to the proposed land use designations could ensure a mix of uses, with higher residential density near existing commercial areas and public transit, that will allow a shift from driving trips to alternative transportation choices including walking, biking, use of transit and ridesharing. In addition to facilitating a shift in transportation choices,

⁹ See Pub. Res. Code section 21083.05, subd. (a); see also Sen. Rules Com., Off. of Sen. Floor Analyses, Analysis of Sen. Bill No. 97 (2007-2008 Reg. Sess.) Aug. 22, 2007.

¹⁰ Public Resources Code § 21002.

¹¹ Public Resources Code §§ 21002.1(b) and 21081; see also, *Mountain Lion Foundation v. Fish and Game Commission*, 16 Cal.4th 105, 134 (1997).

¹² *Citizens of Goleta Valley v. Board of Supervisors of Santa Barbara County* (1990) 52 Cal.3d 553, 564-65.

¹³ Pub. Res. Code, § 21081.6; *Federation of Hillside and Canyon Associations v. City of Los Angeles* (2000) 83 Cal.App.4th 1252, 1261.

mixed uses and higher densities are typically a prerequisite to increasing transit opportunities and other options such as car sharing programs. Some potential modifications to the proposed General Plan land use designations to further reduce GHG emissions include the following:

- **Mandatory Mixed Uses:** modify mixed use policies and land use designations to require a mix of uses (rather than to merely allow a mix, with no assurance that it will occur). The City could establish a ratio for residential to non-residential uses on these parcels.
- **Identify Additional Mixed Use Sites:** change proposed single-use commercial, business park, and medium and high density residential land use designations to “mixed use.” Some examples of this are the Pleasanton Hacienda Business Park which is incorporating housing into a pre-existing Business Park (see <http://tod.hacienda.org/SP/home.html>) and a new Whole Foods in Novato with residential units above the market (see http://ci.novato.ca.us/docs/Whole_Foods_Views.pdf).
- **Incentives for Mixed Use Development:** increase the intensity of development by providing a mixed use density bonus – where compatible with neighborhood constraints – for mixed use projects that incorporate high quality design, a grid street pattern, a mix of non-residential and residential uses, a specified percent of affordable housing, shared parking and other features that increase the opportunities for walking and biking, reduce vehicle use, and increase transit accessibility.
- **Existing Single Family Residential:** increase density in single family residential areas located near transit routes or commercial areas. For example, allow duplexes in residential areas and increased height multi-unit buildings on main arterial streets.
- **Land Use/Growth Management Element:** add a policy to require the high end of the density and intensity range for residential and mixed use projects, where compatible with surrounding uses.

In addition to the suggestions related to the land use designations, there may be additional opportunities to include policies in the General Plan, or modify proposed goals and policies, to further reduce greenhouse gas emissions, including the following:

- adopt and implement a Heat Island Mitigation Plan that requires residential buildings to have “cool roofs” with the highest commercially available solar reflectance and thermal emittance; adopt a program of building permit enforcement for re-roofing to ensure compliance with existing state building code “cool roof” requirements for non-residential buildings; evaluate and pursue options for using lighter colored, more reflective pavement;¹⁴ plant trees for strategic

¹⁴ See <http://eetd.lbl.gov/HeatIsland/> and www.epa.gov/heatisld/images/extra/level3_pavingproducts.html. Using lighter-colored pavement could also be part of the “green streets standards” that the City will develop. (See General Plan, Policies and Programs 3-P-104 B., at p. 3-27).

shading.

- strengthen the policies contained in Policies and Programs 5-P-32 and 7-P-15 (draft General Plan, at pp. 5-25 and 7-13) that support efforts to increase walking, biking and carpooling to schools and reduce congestion around schools. According to some estimates, parents driving their children to school account for 20-25% of the morning commute. While the draft General Plan includes a policy to “Participate in and support recommendations of the Safe Route to Schools program” (5-P-22 J. at p. 5-24; see also 7-P-15 B., at p. 7-13), more specific actions are needed. The City could implement a citywide Safe Routes to Schools Program (which could be the responsibility of the City Pedestrian and Bicycling Coordinator) that will: identify and prioritize, for each school, the improvements needed to facilitate walking and biking; identify potential funding sources; include a schedule for completing the improvements; provide education and incentives to increase walking, biking, carpooling and school bus use; monitor the results of the program and make appropriate updates and revisions.¹⁵ Add a policy to give priority for city funding of the planning and construction of the street improvements that are identified.
- under Policies and Programs 7-P-12 (draft General Plan at p.7-13), add a requirement that new schools are sited in locations that maximize opportunities for access by walking and biking.
- develop and implement a comprehensive parking management program to encourage walking, biking, carpooling, and transit use.¹⁶ The City should evaluate use of the parking management options listed at page 5-14 of the General Plan, including, but not limited to, the following: employ “unbundled” parking (where rent for residential or commercial space does not include parking spaces; parking is paid for separately); eliminate minimum parking requirements; adopt appropriate on-street parking fees to reduce time spent searching for spaces in locations where off-street paid parking is available; use parking revenue to improve walkability in the area where the fees are collected. The draft General Plan requires the City to study feasibility of a citywide Transportation Demand Management Program (which includes parking management) funded by development fees (Policies and Programs 5-P-13 A., at p. 5-15), but does not require that the feasible parking management measures (either citywide or for the downtown area) are implemented.

¹⁵ See Safe Routes to School Toolkit, National Highway Traffic Safety Administration (2002) at www.nhtsa.dot.gov/people/injury/pedbimot/bike/Safe-Routes-2002; see also www.saferoutestoschools.org.

¹⁶ For examples, see Reforming Parking Policies to Support Smart Growth, Handbook/Toolkit at: http://www.mtc.ca.gov/planning/smart_growth/parking_seminar/Toolbox-Handbook.pdf; City of San Buenaventura Downtown Parking Management Plan at: www.ci.ventura.ca.us/depts/comm_dev/planning_communities/resources/downtown/DPMP.pdf; Todd Littman, “Parking Management: Strategies, Evaluation and Planning, Victoria Transport Policy Institute (August 24, 2007) at www.vtppi.org/park_man.pdf.

- add a policy/program to implement Goal 5-G-4 : Transportation Demand Management and Parking (draft General Plan at p. 5-15) that requires evaluation of actions the City could take to increase ridesharing and transit use by City residents who commute to work outside of the City and requires the City to adopt and implement the feasible measures.
- add a policy to give priority to funding infrastructure improvements and public amenities in and around the areas with mixed use and high density residential land use designations;
- modify the policy for a climate action plan by requiring a climate action plan with implementation measures to meet the city’s municipal GHG reduction target within 6 months; and requiring a climate action plan with implementation measures to meet the city-wide GHG reduction target within one year (the proposed Policies and Programs appear to make this optional, by stating: “The City *may* prepare a Community Climate Action Plan...” Revised Draft General Plan, Policies and Programs 4-P-22, at p. 4-23).
- instead of a goal to “provide leadership and guidance to encourage” sustainable site planning and green building practices, these should be *required*. (See draft General Plan, Goal 3-G-18: Sustainable Building, at p. 3-27) (this will make the goal consistent with the policies and programs in Chapters 3 and 4 that require such measures).
- specify the time-frame for adopting a mandatory green building ordinance (this is required in Policies and Programs 3-P-125 (Revised Draft General Plan at p. 4-25) but no time-frame is specified).
- require recycling in all buildings (rather than just “encourage waste reduction and recycling... .” See draft General Plan, Policies and Programs 4-P-19, at p. 4-16).
- expand Policies and Programs 4-P-13 C (Revised Draft General Plan at p. 4-27) by adding that sources of renewable power that the City will investigate and implement include: installing solar photovoltaic systems to generate electricity for city buildings and operations; using methane to generate electricity at the City wastewater treatment plant; and installing combined heat and power systems.
- add the following policies to implement Goal 4-G-4: Energy (draft General Plan at p. 4-14):
 - require energy efficiency and water conservation upgrades to existing non-residential buildings at the time of sale, remodel, or additions;¹⁷
 - require new residential development to participate in the California Energy Commission New Solar Homes Partnership and include onsite solar photovoltaic systems in at

¹⁷ See Berkeley’s building efficiency ordinance at <http://www.ci.berkeley.ca.us/sustainable/buildings/ceco.html>.

least 50% of the residential units (see <http://www.gosolarcalifornia.ca.gov/nshp/index.html>);

- require onsite solar generation of electricity in new retail/commercial buildings and parking lots/garages (solar carports);

- develop a program to provide innovative, low-interest financing for energy efficiency and renewable energy projects. For example, allow property owners to pay for energy efficiency improvements and solar system installation through long-term assessments on individual property tax bills.¹⁸

- adopt stronger requirements for use of recycled and reclaimed water. For example, modify or add to the Policies and Programs that implement Goals 8-G-1, 8-G-2 and 8-G-3 to:
 - require installation of graywater systems in new buildings, if feasible, to allow use of recycled water for irrigation (see: www.owue.water.ca.gov/docs/graywater_guide_book.pdf);
 - require new buildings to include plumbing for graywater systems;
 - require new development to provide the infrastructure needed for the City to deliver reclaimed water to the property for use in irrigation, if feasible.

Thank you for your consideration of these comments. We would appreciate the opportunity to meet with you at your convenience if you would like to discuss these issues. If you have any questions, please contact me at the number above, or Deputy Attorney General Cliff Rechtschaffen, at 510-622-2260.

Sincerely,

/S/

SANDRA GOLDBERG
Deputy Attorney General

For EDMUND G. BROWN JR.
Attorney General

cc: Mayor Pamela Torliatt

¹⁸ The City of Berkeley is in the process of instituting a “Sustainable Energy Financing District.” See: <http://www.cityofberkeley.info/Mayor/GHG/SEFD-summary.htm>

Supplemental / Support Information for:

Question #3. Infill/Redevelopment and Density Compatibility

The Preferred Land Use Alternative selected for the City's 2030 General Plan is based on the idea that significant amounts of the projected future growth will occur through infill projects, redevelopment projects, and new development at higher densities than current practice in Chico. Many jurisdictions like Chico are facing the same issues and are establishing mandates and incentives to achieve the desired result with a focus on infill and redevelopment opportunities.

A. What are the best ways for the City to achieve higher density housing on infill and redevelopment sites to meet our future housing needs?

B. What are your ideas for addressing the compatibility problem (real or perceived) with higher density/intensity infill projects locating adjacent to lower density/intensity neighborhoods and uses?

Support Materials Provided:

1. Excerpted pages from a Planning Department Memo dated March 26, 2008 to the City Council on Infill Development and Compatibility in Chico.
2. Summary of feedback provided by Council at the March 26, 2008 Workshop on Infill Development and Compatibility in Chico.
3. Example Definitions of the words 'Infill', 'Redevelopment' and 'Compatibility'
4. Narrative on Infill Development Incentives.
5. Example Neighborhood Compatibility Worksheet (City of Monterey).
6. Example General Plan policy statements regarding infill development and compatibility.



City Council Agenda Report

Meeting Date: March 28, 2006

TO: City Council

FROM: Kim Seidler, Planning Director (879-6801)

RE: Infill Workshop: Background Information, Options, Suggestions

Introduction

This report is intended to provide the Council with background information on infill development that will assist you in fully understanding issues that will be discussed at the 3/28/06 infill workshop. It also includes some of staff's perspectives on these issues, as well as some options and suggestions for further consideration by the Council.

This workshop was prompted by:

1. Continuing issues and controversy related to the development of infill properties in Chico and the compatibility of that development with the existing neighborhoods in which it occurs.
2. A recent parcel map proposing a flag lot in a developed neighborhood (the Hawes parcel map on Mountain View Avenue). It was as a direct result of the appeal hearing on this parcel map that the Council determined that the workshop should be held.

This workshop is intended to address infill and flag lot issues in general, but not any specific projects that may be pending. The workshop is also not intended to address second dwelling units (the subject of its own earlier workshop). The purpose of the workshop is to determine whether there are any course corrections with regard to infill development in general, or flag lot development specifically, that the Council wishes to make, and if so, what those corrections should be. If the workshop results in direction to staff, please be aware that implementing that direction will likely necessitate a reordering of priorities already assigned by the Council.

Infill Development in General

What constitutes infill development? The General Plan defines infill as "(t)he development of new housing or other buildings on scattered vacant lots in a built-up area or on new building parcels created by permitted lot splits." Another definition I appreciate, however, is the following: "Infill development is the economic use of vacant land, or restoration or rehabilitation of existing structures or infrastructure, in already urbanized areas where water, sewer, and other public services are in place, that maintains the continuity of the original community fabric." Residential infill properties might also be defined as those vacant parcels bounded on at least two sides (some jurisdictions refer to three sides) by lots with existing residential development.

It is the presence of existing infrastructure that makes infill development so appealing on a community-wide basis. In order to accommodate new development on the fringes of the City, the costs of constructing new streets, of building additional sewer capacity, of laying pipes in the ground, of extending utilities, not to speak of the overall costs of sprawl with regard to commuting times, congestion on outlying collectors and arterials, and the environment, are considerable. Many or most of these costs are ultimately passed on to the community as a whole.

The pressure to provide more housing in cities like Chico is as unrelenting as it is understandable. Chico will grow. New residential opportunities will be provided. The real question is how and where.

Expansion of the City into the rural areas outside of the existing urban fabric, with all of its attendant difficulties in terms of conversion of agricultural lands, environmental constraints, and infrastructure costs, will continue to occur. The key, of course, is to lay the groundwork for this expansion through careful and thoughtful planning. But even with these difficulties, outward expansion is often less difficult in terms of neighbor opposition than infill is, primarily because public expectations regarding the ultimate use of land on the edge and in the heart of the City are different.

Infill represents an entirely different challenge for developers, City staff, and decision-makers. Parcels are often smaller and more irregularly-shaped, and creative approaches may be proposed. Site grading can result in differing ground levels and higher backyard walls facing existing lots. Existing infrastructure must be accounted for even if it is substandard. Surrounding parcels may be larger, even substantially larger, than those proposed for infill development. Backyards may not line up. Densities may be different. With all of the difficulties attending these and many other issues, however, the greatest challenge is often related to the controversy and public opposition we so often see with infill projects.

So with all of these issues and the prospect of substantial opposition as well, why does staff so often seem to recommend approval of infill projects? Some answers to this may be found in the information provided below.

Policy Background

Our General Plan is the ultimate expression of City policy related to the use and development of land within its jurisdiction, and the General Plan actually has quite a bit to say about infill. In it, there is a very significant body of City policies related to both infill and preserving neighborhood character, and it is important for the purposes of the workshop that the Council have a sense of what these policies state.

Guiding and Implementing Policies and Principles. The General Plan includes guiding policies and implementing policies. Guiding policies are the City's statements of its goals and philosophy. Implementing policies represent commitments to specific actions. They may refer to existing programs or call for establishment of new ones. Together, the guiding and implementing policies articulate a vision for Chico that the General Plan seeks to achieve.

Infill Policies

(Word "infill" emphasized in bold)

CD-G-1 *Reinforce the compact form of the city.*

LU-G-2 *Promote **infill** development.*

LU-G-3 *Ensure that new development is at an intensity to ensure a long-term compact urban form.*

Six Land Use Element Governing Principles. Two of the six relate to infill:

- ***Compact Form.*** *The General Plan Diagram seeks to ensure that new development would be contiguous to the existing urban areas and would add to the physical and perceptual compactness of Chico's urban form. The provision of a balanced land-use program obviates the need for urban expansion at remote sites beyond the depicted boundary for urban uses.*
- ***Promotion of Infill Development.*** *In order to minimize pressure on conversion of agricultural land, encroachment into the foothills, and efficient provision of services, the Plan encourages use*

and revitalization of vacant and underutilized sites. These include reuse of the Diamond Match site, promotion of live/work spaces in areas such as Park Avenue and carefully studied designation of complementary and viable uses on vacant sites in existing neighborhoods.

Land Use Element Guiding Principles

- **Mix of Housing Types in all Neighborhoods.** *The General Plan continues the long-standing City policy of promoting a mix of housing types in all neighborhoods and ensuring that no one area is unduly burdened by higher-density residences.*

LU-G-9 *Allow and encourage small-lot single-family housing development in new and existing neighborhoods to provide compact development and efficient **infill**. In addition to the benefit of affordability, small-lot housing increases opportunities to conserve land and protect environmentally sensitive areas and can provide a positive aesthetic quality as characterized by Chico's older neighborhoods.*

LU-G-12 *Encourage and provide incentives for **infill** development within existing residential areas, at a density not less than surrounding development, subject to appropriate standards to ensure compatibility with adjacent uses.*

H-G-6 *Promote efficient use of land, public services and facilities which result in reduced development costs and affordable housing.*

H-G-39 *Continue to be committed to preserve older neighborhoods through housing rehabilitation, compatible **infill** and redevelopment projects.*

H-I-29 *Revise existing land use regulations incorporating standards for **infill** development within existing residential neighborhoods, to reduce conflicts resulting from, but not limited to, setbacks, building height, fencing and landscaping. **Infill** standards shall provide for the privacy of existing residences, to the extent feasible, through the use of landscape and/or fence screening, setbacks, building height and orientation of structures. The overall intent of the standards shall be to efficiently utilize **infill** parcels consistent with densities permitted by the General Plan while preserving neighborhood character.*

H-I-30 *Consider implementing a neighborhood planning program, in conjunction with the General Plan update, that would include the following actions:*

1. *Conduct a study to determine what local factors discourage infill development and/or redevelopment and consider opportunities to eliminate such disincentives.*
2. *Identify, prioritize and schedule improvement of infrastructure in targeted neighborhoods that will encourage desired residential **infill** development and/or redevelopment.*

H-I-31 *Identify and implement strategies that the City can take to encourage continued development of small residential **infill** projects, including second units and corner duplexes, while conserving and enhancing the existing character of mature neighborhoods.*

H-G-56 *Promote new and **infill** housing projects which meet specific housing needs and are design-responsive to the site and surrounding built and natural environment.*

The General Plan also includes a number of policies related to preservation of the character of existing neighborhoods:

Preserving Neighborhood Character Policies

(Words "neighborhood" and "character" emphasized in bold)

- CD-G-15 *Reinforce the individual **character** of existing residential **neighborhoods** and districts.*
- CD-G-18 *Encourage positive transitions in scale and **character** where new development and extensive expansions of existing buildings are proposed.*
- The character of a **neighborhood** comes from the large-scale patterns of streets, house location and orientation, landscaping, front yard setbacks and garage locations, but it is also influenced by the relationships of adjoining residences to one another. When **neighborhoods** begin to be "infilled" or redeveloped with parcels of a much higher density or scale, it is important to ensure that the overall **character** is not destroyed. Specific attention needs to be placed on proposed parcel sizes, building footprint, heights, relationships to the street, and linkages to the surrounding neighborhood by foot.*
- LU-G-6 *Preserve the scale and **character** of established **neighborhoods**. With growth, there is a need to ensure that the character of established **neighborhoods** is not lost.*
- LU-G-12 *Encourage and provide incentives for infill development within existing residential areas, at a density not less than surrounding development, subject to appropriate standards to ensure compatibility with adjacent uses.*
- H-I-29 *Revise existing land use regulations incorporating standards for infill development within existing residential **neighborhoods**, to reduce conflicts resulting from, but not limited to, setbacks, building height, fencing and landscaping. Infill standards shall provide for the privacy of existing residences, to the extent feasible, through the use of landscape and/or fence screening, setbacks, building height and orientation of structures. The overall intent of the standards shall be to efficiently utilize infill parcels consistent with densities permitted by the General Plan while preserving **neighborhood character**.*
- H-I-31 *Identify and implement strategies that the City can take to encourage continued development of small residential projects, including second units and corner duplexes, while conserving and enhancing the existing **character** of mature **neighborhoods**.*
- H-G-34 *Conserve Chico's older **neighborhoods** and their housing.*
- H-G-35 *Maintain and enhance the **character** and affordable nature of Chico's older **neighborhoods**.*

As you can see, there is no lack of adopted City policies that directly refer to infill and to preserving neighborhood character; on the contrary, the City has many such policies, and they are written clearly and even forcefully. Taken together, the policies cited above tell us in the strongest terms that we need to be actively promoting infill development, but that we also need to do so in such a way that the character of existing neighborhoods is preserved.

Perhaps the most important function of any city's planning staff is to assist that city in implementing its adopted land development policy as expressed in its General Plan. Chico's Planning staff attempts to fulfill that function

to the best of its ability. The question, of course, is how to do it: how to accomplish not just one but both of these policy directives. Our challenge with infill is to find ways to implement and integrate two different but related sets of policies that have a potential to conflict with each other, and to find a balance that will make them both achievable. Some might argue that any infill at all will by definition destroy the character of a neighborhood. Others may counter that neighbors opposing infill development are invariably NIMBYs who only want to pull up the gates and not let others in. Neither of these arguments is correct. If the first argument were believed, no infill would be possible consistent with General Plan policies to preserve neighborhoods, and all of the Council-adopted directives to promote infill development would be unachievable. And if the second were believed, the City well might choose to simply ignore neighborhood concerns about an infill project and approve it in a form that truly could be detrimental to the surrounding area.

It is possible to effectively provide infill in existing neighborhoods *and* to preserve the character of those neighborhoods, as long as we clearly recognize the potential effects of that infill, both negative and positive, on both the immediate neighborhoods and on the community as a whole.

Potential Negative Effects of Infill

Infill development involves a number of potential negative effects, some of which are inescapable, most of which can be made significantly less negative through appropriate design, and others of which are sometimes overstated:

- *Increased traffic and activity.* New homes in any area will increase traffic and the overall activity connected with additional residents. While the increased traffic resulting from the addition of one or two homes would barely be measurable, concerns are often expressed that cumulatively though substantial infill, levels of service on streets may decline. There is truth in this concern; however, growth on the City's edge will also affect existing City streets, and to the extent the increased distance to that growth makes it less feasible that new residents there will walk, bike, or take the bus to destinations within Chico, more traffic and congestion will occur over the long term.
- *Decreased privacy.* New homes constructed adjacent to existing homes, particularly if they include second-story windows or balconies that overlook backyards or provide view into the windows of the existing homes, may disturb existing residents or even force them into lifestyle changes (such as spending more time indoors rather than in a backyard). Residents of new homes may represent new sources of noise, with general noise or children playing outside. To a significant extent, these concerns can be addressed through design, provided that City decision-makers have the ability to implement such design through the entitlement process.
- *Diminished views and light.* The massing of new homes, particularly with heights above a single story, adjacent to existing homes may affect sunlight on landscaping or backyard gardens, and may block views of the foothills or the sky. Again, recognizing that it may not be possible to forever protect views across vacant land designated for development that is not owned by the person desiring to retain the view, many of these issues can be addressed through careful design and conditions of approval.
- *Removal of trees.* The construction of new infill homes may require the removal of trees considered to be important to the ambience of the neighborhood. While careful planning can reduce tree removal, this is in fact a likely outcome; more buildings and driveways typically means fewer trees.
- *Higher density, smaller lots, and property values.* There is concern that infill resulting in higher density or the creation of lots smaller than those already existing in the neighborhood or immediate vicinity will lower the property values of the existing homes. This topic has not been ignored by researchers. In fact, study

after study has demonstrated that appropriately designed infill development, even at higher densities or on smaller lots than existing neighboring development, does not lower surrounding property values. I have yet to see a single study that concludes the opposite. Still, these concerns persist. But there are numerous design techniques that can be employed on the edges of infill projects, such as setbacks and height limitations, that can at least partially allay concerns about the effects of density and lot size on property values.

- *Need to improve infrastructure.* Much of the infill potential in Chico lies in areas formerly under Butte County jurisdiction, where larger lots were required to support individual septic systems, but which now are sewered. Streets in these areas are frequently not constructed to current City standards with regard to surfacing, curbing, park strips, and drainage. Increased infill development here may increase the pressure to make improvements to neighborhood infrastructure.
- *Precedent for further infill.* Concerns have been expressed that approval of a single infill project (more specifically a flag lot development) in a neighborhood, which by itself might not seriously diminish the quality and character of the neighborhood, will open the gates for further infill, resulting in an unacceptable cumulative effect. This is, in fact, an issue that should be considered by the Council with regard to flag lot development; some suggestions are provided below.
- *Public opposition.* As referred to above, this may be the single biggest challenge to infill. I believe that developers who go to the neighbors and seek input *before applications are submitted to the City* can substantially enhance their prospects for ultimate approval, especially if their applications reflect project design modifications in response to input received.

Positive Effects of Infill

As described below, the advantages of infill for the community as a whole cannot be overstated:

- *More efficient use of land and infrastructure.* Infill development by definition occurs in areas already served by roads, storm drainage facilities, sewer, utilities, police and fire services, public transit, and parks. The costs of providing all of these features and services for new development are extremely high, particularly over the long term. In addition, the costs of the entitlement process for new development in outlying areas, which is usually long, complex, often controversial, and uncertain, are high as well. Compared with development at the City's edge, infill is a cheap and efficient means of accommodating growth.
- *Opportunities to hold down the cost of housing.* Development costs are typically passed along to new homeowners, wherever new homes are built. Infill costs may be lower than edge development costs, leaving lower costs to pass on while still ensuring an expected profit.
- *Diminished pressure to sprawl.* As stated above, the pressure to provide housing in connection with population growth, as well as the desire to control rising housing costs by ensuring a reasonable supply of housing, is unrelenting (just as it is in other growing cities). This pressure must and will be relieved. The more the pressure to provide housing can be directed inwards through reasonable increases in the urban density of the City, then the more likely it is that the pressure to sprawl outward can be controlled and managed, and that the General Plan's very first and possibly most important single policy, "Reinforce the compact form of the city" (CD-G-1), can be realized.
- *Environmental factors.* Development at the City's edge (not to speak of beyond it) forever changes land previously devoted to other purposes, such as intensive agriculture on diminishing amounts of the world's most productive soils (in the face of rapidly increasing numbers of mouths to feed in California and around the globe), or critical habitat for threatened and endangered species, or surrounding open space that helps

define the City in contrast to its rural hinterlands. It also increases the amount of hard surface, reducing groundwater recharge and increasing the challenges of addressing storm drainage. One of the most significant environmental issues related to outward growth is the increasing distances new residents on the edge will have to travel for work or urban services, as expressed in traffic congestion, fuel consumption, unproductive commute times, and diminished air quality. Infill is superior in this regard.

- *Reasonable expectations.* Owners of larger, non-infill properties often purchase land based on a reasonable expectation that ultimate development will be permitted to occur consistent with the General Plan designation and zoning. This applies as well to owners of infill properties. A reasonable expectation does not mean a guarantee, of course; the entitlement process is certainly discretionary. But an owner should reasonably be able to expect that the City's starting point in considering an application is its consistency with the General Plan and zoning, and that there will be a predisposition to approve it if the more detailed issues can be successfully addressed.

Challenges to Infill Development

The primary challenges to effective infill development come from familiar sources (namely all of us):

1. *Developers.* Some developers may design infill projects that are insufficiently sensitive to neighborhood character, and may be less willing than they could be to proactively involve neighbors and modify project design as needed for maximum neighborhood compatibility given site constraints.
2. *Neighbors.* Some neighbors may unreasonably oppose any infill development near them, particularly if it involves densities higher or lots smaller than theirs, without regard to how it is designed (particularly, I believe, if they are not provided an early opportunity to constructively influence the project design).
3. *Staff.* Some City staff may not be sufficiently aggressive in working with a developer to propose the most appropriate and compatible infill project design through the application review process, making recommendations that will achieve the best possible design through project approval, or recommending denial of an application where a sufficient level of compatibility cannot be achieved.
4. *Decision-makers.* Some Planning Commissioners or Council members may feel substantial pressure to yield to the concerns of particularly numerous or vocal opponents from an infill project's immediate neighborhood without considering issues from the perspective of that project's benefits to the entire community.

As apprehensive as we all are that infill could affect the character of individual neighborhoods, we should likewise be concerned that sprawl will forever change the overall, fundamental character of Chico; if infill clearly cannot be the only solution in preventing sprawl (and in fact it cannot), it should nevertheless remain a significant part of the City's menu of available options, as the General Plan anticipates it will.

Potential for Infill Development in Chico

Staff is preparing an analysis of the potential for residential infill development in order that the Council will have a better perspective of its importance as a component of overall development. This will include mapping of infill sites throughout the City, and estimates of the numbers of residential units that could result based on assumed densities. Maps and results of the analysis will be presented at the 3/28/06 workshop.

Possible Directions for Infill Development

The following are some broad suggestions that the Council may wish to discuss at the workshop. Depending on Council interest in them, details could be worked out later.

- Require developers of infill parcels to demonstrate that they have held at least one meeting with neighbors for the purpose of explaining their proposals and seeking neighborhood input before they submit applications to the City. (This would not require that developers necessarily address all neighborhood concerns.)
- Require that developers provide preliminary grading plans or otherwise conclusively demonstrate that there will be no abrupt grade changes at the boundaries of a new infill project with adjacent developed property.
- More specifically define infill development, and consider using different density calculations for infill projects.
- Require that infill parcels be developed subject to additional long-term design controls (particularly for those , such as through planned development permit (PDP) approval, or as described under flag lot development below. As long as overall density requirements are met, PDPs provide a very substantial level of control over all aspects of site development, including lot configurations, street design, building location and even architecture, and the flexibility needed to address local conditions by replacing City standards with requirements that are specific to the property and project. (The disadvantage of PDPs from the standpoint of applicants lies in the costs associated with providing the amount of detail needed to process a PDP, the additional time and complexity involved in gaining approval, and the uncertainties during and at the end of the process.)

There are other possible options as well, including measures like the following:

- Establish and assess fees to provide traffic calming.
- Require visual simulations to assist in determining how an infill project will affect the streetscape.

The Council should also consider suggestions made by members of the audience at the workshop.

Conclusions Regarding Infill Development in General

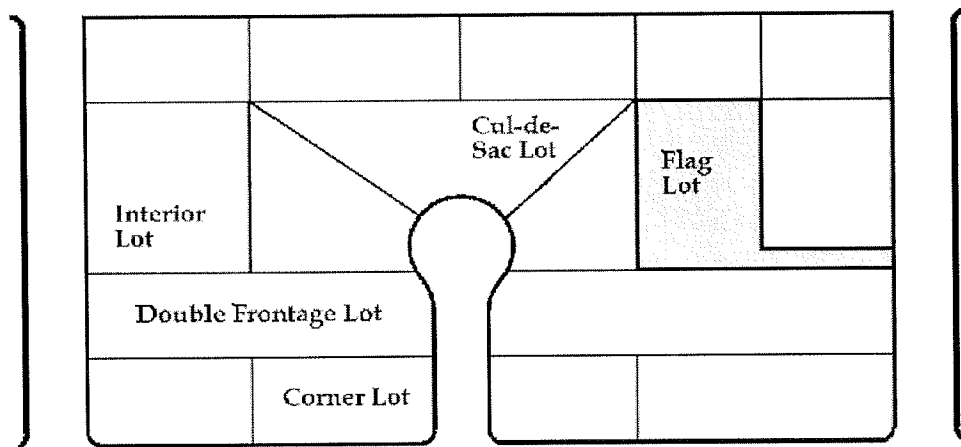
Assuming that significant changes are not made to the General Plan's policies regarding infill, we can anticipate that infill applications will continue to be among the most difficult issues for the City to address. Staff will continue to work with applicants to make infill projects as compatible as possible, and if those applications are finally determined to be sufficiently compatible as to not diminish or change the character of a neighborhood, staff will recommend approval. The Planning Commission will continue to carefully review these applications and apply any additional conditions it finds necessary to address neighbor concerns. And, of course, a certain percentage of infill applications that the Commission approves will be appealed to the City Council, where the Council will continue to try to find that elusive balance between providing housing and avoiding sprawl, on the one hand, and protecting the essential character of a neighborhood, on the other. Chico is not unique in this; every city that is not completely built out struggles with infill issues, and there are no easy answers to be found.

Nevertheless, if infill is to continue to be promoted by the City, it is imperative that specific infill projects be designed with real care and in the context of effective and early input of neighbors. My hope is that as a result

of this workshop, we can standardize some approaches that will enhance prospects that any infill project, while not necessarily unopposed when it reaches the public hearing process, will at least be found worthy of approval.

Flag Lots

While flag lots are sometimes included in larger infill or non-infill subdivisions, they are more often used in infill situations where the existing configuration of existing lots (i.e. relatively long and narrow) is not conducive to a division into new lots that lie side by side with roughly equal street frontage. Flag lots consist of the primary lot area (the "flag") attached to the street by a narrow lot portion (the "pole") that serves to provide access to the street.



CMC Title 19, the Land Development Regulations, defines a flag lot as one "having access to a public street by means of private right-of-way strip that must be owned in fee". CMC Title 18, the Subdivision Regulations, has a somewhat different definition; a flag lot "means a lot so shaped and designed that the main building site area is set back from the street on which it fronts and includes an accessway not less than fifteen feet in width at any point connecting such main building site area to the frontage street." The related design criteria for flag lots in CMC 18.R specify the following:

1. *Flag Lots. Flag lots shall be approved only where required by topographic conditions or where there is no practical alternative design for the development of the interior portions of excessively deep parcels. Flag lots shall conform to all of the following requirements:*
 - a. *Flag lots shall conform to all of the requirements contained in these criteria except those provisions relating to lot line and lot frontages set forth... above, and shall have a minimum area of 6,000 square feet. The accessway serving the flag lot(s) shall not be included when calculating the required lot area of any lot.*
 - b. *The accessway to the rear lot(s) shall not be included when calculating the required lot area of any lot.*
 - (1) *An accessway serving one unit on a single lot shall be at least fifteen (15) feet wide, with twelve (12) feet thereof being paved. An accessway serving two*

Q3, Support
Material #2



Internal Affairs Committee Agenda Report

Meeting Date: November 8, 2006

TO: Internal Affairs Committee
FROM: Steve Peterson, Planning Director (879-6801)
RE: Infill Discussions

REPORT IN BRIEF:

At its 9/19/06 meeting, the Council referred further discussions of infill development and policy to the Internal Affairs Committee.

Recommendation:

Staff recommends that the Internal Affairs Committee consider the attached materials in its discussion of infill issues, confirm the infill issues, and direct staff to hold a workshop for development of infill guidelines based on case studies of recent projects.

FISCAL IMPACT:

The fiscal impact is unknown at this time.

Council Feedback

BACKGROUND:

On 3/28/06, the Council held a workshop on infill in general, and on infill flag lots in particular. Most of the direction to staff at this workshop was connected with flag lots, and a Planning Commission workshop regarding infill flag lot requirements has been tentatively scheduled for 11/16/06.

At the 3/28/06 workshop, the Council requested additional discussion of the following with regard to general infill issues:

- Possible use of some calculation of average density in a neighborhood as defined by some radius (this should not necessarily reflect the required notice area)
- A more standardized means of identifying a neighborhood as determined by its similarities
- Increased use of standards for transition and/or setbacks
- Use of some threshold of new traffic generated
- A review of the approaches to infill in other communities
- Mandatory pre-application meetings with neighbors for infill development, possibly including a checklist of issues that need to be addressed

The Internal Affairs Committee may wish to focus on these topics in its discussion of infill.

ADDITIONAL INFORMATION PROVIDED:

The following additional information intended to assist the Committee is provided:

1. *Maps.* At the Council's 3/28/06 workshop, some maps showing infill potential in Chico based on several different development assumptions were displayed. These maps were intended to provide a very rough idea of the development potential for infill parcels already zoned either R1 or R2. Reduced and slightly clearer versions of the maps are now provided.

DEFINITIONS OF INFILL

Chico: The development of new housing or other buildings on scattered vacant lots in a built-up area or on new building parcels created by permitted lot splits (Chico GP).

Redding: Development of vacant land (usually individual lots or left-over properties) within areas that are already largely developed (Redding GP).

Rohnert Park: The development of new housing or other buildings on scattered vacant lots in a builtup area or on new building parcels created by permitted lot splits Rohnert Park GP).

Vacaville: The development of new housing or other buildings on scattered vacant lots in a built-up area or on new building parcels created by permitted lot splits (Vacaville GP).

Walnut Creek: Development of vacant or underutilized land (usually individual lots or left-over properties) within areas that are already largely developed (Walnut Creek GP).

Yuba City: Development of vacant land (usually individual lots or left-over properties) within areas which are already largely developed (Yuba City GP).

DEFINITIONS OF REDEVELOPMENT

Chico: Redevelopment is a process created to assist a city or county government in eliminating blight from a designated area, and to achieve desired development, reconstruction, or rehabilitation to residential, commercial, industrial or retail areas. Redevelopment is one of the most effective tools available to generate new life into deteriorated areas plagued by social, physical, environmental or economic conditions which act as barriers to new investment by private enterprise (Chico Redevelopment Agency website).

Redding: Redevelopment is a process created by the State legislature to assist city and county government in eliminating blight from a designated area, and to achieve desired development, reconstruction, and rehabilitation goals including, but not limited to: residential, commercial, industrial, and retail properties (Redding Redevelopment Agency website).

Vacaville: Redevelopment is a process created by the State to assist city government in eliminating blight from a designated area, and to achieve desired development, reconstruction, and rehabilitation including (but not limited to): residential, commercial, industrial, and retail. The State allows a locality to capture much of the property tax from new development in redevelopment areas to accomplish these goals (Vacaville Redevelopment Agency website).

Yuba City: The purpose of redevelopment is to eliminate economic blight, revitalize depressed sections of the City, expand the supply of low- and moderate-income housing, expand employment opportunities for jobless and low-income persons, and to provide a quality environment for the well being of all citizens (Yuba City Redevelopment Agency website).

Infill Development Incentives

Infill incentives make redevelopment of urban core parcels more attractive and affordable to developers by addressing common barriers to infill development-inadequate infrastructure, lengthy permit processes, obsolete zoning provisions, and difficult parcel assembly.

Some jurisdictions designate specific districts as priorities for infill development and grant incentives for projects only in those districts. Such designations often come about as part of a redevelopment process and thus many infill incentives-for example, those related to the upgrading of infrastructure and amenities in a particular area - are spearheaded by the local redevelopment authority. Other localities take a more ad hoc approach, granting incentives to projects in any area of the city as long as they meet particular criteria. In other instances, local planning commissions are given the latitude to waive certain zoning requirements for infill projects.

The enacting of infill incentives frequently originates through a community planning process, either led by local government or a non-profit agency. Such processes provide an excellent opportunity for residents to make a strong case for infill incentives as a strategy for reinvestment in the urban core or to combat sprawl and protect open space on the urban fringe. As part of a concerted revitalization strategy for a previously disinvested area, infill incentives may be accompanied by complementary tools, such as transportation upgrades and low-interest business loans. Existing residents need to be proactive in ensuring that such incentives are accompanied by equitable development strategies to ensure that they are not displaced by the resulting growth.

Infrastructure-related Incentives

- **Upgrading infrastructure and amenities.** A key strategy for encouraging infill development, particularly housing, is a focused public investment strategy to improve antiquated infrastructure and add public amenities such as parks, libraries and streetscapes. These upgrades can make a target area more attractive. Such infrastructure upgrades are generally implemented by the jurisdiction's public works or parks department in response to priorities set by the City Council or redevelopment agency.
- **Lowering of impact fees.** Jurisdictions charge impact fees to offset the costs of public facilities and services necessary to serve the new development. Most localities charge a uniform fee that may not account for the higher costs to serve more distant suburban locations. Offering lower impact fees for infill projects can more accurately reflect the true costs for providing services through existing infrastructure. This more calibrated approach makes infill parcels more attractive, and builds greater equity into metropolitan growth patterns. Local governments can also waive infrastructure hookup fees for infill projects to lower costs to developers. Impact fees are included in the jurisdiction's development regulations; the lowering or waiving of such fees is implemented by the planning and building

department in response to priorities enacted by the city council or redevelopment agency.

Incentives related to the zoning and development process

- **Fast Track and Streamlined Permitting.** Fast track permitting, applied within targeted infill development areas, allows developers of infill parcels to get their application processed ahead of non-infill applications. Some localities consolidate or streamline permit processing to allow concurrent review and processing of related development permits. Since developers face holding costs during the development review process, long delays jeopardize the financial viability of a project. Affordable housing projects with slim profit margins can benefit substantially from speedy development review and approval. Related strategies include "one stop" centers for processing applications, and assignment of one city staff as point person to help navigate a project through the various departments and processes that constitute the development review process.
- **Reduce lot sizes, setbacks, and parking requirements.** Many localities are updating their zoning code to address the challenges of developing smaller parcels. Key incentives modify regulations to allow for reduced residential lot sizes, reduced setback requirements, and reduced street and parking standards. Older standards often make development of infill parcels impractical because they tie up a large percentage of a site's total land area. Some requirements, in particular for on-site parking, may be inappropriate or unnecessary for infill areas where transit service and other alternatives to auto use exist.
- **Zone for mixed-use development.** Traditional zoning has emphasized the separation of land uses. Smart growth principles emphasize the creation of integrated, multi-use districts that blend housing, services, recreation and jobs. Local governments may put in place a residential/mixed-use zoning designation to specifically encourage infill practices such as allowing housing development above stores. This enables residents to be closer to the services they use on a daily basis. To ensure availability of affordable housing, the jurisdiction can amend the zoning regulations to establish an overlay zone for the residential/mixed-use district that permits the development of affordable housing "by right" on the areas covered in the overlay. A "by right" zoning designation makes affordable housing development easier by eliminating the need to obtain a special use permit or undergo a zoning change approval process.
- **Increase density allowances.** Increasing the maximum allowed density for infill areas in the city's zoning regulations is an important incentive. Higher densities permit more intensive development of a parcel and allow the developer the opportunity to spread development costs over more units. Local governments can also provide "density bonuses" to developers of infill sites that designate a certain percentage of housing units as affordable. In this way, localities can both encourage efficient use of the land and promote the inclusion of affordable housing units within a project.

Incentives relating to the zoning regulations and development permitting process fall under the purview of the jurisdiction's planning and building department as well as the Planning Commission, and are enacted in response to direction from the City Council or redevelopment authority.

Other Incentives

- ✓ *Property tax concessions*
- ✓ *Agency sponsorship of assistance grants or loans*
- ✓ *Land assembly assistance*
- ✓ *Preparation of Specific Area Plans (CEQA Streamlining)*

CITY OF MONTEREY

ARCHITECTURAL REVIEW COMMITTEE RESOLUTION NO. 98-01

NEIGHBORHOOD COMPATIBILITY WORK SHEET

The Architectural Review Committee review encourages and promotes quality design that is appropriate and related to the setting and established character of the surrounding area or neighborhood. To accomplish this, the Architectural Review Committee will review all aspects of a proposal that influence outside appearance, view sharing, and **neighborhood compatibility**.

In regard to neighborhood compatibility, the Architectural Review Committee has determined that development, whether new construction or an addition, should be architecturally in scale, setting, and character with the neighborhood into which it is placed. The intent of neighborhood compatibility review is to assure that new construction will fit the surrounding neighborhood.

The attached worksheet has been prepared to assist applicants and the Architectural Review Committee in determining neighborhood compatibility and conformance with adopted Neighborhood Plans. The features and development patterns that are identified in the worksheet will often accurately describe the basic qualities of a neighborhood and guide applicants to a compatible design. They also represent characteristics of a neighborhood that the Architectural Review Committee will consider when they evaluate a design for neighborhood compatibility.

Chair

Vice-Chair

Date

Date

The original resolution signed by the ARC Chair and Vice Chair October 21, 1998

NEIGHBORHOOD COMPATIBILITY WORKSHEET

The Architectural Review Committee will consider the following features and neighborhood characteristics when evaluating your project for neighborhood compatibility. For purposes of analysis, your neighborhood includes both sides of your street and other structures immediately surrounding your property on which you may have an impact. Please submit the completed worksheet with your project application and attach any other supporting information, including photographs, sketches, street elevation drawings, or narratives, which helps to define your project in terms of neighborhood compatibility.

Project Address: _____

Applicant: _____

Project Description: **New House** **Remodel/Addition**

I. Neighborhood Plan:

The Del Monte Beach, Oak Grove, Old Town, and New Monterey neighborhoods have adopted Neighborhood Plans.

- A. Is the subject property located in an area with a Neighborhood Plan? Yes No
 B. Does your plan conform to the Neighborhood Plan? Yes No
 C. Have you discussed your plan with the neighbors? Yes No

II. Age of Neighborhood:

New construction in older, established neighborhoods should be sensitively designed to assure that the existing character of the neighborhood is not significantly changed. The age of the neighborhood is often an important attribute.

- A. Approximately how old is the existing dwelling? _____
 B. Approximately how old are the homes in the general neighborhood? _____

III. Neighborhood Characteristics (Identify the Neighborhood features that are most prevalent):

Characteristics	Your Project	Neighborhood
A. Neighborhood Features		
1. Lot Size	<input type="checkbox"/> Standard <input type="checkbox"/> Substandard <input type="checkbox"/> Substandard ≥5000 SF <5000SF ≤3600SF	<input type="checkbox"/> Standard <input type="checkbox"/> Substandard <input type="checkbox"/> Substandard ≥5000 SF <5000SF ≤3600SF
2. Predominant land use on street	<input type="checkbox"/> Single-Family <input type="checkbox"/> Multi-Family <input type="checkbox"/> Commercial	<input type="checkbox"/> Single Family <input type="checkbox"/> Multi-Family <input type="checkbox"/> Commercial
3. Number of stories	<input type="checkbox"/> Basement <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three	<input type="checkbox"/> Basement <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three
4. Garage/Carport	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
a. Number of cars	<input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three	<input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three
b. Location	<input type="checkbox"/> Front Yard <input type="checkbox"/> Rear Yard <input type="checkbox"/> Side Yard	<input type="checkbox"/> Front Yard <input type="checkbox"/> Rear Yard <input type="checkbox"/> Side Yard
c. Type of Construction	<input type="checkbox"/> Attached <input type="checkbox"/> Detached	<input type="checkbox"/> Attached <input type="checkbox"/> Detached
d. Access	<input type="checkbox"/> Street <input type="checkbox"/> Alley <input type="checkbox"/> Side Street	<input type="checkbox"/> Street <input type="checkbox"/> Alley <input type="checkbox"/> Side Street

Characteristics	Your Project	Neighborhood
5. Architectural Style	Describe: _____ _____ _____	Describe: _____ _____ _____
6. Architectural Features:	<input type="checkbox"/> Entry Porches <input type="checkbox"/> Balconies/roof decks <input type="checkbox"/> Entry Gardens <input type="checkbox"/> Dormers <input type="checkbox"/> Trim/fascia/shutters <input type="checkbox"/> Chimneys <input type="checkbox"/> Other (describe)	<input type="checkbox"/> Entry Porches <input type="checkbox"/> Balconies/roof decks <input type="checkbox"/> Entry Gardens <input type="checkbox"/> Dormers <input type="checkbox"/> Trim/fascia/shutters <input type="checkbox"/> Chimneys <input type="checkbox"/> Other (describe)
7. Roof Design:	<input type="checkbox"/> Flat roof <input type="checkbox"/> Hipped roof <input type="checkbox"/> Gabled roof <input type="checkbox"/> Distinctive colors <input type="checkbox"/> Combination	<input type="checkbox"/> Flat roof <input type="checkbox"/> Hipped roof <input type="checkbox"/> Gabled roof <input type="checkbox"/> Distinctive colors <input type="checkbox"/> Combination
8. Roofing Material	<input type="checkbox"/> Composition <input type="checkbox"/> Concrete <input type="checkbox"/> Wood <input type="checkbox"/> Tile <input type="checkbox"/> Shake <input type="checkbox"/> Other	<input type="checkbox"/> Composition <input type="checkbox"/> Concrete <input type="checkbox"/> Wood <input type="checkbox"/> Tile <input type="checkbox"/> Shake <input type="checkbox"/> Other
9. Siding Material	<input type="checkbox"/> Stucco <input type="checkbox"/> Wood <input type="checkbox"/> Brick/Stone <input type="checkbox"/> Combination <input type="checkbox"/> Other	<input type="checkbox"/> Stucco <input type="checkbox"/> Wood <input type="checkbox"/> Brick/Stone <input type="checkbox"/> Combination <input type="checkbox"/> Other
10. Windows: a. Material b. Style	<input type="checkbox"/> Wood <input type="checkbox"/> Vinyl <input type="checkbox"/> Aluminum <input type="checkbox"/> Single/Double Hung <input type="checkbox"/> Horizontal <input type="checkbox"/> Other	<input type="checkbox"/> Wood <input type="checkbox"/> Vinyl <input type="checkbox"/> Aluminum <input type="checkbox"/> Single/Double Hung <input type="checkbox"/> Horizontal <input type="checkbox"/> Other
B. Landscaping:		
1. General site characteristics	<input type="checkbox"/> Forested <input type="checkbox"/> No Trees or Shrubs <input type="checkbox"/> Shrubs & some trees	<input type="checkbox"/> Forested <input type="checkbox"/> No Trees or Shrubs <input type="checkbox"/> Shrubs & some trees
2. Slope	<input type="checkbox"/> Flat <input type="checkbox"/> Moderate <input type="checkbox"/> Steep	<input type="checkbox"/> Flat <input type="checkbox"/> Moderate <input type="checkbox"/> Steep
3. Fencing:	<input type="checkbox"/> Yes <input type="checkbox"/> None	<input type="checkbox"/> Yes <input type="checkbox"/> None
distinctive style	<input type="checkbox"/> Front Yard <input type="checkbox"/> Rear Yard <input type="checkbox"/> Side Yard	<input type="checkbox"/> Front Yard <input type="checkbox"/> Rear Yard <input type="checkbox"/> Side Yard
4. Retaining Wall	<input type="checkbox"/> Yes <input type="checkbox"/> None	<input type="checkbox"/> Yes <input type="checkbox"/> None
location	<input type="checkbox"/> Front Yard <input type="checkbox"/> Rear Yard <input type="checkbox"/> Side Yard	<input type="checkbox"/> Front Yard <input type="checkbox"/> Rear Yard <input type="checkbox"/> Side Yard
IV. Neighborhood Impacts:		
1. Is there a bay or hillside view?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Some	
2. Will construction block a neighbor's view?	<input type="checkbox"/> Maybe <input type="checkbox"/> Somewhat <input type="checkbox"/> Significant <input type="checkbox"/> No	
3. Will the construction impact a neighbor's privacy?	<input type="checkbox"/> Maybe <input type="checkbox"/> Somewhat <input type="checkbox"/> Significant <input type="checkbox"/> No <input type="checkbox"/> None <input type="checkbox"/> 1 <input type="checkbox"/> 2-4 <input type="checkbox"/> 5 or more	
4. Will trees be removed?		

Example Infill Development General Plan Policies & Guidelines

City of Davis:

GOAL UD 6. Strengthen the city's neighborhoods to retain desirable characteristics while allowing for change and evolution, promoting public and private investments, and encouraging citizen involvement in neighborhood planning.

Policy UD 6.1: Recognize the existence of individual neighborhoods with general boundaries and facilitate the development of neighborhood strategies in partnership with residents and property owners. The strategies should recognize the unique characteristics of the individual neighborhood and the potential for change, within the Davis General Plan Section IV: Community Form Adopted May 2001/ Amended. Through January 2007 Chapter 3: Urban Design and Neighborhood Preservation 163 context of a well-planned city. The strategies should be directed toward solving unique neighborhood problems and implementing neighborhood priorities and enhancing livability.

Actions:

- a. Develop a "community partnership" program to provide information and facilitate the involvement of neighborhood residents and property owners in neighborhood planning and problem solving.
- b. Identify and explore funding possibilities for physical improvements which would address neighborhood problems and priorities and improve livability.
- c. Revise city codes to remove regulatory barriers to neighborhood improvements and livability, particularly in older neighborhoods. Such revisions could be related to development standards and home occupation standards in the zoning ordinance
- d. Study revisions to the current building plan check, inspection and permit process to reduce barriers to infill projects and to residential and commercial remodels of existing buildings.

INFILL

GOAL LU 2. Define the types, locations, pace, and intensity of infill development consistent with neighborhood, agricultural and open space preservation policies.

Policy LU 2.1 Develop and implement guidelines for infill development and comprehensive car management strategies immediately following the adoption of the General Plan so that guidelines and strategies will be in place prior to the approval of significant new infill development.

Standards

- a. Guidelines should recognize various forms and patterns of infill development including:
 - (1) new mixed use, transit oriented development in new neighborhoods developed on urban land zoned for non-residential

- uses. (Land designated on the General Plan Land Use Map for uses of agriculture, agriculture buffer, or various open space uses are not to be considered as, nor re-designated as, urban land for infill purposes.)
- (2) new mixed use, transit oriented development in/near established neighborhoods.
 - (3) residential infill in/near established neighborhoods (e.g., Grande and Wildhorse school sites).
 - (4) densification of existing single family lots.
 - (5) targeted residential infill to help address the needs of UC Davis students and employees, City and school district employees, seniors, lower income households and other special needs groups (e.g., prospective joint UC-City-RDA-private sector sponsored projects).

Actions

c. Immediately following the adoption of the General Plan, initiate a study of the existing zoning code, other relevant City ordinances, capital projects, etc. and make recommendations for changes/additions that will reduce the reliance on the automobile before (1) approving significant new infill development, or (2) implementing any increases in densities in established neighborhoods. Strategies may include the establishment of remote parking sites, the establishment of special parking districts, the separate rental of parking spaces, etc.

e. Immediately following the adoption of the General Plan, initiate a process (1) to develop residential infill and densification design guidelines and strategies and (2) examine zoning in conjunction with neighborhoods and neighborhood councils where applicable. Such guidelines may include the establishment of floor area ratios, second story setback requirements, below grade construction to address scale and mass issues, "green" development and building, landscaping and other "buffering".

City of Sacramento:

GOAL LU 1.1

Growth and Change. Support sustainable growth and change through orderly and well-planned development that provides for the needs of existing and future residents and businesses, ensures the effective and equitable provision of public services, and makes efficient use of land and infrastructure.

Policies

LU 1.1.4 Leading Infill Growth. The City shall facilitate infill development through active leadership and the strategic provision of infrastructure and services and supporting land uses. (MPSP)

LU 1.1.5 Infill Development. The City shall promote and provide incentives (e.g., focused infill planning, zoning/rezoning, revised regulations, provision of infrastructure) for infill development, redevelopment, mining reuse, and growth in existing urbanized areas to enhance community character, optimize City investments in infrastructure and

community facilities, support increased transit use, promote pedestrian- and bicycle-friendly neighborhoods, increase housing diversity, ensure integrity of historic districts, and enhance retail viability. (RDR/MPSP)

LU 1.1.6 Infill below Minimum Standards. The City shall allow renovations and expansions of existing development that fall below the allowed minimum density and floor area ratio (FAR), provided that the existing structure is not demolished. (RDR)

LU 1.1.9 Balancing Infill and New Growth. The City shall maintain a balanced growth management approach by encouraging infill development within the existing Policy Area where City services are in place, and by phasing city expansion into Special Study Areas where appropriate. (MPSP/RDR)

GOAL LU 2.1

City of Neighborhoods. Maintain a city of diverse, distinct, and well-structured neighborhoods that meet the community's needs for complete, sustainable, and high-quality living environments, from the historic downtown core to well-integrated new growth areas.

LU 2.1.5 Neighborhood Enhancement. The City shall promote infill development, redevelopment, rehabilitation, and reuse efforts that contribute positively (e.g., architectural design) to existing neighborhoods and surrounding areas. (RDR)

LU 4.2.3 Suburban Infill and Secondary Units. The City shall continue to support efforts to provide more varied housing opportunities in existing suburban neighborhoods through infill and intensification on existing available sites, and by allowing secondary units on single-family lots, and implementing deep lot provisions that allow for additional development on excessively large lots. (RDR)

LU 5.3.1 Development Standards. The City shall continue to support development and operation of centers in traditional neighborhoods by providing flexibility in development standards, consistent with public health and safety, in response to constraints inherent in retrofitting older structures and in creating infill development in established neighborhoods. (RDR)

City of Santa Barbara:

4.1.3 Continue to assist the development of infill housing including financial and management incentives in cooperation with the Housing Authority and private developers to use underutilized and small vacant parcels of land for new low and moderate income housing opportunities.

4.1.10 Support the development of infill residential projects in the City.

Policy 4.3: Given limited remaining land resources, the City shall concentrate efforts to develop housing on vacant infill sites and redevelopment of opportunity sites in commercials and residential zones with priority for commercial and mixed-use development.

Implementation Strategies

4.3.1 Continue to offer and encourage early staff predevelopment consultations for opportunity sites and mixed use projects.

4.3.2 Continue to offer property profile services in the Planning Division that explain development potential and constraints for parcels in the City.

4.3.3 Continue to train and advise Planning and Zoning staff to encourage property owners and agents to take advantage of residential infill opportunities and mixed use.

4.3.4 Direct Building and Safety Staff to research new ways to meet UBC requirements for mixed-use projects.

4.3.5 Study the potential for possible residential reuse of existing nonresidential buildings for housing.

4.3.6 Develop standards for live/work projects.

City of Rohnert Park:

LU-J Continue to maintain efficient land use patterns and ensure that infill development maintains the scale and character of established neighborhoods.

City of Santa Cruz:

CD6.1 Ensure that infill and intensified development is compatible with existing neighborhood and business district patterns and uses.

LU1.1 Relate residential, commercial, and industrial land use intensities to the capability and location of the land while ensuring optimum utilization of infill parcels.

City of Berkeley:

Policy LU-3 Infill Development

Encourage infill development that is architecturally and environmentally sensitive, embodies principles of sustainable planning and construction, and is compatible with neighboring land uses and architectural design and scale. (Also see Urban Design and Preservation Policies UD-16 through UD-24.)

CD6.1 Ensure that infill and intensified development is compatible with existing neighborhood and business district patterns and uses.

Goal LU1: Sustainable land uses.

Policy LU1.1 Relate residential, commercial, and industrial land use intensities to the capability and location of the land while ensuring optimum utilization of infill parcels.

City of Boulder, Colorado:

Guiding Principal

- Encouragement of compact, contiguous development and a preference for infill land redevelopment as opposed to sprawl.

Policy 2.39 Sensitive Infill and Redevelopment. Overall, infill and redevelopment will be expected to provide significant benefits to the community and the neighborhoods. The city will develop tools such as neighborhood design guidelines to promote sensitive infill and redevelopment. The city will work with neighborhoods to protect and enhance neighborhood character and livability.

City of Madera:

Policy LU-1: The City encourages the use or re-use of vacant and underutilized parcels and therefore supports and promotes infill development as a means to accommodate some of Madera's future growth. To the extent possible, the City will seek to address expected increases in population and employment through infill development.

Policy LU-2: Infill development should occur first in the city limits. The City will seek annexation of new areas only when the existing city limits at any given time meet the following conditions:

- 1) The supply of residentially designated land inside the city is 80% developed or
- 2) Less than five years' supply of residentially designated land is available in the city.

Policy LU-3: The City will prioritize infill development in the current (2008) city limits and seek to encourage the development community to build on unused or under-used land. Potential methods that may be used to encourage infill include, but are not limited to:

- Prioritizing all available infrastructure funding to build and/or upgrade infrastructure in infill areas.
- Upgrading all existing infrastructure (roads, water, sewer, etc.) before expanding infrastructure to serve new growth areas.
- Prohibiting the use of public debt financing outside of the existing city limits.
- Providing City funding for CEQA compliance on all public and private infill development and/or infrastructure projects.
- Prioritizing the processing of infill projects over all other applications.
- Requiring that development of housing units in new growth areas be matched unit-for-unit by residential development in infill areas.

Action Item LU-46.1: Develop and implement incentive programs to encourage infill development.

Policy LU-4: The City shall provide flexibility in development standards for infill to facilitate compact, efficient infill development.

Action Item LU-47.1: Create and adopt flexible development standards that address the needs of infill development and that will help facilitate development of new uses in a way that does not negatively affect existing neighborhoods or businesses.

Action Item LU-47.2: Identify the market forces that attract development to infill areas.

Action Item LU-47.3: Investigate and, if desired, create infill incentives districts to provide incentives for developing housing and supporting neighborhood services in these districts.