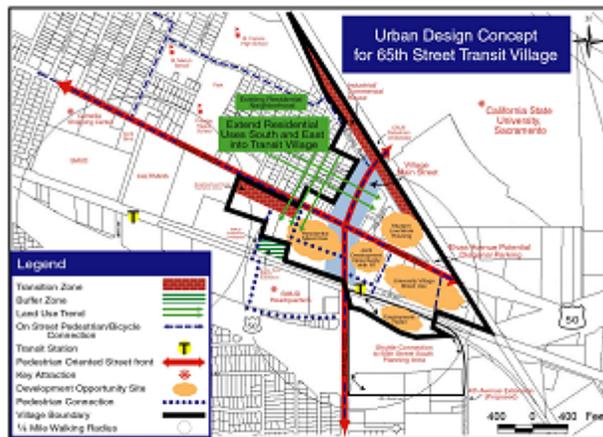


CITY OF SACRAMENTO INFILL STRATEGY

Adopted May 14, 2002



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May 14, 2002
City Council Res. 2002-277

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INTRODUCTION

The Citywide Infill Strategy is an ongoing strategy to promote quality infill development in Sacramento and establish priorities and programs to promote targeted infill development. These programs require coordination and implementation among a variety of City departments and other agencies.

Infill development is the process of developing vacant or under-used parcels within existing urban areas that are already largely developed. Most communities have a significant amount of potential for infill and redevelopment on lots which for various reasons have been passed over in the normal course of urbanization or where existing uses are no longer viable due to changes in development trends or disinvestment. As a mature city, much of Sacramento's incorporated territory was developed before 1970. Like many older cities, Sacramento has substantial vacant and underutilized land resulting from a variety of circumstances, including demolitions or loss of prior buildings without replacement, shifting economic and industrial patterns, demographic changes, and competition from newer areas.

To identify possible strategies to encourage infill development, planning staff reviewed various factors related to infill development in general and within Sacramento, including the following:

- analyzing vacant and underutilized land within the city
- identifying constraints to infill development
- reviewing actions by other local governments to promote infill development
- meeting with infill developers to identify issues and recommendations
- reviewing issues associated with actual infill development projects
- working with an Interdepartmental Infill Committee to identify potential options to better promote infill development
- meeting with neighborhood and business groups and other organizations to identify their concerns and preferences related to infill development.

Based on that review, target infill objectives and programs were identified and are contained in this Infill Strategy. After approval, the Strategy is intended to be reviewed and updated annually, with reports on progress to the City Council and other Boards and Commissions.

MAJOR GOALS AND POLICIES

The major goals and policies regarding infill development are found in Section 1 of the General Plan. These are summarized below, and a full listing is included in Appendix A of this document.

1. Promote infill development, rehabilitation, and reuse that contributes positively to the surrounding area and assists in meeting neighborhood and other City goals.
2. Revise City plans and ordinances to support infill development goals.
3. Remove regulatory obstacles and create more flexible development standards for infill development.
4. Provide improvements to infrastructure to allow for increased infill development potential.
5. Provide focused incentives and project assistance to assist in infill development in target areas and sites. These target sites are those that provide the greatest infill opportunity in terms of number of vacant lots, total potential for new infill development, or overall economic or environmental benefit.
6. Engage the community to ensure new infill development addresses neighborhood concerns and to gain greater acceptance and support for infill development.

OPPORTUNITIES AND CONSTRAINTS

This section summarizes available land for infill development within the City, demographic factors driving the demand, and major constraints to infill development in Sacramento.

SUMMARY OF CITYWIDE INFILL POTENTIAL AND CONSTRAINTS

Infill Potential

Based on existing zoning, as of 2000, infill development capacity within the developed parts of the city totals 2,500 vacant acres with a theoretical zoning potential (assuming no development constraints) for 17,800 housing units plus substantial non-residential development potential. Additional potential could be realized by targeting additional areas for additional density or intensity. From 1996 to 2001, the City developed an average of 200 infill housing units per year, averaging about 15 percent of its total housing growth in infill areas and developing infill land at a rate of only slightly more than one percent per year of the City's total vacant infill potential.

Demand for Infill Housing

A successful infill development program not only looks at supply, but ties that in with demand. Based on the 2000 Census, Sacramento's households have the following characteristics:

- 30% are households with children under 18 years
- 29% are households without children or with children over 18 years
- 41% are non-family households (e.g., roommates or living alone)

In terms of age of residents, 34% of the city's households have individuals under 18 and 22% of households have individuals of 65 years and older.

Much of the new development in the outlying areas of Sacramento and the region focus on providing detached single family homes, the target of which is usually the households of families with children. While many non-family households and households without children also prefer detached single family housing, non-family and childless households are often good candidates for other housing choices if they are available.

Singles, couples with grown children ("empty nesters"), and those without children may often prefer a more urban living environment closer to employment and cultural and entertainment amenities. Seniors, representing one-fifth of Sacramento's current population and a growing segment of the population, often prefer housing near needed amenities and transportation. In many cities, Central

City and transit-oriented developments provide a wider range of housing options for this majority of households.

In addition, filling in residential lots with existing single family areas can provide a more affordable housing product for first-time homebuyers and other urban pioneers.

Overall Constraints

The most significant constraints to infill development in Sacramento are found to be as follows:

Land Constraints: While in total there is a substantial amount of land that is vacant or underutilized, in many respects much of the land is constrained due to size, shape, or other site conditions.

- *Size.* Many infill sites are single or small parcels. Due to their size, they cannot benefit from the economies of scale that larger new developments enjoy. In essence, infill development on single and small lots are small custom homes at modest prices. As of 2000, the City has 3,500 vacant parcels that are 10,000 square feet or smaller, representing nearly two-thirds of all the vacant lots found in the developed part of the city.
- *Shape and existing parcelization.* Existing parcel sizes may be very small, oddly shaped, narrow or deep lots, or require aggregation or remapping to accommodate new projects.
- *Site conditions.* Infill sites often face other conditions that make development difficult, including lack of access to roadways, small wetland or other biological constraints, or potential toxic contamination. In particular, many of the larger sites that are opportunities for reuse are often former commercial or industrial uses that require certain levels of cleanup (e.g., former gas stations or larger industrial areas like R Street Corridor). In other instances, the site may be constrained in a financial manner as a result of liens on the property resulting from unpaid fines or taxes. In some instances, these liens can exceed the value of the land, making it unprofitable to develop.

Infrastructure. Prevailing wisdom on infill development is that it is more efficient because it is built in areas where infrastructure (e.g., water, sewer, drainage, streets, sidewalks, alleys) already exists. While this is certainly true in many respects, at the project level, infill development frequently requires upgraded or expanded infrastructure due to the age of the existing infrastructure, the higher density or intensity of the new infill project over what the original infrastructure was built to serve, or to meet current building, fire, or other codes that have changed since the infrastructure was originally developed. The total costs and requirements may not be fully known until late in the development process, adding to the uncertainty associated with infill development.

In addition, in the post-Proposition 13 era, local governments generally mandate that all new development is responsible for any needed infrastructure or other public improvements to make the development feasible. In infill areas where infrastructure either may not meet current standards or requires upgrading to address increased density over the original system, the costs to upgrade or improve can be vastly disproportionate to the overall project costs.

Regulatory Process and Requirements: The time and related holding costs associated with processing infill development projects serve as a significant deterrent to its development. In general, all proposed development in the city is required to go through the same regulatory process and meet the same requirements, regardless of its location. In fact, infill development often must undergo additional review through design review and redevelopment processes. Proposed infill projects may often require modifications to standard regulations due to unique site constraints or desired development objectives, and these generally are addressed on a case-by-case basis. As a result, projects are also subject to multiple layers of review and potential appeals.

Community Opposition: Proposed infill projects, particularly higher density projects, often face neighborhood opposition based on concerns over the impacts of the new development, particularly related to traffic and parking, effects of additional population, and design of the project. Such opposition can extend the review process and require multiple modifications to the development proposal or lead infill developers to abandon the project.

Financing and Marketability: An important aspect of infill development is whether a project will be desirable and profitable as a residential or commercial venture. Many infill areas are difficult to market, especially when compared with newly developed neighborhoods. Real or perceived issues of public safety, the appearance of the neighborhood, the availability and quality of public and neighborhood facilities and services, including parks, community facilities, grocery stores, and particularly the quality of public schools, are major factors affecting the desirability and marketability of areas.

In addition, lenders are frequently more cautious to lend money for infill projects without a demonstrated local track record for the specific kind of infill development, making financing more difficult. Depending on the neighborhood in which it is located, infill development is often not be able to command the same market prices as comparable development in newer areas, reducing or eliminating any potential profit margin.

INFILL DEFINITION AND TARGET CATEGORIES

The City of Sacramento formed over 150 years ago. Nearly three-quarters of the city is comprised of development over 20 years in age. For differing purposes, the City has used or been subject to various definitions of infill.

Regional Sewer Impact Fee Infill Definition. For purposes of establishing a more equitable fee structure, the Sacramento Regional County Sanitation District (SRCSD) in 2002 developed a regional definition of infill as those areas within the district's 1975 boundaries where 75 percent or more of the lots were developed. This resulted in about 80 percent of the City's territory defined as infill. Under this two-tiered sewer impact fee, infill lots are charged \$2300 per equivalent single family dwelling (ESD) and all other areas are charged \$4500 per ESD (as of 2002).

Water Development Fee Waiver Definition. In 1987, the city established a program to waive water development fees for residential infill development that met the following criteria: in redevelopment area, target infill area, or area where housing has median age of 1965 or older; surrounded on at least two sides by residential development; of five acres or less for single family, two acres or less for multi-family; and available to be served by public utilities. Due to recent legal requirements related to changes in fees and taxes, the definition for this program is not proposed for change.

State CEQA Guidelines Infill Categorical Exemption Definition. Section 15332 of the State CEQA Guidelines provides a categorical exemption for infill development projects characterizing infill development as meeting the following conditions:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- (c) The project site has no value as habitat for endangered, rare or threatened species.
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- (e) The site can be adequately served by all required utilities and public services.

As of 2002, proposed State Legislation would further clarify this definition.

Infill Definition and Target Areas

In addition to existing programs and processes that rely on the definitions above, the City's definition of infill development shall be as follows:

Infill development shall be defined as the development, redevelopment or reuse of a vacant and underutilized site of five

acres or less, except where designated in the General Plan as an infill target area, that may contain one or more parcels and is substantially surrounded by urban uses, where the median age of the surrounding urban development area is 20 years or more, and where the proposed project is consistent with the general plan, any applicable community plans, and zoning.

The City will focus its financial infill incentives on the following target areas and categories, as these have been identified as community priorities and those that face the greatest hurdles to development.

These targeted categories were identified as those with the following characteristics:

- Those areas with significant numbers of vacant lots, where infill development fills in the gaps in the existing neighborhood fabric and will help alleviate blight and illegal activities
- Those areas with the greatest opportunity for infill development in terms of number of potential housing units and/or related commercial development
- Those areas with the most significant financial challenges to development.

These areas are recommended to be prioritized for infill development assistance. Target areas are shown in Maps 1 through 4 in Appendix B and are described below.

Targeted residential neighborhoods (Map 1). This includes older residential neighborhoods with significant numbers of individual and small vacant residential lots, particularly within redevelopment areas and other transitional neighborhoods. In addition, any Community Development Block Grant (CDBG) eligible areas that are not shown within the target area map would also be included within this definition. Within these areas, there are 1,600 acres of vacant land representing more than 3,000 potential units. Generally, the strategy for these areas is to fill in the vacant lots with densities similar to those of neighboring development. Many of these neighborhoods are also the subject of other neighborhood revitalization and redevelopment efforts.

Central City (Map 2). The Central City has significant opportunity for intensification and reuse, including plans for the Capitol Area, R Street Corridor, Richards Boulevard, K Street Mall, and longer-term prospects for the Downtown Railyards. The Central City currently has a zoning potential for 6,000 to 10,000 additional dwelling units and significant commercial retail and office potential. Note that proposed re-examination of plans and land uses in the Downtown Railyards is envisioned for the next year or two, and much of the future

development potential in that location is dependent upon toxic remediation of the area.

Neighborhood Commercial Corridors (Map 3). The City identified 19 neighborhood commercial corridors within its Economic Development Strategy. Infill potential in these areas includes vacant land for commercial, office, or potential urban housing or mixed use developments, as well as vacant and underutilized buildings with opportunities to transition to other uses. Given the range of land use options, no estimates of total development potential in these areas have been made. Map 3 indicates general locations of these corridors - precise boundaries would depend on the current and future zoning districts.

Transit Station Areas (Map 4): While extensive analysis has not yet been completed regarding the long-term potential for reuse of land around existing and future station areas, it is estimated at potentially 8,000 to 12,000 housing units, excluding additional potential around future stations in new growth areas. In most cases, General Plan amendments and rezonings are needed to realize this development potential. Map 4 illustrates the locations of light rail stations in infill areas and the general radius of 1/4 mile around transit stations to indicate where opportunities may exist for future changes in land use to facilitate transit-supportive development. The precise locations and boundaries of future land use changes will be determined based on future City actions and adoption of transit land use plans and supportive zoning to identify those areas or lots that are appropriate for development or reuse. In many cases, existing land uses will not be proposed for reuse within these areas.

Other individual sites. In addition to sites within the target areas, there are also individual infill sites that face significant obstacles for development and where development of these sites would assist in neighborhood enhancement and in achieving other City goals. These are defined as follows, but have not been specifically mapped:

Vacant or underused parcels of five acres or less within established neighborhoods, identified as long-term blighted properties with unique physical and financial constraints to development (e.g., toxic clean-up, access problems, odd shaped lot size), where the proposed project would provide neighborhood enhancement and benefit.

COMPONENTS OF INFILL STRATEGY

Based on input from local infill developers and review of other infill programs, staff reviewed major findings regarding infill development issues in a City Council workshop in March 2001. The Council directed staff to pursue an aggressive infill program, identify targeted strategies for infill development, and solicit neighborhood input to assist in determining priorities.

Based on review of other successful infill programs in other jurisdictions throughout the nation, staff identified the following as the major components of a successful infill program:

- Strong policy support and commitment from decision makers and City departments
- Plans and zoning that support infill development goals
- Streamlined regulatory process and flexible development standards
- Significant financial incentives
- Clear design guidelines
- Community acceptance

Achieving an aggressive infill strategy involves political and financial commitment to changing institutional protocols, innovative ways to address legal and regulatory limitations, and dedicated funding commitments. The Infill Strategy takes a first step at reducing some of the most significant obstacles and identifying some ongoing and one-time funding sources. Policy and program approaches within the Infill Strategy are discussed according to the major components of successful infill strategies identified above.

STRONG POLICY SUPPORT AND COMMITMENT

The obstacles to infill development are significant and require changes to institutional ways of doing business and often significant financial support. The most effective programs entail strong City Council directive and support for aggressive policy and institutional changes and funding measures across departments to accomplish these goals. Presently, there is no comprehensive framework for infill development programs or to resolve issues on a systemwide basis within the City.

The Infill Strategy includes the following programs to address these objectives:

1. **Citywide Infill Coordinator** (*New Program - FY02-03*)

The City has created a new position for City Infill Coordinator within the City Manager's Office. The Infill Coordinator position will serve to promote and market infill development, assist infill projects through the development process, identify infill project issues and coordinate issue resolution, and implement various infill incentive programs.

The Infill Coordinator will coordinate among the various City Departments and other agencies involved in infill development processes or interests. The Infill Coordinator will also be responsible for monitoring and tracking infill development and programs, identifying and implementing additional infill programs, and pursuing additional grant funding and other financial support opportunities.

2. **Departmental Infill Development Cabinet** (*New program, ongoing*).

Multi-departmental issues will be resolved through an infill development cabinet, made up of representatives within each development-related department assigned to specialize in infill development issues. This Cabinet is intended to address technical issues and identify solutions in a timely fashion, and initiate any process changes identified through the Cabinet under the direction of the Infill Coordinator.

3. **Adoption of Infill Strategy with Annual Monitoring and Reporting on Infill Development** (*New Program, Annually*).

The Infill Coordinator will annually report to the City Council on the status of infill development and implementation of the Infill Strategy and will assess the effectiveness of certain programs, progress in achieving the City's infill goals, and recommend new programs or funding.

PLANS AND ZONING THAT SUPPORT INFILL GOALS

The General Plan, Housing Element, and many of the Community Plans and redevelopment plans include language to support infill development. There are, however, some features in some of these plans and implementing tools that do not directly assist in meeting the City's infill goals. In particular, the General Plan, community plans, and related zoning have not yet been updated to provide for transit-supportive development in many of the infill areas. In some cases, zoning in many of the commercial corridors does not facilitate creative mixed use and housing development.

One important General Plan policy issue identified in the City's Smart Growth Implementation Report is the General Plan goal for roadway Level of Service (LOS) standard of C, which fundamentally requires free flowing traffic and is not met in many major roadways in developed areas. As described in the Smart Growth Implementation Report, traffic LOS measurements only consider

automobile movement and do not take into account other features of neighborhood livability such as traffic speeds, pedestrian accessibility, bicycles, and transit support. The City's service level standards and analysis thresholds frequently required that infill projects need to conduct traffic studies and fund traffic improvements to achieve this service level, which may add substantial time and costs to the project.

Throughout the nation and State, successful infill programs provide flexibility in traffic service level standards to permit continued development in urban areas, and in recognition that development in infill areas improves regional traffic congestion. For the City, resolution of this issue is a longer-term process that would require extensive study and analysis of projected growth and its impacts and community discussion on appropriate levels based on roadway types (i.e., different standards for neighborhood streets versus arterials), locations, and other circumstances. To change the City's LOS standard in infill areas will require a General Plan amendment accompanied by a program-level EIR to analyze potential implications of adjusting service level standards and to determine the appropriate thresholds.

The Infill Strategy includes the following programs to address these objectives:

4. **City adoption of General Plan Policy Amendment** (*May 14, 2002*)
A General Plan Amendment serves as the policy framework for enacting the infill strategies in this Strategy, for pursuing additional funding and support, and identifies the City's goals, policies, and priorities based on community input. The policy framework is included as Appendix B of this document.

5. **Pilot Neighborhood Infill Planning Effort** to identify methods to address residential infill and deep lot development strategies (2002). Conduct a pilot planning effort in Gardenland neighborhood to provide a strategy to address division of large and deep single-family zoned lots, challenging infrastructure requirements, and ensuring that infill strategies support neighborhood preservation and vision. Strategies identified in this effort will be applied in subsequent years to other neighborhoods with large and/or deep lots (*Mar.-August 2002, Planning Division, with assistance from other Departments*).

Other related programs underway or programmed that are necessary to achieve infill development.

Review and Adjust Traffic Levels of Service Standards in connection with comprehensive traffic studies in connection with the planned Community Plan Updates and future General Plan updates (2002-4). This will include community participation and input on appropriate levels of service and other considerations for various locations, roadway types, and consideration of various circumstances and objectives.

Transit Station Area Plans. The City, in connection with the Sacramento Regional Transit District (RT), has several light rail station planning efforts in process that will result in recommendations for the adoption of transit-oriented development plans and implementing zoning. No transit-oriented development at these stations can take place until the City has completed publicly noticed land use and zoning changes, design guidelines, and completed environmental analysis.

- A. 65th Street Station (Adoption of Plan and EIR in Spring/Summer 2002)
- B. South Light Rail Stations (Phase 1). Completion of RT led-study by mid-2002, requires plan amendments and environmental review by City (2002-3)
- C. Swanston Station. RT-led effort in 2002, will require plan amendments and environmental review by City (2002).

Transit Area Zoning Overlay (2002). This is a zoning tool to implement transit-oriented and mixed use development after adoption of transit station area land use plans. The first opportunity for its application will be the 65th Street transit village plan. This implementation tool will be applied to those parcels that are identified in the plan for transit-oriented development or reuse. These can be applied to appropriate lots in other station areas in conjunction with adoption of transit plans and necessary environmental review.

Commercial Corridor Overlay Zone (2002). This is a proposed zoning implementation tool to address land uses and design in neighborhood commercial corridors that do not have design review processes or are within special planning districts.

STREAMLINED REGULATORY PROCESS AND FLEXIBLE STANDARDS

Effective infill programs address the regulatory process, including a streamlined process with lower levels of review, more flexible regulatory requirements including building code and infrastructure standards, and different regulatory requirements for infill development, particularly for traffic levels of service, street standards, and parking. As mentioned previously, a changed approach to addressing traffic impacts for infill development rather than requiring traffic studies for each individual project would require a larger study and traffic mitigation approach.

The Infill Strategy includes the following programs to broadly address streamlining objectives.

- 6. **Pre-Project Review (Existing Program).** The City offers informal and formal pre-application meetings with prospective developers to provide guidance in terms of City goals and requirements, identify potential issues, and discuss the future process for development.

7. **Streamlining for Small Development Projects.** Infill projects are frequently small projects that require higher levels of review than appear warranted given the size and scale of the project. Prior to development of the flexible standards identified in the previous program, staff proposes to delegate certain decisions from the Planning Commission to the Zoning Administrator or Planning Director, to reduce the cost and process associated with these actions.
 - A. *Small subdivisions of four or fewer lots (Adopted February 2002).* Reduces the process and hearing process while allowing for neighborhood notification and review.
 - B. *Variances and Special Permits and Plan Reviews related to Single Family Homes (Summer 2002).* Reduces the process and hearing process while allowing for neighborhood notification and review.
 - C. *Streamlining for multi-family projects.* The City's Housing Element, adopted June 2000, calls for streamlining for plan review and approval of smaller multi-family projects in the city (100 units or fewer) that meet the City's adopted Multi-family Design Principles, delegating approval from Planning Commission to Planning Director level of review (Adopted Program 4.9 of the Housing Element). This program is scheduled for separate process, neighborhood notification and input, and adoption in connection with the 2002 Housing Element Update. The process would still allow for neighborhood appeal and Council call-up (July 2002)

8. **Streamlining/Flexible Infill Development Standards** (*New Program for Adoption Fall 2002*)

With the input of stakeholders from the development industry, City departments, and neighborhood and business associations, the City's Development Oversight Commission will recommend for adoption zoning ordinance/code revisions that apply flexibility and would provide for staff level approvals for infill development that meets desired criteria (to be determined through stakeholder group). Flexibility could include the following:

- a. Zoning issues (i.e., density, setbacks)
- b. Parking - number and standards/maneuvering, provision off-site
- c. Public improvements - Private streets, driveway widths, parking standards
- d. Traffic levels of service
- e. Alley paving
- f. Street lighting
- g. Off-site improvements (roadways, sidewalks, etc.)

The proposed streamlining measures would go through public review process and public hearings and adoption by the City Council.

There are also various other aspects of the City's development processes, including building permit and inspection processes, that have identified as concerns. The Infill Coordinator, working with the Development Oversight Commission, will identify some process improvements to address these concerns.

9. **Development of pre-approved house plans for single family infill development** (outside Central City) (2002).

In this program, the City will commission up to 10 house plans for common lot sizes found in infill areas that meet the City's design standards, are pre-approved through the design review and plan check processes, and can be purchased at a discounted rate for property owners who wish to use them. This program could also be modified to also include plans by infill developers that already have been through the design review and plan check process and wish to use the same house plan more than once. Proposed house plans will be reviewed through a public process and reviewed at public meetings of the Design Review and Preservation Board, Planning Commission, and City Council.

FINANCIAL INCENTIVES

In connection with strong policy support, effective infill programs include significant financial or other direct support, from a variety of sources. Typical methods include tax-increment financing, acquiring and assembling land, fee reductions and deferrals, assuming or sharing costs of infrastructure improvements, allocation of general funds, and using or leveraging other funding sources such as community development block grants, housing funds, tax credit programs, and other funding programs.

Given limited available municipal resources, new programs for financial assistance are among the most difficult strategies to achieve. There are specific issues and constraints related to fees and infrastructure.

Fees and Fee Reductions

On a per-unit basis, fees for infill development are typically slightly lower than in newer areas, but as infill areas do not generally include systemwide ways to address infrastructure impacts as in many newer areas, infrastructure costs are required to be funded directly by infill projects, which results ultimately in higher per-unit costs than in newer areas. Fees also are a greater factor for smaller projects and those with lower sales or rental rates, as they are a greater proportion of the overall costs.

Generally, using a single family unit as an example, permit fees are approximately \$14,000 per unit in infill areas. The largest individual components of development fees are re school impact fees (\$2300 per unit), regional sewer impact fees (reduced in infill areas in April 2002 from \$3500 to \$2300 per unit), and park development impact fees (increased in May 2002 from \$1300 to \$1900 per unit). The city currently has programs to waive the water development fee (approximately \$1900 per unit) for small residential projects and to reduce the regional sewer impact fee from \$2300 to \$923 per unit.

Fees are one component for the overall costs for development, and reductions have the greatest impact where there is a slim profit margin and reducing fees can make a project financially feasible. In cases where the economics of development require additional subsidies, higher levels of subsidization are required based on the extent of fees. In two areas are the fees most critical:

Older Low Density Residential Areas. In the targeted residential areas, where goals are to build on individual lots, research indicates that to be profitable, total fees need to be approximately \$5000 to \$6000 while the current rate is about \$14,000 per unit. Most developers in these areas either require subsidies or identify lots with prior structures on them (and no liens) so as to get credits for the prior use.

Central City Residential. The City applies the same formula for assessing various park fees citywide, and the Central City includes some unique characteristics that make this problematic. Park land dedication or in-lieu fees under the Subdivision Ordinance (Quimby fees) are determined according to a formula based on density and the assessed valuation of land. Due to high land costs and higher densities in the Central City, and as only housing projects for owner occupancy (e.g., single family homes, townhomes, condominiums) are subject to this fee, it serves as a significant disincentive to develop ownership housing in the Central City, where park in-lieu fees can be \$10,000 to \$20,000 per unit for individual sale. This has resulted in some projects opting to develop as apartments rather than condominiums or townhomes, counter to City policies to promote increased ownership housing in the Central City.

Park impact fees are applied to residential development at a higher rate than non-residential development, although the Central City has a 4 to 1 ratio of employees to housing units, and Central City parks are extensively used not only by downtown employees but also for community-wide events.

Other fee issues. If available, fee reductions can help in addressing the financial constraints, often combined with other funding sources, but alone may not pose a constraint or are part of the funding gap sought to be addressed through some kind of subsidy. Although often cited as a good infill development incentive, there are difficulties in enacting new fee reductions and waivers in California, as virtually all new fee or tax modifications are limited by legal requirements that govern taxes and fees and how they are allocated. In the City, most new fee reduction

programs must be paid for with General Funds or some other ongoing funding source, for which there are competing demands.

Infrastructure needs. In Sacramento, infrastructure assistance must be allocated as part of an established Capital Improvement Program (CIP), for which there are limited funds and competition. Virtually all development-serving departments in the city rely on impact fees or direct provision of infrastructure to address demands created by new development, and are not budgeted with many alternative sources of funding to address requirements of infill projects.

The Infill Strategy includes the following short-term programs to address some financial incentives, but longer term solutions will also be required.

10. **Continuation of Existing Fee Waiver and Reduction Programs** (including water development fee waiver, planning entitlement fee reduction, and sewer facility fee reduction) and delegation from City Council to Planning Director to award sewer fee reductions for small housing projects.

A. Water development Fee Waiver (*Existing Program*)

Since 1987, the City has had a program to waive water development fees (which are approximately \$1900 per single family unit or equivalent) for small residential projects in redevelopment areas, and small residential projects in areas where the median age of housing was built prior to 1965, is consistent with community plan and zoning, and is surrounded on three sides by development.

B. Sewer Facility Fee Reduction (*Existing Program*)

The City also participates in the Sacramento Regional County Sanitation District (SRCSD)'s Economic Development Capacity Facility Treatment Capacity Bank to reduce sewer facility fees. Regional sewer facility fees in most infill areas are currently \$2300 per equivalent single family dwelling; the Treatment Capacity Bank allows for the allocation of reduced fees to a limited number of residential and non-residential development projects. Under the original program, all credits are awarded by the City Council.

Since targeted residential projects are frequently very small projects, a minor modification to this process would authorize the Planning Director to award sewer fee credits to residential projects of 20 units or fewer within target areas or that meet other infill criteria. (*New program, May 2002*)

C. Reduced Planning Entitlement Fees (*Existing program*). The Planning Division offers a 25% reduction in planning entitlement fees for small infill projects.

11. **Targeted Single Family Fee Reduction Program (2002).** Dedication of new funding (\$150,000) to support write-down of development fees in targeted residential neighborhoods to the \$5000 level to leverage development. This funding is estimated to support approximately 30 units annually for projects of four or fewer units. This program is included in the proposed FY02-03 budget.
12. **Review of Central City Park Fees (2002).** Park fees in the Central City need to be re-examined to determine an equitable way to address the impact of new development on Central City parks. This can be included in the update of the Parks Master Plan. To avoid discouraging new ownership housing in the Central City from in-lieu fees of \$10,000 to \$20,000 per unit, lower the park in-lieu fees on an interim basis while the Parks Department revises that section of the Subdivision Ordinance to provide a more permanent solution.
13. **Use of annual Public Works and Utilities Capital Improvement Program (CIP) funding** in the amount of at least \$168,000 annually in each fund to support infill housing and mixed use projects. For this fiscal year, this funding has been allocated to support infrastructure needs in Del Paso Nuevo infill project.
14. **Dedication of Jobs-Housing Balance Incentive Grant** toward infrastructure assistance to benefit infill target areas and neighborhood revitalization (2002).

The Jobs-Housing Grant is a grant funded in the State's FY 00-01 budget that awards grants based on an increase in the number of new housing units for which residential building permits were issued during calendar 2001, compared to the average number of permits during the most recent measurable 36-month period prior to 2001. Eligible jurisdictions are those with a certified Housing Element with housing exceeded established thresholds. Additional points will be awarded for projects which meet any of the following criteria: multi-family, infill development, or properties with affordability covenants and/or price limits.

Based on estimated development activity, the City should be eligible for more than \$2-3 million. Further detail on targeting these funds will be developed for Council action before formal submission of grant application, but major targets include land acquisition, infrastructure assistance in infill target areas and implementation of neighborhood and infill plans. This grant is currently on hold and recommended for defunding by the Governor's FY 02-03 budget.

15. **Explore methods to allow for release of liens on property when donated to non-profit developer (2003).**

Many infill lots are constrained due to liens on the property due to unpaid taxes or fines. When these liens approach or exceed the property value, it ensures that the property will not be sold or donated and remains vacant. Unpaid City fines are forwarded to the County for collection, where they can remain unauctioned for up to seven years, and continue to remain vacant and potential blight and nuisance lots. This program would entail working with the County, City Code Enforcement, and addressing legal and accounting issues to allow for forgiveness or reduction of liens when property is donated to a non-profit developer to develop infill housing or community-enhancing facility.

In addition to City programs that are directly administered, coordination and referrals to additional financial incentives can also greatly benefit infill development. Major categories are described below.

- Historic preservation incentives, including tax credits, loans, and revolving funds
- Brownfield revolving loan programs to address toxic cleanup.
- Housing funds and programs, tax increment and bond financing, and other local, state, and federal housing and redevelopment programs administered through the Sacramento Housing and Redevelopment Agency and/or Capital Area Development Authority.

CLEAR DESIGN GUIDELINES

Appropriate design guidelines can ensure that infill development is designed in a fashion to meet infill goals, provides guidance to prospective developers, and helps to address community concerns over quality development. Development with the Central City and most redevelopment areas currently undergoes a design review process based on a guidelines. Residential development in North Sacramento outside redevelopment boundaries has a minimum design checklist process. The City also recently adopted single and multi-family design guidelines. Some infill areas that do not undergo any design guidelines include some of the commercial corridors, transit stations outside the Central City, and some single family housing in the south part of the city not in redevelopment areas.

Several efforts are in process or programmed to implement some minimum design standards in infill areas that currently do not have any.

- Citywide single family checklist (*June 2002*). This will establish a checklist that applies to all single family development without any discretionary review mechanism or outside established design review areas.

- Guidelines for commercial corridors (*Fall 2002*). Will be included in commercial corridor guidelines outside design review areas and special planning districts.
- Guidelines for 65th Street transit station area. (*Summer 2002*) Will be included in 65th Street transit village plan.
- Guidelines for targeted south light rail stations (*2002/3*). This will be included in connection with the City's land use transit plans when plan amendment and rezonings are taken forward.

COMMUNITY ACCEPTANCE

Effective infill programs and projects are those where the community is informed and involved in the process. This usually includes educating the community on the goals and benefits of infill, listening and responding to their concerns, and ensuring high quality and safe design. The following programs are included in the Infill Strategy to address these objectives:

16. **Marketing Infill Program.** This is intended both to market the City's available infill incentives and available programs to prospective developers and property owners, but also to advocate infill development, include community concerns in ongoing implementation of the City's infill program, and discuss the neighborhood benefits of successful infill projects.
 - Creating neighborhood based pilot planning effort in Gardenland to address accepted ways for addressing large and deep lots and preserve neighborhood interests and character (*2002*) (also under "Plans and Zoning")
 - Including neighborhood representatives in process for developing flexible development standards for infill (*2002*) (also under "Streamlining")

APPLICATION OF THE CITY'S INFILL PROGRAM

The infill program is designed to address the most pressing issues concerning infill development and provide greater certainty in the development process.

The following sections summarize the process and benefits for infill development in various areas that will be realized by ongoing implementation of the Infill Strategy.

Infill Development - General

Prospective development that meets the City's infill definition would be eligible for the proposed regulatory process improvements and staff assistance for issue resolution.

In addition, proposed development that meets the criteria for water development fee waivers (within an area of median age of 1965 or earlier, residential of two acres or less for multi-family and five-acres or less for single family, and surrounded on three sides by development) will continue to be eligible to receive the water development fee waiver.

Infill Development in Targeted Areas

The financial and most regulatory assistance is targeted to the defined categories: Target residential areas, Central City, commercial corridors, and transit station areas. For purposes of analysis and determining programs to specifically address these targeted areas, the infill development process has been divided into four major steps, each of which can ultimately determine the financial feasibility of infill development and the likelihood that a developer will take the risks associated with such investment.

1. Land and Development Opportunities: *Is there land available and ready for development?*
2. Development Approval Process: *What process and time is required to get approval to build the project?*
3. Other Development Requirements and Costs: *What requirements and costs are required for development, including development fees and infrastructure and other mitigation requirements?*
4. Market for Development: *What is the likely market to purchase, rent, or lease the project when built?*

The following outlines the major issues in each of these categories and specific strategies to address their development.

TARGETED RESIDENTIAL NEIGHBORHOODS

These target areas include older residential neighborhoods that have experienced disinvestment, have significant numbers of vacant land and underused residential parcels and large or deep lots, and neighborhoods within redevelopment project areas, are identified neighborhood revitalization planning areas, and community development block grant eligible areas. Outside these target areas, there are also individual residential sites with land or market constraints. (*See Map 1 on page 36*)

Objectives:

The objectives for infill development in this area:

- Preservation and enhancement of neighborhoods through development of new housing with quality design
- Promotion of home ownership
- Development of housing to meet needs of residents, including opportunities for move-up housing, larger houses with more bedrooms, and senior housing
- Support of redevelopment and other neighborhood revitalization efforts
- Rehabilitation and restoration of historic properties
- Reduction in illegal dumping and other activities on vacant lots
- Support the development of parks, green spaces, and other neighborhood enhancing uses on appropriately located vacant or under-used lots.

Land and Development Opportunities:

These target neighborhoods include a substantial number vacant and underused lots, encompassing over 1,600 vacant lots representing potentially 3,000 or more units. Land costs are typically not a constraint to development, although due to low holding costs many vacant parcels are not on the market for sale. Other parcels may have liens as a result of nonpayment of taxes or costs associated with demolition enforcement actions.

Development Approval Process:

In general, the development review and approval process required for smaller residential developments is disproportionate to the size and scale for projects, particularly in many of these targeted areas. Out of need to ensure quality of design, residential projects in these areas typically have to undergo some level of

design review, from formal discretionary design review to conformance with a design checklist. Proposed development within redevelopment areas also must undergo review by redevelopment area committees (RAC) or project area committees (PACs). To create additional units on large or deep lots, proposed development must go through subdivision or zoning administrator review.

Other Development Requirements and Costs:

Due to the age or development history, some of these neighborhoods do not have modern infrastructure and new development cannot occur without triggering requirements for extensions of roadways, sidewalks, streetlights, and/or extension of water, sewer, or drainage systems. These costs can be a significant deterrent to infill development in these areas.

Given the modest sales prices, development fees are also a factor associated with the viability of infill development. Those who do seek to develop in these neighborhoods often seek out parcels that previously had housing units to as to receive fee credits for the sewer and school and water development fees, the highest development fees which total approximately \$8,000 per single family unit, or about 60 percent of the total fee load.

Market for Development:

Neighborhood revitalization and infill development are linked, as increased investment in the neighborhood can enhance the neighborhood, and actions to enhance neighborhoods can also make them more marketable for infill development. Typically, these neighborhoods contain some of the most affordable housing in the region, particularly for home ownership.

City actions that reduce the costs for processing and development will assist in creating an adequate profit margin to make investment more attractive.

GOAL: Additional 30 to 80 units per year

Strategies: Proposed single family homes in target areas will benefit from the following programs:

- Streamlined development process allowing staff level (Zoning Administrator) review for variances and special permits and subdivisions for small residential projects

*Funded from Planning Division operating budget
Adoption Summer 2002*

- Use of pre-approved single family house plans that meet design criteria.
Result: Reduce review time from 4-8 weeks to 1 to 2 days.

*Funded from Planning Division operating budget or through grant funds:
\$25,000 to \$35,000 one -time funding.
Adoption Winter 2002*

- Reduce development fees from an estimated \$14,000 to approximately \$5,000 per unit for targeted residential areas through several mechanisms.
 - A. Continue to implement water development fee waiver for eligible areas
 - B. Allocate regional sewer facility fee credits to housing within target areas
 - C. Combined with fee reductions in R.2 A and B, write down fees to flat rate of approximately \$5-6,000 per unit, on a first-come, first-served basis annually - will require City Council action in FY 02-03 budget.

Water development fee waiver and sewer facility fee waiver existing funded programs.

Additional program to be funded through General Fund; included in FY 02-03 budget.

- Assist with project infrastructure costs and requirements (Infill Coordinator, Public Works, Utilities Department)
 - Allocate approximately \$168,000 annually funding from Public Works fund to provide assistance in meeting project-related Public Works requirements (e.g., street improvements, curb/gutter/sidewalk requirements, street lighting requirements). Funding will be allocated annually until depleted, typically not to exceed \$25,000 per project.
 - Allocate at least \$168,000 annually funding from Utilities fund to provide assistance in meeting project-related Utility requirements (e.g., water, sewer, drainage extensions or improvements). Funding will be allocated annually until depleted, typically not to exceed \$25,000 per project.

Priorities for providing Public Works or Utilities infrastructure assistance (A and B) will be as follows:

1. Where infrastructure improvements provide benefit to larger neighborhood
2. Where project is catalyst project
3. Where project is high visibility (near major corridor, park, etc.)
4. Where project will provide public safety benefit

Result: Assist 10 to 35 units annually and along with provision of additional neighborhood enhancements. Funded at least \$168,000 each from Public Works and Utilities CIP funds annually. All funding allocated to Del Paso Nuevo for current fiscal year.

- Upon completion of pre-approved house plans and fee reduction program, conduct a mailing to all property owners within target area to let them know of program and invite them to participate

Funded: Planning and Building Department operating budget (Fall 2002)

Result: Making additional land available for sale or development.

- Coordinate with SHRA to offer developer incentives and first-time homebuyer programs.

Result: Bundling of mutually supportive programs to increase incentives for development.

- Coordinate infill development incentives with neighborhood planning and revitalization strategies (e.g., Gardenland, Weed & Seed in Avondale-Glen Elder neighborhoods, Oak Park Renaissance, Tahoe-Colonial SNAP implementation, Dixieanne neighborhood plan implementation).

Result: Identify neighborhood desires for infill development and assist in improving neighborhoods to make it more attractive for development.

- Develop a program to waive City liens for properties where liens approach or exceed property value when land is donated to non-profit housing developer or community organization for development. This is a longer term program due to the complexities of assigning fines, assessing liens, and forwarding to the County for collection (2003).

Result: Address vacant sites that have no development potential due to level of liens on property.

CENTRAL CITY

The Central City includes opportunities for additional housing and reuse. As the regional core, the Central City provides urban housing and cultural and entertainment opportunities not available elsewhere in the region. Within the Central City, several entities are involved in the development process, including the State of California for state-owned facilities, the Capital Area Development Authority (CADA) which promotes housing and mixed use development in the Capitol Area, the Sacramento Housing and Redevelopment Agency (SHRA)

which administers housing programs, and the City Downtown and Planning Departments. In addition, business organizations including the Downtown Partnership, Old Sacramento, and Midtown Business Association are also involved and active in the future development of the city, as well as numerous neighborhood and other interest organizations. (See Map 2 on page 37)

Objectives:

The objectives for infill development in this area:

1. Additional housing development to provide support for retail, cultural, and employment
2. Additional development of housing for owner occupancy
3. A mix of housing types for all income levels
4. Support of redevelopment and other neighborhood revitalization efforts
5. Rehabilitation and restoration of historic properties
6. Reduction in auto dependency

Land and Development Opportunities:

The Central City does not include much vacant land, but includes substantial opportunities for reuse, including adopted plans for housing and mixed use development in the R Street corridor, Capital area, housing and retail potential in K Street Mall, historic buildings available for reuse, and additional smaller infill opportunities throughout the Central City. Some land is constrained by former uses that may have resulted in toxic contamination. Land costs are typically substantially higher than elsewhere in the city. Opportunities for higher density development are also available.

Development Approval Process:

In general, the development review and approval process required for Central City development is often time consuming as a result of regulatory requirements, design approval, and to meet the unique nature of individual sites in the area. Developments frequently require modifications to standard zoning regulations and parking requirements. In recent years, some streamlining actions have taken place as a result of implementation of the Central City Housing Strategy that have provided greater flexibility and streamlined many of the former requirements for housing and mixed use.

Other Development Requirements and Costs:

The historic nature of the area and the increased development intensity usually requires improvements to the infrastructure to the area. These costs can be a significant deterrent to infill development in these areas.

Among the most significant development-related fees that deter types of infill development are park dedication in-lieu fees that are required for housing projects that require land subdivision (single family homes, townhomes, and condominiums) which can be \$10,000 to \$20,000 per unit, depending on location, and regional sewer facility impact fees that are a significant deterrent for restaurants. The City's Economic Development Sewer Treatment Capacity Bank can assist in reducing sewer fees for restaurants.

In addition, state liability laws are a significant disincentive to attached homes and condominiums, requiring costly liability insurance for those involved in the development process.

Market for Development:

Recent demand, particularly for housing in the Central City, has been excellent, with new homes pre-sold and with waiting lists before construction is completed, and new rental housing also renting out quickly. Generally, if the obstacles to development can be reduced, it appears an ample market is available. Additional housing development will, in turn, assist in increasing demand and profitability for retail and arts and entertainment facilities.

GOAL: 500 new housing units annually. With currently identified funding and incentives, 100 to 200 units annually.

Strategies:

- Develop more flexible development standards for Central City development to shorten and create more certainty in the development process.

*Funding: Planning Division operating budget
Fall 2002.*

- Coordinate reporting, tracking, and referral related to Central City development among City Planning, Downtown, and Economic Development Departments, Sacramento Housing and Redevelopment Agency, and Capital Area Development Authority (Infill Coordinator).

Funding: Through Infill Coordinator

- Reduced development fees
 - a. Continue water development fee waiver for eligible areas
 - b. Lower sewer facility fee through adoption of two-tier rate structure through SRCSD and taking advantage of prior uses
 - c. Interim reduction of park in-lieu fees for ownership housing in the Central City
 - d. Longer term amendments to park fee processes in connection with Parks Master Plan update

Funding: Existing or programs in process.

- Allocate portion of Jobs-Housing grant funding for Central City infrastructure assistance (Planning Division with assistance from other Departments and Council). Grant to be submitted when State determines whether funding will take place. Targets to include R Street Corridor infrastructure requirements, assistance to other projects.

Funding: Currently on hold until resolution of State budget.

Referrals to Other Programs

- In coordination with Downtown and SHRA, pursue use of State Infrastructure Bank, both within and outside redevelopment project areas.

Result: To be determined

- Coordinate with SHRA and CADA in assistance of subsidies for targeted development

Result: Bundling of mutually supportive programs to increase incentives for development.

- Apply historic preservation incentives

Result: Bundling of mutually supportive programs to increase incentives for development.

- Use Brownfield program to the extent feasible.

NEIGHBORHOOD COMMERCIAL CORRIDORS

The City's targeted neighborhood commercial corridors have been identified in the City's Economic Development Strategy (approved by City Council on April 18, 2000). These areas require coordinated attention to land use, streetscape enhancement, business attraction, and other rehabilitation and enhancement efforts. (See Map 3 on page 38)

Objectives:

The objectives for infill development in this area:

- Support the efforts of the Economic Development Strategy and Economic Development Department in revitalizing these corridors and retaining and attracting businesses
- Streamline and simplify development review process for desired types of development
- Provide alternative types of development to support these corridors (i.e., office, education and mixed use.
- Promote historic preservation and adaptive reuse in historic areas

Land and Development Opportunities and Constraints:

Within the neighborhood commercial corridors, there are vacant and underutilized parcels of varying sizes, as well as vacant buildings. Some commercial land has toxic contamination.

Development Approval Process:

Due to their size, commercial development will generally trigger more impact analysis and potential mitigations, including requirements for traffic studies and possible mitigation measures. Currently, most commercial corridors require Planning Commission approval of a Special Permit to permit urban style housing or mixed use projects.

Other Development Requirements and Costs:

Again, depending upon the location, infrastructure costs can be prohibitive in these areas. As in the Central City, sewer facility fees for facilities like restaurants can be very high; however, the City participates in a program to reduce fees for such uses.

Market for Development:

Many factors affect the market for the various kinds of development that can occur in these corridors (i.e., neighborhood demographics, age of structures, inadequate infrastructure, competition from new, large commercial development such as shopping centers). Within these individual corridors, City Economic Development staff is working with the business district associations to:

- build on existing and historic assets
- identify targeted businesses and commercial uses

- strive to create a balance of neighborhood-serving and destination commercial/retail uses and,
- identify a focused site/area(s) for desired development activity.

The market for mixed use and urban housing projects in these corridors is still somewhat untested and will generally require incentives to develop some catalyst projects.

GOAL: No quantified numbers determined.

Strategies:

- Streamline development approval process for projects that are supportable uses and meet design standards, based on commercial corridor guidelines to be developed.

Funding: Planning Division operating budget, Fall 2002.

- Participate in sewer fee reduction for housing projects and for applicable non-residential through Economic Development approval.

Funding: Existing program

Referrals and Coordination with other efforts

- Work with Economic Development Department to facilitate the dissemination of information to developers and provide hands-on assistance to streamline the approval process.
- Apply historic preservation incentives where appropriate

Result: Bundling of mutually supportive programs to increase incentives for development.

- Examine options for use of Brownfield and other remediation programs to the extent feasible.
- Implement infrastructure CIP's (dedicated funding for Public Works/Utilities CIP Project Assistance) in coordination with City Economic Development, where appropriate. All funding committed to Del Paso Nuevo for current fiscal year.

TRANSIT-ORIENTED DEVELOPMENT

The City's growing light rail transit system provides opportunities for higher density and other kinds of transit-supportive development that provides transit

convenience for residents and employees and visitors, as well as improving the usage and efficiency of the transit system. (See Map 4 on page 39 for general locations of transit stations and potential transit planning areas)

Objectives:

The objectives for infill development in this area:

- Mix of land uses and housing types
- Reduction in auto dependency and increased transit ridership
- High quality design
- Development considerate of neighborhood context

Land and Development Opportunities

The City existing light rail line and planned extension to the south offer substantial opportunities for intensification and reuse of land uses around existing and future stations. Since most of the lines follow heavy rail corridors, industrial uses, land assemblage, and some toxic cleanup may be necessary. State legislation recently passed which allows the Sacramento Regional Transit District to acquire land around transit stations for the purpose of facilitating transit-oriented development.

Development Approval Process:

Outside the R Street Corridor, the City has not yet adopted land use plans that support the higher intensity development with reduced parking requirements that are appropriate around transit stations. A plan and EIR for the 65th Street station is underway and scheduled for adoption in Summer 2002, and the Sacramento Regional Transit District (RT), with participation by the City, initiated the Transit for Livable Communities (TLC) effort, a community-based station planning efforts for each individual future south area and existing northeast stations.

After the RT Board makes its recommendations on the conceptual transit station land use plans in July 2002, the City will need to undertake plan amendments, rezonings, design guidelines, environmental review, and an implementation strategy through a public review process and ultimately City Council hearing and adoption. The timing of these efforts will be based on securing funding for environmental analysis.

Other Development Requirements and Costs:

Intensification of these areas would require significant infrastructure improvements and costs, as well as some difficulty obtaining financing without subsidy.

Market for Development

The market for development varies by the location of the stations. Transit-oriented and mixed use development is still a relatively untested market in the Sacramento area, although is achieving great success in the Bay Area and other areas with aggressive programs.

GOAL: 100-200 units annually within two to three years.

Strategies: The first step in moving toward transit station development is adoption of plan amendments and zoning overlay zones to allow for transit-oriented development. This should be achieved in the 65th Street Station area by Summer 2002 and other South area stations in 2002-3.

Immediate actions include the following:

- Use of water development waiver where eligible and sewer facility fee reduction program for housing projects. (*Existing programs*)
- Target individual transit stations with infrastructure and pre-entitlement assistance. Identified targets include:
 - 65th Street Station (2001-2)
 - Meadowview station in connection with RT-owned land (2002-3)
 - Broadway station (2002-3)
 - Swanston Station (2002-3)

Funding: Jobs-Housing Balance grant (if funded), State Infrastructure Bank, Other funding sources to be pursued, coordination with RT

APPENDIX A

INFILL GOALS AND POLICIES

The major goals and policies are found in the City of Sacramento General Plan, Section 1, in Policy 5, Urban Conservation and Infill Areas:

Policy 5 - Urban Conservation and Infill Areas

1. **It is the policy of the City to promote infill development, rehabilitation, and reuse that contributes positively to the surrounding area and assists in meeting neighborhood and other City goals, including the following:**
 - a. neighborhood conservation and enhancement
 - b. redevelopment/blight abatement
 - c. economic development, particularly neighborhood serving retail, office, and employment
 - d. historic preservation
 - e. provision of a range of housing types within communities and neighborhoods, including opportunities for owner-occupied and move-up housing
 - f. development supportive of transit and other alternative modes of transportation
 - g. trip reduction and air quality improvement
 - h. environmental improvement
 - i. compatibility with existing neighborhood and commercial areas
2. Infill development shall be defined as the development, redevelopment or reuse of a vacant and underutilized site of five acres or less, except where designated in the General Plan as an infill target area, that may contain one or more parcels and is substantially surrounded by urban uses, where the median age of the surrounding urban development area is 20 years or more, and where the proposed project is consistent with the general plan, any applicable community plans, and zoning.
3. Within the developed part of the city, the City shall target sites within the following categories and individual site criteria for promoting infill development:
 - a. Targeted residential areas, including redevelopment areas, other transitional neighborhoods and Community Development Block Grant target areas (Map 1)
 - b. Central City (Map 2)
 - c. Neighborhood commercial corridors (Map 3)
 - d. Areas designated as transit planning areas, typically located within 1/4 mile of existing or planned light rail station (Map 4)
 - e. Other individual infill sites outside the target areas that are vacant or underutilized parcels of five acres or less within established neighborhoods or commercial areas, identified as long-term blighted properties with unique physical and financial constraints to development (e.g., toxic clean-up, access problems, odd shaped lot size) and where the proposed project would provide neighborhood enhancement and benefit.

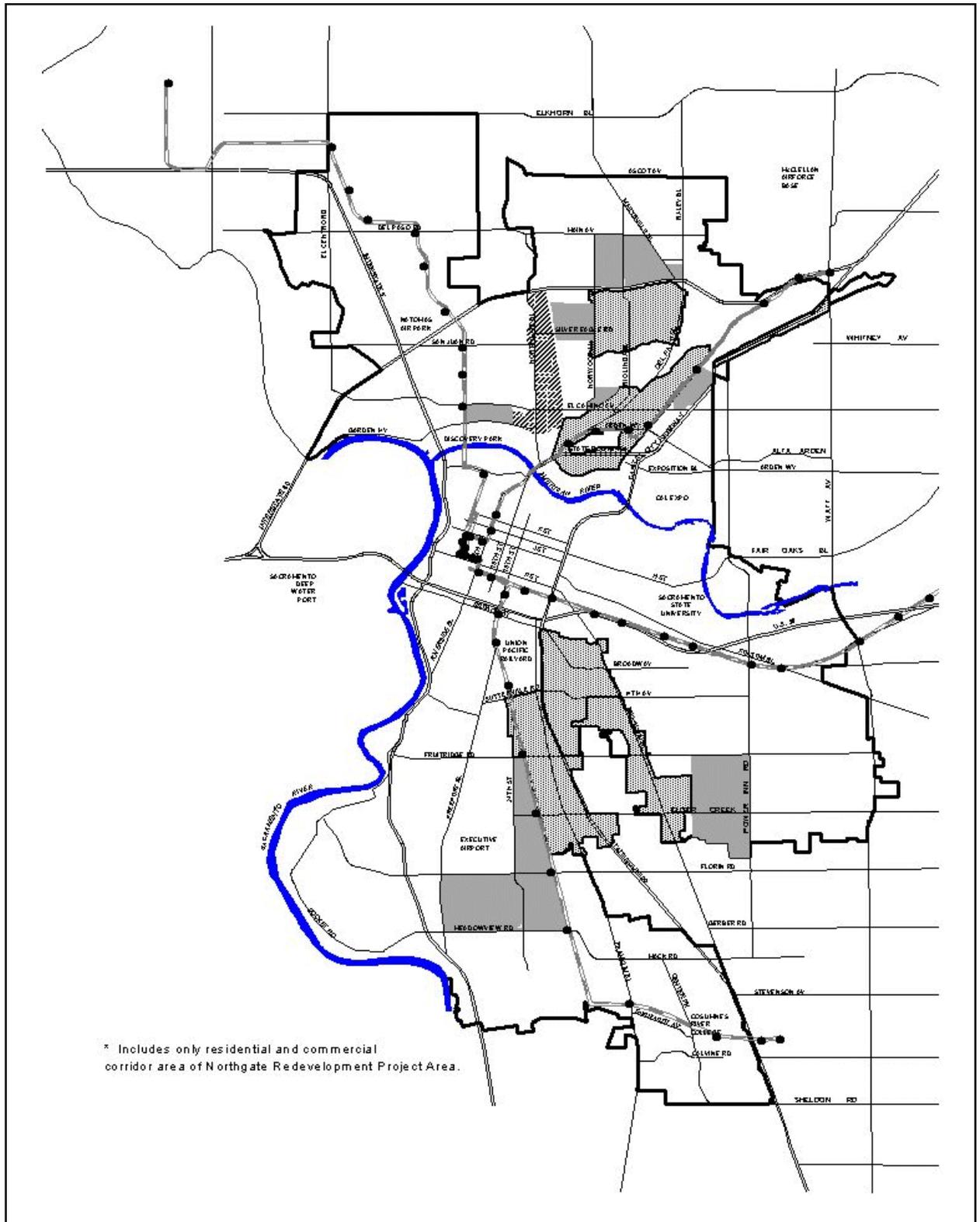
4. The City should promote infill development that meets the following neighborhood, housing, economic and project design objectives, through its policies, zoning and other regulations, design guidelines, and infill incentives.
 - a. Responds to an unmet or underserved need (i.e., grocery store, private youth recreational need)
 - b. Provides positive localized economic benefits (i.e., provides employment for neighborhood residents)
 - c. Adds to the range of housing types available in the neighborhood (within zoning parameters)
 - d. Accommodates a mix of housing affordability levels within a project
 - e. Includes a mix of uses within building (e.g., housing and retail) (within zoning parameters)
 - f. Serves as a catalyst project
 - g. Is transit supportive
 - h. Optimizes site
 - i. Preserves existing resources (e.g., heritage trees, creeks)
 - j. Preserves or restores a historic structure
 - k. Has design and massing in scale with neighborhood
 - l. Provides street-level pedestrian activity
 - m. Minimizes the appearance/impact of parking
 - n. Maximizes energy efficiency (beyond Title 24 requirements) and/or includes significant water conserving features
 - o. Results in environmental improvement (e.g., toxic cleanup)
 - p. Strengthens the linkage between neighborhoods and neighborhood commercial corridors
5. For proposed infill development that meet the City's goals and objectives, the City shall seek to streamline and assist infill projects through the development review process, provide flexibility to accomplish identified infill goals, and review infill developments at the lowest feasible level necessary to meet plan and policy objectives.
6. The City shall promote high levels of coordination among City departments and with Sacramento Housing & Redevelopment Agency and Capital Area Development Authority in promoting and assisting desired infill development.
7. Within legal parameters, the City shall seek to establish equitable fees that reflect infill goals and promote infill development, and shall encourage other entities to establish fees that do not act as disincentives to infill development.
8. The City shall seek to incorporate infill development potential into infrastructure master plans, to provide adequate infrastructure to serve new infill development, including providing focused incentives to assist in the provision of infrastructure for targeted infill needs. The City shall seek to identify infrastructure requirements and costs for major reuse plans and redevelopment projects and identify funding mechanisms to ensure their success and implementation.
9. The City shall support flexibility in providing for providing needed public facilities and services in infill target areas.

10. The City shall support neighborhood improvements that enhance the neighborhood and support infill development.
11. Through its land use plans, zoning, and other implementation mechanisms, the City shall support appropriate levels of density and intensity of infill development based on various locational factors and other City goals and objectives, including neighborhood preservation, proximity to transit stations and routes, and proximity to employment centers.
12. The City shall promote and market its infill development goals and incentives to infill developers, other agencies, and neighborhood, business, and other interested groups and organizations.
13. The City shall monitor its infill development efforts and effects to seek to avoid displacing lower-income and minority households through its infill development and neighborhood enhancement efforts and to involve these communities in infill efforts that could affect their neighborhoods.

APPENDIX B

TARGET AREA MAPS

Map 1 RESIDENTIAL TARGET AREAS



Map 3 NEIGHBORHOOD COMMERCIAL CORRIDORS

