

# Memorandum

**TO: CITY COUNCIL**

**FROM:** Mayor Sam Liccardo  
Vice Mayor Magdalena Carrasco  
Councilmember Chappie Jones  
Councilmember Raul Perez  
Councilmember Dev Davis

**SUBJECT: URBAN VILLAGE IMPLEMENTATION  
FRAMEWORK**

**DATE:** December 1, 2017

Approved

Date

12.1.17

JF

## RECOMMENDATION

Accept the approach recommended in the staff supplemental memorandum dated November 21, 2017, with the following modifications and direction to the City Manager to:

1. Return to Council in April of 2018 with a proposed Urban Village financing plan.
  - a. Prior to April, hold additional community meetings to review and obtain feedback from neighborhood residents, Urban Village advisory groups, and developers before returning to Council with final recommendations on the Urban Village financing plan.
  - b. In the absence of Council approval of a fully-developed financing plan in April, accept applications for an interim period, beginning on that date, for mixed-use and residential development within Urban Villages. In the absence of an approved financing plan, applicants will pay an Urban Village Enhancement Contribution or provide amenities equivalent to a flat fee on a square footage basis, to be recommended by staff and approved by the Council.
  - c. New applications and existing pipeline projects can move forward pursuant to 1.b. for an interim period, and staff shall continue to develop an Urban Village financing plan pursuant to Council direction for future applicants and Urban Village development.
2. Ensure the entitlement process for the Urban Village Mixed-Use Zoning District is a single conforming rezoning - initiated by the applicant, processed within 90-120 days, and brought directly to Council for approval - to enable development of mixed use projects on parcels within urban villages citywide.
3. Exempt Signature Projects from adhering to the requirements of an Urban Village financing plan.
4. Drop the recommendation for the establishment of a Community Facilities District (CFD) for each Urban Village, or closely related group of Urban Villages, for the purposes of developing a citywide urban village financing rate structure. Retain consideration of CFD's to fund needed infrastructure on large, consolidated multi-parcel development proposals. Property owners will be solely responsible for the maintenance of amenities built on site.

5. Dedicate Planning staff resources to planning urban villages that will be located in Horizon 1, with the exception of signature projects.
6. Complete the total cost of development fee study, including hypothetical development examples, and provide that data to the Council concurrently with the Urban Village financing plan.

## **BACKGROUND**

As a City, we must acknowledge the cost of inaction. We see and appreciate the impacts of imperfect or suboptimal decisions, but the unseen price of doing nothing is often far greater.

Six years ago, the Council approved an Envision 2040 General Plan with a process for establishing Urban Villages that would include a financing plan to pay for community-serving amenities. Although we've finished the planning for ten urban villages, our inability to establish a fee for financing village amenities precludes us from fully implementing these urban villages—save a few signature projects. Simply, we've been lost in “analysis paralysis” over this for too many years, and it's time to stop making the perfect the enemy of the good.

Let's move forward in April with a simple, fixed fee for an interim period, allow for continued community dialogue and refinement, and adjust the fee as we learn from the feedback of the community and developers.

The time is right to seed the Urban Villages. Let's get out of the way and provide clear expectations to the community regarding long-promised amenities that will enhance our quality of life. Simplifying and expediting our permitting processes and providing a path forward that is clear and certain must be our mission in the short term.