

REPORT

To the Honorable Mayor and City Council
From the City Manager

February 13, 2017

SUBJECT

City Council Study Session to Review Implementation of the Downtown Precise Plan

RECOMMENDATION

Receive Report and Discuss the Implementation of the Downtown Precise Plan

BACKGROUND

The Downtown Precise Plan (DTPP) was adopted by the City Council on January 24, 2011. The DTPP was established to orchestrate private and public investment in Downtown Redwood City. It is the primary means of regulating land use and development within the Precise Plan Area, and the mechanism for planning City actions and investments in support of the growth of the Downtown.

The DTPP Area consists of approximately 183 acres within the City's historic center, and is generally bounded on the north by Veteran's Boulevard, on the east by Maple Street and the western edge of the Kaiser Permanente Hospital campus, to the southwest by properties located southwesterly of El Camino Real, and to the northwest by Brewster Avenue.

Although the DTPP was adopted only six years ago, the visioning process for the DTPP began nearly two decades ago. The process was undertaken to address community concerns about lack business activity, entertainment activity and residential uses in the Downtown area. A Citizen Task Force, chaired by residents, was appointed by the City Council in 1998 and charged with creating a vision for a vibrant downtown, with a mix of uses, anchored in being the entertainment hub of the Peninsula. Over the subsequent decade, dozens of community meetings were held to discuss revitalizing Downtown Redwood City.

The years of community meetings led to the adoption of two related policy paths. The first path was to spend public funds on Downtown infrastructure improvements. This included the demolition of the Courthouse Annex building, the restoration of Courthouse Square, the creation of Theatre Way, the construction of the Jefferson Garage and numerous other improvements around the Downtown area. The second path was to adopt the first version of the DTPP in 2007. The 2007 DTPP was initially approved by the Council, but was not implemented due to a California Environmental Quality Act (CEQA) lawsuit. In the years following the lawsuit, the community, staff, Planning Commission and City Council worked to address the issues in the lawsuit, and generally strengthen the DTPP document. No major development occurred between the 2007 lawsuit and the adoption of the DTPP in 2011. In fact, very little development or economic investment occurred in Downtown Redwood City in the decades leading up to the 2011 adoption.

Structure of the DTPP

As the name “Downtown Precise Plan” implies, the document is extremely detailed and prescriptive. In addition to the Introduction and Appendices, the document is broken down into three chapters:

Book 1: Community Intent and Vision: This chapter sets the stage for the rest of the document, and summarizes the input given during the 13-year period leading up to the final adoption of the DTPP. This section includes the “Goals and Guiding Principles,” as well as broad and focused strategies. The full text of the Goals and Guiding Principles and strategies are attached to this report.

Book 2: Development Regulations: This is the largest section of the DTPP, and contains the regulations that were adopted to guide implementation of the vision outlined in Book 1. From a day to day standpoint, this is the portion of the document that property owners, business owners and developers use to design their projects, and that staff and the Planning Commission use to confirm whether a project complies with the DTPP and therefore can be approved. While the DTPP has the “power” of the Zoning Code, it is much more prescriptive than a traditional zoning code document. Between standards and guidelines, there are over 1,000 regulations that create the framework for project design and approval. Examples of standards or guidelines contained in this book include: use regulations, building height, architectural guidelines, building disposition types, and parking regulations. This book also includes public frontage regulations and landscape regulations, and details more than three dozen buildings in the Downtown area that have some level of historical protection. Book 2 also contains the maximum allowable development for four different development categories, which is explained in more detail below.

Book 3: City Actions: This book outlines City projects in the downtown area that were completed in the years leading up to adoption, as well potential future projects.

Maximum Allowable Development (Development Caps)

As noted above, Book II includes the “maximum allowable development” under the DTPP and associated EIR for the four allowed development categories: residential, office, retail and lodging (hotel). The maximum allowable development standards are commonly referred to as the “development caps”. The development cap for each of the four categories is as follows:

Residential:	2,500 net new units (375 of which must be affordable)
Office:	500,000 net new square feet
Retail:	100,000 net new square feet
Hotel:	200 net new hotel rooms

As detailed in the analysis section below, there is very little remaining square footage allowable in the office category (not enough for another new office development). Including the projects that are proposed, but not yet approved, the residential development cap is approximately 90% complete. There is a substantial amount of room remaining in the retail cap, and the full amount of hotel cap space is still remaining.

General Plan

The Redwood City General Plan was adopted in 2010. The DTPP represents the detailed implementation of the broad policy direction contained within the General Plan for the Downtown district. Equally important, the Housing Element of the General Plan indicates that

the Downtown area is a Priority Development Area, and a substantial amount of the State-mandated citywide housing requirements are achieved through the DTPP. In other words, if housing were not produced within the downtown area, it would need to be produced elsewhere in the City.

Purpose of Study Session

The purpose of the Council Study Session is to discuss the Key Goals and Guiding Principles of the DTPP, and to review the status of DTPP implementation as it relates to these Goals and Guiding Principles. The analysis section below contains an overview of the Key Goals and Guiding Principles. A full version is attached to this report. The analysis section also provides a “development cap” update, as well as a summary of the most common concerns expressed during implementation of the DTPP. Based on Council discussion, staff may bring back amendments to the DTPP for Council consideration.

ANALYSIS

The following are the “Key Goals and Guiding Principles” detailed in DTPP. The goals and the related strategies are attached to this report.

A) Revive Downtown by creating a beautiful and memorable urban district interwoven with the City’s identity: Based on substantial community input, the Precise Plan’s central goal is to restore Downtown as the indispensable hub of the City where a mix of diverse services, conveniences, experiences and lifestyle choices are provided in a way that preserves Downtown’s rich supply of historic resources, while remaining appropriate to the social and economic conditions of life in the 21st Century. The DTPP is intended to create a visually appealing and memorable urban district that is the primary iconic image that stands for Redwood City. The Precise Plan sets clear and detailed standards for quality design of the reuse and restoration of precious historic buildings and spaces as well as the careful design and construction of new buildings. The buildings will also help shape the spaces in-between into good places that can be remembered and enjoyed. A variety of community outdoor places, primarily urban, will be part of this place-making and will accommodate all people comfortably, regardless of age, economic status, disability, or ethnicity. These community outdoor places may include sidewalks and streets, parking lots and facilities, paseos and plazas, even privatized rooftops and courtyards, as well as Courthouse Square and Theatre Way

B) Actively encourage and promote the preservation of Redwood City’s historic resources, and reduce the deferral of judgment on how to preserve them as much as possible: Rather than simply hope for preservation, or passively encourage it, the Downtown Precise Plan is intended to be a powerful tool to manifest the greatest degree of preservation feasible. Typically, decisions on what changes may be made to historic resources are determined on a case by-case basis, deferring judgment on many such matters to a future time. However, to provide a sense of security to the local preservation community, the DTPP attempts to provide as much guidance in advance as possible. The DTPP clearly informs property owners, developers, and tenants of the City’s intentions for preservation and dissuades a false sense of entitlement to those who would prefer to completely remove historic resources in order to maximize their property’s development potential. The plan provides specific regulations, up front, to those wishing to build on or near historic sites in an appropriate manner.

C) Create a network of great public open spaces: A network of sunny and comfortable public open spaces, linked to each other, housing, jobs, and adjacent neighborhoods by attractive and walkable tree-lined streets, will be an important part of making Downtown a livable urban neighborhood. Downtown parks should be designed with this urban context in mind, and should be meaningful, enjoyable, useful spaces. Parks should be numerous enough that most Downtown residents and workers are within a three-minute walk of one, but should not be so large in number as to be underused, a drain on scarce resources, or to limit the space available for housing. Public open spaces in Downtown should come in a variety of types to serve a variety of needs, such as plazas, paseos, playgrounds, large greens, and small pocket parks. These spaces should be situated in busy locations that are accessible and free of barriers, and are safe due to high visibility and “eyes on the street.” Redwood Creek should be utilized as a natural resource, a public open space, and the first leg of a green connection between Downtown and the waterfront.

D) Provide the choice of “convenience living”: A balanced and synergistic mixture of employment and a range of well-designed rental and for-sale housing types in close proximity to entertainment, restaurants, special events, shopping and public services that will be supported by and linked to public transportation, providing “car-less” access to other communities as well as to the San Francisco International Airport.

E) Create the entertainment center of the Peninsula: The combination of the 20-screen Century Theatres cinema and the live performances offered by the Fox Theatre and a number of smaller entertainment venues position Downtown as one of the premier entertainment destinations of the Peninsula. This destination is supported by the opportunities inherent in the programming of both Courthouse Square and Theatre Way to be active year-round with a variety of community events as well as a place for everyone to “hang out.” Also, art facilities and other cultural venues which support and reinforce entertainment should be encouraged.

F) Create a strong employment district and “vital center”: The modern workplace and “vital center” features settings that foster informal meetings and idea exchange that enhance creativity and productivity. When these settings are in close proximity to cafes, restaurants, meeting halls, art, high quality public transportation, and cultural resources, an employment district is created that the most sought-after employees prefer.

G) Make pedestrians the priority: Downtown is a comfortably walkable urban place, and the Downtown Precise Plan aims to make it more so as change occurs. In the event of conflict between motor vehicles and pedestrians, it is City policy that pedestrian comfort, safety, convenience, and enjoyment have priority.

H) Integrate transit and bicycle use: The Precise Plan encourages the creation of a model of transit integration, featuring a convenient transit station on display in the center (rather than at the edge) of Downtown, seamlessly connected to Broadway, Courthouse Square, El Camino Real and adjacent neighborhoods. It is intended that the transit station be so well integrated into the activity patterns, viewsheds, and pathways of the district that the train becomes the primary mode of transportation chosen by the daytime and evening commuting populations within walking distance of the station. In addition, modern streetcars are envisioned as a means of convenient circulation within Downtown, as well as a way to connect Downtown and the Caltrain station to adjacent districts and transit hubs. Bicycles have become a viable alternative to the automobile. They are clean, efficient, and provide a healthy way to travel to

and through the Downtown. It is intended that the City integrate more bicycle routes, bicycle storage, and other bicycle-friendly improvements in the Downtown.

I) Provide “just enough” parking and create a “park once and walk” district: It is the goal of the Downtown Precise Plan to plan, manage and operate the overall supply of parking (both public and private) in a manner that will provide “just enough” parking at the right price to serve the needs of people living, working and visiting Downtown. In addition, it is important to organize the parking facilities in relation to Downtown destinations and activities in a manner that will create a “park-once and walk” district. Facilities shall be well lit, aesthetically pleasing and well maintained as an important component of the overall network of community outdoor places. Parking facilities should be located unobtrusively, and should never be permitted to interfere with the appealing environment of Downtown.

Implementation: Status of Downtown Precise Plan Implementation

Please see the attached charts for details on each project that has been built to date, and the status of the development caps for each category. The first chart details the “net” commercial square footage and/or residential units for each development (takes into consideration the buildings removed as part of the project), while the second chart details gross square footage or residential units. A photo elevation or rendering for most projects built to date are available on the City’s [website](#).

Summary of Concerns Expressed

During the implementation phase of the DTPP, including the public review processes for the projects noted above, a number of comments have been expressed to staff, the Planning Commission and City Council. The Council has already taken action to address many of these comments.

A summary of the most-commonly comments received over the last several years, and actions taken to date, are noted below.

Active Ground Floor Uses (Retail): Since adoption of the DTPP, the demand for downtown office space has increased significantly. This demand for downtown office space, in combination with a thriving local tech sector, has disproportionately increased the price of downtown office space. This has caused several tenant spaces that were previously retail to convert to office. This was particularly the case on Main Street. Due to this, the City Council gave direction to amend the DTPP to require “ground floor active uses” (retail) on Main Street and strengthen the requirements for establishing office in other locations in downtown area. This amendment was adopted by Council in 2016.

Affordable Housing: As noted on Page 1 of the DTPP, all of the DTPP area with exception of a few parcels southwest of El Camino, fell within the Downtown Subarea of the Redwood City Redevelopment Agency. Being in a Redevelopment area would have required that 15% of the housing constructed be affordable housing, and would have resulted in millions of dollars of tax increment be dedicated to affordable housing.

Unfortunately, the State eliminated Redevelopment Agencies in the months following the adoption of the DTPP. The first phase of housing built under the DTPP, therefore, did not include affordable units. In FY 2015/2016 however, the Council adopted a DTPP amendment reserving 15% of the housing development cap for affordable units. The Council also adopted an affordable housing impact fee that applies to market rate development. Since that time, more than 200 affordable units have been proposed under the DTPP. Under full implementation of the DTPP, at least 375 units will be affordable.

“Level of Review”: When the DTPP was adopted, there was an emphasis on streamlining the development review process for projects that met the regulations set forth in the DTPP. For example, the Zoning Administrator, rather than the Planning Commission, could approve smaller projects (developments of lots less than 30,000 sq. ft.) that met all development standards and guidelines. There were concerns expressed that full Planning Commission review should be required for all projects, as some projects are relatively large, despite being on smaller lots. Based on this concern, the City Council amended the DTPP in 2016 to require Planning Commission review for all new development projects.

Pace of Development: Several factors have come into play since the adoption of the DTPP which has resulted in the pace of office and residential development occurring faster than initially projected. First, the demand for downtown office and residential space has taken off over the past five years. Second, the popularity of the “baby bullet” Caltrain program, and the fact that Redwood City has a “baby bullet” stop, has compounded demand. Train users can get from San Francisco to Redwood City in about 30 minutes. Finally, and most importantly, the economy came out of recession right around the same time that the DTPP was adopted. Given there was very little development in the decades preceding adoption, and no development in the years between the 2007 CEQA lawsuit and 2011 adoption, there was latent demand for new office development that quickly manifested itself in the years following adoption. All of these factors will result in the build out (complete construction and occupancy) of the office cap in an estimated 7 years from DTPP adoption (estimated 2018), and the residential in an estimated 10-12 years from DTPP adoption. It is expected that the hotel and retail space caps will be built out over the next 10 year period, and depending largely on economic and development cycles.

Level of Discretion: As noted earlier, the DTPP is a highly prescriptive document. It contains over a thousand development regulations, and describes the approval process in detail. This gives very little discretion to developers and architects: they must build to what is prescribed in the DTPP and must follow a certain process. Conversely, when a developer builds to what is prescribed in the plan, the DTPP gives less discretion to the City to deny or conditionally approve a project than in other zoning districts.

Architecture: The DTPP allows for several different types of architecture in the DTPP. In the “core” of the downtown, more transitional architecture is required. However, outside the core, modern architecture is allowed. Although a historic analysis is

completed for projects, there have been comments received that modern architecture is not appropriate in Downtown Redwood City. Others have commented that while they are fine with modern architecture, they would like to see more variety in architectural styles throughout the downtown. Furthermore, there have been implementation difficulties trying to design buildings that meet both architectural style standards and guidelines with the building disposition requirements. Examples of building disposition types include Rearyard, Courtyard, Tower and Specialized (please see pages 91-92 of the DTPP).

Development Review After Development Caps: The Downtown Precise Plan is the Zoning Ordinance for the downtown area. Among the many regulations within this portion of the Zoning Ordinance, is the Maximum Allowable Development Standards (development caps). When a development cap is hit, all the other regulations remain in effect. Therefore, there are three options for development review after a development cap is hit.

- (1) The Council may choose to increase the overall development allowed within the DTPP for one or more of the development categories. This would require the Council to adopt a General Plan Amendment, DTPP Amendment and complete an environmental review. Future development within the increased cap would then be “covered” by the DTPP and EIR.
- (2) A second option would be to remove the development caps from the General Plan and EIR (downtown is the only area within the City with caps). All other DTPP regulations would remain the same. Each development would be reviewed per the process prescribed in the DTPP and undergo separate environmental review.
- (3) The third option is to leave the caps in place, and require each development to “go on its own” when requesting a development that exceeds the cap. This option is similar to Option 2, except that each development application would need to include a General Plan Amendment and DTPP Amendment request, in addition to being reviewed per the prescribed DTPP process and undergoing environmental review as outlined in Option 2.

With all options, the development would need to comply with all other regulations found within the General Plan and DTPP.

Next Steps

Based on Council’s direction, staff may be bring back Downtown Precise Plan amendments for Planning Commission and City Council consideration. Depending on the complexity of the amendments proposed, it likely will take several months for the amendments to be drafted and placed on a Planning Commission agenda, given existing work underway.

ALTERNATIVES

The Council may wish to discuss the topics described above, or address other topics related to the Downtown Precise Plan.

FISCAL IMPACT

There may be considerable amount of staff time, and consultant costs, associated with any proposed revisions to the Downtown Precise Plan.

ENVIRONMENTAL REVIEW

The City Council Study Session is not a project as defined by CEQA, as no action will be taken. Any future possible amendments to the DTPP will be required to undergo full environmental review as required by CEQA.



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ATTACHMENTS

1. DOWNTOWN PRECISE PLAN GOALS, PRINCIPLES AND STRATEGIES
2. DOWNTOWN PRECISE PLAN DEVELOPMENT CAP TABLE
3. GROSS SQUARE FOOTAGE AND UNITS OF DOWNTOWN PRECISE PLAN PROJECTS