

Redwood City Regulatory Approaches to Implementing a Community Benefits Program

Community Workshop #1
October 15, 2014



DYETT & BHATIA
Urban and Regional Planners

Workshop Overview

- Opening Remarks
- Workshop Objectives
- Community Benefits Programs
 - How do they work?
 - What can the community expect to achieve?
- Group Discussions and Report Back
- Next Steps

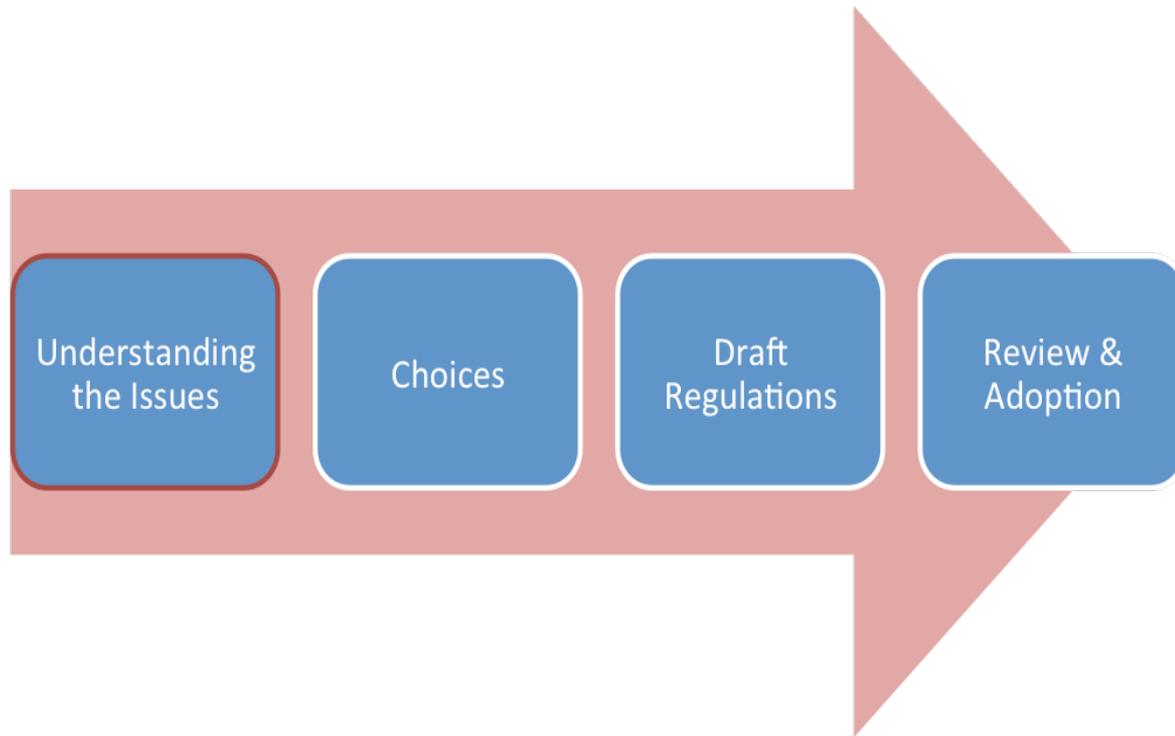


Goals for Tonight

- Provide information about:
 - How community benefits programs work
 - What Redwood City needs to know to determine whether such a program would be successful here
- Provide feedback on:
 - Types of incentives Redwood City could offer
 - What benefits community would want to receive in return



Community Involvement Process



Introduction

- What Are Community Benefits Programs?
A way for cities to derive benefits from new development that exceed those available from traditional development approval procedures by offering developers incentives that will increase property value in exchange for providing additional amenities and desired project features



Why A Community Benefits Program?



- A way to improve quality of life in Redwood City commensurate with increased property value
- Create partnerships to leverage public resources invested in community assets
- Alternative to State-authorized redevelopment programs that provided vital funding for affordable housing and other improvements



Basic Requirements

- Ability to offer development incentive (e.g. additional residential density or floor area) preferably without substantial General or Specific Plan amendments
- Market demand for additional development capacity that makes incentive valuable
- Vacant or underused sites where development can occur
- Financial analysis to determine whether additional value created by development bonus is sufficient to cover the cost of desired benefits



Identifying Benefits And Incentives

- To achieve benefits the community desires:
 - Incentives must be grounded in local real estate economics
 - Amenities must reflect community priorities
- How are benefits determined?
 - Community process to identify benefits appropriate in different districts and/or neighborhoods (e.g. water-oriented open space in Inner Harbor, work-force housing Downtown)
 - Periodic updating to ensure benefits reflect changed priorities (e.g. demographic changes identified in census)



What Types of Benefits Are Possible?

- Affordable housing targeted to community needs (e.g. families with children, locally employed workers)
- Open space and recreation—additional contributions to City projects and publicly accessible private open space
- Rehabilitation and restoration of historic properties
- Fees to correct infrastructure deficiencies that exceed fees required to mitigate project impacts
- Enhanced energy conservation (e.g. solar, higher LEED rating)
- On-site childcare
- Job training and local hiring preference programs
- Transit shuttles and van pools
- Other



Development Policies and Regulations

- General Plan vision for neighborhoods, corridors, employment centers, and Downtown informs process of designing an incentive program by indicating:
 - Development opportunities and preferences
 - Measures to enhance community and reduce development impacts
 - Proposals and preferences for programs and facilities
 - Implementation and review procedures
- Development standards and requirements provide framework for implementing Plan policies



Potential Opportunity Areas

- Downtown Precise Plan Area
- Employment Centers
 - Redwood Shores
 - Pacific Shores
 - Seaport Center
- Redwood Creek/Harbor Mixed-Use Area
- Corridors
 - Gateways (Veterans Blvd and Bayshore Freeway interchanges)
 - El Camino Real Corridor (outside Downtown)
 - Broadway Mixed-Use Gateway Corridor
 - Veteran's Boulevard (outside Gateways)



Example of Bonus Value Table

<i>Type of Benefit</i>	<i>Maximum Points</i>	<i>Basis for Calculation</i>
Publicly Accessible Open Space exceeding park-dedication standards	50	50 pts: 15 percent+ of site area (min. 2,000 sf) as privately owned open space 35 pts: 10 percent+ of site area (min. 1,600 sf) as privately owned open space. 20 pts: 5 percent+ of site area (min. 1,000 sf) as privately owned open space. 10 pts: Contribution to citywide parks fund
Sustainable Design	30	20 pts: If 75 percent of total building roof as accessible eco roof, provided eco roof and “eco landscape” together exceed 50 percent of total site area. 25 pts: LEED™ Platinum or equivalent (third-party certification req' d) 20 pts: LEED™ Gold or equivalent (third-party certification req' d)
Alternative Energy	20	20 pts: If 10 percent of total building energy load provided by solar panels or other on-site renewable sources, including co-generation.
Public Right-of-Way Improvements	30	Pts based on dollar value of off-site improvements X 10 divided by average development cost per square foot or other case-by-case determination.

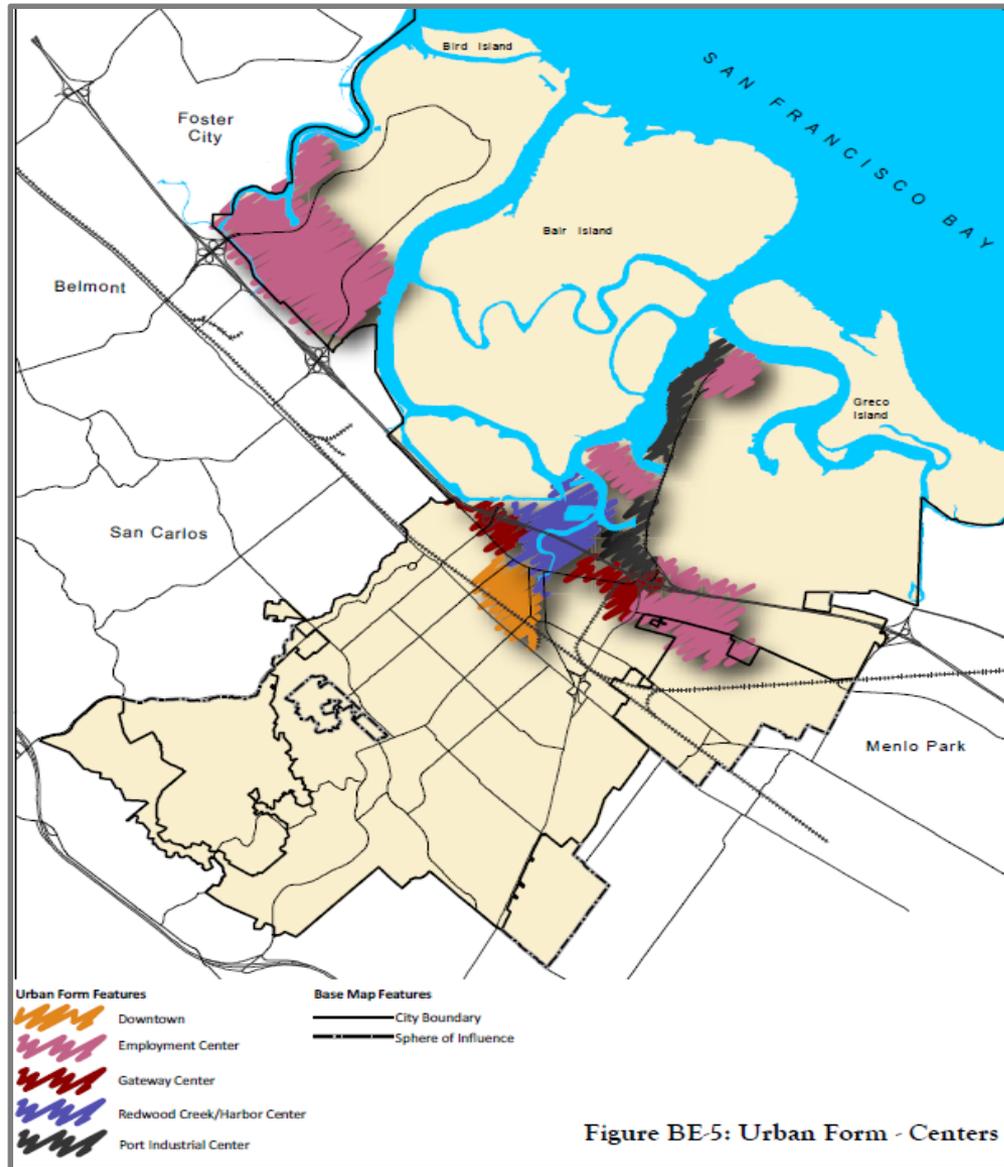


Figure BE-5: Urban Form - Centers

Procedural Objectives

- Understandable and equitable requirements and process for project review and approval
- Ample opportunity for community input to identify benefits appropriate to areas affected by incremental development
- Flexibility plus certainty for developers and the community
- Clear thresholds—to which projects do requirements apply?
- Monitoring compliance and results



Evaluation and Adjustment



Periodic review to assess:

- Whether benefits provided meet expectations
- Value of specific benefits in light of community needs, changes in regulatory environment, other factors
- Effectiveness of administrative procedures and requirements



Examples

JURISDICTION	PROGRAM TYPE	BONUS TYPE	COMMUNITY BENEFITS
Emeryville	Percentage/points bonus	Residential density, FAR, and height	Environmental benefits and sustainability improvements exceeding basic requirements
San Diego	FAR “purchase” and Transfer of Development Rights	Residential and non-residential intensity (FAR)	Affordable housing, urban open space, eco-roof, green building space, and others.
San Jose	Fee	Residential density and height	“Complete streets;” pedestrian/bike/transit facilities
Portland	Stated percentage/ points bonus, floor area transfers	Height and floor area	Residential uses, on-site day care, rooftop gardens, water features, bicycle facilities, open space, crime prevention
Santa Monica	Fee increases or on-site Development Agreement (Tier 3)	Residential density, FAR, and height	Additional fees, on-site affordable housing, community physical improvements, social and cultural facilities, historic preservation
Seattle	On-site housing or in-lieu fee payment; Transferable Development Rights	Residential density (FAR) and height	Affordable housing, childcare, privately-owned publicly accessible open space
Tampa	Development costs of amenities	Residential and non-residential intensity (FAR)	Public improvements, affordable housing, green building, public art
Vancouver	Stated percentage/ points bonus	Residential density	Alternative transportation improvements (including TDM)

Lessons From Other Places

- Preference for menu-based programs
- Assigning values to preferred amenities and features increases transparency for public and provides more certainty for applicants
- Except for affordable housing, more expensive benefits usually require more discretionary review
- Regulations that establish clear rules and standards and menus of quantified benefits can minimize need for discretionary and/or Commission review
- Increased flexibility typically requires more public review and Commission and/or Council approval
- Expedited processing not a popular incentive
- We don't live in Canada



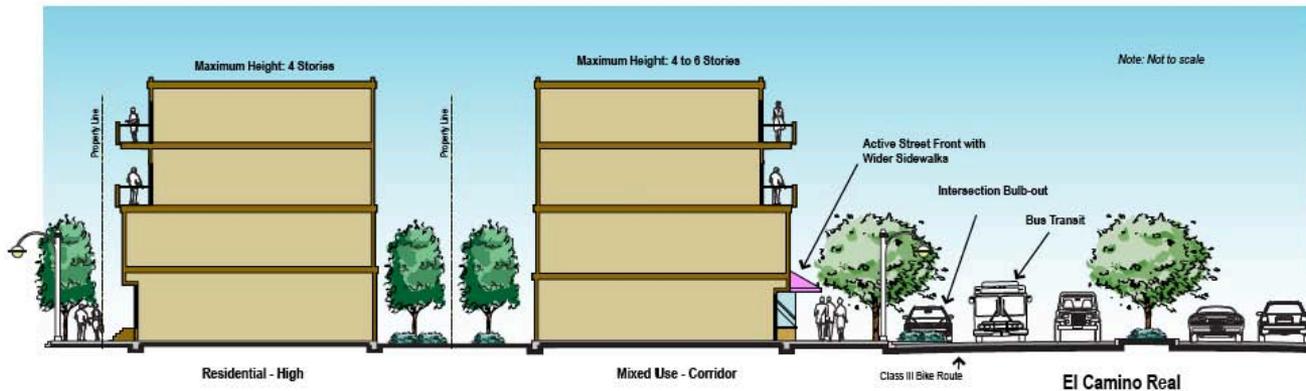
Additional Issues and Constraints

- Program should not create financial disincentive to the types of higher density and/or mixed use development the City wants
- New development may require displacing existing economic uses, which may create additional cost that will require additional density to overcome
- Cyclical real estate market conditions influence the value of development incentives
- Bonus programs that grant additional floor area or density will also require higher fees under existing impact fee programs



Group Discussion

What types of community programs and projects are needed within the opportunity areas and adjacent residential neighborhoods in light of General and Specific Plan development policies?



Next Steps

CITY COUNCIL MEETING

Purpose: Provide information to Council on findings from financial analysis and feedback from community outreach and informant interviews and receive feedback to inform next steps.

COMMUNITY WORKSHOP #2

Purpose: Present alternative approaches to Community Benefits Programs and receive comments on community benefits preferences and process



Calculating Value of Benefits and Incentives (Optional Slide)

- How can relative value of benefits calculated?
 - Point system
 - Development value/pro forma basis
 - Pass/fail thresholds
- Assign values based on monetary value, physical size, or percent of site area
- Economic studies:
 - Establish value;
 - Assess feasibility;
 - Demonstrate reasonable relationship; and
 - Show how basis for calculating points is roughly proportionate to benefits obtained.

