

TOGETHER WE

PLAN

NATIONAL CITY

House National City City Council Briefing

Proposed Density Bonus Opt-In Incentive Program

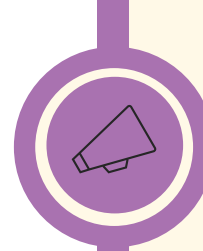


**NATIONAL
CITY**
CALIFORNIA · 1887



KEYSER MARSTON ASSOCIATES.

Contents



The Program and Goals

House National City



Objectives

Meeting Our Goals



Development

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Financial Feasibility

Analysis behind program development



Inclusionary Housing

Overview and steps to take



Next Steps

Implementation

The Program

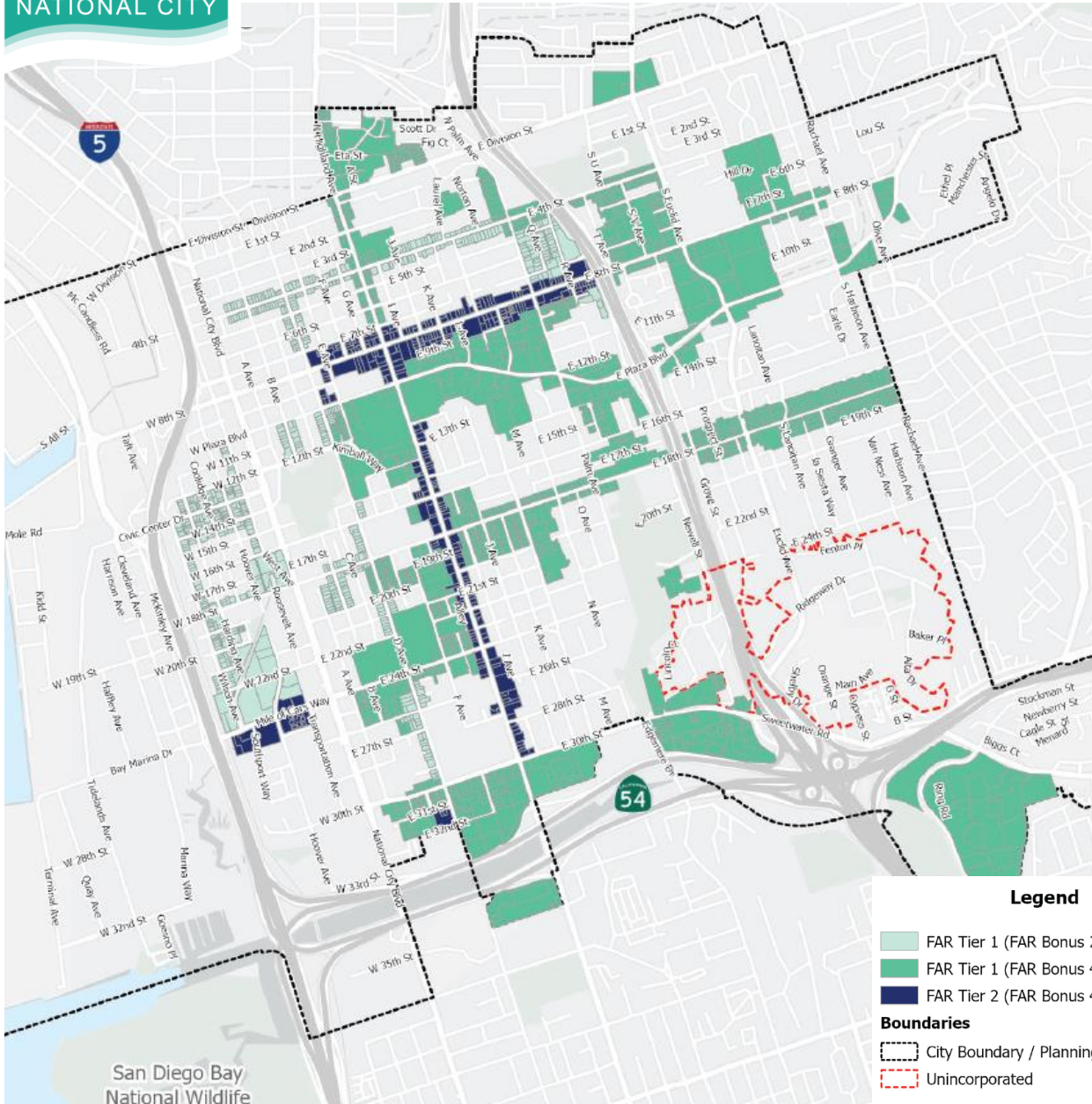
House National City is a new, optional program to incentivize affordable and mixed income housing in strategic areas across the city.

In exchange for affordable housing, qualifying projects receive a Floor Area Ratio (FAR) bonus.

Our Goal

Add more affordable and mixed-income housing, both rental and for-sale options, for current National City residents and new residents.

Our Objectives



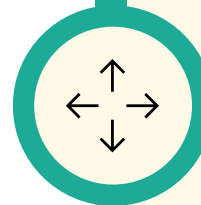
Incentivize Affordable Housing
Incentivize new affordable housing for all generations of National City residents



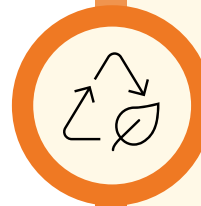
Tailor Plan to National City
Provide National City residents priority, homeownership opportunities, and a range of unit sizes



Provide Community Benefits
Call for enhanced streetscapes and design, relocation assistance, and replacement of existing units



Support Land Use Goals
Support the 15-minute city concept of Intraconnect and the land use goals of the General Plan and TODO



Achieve Climate Action Goals
Reduce Vehicle Miles Traveled
Supports CAP goals

Our Objectives

Community Outreach Completed to Date: 2020 – 2023

- Online Survey
- Webinars (7 total)
- Telephone Office Hours
- Interactive Map
- Stakeholder Interviews
- Planning Commission & City Council Briefings
- Workshops & Hearings (for Housing Committee, Planning Commission, and City Council)

Our Objectives

The Specifics



- **10% of post density units** for 50% Area Median Income or less
- **10% of post density 3-bedroom units** at 80% area median income or less
- **National City Residents**
Local Preference Policy
- **75% of new units** to National City residents
- **Multifamily or mixed-use parcel** within Transit Priority Areas
- **Zoned at least 20 units** per acre – no impact to single-family
- **FAR Bonus of 2.5 or 4** depending on location
- **Height limits remain the same** based on zone

Our Objectives

An Example

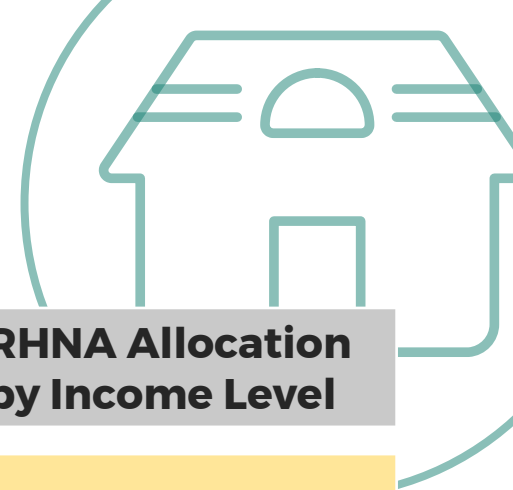


- **RM-1 Zoning**
45 Height Limit
- **7,000 sf parcel (23 du/ac)**
4 units
- **FAR Tier 1 = 4.0**
28,000 sf = 35 units at 800 sf (2BDR units)
- **Post density restricted**
affordable units at 50% AMI = 4
- **Max number of stories**
4
- **DIF charged for 28 units**
instead of 4

Our Objectives

Housing Production Totals

www.nationalcityca.gov/fgpu



Income Level		2013	2014	2015	2016	2017	2018	2019	2020	Production Totals	RHNA Allocation by Income Level
Very Low	Deed Restricted	0	0	0	45	0	0	0	65	110	465
	Non-Deed Restricted	0	0	0	0	0	0	0	0	0	
Low	Deed Restricted	8	108	0	0	0	0	0	71	187	353
	Non-Deed Restricted	0	0	0	0	0	0	0	2	2	
Moderate	Deed Restricted	0	0	0	0	0	0	0	0	0	327
	Non-Deed Restricted	0	1	0	46	116	0	0	0	163	
Above Moderate		67	16	143	12	7	60	166	186	657	718
Total Units		75	125	143	103	123	60	166	324	1119	1863

Our Objectives

Housing Production Totals

Income Level		2021	2022	Production Totals	RHNA Allocation by Income Level
Very Low	Deed Restricted	0	33	33	645
	Non-Deed Restricted	0	0	0	
Low	Deed Restricted	1	113	114	506
	Non-Deed Restricted	0	28	28	
Moderate	Deed Restricted	0	0	0	711
	Non-Deed Restricted	0	0	0	
Above Moderate		54	131	185	3575
Total Units		55	305	360	5437



Our Objectives

Accessory Dwelling Unit Permits and Construction, and Open Space Requirements



		Common Usable Open Space	Private Usable Open Space	Outdoor Space	Dimensions
3 + Units		300 sq. ft. / du	Private Usable Open Space may be substituted for Common Usable Open Space (Substitution Requirements Apply)	40%	None less than 20 ft.
Westside Specific	MCR-1 and CL	300 sq. ft. / du			
	MCR-2	300 sq. ft. / du	75 sq. ft. / du for 3+ units		

Our Objectives

Parking

Parking Enforcement

- Route Management
- Enforced Technology



Parking Capacity

- Angled Parking
- Oversized Vehicle Parking Prohibitions



Parking Utilization

- Online Permit Parking Management System
- Residential Permit Parking
- Parking Meters



Parking Authority

- Key role in ensuring the parking management program is sustainable



Progress Made

- ✓ Installed angled parking
- ✓ Installed 1-hour time restricted parking
- ✓ Installed 30-minute parking
- ✓ Researched and piloted License Plate Recognition technology
- ✓ Implemented an on-line parking permitting system
- ✓ Researched parking meter technologies
- ✓ Reviewed and updated parking citations and fee schedule
- ✓ Drafted update to the Municipal Code

Development of the Program

House National City



- Two-years in the making
 - WSP, GPS, KMA
 - City Staff
 - Community
 - Appointed and Elected Officials
- Best practices
- Economic feasibility study
- Community engagement
- Analysis and recommendations *(development of the Plan)*



KMA Market and Financial Feasibility Evaluation

Evaluation

- 1 Research market and development trends
- 2 Evaluation of test sites
- 3 Financial pro forma to test scenarios

Challenges

- 1 Limited market-rate multi-family
- 2 Base Case scenarios not feasible in current market
- 3 Current financial climate

House National City Program Feasibility

Positive Impacts

Which program features have a positive impact on project feasibility?

- Waivers of DIFs
- Affordable units do not exceed 10% of post-bonus unit total
- Waivers of base zone regulations

Key Factors

When are developers likely to opt into the program?

- Higher market rents per SF can be achieved for smaller units
- Greater density is achieved without a more costly construction and/or parking type

Feasibility

Is the Program feasible?

- Viable under certain site, planning, and market conditions
- Formulated to strike the balance between capturing the value enhancement for community benefits and providing incentives for new development

Inclusionary Housing Programs



Program Features

Inclusionary programs in San Diego County vary

- ➔ % set aside
- ➔ %AMI
- ➔ Production requirement vs. in-lieu fee
- ➔ Off-site alternatives

Inclusionary requirements most feasible on greenfield sites

- ➔ Eastern Chula Vista
- ➔ SR 56 corridor
- ➔ Carlsbad

Inclusionary requirements on urban sites are more challenging

- ➔ In-fill sites typically have improvements with remaining value
- ➔ Inclusionary requirement makes projects less feasible unless combined with offsetting incentives

San Diego projects typically pay in-lieu fee unless they are using a density bonus.



Inclusionary Feasibility Studies

Study may need to comply with AB 1505



Initiation

Identify potential inclusionary housing ordinance requirements



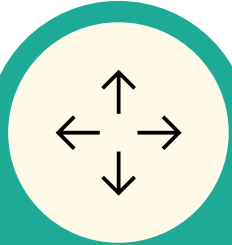
Analysis

Test the financial feasibility of alternative target set-asides / AMI levels



In-Lieu Fee

Calculate appropriate fee levels



Policy Options

- Project Site threshold
- On-site vs. off-site compliance
 - Eligibility to pay in-lieu fee
 - Alternative means of compliance



Report

Prepare report summarizing technical analysis & recommendations for program requirements

Schedule: 1-2 years **Budget:** \$125,000-\$200,000
* Excludes planning, environmental, legal, and community engagement



Mandatory Inclusionary Policy Steps

If The City wants to pursue

Steps

1. Existing conditions analysis
2. Analyze best practices
3. Feasibility study
4. Public outreach
5. Develop recommendations and alternatives
6. Proceed with accepted recommendations
7. Traffic analysis
8. CEQA review
9. General Plan Amendment
10. Develop report
11. Develop municipal code changes
12. Approvals in public hearings

Timeline

12-16 Months

Cost

Order of Magnitude:
 \$800K - \$1.2M
(Approximate)

Why House National City



Affordable Housing

Incentivize new affordable housing for all generations of National City residents



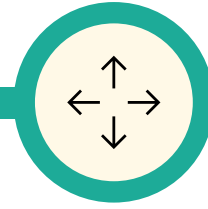
National City Tailored

Provide National City residents priority, homeownership opportunities, and a range of unit sizes



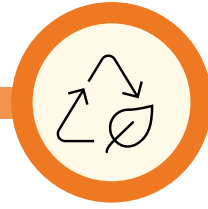
Community Benefits

Call for enhanced streetscapes and design, relocation assistance, and replacement of existing units



Land Use Goals

Support the 15-minute city concept of Intraconnect and the goals of the General Plan and TODO

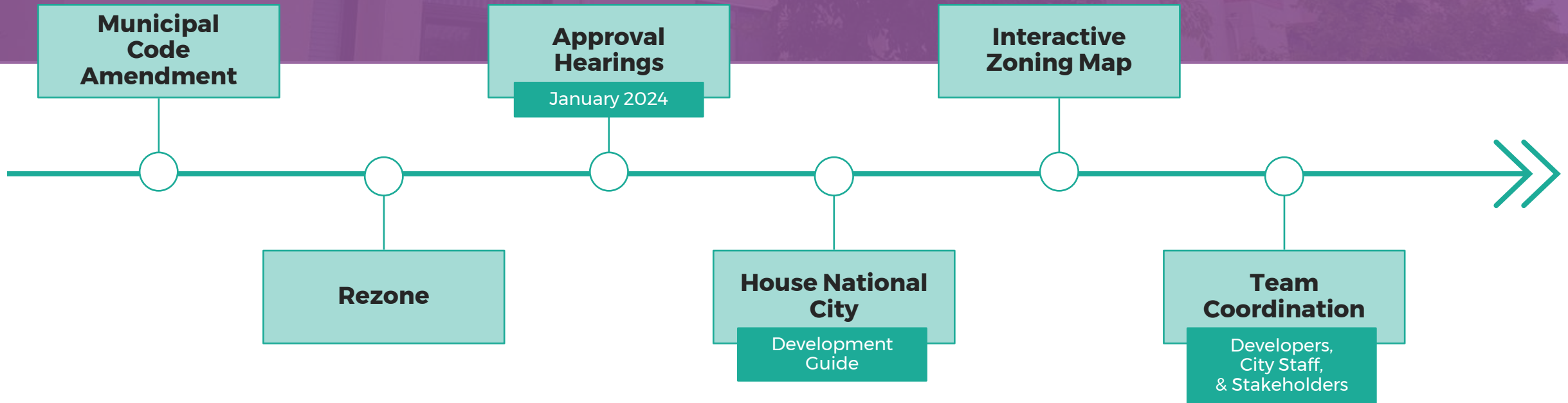


Climate Action Goals

Reduce Vehicle Miles Travelled and support CAP goals

Next Steps

How is this implemented?



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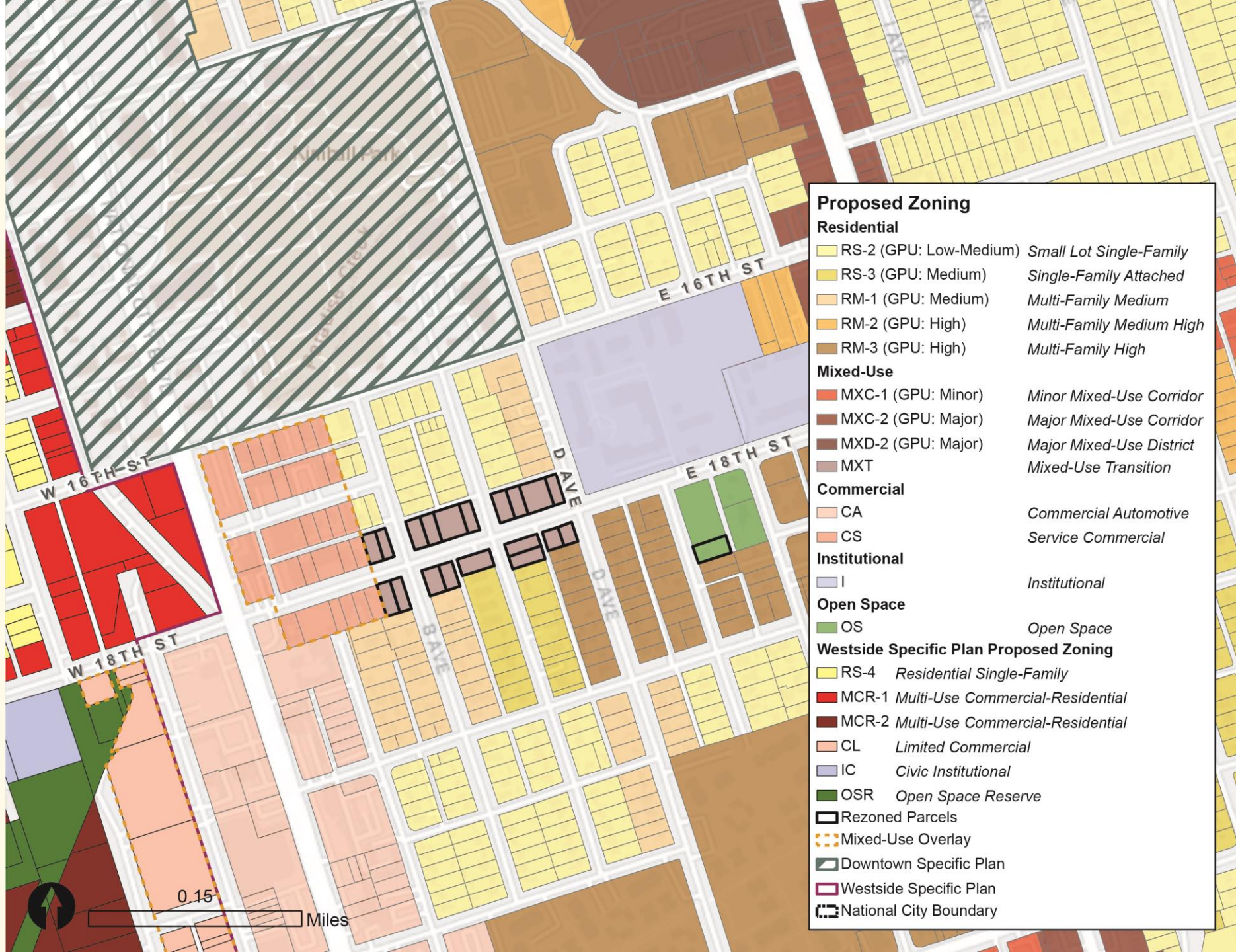
Thank You

18th Street

Rezone to:
 Mixed-Us Transition
 (MXT) and Open Space
 (OS)

Density:
 24 DU/AC

Height:
 4 Stories/45ft



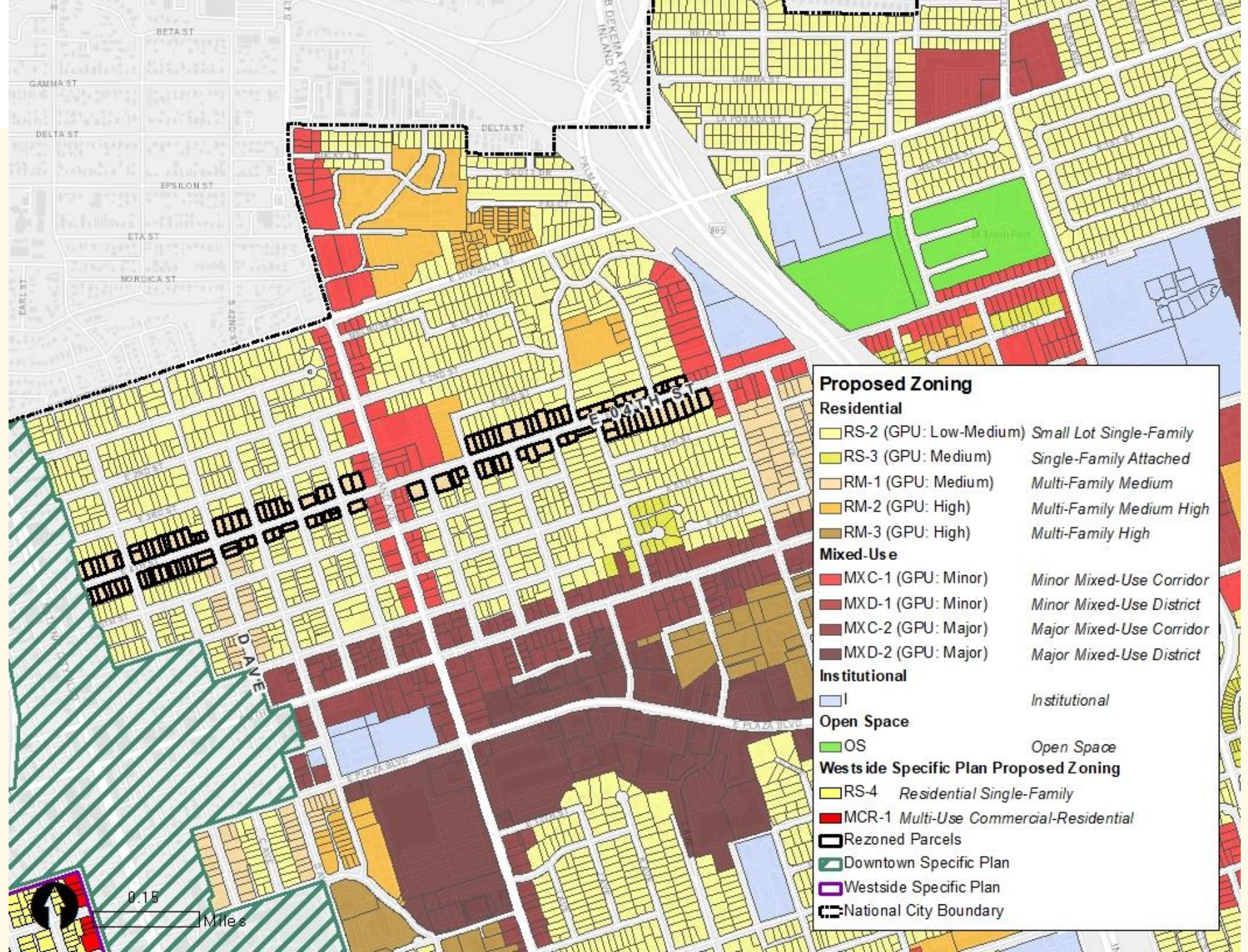
Proposed Zoning	
Residential	
RS-2 (GPU: Low-Medium)	Small Lot Single-Family
RS-3 (GPU: Medium)	Single-Family Attached
RM-1 (GPU: Medium)	Multi-Family Medium
RM-2 (GPU: High)	Multi-Family Medium High
RM-3 (GPU: High)	Multi-Family High
Mixed-Use	
MXC-1 (GPU: Minor)	Minor Mixed-Use Corridor
MXC-2 (GPU: Major)	Major Mixed-Use Corridor
MXD-2 (GPU: Major)	Major Mixed-Use District
MXT	Mixed-Use Transition
Commercial	
CA	Commercial Automotive
CS	Service Commercial
Institutional	
I	Institutional
Open Space	
OS	Open Space
Westside Specific Plan Proposed Zoning	
RS-4	Residential Single-Family
MCR-1	Multi-Use Commercial-Residential
MCR-2	Multi-Use Commercial-Residential
CL	Limited Commercial
IC	Civic Institutional
OSR	Open Space Reserve
[Black Outline]	Rezoned Parcels
[Dashed Orange]	Mixed-Use Overlay
[Hatched]	Downtown Specific Plan
[Pink]	Westside Specific Plan
[Dotted]	National City Boundary

4th Street

Rezone to:
 Medium Density
 Multi-Unit Residential
 (RM-1)

Density:
 23 DU/AC

Height:
 4 Stories/45ft



Proposed Zoning

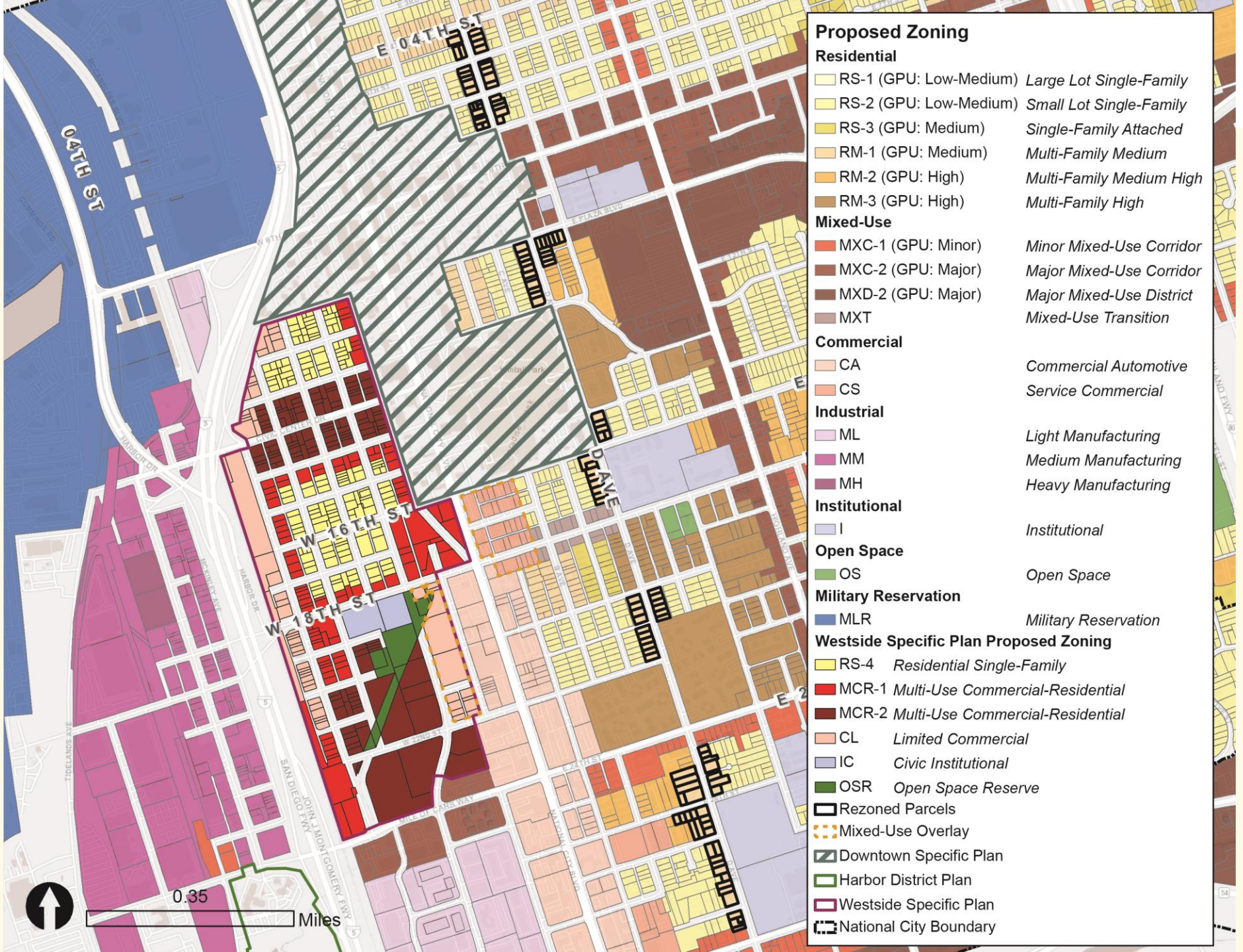
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[Black Outline]	Rezoned Parcels
[Green Hatched]	Downtown Specific Plan
[Purple Outline]	Westside Specific Plan
[Dashed Line]	National City Boundary

D Avenue

Rezone to:
 Medium Density
 Multi-Unit Residential
 (RM-1)

Density:
 23 DU/AC

Height:
 4 Stories/45ft



Proposed Zoning	
Residential	
RS-1 (GPU: Low-Medium)	Large Lot Single-Family
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RS-3 (GPU: Medium)	Single-Family Attached
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ML	Light Manufacturing
MM	Medium Manufacturing
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Open Space	
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Military Reservation	
MLR	Military Reservation
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[Dotted Outline]	Mixed-Use Overlay
[Diagonal Lines]	Downtown Specific Plan
[Green Outline]	Harbor District Plan
[Pink Outline]	Westside Specific Plan
[Dashed Outline]	National City Boundary



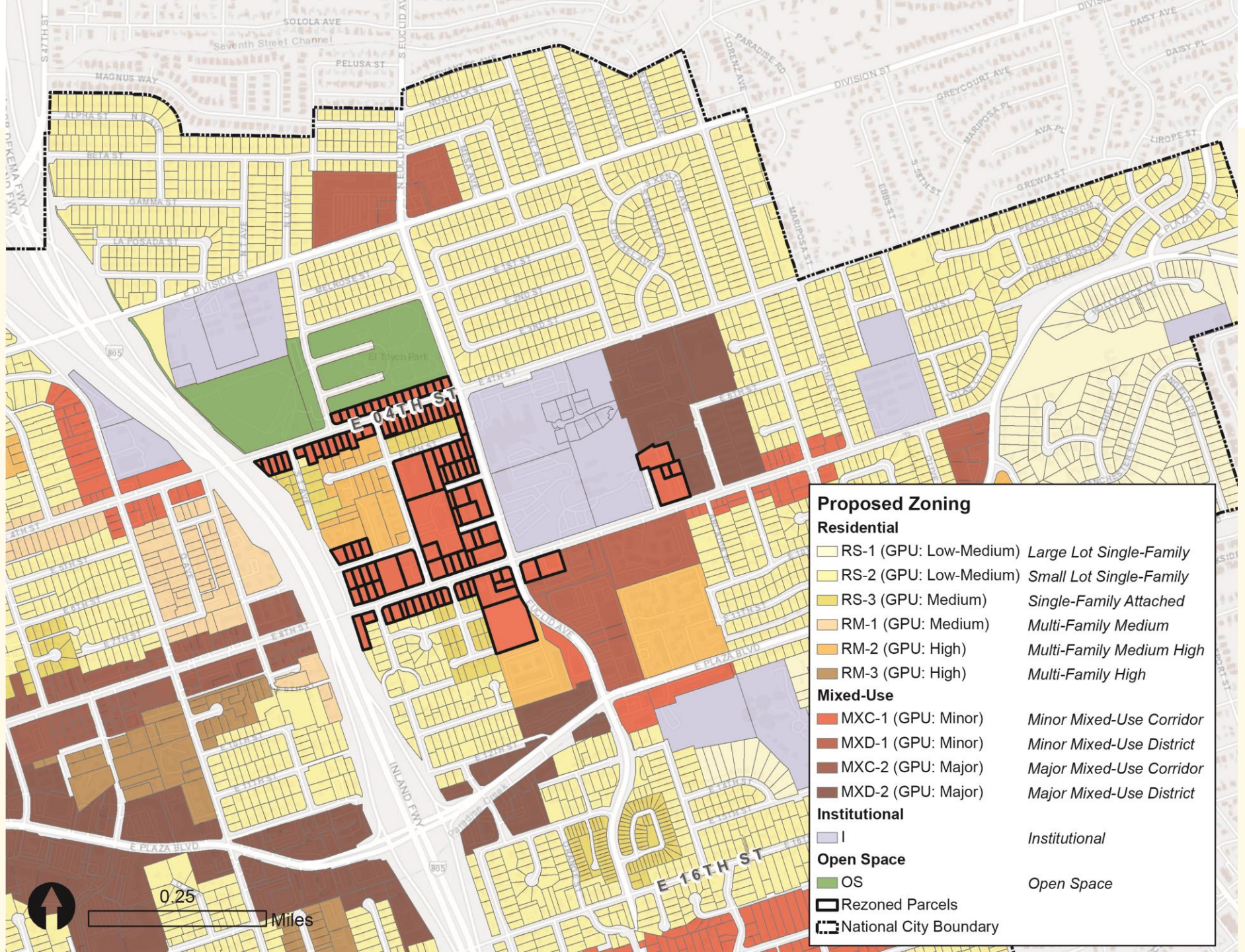
0.35 Miles

Hospital Area

Rezone to:
 Minor Mixed-Use Corrido (MXC-1)

Density:
 48 DU/AC

Height:
 5 Stories/65ft



Proposed Zoning

Residential

- RS-1 (GPU: Low-Medium) *Large Lot Single-Family*
- RS-2 (GPU: Low-Medium) *Small Lot Single-Family*
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Institutional

- I *Institutional*

Open Space

- OS *Open Space*

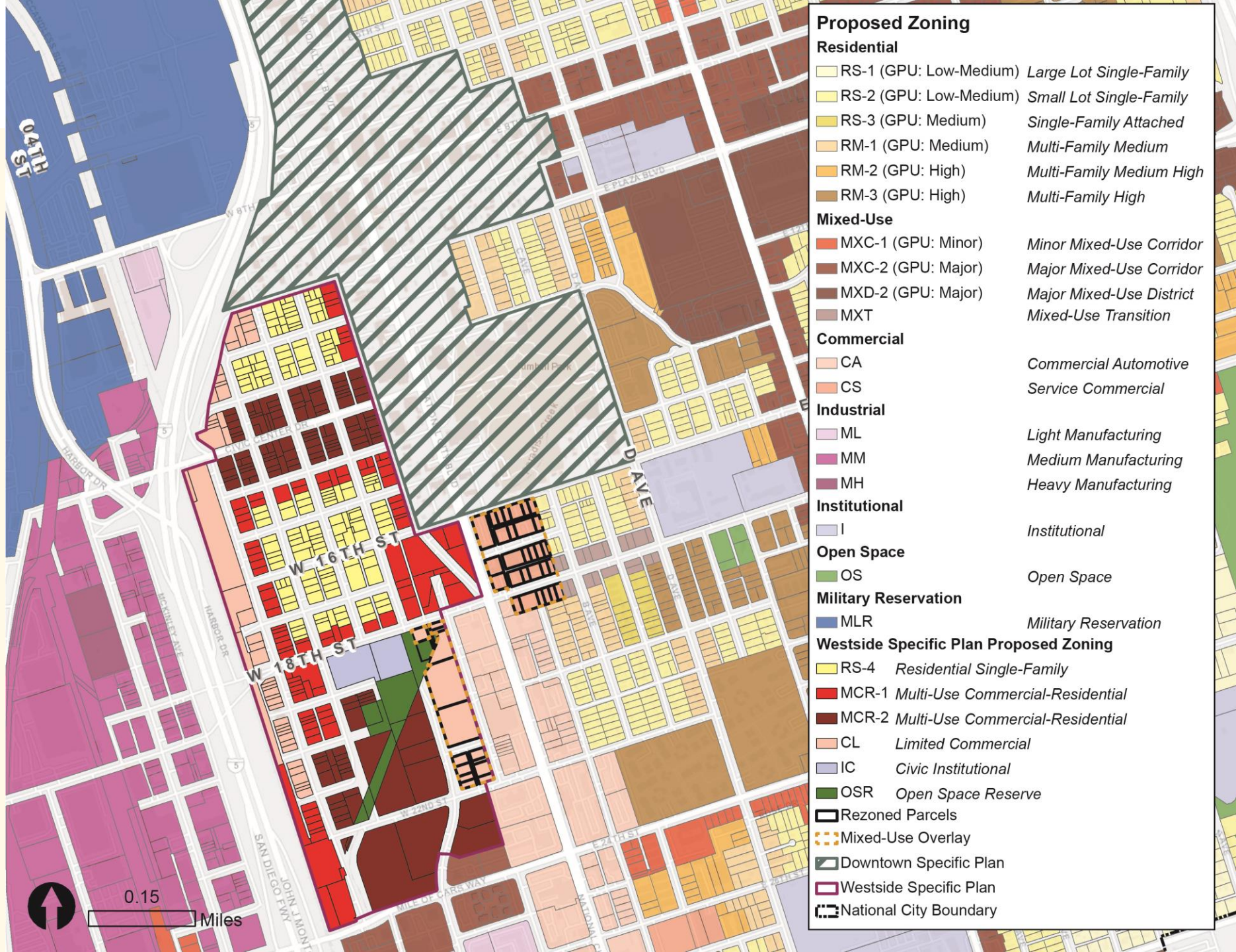
Rezoned Parcels
 National City Boundary

16th Street

Rezone to:
 Mixed-Use Overlay

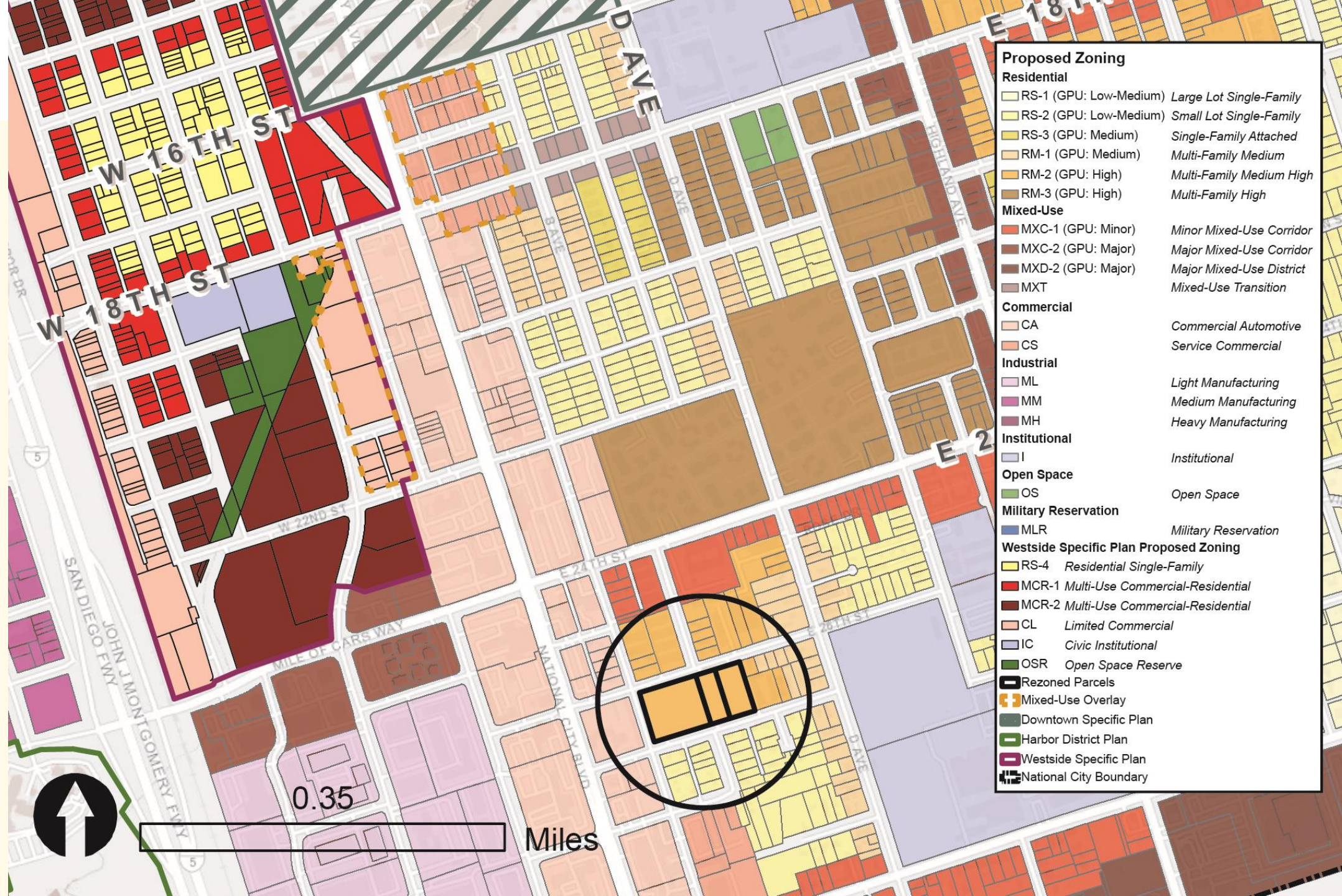
Density:
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Alternate Project Location Alternative



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