

DOWNTOWN HIGH DENSITY
MULTIFAMILY HOUSING
INCENTIVE PROGRAM

CITY COUNCIL
SEPTEMBER 25, 2018

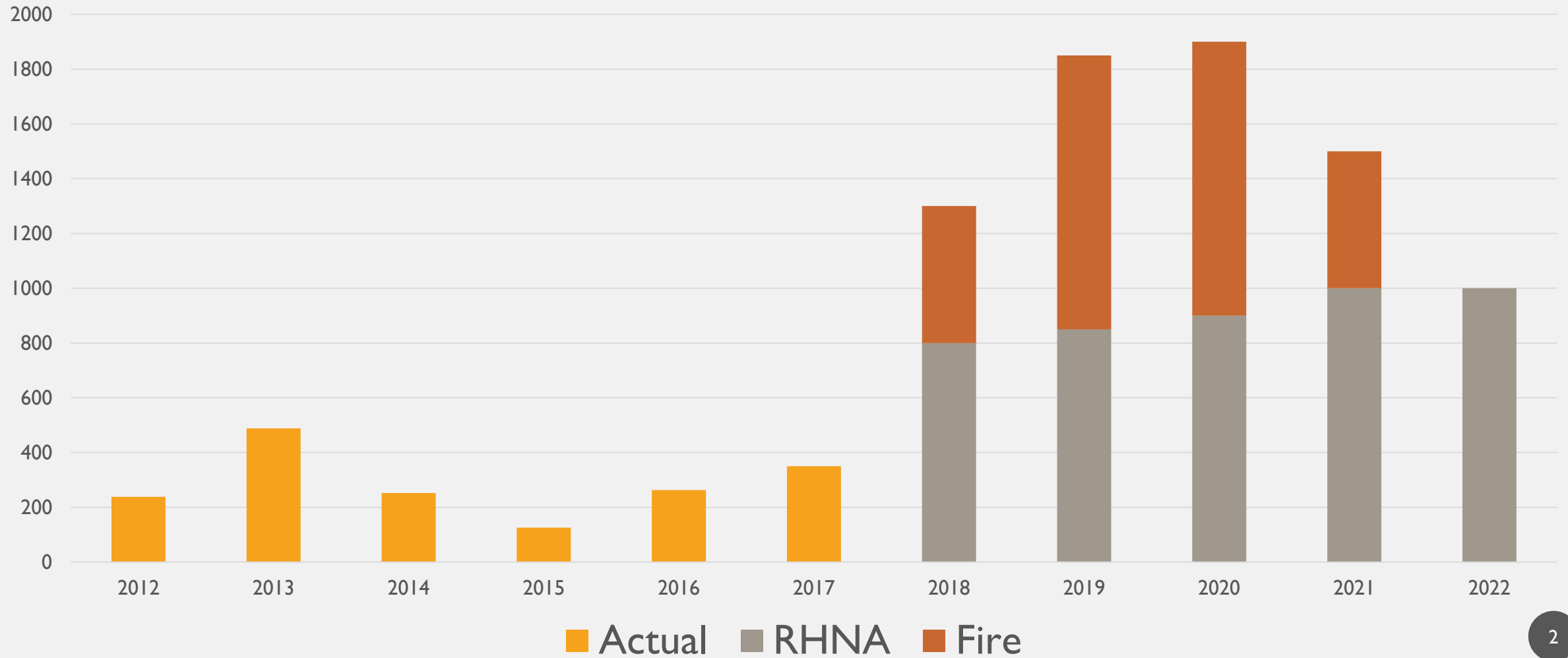


David Guhin

Director

Planning and Economic Development

HOUSING NEED

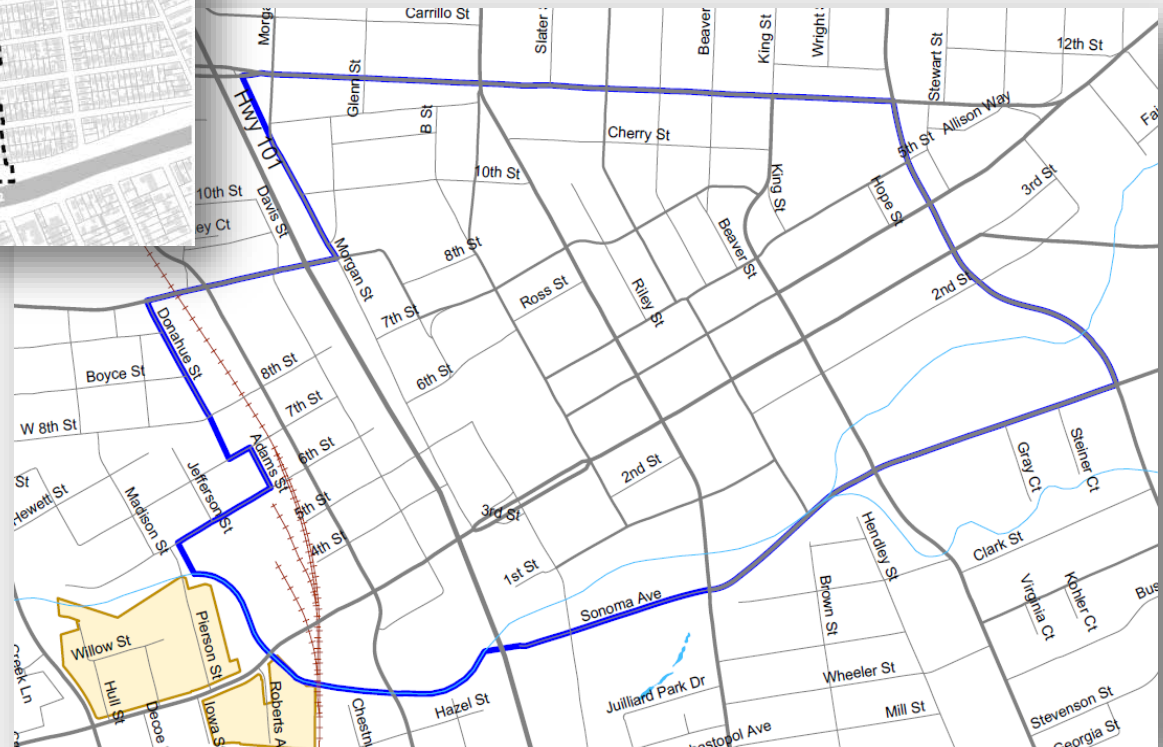




Downtown Station Area Specific Plan Map

DOWNTOWN

Downtown General Plan Map





GREEN HOUSE GAS AND
VEHICLE MILES TRAVELLED
REDUCTIONS |
WALKABILITY | QUALITY
OF LIFE | **BUSINESS AND
WORKFORCE
ATTRACTION/RETENTION
/ EXPANSION** | TRANSIT
ORIENTED DEVELOPMENT |
ECONOMIC IMPACT |
SALES TAX AND PROPERTY
TAX VALUE | **REDUCTIONS
IN INFRASTRUCTURE
COSTS**

PUTTING THE DOWNTOWN HOUSING PUZZLE TOGETHER



POLITICAL WILL



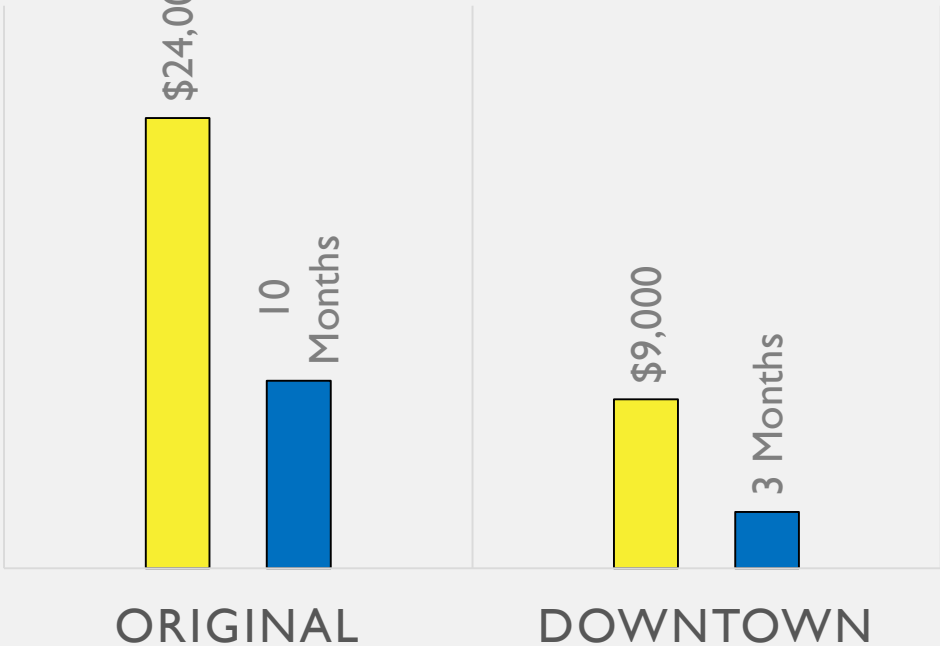
- Adopted the Santa Rosa Housing Action Plan
- Identified the creation of Downtown Housing as a Tier I Priority
- Authorized the negotiation of development agreements
- Authorized use of City property for in the downtown to develop housing
- Unanimously passed the Resilient City Ordinance

PERMITTING PROCESS



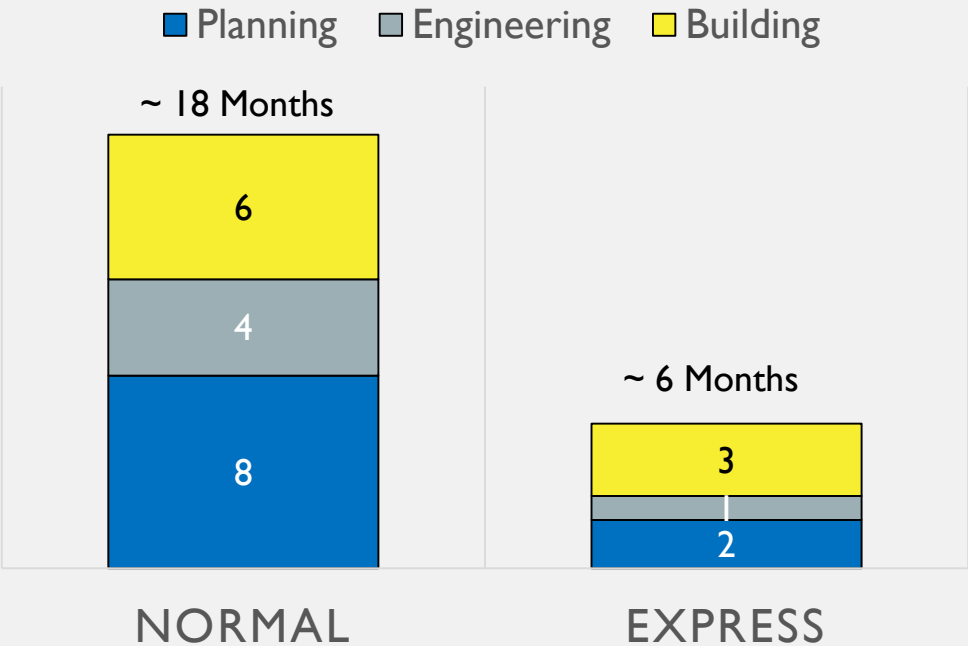
POLICY

DESIGN REVIEW PROCESS



PROGRAMMATIC

EXPRESS PERMITTING PROGRAM



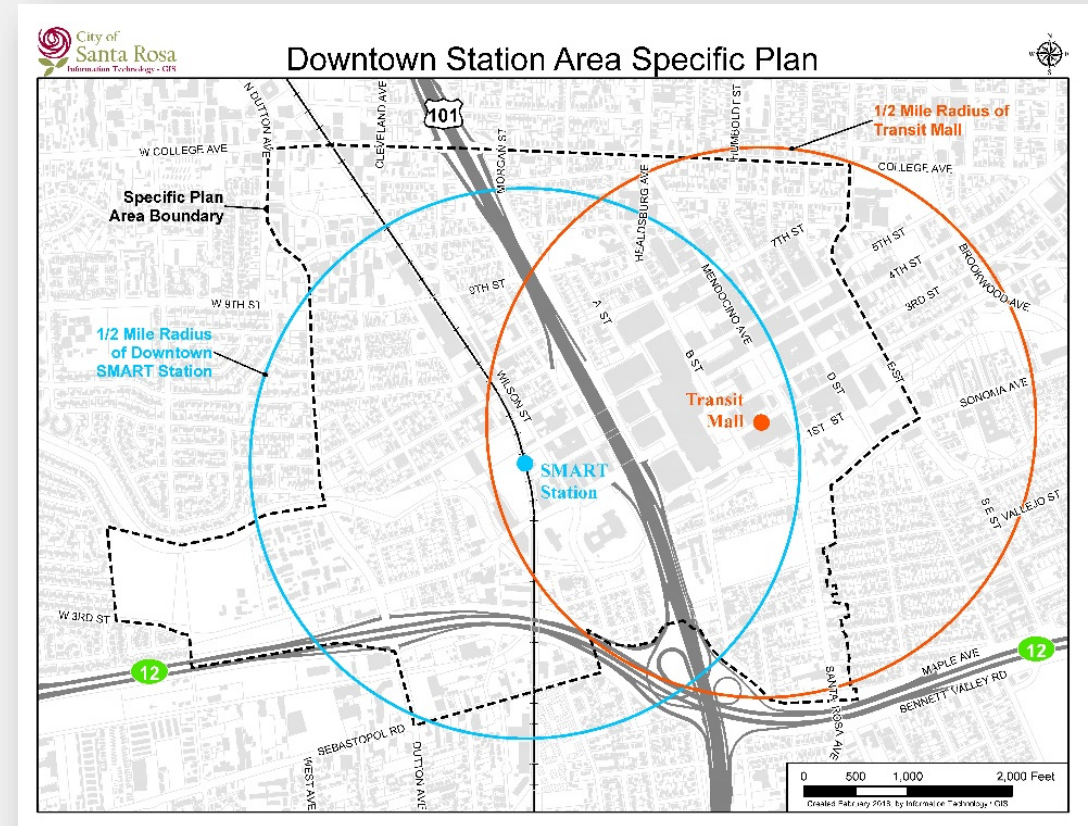
CEQA

CEQA

Downtown Station Area Specific Plan Update

Awarded an \$800K Grant from MTC

- Update to address:
 - Height
 - Density
 - Parking
 - Transportation Analysis



DOWNTOWN HOUSING FUNDING INITIATIVES

Affordable
Housing

**Federal
Opportunity
Zone**

Downtown and
Roseland Designated

**Tax
Increment
Financing**

Evaluation of City and
County EIFD

**Renewal
Enterprise
District**

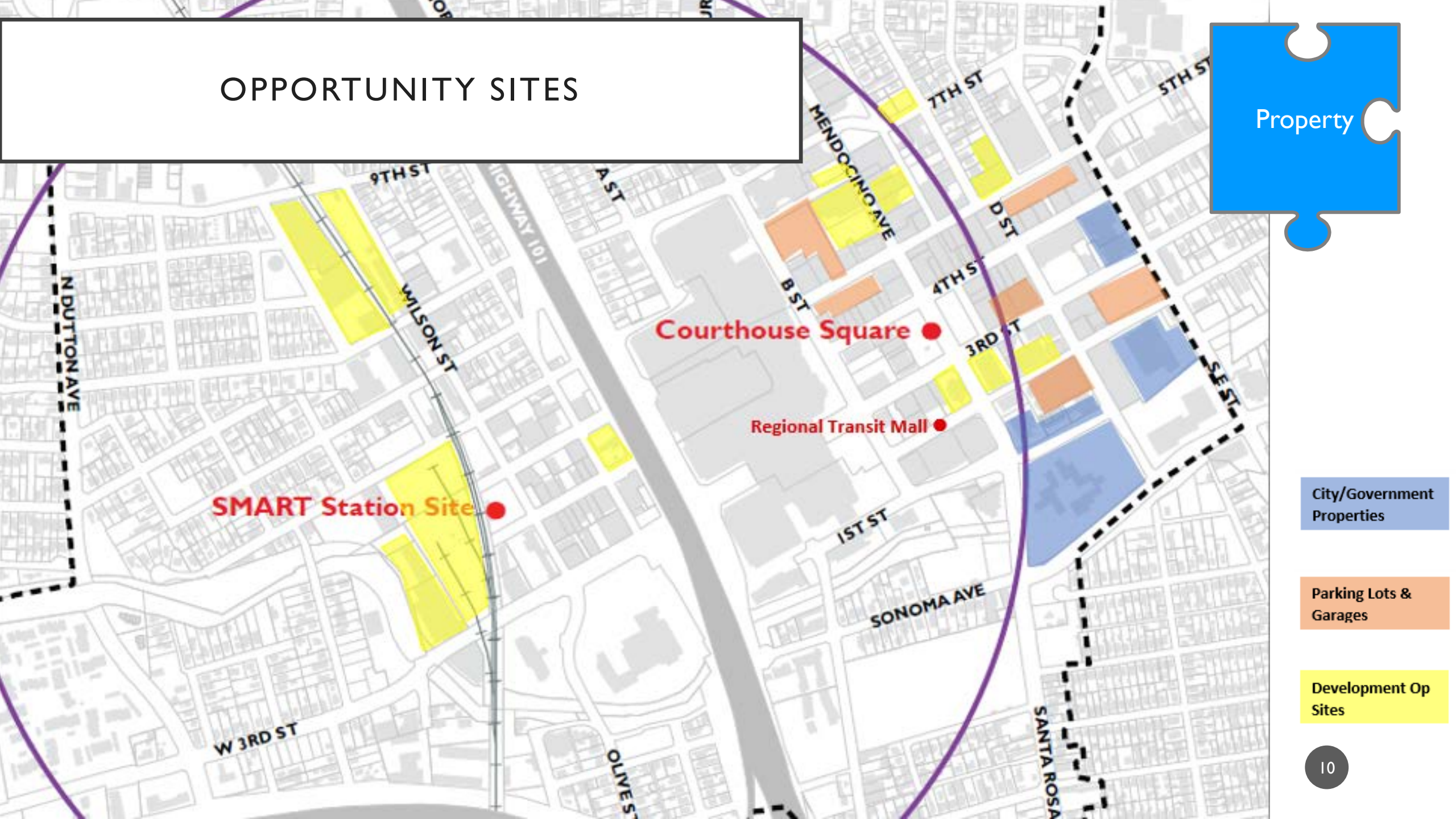
Creation of Regional
JPA Between the City
and County to Take a
Regional Approach to
Funding Housing

**Housing
Bond**

Ballot Initiative on
the November 2018
Ballot for Affordable
Housing

OPPORTUNITY SITES

Property



City/Government Properties

Parking Lots & Garages

Development Opportunity Sites

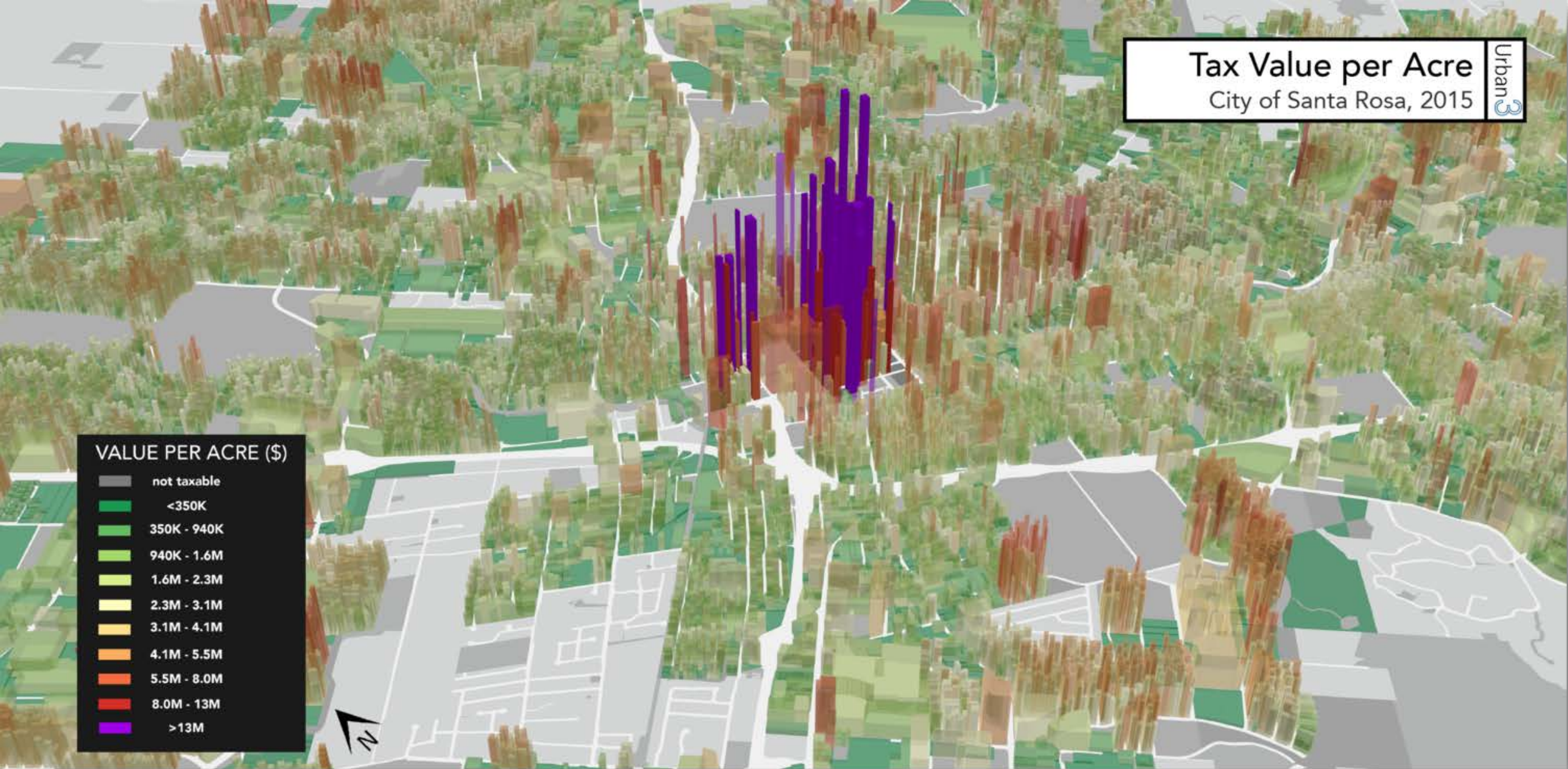
Tax Value per Acre

City of Santa Rosa, 2015



VALUE PER ACRE (\$)

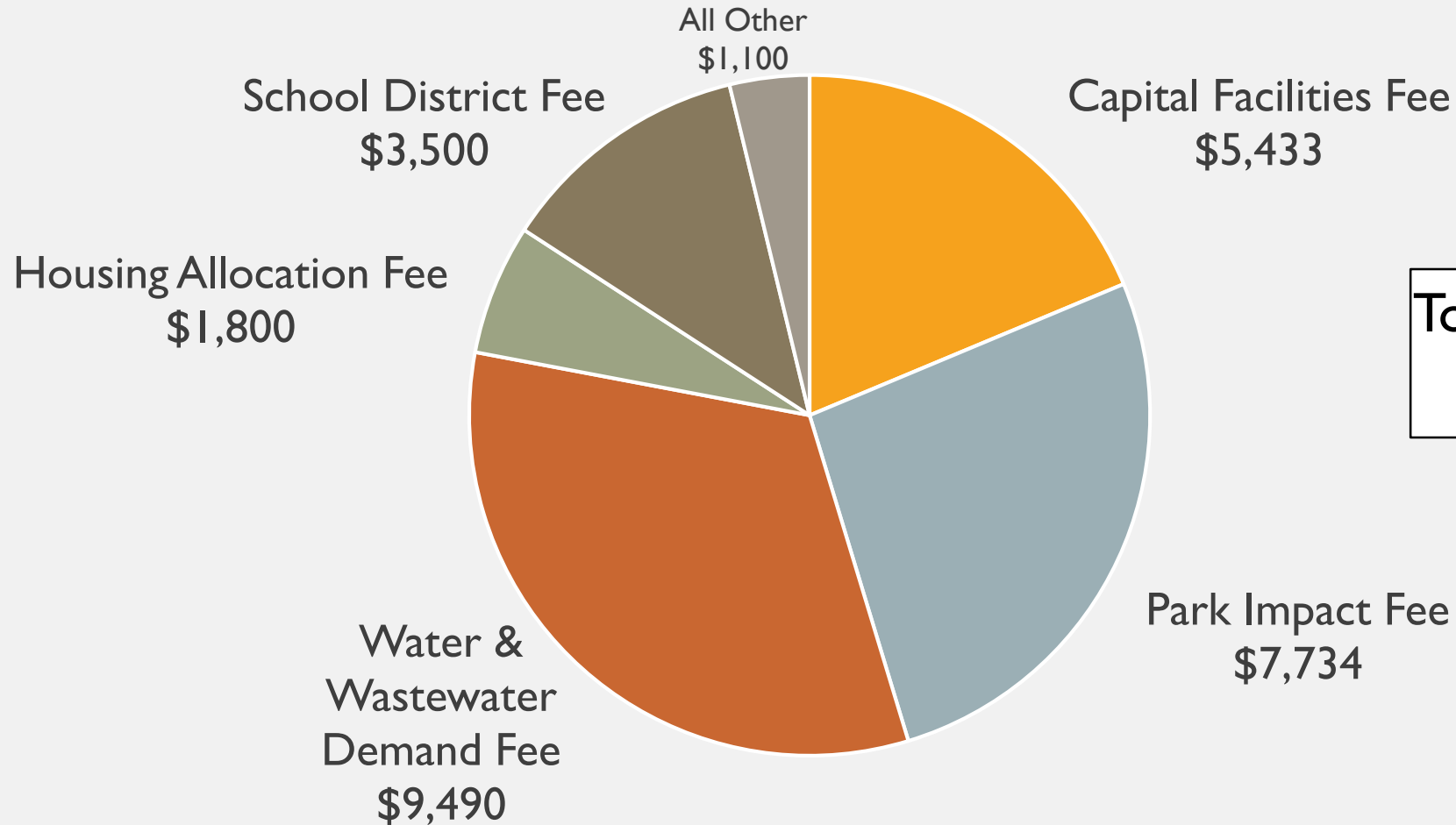
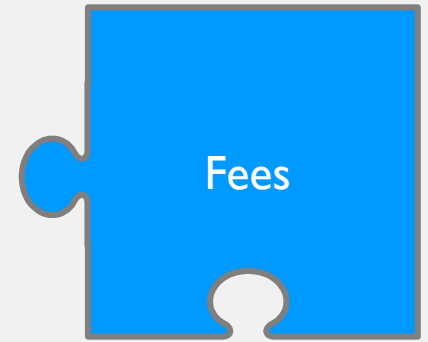
- not taxable
- <350K
- 350K - 940K
- 940K - 1.6M
- 1.6M - 2.3M
- 2.3M - 3.1M
- 3.1M - 4.1M
- 4.1M - 5.5M
- 5.5M - 8.0M
- 8.0M - 13M
- >13M



TAX VALUE PER ACRE



CURRENT ESTIMATED IMPACT FEES PER UNIT DOWNTOWN HIGH-DENSITY RESIDENTIAL PROJECTS



**Total Impact Fee per unit:
\$29,057**

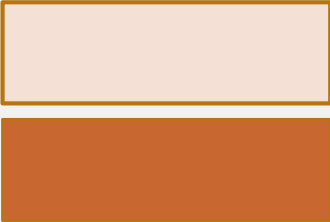
¹ Fee varies by unit mix. Above estimate assumes average unit size of 800 sq. ft. and average fee per unit of \$1.50 per sq. ft.

² Building inspection, plan review, fire permit, technology, advanced planning, micrographics, and state-mandated fees.

HIGH-DENSITY MULTI-FAMILY RESIDENTIAL INCENTIVE PROGRAM CRITERIA

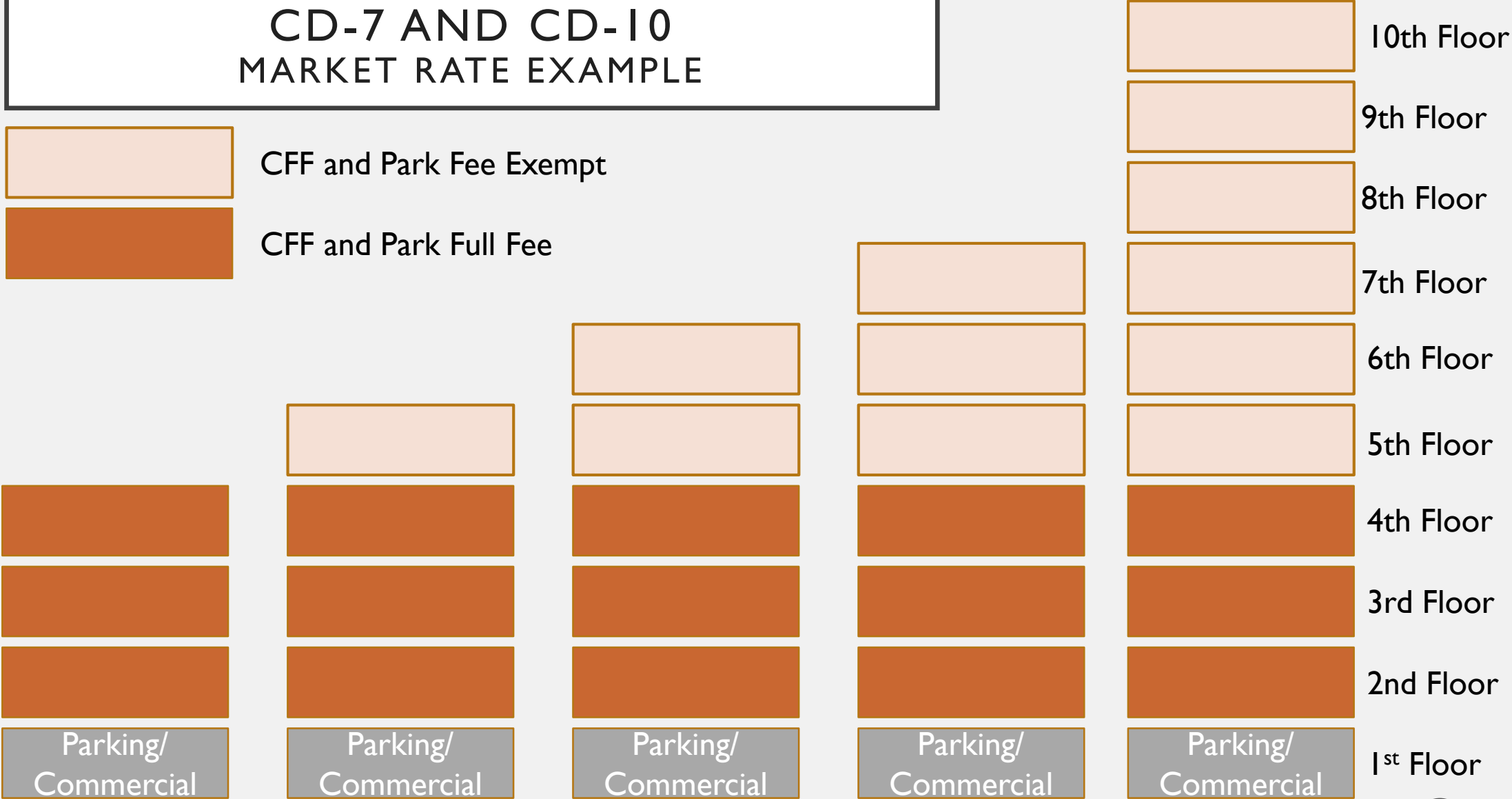
- Located in the Downtown, conforming with the boundaries of the Downtown Station Area Specific Plan and the General Plan Downtown Core Boundary
- In the Downtown, with CD-7 or CD-10 Zoning: Four or more stories in height, with at least three floors dedicated to residential use.
- In the Downtown with CD-5, TV-M, TV-R, R-3-18, or R-3-30 Zoning: Three or more stories in height, with at least two floors dedicated to residential use.
- Breaking ground before August 31 2023. “Breaking ground” is defined as securing a foundation permit.

DOWNTOWN ZONING CD-7 AND CD-10 MARKET RATE EXAMPLE



CFF and Park Fee Exempt

CFF and Park Full Fee



Fee Reduction
Per door Fee

0%
\$13,167

25%
\$9,875

40%
\$7,900

50%
\$6,584

67%
\$4,389

DOWNTOWN ZONING

CD-5, TV-M, TV-R, R-3-18, OR R-3-30 ZONING

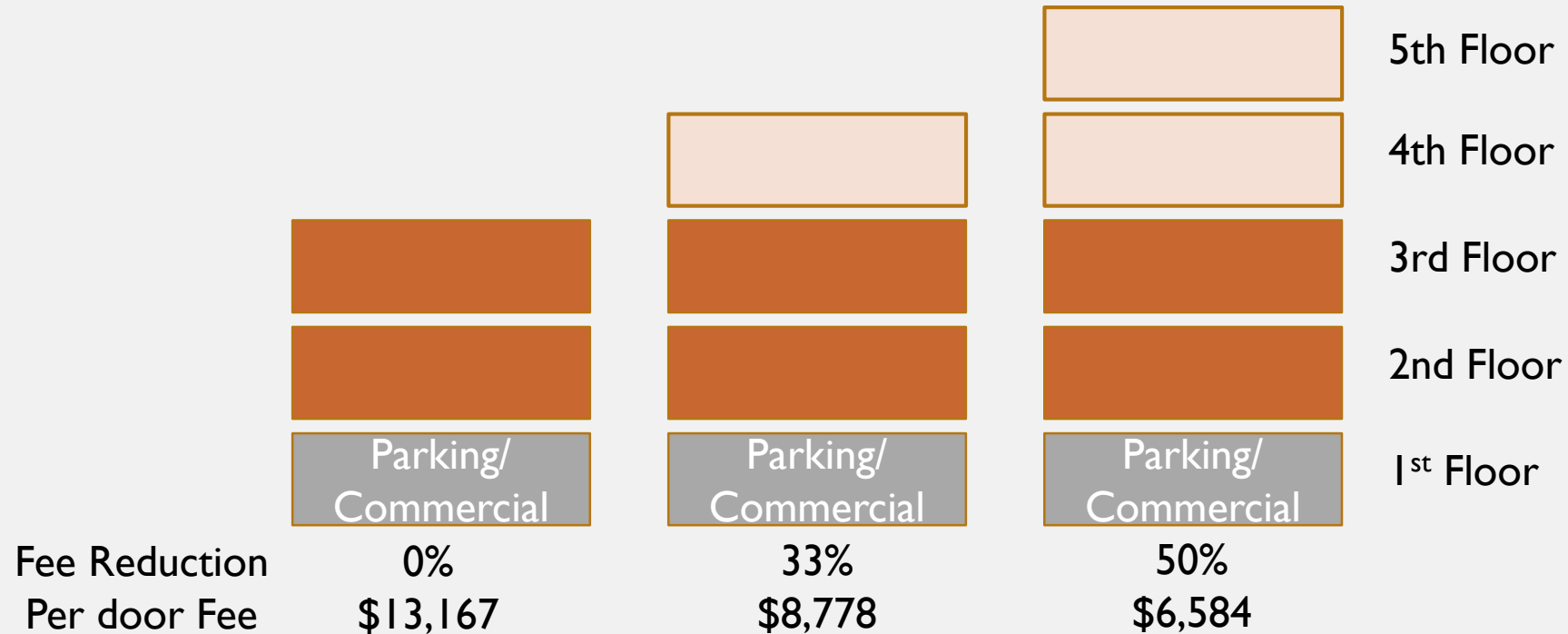
MARKET RATE EXAMPLE



CFF and Park Fee Exempt



CFF and Park Full Fee



HIGH-DENSITY MULTI-FAMILY RESIDENTIAL
INCENTIVE PROGRAM
AFFORDABLE HOUSING INCENTIVE

- The proposed Incentive Program has an additional fee incentive specifically for affordable housing projects and inclusionary housing projects that build the affordable units on site pursuant to the City's Inclusionary Policy.
- The additional incentives would consist of a temporary reduction in Park Impact and Capital Facilities fees for affordable units to \$2 per square foot for Park Impact Fees, and \$2 per square foot for Capital Facilities.
- Assuming an average unit size of 800 square feet, affordable and inclusionary projects would owe \$3,260 per unit under the Incentive Program versus \$13,167 per unit under the existing fee schedule

DOWNTOWN ALL ZONING AFFORDABLE HOUSING EXAMPLE

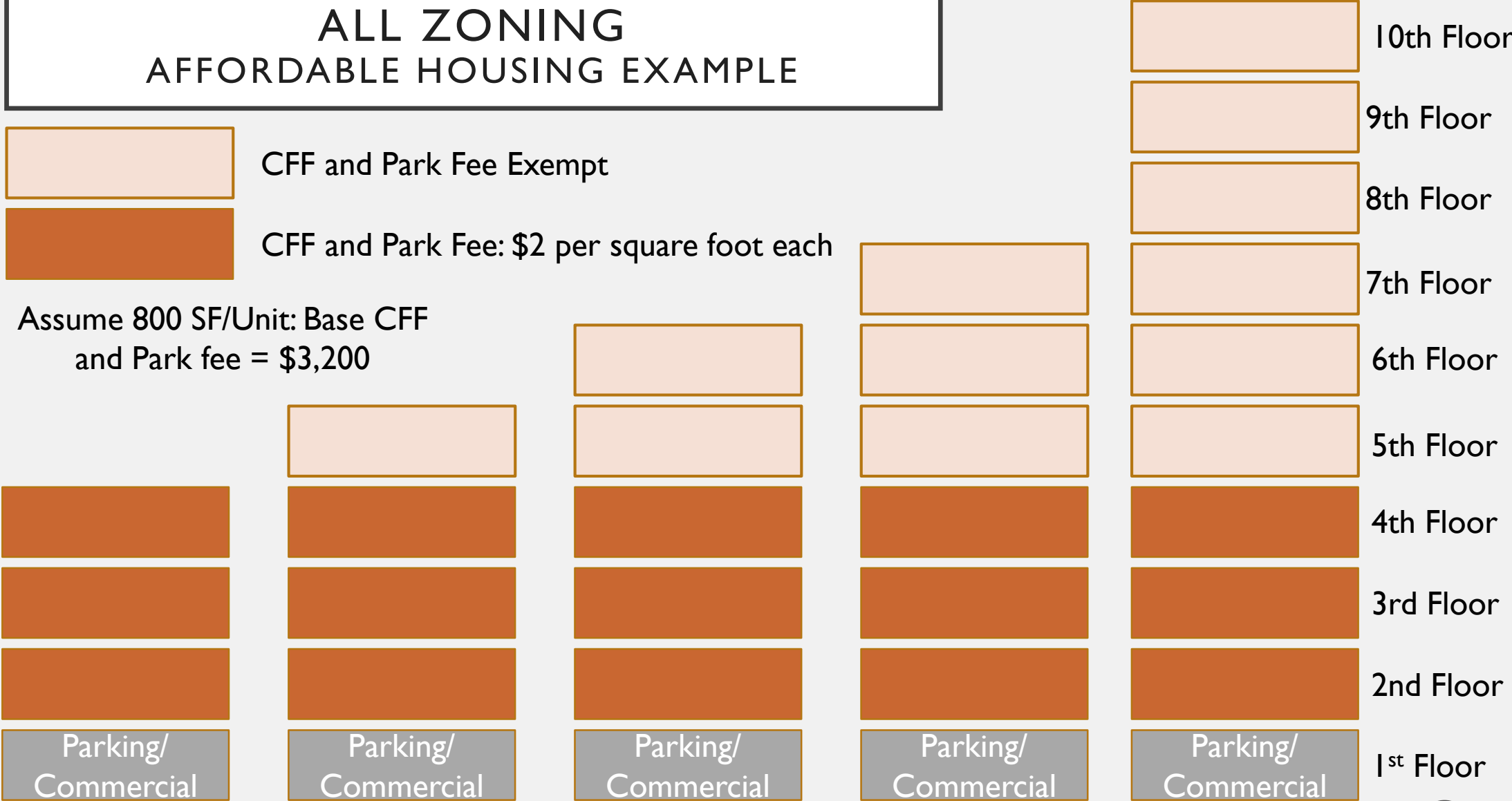


CFF and Park Fee Exempt



CFF and Park Fee: \$2 per square foot each

Assume 800 SF/Unit: Base CFF
and Park fee = \$3,200



Per door Fee

\$3,200

\$2,400

\$1,920

\$1,600

\$1,067

DOWNTOWN CORE EXAMPLE MARKET RATE VS AFFORDABLE

	4 Stories	5 Stories	6 Stories	7 Stories	10 Stories
Residential Floors	3	4	5	6	9
BEFORE INCENTIVES					
Fee Per Unit (All Floors)	\$13,167	\$13,167	\$13,167	\$13,167	\$13,167
AFTER INCENTIVES					
Market Rate					
Fee Per Unit	\$13,167	\$13,167	\$13,167	\$13,167	\$13,167
% Units Subject to Fee	100%	75%	60%	50%	33%
Net Fees/ Unit	<u>\$13,167</u>	<u>\$9,875</u>	<u>\$7,900</u>	<u>\$6,584</u>	<u>\$4,389</u>
Fee Incentive/ Unit	\$0	(\$3,292)	(\$5,267)	(\$6,584)	(\$8,778)
Affordable/ Inclusionary					
Base Fee /SF	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
Base Fee/ Unit (800 SF/ Unit)	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
% Units Subject to Fee	100%	75%	60%	50%	33%
Net Fees/ Unit	<u>\$3,200</u>	<u>\$2,400</u>	<u>\$1,920</u>	<u>\$1,600</u>	<u>\$1,067</u>
Fee Incentive/ Unit	(\$8,967)	(\$10,767)	(\$11,347)	(\$11,567)	(\$12,100)

CD-7 & CD-10 VS ALL OTHER DOWNTOWN AREAS

	<u>Downtown CD-7/CD-10</u> <u>Incentive</u>		<u>All Other</u> <u>Downtown Areas</u>	
	<u>4 Stories</u>	<u>5 Stories</u>	<u>4 Stories</u>	<u>5 Stories</u>
Residential Floors	3	4	3	4
Base Fee Per Unit	\$13,167	\$13,167	\$13,167	\$13,167
Floors Subject to Fee	3	3	2	2
% of units (approximate)	100%	75%	67%	50%
Net Fees/ Unit	\$13,167	\$9,875	\$8,778	\$6,584
Fee Incentive / Unit	\$0	(\$3,292)	(\$4,389)	(\$6,584)
Incentive %	0%	25%	33%	50%

WATER AND SEWER IMPACT FEE DEFERRAL OPTIONS

Water and Sewer Impact Fee Deferral Program is eligible for housing projects in the Downtown that are a minimum 4 stories with 3 floors dedicated to housing

- Option 1: Deferral of water and wastewater demand fees for eligible projects until 75% of the residential units are occupied or for 6-months after final inspection, whichever is sooner.
- Option 2: Finance the water and wastewater fees for 5-years with interest.

Deferral provides an estimate of \$1,700 per unit incentive

Per Keyser Marston Associates Memo

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council, by resolution, adopt a High-Density Multi-Family Residential Incentive Program to encourage the near-term development of multi-family housing in downtown Santa Rosa.

Resolution #1: Park Impact Fees

Resolution #2: Capital Facilities Fee

Resolution #3: Water and Wastewater Impact Fees

QUESTIONS?

UP DOWNTOWN
S.R.