



**Agenda Item C.3**  
**DISCUSSION/ACTION ITEM**  
**Meeting Date: June 3, 2008**

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**TO:** Mayor and Councilmembers  
**FROM:** Steve Chase, Director of Planning & Environmental Services  
**SUBJECT:** General Plan Amendment Work Program – Revised Schedule

**RECOMMENDATION:**

- A. Consider the revised schedule for the General Plan Amendment Work Program (Attachment 1); and
- B. Authorize the City Manager to execute a Contract with Economic & Planning Systems for pro forma/economic feasibility modeling of affordable housing inclusionary rates; and
- C. Authorize an allocation of \$12,500 from the General Fund to Program 4300 (Advance Planning) towards such contract.

**BACKGROUND:**

The General Plan Amendment work program has been a major endeavor on the part of the City Council, Planning Commission, staff and the public. There are five interrelated work tracks, most of which are well underway: 1. Housing Element certification efforts; 2. City-initiated amendments under an Addendum to the Final EIR; 3. City-initiated amendments under a new Supplemental EIR; 4. Project specific-initiated amendments; and, 5. Creation of a City Sphere of Influence.

Staff has striven to meet the adopted work program schedule and has made a series of adjustments to address technical, budgetary and human resources issues as they have arisen. The process has been iterative and, in several respects, a beta-test of the General Plan relative to the information, strategies and best practices upon which it was originally based. The process has been performed with the constancy of public review, critique, debate and deliberation.

The General Plan Amendment work program schedule flexes as the process uncovers new or updated information, as well as when issues legitimately bog-down during public review and hearing deliberations. That is what is driving the need for a revised work program schedule. Accordingly, the City Council is being asked to review and endorse the revised schedule as explained below and identified in Attachment 1.

## DISCUSSION:

Staff is seeking the following revisions to the work program schedule. These changes include:

- **Track 1, Housing Element** – During the April 1<sup>st</sup> discussion of key housing considerations, the City Council directed that two optional ranges of inclusionary housing be examined: (a) The mid-Hollister corridor Affordable Housing Overlay Sites at a 30 percent inclusionary rate mix; and (b) the balance of the City at a 20 percent inclusionary rate mix.

Staff is looking to demonstrate to the City Council and State Housing & Community Development the financial feasibility of applying these inclusionary rate mixes. The key is to validate whether the inclusionary policies of the City can work in the current and normative real estate financial markets. To do so, staff is requesting an allocation of \$12,500 from the General Fund for pro forma modeling of land costs, vertical construction costs, site and offsite costs for at least two project alternatives, along with a financial evaluation of varying inclusionary rates, affordability mixes and household sizes. Consultant assistance would be provided by Economic & Planning Systems, a Berkeley based firm that specializes in real estate economic analysis for many California cities and counties, redevelopment agencies and affordable housing providers. EPS also serves as the RHNA manager for the County and Cities of San Mateo, and recently performed background analysis for Goleta on the Regional Growth Forecast and Santa Barbara on affordable housing in-lieu fees.

Additional time has been added to Track 1 to prepare the model and perform the financial evaluation. Staff anticipates that this work effort would be completed in August, after which point a Draft Housing Element Update would be transmitted to State HCD for their statutory review. Staff anticipates that public hearings would be conducted by the Planning Commission later this year and the City Council in early 2009 for adoption.

- **Track 2, Amendments to the General Plan** – The work efforts on this track are coming before the City Council this evening, with adoption of some or all of the proposed amendments this evening or on June 17<sup>th</sup>.
- **Track 3, Substantive Amendments to the General Plan** – The work efforts on this track are behind schedule. In January, staff held out the possibility that in-depth analysis, including some legal review, may result in shifts between the tracks. That is exactly what has happened. Ten proposed amendments from Track 2 have been moved to Track 3, based on the results of CEQA environmental determinations and/or further policy consistency analysis. Additional time is needed to analyze these matters in a Supplemental Environmental Impact Report. Moreover, the work of the Planning Commission on the balance of the Track 2 items spanned four public hearings over a period of

50 days, with final recommendations officially adopted on May 12, 2008. More shifts may or may not occur between the tracks as an outcome of the City Council's proceedings this evening. So, until Track 2 is completed, the efforts to finalize the project description and complete the Draft SEIR on Track 3 are pushed-back.

Staff anticipates that public hearings before the Planning Commission and City Council on Track 3 would occur in the first quarter of 2009.

- **Track 4, Other Project Specific Amendments to the General Plan** – This track pertains to proposed amendments by private-sector applicants. The schedule is dependent upon variable factors unique to each application.
- **Track 5, Sphere of Influence** – Staff's work on this track has been slowed by the competing priorities of Tracks 1, 2 and 3. A statutorily required common ground process is scheduled to commence in September, with meetings planned with affected public agencies and land owners in three designated future service areas (South Patterson, North Fairview and Glen Annie).

#### **ALTERNATIVES:**

Modifications of the schedule may be directed by the City Council, subject to resource availability.

#### **STRATEGIC PLAN:**

The recommended actions would foster the objectives and sub-tasks of the Strategic Plan in the following categories: 1. Complete General Plan, Ordinances & Implementation Measures; and 2. Promote Comprehensive Housing Programs & Solutions.

#### **FISCAL IMPACTS:**

The General Plan Amendment work program is funded in the Advance Planning component (Program 4300) of the Planning and Environmental Services Department. A General Fund allocation of \$12,500 is requested to conduct pro forma modeling and economic analysis of inclusionary rates.

Submitted By:

Reviewed by:

Approved By:

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Steve Chase, Director  
Planning & Environmental  
Services

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Michelle Greene, Director  
Administrative Services

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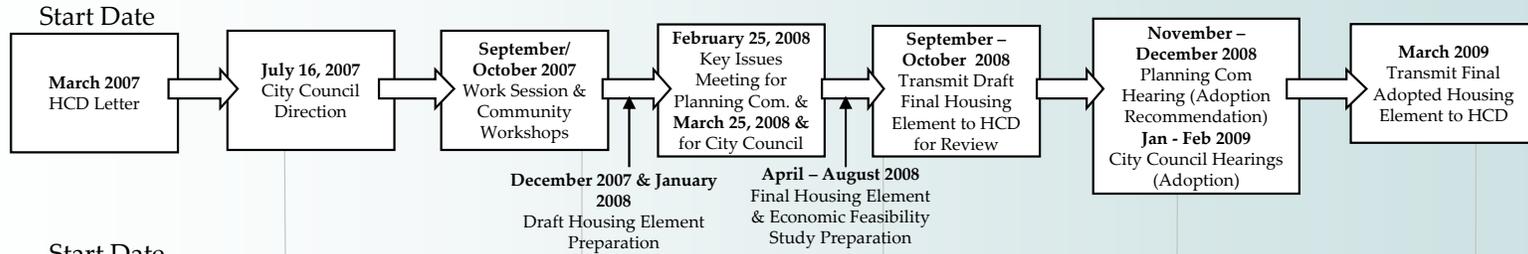
Daniel Singer  
City Manager

#### **ATTACHMENT:**

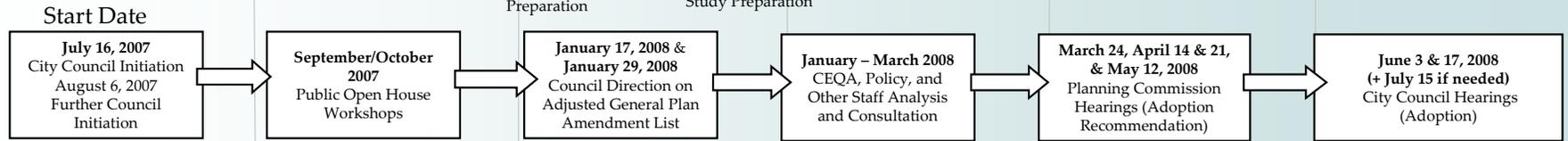
1. Chart – Revised General Plan Amendment Work Program (May 15, 2008)

# City-Initiated General Plan Amendment Work Program (May 15, 2008)

## Track 1 Housing Element



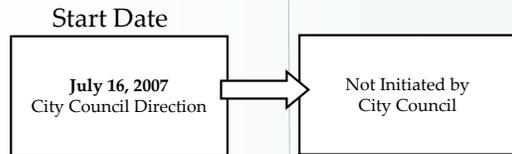
## Track 2 Minor Policy Revisions



## Track 3 Substantive Policy Revisions



## Track 4 Other GPA Requests



## Track 5 Sphere of Influence

