

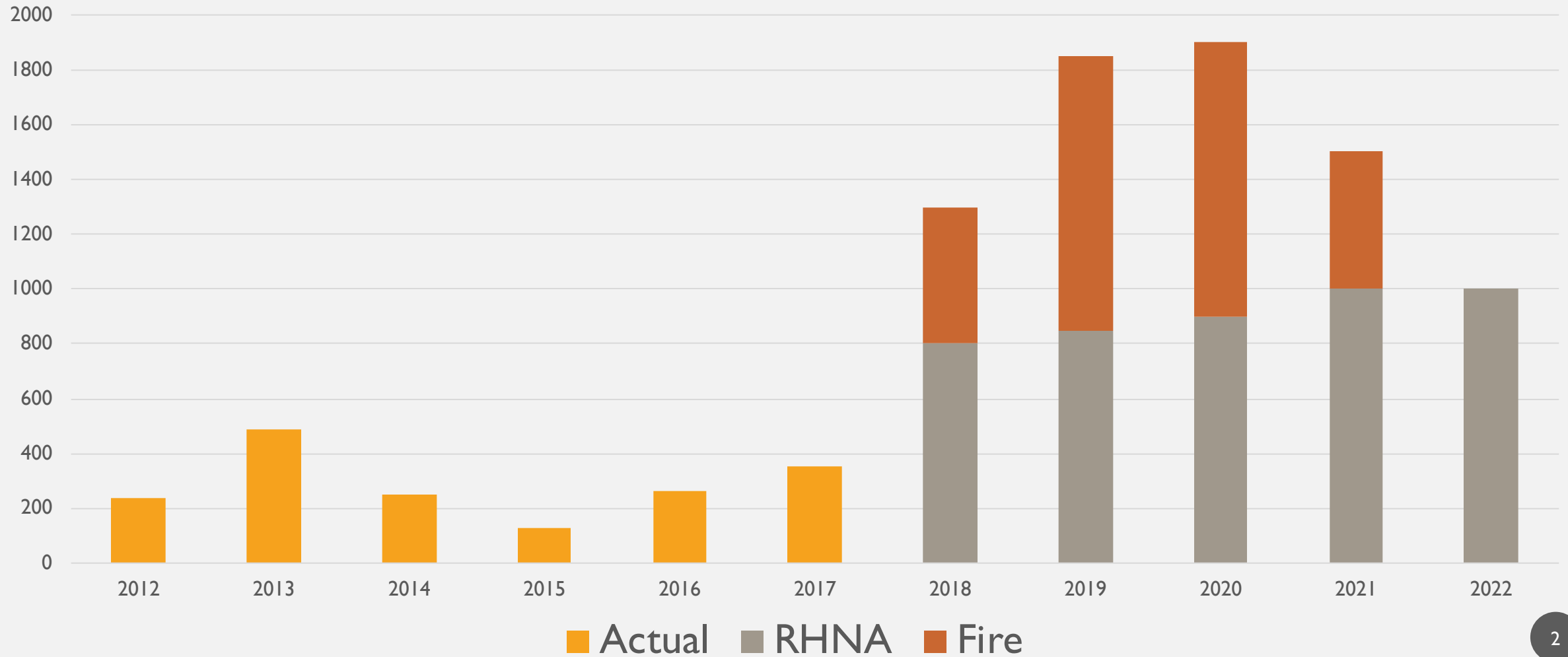
# DOWNTOWN HIGH DENSITY MULTIFAMILY HOUSING INCENTIVE PROGRAM

CITY COUNCIL  
SEPTEMBER 25, 2018



David Guhin  
Assistant City Manager / Director  
Planning and Economic Development

# HOUSING NEED

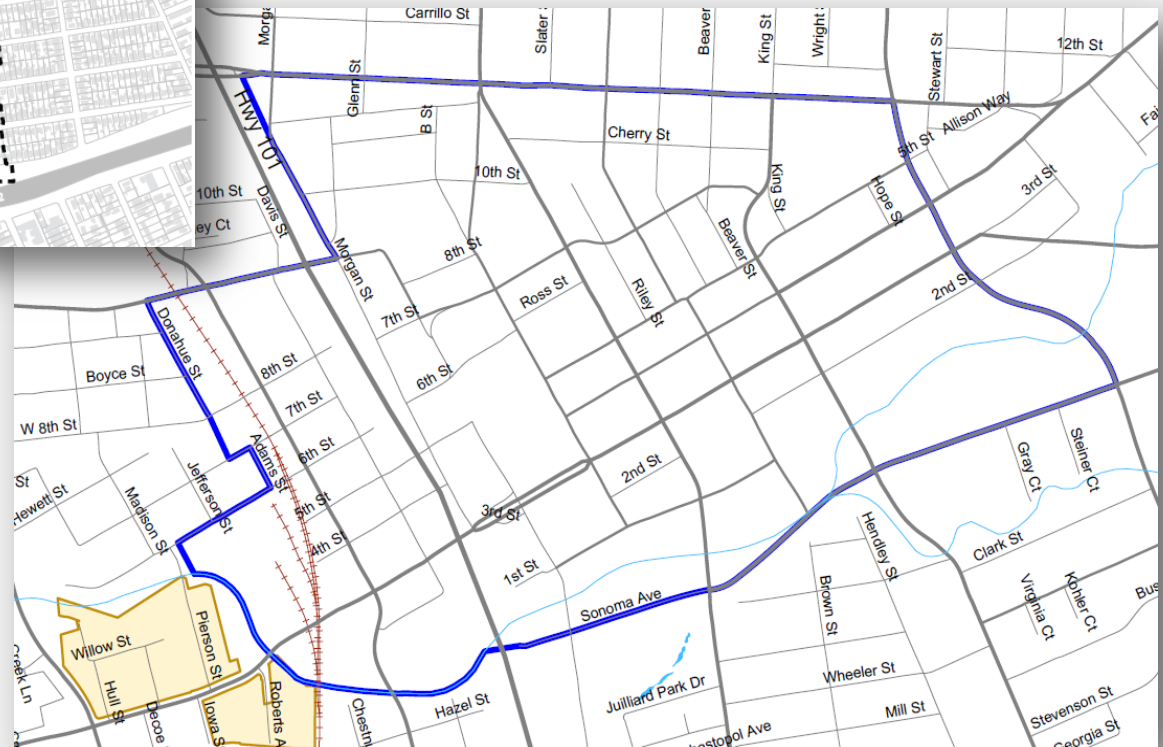




Downtown Station Area Specific Plan Map

# 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



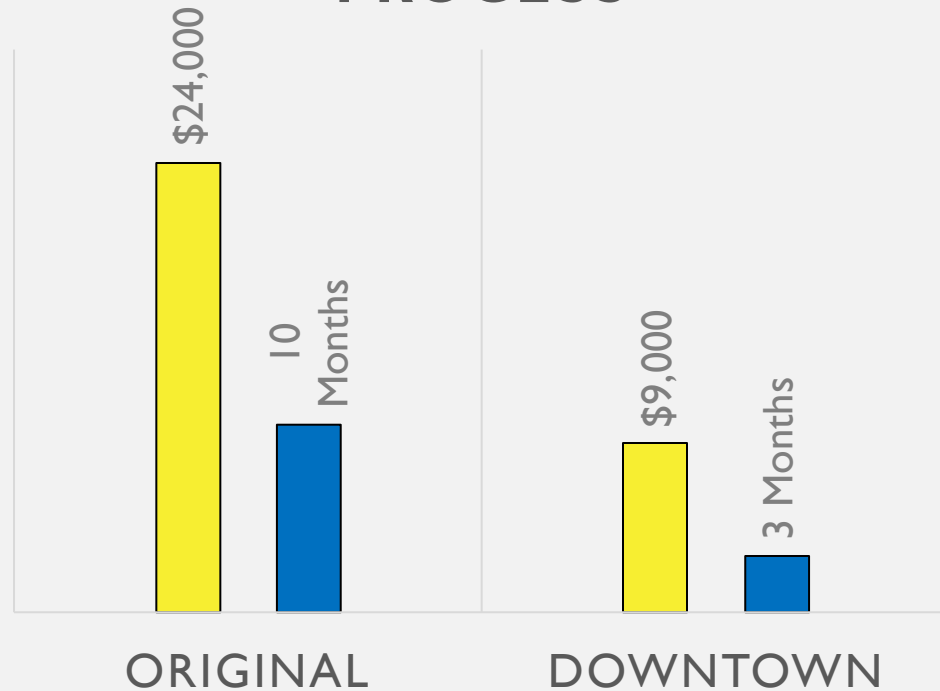
- Adopted the Santa Rosa Housing Action Plan
- Identified the creation of Downtown Housing as a Tier I Priority
- Authorized the negotiation of development agreements
- Authorized use of City property for in the downtown to develop housing
- Unanimously passed the Resilient City Ordinance

# PERMITTING PROCESS

Permitting  
Process

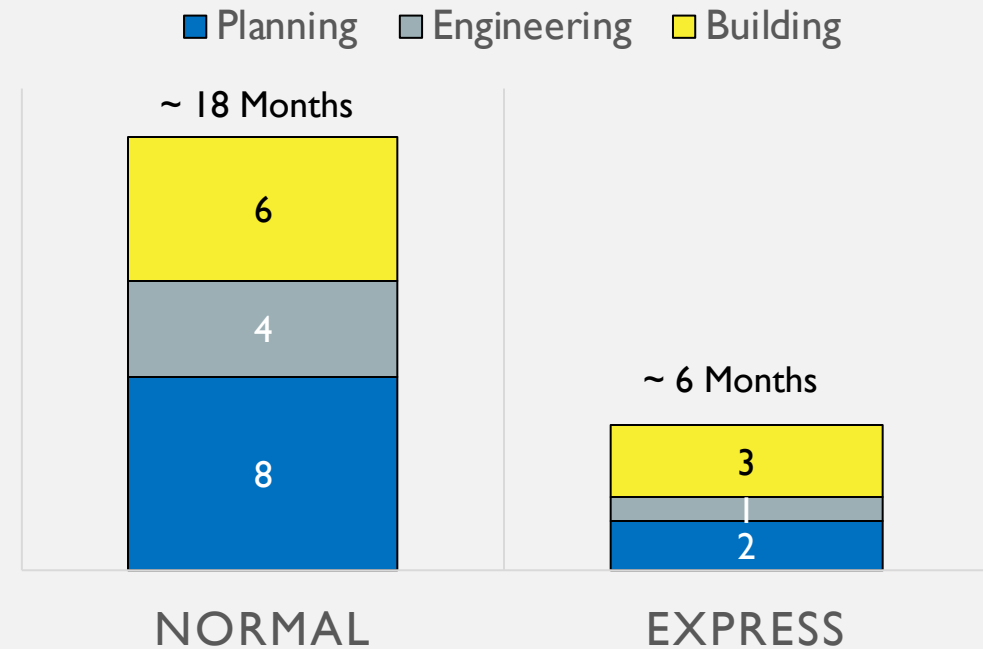
## POLICY

### DESIGN REVIEW PROCESS



## PROGRAMMATIC

### EXPRESS PERMITTING PROGRAM



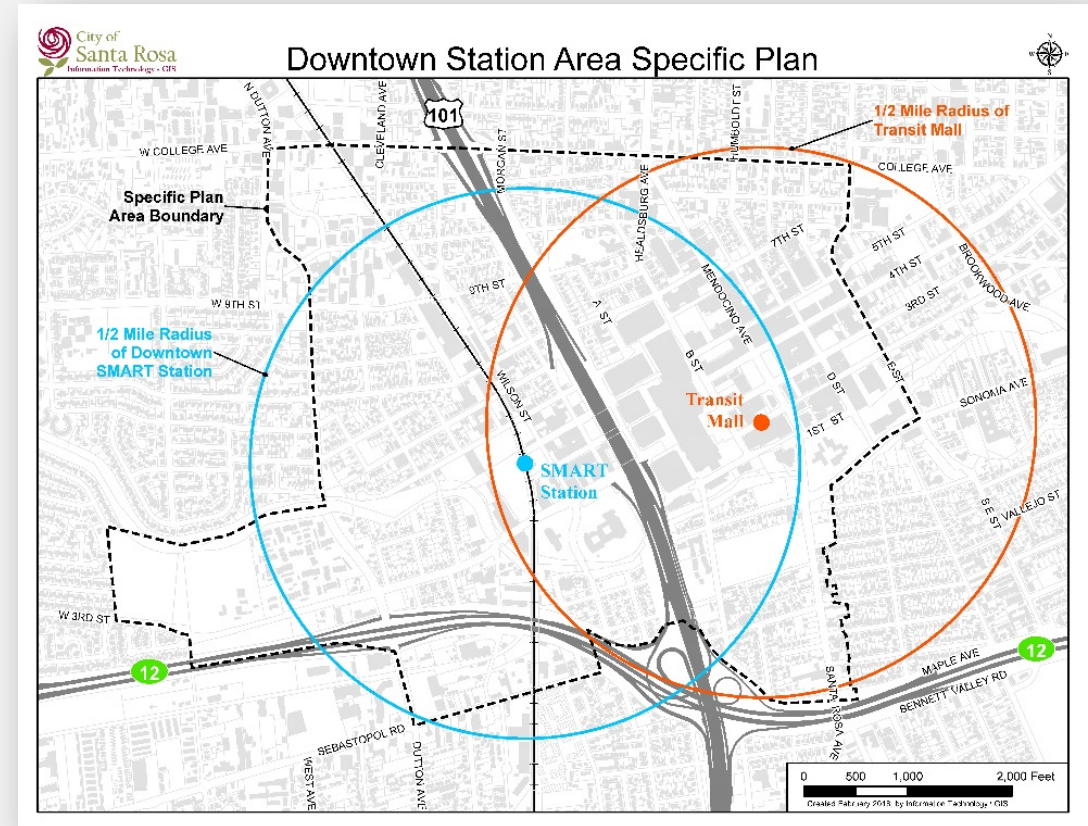
# CEQA

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**

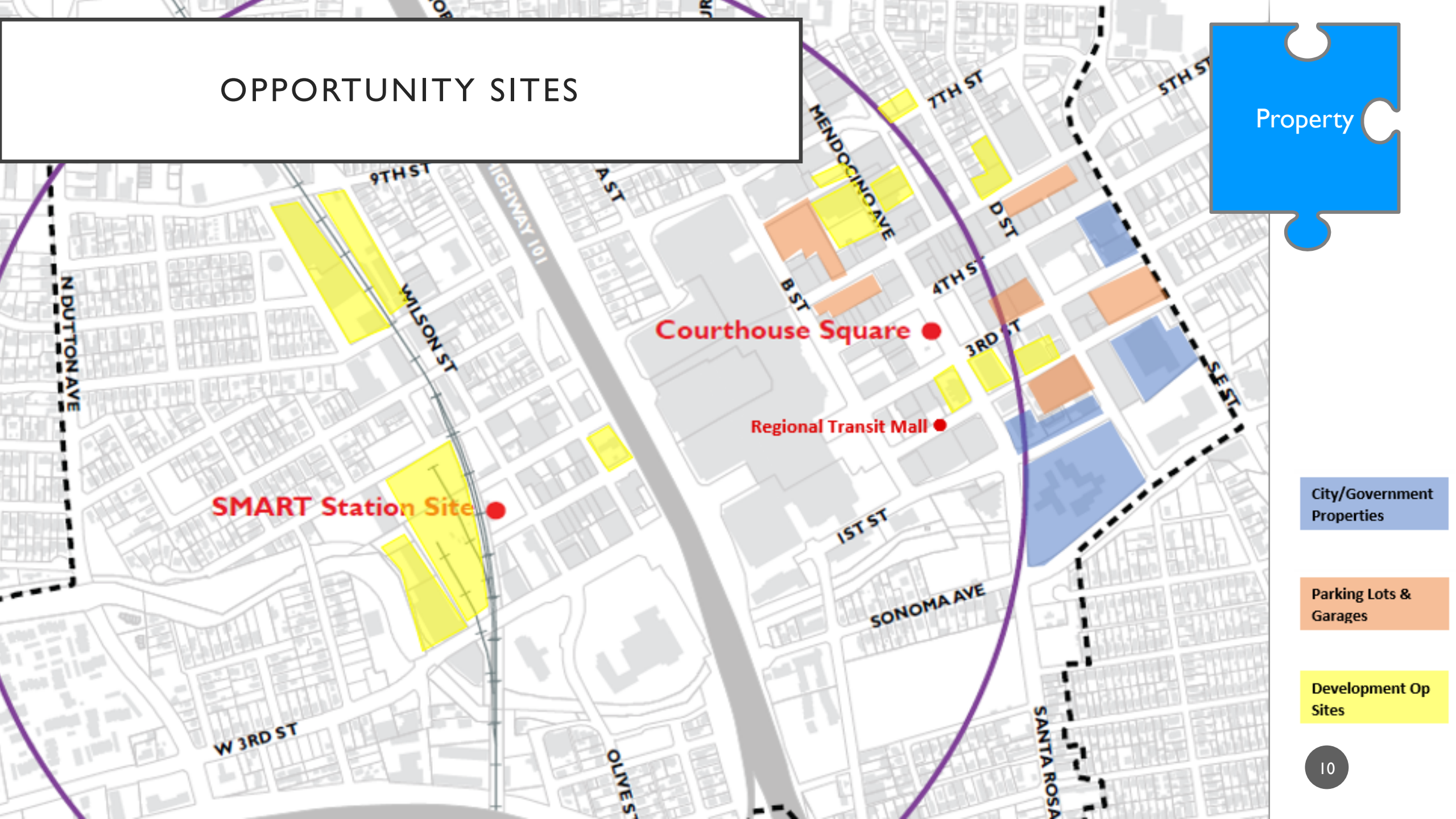
Creation of Regional  
JPA Between the City  
and County to Take a  
Regional Approach to  
Funding Housing

**Housing  
Bond**

Ballot Initiative on  
the November 2018  
Ballot for Affordable  
Housing

# OPPORTUNITY SITES

Property



City/Government  
Properties

Parking Lots &  
Garages

Development Op  
Sites



# Tax Value per Acre

City of Santa Rosa, 2015



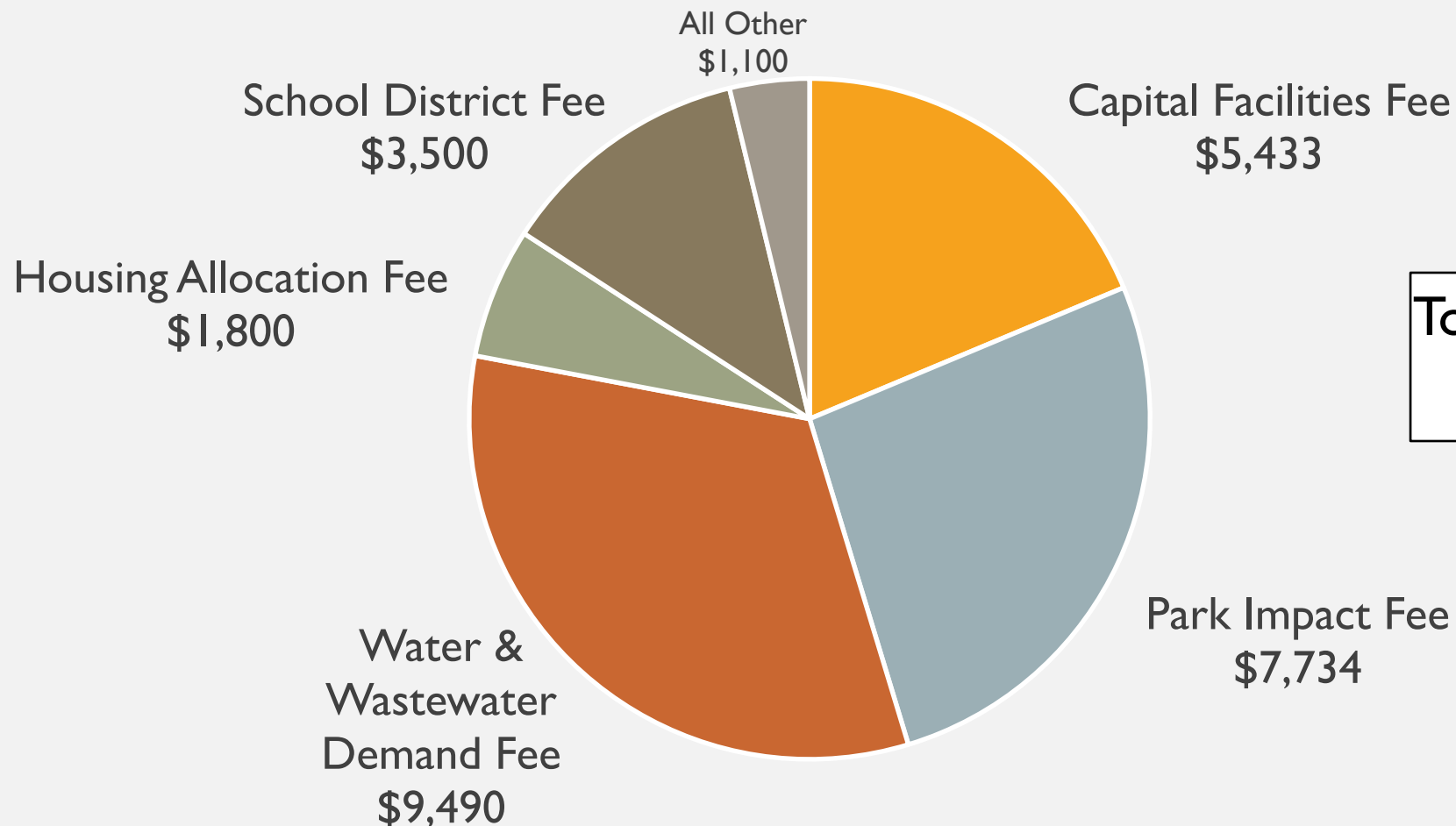
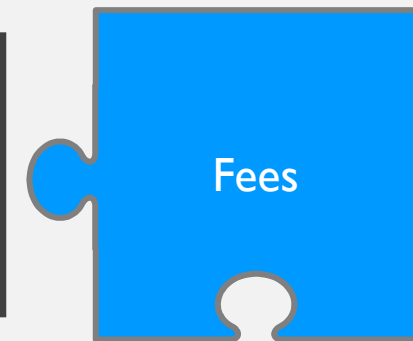
## VALUE PER ACRE (\$)

- 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**

<sup>1</sup> 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.

<sup>2</sup> 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.

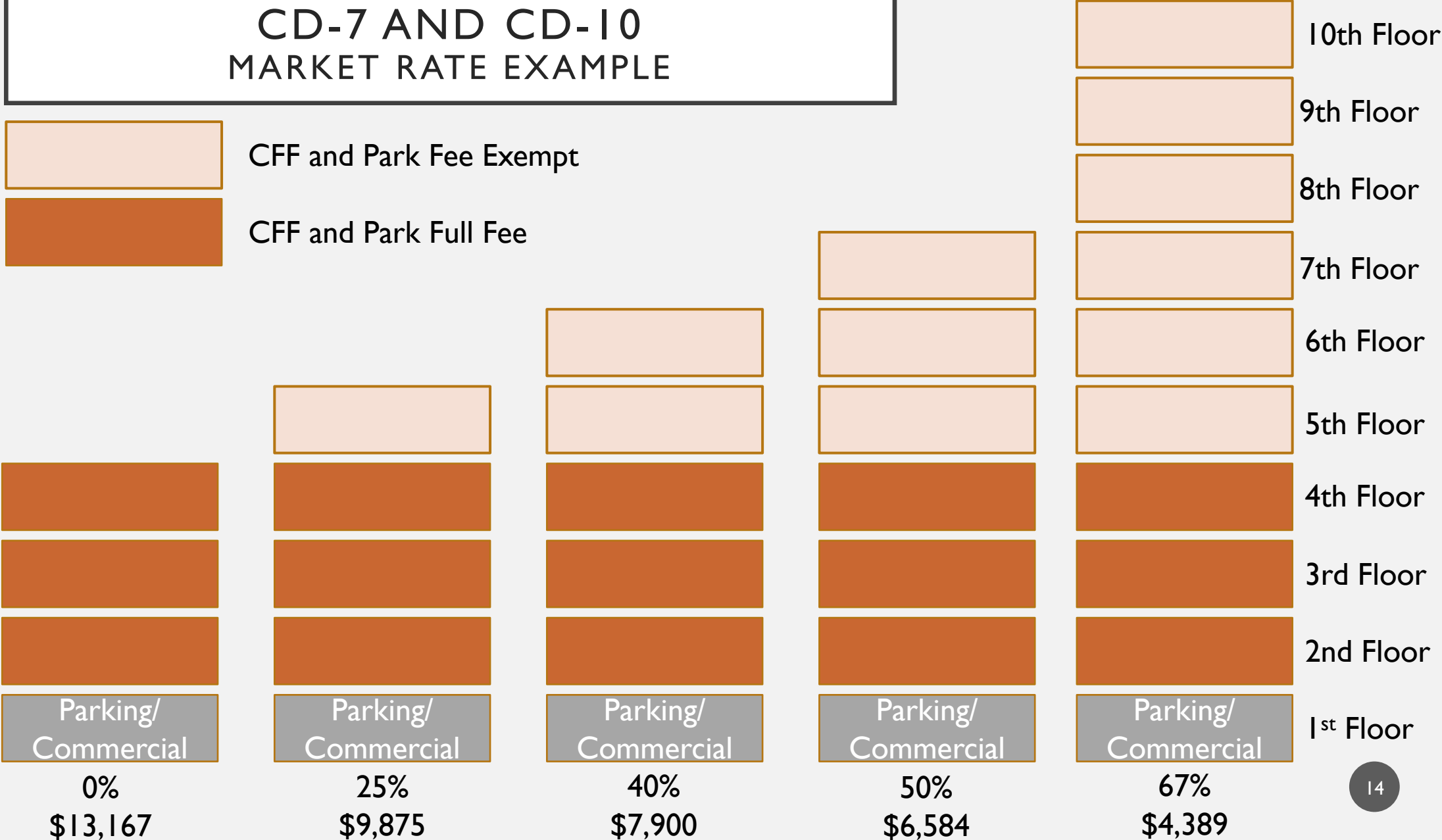
DOWNTOWN ZONING  
CD-7 AND CD-10  
MARKET RATE EXAMPLE



CFF and Park Fee Exempt



CFF and Park Full Fee



# DOWNTOWN ZONING

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

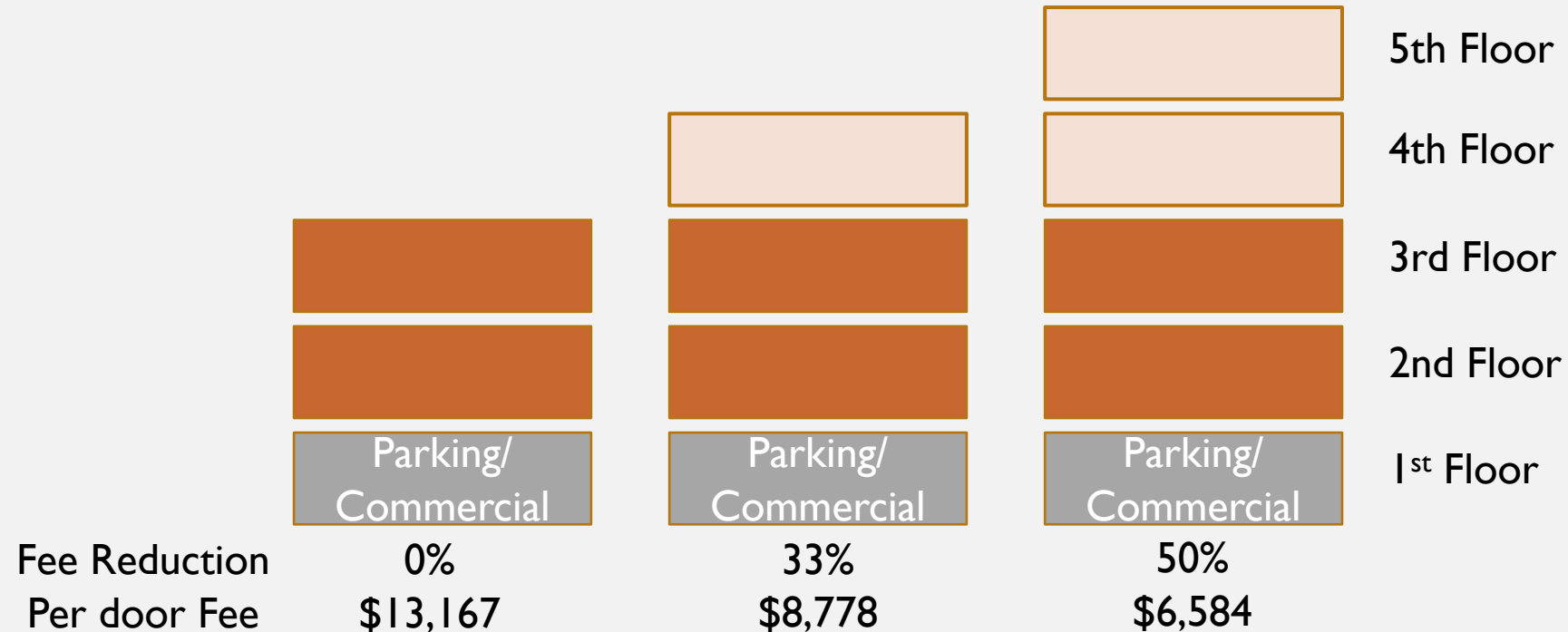
### MARKET RATE EXAMPLE



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

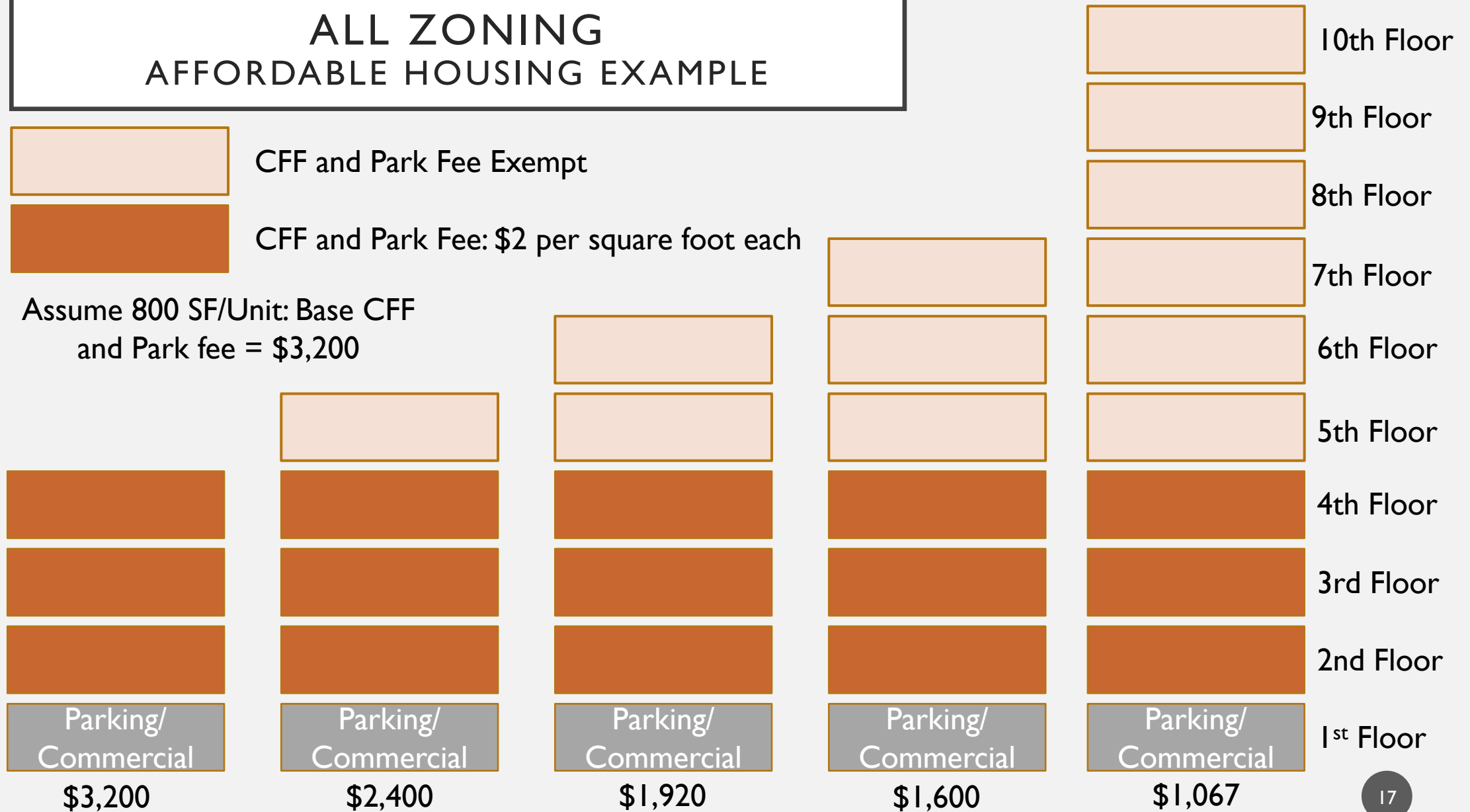


CFF and Park Fee Exempt



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

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



# DOWNTOWN CORE EXAMPLE MARKET RATE VS AFFORDABLE

	4 Stories	5 Stories	6 Stories	7 Stories	10 Stories
Residential Floors	3	4	5	6	9
<b><u>BEFORE INCENTIVES</u></b>					
Fee Per Unit (All Floors)	\$13,167	\$13,167	\$13,167	\$13,167	\$13,167
<b><u>AFTER INCENTIVES</u></b>					
<b><u>Market Rate</u></b>					
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)
<b><u>Affordable/ Inclusionary</u></b>					
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	(\$9,967)	(\$10,767)	(\$11,247)	(\$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>
<b>Residential Floors</b>	3	4	3	4
<b>Base Fee Per Unit</b>	\$13,167	\$13,167	\$13,167	\$13,167
<b>Floors Subject to Fee</b>	3	3	2	2
<b>% of units (approximate)</b>	100%	75%	67%	50%
<b>Net Fees/ Unit</b>	\$13,167	\$9,875	\$8,778	\$6,584
<b>Fee Incentive / Unit</b>	\$0	(\$3,292)	(\$4,389)	(\$6,584)
<b>Incentive %</b>	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 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 resolutions, 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.**