



Chapter 6
**DEVELOPMENT
INCENTIVES**

ABOUT THIS CHAPTER

This chapter follows up on the discussion of common **challenges and barriers** to infill development in Chapter 2. The barriers included physical site configurations, land use regulations and design standards, infrastructure deficiencies, entitlement processes, financial barriers, and the potential for neighborhood opposition to reinvestment. This chapter focuses primarily on **development strategies** for infill development, followed by specific examples of issues within existing City Codes and impact fee structures that may discourage infill projects and proposes a range of options in order to significantly **reduce these barriers and promote good infill design** and reinvestment along the Corridor.

DEVELOPMENT STRATEGIES

Infill development occurs through a complex and dynamic set of interactions involving various economic, political, regulatory, and environmental factors. It is not straightforward to determine the best policy approach to promote infill development along the Corridor. There are many strategies that could help to encourage and incent infill development. One of the first important steps is to provide education and outreach about the benefits of infill design (such as, reduced traffic congestion, easy accessibility to destinations, improved air quality, and economic growth), followed by development of a vision for infill development. Conflicts related to future infill projects can be reduced if there is a consensus vision. This Plan is intended, in part, to provide this very sort of education, outreach, and vision.

Other development strategies are discussed below. Detailed discussion of regulatory and financial incentives (such as, revising land use regulations and development standards, and impact fees) are provided in the next section. Strategies for funding and implementation are discussed in Chapter 7.

LOCAL PUBLIC FINANCING TOOLS

There are several local financing tools that may help in promoting infill development. Usually, due to the small size of infill projects, they tend to be harder to pencil out without appropriate funding mechanisms. In some cases, outdated infrastructure in infill areas, create burden on an infill developer to finance updating infrastructure. Cities can create infrastructure financing districts that may help in spreading the cost of infrastructure update to help infill developer. Another strategy could be to use variable development impact fees that consider the benefits of existing infrastructure and reduced demand of compact, mixed-use development. Fee waivers for certain types of desired infill developments or at certain targeted locations, and/or deferral of payment of impact fees until later in the development process can be another way of supporting infill projects. Competitive (normally regional) grants for infill planning, design, and infrastructure improvements as discussed in chapter 7 can be another useful resource for infill financing. Local jurisdictions may further improve the finance mechanism for complicated infill projects through tax abatements.

REVISING DEVELOPMENT STANDARDS

Infill developments along the Corridor would be facilitated through flexibility on land use, incentive and bonus zoning, clearer pathways to project entitlements with fewer discretionary decisions, and reduced and/or flexible parking requirements, setbacks, lot sizes, etc. Development standards should also accommodate horizontal mixed use, particularly on deeper lots, with higher-density residential uses located behind commercial uses that front SR 108, serving as a transition to adjacent single-family neighborhoods. Even with shallower properties, there could be opportunities for smaller-scale



horizontal mixed-use to reduce the instances of commercial uses backing up directly to single-family homes. Some of the opportunity site design developed as part of this Plan (Chapter 4) assumes relaxation of existing development standards to promote mixed-use, infill projects.

COORDINATED INFRASTRUCTURE AND LAND USE PLANNING

If there are areas where infrastructure and facilities may need improvement in order to serve infill development, it may make sense to prioritize water, sewer, or stormwater improvements; libraries, parks, and other public facilities improvements; pedestrian and bicycle amenities; public transit improvements; streetscape beautification; and other public investments to reduce the total cost of infill development and enhance key opportunity sites in terms of the attractiveness for development; reduce level of service standards for traffic congestion or exempt infill developments from a requirement to contribute fair-share toward achieving a level of service standard. To create an attractive pedestrian environment and sense of place, the cities could identify segments of SR 108 where it would be appropriate to reduce traffic lanes and speeds and better link to adjacent residential neighborhoods.

GROWTH MANAGEMENT

Manage the available land supply for development at the periphery of communities to help accelerate infill development.

STREAMLINED REVIEW

Create “template” site plans for representative vacant/underutilized parcels to confirm the community’s vision and that, if used, expedites approval process; develop approach to California Environmental Quality Act (CEQA) compliance that reduces the cost, time, and risk associated with this part of the process (such as the use of the Master EIR in Modesto); use pre-application meeting and single point of contact for all departments to help clarify and speed up the review and entitlements process; reduce instances of discretionary approvals and associated hearings.

DATA AND MARKETING

Provide demographic, market, transportation, and other information related to available infill sites that may be helpful to potential developers and market sites for development, identifying historic, cultural, natural, and other assets and amenities in the area.

REGULATORY INCENTIVES

Each of the cities has recently, or soon will complete a General Plan Update. Normally, local governments would follow such changes with updates to zoning, improvement standards, design guidelines, and other implementing tools. This Plan outlines a few changes that could be made to facilitate reinvestment along the Corridor, which could be incorporated into revisions to implementing documents.

Each of the Cities' General Plans envisions that neighborhoods and commercial districts will become more walkable, vibrant, mixed-use areas with housing, jobs, shopping, and services in proximity to one another. Through reinvestment in existing neighborhoods and commercial districts, the Cities plan to improve transportation connections and expand mobility options. With this policy direction in mind, the Planning Team comprehensively reviewed the Cities' zoning, development standards, and guidelines to identify any revisions that could help facilitate infill development along the Corridor.

ISSUES WITH EXISTING ZONING AND PERMITTED USES

Refer to Figures 6-2 through 6-4, to see the various zoning districts allowed on the parcels directly adjacent to the Corridor.

MULTI-FAMILY RESIDENTIAL

Multi-family residential uses are conditionally permitted in commercial zones that occur along the Corridor in all of the 3 Cities. Allowing for multi-family and other types of compact residential developments by right (without conditions), in potential infill sites will provide various benefits. The Cities will be able to offer a larger variety of housing types to support the diversity of households that exist now and will exist in the future. The Cities will be able to increase the population in areas with good transportation access, including public transit, with associated benefits related to air quality and reduction of household transportation costs. Additional housing in these areas would also expand the consumer base to support existing and future commercial development along the Corridor, with associated economic development, jobs, and revenue generation benefits.

Online shopping is anticipated to continue reduce the total amount of physical retail space needed within cities. Smaller store sizes are anticipated to become more prevalent in the future, along with less of a focus on suburban contexts and more on mixed-use environments.

- **Urban Land Institute. Emerging Topics in Real Estate 2014**

For example, Figure 6-1 shows potential infill sites which are currently commercially zoned, but with an appropriate design approach, could be suitable for compact residential development. The Cities could consider a Corridor Mixed Use zoning district or overlay that expands allowable land use in targeted



areas along SR 108. Allowing a broader range of uses by right would improve certainty and predictability for the development community. However, if multi-family residential development was to remain conditionally permitted, the Cities could improve the development environment by specifically defining a finite set of conditions, so that the development community can better understand in advance what an approved project looks like. Certainty in the entitlement review process is very important for facilitating infill development. Please see Chapter 5, which illustrates viable design strategies for compact residential development for specific sites along the Corridor.

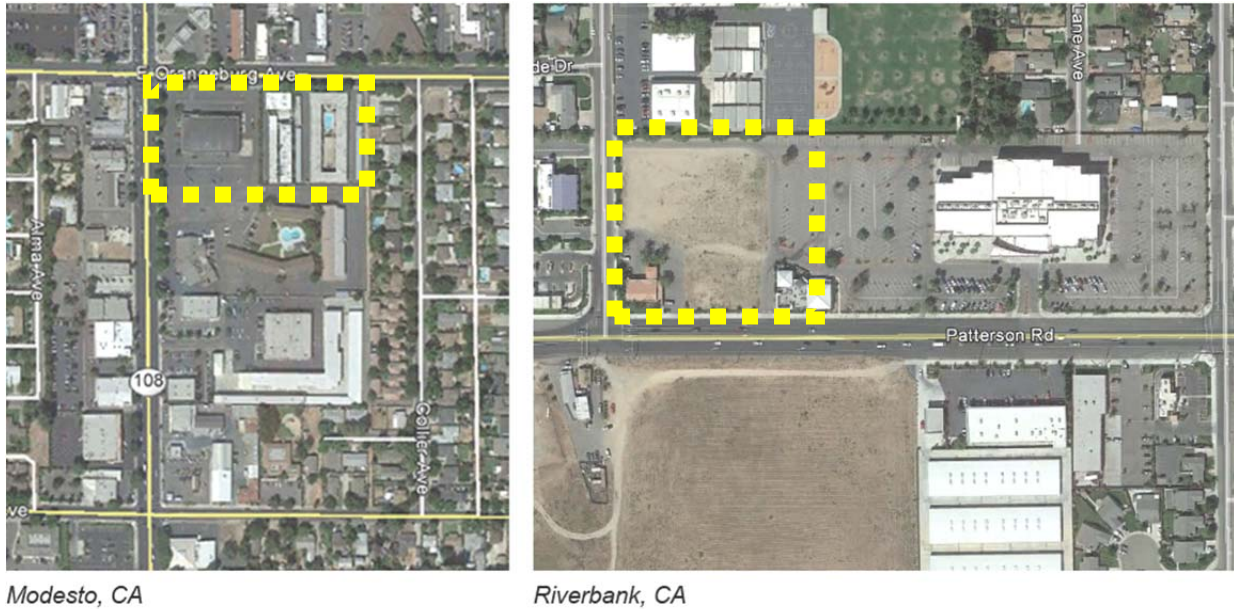


Figure 6-1: Potential Sites In Modesto And Riverbank For Multi-Family Residential Development

OFFICE

All the three Cities allow general offices to be located in any of their commercial zones. However, in R-3 or high-density residential zones, general offices are conditionally permitted in Oakdale and Riverbank and not allowed in Modesto. Allowing for general offices by right in high-density residential areas along the Corridor will help to encourage diversity of uses and horizontal mixed use. In deeper infill lots, allowing general office to collocate with high-density residential can indirectly benefit on-site parking management by providing opportunities to share parking spaces between the two compatible uses.

General and medical offices can bring in jobs along the Corridor and help support existing and future commercial development through increased daytime activity associated with office employees. Since SR 108 has a concentration of existing and planned transit service, additional office development could increase the number of employees that have alternatives to the automobile (with associated benefits for air quality, traffic congestion, and household transportation costs). Co-locating with high-density housing will also help to promote less commute time and jobs-housing balance.

HIGH-ACTIVITY USES

Public facilities (such as, library, parks, etc.) play an important role in activating places. Modesto allows for various civic uses within its residential and commercial districts, including schools, churches, libraries, and museums. Schools and parks are also allowed in residential and commercial districts of Riverbank and Oakdale, but other civic uses, such as libraries require discretionary reviews. There are many other high activity-generating commercial uses, such as restaurant (with or without alcohol sales), farmer’s markets, health clubs, and recreational facilities, that are subject to discretionary review and conditions in various districts along the Corridor in all three cities. The Cities may wish to consider adding some flexibility for high-activity commercial and public/quasi-public uses along the Corridor, where this could help to create a more vibrant setting that could catalyze private investment.

LOW-ACTIVITY USES

Some zoning districts along the Corridor, such as C-M district in Modesto, M-1, C-2 and C-M districts in Riverbank, and C2 district in Oakdale, allow uses (either by right or conditionally) that do not generate high levels of activity or employment. This includes equipment rental yards, vehicle impound yards, self-storage, and warehouse-type uses. These are necessary uses, but may not support the Cities’ vision for reinvestment along the Corridor. The Cities might consider revising the zoning approach so that these types of use are not allowed along the Corridor, particularly targeted reinvestment areas.

TEMPORARY USE

Identifying and allowing a list of temporary uses for vacant lots and buildings could be helpful for reinvestment along the Corridor. As the economy improves, and private development interest rises, the Cities may wish to consider useful but temporary ways to maintain vacant properties and avoid blight and vandalism. Temporary urbanism¹ has helped many cities nationwide to facilitate temporary uses that help to create for safer and more dynamic streets and sidewalks, until the property finds a more permanent and better use. While many vacant lots have historically served as parking lots, a more attractive and active temporary use may better serve the communities’ long-term interests. For example, Modesto allows community gardens in all residential and commercial zones, while Oakdale allows them in R-1 and R-2 district, and Riverbank’s Zoning Ordinance does not mention community gardens. It may be worthwhile to investigate and put together a few temporary uses that would be allowed in all the zones along the Corridor in advance of reinvestment projects.



Pop-up retail



Parklet

1 The Temporary Urbanism Initiative was started in District of Columbia (<http://planning.dc.gov/DC/Planning/Across+the+City/Other+Citywide+Initiatives/Temporary+Urbanism+Initiative>), but such projects have already been underway in other cities, such as San Francisco, Cleveland, Chicago and New York.

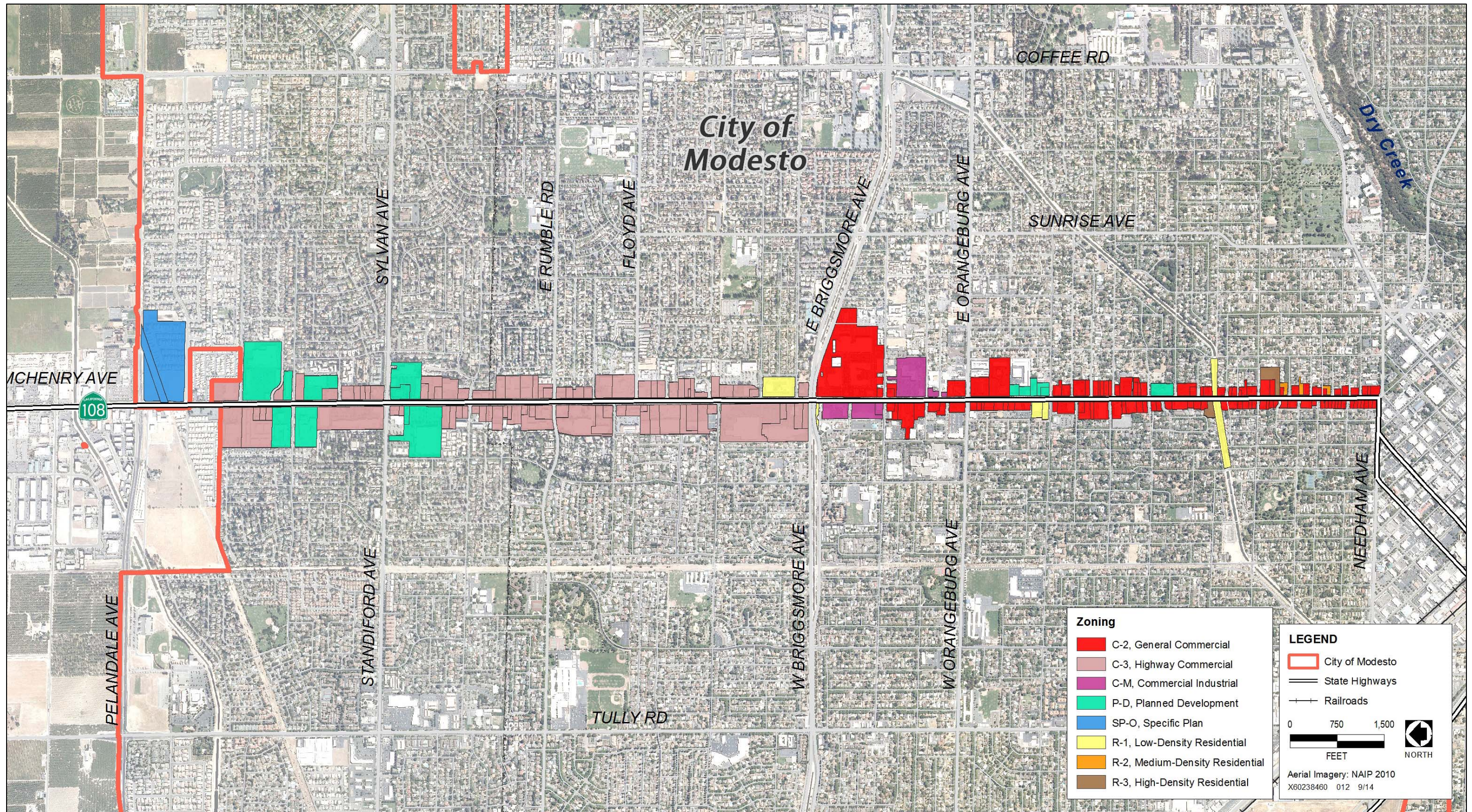


Figure 6-2: Zoning along SR 108 Corridor in Modesto

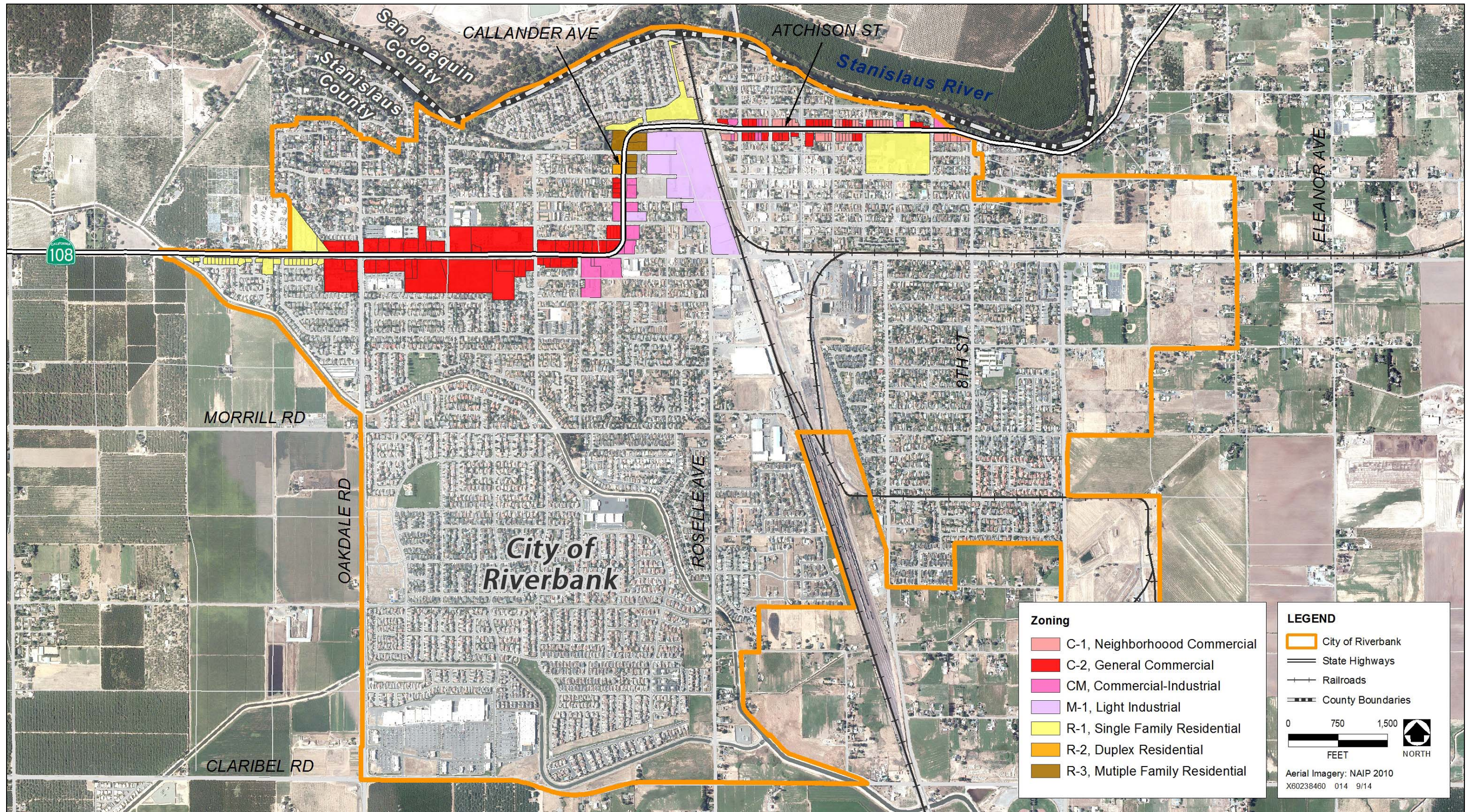


Figure 6-3: Zoning along SR 108 Corridor in Riverbank

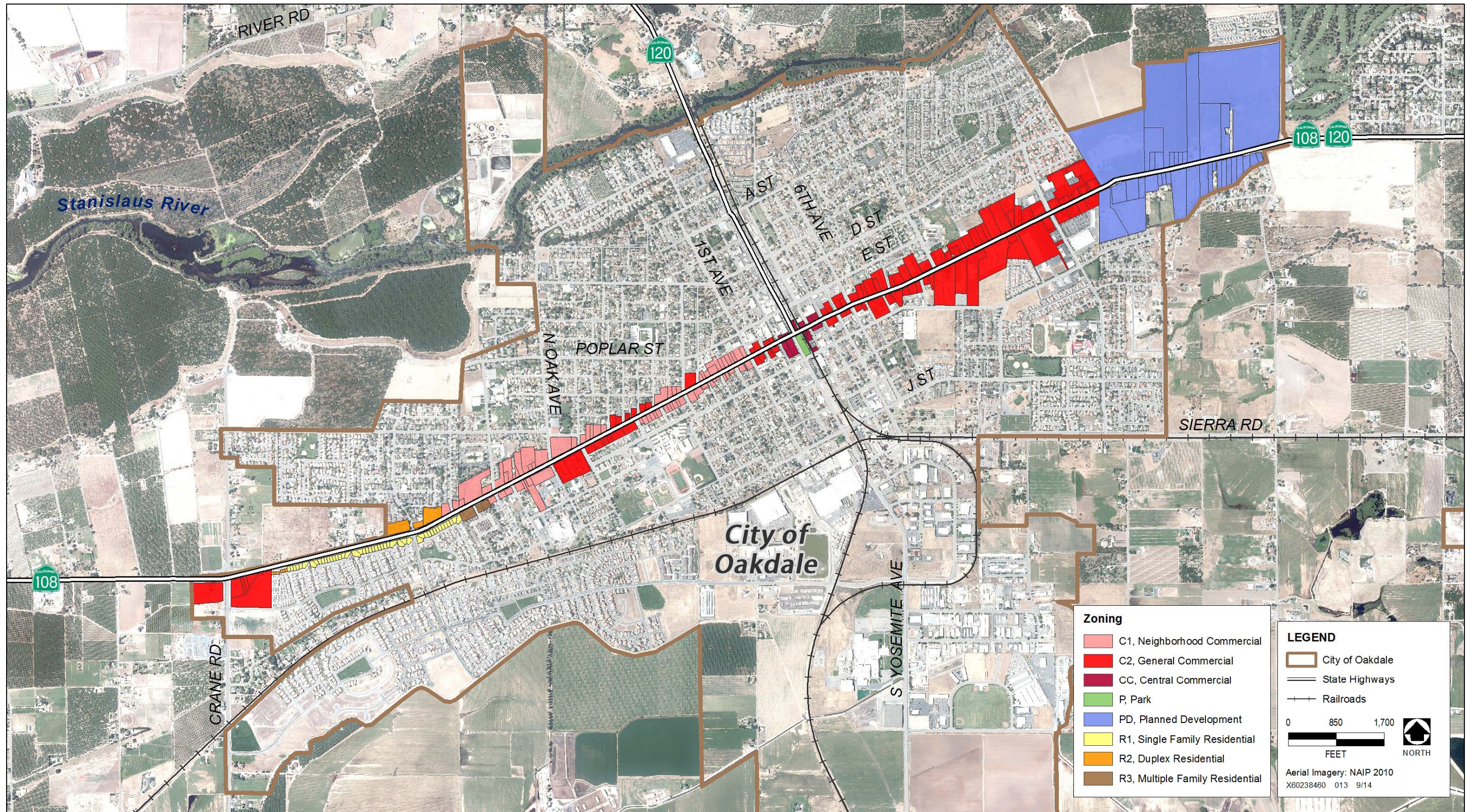


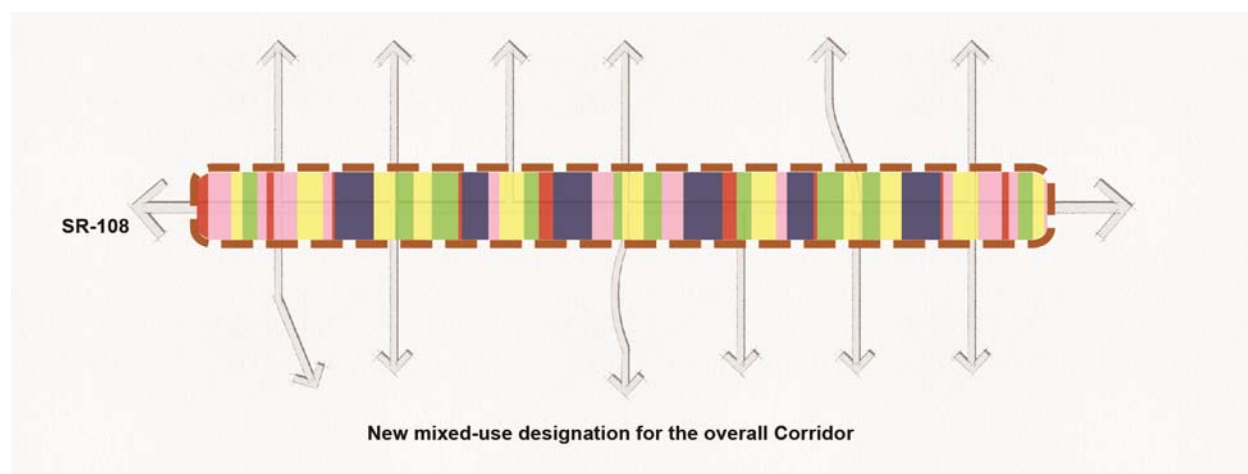
Figure 6-4: Zoning along SR 108 Corridor in Oakdale

OPTIONS FOR CONSIDERATION

The intent of these recommendations is present a variety of strategies for addressing Code changes in the Corridor to facilitate infill development.

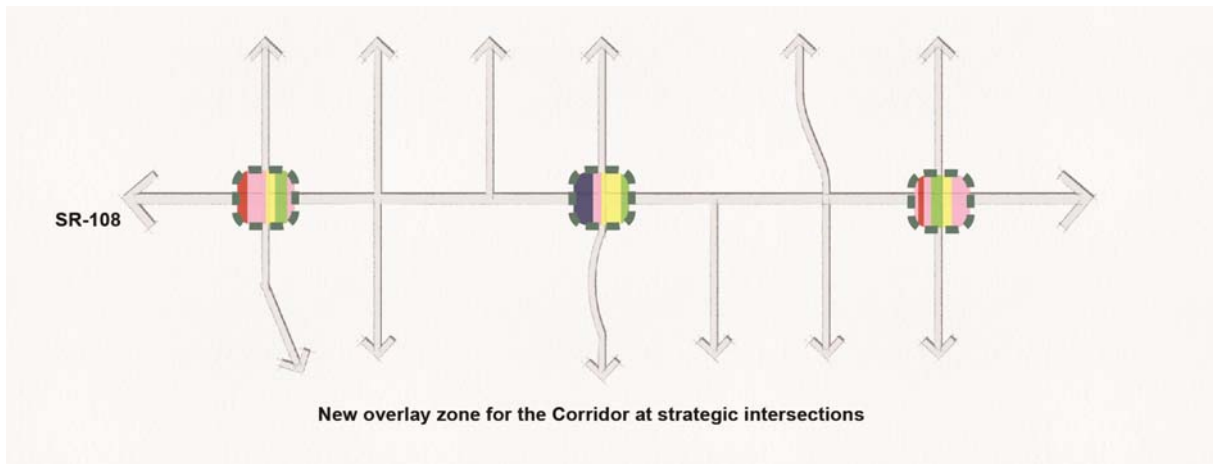
NEW MIXED-USE CORRIDOR ZONE

A new mixed-use designation could increase flexibility in targeted reinvestment areas and help to promote a more vibrant streetscape. A new Mixed-Use Corridor Zoning District could allow a broad range of appropriate uses, along with flexible development standards that accommodate different scales of development on different sizes and shapes of parcels. The figure below shows this option of creating a continuous mixed-use zone along the corridor that allows for a wide variety of uses instead of identifying single-use districts per adjoin parcel.



CORRIDOR MIXED USE OVERLAY

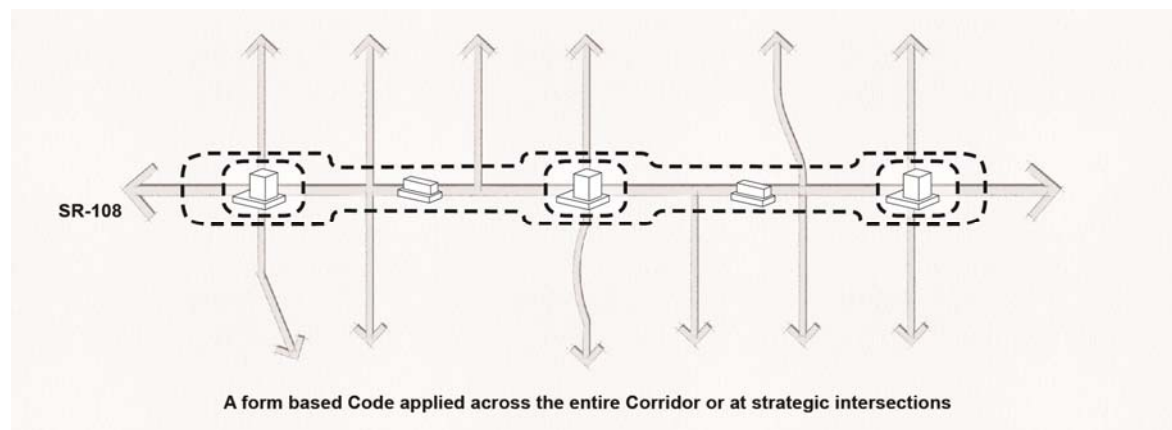
While keeping the underlying zoning designations, a new overlay zone could be created for the Corridor to add additional permitted land uses at strategic locations. This approach assumes that intersections of strategic importance to the Cities will be identified for infill development, and all attention and resources will be focused only in these identified areas for reinvestment. Therefore, as a concentrated effort to identify priority infill sites, an overlay zone may be particularly efficient in getting reinvestment dollars soon into the communities.



FORM-BASED ZONES

Development and application of a form-based zoning district could provide added regulatory flexibility to facilitate infill development. Two variations on this type of Code should be considered for the plan. A pure form-based code would not include any land use regulations, allowing any type of use to be developed anywhere along the Corridor, provided it complies with the physical design requirements of the code (such as, building height, massing, fenestration details). Alternatively, a hybrid form based zoning district would include similar physical design requirements, as well as regulations that specify what type of land uses are appropriate in various locations. Either type of Code could be applied across the entire Corridor or at strategic intersections maintaining the existing zoning designations for areas in between and the rest of the City.

A form-based approach may help convey the Corridor’s vision to private developers in a more graphic manner. Any variation of the form based Code, as discussed above, will provide flexibility of uses based on market demand, but ensure good quality of construction and design along the Corridor, which could have further catalytic effects in attracting reinvestment.



EXISTING DEVELOPMENT STANDARDS

In general, existing development standards along the Corridor do not present a major constraint. However, there are a few instances of development standards that could represent a barrier to infill development – particularly for smaller sites.

Parking requirements, minimum setbacks, and minimum residential lot sizes may introduce constraints to infill development. Although certain of these requirements may pose constraints to infill development along the Corridor, it may not be appropriate to revise development standards citywide. It might be better to focus revisions to development standards on key targeted infill areas along the Corridor. Below is a discussion of potential barriers in the development standards along with suggestions on how they may be overcome.

PARKING REQUIREMENTS

Issue

Parking requirements represent the single largest opportunity for improvement in addressing potential constraints to revitalization along the Corridor. Parking requirements for residential, commercial, and office uses vary among the three Cities, and some parking standards appear to be higher than necessary. With changing demographics, changing demand for parking, compact vehicle designs, and other trends, the Cities should consider reducing off-street parking requirements and reducing physical dimensions for infill sites along the Corridor.

Table 6-1, presents parking requirements for only a sample land use categories, based on high suitability of the land uses for infill development along the Corridor. The highlighted cells identify particular standards that may be reconsidered for infill sites in view of latest innovative parking strategies.

Parking/Sample Land Use	Modesto	Riverbank	Oakdale
Single-Family Residential	2 spaces per unit	2 car garage	2 paved spaces, including 1 covered space
Multi-Family Residential			
Studio and 1 Bedroom	1/unit	2/unit	2/unit
2 or more bedrooms	2/unit		1.5/unit above 3
Restaurant and bars	1/60 sqft of dining area	1/3 seats	1/2.5 seats
Office/Service Business	1/300 sqft	1/300 sqft	1/300 sqft
Medical/Dental Office	1/200 sqft	1/ea doctor + employees, + 1/100 sqft	1/200 sqft
Retail Business	1/300 sqft	1/300 sqft	1/200 sqft
Auto Repair Shop	1/300 sqft	1/300 sqft	



Potential Solutions

Research shows how parking standards can be revised to better respond to a community’s vision based on demographic, social and economic trends. Parking standards should vary based on location, based on whether the subject site is near the downtown, in a neighborhood center, or at the community fringe. The actual level of parking demand can be highly variable among land uses of the same type, which suggests the need for a more flexible and context-sensitive approach. An example of location-based parking to consider for the Corridor is shown below, where the highlighted area reflects standards that may be considered while re-evaluating parking standards per land use along the Corridor.

REPRESENTATIVE PARKING REQUIREMENTS

(in spaces per unit)

Location Types

Land Use	Unit	Regional Center		City Center Urban Neighborhoods		Suburban Center/Town Center		Transit Neighborhood		Rural/Small Town	
		Low	High	Low	High	Low	High	Low	High	Low	High
Residential	Dwelling	0.25	1.00	0.50	1.25	1.00	1.50	1.25	2.25	1.50	2.50
Office	1000 sq.ft	0.10	0.75	0.25	1.25	2.00	3.00	2.25	3.33	3.00	4.00
Retail	1000 sq.ft	0.50	1.00	1.00	2.00	1.50	2.50	2.50	4.00	3.00	4.00
Restaurant	1000 sq.ft	1.00	2.00	1.00	3.00	3.00	5.00	4.00	8.00	8.00	12.00

Source: *Parking policies to support smart growth*, Metropolitan Transportation Commission. (http://www.mtc.ca.gov/planning/smart_growth/parking/parking_study/parking_policies_flyer-web.pdf)

To attract drive-by business, it is important to ensure that on-street parking is very clearly marked – with appropriate paint and signage, as suggested by Michelle Reeves. In addition, particularly for smaller infill sites, it is important to ensure that on-street parking near businesses counts toward the Cities’ parking requirements.

MINIMUM SETBACKS

Issue

Minimum setbacks on lots for small or irregular parcels may pose constraints to developable land potential for infill sites. This is especially an issue for smaller parcels in transitional areas where deeper setbacks are required between residential and commercial areas. Minimum commercial setbacks in Modesto and Riverbank are deep, especially when adjacent to residential developments. Large setbacks could make certain parcels more difficult to develop – particularly shallow parcels, such as those along Lower McHenry in Modesto, and smaller parcels that are generally found closer to the downtown areas of the three cities. For example, in Riverbank, minimum setbacks in commercial zones are calculated as 15 feet of front setback for the first 25 feet of building height, with an addition of one half-foot of setback for every 1 feet increase in the height of the commercial building. When adjacent to residential properties, an additional 10 feet of setback is added to the minimum setback requirements, on the side adjacent residential property. Similar principle is used in calculating minimum commercial setbacks in Modesto and Oakdale.

Potential Solutions

One approach could be to join adjacent smaller infill parcels to address the deep setback issues, although this would likely need to be initiated by the property owners. Another approach could be to make the setbacks less prescriptive and provide guidance on a percent basis with respect to lot sizes and adjacent land uses. For example, residential development on a shallow infill site may have a lower rear setback if adjacent to similar residential density product, but may need deeper setbacks if next to a lower-density residential prototype or a commercial building. Allowing for horizontal mixed use on deeper infill lots would also help in density transition from commercial/office fronting the Corridor with multi-family units at the back and adjacent to existing single family neighborhoods.

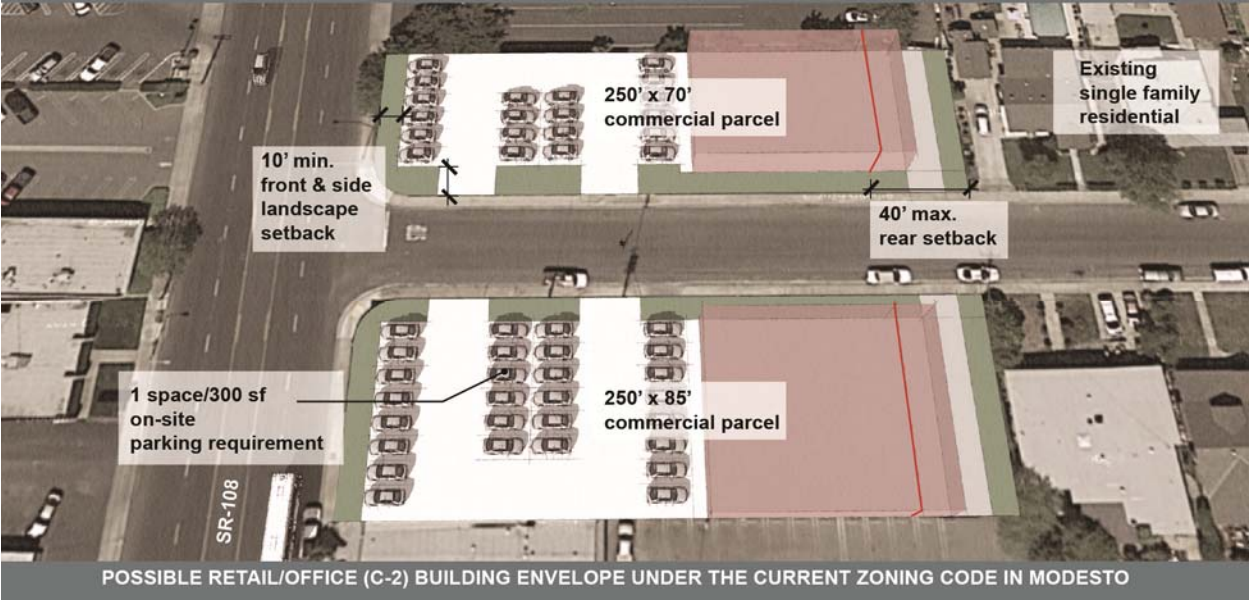


Figure 6-5: Site Layout Under Existing Zoning Regulations in Modesto

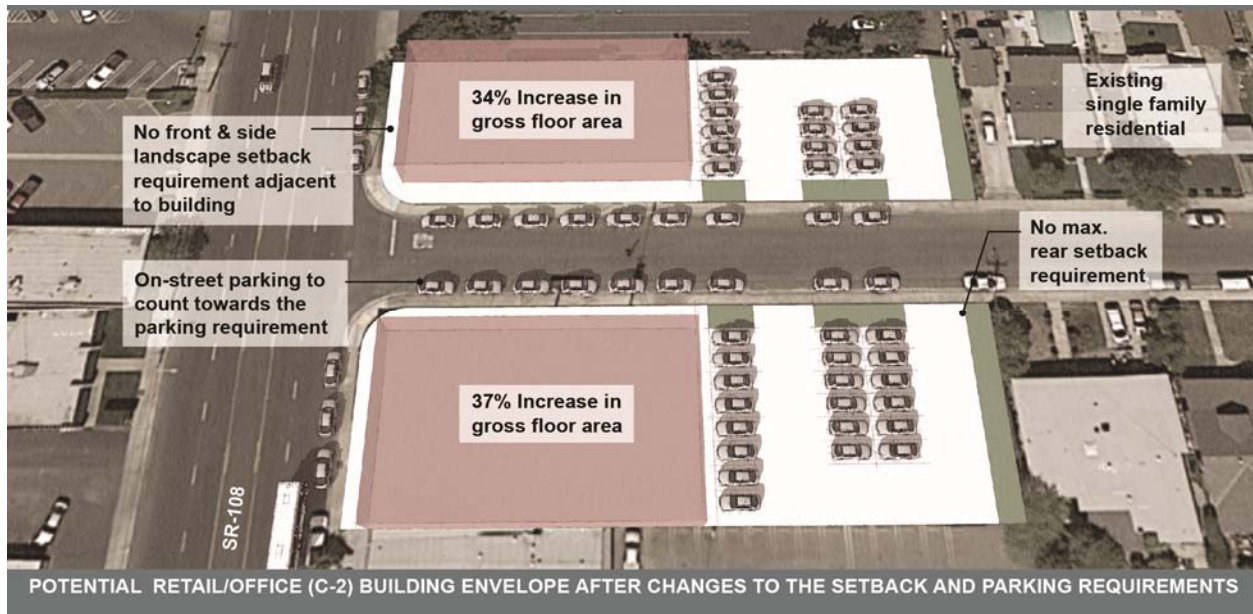


Figure 6-6: Site Layout After Proposed Changes to Zoning Regulations in Modesto

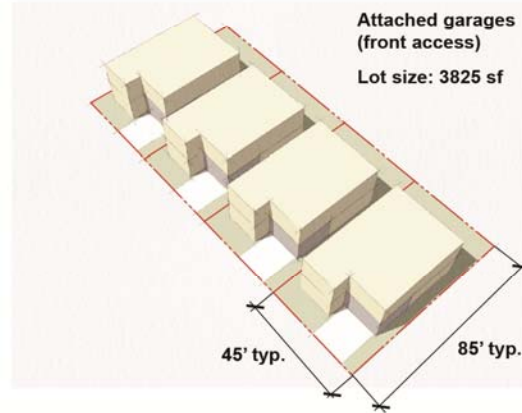
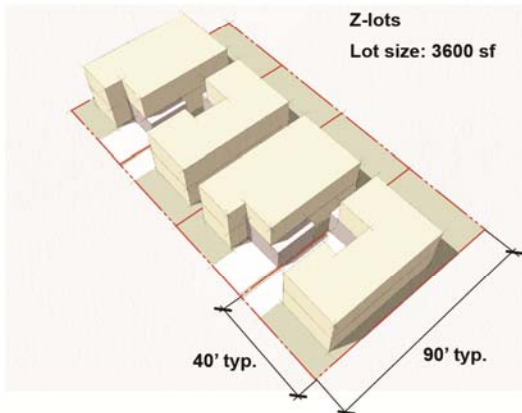
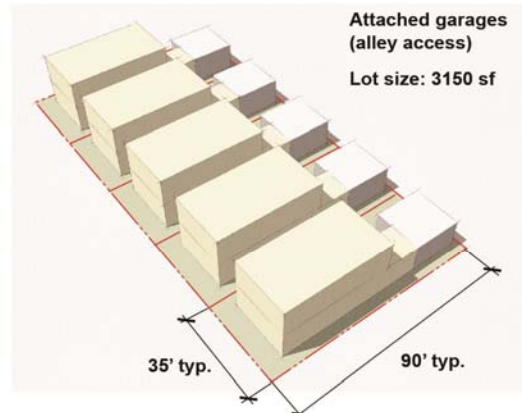
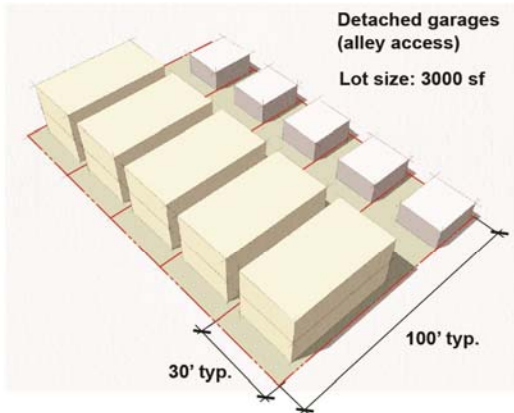
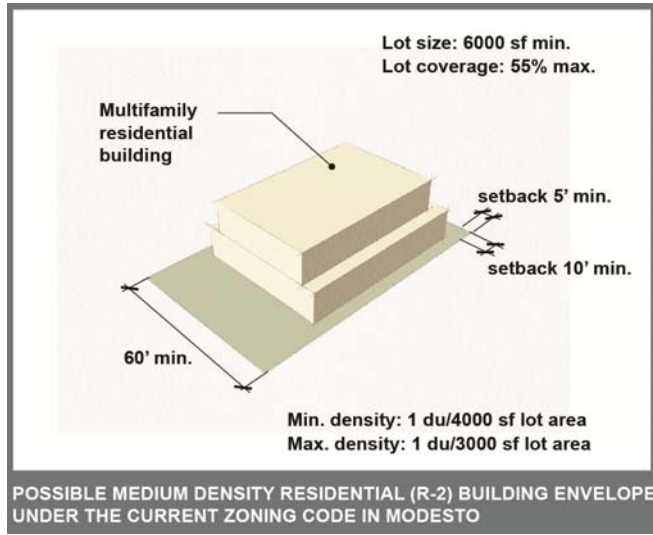
RESIDENTIAL LOT SIZES

Issue

There is relatively little land along the Corridor that is zoned for residential use and this is appropriate since non-residential uses would continue to be predominant in the future. Much of the area with residential zoning is in recent developments which are not likely targets for revitalization (e.g., the south side of the Corridor west of Willow Glen Avenue in Oakdale, or the south side of the Corridor west of O’Brien’s Supermarket in Riverbank). However, there are some parcels with residential zoning that could represent opportunities for revitalization, including R-2 and R-3 parcels in Oakdale; R-1, R-2, and R-3 parcels in Riverbank; and R-1, R-2, and R-3 parcels in Modesto. Allowing for lower residential minimum lot sizes (less than 2,000 square feet) along the Corridor may be required to accommodate compact residential developments on smaller infill sites. Figure 6-7 shows a summary of minimum residential lot sizes in the three Cities.

Potential Solutions

Although each City has some guidance on nonconforming uses, when it comes to nonconforming lot sizes, the guidance is minimal. Only Modesto allows for nonconforming residential lots to have at least one dwelling unit and may permit more units depending on the allowable density in the residential zone the lot is located. This approach along with some added flexibility in minimum lot sizes by reducing the existing square foot requirements, will allow promoting more resource efficient and compact housing prototypes that are particularly suitable for infill sites.



POTENTIAL INDIVIDUAL SMALL-LOT RESIDENTIAL BUILDING ENVELOPES AND CONFIGURATIONS WITHIN THE R-2 DENSITY RANGE AFTER CHANGES TO THE MINIMUM LOT SIZE, MAXIMUM COVERAGE, AND SETBACK REQUIREMENTS

Figure 6-7: Minimum Lot Sizes for Residential Development



OPTIONS FOR CONSIDERATION

MODIFY EXISTING DEVELOPMENT STANDARDS

As highlighted in the earlier sections, there are a small number of development standards in the three cities that may discourage infill development. Therefore, instead of regulating infill properties similar to any regular development parcel, an alternative would be to add specific development standards criteria that are applicable to infill parcels only. For example, instead of rigorously adhering to site design standards for residential developments applicable to other locations in each City, an infill development standard may approach site design and setback standards with the purpose of maximizing development usability, such as language excerpted from Lancaster, CA Residential Zoning Ordinance, as below:

- Site design standards for single-family residential infill development
 - Maximize usability of property by minimizing “dead spaces,” which can often be found in narrow side yards with limited access.
 - Create privacy by designing windows that minimizes view into an adjacent residential home. Also, design windows of a façade along a zero-lot line facing a neighboring side yard to be small, with a high sill height, typically 6 feet above the finished floor, or provide windows with translucent glazing.

In this case, each City would have to take responsibility to draft specific development standards that would encourage infill development within their jurisdiction and identify potential infill sites (along the Corridor and may be in other locations too) that these new development standards would address.

CREATE CORRIDOR-SPECIFIC DESIGN GUIDELINES

A new set of Design Guidelines that provide guidance by promoting good urban design principles, follows a common vision for the Corridor, yet maintains the unique qualities of each community can help to set the tone of development along SR 108. Instead of regulating the Corridor with a specific zoning designation, creation of Design Expectations for development along the Corridor may be viewed as less prescriptive and allow for flexibility required in a changing market.

For example, Oakdale already has defined Design Expectations to be applied to Single-Family, Multiple-Family, and Industrial development. Oakdale’s draft 2030 General Plan generally outlines the types of guidance provided in the Design Expectations, and also calls for the development of Commercial and Mixed-Use Design Expectations. A similar approach may be taken by each City to develop Design Expectations or Guidelines specific to SR 108 Corridor within its jurisdiction. It is important, however, to focus on design solutions, as in this Plan, instead of adding another layer of requirements for infill development.

CREATE A REINVESTMENT OVERLAY ZONE

Finally, another approach to allow for faster private investments without substantial effort for making zoning changes would be to create an Overlay Incentive Zone for the Corridor that identifies key infill sites, provides development incentives, and creates a win-win situation for both private and public sector. Incentive zoning along the Corridor would provide various development incentives (higher density, parking reductions, fee waivers or delays, etc.) to private infill developers in exchange for community improvements, such as retrofitting sidewalks, building affordable housing, providing transit improvements and installing public art.

For example, Arlington, Virginia, successfully used incentive zoning to focus development in its Rosslyn-Ballston transportation corridor, resulting in over 21 million square feet of retail, office, and commercial space, more than 3,000 hotel rooms, and over 22,000 residential units. These “urban villages” encourage people to live, shop, play, and work in their immediate community and to travel using multiple modes of transportation.

CEQA STREAMLINING

Many communities are looking for incentives that would help to facilitate development, including, in some cases, streamlining the environmental process. Although there have been State efforts to streamline California Environmental Quality Act (CEQA) review, particularly for infill development, these new provisions have limitations. However, some of the most powerful tools for streamlining are those that have been a part of CEQA and the Guidelines for years. There are innovative strategies that can be employed by communities to ensure appropriate analysis and mitigation for environmental effects, while also reducing administrative burden on local government, as well as expense and risk for applicants in the CEQA review and entitlement process.

CEQA AS A BARRIER TO DEVELOPMENT

The time, cost, and risk involved in CEQA review can be an issue for development projects.² There is opportunity, through the public review and comment process to delay projects – an opportunity that can be used by people that oppose the project for non-environmental reasons and businesses that oppose the subject project for economic reasons. However, CEQA itself may not be an issue for development or infill development in particular. Rather than the structure or requirements of CEQA,

2 CEQA has been identified as an important issue for development, infill development, and economic development. For example, 12 of the 14 Regional Forums preceding the 2012 California Economic Summit identified CEQA as an issue. CEQA was identified by Valley Vision as an issue for infill development in a 2007 survey in of public agencies, developers, and others involved in planning and development in the Sacramento region. The San Francisco District Council of the Urban Land Institute (ULI) identified issues related to CEQA for infill development in an April 2011 white paper, which also included several streamlining strategies. However, in other developer surveys and other research on barriers to development, CEQA is not identified as a substantial issue, at least when compared with other factors.



issues may arise in relation to the particular practice of CEQA. The required public review and comment process can combine with NIMBY (“not in my backyard”) issues and anti-competitive economic motivations to create delays and additional risk for development projects. But, there are approaches to CEQA that can help minimize these issues for infill development through an integration of planning and environmental review.

EMERGING STREAMLINING TOOLS AND THEIR LIMITATIONS

The California Legislature has shown concern regarding the extent to which CEQA can represent a barrier to infill development. Exemptions and other streamlining strategies have been developed over time, with a range of value for lead agencies. The latest change – signed September 25th, 2014 by the Governor – increases the maximum retail use from 15 to 25 percent in the definition of “residential” for purposes of the exemption for infill housing projects described in Section 21159.24 of the Public Resources Code. Over time, we might expect the Legislature to continue to identify workable changes to CEQA that help facilitate infill development, in consideration of environmental and other stakeholder interests.

STREAMLINING FOR INFILL PROJECTS

CEQA Guidelines amendments have been approved, pursuant to SB 226 of 2011, with the intent of streamlining infill development.³ The new material includes a section that describes the process for streamlining, a new Appendix M that contains several performance standards prescriptive requirements, and a new Appendix N, which includes a checklist for use in determining compliance with the performance standards and prescriptive requirements.^{4,5}

The 10 evaluation steps recommended by the Office of Planning and Research (OPR) for this new infill exemption would have the lead agency should compare the infill project to the qualifying criteria, cite the impacts of the infill project that were analyzed in the prior EIR, incorporate applicable mitigation, and identify impacts of the infill project that were not analyzed in a prior EIR or that are more severe than previously.⁶ In practice, this can create a burdensome and awkward exercise, particularly if the lead

3 Infill development is defined as occurring on a previously developed site or surrounded by urban uses on at least 75% of the perimeter of the subject site.

4 For more detail, please refer to the Governor’s Office of Planning & Research website: http://opr.ca.gov/s_sb226.php. Last accessed: October 1, 2014.

5 Bill Number: SB 226. Enrolled Bill Text. Available online: http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_0201-0250/sb_226_bill_20110914_enrolled.html. Last accessed: October 1, 2014.

6 The 10 evaluation steps include the following. 1. Review infill project against qualifying criteria (in Appendix M). 2. Cite the effects of the infill project analyzed in a prior EIR. 3. Identify whether the infill project incorporates all applicable mitigation from prior EIR. 4. Explain whether the infill project will cause new specific effects not addressed in the prior EIR (for example, when the prior EIR acknowledged that sufficient site-specific information was not available to analyze the effect). 5. Explain whether the effects of the infill project are “substantially more severe than described in the prior EIR” (circumstances have changed, development assumptions changed, plan-level rejected mitigation actually IS feasible, new feasible mitigation is available, or an applicable mitigation measure included in the plan level EIR is not feasible for the infill project). 6. If the infill project would cause new or more severe effects, indicate whether uniformly applicable development policies or standards will substantially lessen the effect (but not necessarily to a less-than-significant level).

agency tries to incorporate mitigation from a regional transportation plan/sustainable communities strategy environmental impact report (EIR) that were developed for broad, regional application by an agency with no land use entitlement authority (and no ability to enforce such mitigation).

The infill exemption guidance basically reiterates the approach that has been for years a part of Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183, but adds a substantial number of qualifying criteria. Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 limit project-level CEQA analysis to effects that are peculiar to the parcel. Effects are not peculiar if uniformly applied policies or standards will substantially mitigate the subject impact. The most helpful provision of the new infill streamlining guidance is establishing the relatively more deferential “substantial evidence standard” of review for the determinations in the 10-step evaluation process.⁷

Under the new streamlining provisions, qualifying projects are required to comply with a number of performance standards and prescriptive criteria. Criteria are related to the project location, as well as project characteristics and conditions. Projects must be in an urban area⁸, may not be affected by hazardous substances, and may not be near major highways or other sources of airborne toxics.⁹ Residential projects must be located in a “low vehicle travel area,” near a major transit stop, or be an affordable housing project. Commercial projects cannot include buildings of 50,000 square feet or more and must either be in a low vehicle travel area or within ½ mile of at least 1,800 dwelling units. Office projects must be in a low vehicle travel area or within ½ mile of a major transit stop, with similar detailed requirements for school projects.¹⁰ Non-residential projects are required to include renewable energy facilities, a provision which could add substantial expense.¹¹ The large number of qualifying

7. Determine type of environmental document needed for the infill project. No additional environmental review is required if the infill project would not cause any new specific effects or more significant effects, or if uniformly applicable development policies or standards would substantially mitigate such effects. 8. If no further review, file Notice of Determination with explanatory findings. 9. Prepare Initial Study/ND, MND, or SCEA (if the infill project is a transit priority project) if the infill project would cause new or more severe effects and uniformly applicable development policies or standards would not substantially mitigate such effects. 10. Prepare Infill EIR if project would result in new specific effects or more significant effects and uniformly applicable development policies or standards would not substantially mitigate such effects and the effects would be potentially significant.

- 7 According to the proposed new Guidelines section, the determinations are “questions of fact to be resolved by the lead agency. Such determinations must be supported with enough relevant information and reasonable inferences from this information to support a conclusion, even though other conclusions might also be reached.” See: State of California Governor’s Office of Planning and Research. Proposed State CEQA Guideline Section 15183.3. Streamlining for Infill Projects. Available: http://www.opr.ca.gov/docs/Final_Proposed_CEQA_Guidelines_Section_15183_3.pdf. Last accessed: October 1, 2014.
- 8 “Urban area” is within an incorporated city or unincorporated area completely surrounded by incorporated cities with a combined population of 100,000 or more and where the population density of the unincorporated area is equal to, or greater than, the population density of the surrounding cities.
- 9 Projects must not be within 500 feet of urban roads with 100,000 ADT or rural roads with 50,000 ADT; airports, marine ports, rail yards, distribution centers; or stationary sources; unless policies/standards are in place to protect the public health.
- 10 “Low vehicle travel area” is a TAZ with below average existing travel demand. For commercial and retail projects, this does not include employee trips, unless non-work data is not available. For office projects, this is VMT per employee. “Major Transit Stop” means a rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with frequencies of service intervals of 15 minutes or less during the morning and afternoon peak commute periods. “High-quality transit corridor” has minimum 15-minute headways during peak commute hours. School projects must not be exposed to hazards (waste disposal, pipelines, freeways, etc.) as described in 17213, 17213.1, and 17213.2 of the Education Code; and must be within 1 mile of at least 50% of the students if an elementary school and within 2 miles of at least 50% of the students if a middle or high school or within ½ mile of a major transit stop or high-quality transit corridor; and must provide bike/scooter parking.
- 11 Renewable energy features can include solar photovoltaic, solar thermal or wind power generation, or clean back-up power supplies, where feasible.



criteria, performance standards, and prescriptive requirements limit the use of SB 226-directed provisions.

The new plan consistency requirements create additional work for lead agencies that would need to assess projects relative to the relevant SCS or APS. Local lead agencies would need metropolitan planning organizations (MPOs) to provide and update maps showing the location of low vehicular travel areas. Updates would be required periodically since this requirement is compared against an ever-changing “existing” travel demand. Finally, since infill projects often face challenges relative to greenfield projects, including financing issues, it may create some issues to require renewable energy features for non-residential infill projects, which may already promote energy conservation through compact development and reduced travel demand (transportation accounts for 40 to 54% of all energy use in California – the largest energy-consuming sector by far).¹²

SB 375 CEQA STREAMLINING INCENTIVES

Part of the Sustainable Communities and Climate Protection Act of 2008 (SB 375) was limited CEQA streamlining. Lead agencies would not be required to analyze growth inducing, cumulative GHG impacts from passenger vehicles, or regional transportation effects and no reduced density alternative is required for residential or mixed-use (at least 75% residential) projects consistent with the SCS or APS.¹³ Doing away with the need to analyze regional traffic impacts would certainly help to reduce the cost of CEQA documentation, but the overall benefit of this provision is limited. For “transit priority projects,” an exemption is available, but transit priority projects are narrowly defined. Projects are limited to eight acres of land area and 200 dwelling units, no more than 75,000 square feet in a single building, at least 50% residential, at least 20 units per acre, FAR of at least 0.75, and within ½ mile of major transit stop or high-quality transit corridor, along with further limitations introduced by a large number of environmental criteria.¹⁴ The specified environmental criteria do not appear to allow mitigation of impacts (wetlands, hazardous waste, toxic air contaminant exposure, seismic safety, etc.) through project design, but rather are presented as a simple presence-absence determination.¹⁵ Buildings are required to be 15% more energy efficient than required under state law (which is a moving and increasingly stringent target) and must use 25% less water than the regional average, regardless of the existing level of water conservation.¹⁶

One important benefit relates to the newly defined “Sustainable Communities Environmental Assessment” (SCEA), which is similar to an environmental initial study, but enjoys the “substantial

12 U.S. Energy Information Administration. Energy Profiles. Available online: <http://tonto.eia.doe.gov/state/>. Last accessed: October 1, 2014; Lawrence Berkeley National Laboratory. June 2005. Development of Energy Balances for the State of California.

13 Please see Public Resources Code Section 21159.28 for more detail.

14 Please see Public Resources Code Section 21155.1 for more detail.

15 Urban Land Institute San Francisco District Council. Streamlining the California Environmental Quality Act. April 2011.

16 Projects are also required to either provide five acres or more of open space per 1,000 residents or 20% housing for moderate income residents, 10% housing for low income residents, or 5% for very low income (or in-lieu fees sufficient to develop the equivalent number of units).

evidence” rather than “fair argument” standard of review.¹⁷ However, if the SCEA is not thoughtfully organized, it can be a cumbersome, time-consuming, and costly document.

EXISTING TOOLS THAT BLEND CEQA AND POLICY PLANNING

The limitations in the streamlining potential of the aforementioned tools may be discouraging to lead agencies wishing to facilitate development consistent with their general plans. Thankfully, there are several tools available that blend CEQA and policy and that reduce the time, resources, and risk of the CEQA review process, while potentially improving environmental outcomes.¹⁸

The City of Modesto uses a General Plan Master EIR to address impacts of buildout of the City’s Urban Area, along with a number of anticipated subsequent projects, including annexations, specific plans, zoning updates, property subdivisions, infrastructure master plan updates, and other project types. Later projects which are consistent with the specific plan and which fall “within the scope” of the Master EIR require no further negative declaration or EIR.¹⁹

THE GREAT POTENTIAL OF THE PARTIAL EXEMPTION

For Riverbank, Oakdale, and other lead agencies approving projects along the SR 108 Corridor, there is great potential in the “partial exemption” provided under Public Resources Code 21083.3 and CEQA Guidelines 15183. Under this provision, CEQA only applies to issues “peculiar to the site.” Lead agencies can use programmatic environmental impact reports (EIRs) for the general plan to analyze impacts of projects that could be accommodated under the plan, and greatly limit later project-level analysis to site-specific issues. CEQA Guidelines Section 15183 (f) establishes that impacts are not peculiar to the project if uniformly applied development policies or standards substantially mitigate that environmental effect. These findings related to uniformly applied development policies or standards, according to the Guidelines, shall be based on substantial evidence, but not necessarily presented in an EIR.

STRATEGIES TO ENHANCE 21083.3 / 15183 STREAMLINING POTENTIAL

The partial exemption offered in Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 creates an opportunity for lead agencies that want to use the CEQA process as an incentive for

17 Public Resources Code Section 21155.2(b)(1).

18 For example, CEQA Guidelines Section 15152 describes a tiering process intended to reduce duplicative analysis, but does not absolve the lead agency of the responsibility to address reasonably foreseeable significant environmental effects of the project. Guidelines Section 15182 for residential projects pursuant to a specific plan can provide great benefit to later projects that happen to be within a specific plan area. Other streamlining provisions are connected to the general plan through policy consistency analyses or otherwise.

19 Please refer to CEQA Guidelines Section 15175, et. seq., for more details.



general plan consistency. There are several specific strategies available that would further optimize this incentive for plan consistency, while also promoting CEQA streamlining.

Integrate the General Plan and EIR

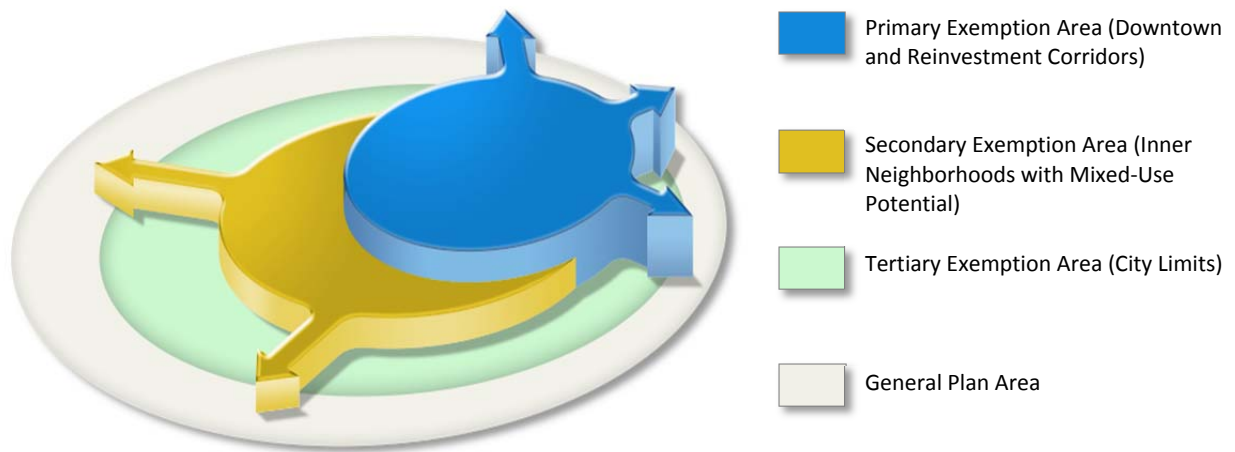
Strategic integration of general plans or community plans and their EIRs holds immense potential benefits. Despite tremendous benefits for environmental, social, and economic outcomes from integration, unfortunately, the plan and the plan EIR are often treated as two separate processes.

The policy development and review process should be used to vet mitigation strategies. The general plan and EIR process should be used not only to identify mitigation strategies that should be incorporated into future developments, but also to make findings for certain potential mitigation approaches that the jurisdiction does *not* want to be considered as mitigation in the future. Examples might include noise barriers to address noise impacts, added travel lanes to address traffic impacts, agricultural conservation easements to address agricultural resources impacts, and others.

The planning work should be used as a process to investigate policies and programs that can serve as uniformly applied standards and therefore substantially limit the scope of analysis for projects consistent with the general plan. The environmental review process should be used to develop the land use diagram, the open space diagram, and policies that have not only environmental benefits, but also social and economic co-benefits.

Lead agencies should use the policy development process to define what impacts are to be considered under CEQA within the jurisdiction and which impacts are not to be considered (traffic, traffic noise in reinvestment areas, etc.). This process can also be used to define how the significance of such impacts will be measured during the general plan time horizon (significance thresholds), along with providing substantial evidence that adherence to the policy would prevent a significant impact (and a cumulatively considerable contribution to any significant cumulative impact).

The streamlining benefit of Public Resources Code Section 21083.3 does not require that uniformly applied development standards be used throughout the entire jurisdiction. Therefore, lead agencies can use such standards in tandem with the identification of reinvestment areas or other targeted development areas where the cities wish to promote economic development. This could include portions of the SR 108 Corridor. In these reinvestment areas, the scope of analysis for future projects could be especially focused and streamlined.



Enhanced General Plan Spatial Analysis

Another approach to enhance the streamlining potential of 21083.3/15183 is to develop a more refined and sophisticated set of land use change assumptions to drive the analysis in the general plan or community plan. Better resolution on land use change enables more accurate public facility and infrastructure demand analysis and the planning of public facilities and infrastructure to serve buildout of the general plan or community plan. The plan EIR can then include and analyze the effects of this more accurate public facilities planning work and, in doing so, streamlining later approvals.

This enhanced spatial analysis enables a clearer picture of the range of projects (development projects, as well as public facility projects) that can be analyzed in the plan EIR, addressed by programmatic mitigation or other forms of uniformly applied developments standards, and therefore exempt at the project level once the subject project is proposed. The more refined spatial analytical approach will help lead agencies make clearer determinations regarding whether the plan EIR actually did take into account the impacts of future projects.²⁰ Greater specificity in land use under the general plan can also help the lead agency focus environmental analysis and mitigation for future projects through presentation of detailed resources mapping in the general plan and EIR (that would help to demonstrate the lack of certain environmental issues affecting future projects located in specified areas).

This approach can be employed without locking the jurisdiction in to an inflexible interpretation of the land use element. While existing and future land use may be modeled at the parcel level, these data can ultimately be aggregated to the traffic analysis zone level, regional analysis district, or other larger area. The larger zones could be treated as land use “budgets,” against which future projects can draw in demonstrating consistency with the general plan analysis. This provides flexibility for streamlining at the project level, since a variety of land uses can be included in the analysis zones. This aggregated land use

20 As an exemption, or partial exemption, this streamlining provision, one would think, would be subject to the relatively more deferential substantial evidence standard (see Anna C. Shimko and Matthew D. Francois “Reforming CEQA to Encourage Infill Development”). However, it has been suggested but not definitively decided that the “fair argument” standard applies to the determination of whether an activity’s impacts are, in fact, covered by the prior EIR (Wal-Mart v. City of Turlock [2006], 138 Cal.App.4th 287; Gentry v. City of Murrieta [1995] 36 Cal.App.4th 1359, 1406 n.24) (see Nicole Hoeksma Gordon and Margaret M. Sohagi September 2009 article for Western City).

budget approach could also create an incentive for the “pioneers” in targeted reinvestment areas who will have the most flexibility regarding the remaining land use change assumed by the general plan EIR.

The City of Riverbank developed high-resolution land use change assumptions as a part of the General Plan and General Plan EIR and has been using this information and analysis to streamline later project reviews. The land use change information is aggregated to the traffic analysis zone level to provide greater flexibility.

Define What Is Not Peculiar to the Parcel

The general plan or community plan process is a great opportunity to define and clarify just what is, and what is not considered “peculiar” to parcel. Of course, there will be projects and properties that create exceptions to the rules established in the general plan, but a lead agency can make a great deal of progress by establishing that “planning level” impacts, such as air quality, greenhouse gas emissions, traffic level of service, public services, utilities, loss of agricultural land, and other issues would not normally be considered “peculiar to the parcel” and therefore subject to project-level CEQA review. Peculiar impacts could be narrowly identified as those that relate to the ground conditions at the specific site in question and not impacts that would occur for any project of a similar type in the overall planning area. This approach has particular benefit for infill projects, where the most critical environmental issues addressed are those that lead agencies can most easily address at the plan level (air quality, greenhouse gas emissions, noise, traffic, etc.).

The Partial Exemption Applies Best to Topics Most Important to Infill

Topic	Importance to Infill→		
	Low	Medium	High
Aesthetics		E	
Agriculture/Forestry	EEE		
Air Quality			EEE
Biological Resources	E		
Cultural Resources		E	
Geology/Soils/Minerals		EE	
Hazards			EEE
Hydrology/Water Quality		EE	
Land Use/Population/Housing	EE		
Greenhouse Gas Emissions			EEE
Noise			EEE
Transportation			EEE
Services/Utilities			EEE
Ability to Exempt with 21083.3 Strategy: E: Low EE: Medium EEE: High			

The general plan or community plan and EIR process is also a great opportunity to make the required findings that unlock the great streamlining potential of Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183.²¹ These findings can be made at the general plan or community plan stage, but can also be made, prior to approving projects that intend to use the 21083.3/15183 streamlining approach.

Another procedural step at the general plan or community plan stage that can pay dividends later on is a simple, step-by-step process for future projects to use in maximizing the value of the 21083.3/15183 partial exemption. This could take the form of an easy-to-use checklist that would help staff and applicants determine consistency and scope of project-level CEQA documents based on a summary of the general plan/community plan/EIR and uniformly applied development standards.²²

IN SUMMARY

CEQA does not have to be a barrier for communities that wish to spur economic activity, encourage infill development, and address ongoing fiscal challenges. Despite the substantial limitations in recent efforts to streamline CEQA review, there are long-standing strategies that can be used to focus environmental compliance efforts, while also promoting the social, environmental, and economic objectives of the local general plan. Some of the most powerful tools for streamlining projects have been a part of CEQA and the CEQA Guidelines for years. With the right integration of the plan and the plan EIR, communities can at once enhance the constructability of projects, reduce up-front and ongoing mitigation costs, improve environmental performance, provide streamlining, reduce administrative costs, enhance predictability in the development process, and result in better projects. These strategies could help to promote reinvestment along the SR 108 Corridor.

FINANCIAL INCENTIVES

IMPACT FEES

Modesto, Riverbank, and Oakdale impact fees developed to cover the cost of infrastructure necessary to serve new development. Each City has a unique way of calculating capital facilities fees, varying from a lump sum fee for any particular use, as in Modesto, to fees calculated per square foot of building space and dwelling unit in Riverbank and Oakdale, irrespective of their square footage. See below for a summary of the capital fee structure from each City.

21 Gentry v. City of Murrieta (1995) 36 Cal.App.4th 1359.

22 As noted, a valuable tool was created as a part of the SB 226-direct infill streamlining work that could actually have more value for the broader and relatively more useful 21083.3/15183 streamlining provisions. This recommended evaluation process is in the proposed State CEQA Guideline Section 15183.3. See: State of California Governor's Office of Planning and Research. Proposed State CEQA Guideline Section 15183.3. Streamlining for Infill Projects. Available: http://www.opr.ca.gov/docs/Final_Proposed_CEQA_Guidelines_Section_15183_3.pdf.



Since infill projects are usually smaller in nature, it may be better to consider capital facilities fees in way to account for the size of development instead of a lump sum amount. Also, the Cities may wish to identify priority infill and reinvestment sites, where fees may be either reduced, or temporarily waived due to existing working infrastructure.

Transportation impact fees could be revised to reflect the location and character of development. There is extensive literature showing that VMT can be reduced with density, land use mix, a connected transportation network, access to employment and regional destinations, and transit-supportive development patterns, among other factors (see work by Reid Ewing, Robert Cervero, Susan Handy, Lawrence Frank, and Gary Pivo, among others). Some of the regional metropolitan agencies engaged in Sustainable Communities Strategies have received funding to improve travel demand models in order to more accurately characterize travel demand, including factoring in the location and character of development. AECOM has extensive expertise estimating travel demand taking into account the land use, urban design, and transportation facility factors that are related to travel demand. We will be preparing some of this analysis and, if there is interest, we can provide material to the City with instructions on how to adjust transportation impact fees to account for these important factors.

MODESTO: Impact Fees					
Fee Category	Residential Uses		Non-Residential Uses		
	Single-family (per unit)	Multi-family (per unit)	Retail (1,000 sf)	Office (1,000 sf)	Industrial (1,000 sf)
Capital Facilities Fees (streets/parks/police/general government)	\$14,793	\$9,966	\$10,838	\$7,093	\$2,780
Water	\$5,702*	\$5,702*	\$5,702*	\$5,702*	\$18,247**
Stormwater drainage	\$0	\$0	\$0	\$0	\$0
Wastewater	\$5,146	\$4,418	\$887	\$1,774	***
Total	\$25,641	\$20,086	\$17,427	\$14,569	\$21,027
* Assumes 1" connection ** Assumes 2" connection *** Calculated from actual wastewater flows					

RIVERBANK: Impact Fees								
Land Use	Water	Sewer	Storm Drainage	Parks/ Rec.	General Govt.	Traffic	5% Admin¹	Total
Residential	Per DU	Per DU	Per DU	Per DU	Per DU	Per DU	Per DU	Per DU
Clustered Rural (RR)	\$13,486	\$5,023	\$7,632	\$3,442	\$1,246	\$3,551	\$1,719	\$36,099
Lower Density (LDR)	\$7,024	\$3,063	\$6,922	\$3,912	\$1,416	\$2,983	\$1,266	\$26,586
Medium Density (MDR)	\$6,743	\$2,558	\$2,794	\$3,353	\$1,213	\$2,628	\$964	\$20,253
Higher Density (HDR)	\$4,889	\$3,141	\$3,154	\$2,794	\$1,011	\$2,237	\$861	\$18,087
Mixed Use (Residential) (MU)	\$4,889	\$951	\$2,041	\$2,439	\$883	\$3,551	\$738	\$15,492
Non-Residential²	Per Square Foot	Per Square Foot	Per Square Foot	Per Square Foot	Per Square Foot	Per Square Foot	Per Square Foot	Per Square Foot
Community Commercial (CC)	\$2.07	\$1.65	\$4.25	N/A	\$0.37	\$5.57	\$0.70	\$14.60
Mixed Use (Commercial) (MU)	\$2.08	\$1.66	\$4.22	N/A	\$0.37	\$5.79	\$0.71	\$14.82
Industrial/Business Park (I/BP)	\$2.06	\$1.40	\$4.16	N/A	\$0.27	\$5.76	\$0.68	\$14.33
Office (MU LU Classification)	\$2.03	\$1.29	\$4.08	N/A	\$0.51	\$3.51	\$0.57	\$11.98
Notes:								
¹ The City's 2006 System Development Fee includes a 5% administrative fee to cover staff time analyzing, planning, tracking, and managing the City's fee program (see 2006 Study, page 14).								
² Regional commercial uses have a traffic impact fee of \$5,768 per 1,000 square feet. Please see Chapter 4 for more detail. KSF = thousand square feet.								
Source: ADE, Inc., AECOM, KD Anderson & Assoc.								



OAKDALE: Impact Fees					
Capital Facilities Fees	Residential Uses		Non-residential Uses		
	Single-family	Multi-family	Retail	Office	Industrial
	(per unit)	(per unit)	(per bldg. s.f)	(per bldg. s.f)	(per bldg. s.f)
	\$5,330	\$1,785	\$1.19	\$0.66	\$0.38
	\$1,572	\$606	\$0.78	\$0.78	n/a
Wastewater	\$5,665	\$3,029	\$1.79	\$0.96	\$0.56
Streets/Public Works	\$4,285	\$2,843	\$4.78	\$5.26	\$2.93
Parks	\$7,590	\$5,060	n/a	n/a	n/a
Police/ General Government	\$1,237	\$825	\$0.31	\$0.42	\$0.19
Total	\$25,679	\$14,148	\$9	\$8	\$4

RECOMMENDATIONS

Various strategies may be used to provide financial incentives for infill development, such as following.

- Fee waivers** –Infill sites may have access to existing infrastructure and development impact fees may not recognize the reduced costs that may be associated with the presence of existing infrastructure. However, there may also be infrastructure serving infill areas with capacity constraints or that needs to be replaced due to age or other conditions. In addition, there may be infrastructure cost efficiencies associated with compact, mixed-use, age- or income-restricted development that may occur along the Corridor, and that could be reflected in revised impact fees. For example, higher-density residential development can have lower transportation demand on a per-unit basis, which could be reflected in transportation impact fees. In addition, if outside funding sources such as grants are used to improve infrastructure in infill locations, impact fees in the areas served by these improvements could potentially be reduced.
- Fee Deferral program** - Currently, Modesto has provision for development fees deferral to relieve developers and single-family affordable homeowners experiencing cost barriers. The deferral program allows applicants to pay a small portion of the fees at building permit issuance, and defer or delay paying the remainder of the fees until a later date (deferral period varies). This approach may also be suitable for Oakdale and Riverbank, in order to ease the cost barrier for infill sites by deferring the time for payment of development impact fees.

OTHER INCENTIVES FOR REINVESTMENT

ANCHOR INSTITUTIONS

Every community needs anchor institutions that help in both economic and social revitalization, such as educational facilities, cultural centers, civic buildings and hospitals. Anchor projects and potential sites may be identified among the 3 jurisdictions, and then all development and planning energy should be focused on getting such projects mobilized and implemented. This may be done by fast-tracking permitting process or waiving development fees to encourage such private investment. For example: During the recent recession, anchor institutions have helped to revitalize cities and bring in new jobs, such as in Cleveland. Popularly known as the “Cleveland Model”, the Evergreen Cooperative Initiative launched 2 cooperatives (home-weatherization and institutional solar provider) in 2009 with a goal to act as anchor institutions, recruit and train local residents and help them to participate in local businesses. Thereby, stimulating local economy and bringing in new investments.

TECHNICAL SUPPORT FOR HOUSING AND ECONOMIC DEVELOPMENT FINANCING OPTIONS

In general, subsidy programs for development projects tend to be complex and time-consuming. Therefore, any technical assistance that the Cities are able to provide to private infill developers particularly for small site developers, with respect to information sharing about various Federal, State, and local subsidy programs would encourage private investment in the Corridor.

INCREASE DENSITY/INTENSITY ALLOWANCES

Higher densities and or intensity of development allow developers to spread the cost of over more units or square footage. Therefore by providing density/intensity bonuses along the Corridor, local jurisdictions may attract reinvestment dollars into the community. Furthermore, for higher density/intensity allowances may be a way to encourage inclusion of more affordable units or various public amenities, such as sharing costs of public amenities and infrastructure. For example, the City of Glendale defines incentives related to density bonus as follows:

- A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards, including but not limited to, a reduction in setback and square footage requirements and in the ratio of



vehicular parking spaces that would otherwise be required that results in identifiable, financially sufficient, and actual cost reductions.

- Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and is the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.
- Other regulatory incentives or concessions proposed by the applicant or the city that result in identifiable, financially sufficient, and actual cost reductions.
- The city is not limited or required to provide direct financial incentives, including publicly owned land or the waiver of fees or dedication requirements.

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