

Regular Council Meeting
September 1, 2022

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CITY OF FRESNO
CITY CLERK'S OFFICE

FRESNO CITY COUNCIL



Supplemental Packet

ITEM(S)

3-C (ID 22-1343)

WORKSHOP - Mixed Use Text Amendment (Development Code and General Plan Text Amendment No. P22-02413)

Contents of Supplement:

PowerPoint Presentation

Item(s)

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.



Rendering of the Monarch @ Chinatown, Fresno Housing



MIXED-USE TEXT AMENDMENT

9/1/22

FRESNO CITY COUNCIL WORKSHOP

Planning Context

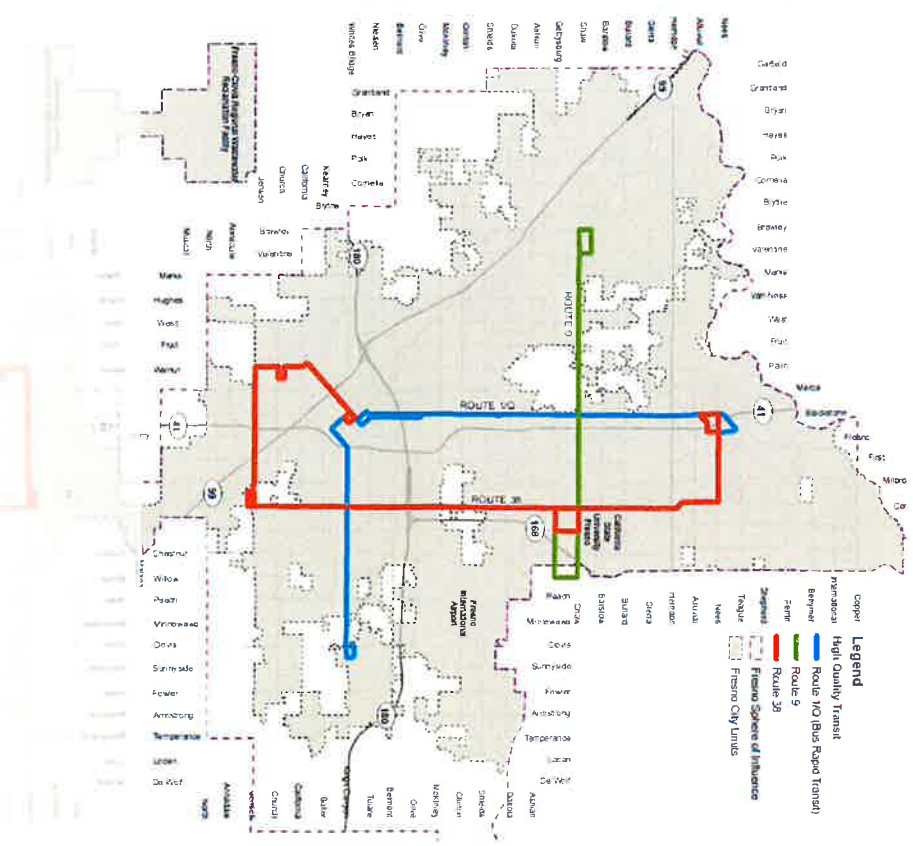


- ☐ Housing
- ☐ Infill Development:
“Roughly half”
- ☐ Complete Communities
- ☐ Land Use/
Transportation
Connection

Land Use/Transportation Connection

FAX Q

High Quality Transit Corridors



Planning Context



- ☐ Housing Element Update
- ☐ RHNA requires land capacity for:
 - ▣ 36,866 new housing units, to include:
 - ▣ 15,324 new low-income units
- ☐ Remove barriers to housing

Housing Strategy

ONE FRESNO Fiscal Year
23-25 Housing Strategy

City of
FRESNO
Published April 18th, 2022
Office of the Mayor

Office of the Mayor
Empleados Abril 18th 2022

FRESNO

- ❑ Over 30,000 units affordable housing shortfall
- ❑ One Fresno Housing Strategy
 - ▣ Remove density caps
 - ▣ Create ministerial approval

The Issue

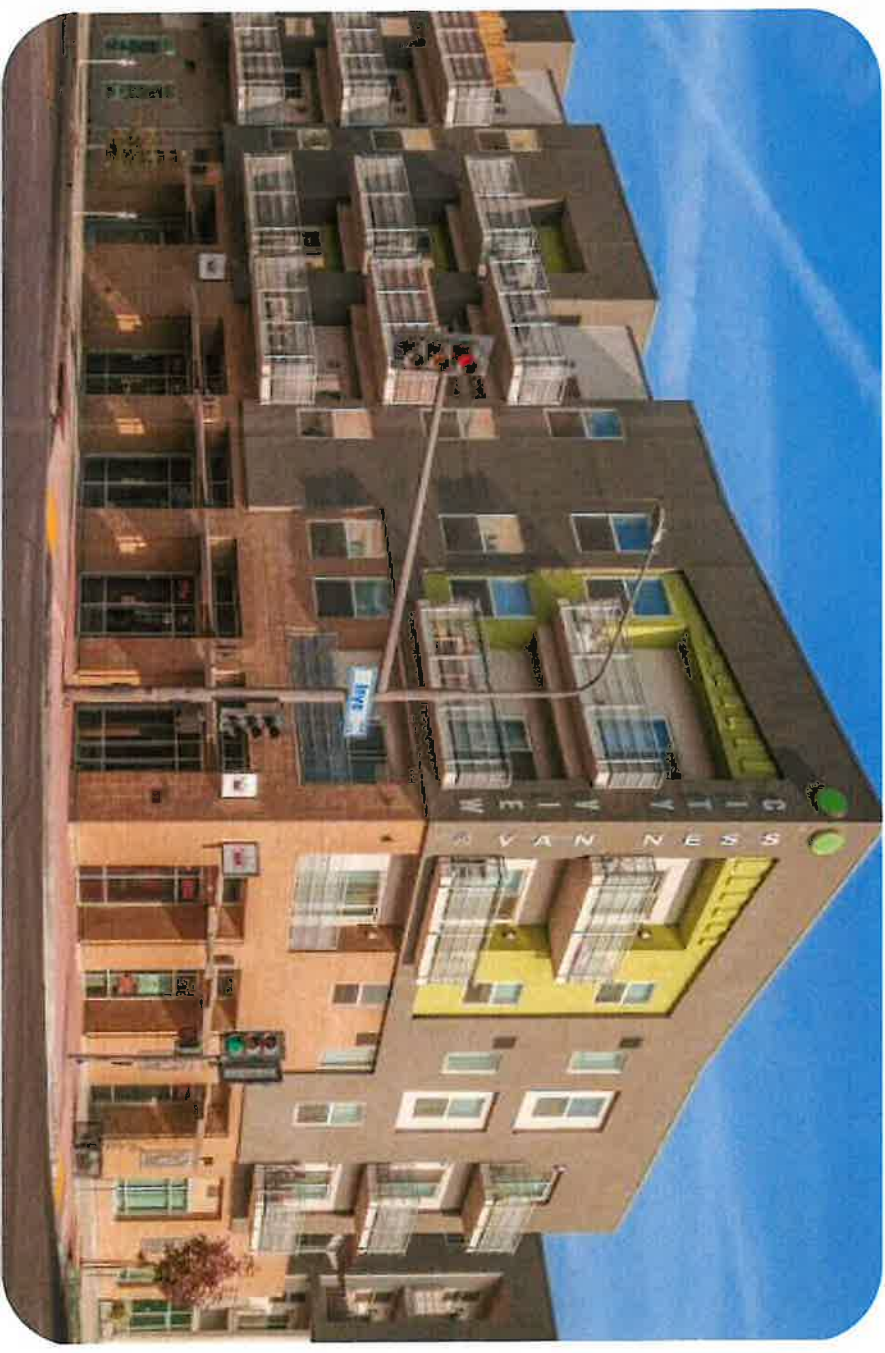
Only one mixed-use project has been completed on the city's mixed-use / transit corridors since 2018



The Link, Integrated Community Development

The Issue

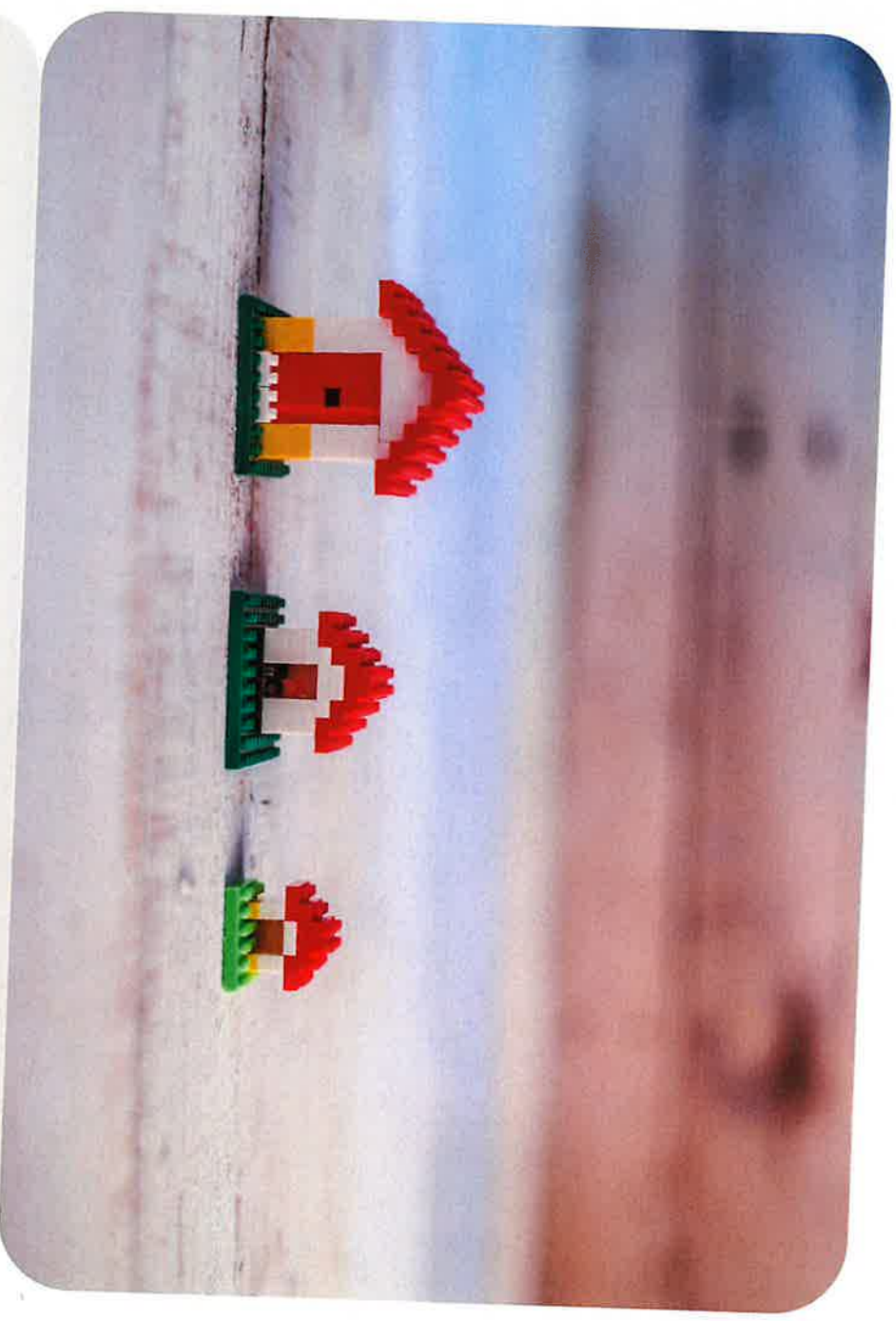
The majority of mixed-use projects in the pipeline are downtown, where there is no density cap and a ministerial approval process



Cityview Apartments, Fresno Housing

Solution #1: Remove Density Limits

Density caps
are
artificially
low in mixed
use zones.



Current Density Limits

Zoning	Density (units per acre)	
Neighborhood Mixed Use	12-16	
Corridor/Center Mixed Use	16-30	
Regional Mixed Use	30-45	
Commercial Main Street	0-16	
Commercial Regional	0-16	

CMX Project at 30 units per Acre



15 units at Blackstone at Indianapolis

CMX Project at 62 units per Acre



32 units at Blackstone at Indianapolis

Proforma Comparison

Category	Notes	No Density Limit (32 Units Total)	CMX Max Density (15 Units Total)
Income			
Annual Gross Potential Income (GPI)	\$1,280 per unit per month, \$1.60/SF	\$491,520	\$230,400
Vacancy Factor	5% of GPI	\$24,576	\$11,520
Operating Expenses*	25% of GPI	\$122,880	\$57,600
Net Operating Income (NOI)		\$344,064	\$161,280
Costs			
Hard Costs and Soft Costs**	\$200/SF	\$5,880,000	\$2,780,000
Land Cost	\$15/SF or \$650,000/acre	\$341,250	\$341,250
Total Project Cost		\$6,221,250	\$3,121,250
Financing			
Equity (Investor Cash)	25% of Project Costs	\$1,555,313	\$780,313
Loan	75% Loan to Value (LTV)	\$4,665,938	\$2,340,938
Monthly Debt Service	5.4 APR, 30-year fixed	\$27,277	\$13,685
Annual Debt Service		\$327,324	\$164,220
Bottom Line			
Cash Flow (Net Annual Income)	NOI minus Annual Debt Service	\$16,740	-\$2,940
Land Cost per Unit	AKA Land Cost "per Door"	\$10,664	\$22,750
Resale Value	5.5% capitalization rate	\$6,255,709	\$2,932,364
Resale Profit/Loss	Resale Value minus Total Project	\$34,459	-\$188,886
Pre-Development Property Tax Revenue***	Per year	\$683	\$683
Property Tax Revenue***	Per year	\$12,511	\$5,865
Property Tax Revenue Increase***		\$11,829	\$5,182

* Includes taxes, insurance, property management, repairs, marketing, etc.

** Includes site prep, vertical construction, offsite improvements, architect/engineer fees, impact fees, etc.

*** Total property tax is 1% of the assessed value; the City of Fresno's share is roughly 20% of that.

Solution #2: Add Flexibility to Ground Floor

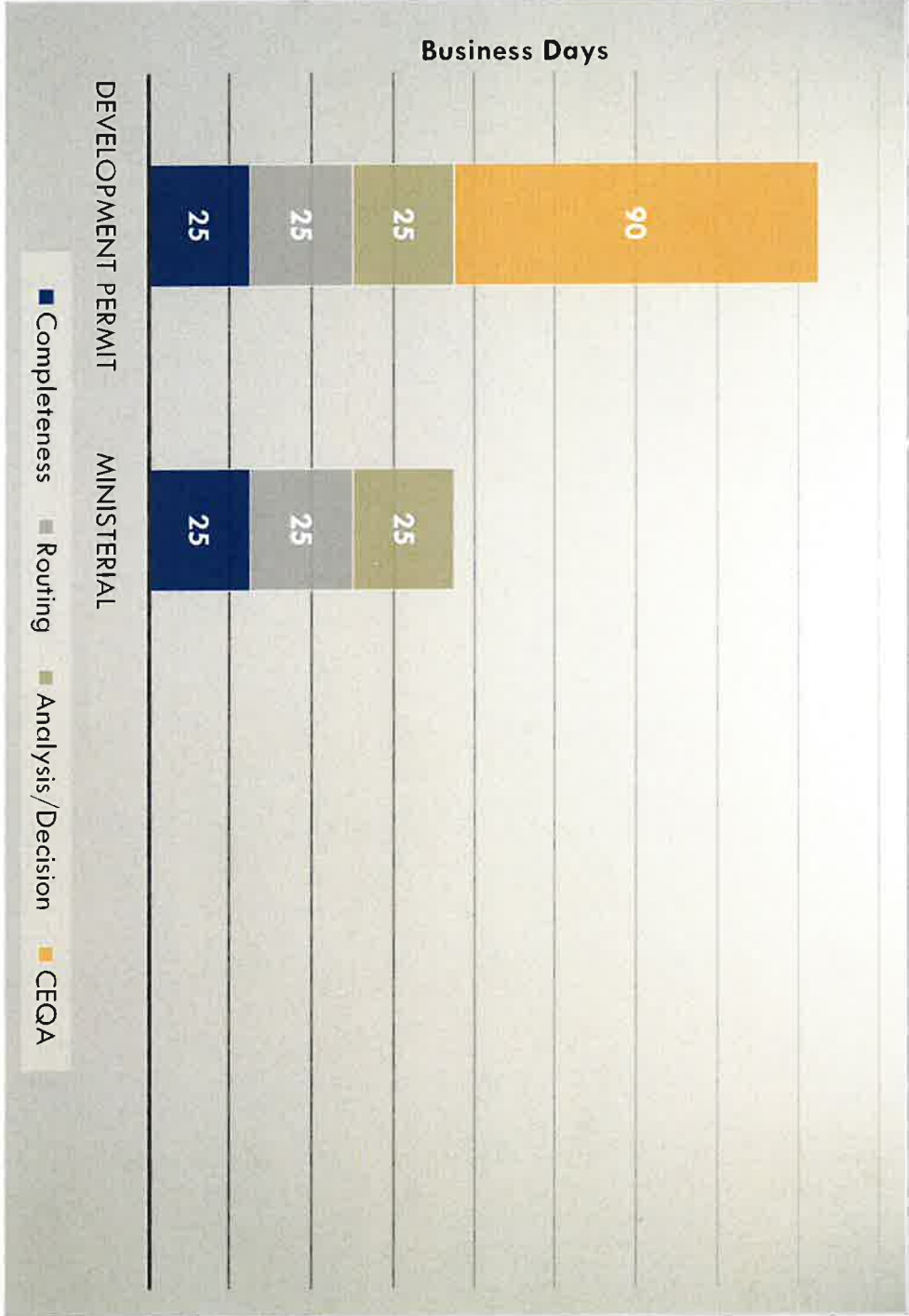
Residential ground floors allowed except 200 feet from a major intersection and 100 feet from a BRT station.



Vacant storefronts can be a negative amenity

Solution #3: Streamline Entitlement Process

Lengthy or unpredictable entitlement processes can be a barrier to investment



Entitlement Process



California Department of
**Housing and Community
Development**

Christopher Ptomey, executive director of the Terwilliger Center for Housing at the Urban Land Institute, said in an email that in U.S. cities, the processes to build housing can be “complex and complicated,” contributing to “enormous uncertainty,” a lot of time and higher costs, which can be even more expensive in an inflationary environment.

TEXT AMENDMENT SUMMARY

- ❑ **Density:** Removes limits
- ❑ **Ground Floor:** Adds Flexibility
- ❑ **Approval Process:** Ministerial
- ❑ *Retains height, parking*, open space and transition standards.*

**More units would require more parking spaces; 1 space/unit for a 2-bdrm apt.*



CURRENT REQUIREMENTS

Zoning	Density (units per acre)	Height
Neighborhood Mixed Use	12-16	40 ft
Corridor/Center Mixed Use	16-30	60
Regional Mixed Use	30-45	75
Commercial Main Street	0-16	
Commercial Regional	0-16	

- Active ground floor uses required along all major streets
- CEQA Required at Individual Project Level

PROPOSED CHANGES

Zoning	Density (units per acre)	Height
Neighborhood Mixed Use	12-16	40 ft
Corridor/Center Mixed Use	16-30	60
Regional Mixed Use	30-45	75
Commercial Main Street	0-16	
Commercial Regional	0-16	

- Density caps removed
- Active ground floor uses required ~~along all major streets near~~ intersections and BRT stops
- CEQA requirements addressed through ministerial process

MINISTERIAL REQUIREMENTS

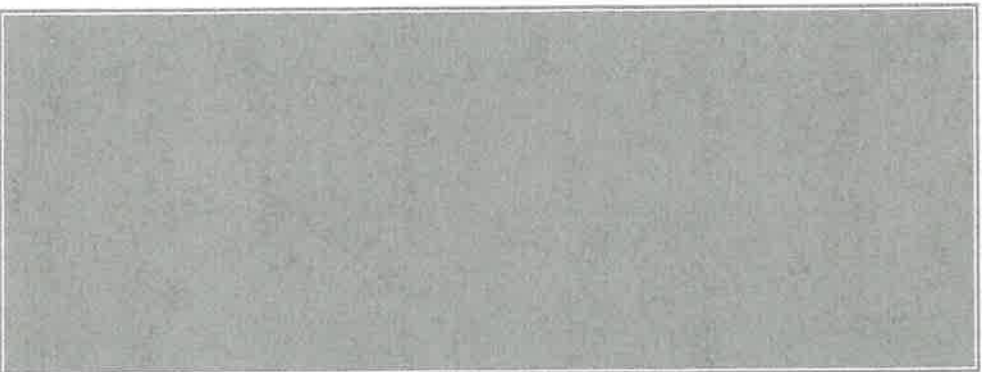
☐ Must be zoned NMX, CMX, RMX, CR or CMS

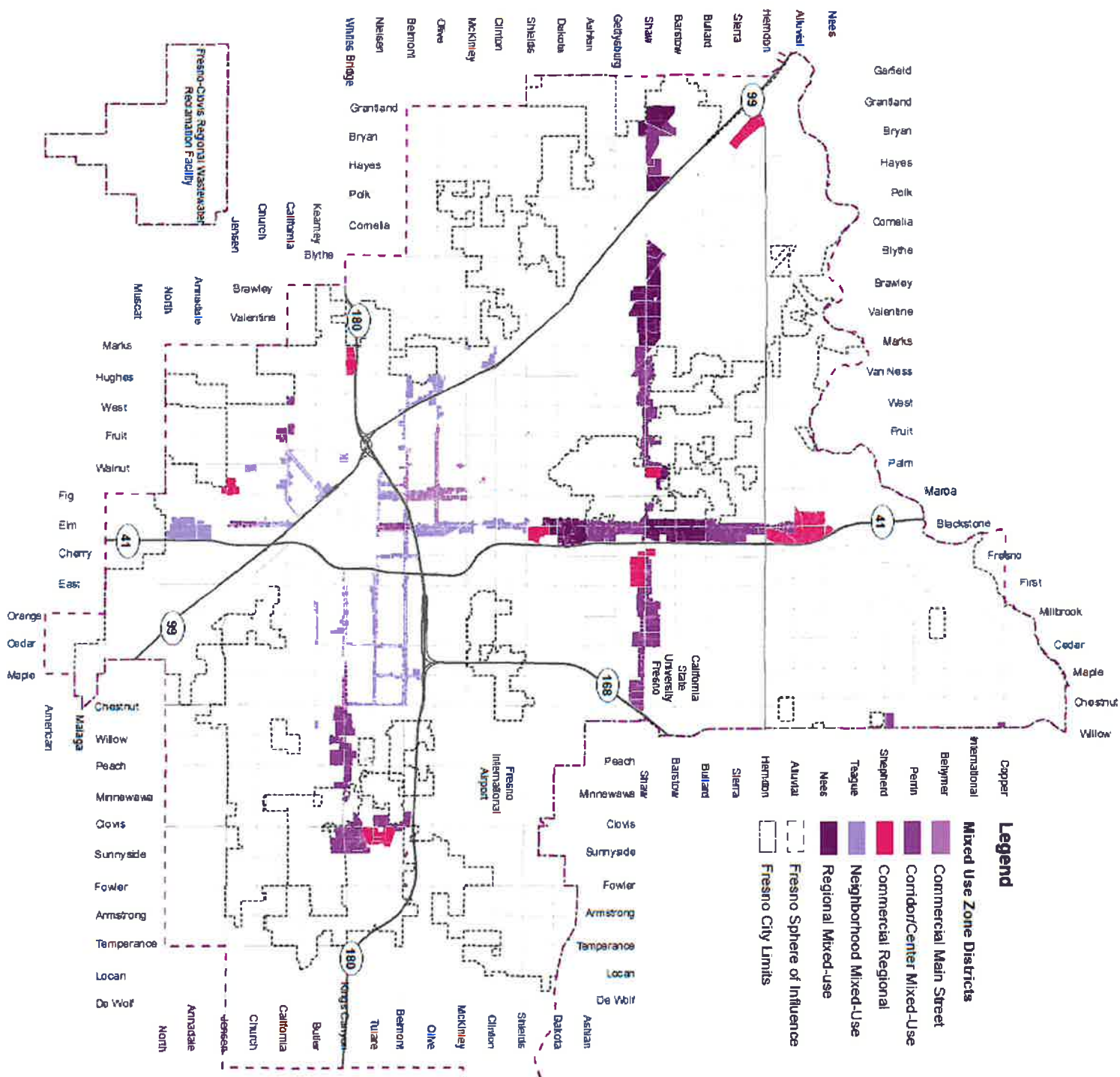
☐ Must be located within Priority Areas for Development Incentives

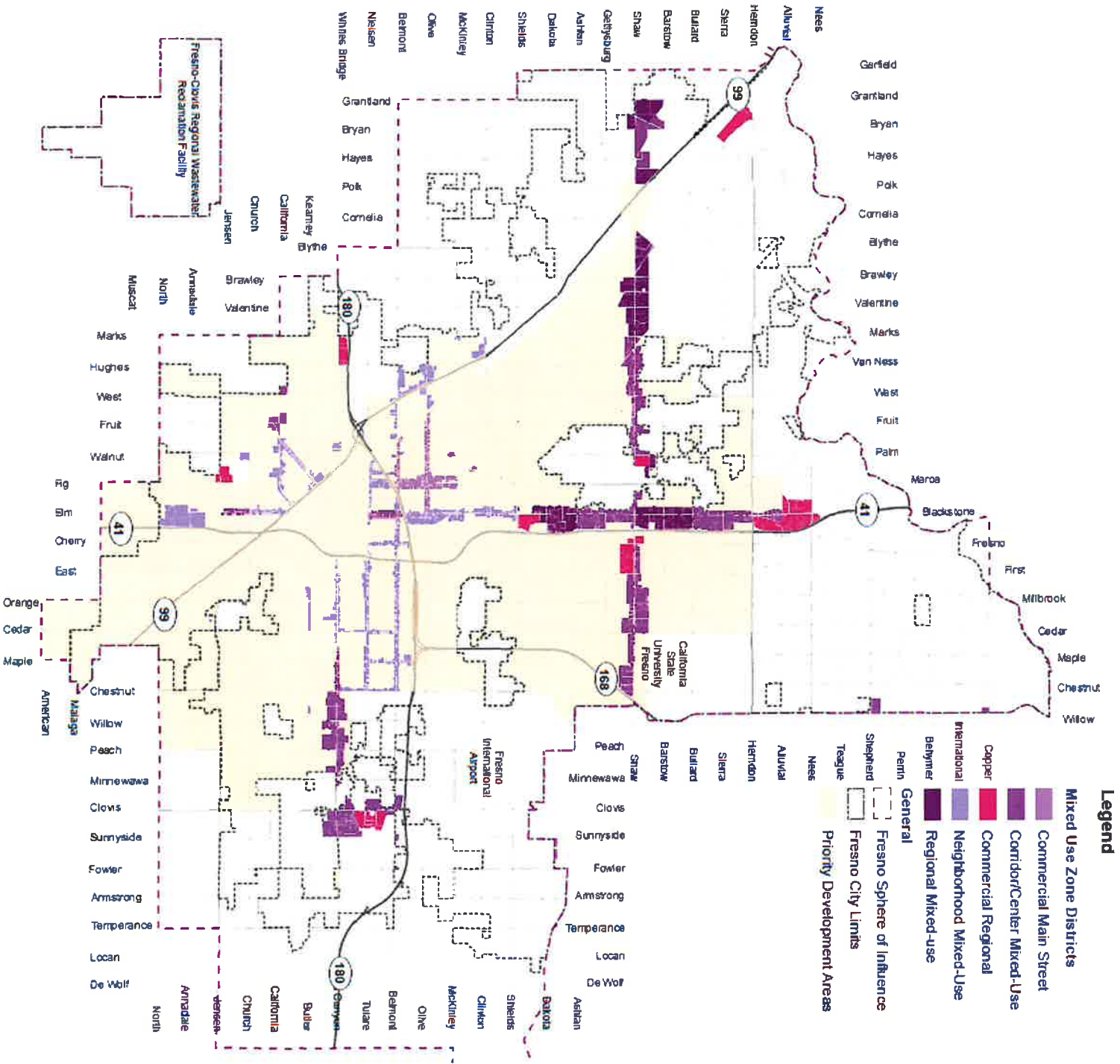
☐ Cannot contain historic resources

☐ Must provide adequate infrastructure

☐ Must comply with the Airport Land Use Compatibility Plan







PUBLIC UTILITY REQUIREMENTS

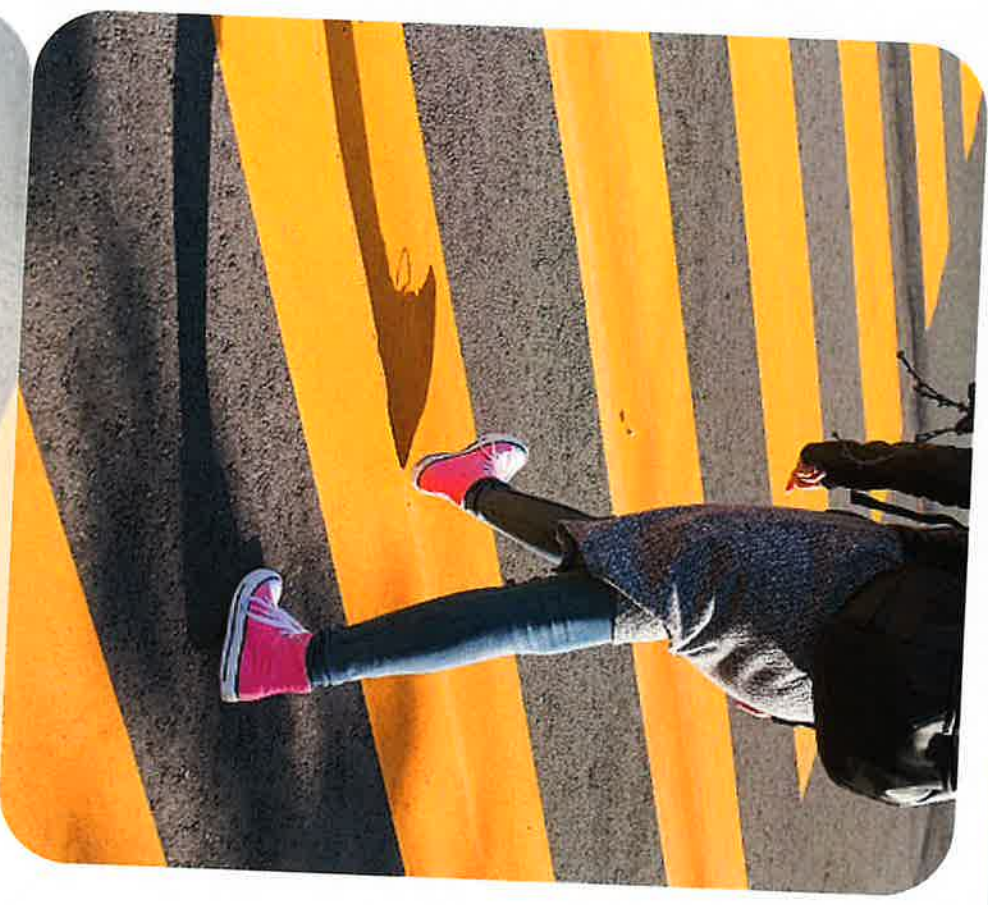
- ❑ **Waste Water:** *Required capacity thresholds*
- ❑ **Storm Drainage:** *Facilities Required*
- ❑ **Water:** *Required domestic demand and fire flow thresholds*



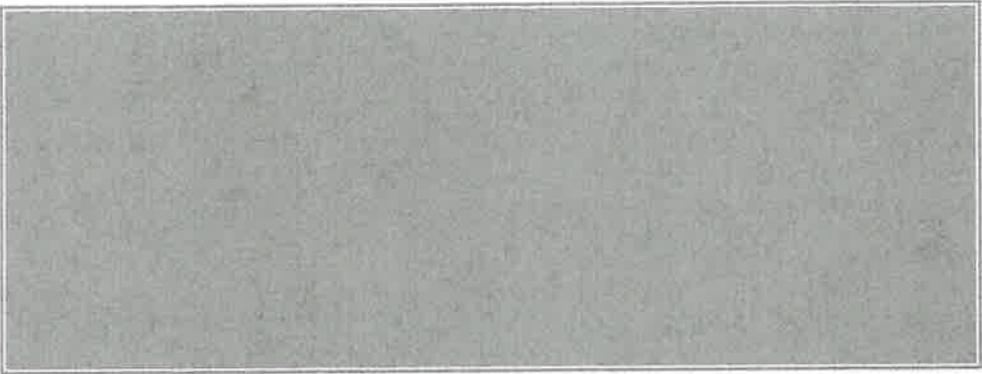
TRANSPORTATION REQUIREMENTS

- ❑ **Projects with 200+ units near a school:** *Provide bike & pedestrian improvements; comply with Complete Streets Policy*

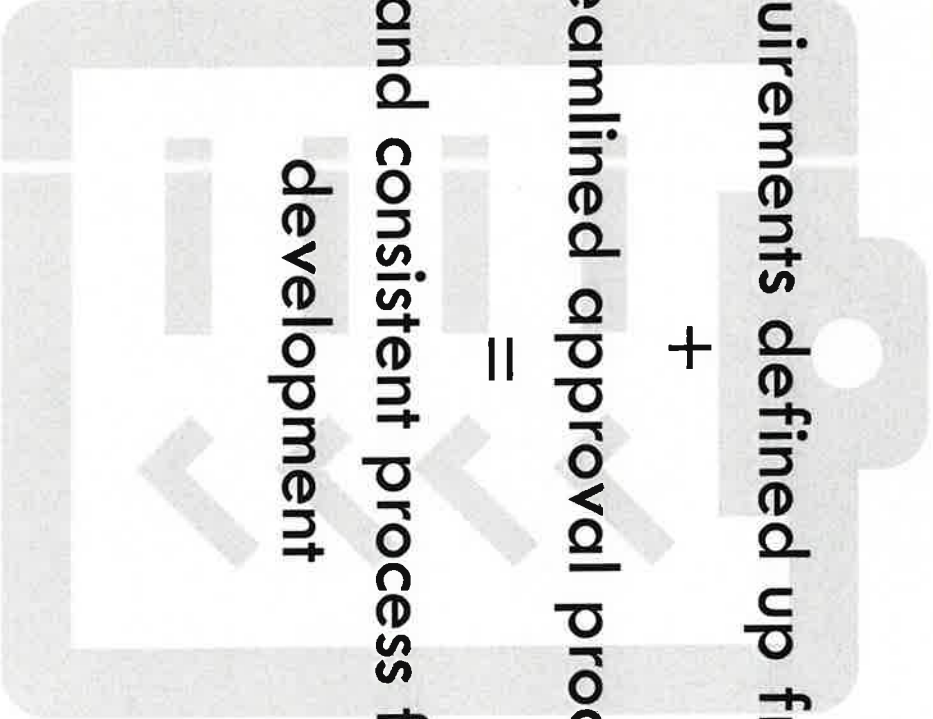
- ❑ **Projects on High Quality Transit Corridors with Level of Service E or F:** *Install transit design improvements*



Ministerial Process Recap



Requirements defined up front
+
Streamlined approval process
=
Efficient and consistent process for every
development



ENVIRONMENTAL ASSESSMENT

- ☐ Mitigated Negative Declaration
- ☐ Assessed 21,762 dwelling units
- ☐ Public Comment Period: July 6 - August 4, 2022
- ☐ Recirculation Period: August 19 – September 19, 2022

CITY OF FRESNO
MITIGATED NEGATIVE DECLARATION
FOR
GENERAL PLAN AMENDMENT/DEVELOPMENT CODE TEXT
AMENDMENT APPLICATION NO. P22-02413

STATE CLEARINGHOUSE NUMBER: 2022070081

City of Fresno
Planning and Development Department
2600 Fresno Street, 3rd Floor
Fresno, CA 93721

Prepared by:
Precision Civil Engineering, Inc.
1234 O Street
Fresno, CA 93721

Attachments:

Notice of Intent to Adopt a Mitigated Negative Declaration (Section 3.2)
Appendix G/Initial Study for a Mitigated Negative Declaration (Section 2, 3.1, 4)
Project Specific Mitigation Monitoring Checklist dated June 2022 (Section 5)

Outreach Summary

State Agencies	Local Agencies	Council District/Plan Committees	Commissions	The Public/Advocates
• Dept of Toxic Substances Control • Caltrans • Fish & Game • Regional Water Quality Control Board • Native American Tribes	• San Joaquin Valley Air Pollution Control District • Fresno Irrigation District • Fresno Metro Flood Control • School Districts • Water Districts • FAX • Neighboring Cities, Counties	• All 6 Council District Project Review Committees • Tower Design Review Committee • Lowell Committee	• Planning Commission • Airport Land Use Commission	• Webinar Participants • Kings Canyon Corridor TOD Workshop Participants • Leadership Counsel For Justice & Accountability • Fresno Housing • Building Healthy Communities • Fresno Metro Ministry



Mixed Use Development

Advantages

- ☐ Provides housing near transit, reducing vehicle dependency and saving household transportation costs
- ☐ Reduces vehicle miles traveled and greenhouse gas emissions
- ☐ Increases safety by creating more “eyes on the street” and street activity
- ☐ Supports surrounding businesses by adding rooftops to neighborhoods
- ☐ Conserves agricultural land by developing on infill sites

Questions

