



Capturing the Community Benefits from Smart Growth

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New Partners for Smart Growth

January 29, 2015

Smart Growth Makes Communities:

Richer



Thinner

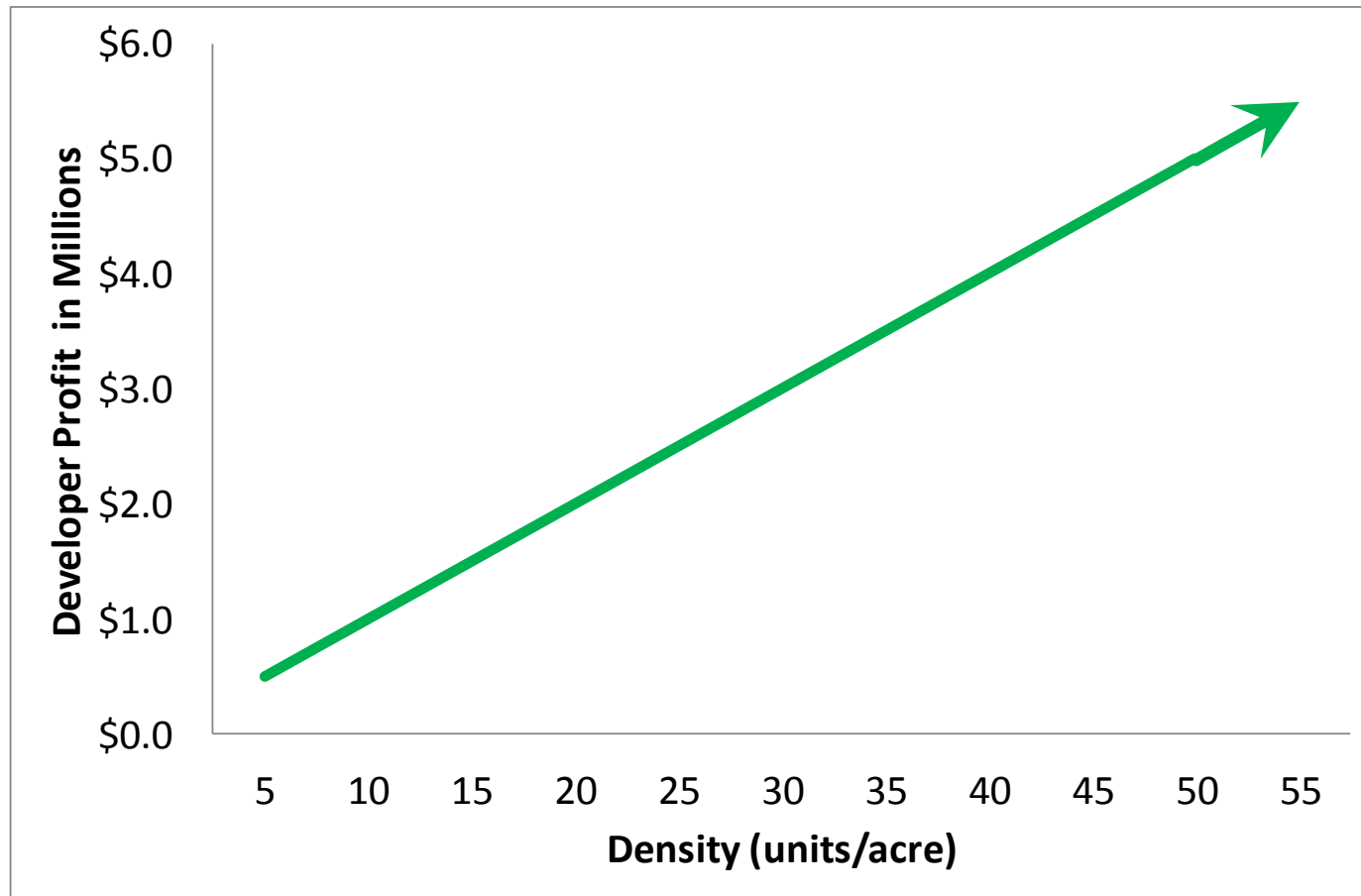


More Beautiful

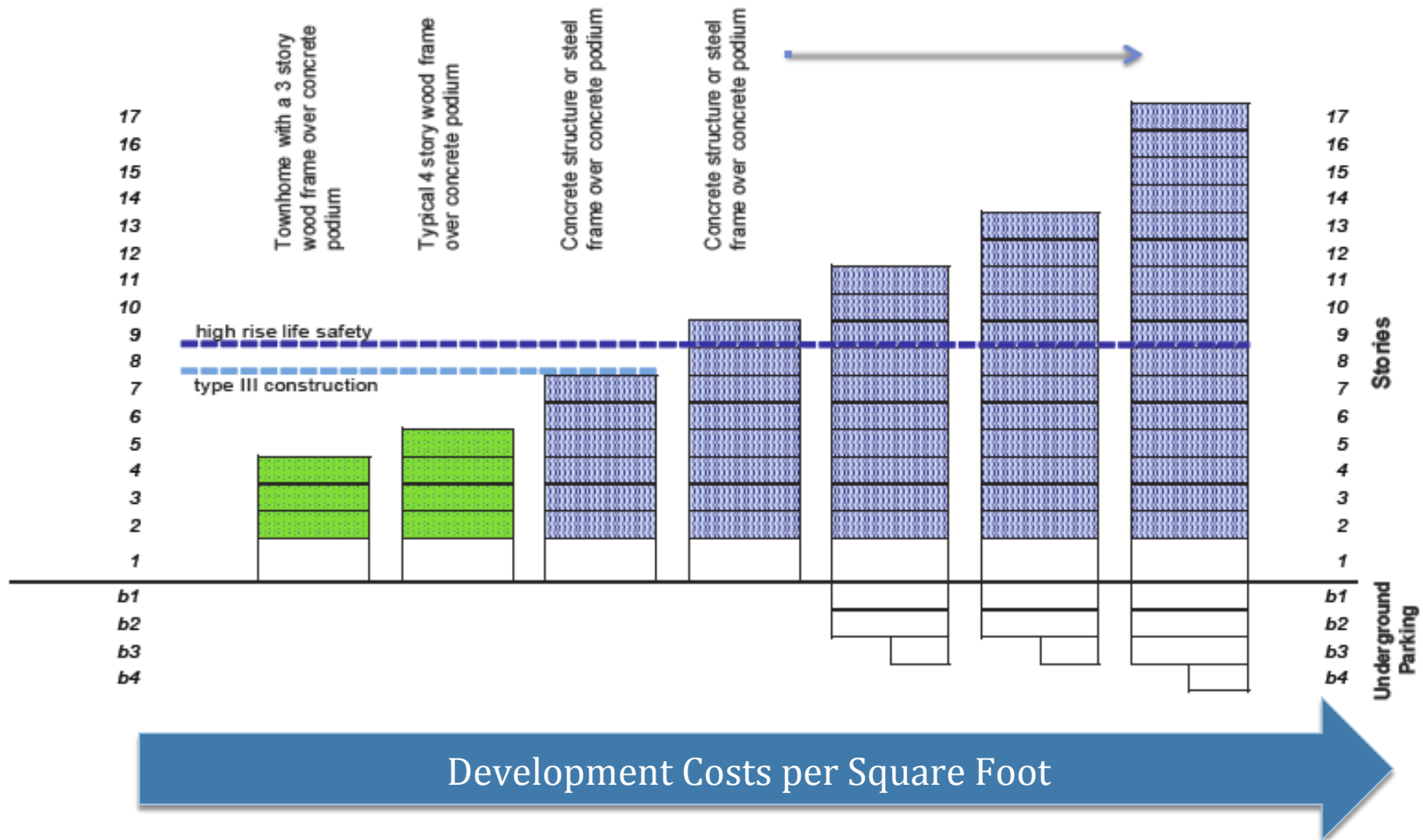


But, What's the Most Common Planning Response to Implementing Smart Growth?

Common Perception of Density



When In Fact, More Density Also Costs More For the Developer

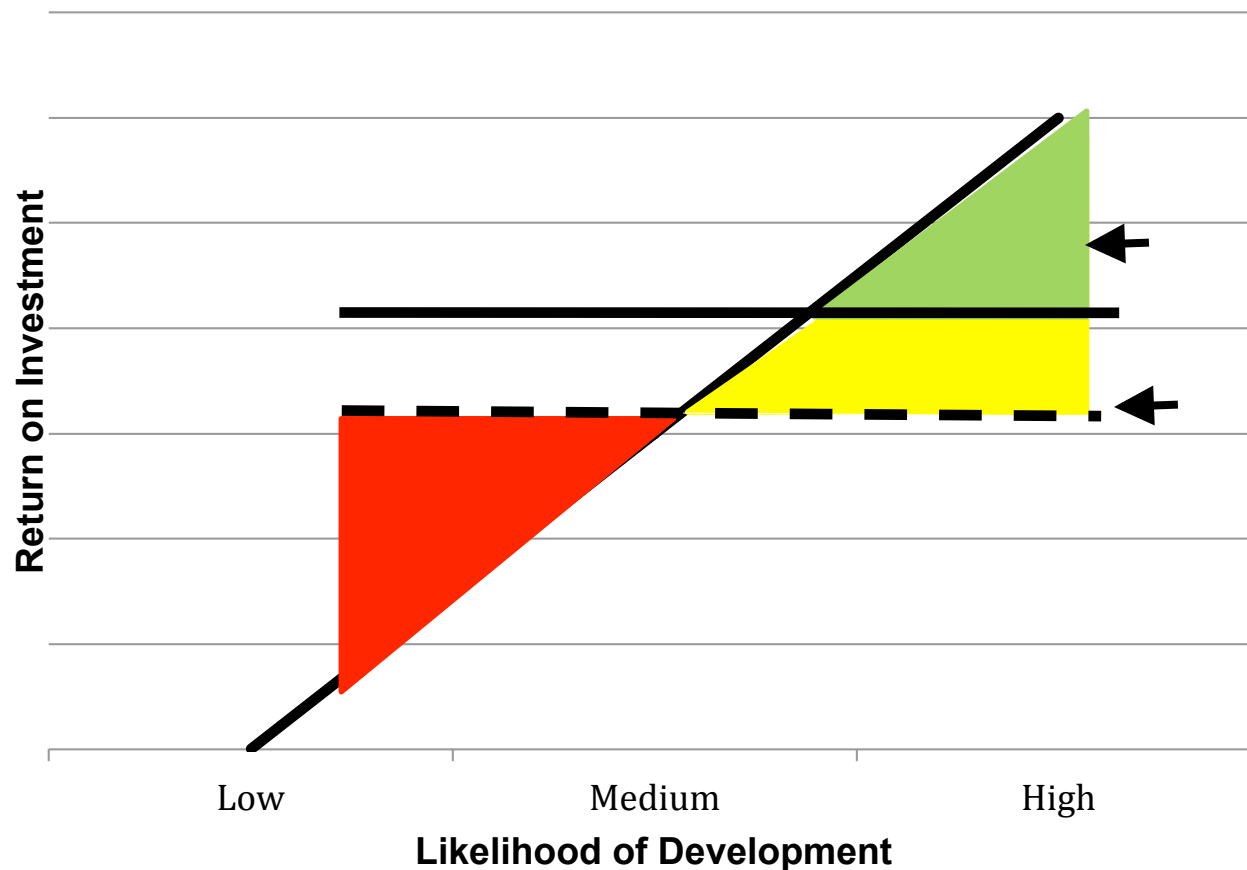


And, How Do Neighbors Think Density Will Work For Them?



What Has Emerged Is Tension Between Communities and Infill Developers About “Community Benefits”

“If I let you develop something, then you owe me something because you’re going to make a lot of money and I’m going to lose quality of life”



So How Do We Move Forward To Actually Implement Smart Growth While Addressing This Tension

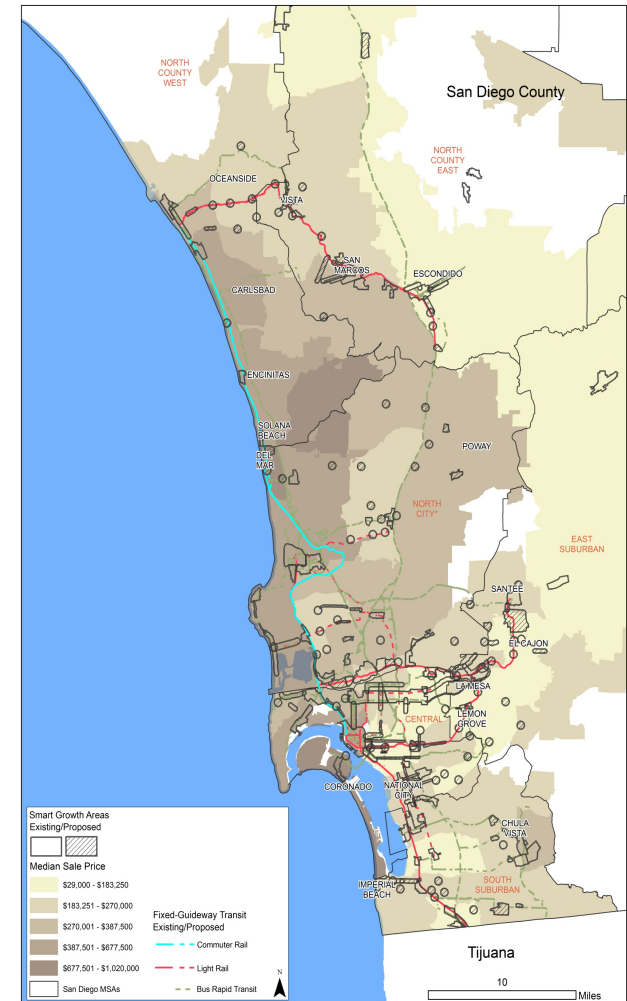


Use The Planning Process To Create An Understanding of About The Community's Growth Potential

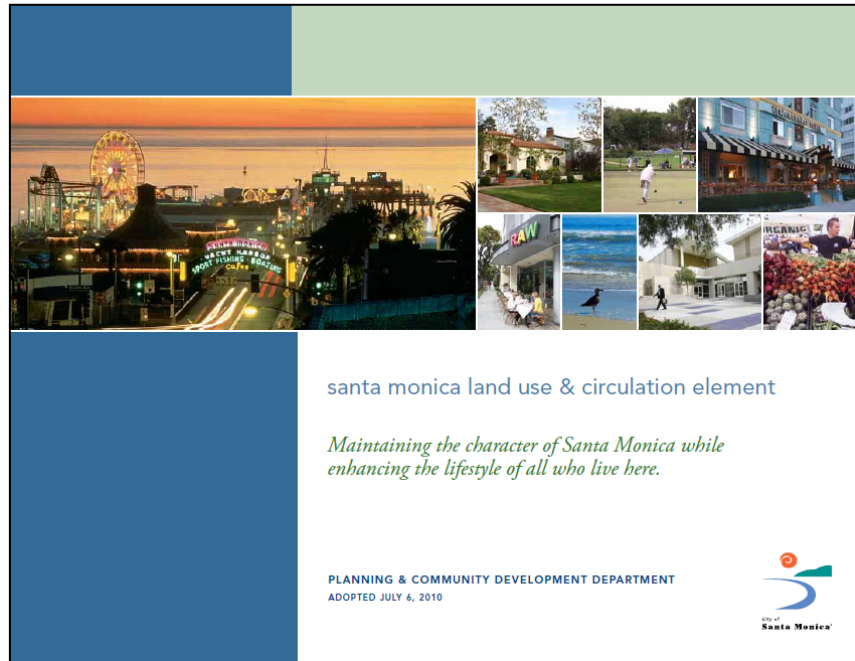
Development feasibility is tied to unit value

- Strongest markets (highest prices, lowest vacancy rates) are concentrated along the North Coast and in Downtown
- However, research has shown that San Diego properties near rail transit experience a significant premium
 - 16 percent premium for condominiums located within ¼ mile of Trolley station
 - 6 percent premium for single-family homes located within ¼ mile of Trolley station

Source: Duncan, 2008 and 2011



Prepare A Plan That Sets Appropriate Expectations About What Benefits New Growth Can Deliver



Uses a very hot market to deliver lots of community benefits



Weak market, where any new development will be the community core benefit

Santa Monica Set Clear Guidelines Around Community Benefits

Priority Community Benefits:

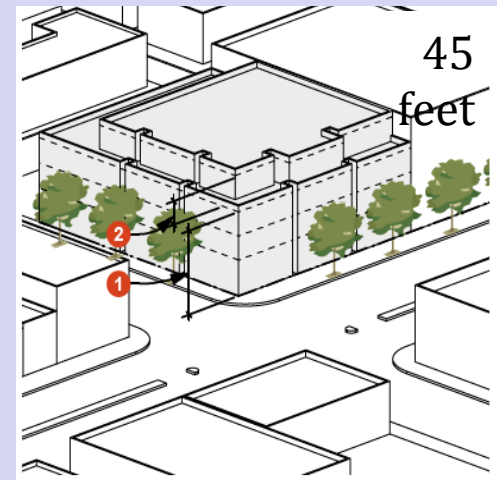
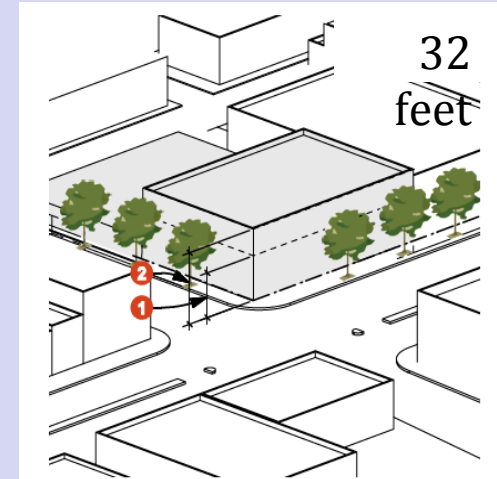
1. Affordable and workforce housing
(money or units)
2. Transportation Demand Management
(money or bus passes)
3. Physical Improvements
(money or sidewalks)
4. Social/Cultural Facilities and Programs
(money or daycare center)
5. Historic Preservation
(money or adaptive reuse)

Benefits determined through a
process that involves the
community



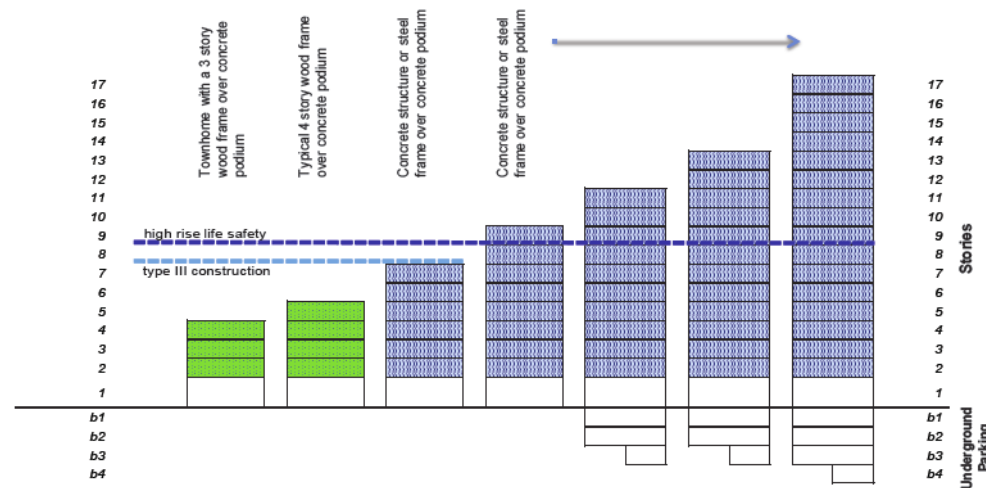
Santa Monica's Tiered Benefits

- **Base:** A project can build to a low 32' base height
- **Tier 1:** Additional floor with affordable housing units
- **Tiers 2 and 3:** To request additional height and FAR, a discretionary process is required:
 - Additional community benefits
 - Community participation



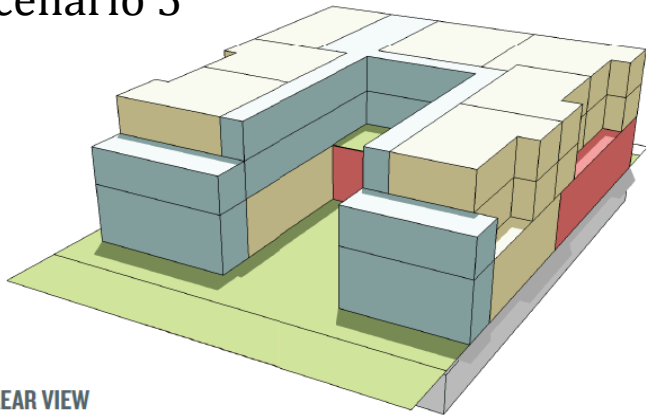
Understanding Development Feasibility By Building Type is Essential

- Provides an understanding of the **real estate market's response** to the plan
- Allows for decision-makers to **compare alternatives and understand trade-offs** of different plans/ scenarios
- Communities are increasingly seeking to capture the value of development to fund a wide range of **community benefits**



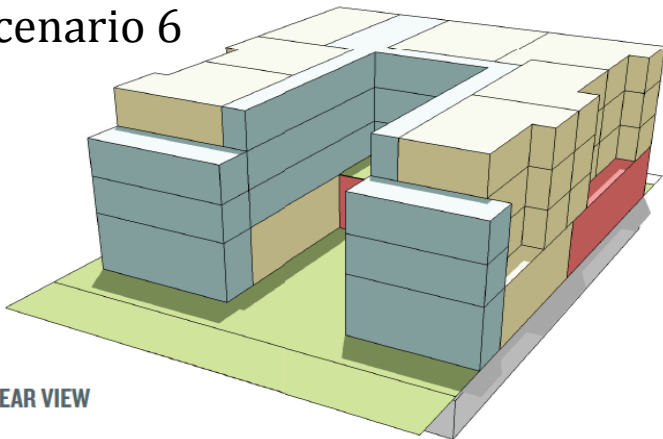
Calibrate Zone to Market Conditions

Scenario 5

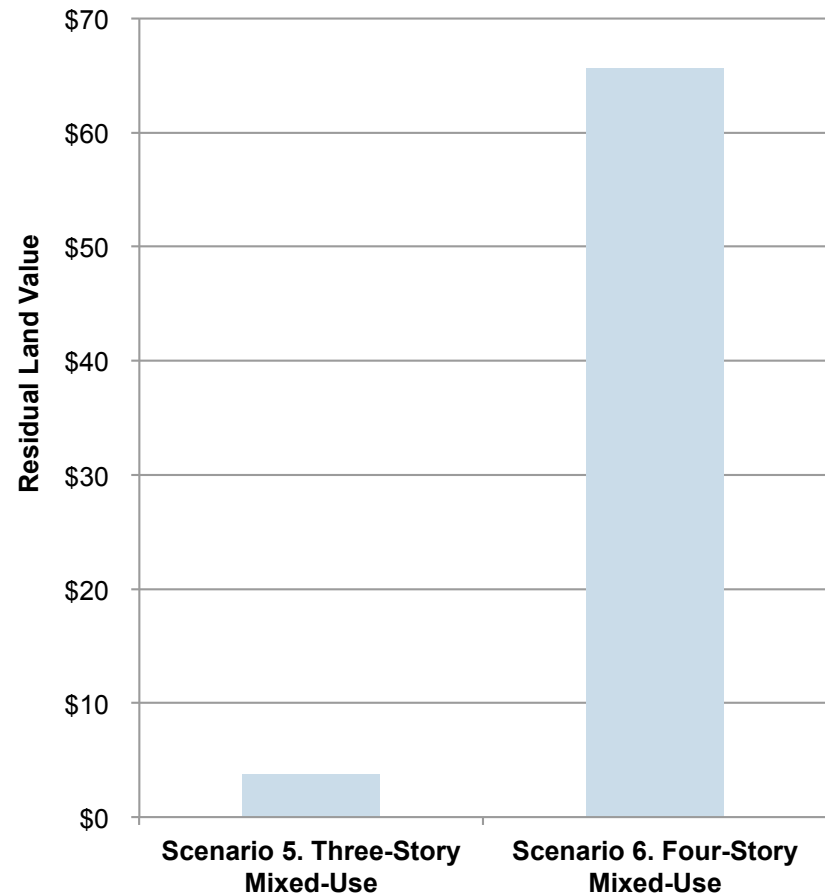


REAR VIEW

Scenario 6

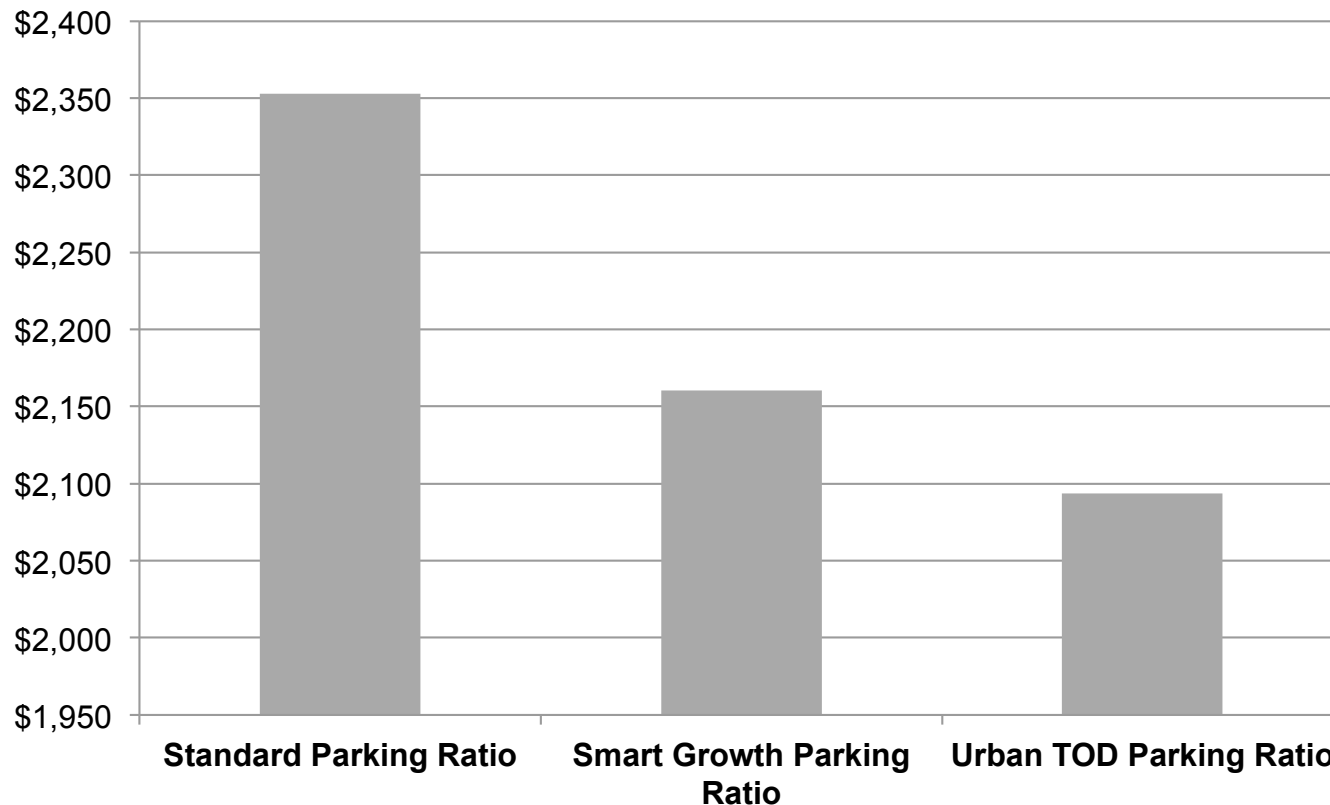


REAR VIEW

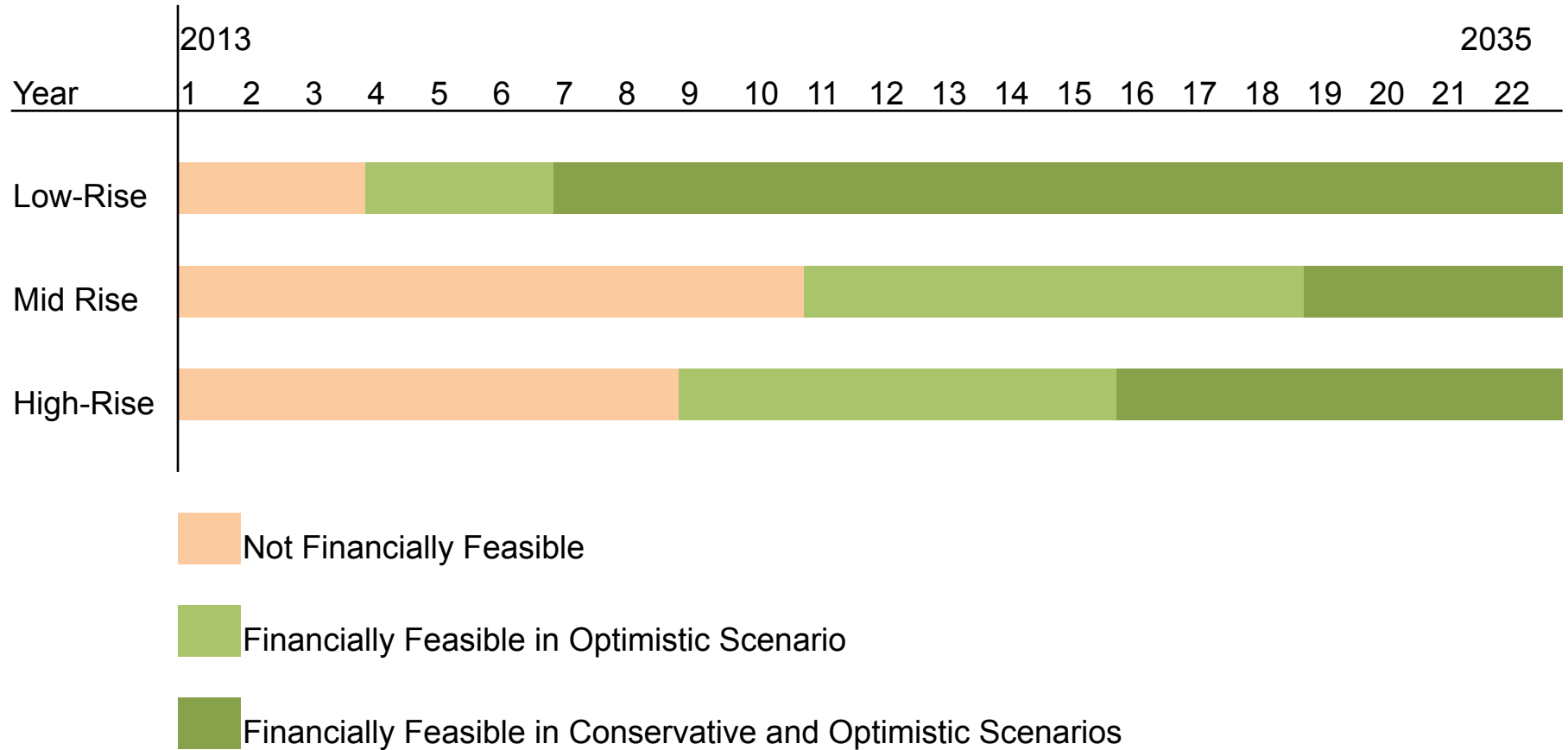


Parking is Key in Understanding Feasibility

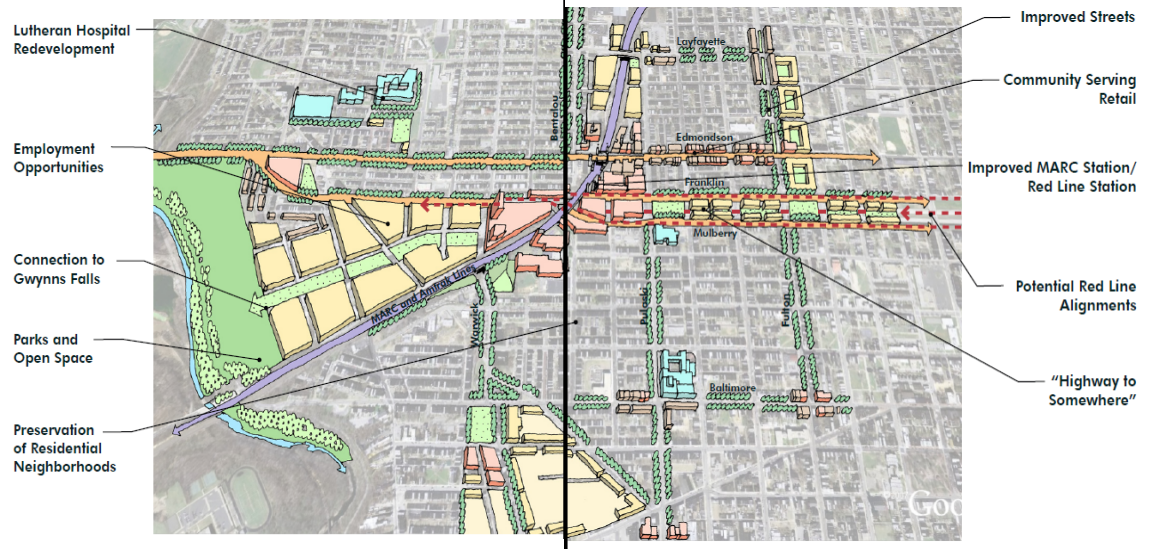
Minimum Rent Threshold for Feasibility: 3-4 Story Residential Over Podium



Think About Development and Capturing Value In the Context of Time



Think About What the Community Needs Now – Don't Wait for the Market to Solve Your Problems

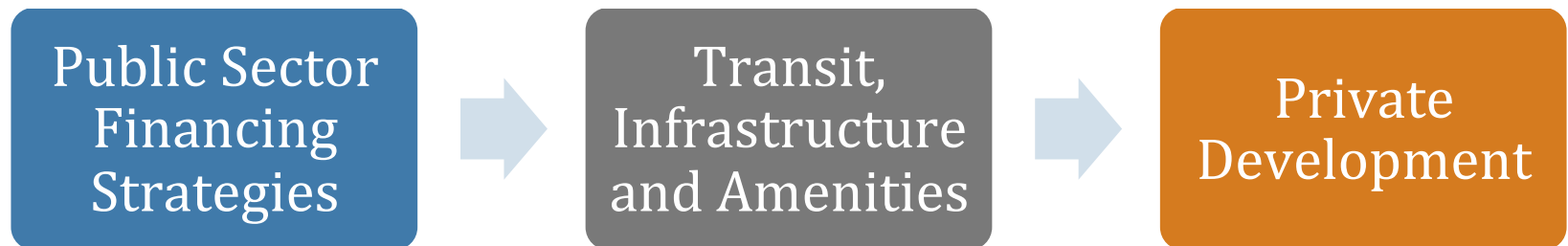


Be Creative About Implementation

Financing Strategy in Strong Market Locations
(High Growth):



Financing Strategy in Cooler Market Locations
(Moderate to Limited Growth) :



Value Capture Tools, in Particular, Rely Mostly on New Development

Mechanism	Source of Value	Reliance on Development
TIF	Property Value Increase/ Development	Yes
Developer Fees/ Exactions	Development	Yes
Joint Development	Development	Yes
Assessment District	Estimated Property Benefit	Not in theory, but often in practice
Utility Fees	Fee Based on Property Characteristics	No
Land Tax/ Split-Rate Tax	Property Value	No

Focus Early Implementation Efforts on Function, Not Just Form – You'll Get More Grant Money That Way!

PHASE ONE Creating Connections to the Community

The Area Plan's first phase of implementation will focus on creating the physical connections throughout the district and to the Expo Light Rail, and in building stronger relationships within the area between local businesses, nearby residents and others who have a stake in the evolution of the former industrial lands.

Committed Projects

1. Buffer Park at Expo Yard
2. Bergamot Expo Station
3. Expo Ped/Bike Path
4. Cantinela Streetscape - Expo Ped/Bike Path crossing
5. Stewart Streetscape - Expo Ped/Bike Path crossing
6. 26th Streetscape - Expo Ped/Bike Path crossing
7. Cloverfield Streetscape - Expo Ped/Bike Path crossing
8. Olympic Streetscape - Stewart to 26th South Side - Bergamot Expo Station
9. Bikeshare at Bergamot Station art center
10. City Bikeshare docking at 3 district locations

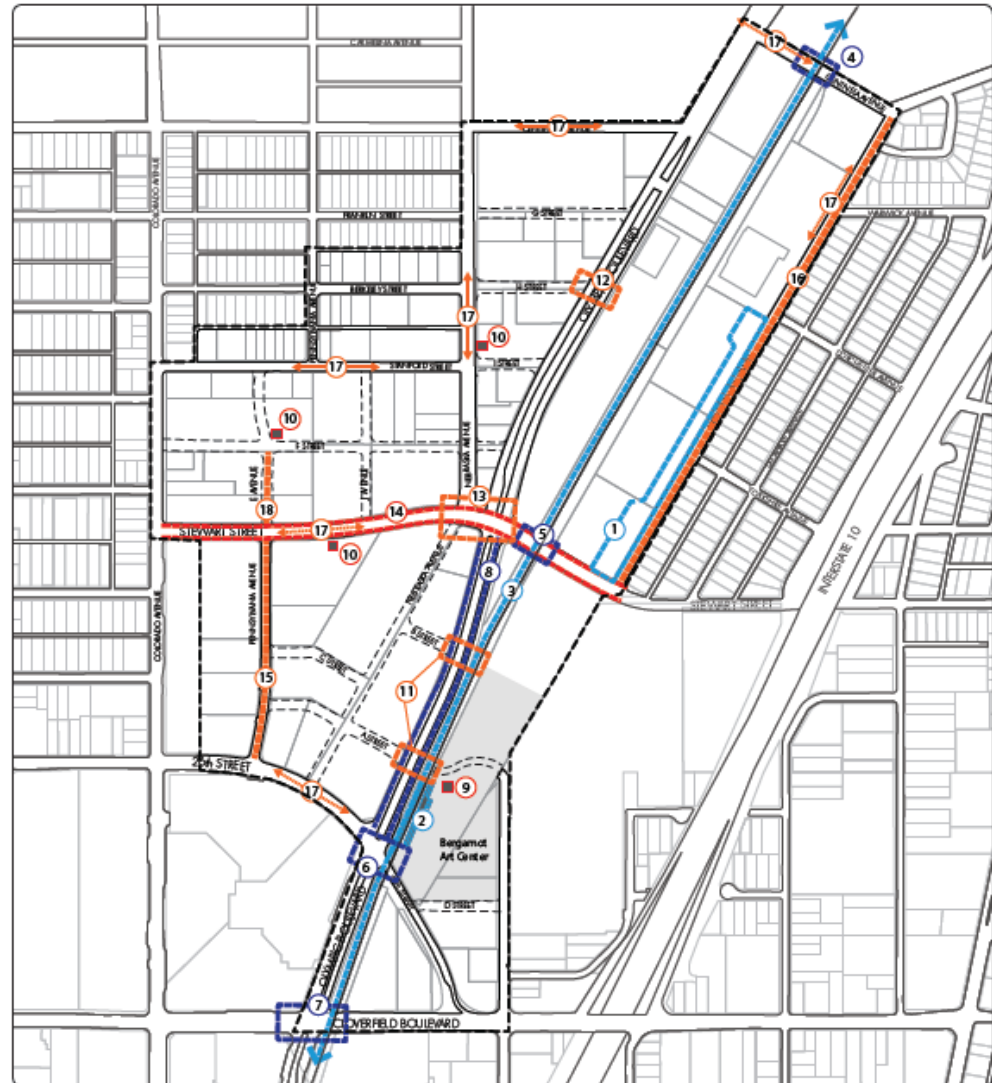
Capital Improvement Related

11. Connections to Bergamot Expo Station entrances across Olympic, and completion of Olympic north sidewalk
12. Olympic Crossing at "H" Street (new roads) with new bus stops
13. Nebraska/Olympic/Stewart intersection
14. Stewart Streetscape - bike lanes from Colorado to Exposition
15. Pennsylvania Streetscape - two-way conversion
16. Exposition Streetscape - sharrow Cantinela to Stewart
17. Area-wide Fiber-optic extensions - Nebraska, 26th, Stewart, Stanford, Cantinela and Exposition
18. New Road - "E" Avenue

0 200 400 600 Feet

Figure 8.04

Map of Locations of Near-term
Implementation Measures



In Conclusion – How To Truly Capture the Benefits of Smart Growth

- Establish a clear understanding of market context and set appropriate community (political expectations)
- Establish implementation priorities that meet community objectives early on
- Don't be afraid to look for grant money, rather than assuming new development will solve all problems
- Be nimble and proactive!