



STAFF REPORT – CITY COUNCIL MEETING

January 18, 2023

TO: Honorable Mayor and City Council Members

FROM: David Loya, Director of Community Development

PREPARER: David Loya, Director of Community Development

DATE: January 10, 2023

TITLE: **Authorize a Memorandum of Understanding with the Turner Housing Innovation Labs.**

RECOMMENDATION:

Staff recommends the Council authorize the City Manager to negotiate a Memorandum of Understanding with the Turner Housing Innovation Lab to develop a housing dashboard for the City of Arcata.

INTRODUCTION:

The City's General Plan is under current review and revision. The City has embraced higher density infill development to meet its housing and economic development needs for then next several decades. The Turner Housing Innovation Labs have developed a housing dashboard that integrates market and policy conditions to predict likelihood of development. The City was approached by the Turner Labs to build a model for Arcata. The dashboard could help inform policy decisions for adoption in our General Plan and area plan updates. This action would authorize the Community Development Department to work with the Turner Labs to build the model.

BACKGROUND:

The long-range planning work the City is undertaking is intended to balance community aspirations and project feasibility. The work seeks to ensure that developments result in higher quality of life, recognizing that only projects that pencil get built. Often we do not have rigorous data on the implications of our policy decisions.

The City adopted a Infill Market Study to evaluate the feasibility of the various Infill Opportunity Zones being considered in the 6th round Housing Element (2019-2027). While the study provided a snapshot of feasibility with a few variations on development for a couple of test parcels, it was not scalable. The Turner Labs dashboard scales this type of analysis and provides near instantaneous model results for all the parcels in a region with controls on many of the market and policy variables that affect feasibility.

DISCUSSION:

The Turner Labs describes the dashboard in this way:

In order to break the logjams preventing new housing, a crucial first step is understanding the magnitude of each regulatory blockage, and illuminating the effects of changing policies. Turner Labs' Housing Policy Dashboard does just that, allowing planners and policymakers to use existing data to simulate land use changes and housing policy solutions in order to right-size shifts for their community.

Turner's Housing Policy Dashboard, currently piloted with the City of Los Angeles and in development for another cohort of cities, is a powerful analytical tool that overlays a real estate proforma on top of parcel-level land use and regulatory data. This allows local policymakers to understand how specific housing policies or market inputs – such as changes in building limits, development costs, density bonuses, or market conditions – might impact real-world decisions that affect housing development amounts and patterns across a city or region.

The Dashboard is built by modeling the potential housing development math for individual parcels and projecting housing development capacity and probability on each plot. Those parcel-level estimates are aggregated across the city, and by adjusting dozens of inputs, can forecast the role that a suite of market or policy changes have on development potential. Instead of simply assuming the maximum zoned capacity will be reached, the Dashboard calculates the number of multifamily rental units that are likely to actually be built, considering both market realities and the dozens of layered building and zoning restrictions.

Key features:

- Measure a site's development potential and likelihood under a more realistically constrained environment to more accurately understand the role that policy decisions have in housing production.
- Obtain insights into land use needs and best practices, as well as generate data-backed recommendations to accommodate a mix of housing types.
- Assemble a menu and ranking of most effective adjustments to land use policy to increase expected multifamily rental development.

This action would authorize the City Manager to work with the City Attorney and the Turner Lab's to develop a mutually agreeable MOU to implement this work. A sample MOU is provided here for reference (Attachment A).

POLICY IMPLICATIONS:

The dashboard would provide feedback on policy decisions the Council may be considering for inclusion in the Infill Opportunity Zones.

COMMITTEE/COMMISSION REVIEW:

None to date. The Planning Commission would be involved in the development of the tool.

ENVIRONMENTAL REVIEW (CEQA):

This is not a project pursuant to CEQA.

BUDGET/FISCAL IMPACT:

Staff has identified the REAP 2.0 state grant as a potential funding opportunity to secure additional funds for a three-year program. The current scope of work would be for one year and does not require funding.

ATTACHMENTS:

A. SAMPLE Turner Labs_Arcata MOU (DOCX)