

MEMORANDUM

TO: City Council
FROM: City Planning Commission
SUBJECT: **Downtown Development Authority's Proposed Changes to A2D2**
DATE: August 18, 2009

At its meeting on August 18, 2009, City Planning Commission discussed the changes recommended to the City Council by DDA on the downtown zoning amendments.

The CPC is appreciative that the City Council requested its input on the Council's consideration of these recommendations. Also, the CPC acknowledges the expertise and focused interest of the DDA on the incentives to and requirements for appropriate development within the downtown area.

Through the robust public process of the A2D2 project, there were two overarching goals -- more residential density and quality building design. Based on this, the CPC discussion focused on ways to best incorporate the public benefits outlined in all the premiums and to support the development of design guidelines.

The Commission also noted the latest zoning amendments underwent substantial review, including extensive public involvement. Since many of the components are interconnected, the CPC expressed concern about making major substantive changes at this late date in the process. CPC concluded that items 2-4 in the DDA recommendations would be substantive changes and should allow time for public input and staff review prior to adoption.

Each of the four DDA recommendations is noted below, along with highlights of CPC discussion and vote tallies on whether there was support for the recommendation. While there were some close votes, it was noted that some votes could change based on adequate balance being coordinated with other components of the new zoning, including the design guidelines.

1. *DDA recommendation:* "Given that City Council has resolved to impose building height limits in D1 and D2, the DDA respectfully recommends that if 33% or more of a floor of structured parking required by the zoning ordinance is being constructed within a development, the remaining parking needed to complete a floor of parking should not be calculated as part of the building's FAR."

CPC supports (8-0) this recommendation and agrees with the staff comments. CPC members felt this is a fine tuning of the parking requirement and was not considered a substantive change. Projects also have the option of a payment-in-lieu for any required parking providing flexibility for efficient building construction.

2. "We recommend that the ratio for residential premiums be restored to a 1 to 1 proportion as is current zoning."

CPC does not support (3-5) this recommendation and agrees with the staff comments. Those who did not support this recommendation noted that this incentive can be adjusted if the market support for residential uses changes. CPC does support the encouragement of residential uses and if the maximum FAR with premiums were also increased (item 4.), there could be more support for this recommendation.

Those in favor of this change noted that there was concern about the current economic climate and this recommended increase may encourage some projects until it improves. The dynamic on the use of premiums would also change depending on whether or not item 3. is also adopted -- that would also affect the CPC support (or lack of support) for this recommendation.

3. "Now that a height limit has been established in the D1, we recommend that the by-right zoning in the D1 be increased to 500%."

CPC supports (5-3) this recommendation and agrees with the staff comments. Those who supported this recommendation noted that in light of the current economic climate, this could be a beneficial incentive. 500% is within the range of the original recommendation of the Downtown Zoning Advisory Committee. If the maximum FAR were also increased (item 4.), there could be more support for this recommendation.

Those who did not support this recommendation noted there was also concern about the reduced use of the premiums for LEED certification and affordable housing. While a 400% by-right FAR does not constitute an upzoning for the current C2A district, it is an increase for other existing downtown zoning districts within the proposed D1 district.

4. "Further, to increase the community benefits of new buildings, we recommend that the FAR with premiums be increased to 900%, and with affordable housing to 1,100%."

CPC supports (5-3) this recommendation and agrees with the staff comments. Those in favor of this change noted that it would provide a greater density increase over the existing zoning and more opportunities for the use of premiums.

Those who did not support this recommendation noted that these are significant increases beyond the recommendations from both the Calthorpe Report and the Zoning Advisory Committee, and that there has not been adequate public input. Concerns were also expressed that with proposed height restrictions and lack of diagonal requirements, this would result in undesirable "massive" buildings. There could be more support for this depending on the outcome of design guideline requirements.