

Walking the Inclusionary Zoning Tightrope

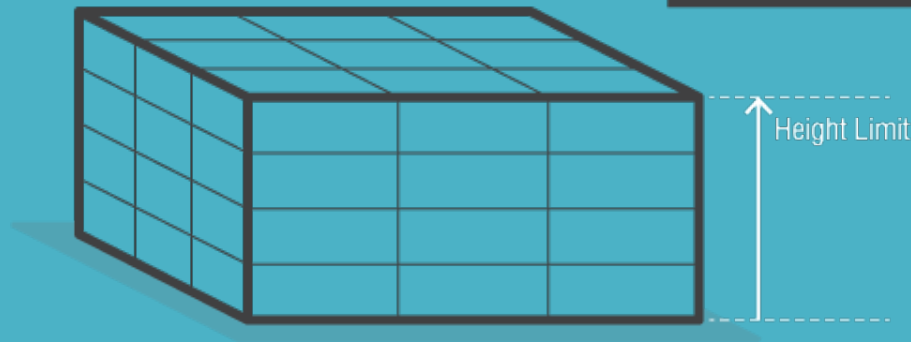


New Partners for Smart Growth Conference
February 2, 2017

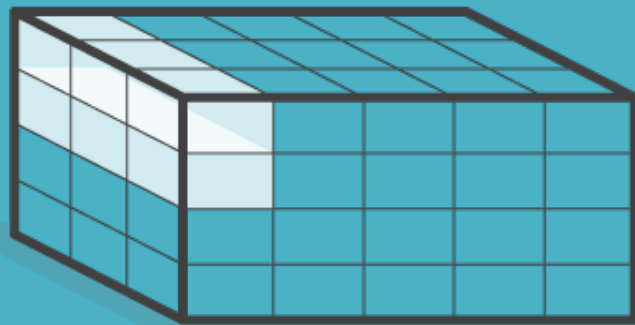
WHAT IS A DENSITY BONUS?

Building Envelope

MAX DEVELOPMENT POTENTIAL

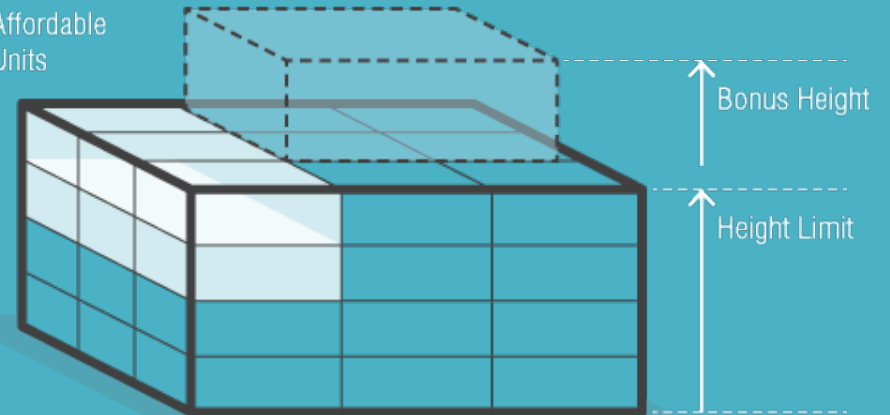


Affordable Units



DENSITY BONUS - WITHIN ENVELOPE

Affordable Units



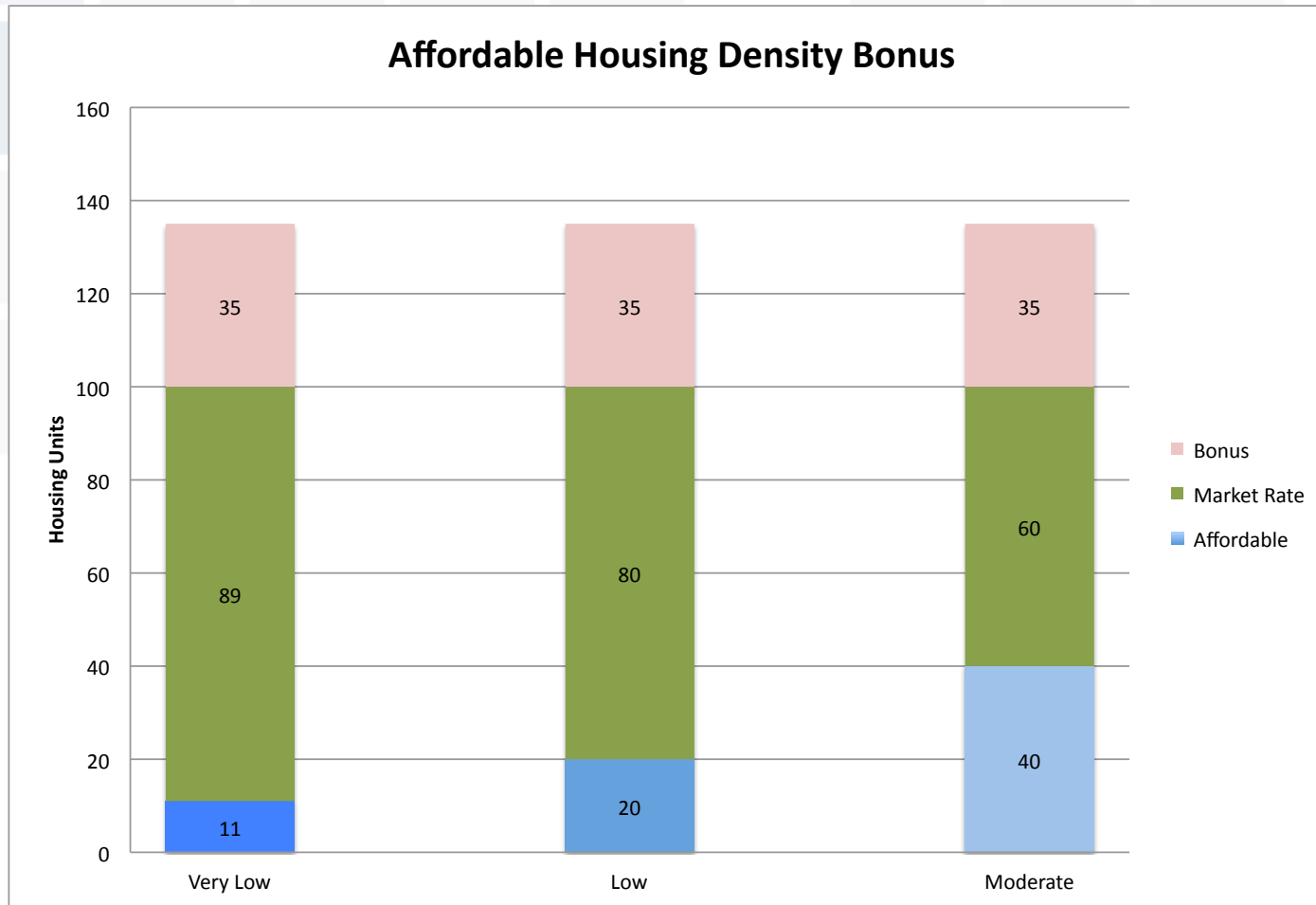
DENSITY BONUS - HEIGHT

California State Density Bonus Law

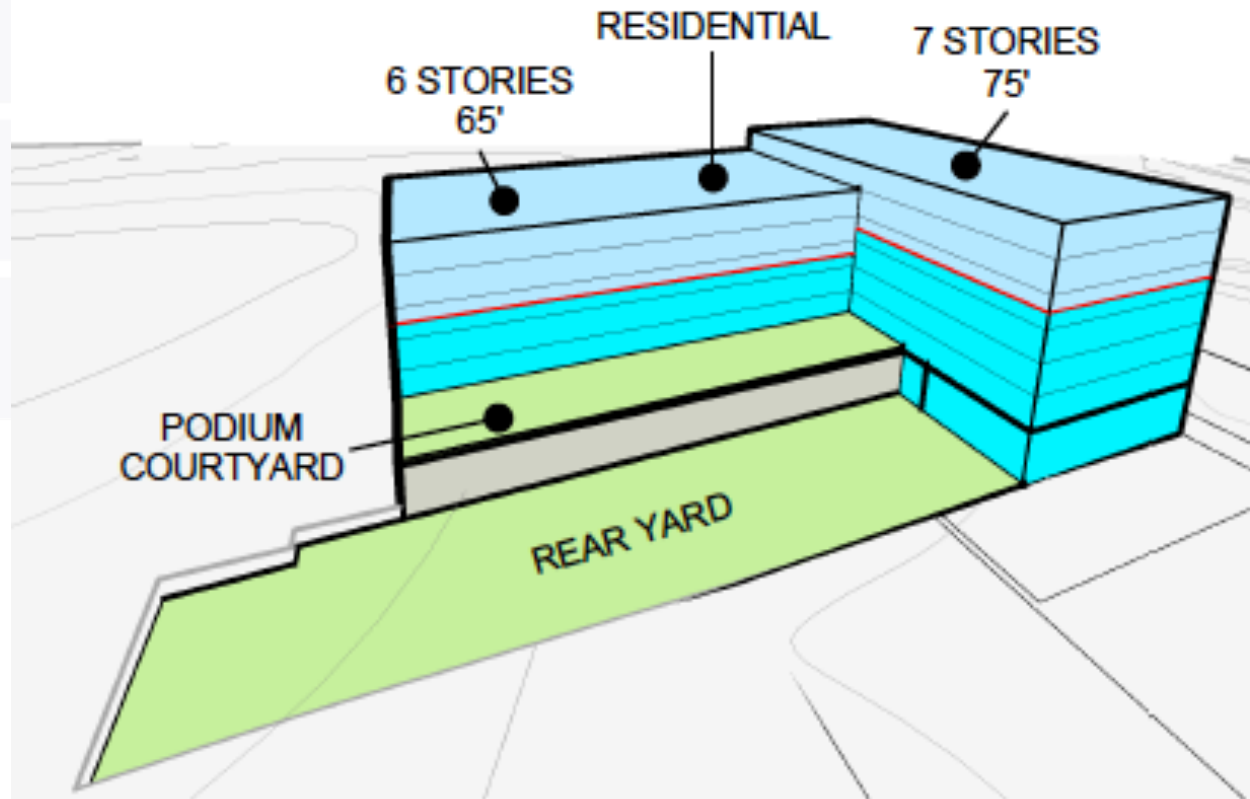
Government Code 65915-65918

- Requires local governments to provide additional density or housing units in exchange for provision of affordable housing onsite
- Includes special provisions for land dedication and senior housing

35% Max State Density Bonus



Incentives, Concessions, Bonus



San Francisco Inclusionary Housing



- Started as a policy in 1992
- Included in Planning Code in 2002
- Evolved to have three options
 - Onsite
 - Offsite
 - Fee (for legal reasons, program is now fee based with option to build on site)
- Many areas have unique requirements
 - Former redevelopment projects
 - Upzoned Areas

Proposition C passed in 2016, which dramatically increases requirements to 25% for on-site and 33% for offsite and fee payment for certain developments.

SF Requirements Evolved Over Time

Component	Low	High (Prop C)	Pre-Prop C
On-site percentage	10%	25%	12%
<i>Rental Target AMI</i>	55%	80%	55%
<i>Owner Target AMI</i>	80% (Prop C)	120%	90%
Offsite percentage	17%	33%	20%
<i>Rental Target AMI</i>	55%	80%	55%
<i>Owner Target AMI</i>	70%	120%	70%
Fee Payment Basis	17%	33%	20%

Note: some master planned areas have higher requirements.

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graph LR; A[Current Zoning] --> B[Plan Offers Benefits to Developers: 1. CEQA tiering 2. Plan investment/ improvements 3. Removal of conditional use 4. Removal of density limits 5. Height increases]; B --> C[Rezoning Proposal]; C --> D[VALUE CAPTURE];
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**Current
Zoning**

Plan Offers Benefits to Developers:

1. CEQA tiering
2. Plan investment/ improvements
3. Removal of conditional use
4. Removal of density limits
5. Height increases

**Rezoning
Proposal**

**VALUE
CAPTURE**

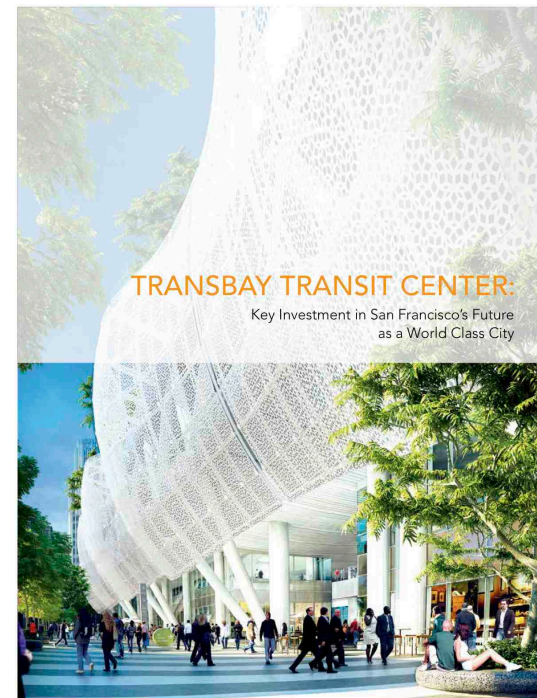
San Francisco Planning Department, Eastern Neighborhoods

What Enhances Value in Real Estate?

- Location, location, location
- Market demand and pricing
- Design and amenities
- Cost effective construction
 - Building
 - Parking
 - Infrastructure and public facilities
- Supportive public policies
 - Land use approval process (time = money)

Key Value Enhancers

- Transit
- Open Space
- Walkability
- Neighborhood Quality/Amenities

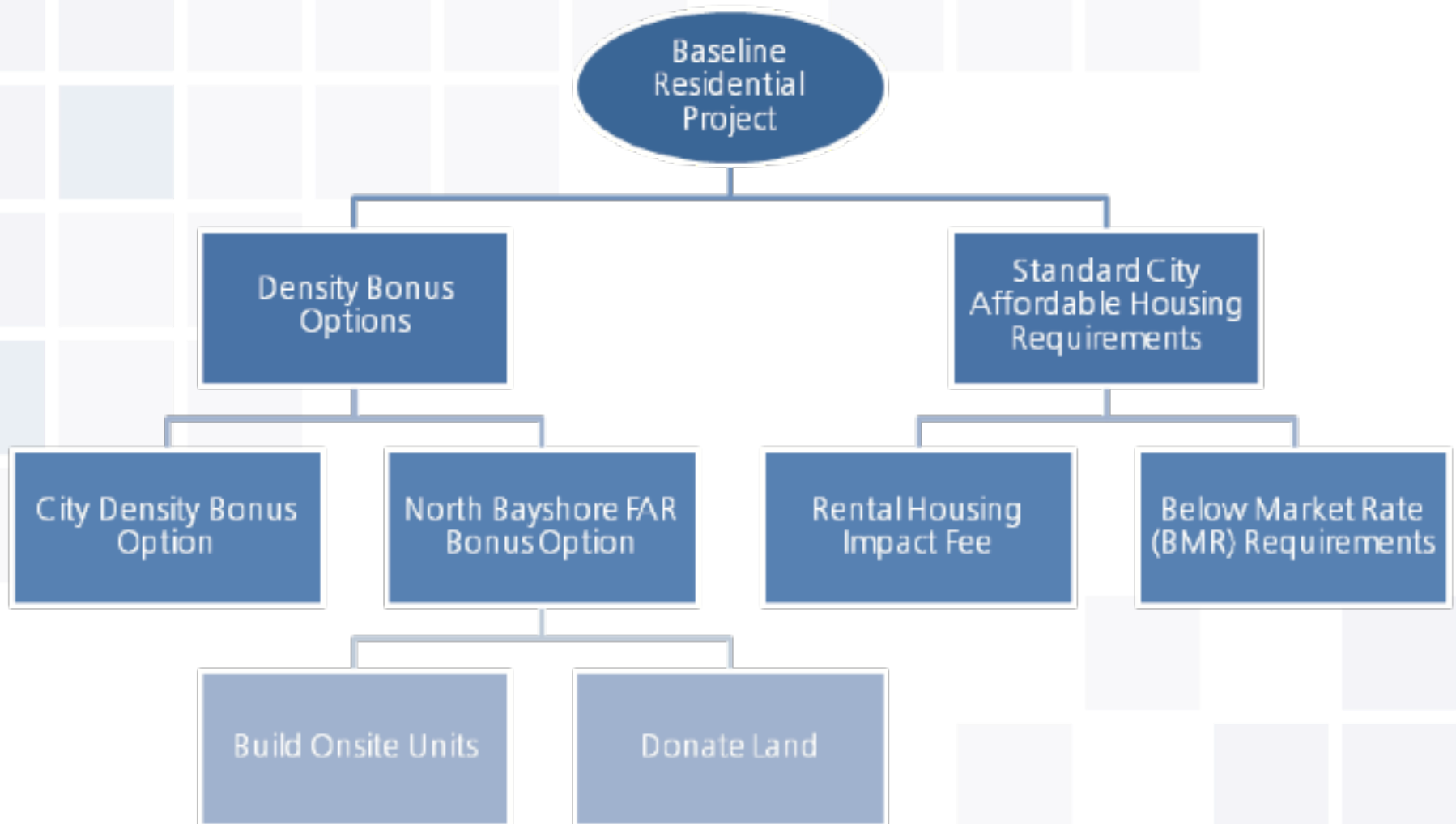


Mountain View North Bayshore Precise Plan (NBPP)



- Create new mixed use walkable neighborhood within high tech center of Silicon Valley (Google headquarters)
- Develop up to 9,850 new units with 20% affordable housing goal

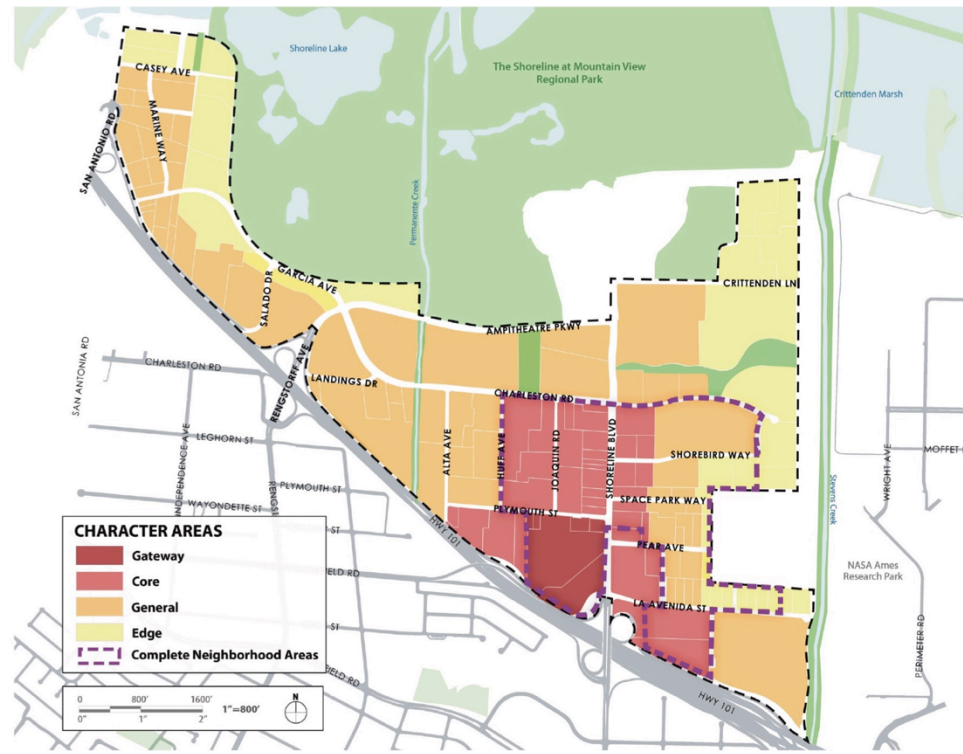
NBPP Affordable Housing Strategy



NBPP FAR Bonus Tiers

Table 11: Maximum Residential FAR Bonus Tiers by Character Area

CHARACTER AREA	BASE FAR	TIER I FAR BONUS	TIER II FAR BONUS
Gateway/Core	1.0	3.50	4.20
General	1.0	2.50	3.50
Edge	1.0	1.85	n/a



Typical Development Types by FAR Tier

BACKGROUND

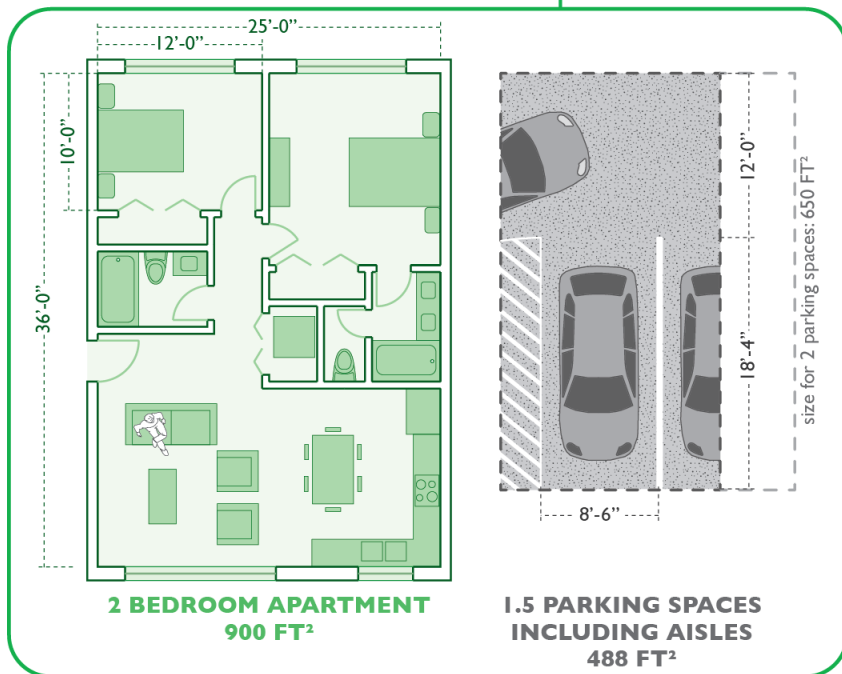
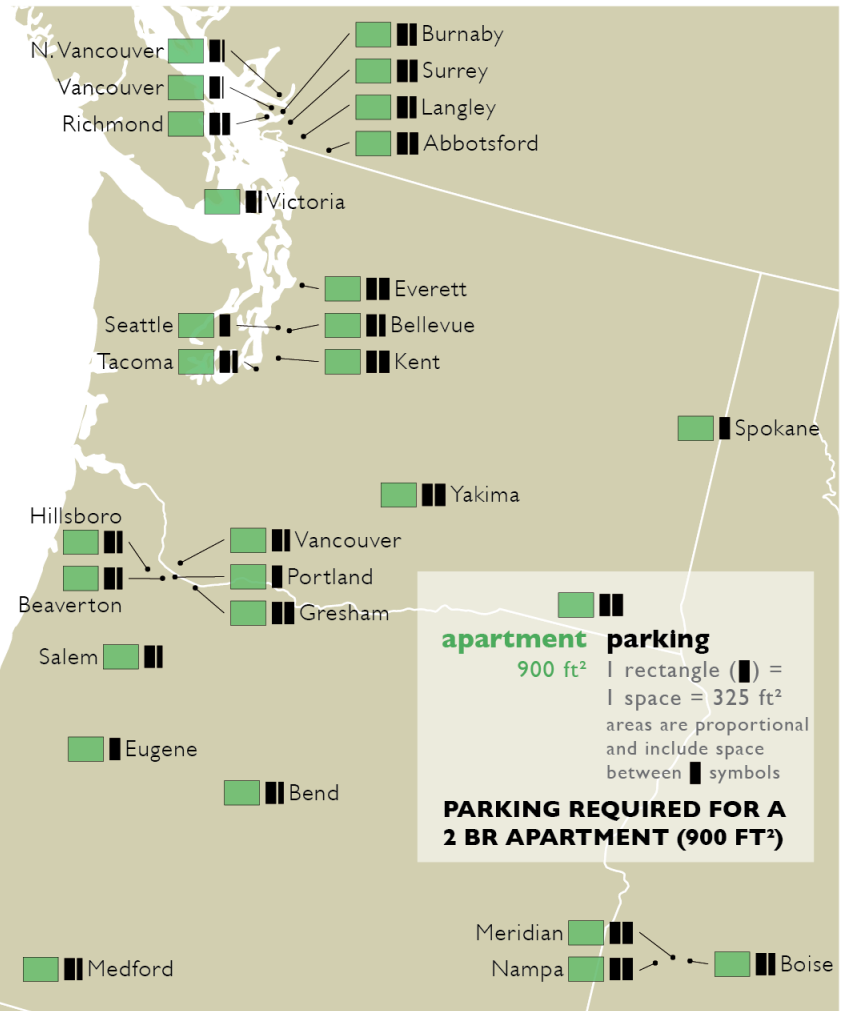
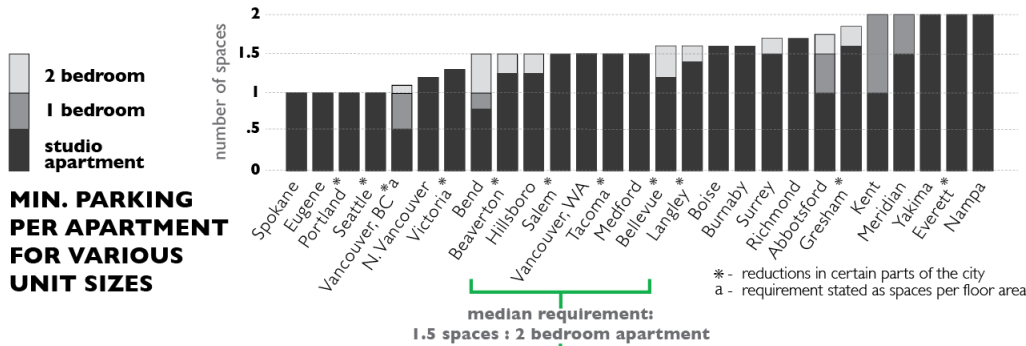
FAR Tier	Number of Stories	Construction Type	Approximate Density Range (Du/Acre)
1.0 to 1.35	2 to 3 stories	Type V	30-60
1.85 to 2.5	3 to 5 stories	Type V over podium	60-100
3.5	5 to 7 stories	Type V or Type III over podium and/or below grade parking	100-130
4.2	8 to 15 stories	Type I	130-160



LIVING VS PARKING SPACE



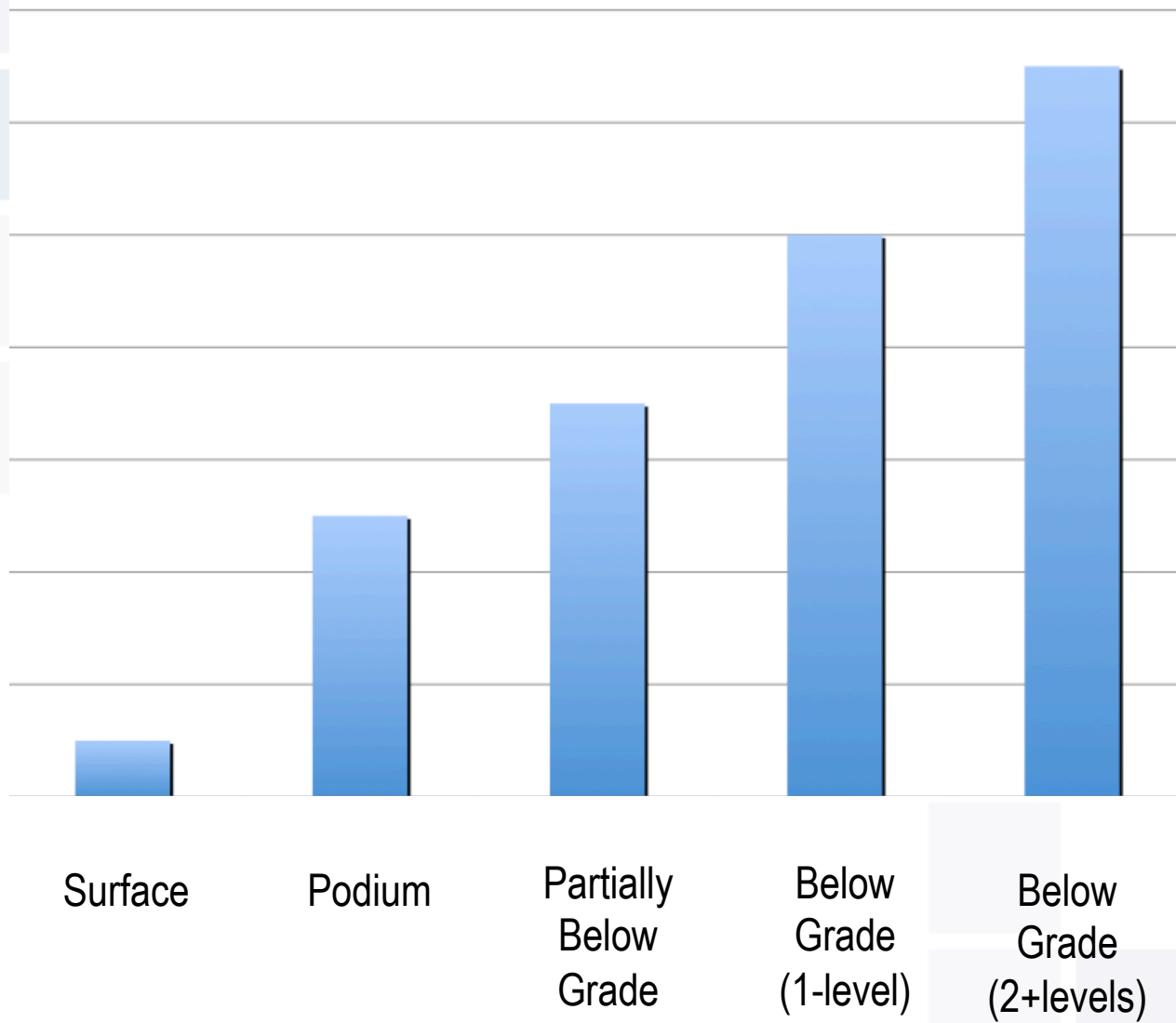
parking required by city laws across Cascadia



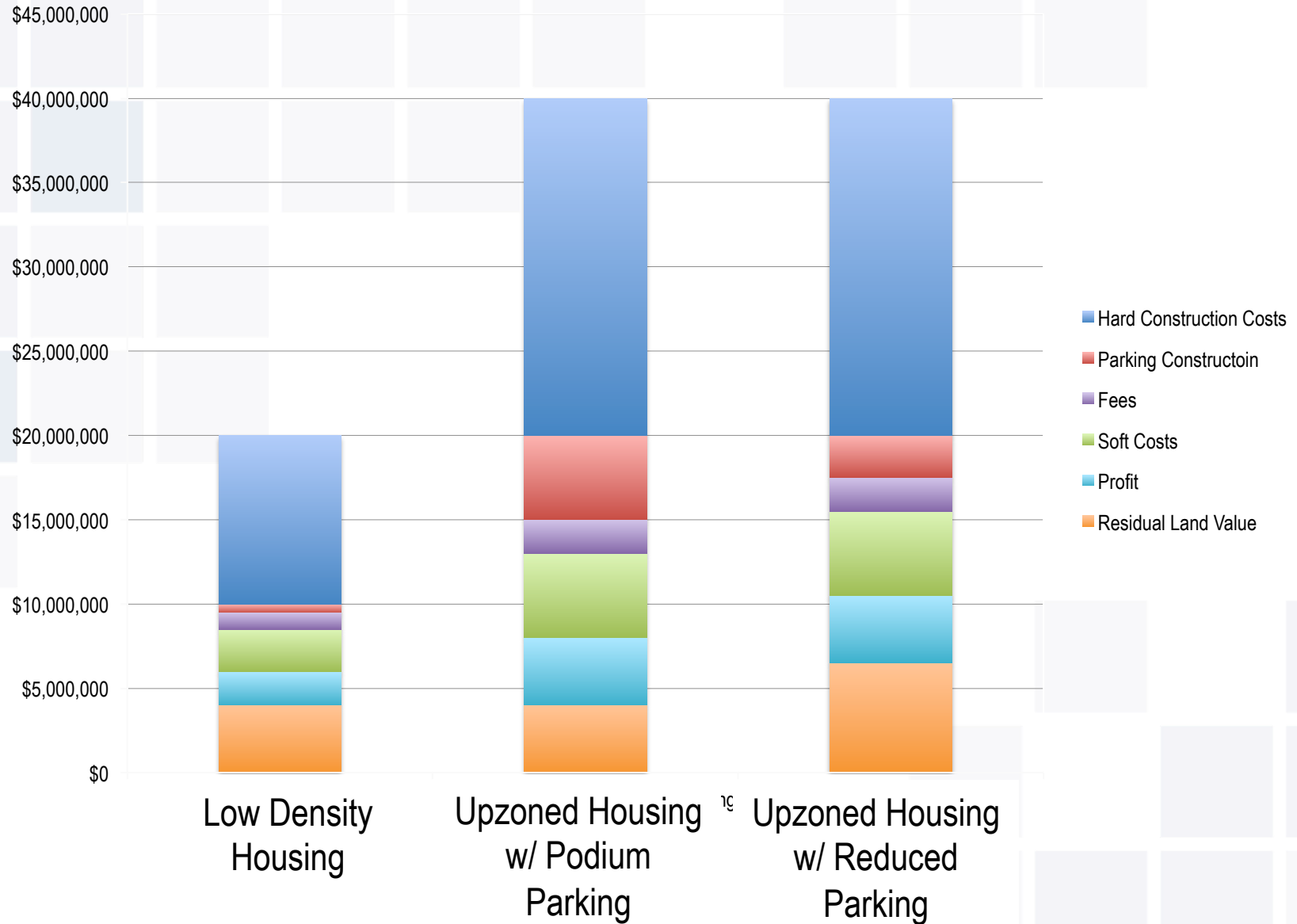
graphing parking

Sightline
INSTITUTE

Illustrative Parking Cost Per Space



Comparison Of Residual Land Values With Density Increase And Reduced Parking



Evolving Parking Requirements

	Typical Practice	Smart Infill	Metro/ Downtown	CA State Density Bonus Law (Transit Area)
Housing	Minimum- About 1 space/ BR	Maximum- 1 space/unit Allow no parking	Maximum .5 to .75 space/unit Allow no parking Unbundled parking	.5 space/BR
Affordable housing	N/A	Varies	0 to .5 space/unit Allow no parking Unbundled parking	.5 space/unit (Special Needs @ . 3 spaces/unit)
Retail	3-5 spaces per 1,000 SF Minimum	2 spaces per 1,000 SF Maximum	No parking on infill sites near transit	N/A

Dynamic
Walkable**E**
Efficient**N**t
Sustainable
Diverse
Transit Supportive
Community**Y**