

STAKEHOLDER INTERVIEW COMMENTS

Market-Rate Developers:Challenges:

- City's mixed use ordinance requirements are difficult to meet and, in some cases, has led a project/deal to fall through. Difficult to finance commercial component – specifically, commercial size requirement.
- Developer expressed that there isn't a lot of land that is available and buildable:
 - o For student housing, it's difficult to find sites due to CSU requirement (master lease and project site must be within 1 mile from university).
 - o Considered areas of "downtown" but turned away due to high environmental review/clean-up costs.
- Mixed-use projects are desirable but very difficult to finance due to the layering of funding and regulatory requirements from various funding sources/programs.

Suggestions:

- Reduce commercial size requirement(s) in mixed-use ordinance.
- Establish case manager in CMO to facilitate expedited review for projects. Example provided – SJ and LA.
 - o Example shared about SJ – Project successfully expedited and streamlined entitlement through a program like such and the city had environmental review completed for project site/area. Also, city waived affordable fees estimating at \$4M.

Affordable/Non-Profit Developers:Challenges:

- High impact fees – Affordable developers get specific impact fees waived but further waiving fees related to entitlement would be helpful and reduce overall development cost.
- Adapting to changing development requirements. Difficult for developers to adapt – logistics and budget.
- NIMBY-ism/community opposition.
- Public art requirement can pose challenges related to prevailing wages/D. Bacon.
- Open space and parking requirements are challenging – budget and project site size.

Suggestions:

- Reduce, waive, or defer payment of impact fees/city fees.
 - o Example shared about Fremont – City deferred fees for developer to pay fee after project closing via agreement between City and developer. Estimated fee that was deferred - \$2M.
- Be mindful of economy of scale – Although there are incentives for including deeper affordability and denser buildings, projects need to be financially feasible, and developer needs to have appropriate capacity to carry on project at large scale.
- Provide clear confirmation of requirements up front and the timing associate with the requirement.
- Waive open space and parking requirements.