Planning for Infill on El Camino Real

Makeover Montgomery

April 15, 2011
Introduction

Photo credit: Grand Boulevard Initiative
Grand Boulevard Initiative

- 43-mile State Road 82
- Daly City to San Jose
- Parallel transit lines
- “Coalition of the willing”
  - 19 cities in 2 counties
  - Federal, state and local governments
  - Transportation agencies
  - Business and development community
  - Environmental and housing advocates
The Grand Boulevard Vision

“Walkable” Mixed-Use

“Complete Streets”

Land Use Intensification

Enhanced Transit Service
Economic and Housing Opportunities (ECHO) Assessment

Purpose of the Assignment:
Making the Case for Transformation of the Corridor into the Grand Boulevard

Our Analysis:
1. Review Growth Scenarios for the Corridor
2. Analyze the Fiscal and Other Benefits of Transformation
3. Visualize Physical Implications of Transformation
Findings

Photo credit: Grand Boulevard Initiative
### Summary of Growth Scenarios: Projected New Households and Jobs in 2035

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Households</th>
<th>Jobs</th>
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<tbody>
<tr>
<td>Greenbelt Alliance</td>
<td>98,849</td>
<td>45,071</td>
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<tr>
<td>FOCUS PDAs</td>
<td>107,135</td>
<td>57,355</td>
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<tr>
<td>GBI Baseline</td>
<td>138,543</td>
<td>89,270</td>
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<tr>
<td>GBI Moderate</td>
<td>190,395</td>
<td>240,264</td>
</tr>
<tr>
<td>GBI Enhanced</td>
<td>246,231</td>
<td>107,135</td>
</tr>
</tbody>
</table>

These projections are pegged to outdated regional growth forecasts.
The Corridor has Capacity to Accommodate Future Growth

- Land capacity > amount of land required for infill
- Can be achieved with financially feasible products at a range of densities

- 20-25 DU/AC – 2+ stories, attached townhomes, underground parking
- 25-35 DU/AC – 3-4 stories, stacked attached townhomes, tuck-under parking
- 70-85 DU/AC – 6-8 stories, flats over structured parking/ground floor retail
Fiscal Benefits of Infill Development ~ $330 million to $752 million in local tax revenues

- Greenbelt Alliance
- FOCUS PDAs
- GBI Baseline
- GBI Moderate
- GBI Enhanced

- Property Tax - Housing
- Property Tax - Commercial
- Sales Tax from New Household Spending
Conversion of Low-Performing Retail Sites to Higher Intensity Uses Can be Generate More Revenues

- Low-Density Retail
- 3-4 Story Residential
- 5-6 Story Residential
- 2-3 Story Office Building

- Property Tax Revenues
- Sales Tax Revenues
Other Benefits of Transformation

- Revitalization and value enhancement
- Time and cost savings for households and employees
- More stable communities
- Provide a variety of housing types
- Access to skilled labor force
Physical Implications

Photo credit: Grand Boulevard Initiative
South SF
San Mateo
Sunnyvale
Redwood City
Physical Challenges

- Small sites – more difficult to finance; unattractive to private capital
- Fragmented opportunities – limited opportunity to create critical mass of transformation
- Visually unappealing environment – auto-oriented strip character
Market Challenges

- Higher cost of infill – land costs, entitlement risks are high relative to value of units
- Big box often “highest and best use” – low density retail uses can generate significant revenues per square foot, and leases are structured based on land value
- Weak short-term demand for housing
- Tight credit market for all types of development
Regulatory Challenges

- Height/density limits
- Slow, complicated approvals process
- High development impact fees
- Ground floor retail/ mixed use requirements
- Suburban parking standards
Fiscal Structure Does Not Encourage Infill Development

- Fiscal implications of new growth are highly variable but rarely considered beneficial to cities.
- Built out communities bear “legacy costs” (ex: unfunded pensions) that increase with new development.
- New development cannot pay for improvements needed to replace/upgrade decaying infrastructure and facilities.
Infrastructure/Facilities Deficits

- Existing infrastructure cannot support significant increments of new growth
- Public realm investments needed to create an environment for mixed-use, walkable, compact development
- Affordable housing and community facilities (libraries, parks, rec centers) needed to create complete communities
Other challenges

- Land-based financing insufficient to cover the cost of transformation given relatively small size of projects and high costs
- Zoning can help, but it is a static and blunt tool with limited impact
- There are no comparables for a corridor transformation at this scale, which heightens risk and dampens market support
Next Phase of Work Takes Closer Look at Implementation

- TIGER II Grant to fund implementation study
- In-depth look at major issues in 4 cities:
  - Removing barriers
  - Infrastructure needs assessment
  - Financing strategies at local and regional level
Questions?

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