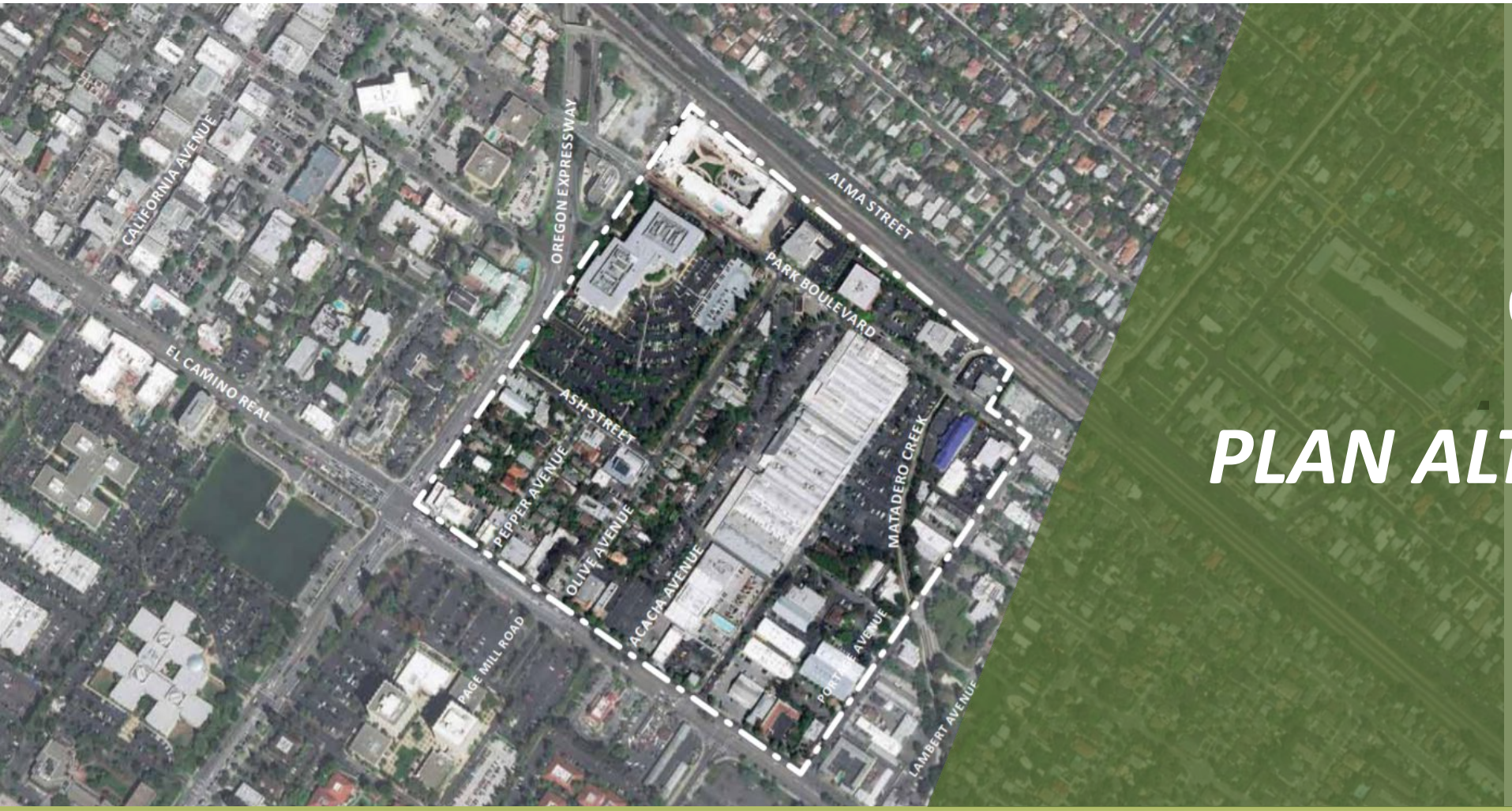
CITY OF PALO ALTO
North Ventura
COORDINATED AREA PLAN



City Council

PLAN ALTERNATIVES

June 14, 2021

www.paloaltonvcap.org

PURPOSE OF MEETING & RECOMMENDATION

1. Provide Project Overview
2. Present Plan Alternatives
3. Take Public Comment
4. City Council Questions and Discussion
5. Identify Preferred Alternative
   - Planning & Transportation Commission and City staff recommend Alternative #3B as the preferred alternative

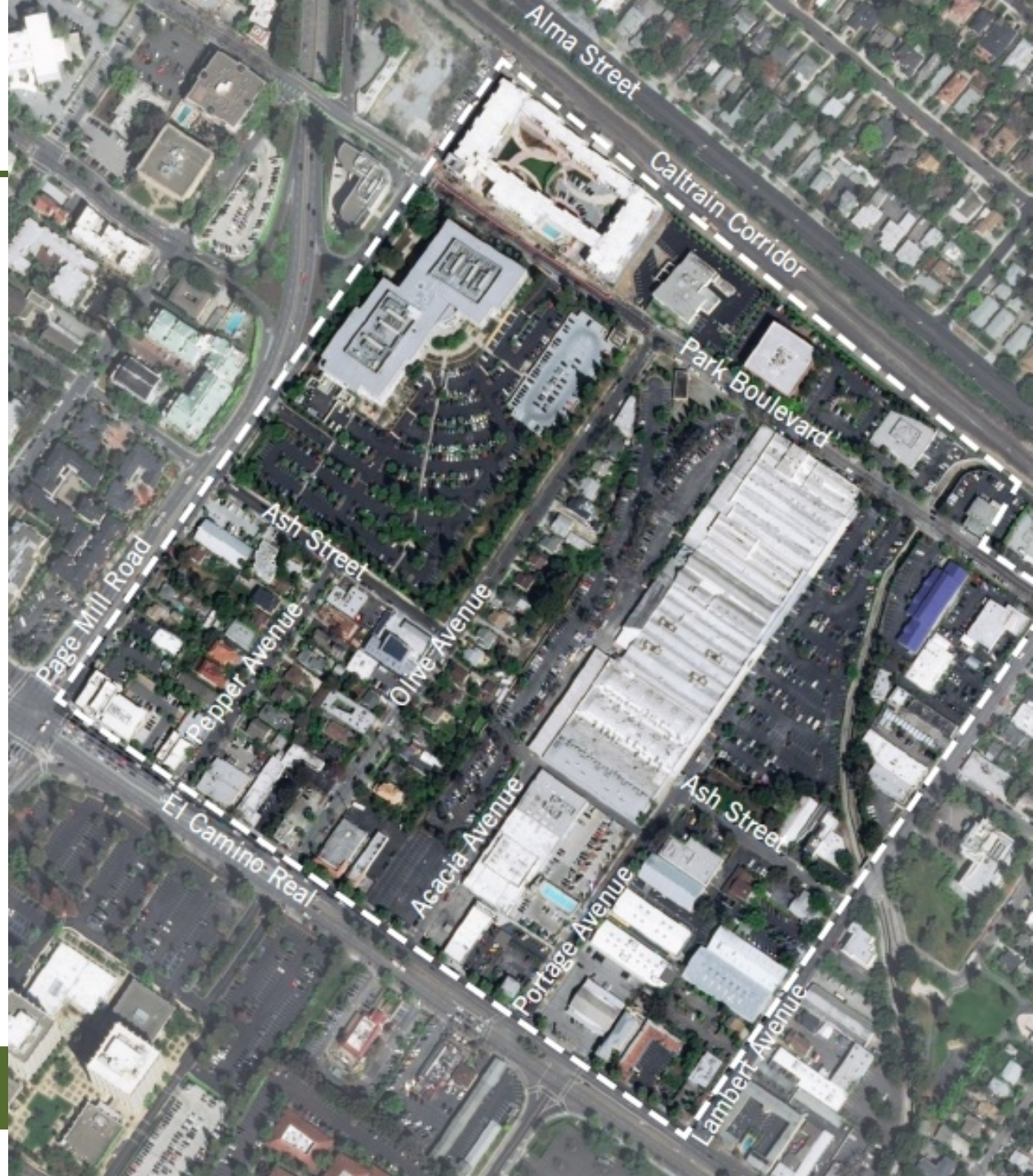
AGENDA

1. NVCAP Overview and Process
2. Alternatives
   - Constants
   - Potential Development Sites
   - Three Concepts
3. Analysis
   - Relative Impacts
   - Policy Strategies
   - Financial Feasibility
4. Next Steps

Project Overview

PROJECT OVERVIEW

- Preparation of a Coordinated Area Plan (CAP) identified in the Comp Plan
- 60 acres in North Ventura, south of Cal Ave. and Caltrain station
- Grant-funded
- 14-member Working Group



PROJECT GOALS AND OBJECTIVES
City Council Adopted March 5, 2018

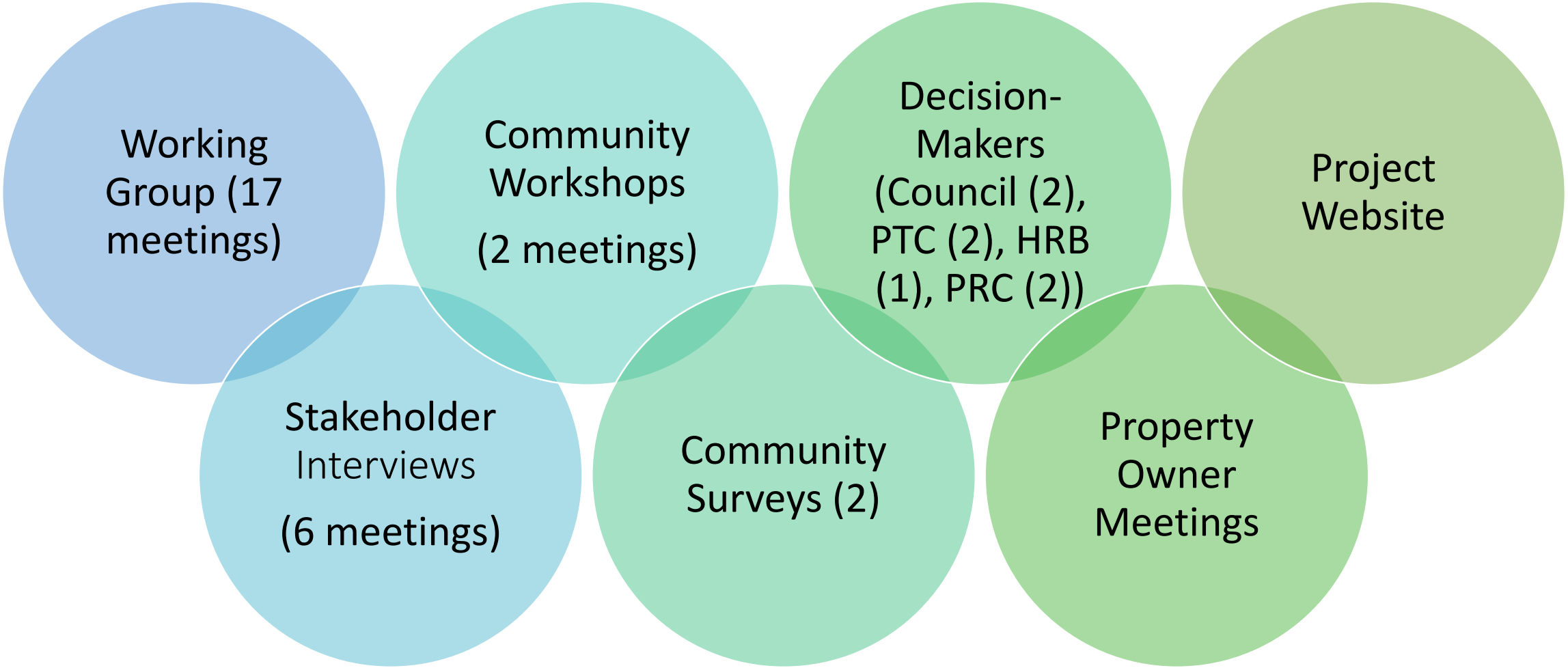
Goals:

1. Housing and Land Use
2. Transit, Pedestrian and Bicycle Connections
3. Connected Street Grid
4. Community Facilities and Infrastructure
5. Balance of Community Interests
6. Urban Design, Design Guidelines and Neighborhood Fabric
7. Sustainability and the Environment

Objectives:

1. Data Driven Approach
2. Comprehensive User Friendly Document and Implementation
3. Guide and Strategy for Staff and Decision Makers
4. Meaningful Community Engagement
5. Economic Feasibility
6. Environmental Protection

PUBLIC ENGAGEMENT PROGRAM



WORKING GROUP & COMMUNITY FEEDBACK

- Preference for Alternative # 2: modest expansion of residential uses and minimal new office floor area
- Wanted to see more park land, equivalent to 4 acres/1,000
- Supported height and density increases on El Camino Real, south of Acacia, where there are no abutting R-1 parcels
- Desire for height transition b/w higher and lower height districts
- Supported transportation improvements, including bicycle and pedestrian facilities and traffic calming
- Support for below-market rate housing
- Community survey (30 participants): preference for Alternative #3 higher residential densities and heights

PTC MOTION AND RECOMMENDATION

On March 10, 2021, at their third hearing on the NVCAP alternatives, the PTC made a motion to recommend Alternative #3 with modifications:

- Increase BMR requirements to 20% for for-sale projects and add a 15% on-site BMR requirement for rental projects
- Find funds or other means (e.g., modify development standards) to make it feasible to increase the 15% BMR requirement to 20% for rental housing
- Consider opportunities for additional open space using 5.5 acres as the starting baseline

Recommendation: PTC and City staff recommend “Alternative #3B” as the preferred alternative

PROCESS SNAPSHOT

- Workshop & Survey
- PTC Study Session
- Working Group Meetings

Refine Alternatives (2020)

Preferred Alternative (2021)

- PTC Recommendation
- **City Council Preferred Alternative**
- Technical Studies

- Draft CAP
- Environmental Assessment
- Council Adoption

Adopt (2022)

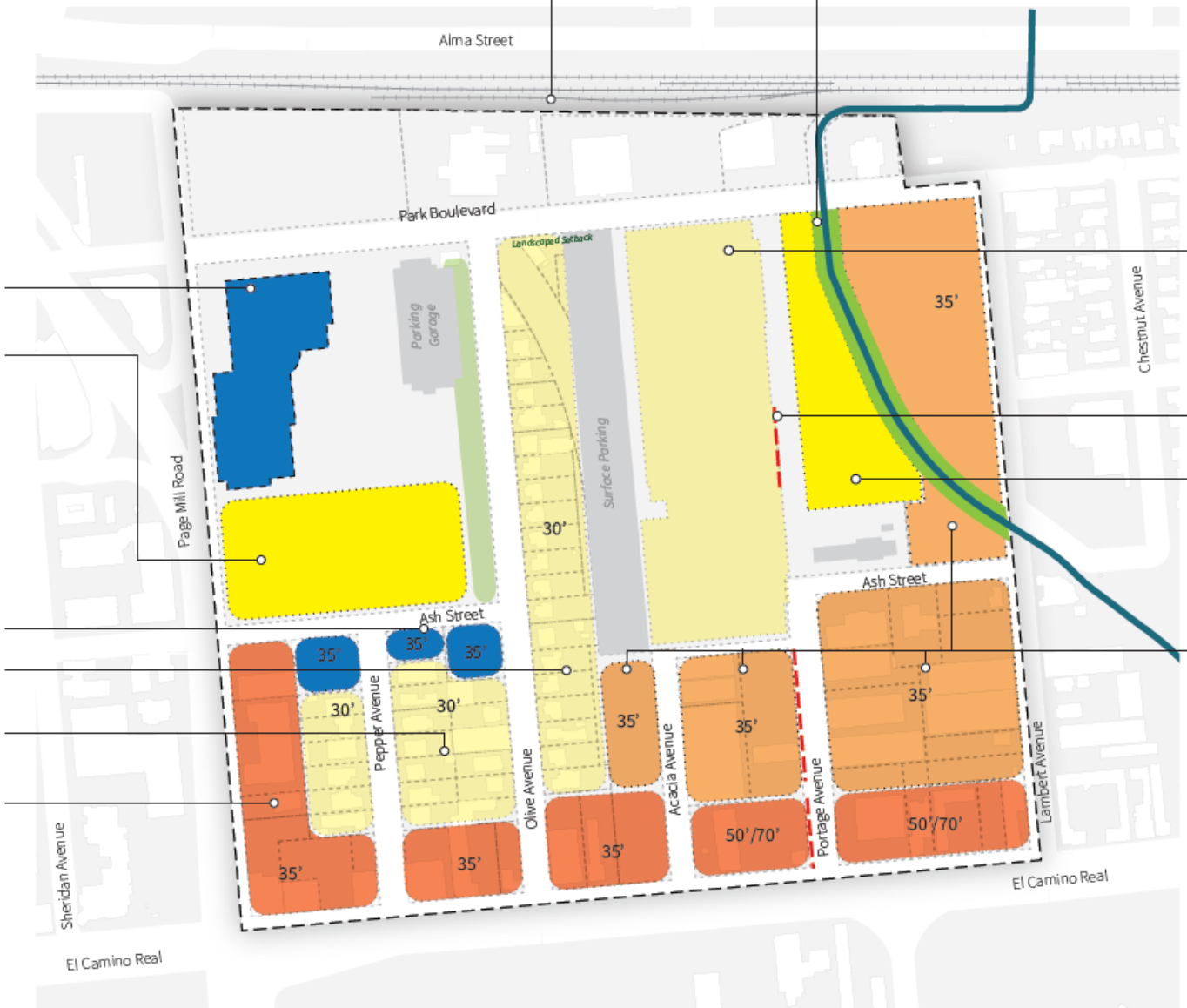
Alternatives

CONSTANTS ACROSS ALTERNATIVES

- **Heights & Density:** Tallest heights and densities on El Camino
- **Height Transitions:** Between higher density areas and SFR
- **BMR Housing:** Density bonuses, inclusionary req. of 15-20%
- **Mobility:** Pedestrian and bicycle facilities, traffic calming
- **Historic Resource**: Retention of 3201-3205 Ash St. office
- **Parks and Open Space**: land dedications, publicly-accessible private spaces, Matadero Creek, linear parks; 5% to 20% open space on the medium and largest sites
- **Commercial Retail**: 5-foot height bonus to support ground-floor ceiling heights and at least 4 residential stories above

Similar strategies, but higher density scenarios allow for more improvements

Alternative 1



Office/Industrial
Retail
Higher Density Mixed Use
Lower Density Mixed Use
Higher Density Residential Use
Lower Density Residential Use
Park/Open Space/Plaza

Office/Light Industrial
Continuation of Existing Uses

Creek Restoration & New Park
Would require city bond or other type of public funds

Retain Office Building
Allow existing office to remain

Allow multi-family residential (townhomes) up to 35' on surface parking lots. Redevelopment unlikely under these conditions

Retain Office/ Industrial Designation

Duplexes
Rezone to R-2

Area of Stability
No change from current standards

Residential/Retail Mixed Use Corridor

Retain Cannery
Allow cannery to remain and permit multi-family residential (townhomes) up to 35' on surface parking lots. Redevelopment unlikely under these conditions

Ground Floor Retail

Allow multi-family residential uses up to 35' on surface parking

Mixed District*
Office & commercial remain until no longer in use; then converts to residential w/ ground floor retail if desired

Decrease height vs. existing zoning, but increase allowable FAR

Alternative 2

Office/Light Industrial w/ Rezone Option
Can be redeveloped & rezoned to MFR

Creek Restoration & New Park

Office/Industrial
Retail
Higher Density Mixed Use
Lower Density Mixed Use
Higher Density Residential Use
Lower Density Residential Use
Park/Open Space/Plaza

New Park
Maintain trees & landscaped buffer

Retain Office Floor Area
Up to 50' w/small ground floor retail

New Mid-Rise Residential
50' w/ 70' bonus
Height transition down towards Olive

Retain Office/
Industrial Designation

Four-Plexes
Assumes lot consolidation

Allow Duplexes

Residential/Retail
Mixed Use Corridor

New Mid-Rise Residential
50' Height
Increased residential density (70 du/acre)
Creekside improvements required

New Mid-Rise Residential*
50' with small office & retail
Repurpose Victorian office as
community building

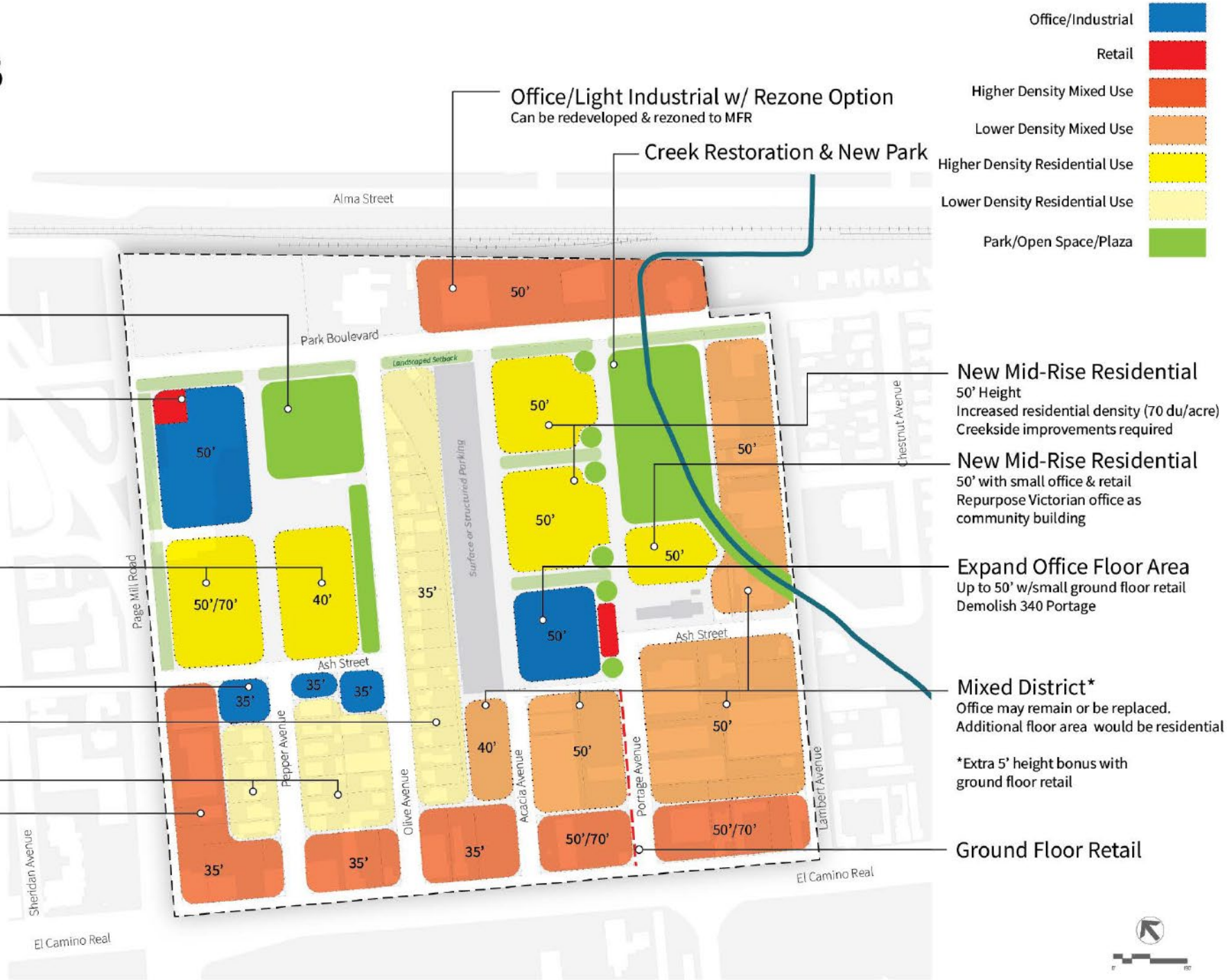
Retain Office Floor Area*
Up to 50' w/small ground floor retail
Maintain monitor roofs

Mixed District*
Office may remain or be replaced.
Additional floor area would be residential

*Extra 5' height bonus with
ground floor retail

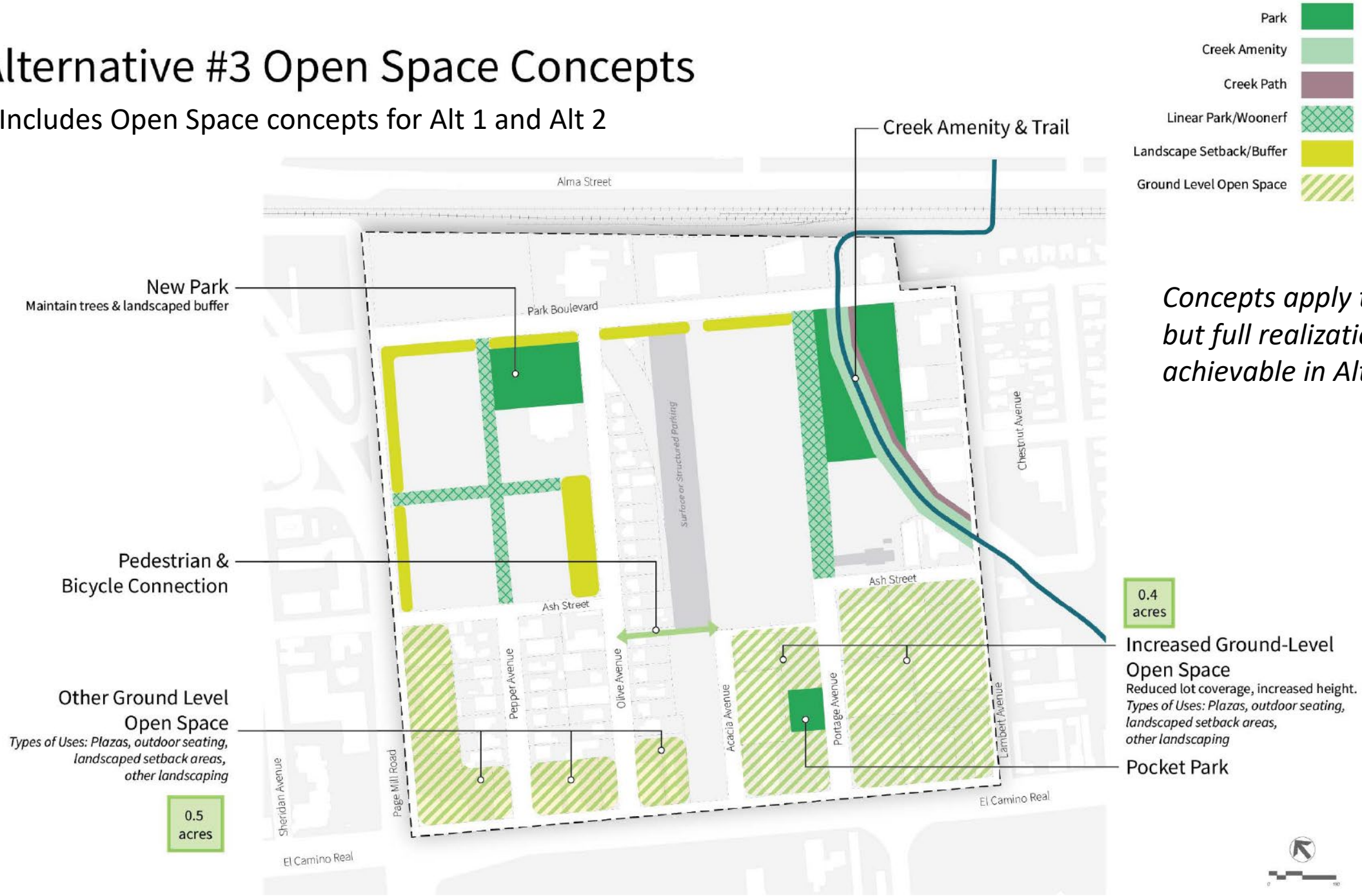
Ground Floor Retail

Alternative 3B



Alternative #3 Open Space Concepts

*Includes Open Space concepts for Alt 1 and Alt 2



Concepts apply to all alternatives, but full realization only achievable in Alternative #3B

Transportation Improvements

Park Blvd. & Portage Ave.
Consider traffic signal
Remove 1 of 2 curb cuts
Traffic calming to reduce conflicts between all modes

Park Boulevard
Remove street parking
Reduce curb cuts
Widen bike lane

Creek Trail

Olive Avenue
No street parking (northside)

Ash Street
Consider one way, southbound
Ped/Bike Signal & Crosswalks at Page Mill (County permitting)
Speed humps or raised intersections at Pepper and Olive

Lambert & Ash Street
Park connection, raised intersection

El Camino Real
12' effective sidewalk width

Improved Bike/Ped/Vehicle Connection

New Bike/Ped Connection

Improved Intersection

Speed humps

Note: Studies and technical analysis required to finalize improvements.

DEVELOPMENT POTENTIAL

Land Use	*Existing Development*	*New Development*		
		Alt #1	*Alt #2*	*Alt #3B*
New Housing Units	142			
Realistic Potential	-	500	1,170	1,490
Maximum Potential	-	860	1,620	2,130
Commercial (Sq. Ft.)				
New Office	744,000	8,600	33,300	126,600
New Retail	111,200	7,500	17,600	22,300
Net Change in Commercial		-129,100	-14,300	83,800
Parks & Open Space (approx. acres)	0	1.9	4.8	7.5
# of Potential Redevelopment Sites (Realistic to Max. Sites Turning Over)	n/a	16 to 23	37 to 41	37 to 52

METRICS BASED ON REALISTIC POTENTIAL

Metric	*Existing (Estimates)*	*Alt #1*	*Alt #2*	*Alt #3B*
Below-Market Rate Housing Units (15%, except 20% Alt #3B)	23	70	180	300
Residential Population	340	1,210	2,840	3,610
Jobs				
New Office Jobs	2,460	30	110	430
New Retail Jobs	200	10	30	40
Net Change	n/a	-415	-44	271
Jobs/Housing Ratio (Housing Units to Support New Jobs)	170	50	180	580
Parks and Open Space (acres/1,000 new residents)	0	1.5	1.7	2.1

Analysis

COMPLETE COMMUNITIES

- Community desire for vibrant neighborhoods, with retails, service, parks, and pedestrian and bike facilities
- Requires a density of residents, jobs, retail, and services

Population Density

What population density will support a vibrant and diverse community?

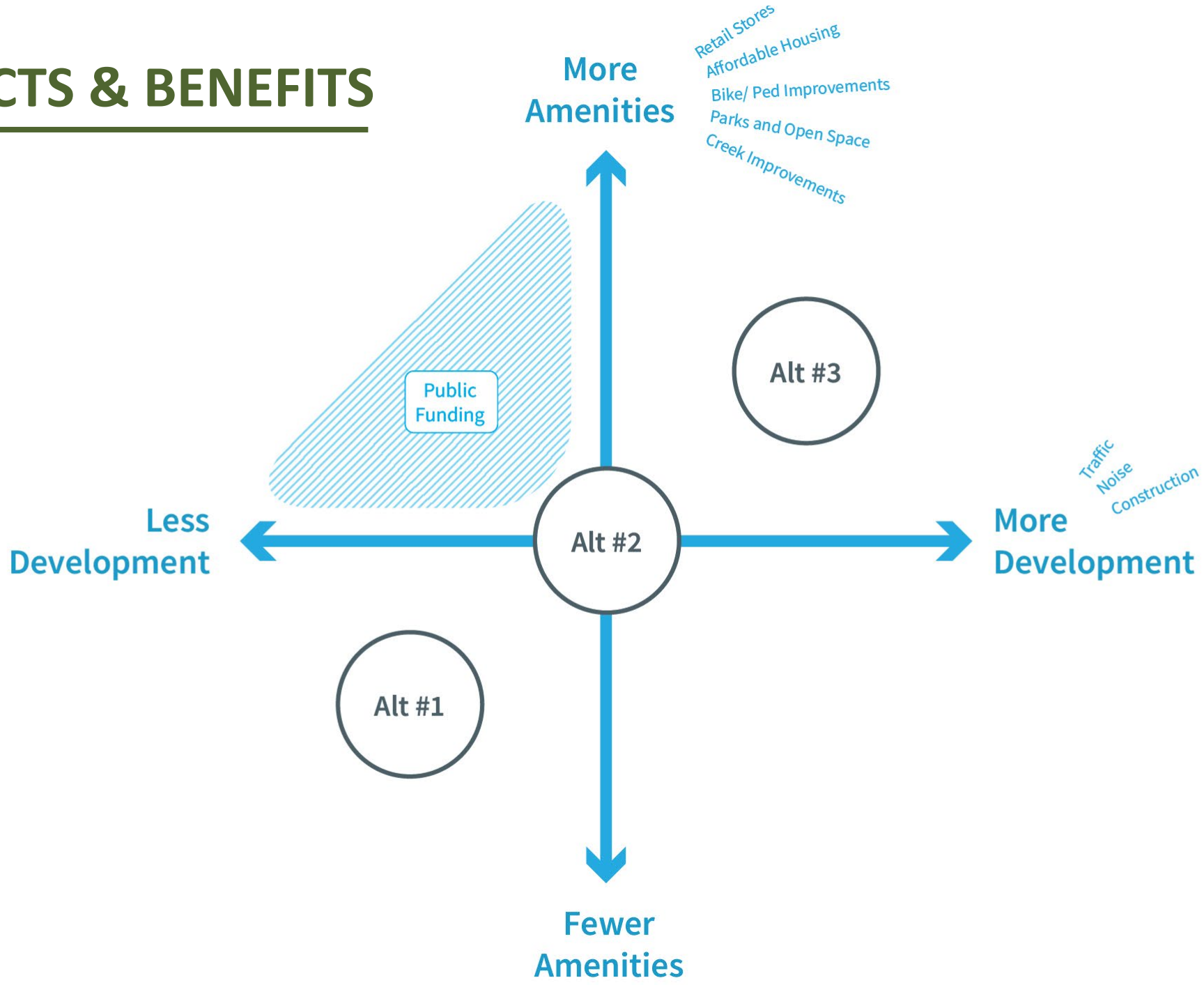
Jobs

What is the right mix of jobs to support a thriving, diverse, and equitable economy for NVCAP?

Retail & Services

What services and retail might be needed to support NVCAP's residents, commuters, employees, and visitors?

IMPACTS & BENEFITS



KEY TOPICS

Affordable Housing

- Inclusionary requirements, local bonus, financing mechanisms

Transportation

- Shift in travel patterns, as commercial uses are replaced with residential
- Traffic Impact Analysis (TIA) will be prepared for preferred alternative

Parks and Open Space

- Comp Plan acres/resident goals not feasible in this TOD location
- Recommend ground-level open space/dedications; spending of NVCAP park fees within ¼ mile of the planning area

Value Capture

- Capturing value of zoning changes through benefits

Anti-Displacement Measures

- Strategies to prevent and mitigate commercial and residential displacement

FINANCIAL FEASIBILITY ANALYSIS FINDINGS

Alternative #3 is the only financially feasible alternative

Key factors and opportunities:

1. Parking Requirements
   - Reduced parking requirements reduces construction costs
2. Mixed Use
   - Retail needs incentives: 5-foot additional height (up to 55 feet) allows 4 stories of residential over retail with above-ground parking podium. First 3,000 sq. ft. exempt from parking requirements.
3. Below-Market Rate Housing
   - 20% BMR feasible for ownership units (moderate income)
   - 15% BMR nearly feasible for rental (low and moderate incomes)

PTC Feedback (January 2021)

Concern that Alternative #3 was the only feasible alternative

1. Request to analyze what would make Alternative #2 feasible, in terms of public subsidy
2. Request to analyze opportunities for additional BMR housing in Alternative #3 and deeper levels of affordability (very low income households)

Alternative #2: Feasibility & Public Subsidy

- Alternative #2 is not financially feasible as an overall concept
  - For-sale townhomes could be feasibly built with 15% BMR units targeting moderate and median income households (3 BMR units; 18 units total)
  - For-sale condos and rentals are not feasible without subsidy and/or other changes to development standards
- $130 million funding gap/public subsidy required for 1,620 units (including market rate units)
  - Condos: $94,000 gap per unit x 133 units = $12.5 million gap
  - Rentals: $83,000 gap per unit x 1,423 units = $118 million gap
  - Townhomes: no gap
- To make condo and rental development more feasible, consider reducing parking requirement to 1 space/unit

Alternative #3: Options to Provide 20% BMR Units in MF Rental

Prototype	Option 1: Residential Only 40-45 feet	Option 2: Mixed-use 45 feet	Option 3: Mixed-use up to 55 feet
Description	4-story apartments, no retail	4-story apartments with ground floor retail	5-story apartments with ground floor retail
Total Units in Prototype	170	160	192
Ground Floor Retail Space (sf)	0	6,400	6,400
Type of Parking	Underground	Underground and Podium	Underground and Podium
Development Cost/Unit (excluding profit)	$581K	$547K	$527K

Alternative #3: Development Likelihood for MF Rental Options

Prototype	Option 1: Residential Only 40-45 feet Underground	Option 2: Mixed-use 45 feet Podium/UG	Option 3: Mixed-use up to 55 feet Podium/UG
Scenario 1 (15% BMR targeting VLI, LI, Mod)	4.82%	5.11%	5.31%
Scenario 2 (15% BMR targeting LI and Mod)	4.89%	5.19%	5.39%
Scenario 3 (20% BMR targeting VLI, LI, Mod)	4.74%	5.03%	5.22%

Highly Likely – YOC is 5.25% or higher

Somewhat Likely – YOC is over 5.0%

Not Likely – Net revenues are positive but YOC is below 5.0%

Infeasible – Net revenues are negative

FEASIBILITY TAKEAWAYS

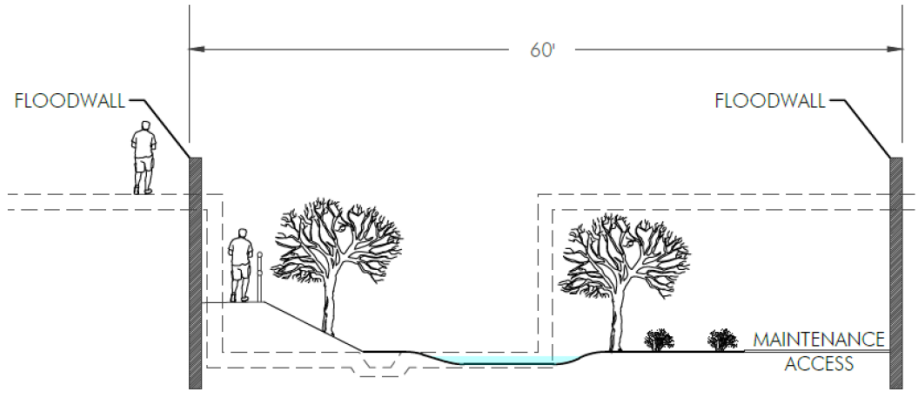
- For-sale projects can feasibly generate more BMR units compared to rental projects
- Development costs can be lowered by providing half (or more) of the parking in an above-ground podium and by exempting a portion of commercial parking requirements
- Ground-floor retail uses and deeper levels of affordable housing need more incentives (i.e., reduced parking requirements, additional floors of residential)

IMPACTS TO HISTORIC BUILDING

- 340 Portage Avenue, originally a cannery, and the associated office building at 3201-3205 Ash Street are eligible historic resources
- Historic Resources Evaluation concluded sites are individually significant under Criterion 1 (Events) and eligible for listing in the California Register
- Bayside Canning Company was owned by a prominent Chinese immigrant, Thomas Foon Chew, a groundbreaking figure in the canning industry

MATADERO CREEK IMPROVEMENTS

- Five designs for creek naturalization developed; three concepts feasible based on modeling
- Concept 3: maximum renaturalization and expansion into Boulware Park ($16 million), preferred option by the Working Group
- Concept 1A: enhance existing easement corridor and Boulware Park integration ($8 million), staff preferred option; most feasible, retains land for housing with restoration and open space amenity
  - Included as part of Alternative #3B in exchange for the allowance of additional office floor area



NEXT STEPS

- City Council selects preferred alternative
- Consultant (Perkins & Will) refines preferred alternative
- Consultant analyzes traffic, transportation improvements, and initiates CEQA analysis
- City Council considers analysis and refinements, directs staff to prepare draft plan and develop EIR

PTC AND STAFF RECOMMENDATION

Planning & Transportation Commission and City staff recommend "Alternative #3B" as the preferred alternative

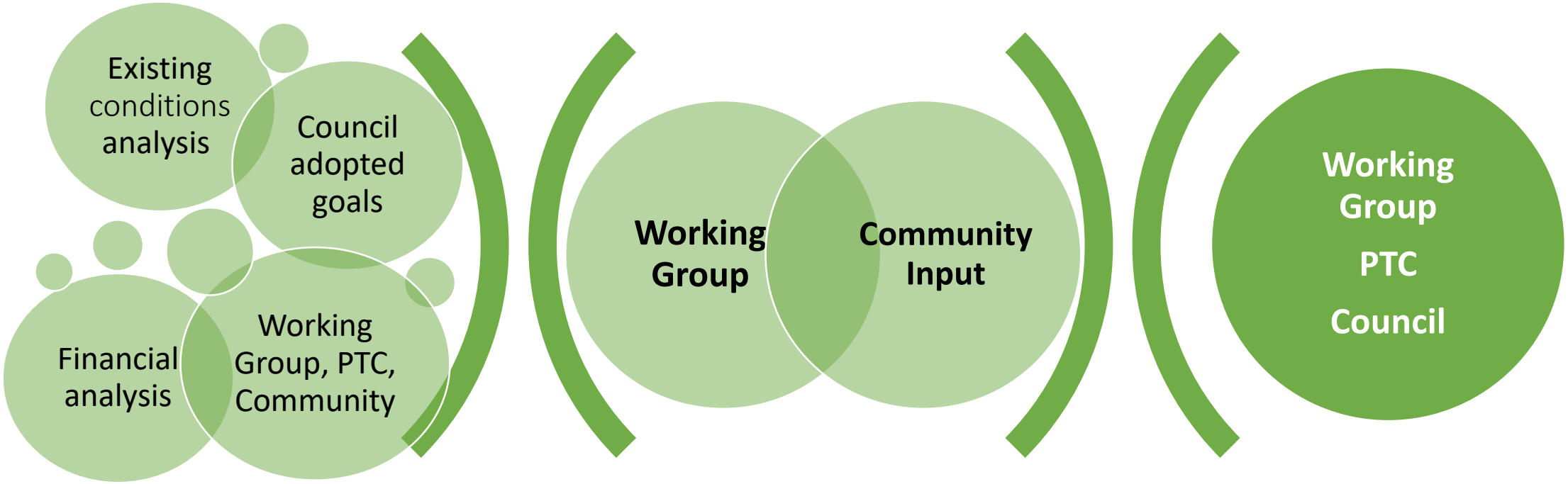
CITY OF PALO ALTO

North Ventura

COORDINATED AREA PLAN

Additional Reference Slides

ALTERNATIVES DEVELOPMENT PROCESS



Preliminary Alternatives

(Winter 2019/2020)

Revised Alternatives

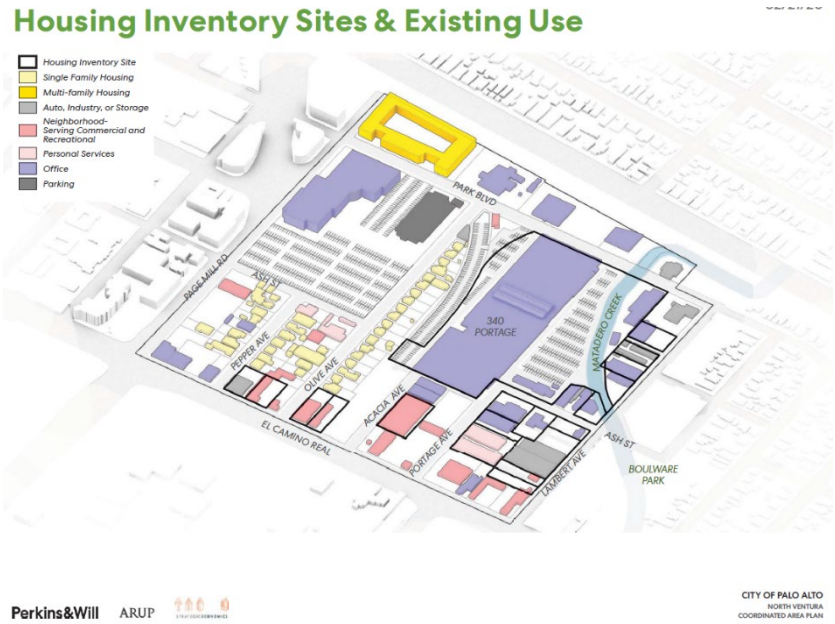
(Fall 2020)

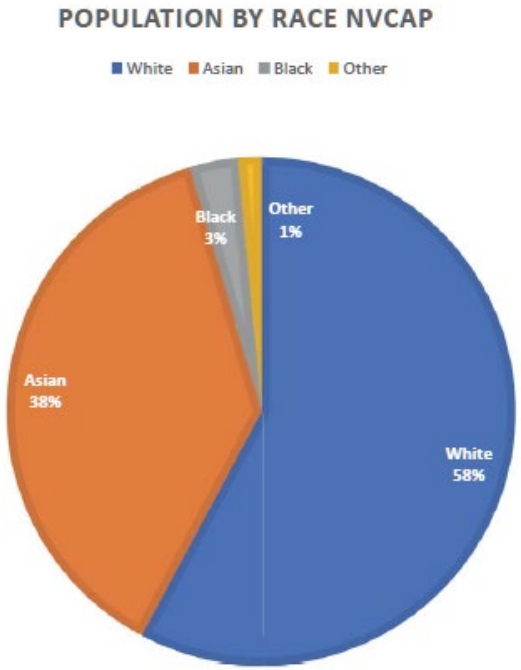
Preferred Alternative Selection

(2020/2021)

OPPORTUNITIES AND CONTRAINTS ANALYSIS

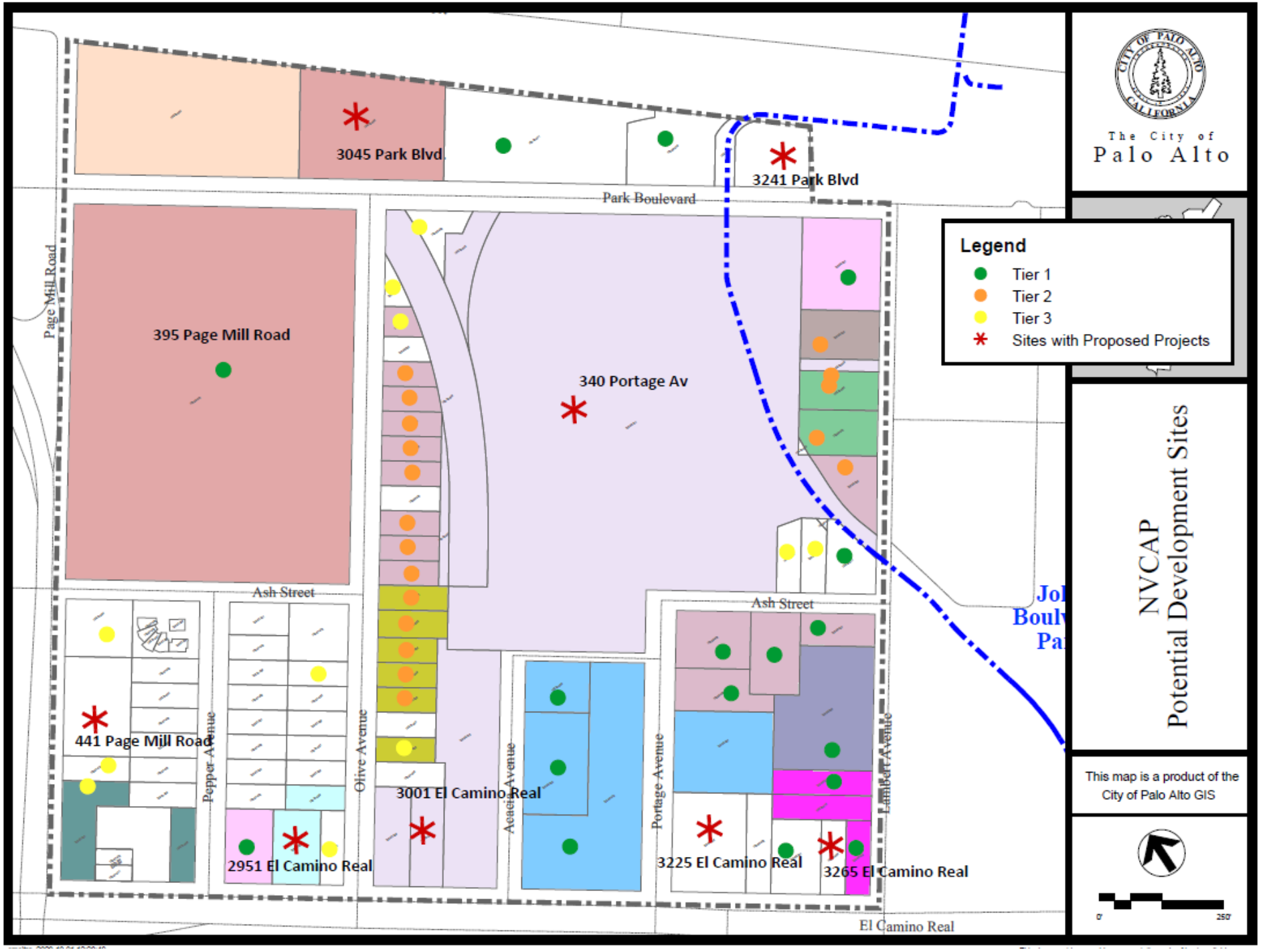
- Land use analysis
- Housing opportunity sites
- Gaps in sidewalks, bicycle facilities, and transit access
- Parking demand and supply
- Demographics





WORKING GROUP VISION

The Working Group envisions the plan area to replicate a **European square with open plaza, colorful public art, beautiful landscaping with green open spaces** and lots of public amenities such as benches, trails, and bike paths. The building designs should **fit well within the existing context,** between three and six stories, **interconnected with pedestrian and bicycle paths**. The bustling plaza should have lots of **local-serving retail** uses such as cafes, small local markets, and theatres, which encourage **lively foot traffic**. The plan area also should provide **diverse housing opportunities**, with minimum intrusion from automobile traffic.


3045 Park Blvd
3241 Park Blvd
Park Boulevard
Page Mill Road
395 Page Mill Road
340 Portage Av
Ash Street
Ash Street
441 Page Mill Road
Pepper Avenue
Olive Avenue
Acacia Avenue
Portage Avenue
Lambert Avenue
3001 El Camino Real
2951 El Camino Real
3225 El Camino Real
3265 El Camino Real
El Camino Real
Legend
Tier 1
Tier 2
Tier 3
Sites with Proposed Projects
The City of Palo Alto
NVCAP
Potential Development Sites
This map is a product of the City of Palo Alto GIS
0'
250'

POTENTIAL DEVELOPMENT SITES

- Owner has expressed interest in redevelopment
- Parcels greater than 10,000 sf
- Contiguous parcels under single ownership
- Creates three “tiers” of potential (Tier 1: highest potential; Tier 3: lowest potential)
- Excludes parcels with owner-occupied single-family homes, creek easements, parcels that have redeveloped since 2010

2021 INCOME LIMITS (SANTA CLARA COUNTY)

Household Income Level	*4-Person Household*
Extremely Low	$49,700
Very Low	$82,850
Low	$117,750
Median	$151,300
Moderate	$181,550

IMPACTS & BENEFITS

City Council Adopted Goal	*Alt #1*	*Alt #2*	*Alt #3B*
Housing and Land Use	✓	✓✓	✓✓✓
Transit, Pedestrian and Bicycle Connections		✓	✓✓
Connected Street Grid		✓	✓✓
Community Facilities and Infrastructure			✓
Balance of Community Interests	✓✓	✓✓✓	✓
Urban Design, Design Guidelines and Neighborhood Fabric	✓	✓	✓
Sustainability and the Environment	✓	✓	✓

DEVELOPMENT POTENTIAL – Effects of 200 Portage Project

		Alternative #1		*Alternative #2*		*Alternative #3B*	
		With 200 Portage	*W/O 200 Portage*	*With 200 Portage*	*W/O 200 Portage*	*With 200 Portage*	*W/O 200 Portage*
New Housing Units	142						
Realistic Potential		**460**	500	**850**	1,170	**1,000**	1,490
Maximum Potential		**820**	860	**1,300**	1,620	**1,640**	2,130
Commercial Sq. Ft.							
New Office	744,000	**9,100**	8,600	**20,500**	33,300	**107,400**	126,600
New Retail	111,200	**6,900**	7,500	**12,800**	17,600	**15,000**	22,300

METRICS (REALISTIC POTENTIAL) - Effects of 200 Portage Project

Metric	*Existing*	*Alternative #1*		*Alternative #2*		*Alternative #3B*	
		With 200 Portage	*W/O 200 Portage*	*With 200 Portage*	*W/O 200 Portage*	*With 200 Portage*	*W/O 200 Portage*
Below-Market Rate Housing Units (@15-20%)	23	**70**	70	**130**	180	**150**	300
Residential Population	340	**1,120**	1,210	**2,070**	2,840	**2,420**	3,610
Jobs							
New Office	2,460	**30**	30	**70**	110	**370**	430
New Retail	200	**10**	10	**20**	30	**30**	40
Jobs/Housing Ratio (Units to Support Jobs)	170	**50**	50	**110**	180	**480**	580

INDUSTRIAL ZONED PARCELS

- Six General Manufacturing (GM) zoned parcels identified as opportunity sites
- Comp Plan contemplates allowing multi-family housing on such properties, but not codified in Zoning Ordinance
- These represent larger sites that could generate more units with fewer impacts (e.g., railroad-adjacent sites would have fewer visual impacts on lower-height uses)
- The City has a limited number of GM-zoned land that allow for light industrial uses
- City may want to consider whether the City should retain existing uses and the range of job types and wages

PARKING MANAGEMENT

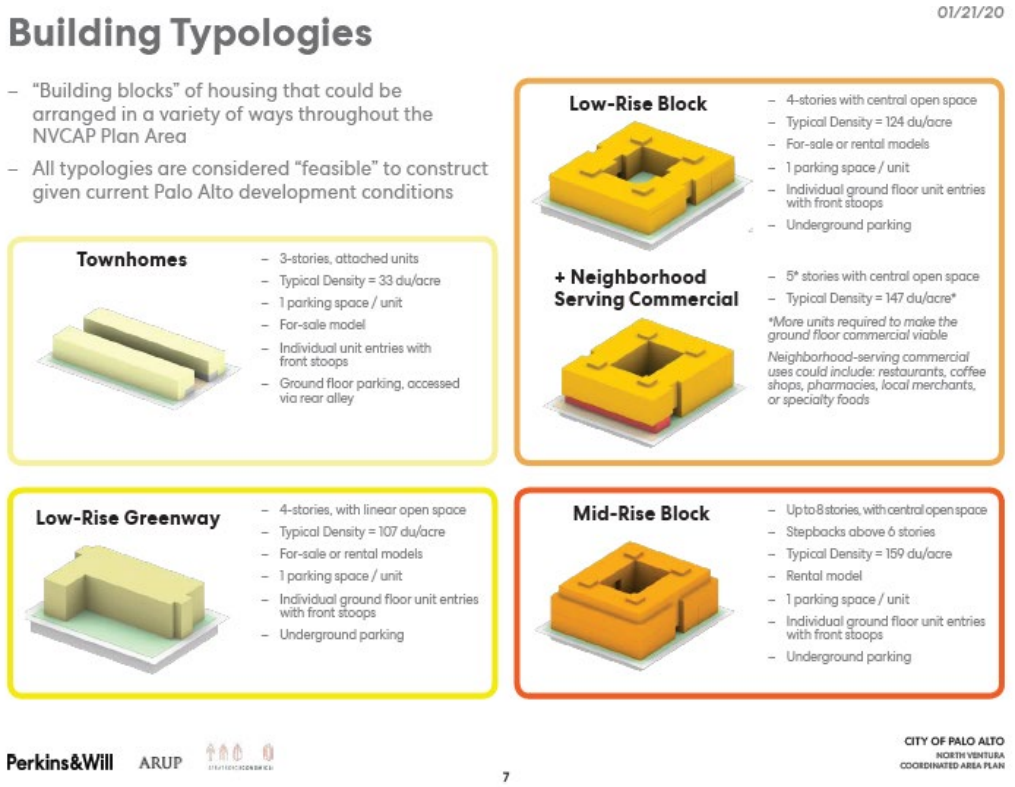
- Parking occupancy study in Fall 2018 (i.e., pre-COVID) identified a surplus of parking capacity within the planning area.
- As the population of workers and residents change as a result of the NVCAP and the end of the pandemic, the City will need to consider strategies to manage parking across the planning area and on individual sites

PLACEMAKING

- A sense of place can be instilled by landmarks, signage, iconic buildings, signature trees, active ground floors, nodes of activity, entries to the planning area, important gathering places, and key uses
- Incorporating the history of the 340 Portage cannery into the site should extend beyond plaques
- This history should be a theme that ties public and private spaces together

Approach to Financial Feasibility Analysis (2019 Study)

- 8 residential and mixed-use building prototypes varying in size, density, and height
- Existing BMR requirements
  - For-sale housing - 15% BMR units on-site
  - Rental apartments - impact fees, no BMR units
- Parking assumptions
  - 1 space/unit
  - Townhomes had tuck-under parking
  - For other prototypes, parking provided underground



Typologies

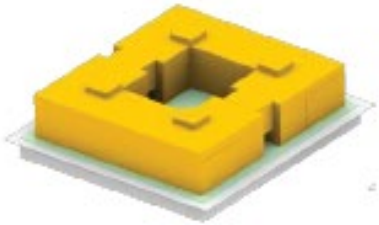
Building Typologies

- "Building blocks" of housing that could be arranged in a variety of ways throughout the NVCAP Plan Area
- All typologies are considered "feasible" to construct given current Palo Alto development conditions

Townhomes

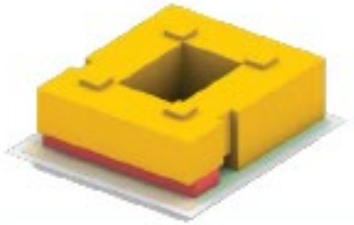
- 3-stories, attached units
- Typical Density = 33 du/acre
- 1 parking space / unit
- For-sale model
- Individual unit entries with front stoops
- Ground floor parking, accessed via rear alley

Low-Rise Block



- 4-stories with central open space
- Typical Density = 124 du/acre
- For-sale or rental models
- 1 parking space / unit
- Individual ground floor unit entries with front stoops
- Underground parking

+ Neighborhood Serving Commercial

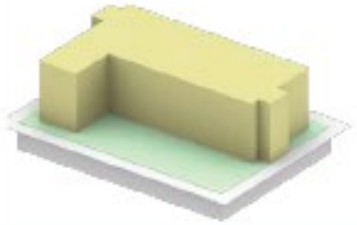


- 5* stories with central open space
- Typical Density = 147 du/acre*

More units required to make the ground floor commercial viable

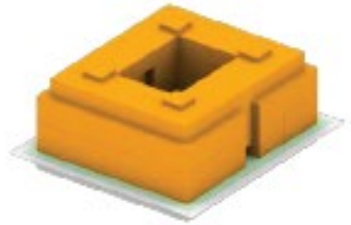
Neighborhood-serving commercial uses could include: restaurants, coffee shops, pharmacies, local merchants, or specialty foods

Low-Rise Greenway



- 4-stories, with linear open space
- Typical Density = 107 du/acre
- For-sale or rental models
- 1 parking space / unit
- Individual ground floor unit entries with front stoops
- Underground parking

Mid-Rise Block



- Up to 8 stories, with central open space
- Stepbacks above 6 stories
- Typical Density = 159 du/acre
- Rental model
- 1 parking space / unit
- Individual ground floor unit entries with front stoops
- Underground parking

Feasibility Analysis Findings (2019 Study)

For-Sale Building Prototypes

Prototype Summary	Townhome	Low-Rise Greenway	Low-Rise Block
Tenure	Condo	Condo	Condo
Uses	Residential only	Residential only	Residential Only
Format	Smaller-scale	Medium-scale	Larger-scale
Parcel Size (Acres)	0.50	0.62	1.27
Parcel Size (Sq. Ft.)	21,780	26,806	55,145
Stories (total, including parking)	3	3 to 6	4
Total Units (Market-Rate and BMR)	18	56	119
DU per Acre	36	91	94
Ground Floor Retail	0	0	0
Parking Type	Podium	Underground two levels	Underground two levels
Parking Spaces (1/unit)	18	56	119

Feasibility Analysis Findings (2019 Study)

Rental Building Prototypes

Prototype Summary	Low-Rise Greenway	Low-Rise Block	Low-Rise with Retail	Mid-Rise	Mid-Rise with Retail
Tenure	Rental	Rental	Rental	Rental	Rental
Uses	Residential only	Residential only	Mixed-use	Residential only	Mixed-use
Format	Medium-scale	Larger-scale	Larger-scale	Very large-scale	Very large-scale
Parcel Size (Acres)	0.62	1.26	1.26	1.26	1.26
Parcel Size (Sq. Ft.)	26,966	54,853	55,023	54,874	55,066
Stories (total, including parking)	3 to 6	4	4	8	8
Total Units (Market-Rate)	78	170	192	194	201
DU per Acre	126	135	152	154	159
Ground Floor Retail	0	0	6,400	0	6,400
Parking Type	Underground two levels	Underground two levels	Underground two levels	Underground two levels	Underground two levels
Parking Spaces (1/unit)	78	170	192	194	201

Feasibility Analysis Findings (2019 Study)

For-Sale Housing Types

Prototype	Townhome	Low Rise Greenway (Condo)	Low-Rise Block (Condo)
Average Market Rate Sales Price / Monthly Rent	$1,440K	$1,150K	$1,150K
Feasibility	**Feasible**	**Feasible**	**Feasible**
Community Benefits [a]			
Below Market Rate Units	3	8	18
Affordable Housing In-lieu Fee Revenue	$0	$0	$0
Park Fee Revenue	$147K	$456K	$969K

[a] Community benefits assume for-sale developments provide 15% BMR units on-site

Feasibility Analysis Findings (2019 Study)

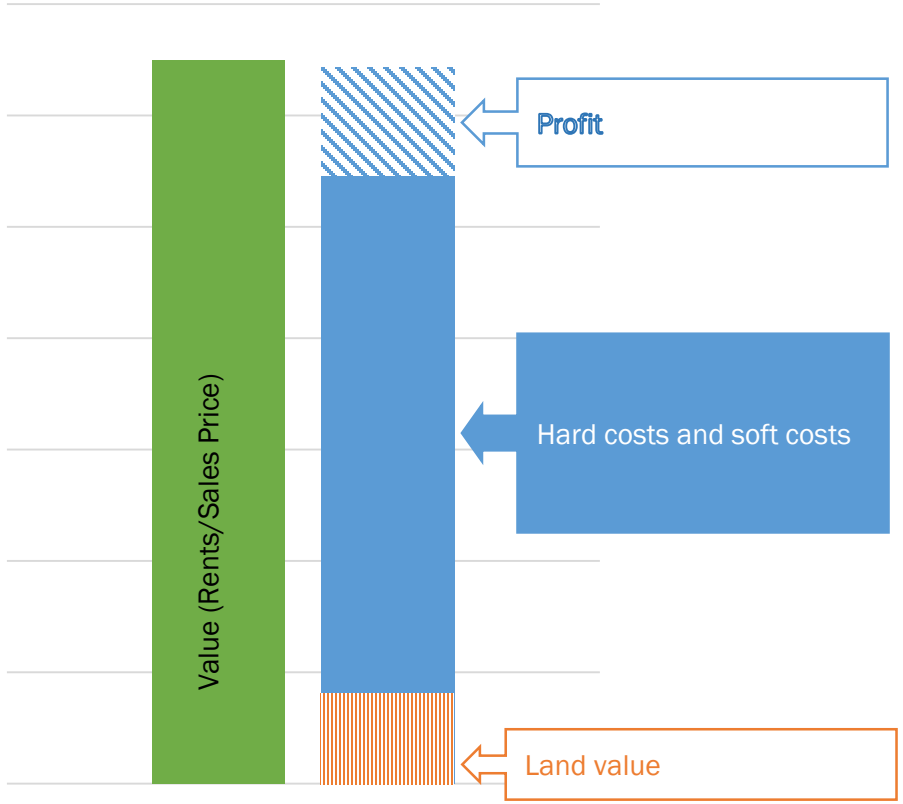
Rental Housing Types

Prototype	Low Rise Greenway (Rental)	Low Rise Block (Rental)	Low-Rise with Retail (Rental)	Mid-Rise (Rental)	Mid Rise with Retail (Rental)
Average Market Rate Sales Price / Monthly Rent	$4,290	$3,850	$3,850	$4,675	$4,675
Feasibility	**Feasible**	**Feasible**	**Feasible**	**Feasible**	**Infeasible**
Community Benefits [a]					
Below Market Rate Units	0	0	0	0	0
Affordable Housing In-lieu Fee Revenue	$1,270K	$2,484K	$2,484K	$3,441K	$3,441K
Park Fee Revenue	$321K	$700K	$790K	$799K	$827K

[a] Community benefits assume rental developments pay in-lieu fees for affordable housing rather than providing units on-site

Approach to Alternatives Analysis

1. Estimate the number of units by building prototype in Alternative #2 and Alternative #3
   - Townhomes (for-sale) under 35’
   - Condos (for-sale) up to 50’
   - Rental Apartments up to 50’
2. Update assumptions for prototypes in each Alternative
   - Height/density
   - Parking requirements
   - At least 15% on-site BMR units for rental (in-lieu) and for-sale housing (on-site)
3. Calculate values and development costs to determine financial feasibility of each Alternative



Feasibility Analysis Findings (2019 Study)

Comparing Rental Housing and Office

Land Use	Rental Apartment	Office
Description	4-story apartments underground parking 15% on-site BMR units	2-3 story with structured parking
Total Development Costs per sq. ft.	$988	$1,097
Value of Market-Rate Units per sq. ft.	$1,005	$1,224
Value of LI Units per sq. ft.	$547	n/a
Value of VLI Units per sq. ft.	$381	n/a
Weighted Average Value per sq. ft.	$928	n/a
Net Value per sq. ft.	**-$59**	**$127**

- BMR requirements and City fees are significant cost for new rental housing development
- Office development yields a higher net value than rental housing
- Office can potentially contribute more towards community benefits

Alternative #2: Building Prototype Assumptions

Prototype	Townhome	Multifamily Condos	Multifamily Rental
	35 feet	Up to 50 feet	Up to 50 feet
Description	2-story townhomes with podium parking	4-story condos with underground parking	4-story apartments with underground parking
Total Units in Prototype	18	119	170
Number of Market Rate Units	15	101	144
Number of BMR Units Required (15%)	3	18	26
Average Unit Size (in square feet)	1,600	1,000	700
Number of Parking Spaces	36	238	255
Parking Ratio (spaces/unit)	2	2	1.5
Development Cost per Unit including Profit	$1,212K	$1,083K	$742K

Alternative #3: Building Prototype Assumptions

Prototype	Townhome	Multifamily Condos	Multifamily Rental
	35 feet	Up to 50 feet	Up to 50 feet
Description	2-story townhomes with podium parking	4-story condos with underground parking	4-story apartments with underground parking
Total Units in Prototype	18	119	170
Number of Market Rate Units	14 to 15	95 to 101	136 to 144
Number of BMR Units Required (15-20%)	3 to 4	18 to 24	26 to 34
Average Unit Size (in square feet)	1,600	1,000	700
Number of Parking Spaces	18	119	170
Parking Ratio (spaces/unit)	1	1	1
Development Cost per Unit (including Profit)	$1,153K	$936K	$668K

Alternative #3: Feasibility Findings

- Alternative #3 has lower development costs per unit for all building types
  - 1 space/unit parking and higher density increases site efficiency and reduces construction costs

Development Cost (including profit)	Townhome	Condos	Multifamily Rental
Alternative 2	$1,212K	$1,083K	$742K
Alternative 3	$1,153K	$936K	$668K

- For-sale units (townhome and condos) can provide 20% BMR onsite with no public subsidy
- Four-story multifamily rental prototype can feasibly provide 15% BMR onsite for **Low and Mod households**
  - Further development cost reductions are required to make it feasible for multifamily rental to provide 15% to 20% BMR to Very Low, Low, and Mod Income Households

Alternative #3: Final Takeaways

- Option 1: a residential-only development of 40 to 45 feet, which provides parking entirely underground, is not likely to provide more than 15% BMR units
- Development costs can be lowered by providing half of the parking in an above-ground podium
- Option 2, a mixed-use building with three stories of residential over a podium (45 feet), is somewhat likely to provide between 15% and 20% BMR units
- Option 3, a mixed-use building with four stories of residential over a podium (55 feet), is the most likely to provide 20% BMR units, including units for very low-income households.
- Up to 6,400 square feet of ground-floor commercial is feasible (options 2 and 3) if the first 3,000 square feet of retail is exempted from parking requirements.

Project Budget

Funding Sources:	
1. Caltrans Grant	$638,000
2. 15% Matching Donation	$112,000
3. CEQA Private Donation	$138,000
4. FY2021 Salary Savings	$ 62,000
5. General Funds	$ 17,700
6. LEAP Grant (2021)	$125,000
Total	*$1,092,700*

Funds Used/Allocated	
1. Perkins & Will - funded	$889,600
2. Perkins & Will - unfunded	$367,000
3. WRA – Creek Analysis	$ 89,000
4. Project Management	$ 62,000
5. Page & Turnbull – Historic	$ 13,200
6. Travel and Meetings	$ 15,000
Total	*$1,435,800*

Project is underfunded by $343,000