

STAFF REPORT TO THE PLANNING COMMISSION

DATE: Regular Meeting of July 21, 2021

SUBMITTED BY: Forrest Ebbs, Community Development Director
Zoe Merideth, Senior Planner

SUBJECT: **Strategic Housing and Infill Policies**

RECOMMENDED ACTION

It is recommended that the Planning Commission receive the presentation and offer any questions or suggestions.

DISCUSSION

The City of Antioch's General Plan was adopted in 2003 and provides very limited opportunity for residential development in commercial designations. Similarly, the City's Zoning Ordinance does not offer zoning designations or standards applicable to infill, high-density housing. Rather, the City's General Plan and zoning policies support single-use suburban-style development in most commercial and residential zones.

The City has a number of notable undeveloped, underdeveloped, or underperforming commercial sites where residential redevelopment may be appropriate. Under the current policy, a proponent of a high-density residential project on one of these sites would be required to apply for a General Plan update and rezone of the site to accommodate the project. This process is expensive and can take over a year to complete. It also provides minimal assurance that it may even be approved due to the highly-discretionary nature of the request.

In 2020, the City of Antioch was awarded a \$310,000 grant from a program authorized by Senate Bill (SB) 2, the Building Homes and Jobs Act. The purpose of the grant is to fund efforts that would promote the development of much-needed housing in the State of California. City staff proposed to use this funding to create General Plan and zoning policies to support high-density residential development of underutilized commercial sites. A request for proposal was issued and PlaceWorks was selected to complete the project.

The completed project will include new General Plan policies that will allow the use of commercial properties for residential use in certain circumstances. Specifically, the project will include a survey and study of ten identified commercial sites throughout the City of Antioch that would be candidates for development or redevelopment as high-density residential sites. A map of the sites is included in Attachment A.

The project also includes objective design and zoning standards that would facilitate the development of these projects without discretionary review. The development of objective standards is a condition of the grant funding and is intended to eliminate the uncertainty and risk associated with highly discretionary processes that often result in project denials. Though the City of Antioch has not historically objected to residential projects, especially infill projects, these developments are highly controversial in other cities and are often denied as a result of public outcry. These objective standards will be supported by a feasibility study that considers the many factors such as density, construction costs, and rents that determine whether an infill project is viable.

At the July 21, 2021 Planning Commission meeting, PlaceWorks and their consultant team will offer a presentation to the Commission and public describing the efforts completed so far, including the Opportunities and Constraints Memo and Financial Feasibility Analysis. The Opportunities and Constraints Memo is available here:

<https://www.antiochca.gov/fc/community-development/planning/pc-housing/Antioch-Strategic-Housing-Opps-Constraints-Combined.pdf>.

The Financial Feasibility Analysis is available here:

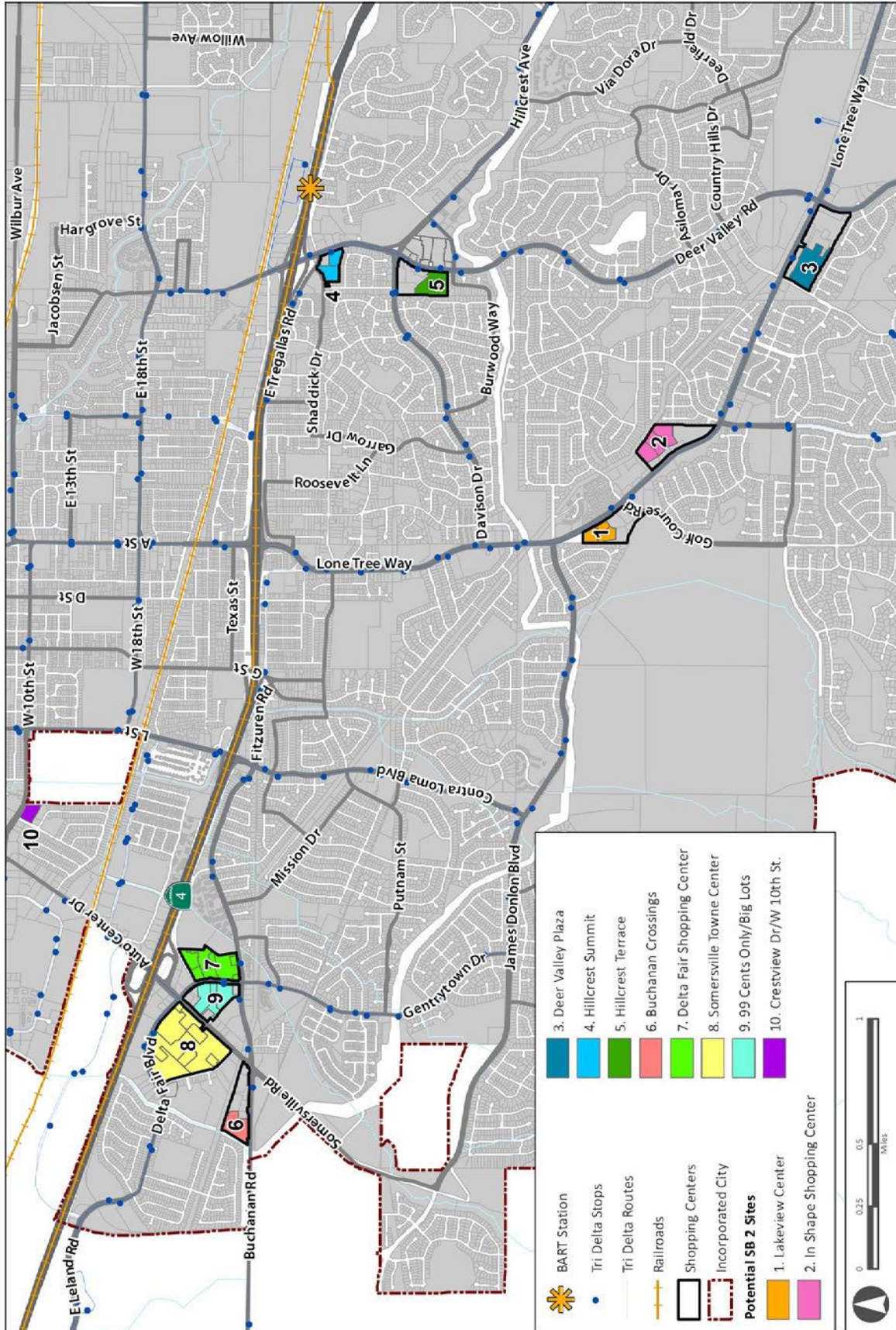
<https://www.antiochca.gov/fc/community-development/planning/pc-housing/Antioch-Infill-Housing-Financial-Feasibility-Analysis.pdf>. The consultant's PowerPoint slides are included in Attachment B. The Planning Commission and public are encouraged to offer questions or suggestions to improve the product. No action is requested at this time. A similar presentation will be offered to the City Council on August 10, 2021.

ATTACHMENT

- A. Map of Study Sites
- B. Presentation Slides

ATTACHMENT A

Map of Study Sites





Antioch Strategic Infill Housing Study

Presentation before Planning Commission

July 21, 2021

ATTACHMENT B



B1

Introduction



Forrest Ebbs

*Community
Development Director*

Zoe Merideth

Associate Planner



Bruce Brubaker

Architect, Principal

Cliff Lau

Associate



Matt Fairris

MCP, Senior Associate

Matt Kowta

MCP, Managing Principal

Agenda

- 1. Introduction (by City)**
- 2. Project Goals and Timeline (PlaceWorks)**
- 3. Study Sites and Criteria (PlaceWorks)**
- 4. Feedback from Stakeholder Meeting 1 (PlaceWorks)**
- 5. Opportunities and Constraints (PlaceWorks)**
- 6. Draft Feasibility Report (BAE)**
- 7. Discussion and Comment**

Project Goals and Timeline

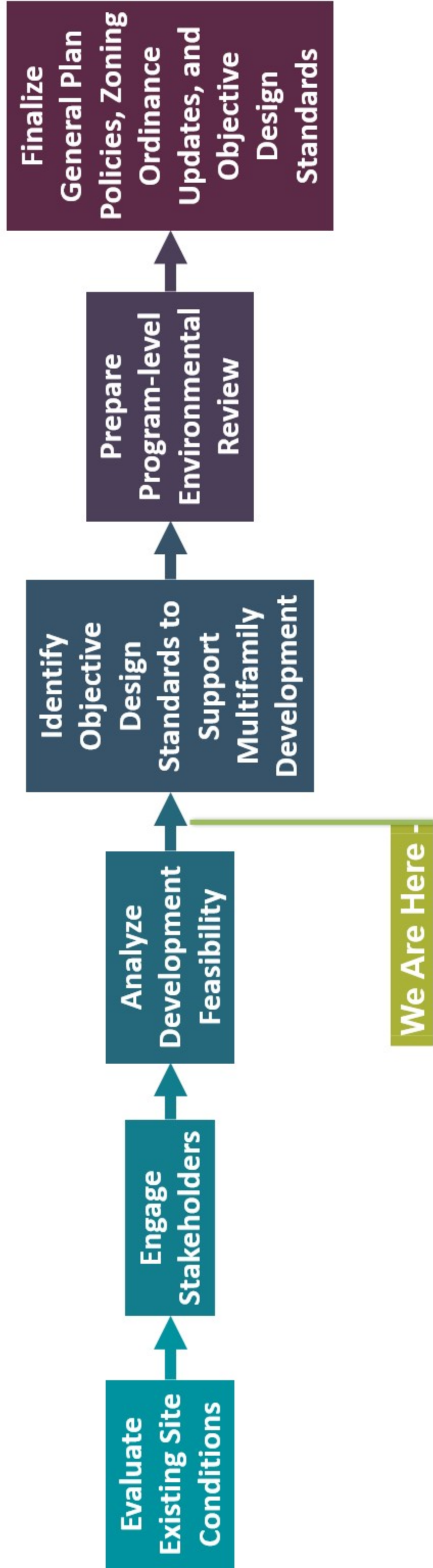
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Project Goals

- » City of Antioch was awarded SB 2 grant funding to study feasibility of providing infill, high-density residential development on underutilized and vacant commercial sites
- » Project seeks to identify General Plan and Zoning amendments to streamline and provide opportunities for multi-family residential development in Antioch
- » Project seeks to create objective design standards to help expedite review processes of proposed projects

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Planning Process



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Project Timeline

- » Stakeholder Meeting #1 – January 27, 2021
- » Existing Conditions and Opportunities and Constraints Report – January to April 2021
- » Draft Multifamily Residential Feasibility Study – May to July 2021
- » **Planning Commission Meeting – July 2021 (this meeting)**
- » City Council Study Session – August 2021
- » Draft General Plan and Zoning Amendments, Draft Objective Design Standards – Fall 2021
- » Seek Adoption – Winter 2021

Study Sites and Criteria

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Context



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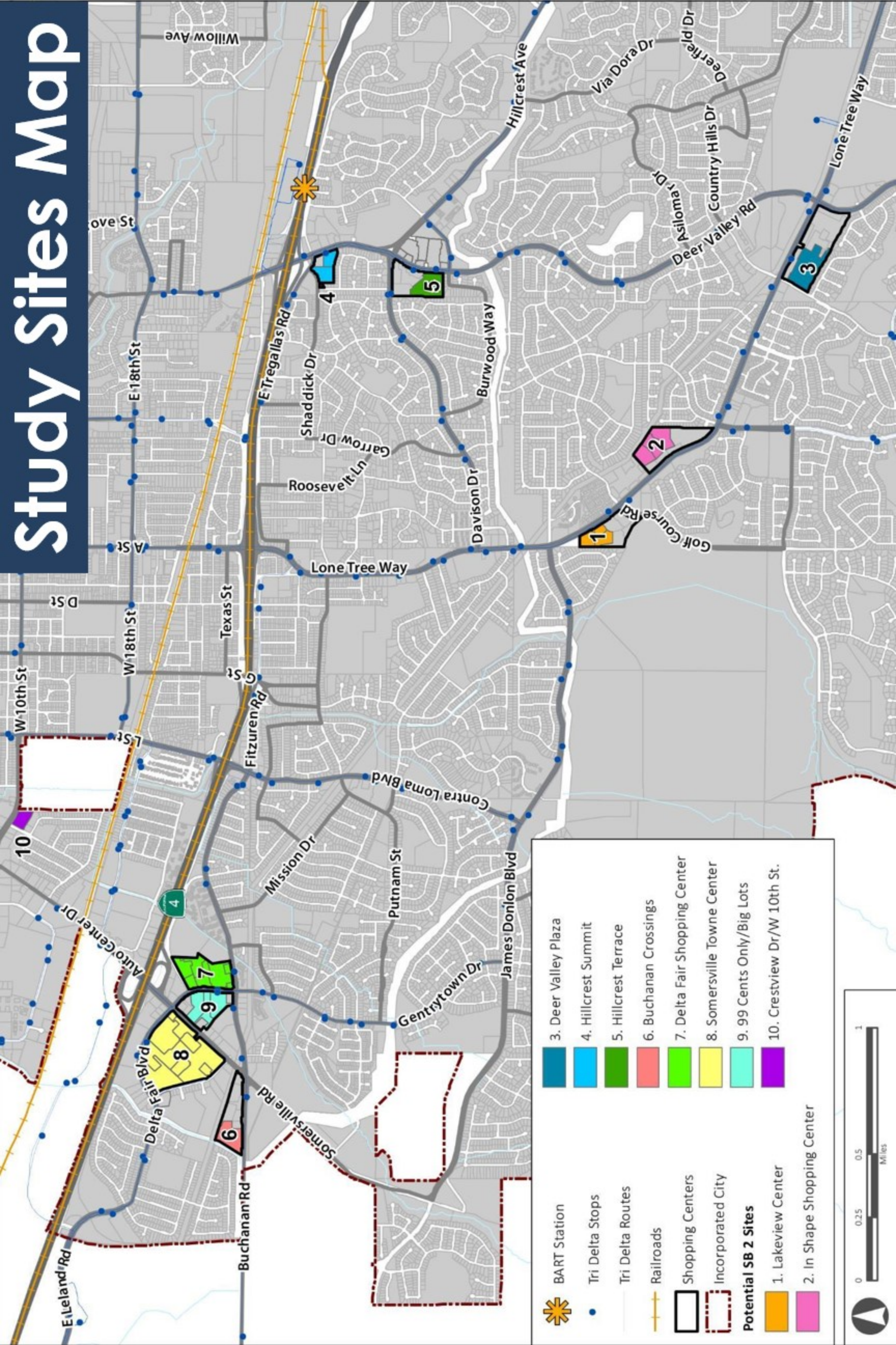
- » City has significant number of partially built or underutilized commercial properties
- » Overall commercial vacancies are relatively high throughout city

Context



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- » The City regularly receives inquiries regarding constructing multi-family developments in commercial centers in commercial zoning designations
- » Current General Plan and Zoning do not permit residential development in commercial zoning designations



Study Site Criteria

- » **Existing Land Use:** Commercial or shopping center zoning only; not employment-generating use such as office or industrial.
- » **Size:** Larger sites wherever possible.
- » **Ease of Development:** Sites with mostly flat topography and adequate utilities.
- » **General Plan:** Sites that are currently classified as Regional Commercial or Neighborhood Commercial land uses
- » **Access:** Sites with access to major arterials.
- » **Utilization:** We included underutilized or vacant commercial sites with high potential for redevelopment.

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Stakeholder Meeting in January: What We Heard

Feedback from January Stakeholder Meeting

- » In general, the market for new retail in Antioch is not strong.
- » For mixed-use development, allow retail to be built separately from residential for flexibility in development.
- » Desire for City assistance in CEQA process or overlay to expedite and/or streamline.
- » Residential development at densities above 60 units per acre may be difficult in East Contra Costa. Densities closer to 20 to 30 units per acre are more feasible.
- » Expressed concern about parking requirements for multi-story residential.

Opportunities and Constraints

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Opportunities and Constraints Analysis

- » PlaceWorks, BAE, and W-Trans assessed development conditions of each site according to physical characteristics, economic feasibility, and transportation.
- » Three typologies were identified for grouping the sites:

- A.** Vacant/greenfield
- B.** Undeveloped land within an existing commercial center.
- C.** Redevelopment of existing commercial center.



A. Vacant/Greenfield Sites

#4 Hillcrest Summit



#5 Hillcrest Terrace



#10 Crestview Drive & West 10th



B. Undeveloped Land within Existing Commercial Center

#1 Lakeview Center



#2 In-Shape Shopping Center



#6 Buchanan Crossings

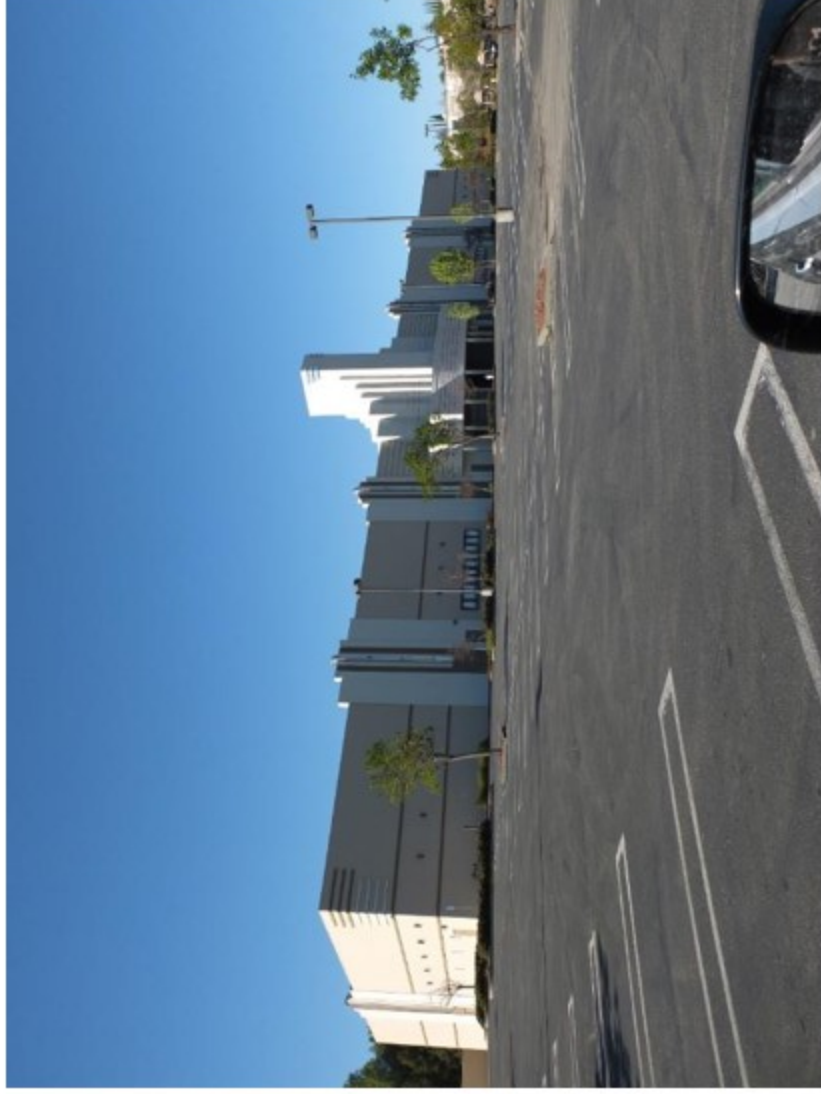


C. Existing Commercial Center

#3 Deer Valley Shopping Center



#7 Delta Fair Shopping Center



C. Existing Commercial Center

#8 Somersville
Towne Center



#9
99 Cents Only /
Big Lots



Opportunities and Constraints

General Findings

- » The existing zoning of all sites considered is restrictive or prohibitive of residential development.
- » Except for a few vacant/greenfield sites, multi-family residential development may encounter potential compatibility issues either with existing residential or existing shopping centers.
- » Except for the Hillcrest Summit site, near the BART station, the sites are not transit-oriented.

Opportunities and Constraints

Site-Specific Findings

- » Vacant/greenfield commercial sites present good opportunities for multi-family residential, although selected sites are smaller than other sites.
- » Undeveloped lands within existing commercial centers also present good development opportunities for multi-family residential, although compatibility with nearby residential is an issue in some cases.
- » Sites that are existing commercial centers present challenges including potential demolition of existing structures and providing site designs that feel “livable” in a commercial environment.

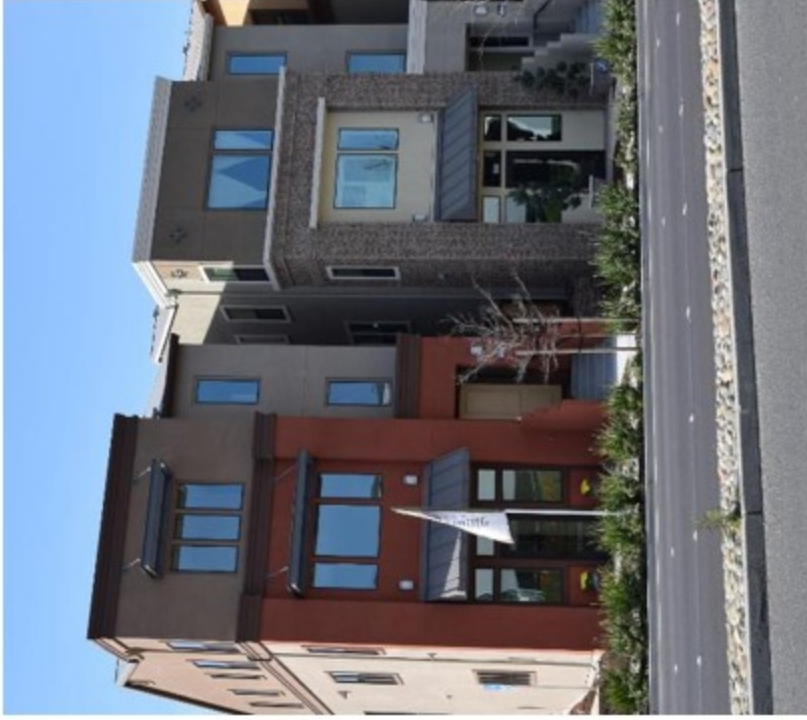
Draft Feasibility Study

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Draft Feasibility Study

- » BAE assessed the financial feasibility of three residential prototypes

For-Sale Townhomes



120 Units

1,800 Square Feet

Attached 2-car Garages

Garden-Style Stacked Flats



150 Units

Primarily 1 and 2 Bedroom Units

240 on-site surface parking spaces

High-Density Podium



195 Units

Primarily 1 and 2 Bedroom Units

312 parking spaces (half in the parking podium)

Townhome Feasibility

- » \$70.5 Million Total Cost
- » \$67.6 Million Sales Proceeds
- » \$2.9 Million Feasibility Gap

Project Financials	Townhome Project
Total Project Cost	\$70,543,914
<i>Cost per Unit</i>	\$587,866
<i>Cost per Square Foot</i>	\$327
Total Sale Proceeds	\$67,620,000
<i>Price per Unit</i>	\$575,000
Residential Feasibility	(\$2,923,914)
<i>Feasibility Gap Per Unit</i>	<i>(\$24,366)</i>

Stacked Flats Feasibility

- » \$59.2 Million Total Cost
- » \$2.7 Million of annual income -->
- » \$53.4 Million of capitalized project value
- » \$5.8 Million Feasibility Gap

Unit Type	Unit Count	Unit Size (sf)	Monthly Rent
1 Bedroom	98	700	\$2,275
2 Bedroom	37	1,000	\$2,750
3 Bedroom	15	1,250	\$2,938

Project Financials	Stacked Flats Project
Total Project Cost	\$59,207,555
Cost per Unit	\$394,717
Cost per Net Square Foot	\$476
Rental NOI	\$2,670,578
Cap Rate	5.0%
Capitalized Project Value	\$53,411,561
Residential Feasibility	(\$5,795,995)
Feasibility Gap Per Unit	(\$38,640)

High-Density Podium Feasibility

- » \$87.9 Million Total Cost
- » \$3.7 Million of annual income -->
- » \$73.2 Million of capitalized project value
- » \$14.6 Million Feasibility Gap

Unit Type	Unit Count	Unit Size (sf)	Monthly Rent
1 Bedroom	127	700	\$2,275
2 Bedroom	49	1,000	\$2,750
3 Bedroom	19	1,250	\$2,938

Project Financials	High-Density Podium
Total Project Cost	\$87,885,917
<i>Cost per Unit</i>	<i>\$450,697</i>
<i>Cost per Net Square Foot</i>	<i>\$544</i>
Rental NOI	\$3,662,326
Cap Rate	5.0%
Capitalized Project Value	\$73,246,511
Residential Feasibility	(\$14,639,406)
<i>Feasibility Gap Per Unit</i>	<i>(\$75,074)</i>

Draft Feasibility Study

» Project Sensitivities

- High hard construction costs are the most significant hurdle to feasibility
- City policies can improve feasibility (impact fees, parking ratios, allowed density, etc.)
- Market demand shifts can improve feasibility (requires 5% sale price increase or 12% rent growth)

» Site Specific Feasibility Assessment

- Site characteristics can improve feasibility
 - Vacant site, flat topography, existing infrastructure, etc.
 - Prevailing high retail vacancy and/or low retail rents could encourage redevelopment
- Localized market conditions can improve feasibility
 - Potential sale price increases due to neighborhood factors
 - Potential rental rate premiums due to proximity to amenities (BART, shopping, etc.)

Comments and Discussion

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