



# STAFF REPORT

## PLANNING COMMISSION MEETING

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January 24, 2023

**TO:** Honorable Chair and Commissioners

**FROM:** David Loya, Director of Community Development

**PREPARER:** Susan Diehl McCarthy, Community Development Specialist

**DATE:** January 18, 2023

**TITLE:** **Consider the Community Benefits Program Associated with the Gateway Area Plan**

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### **RECOMMENDATION:**

Staff recommends the Planning Commission consider the Arcata Gateway community benefits program and provide staff direction regarding the program's structure and ranking.

### **INTRODUCTION:**

The Draft Arcata Gateway Area Plan includes a streamlined pathway for projects in the Gateway Area that meet the requirements of the Form-Based Code (still under development), provide moderate to high density housing, and provide amenities through a community benefits program. This item provides the Commission an opportunity to weigh in on which items should be considered community benefits worthy of incentivizing development in our community, and how to rank those benefits in terms of the value they bring to the community. This item is intended to start the conversation with the Commission, but subsequent hearings will be required to finalize the details. This facilitated exercise will continue the selection and ranking of community benefits that began at the special meeting held on November 15, 2022. A summary of the previous meetings work can be found in attachment A.

What are community benefits? In essence, a feature of a project that the public generally agrees benefits the community. Outside the context of the planning work we are doing, you can probably come up with a handful of examples of community benefits off the top of your head. Some of you may have thought about the many parks we have in our community. Some may have gone directly to the trails in places like the community forest or miles of country roads on the bottom lands you can lose yourself in on a long bike ride. Perhaps the arts scene was the first thing that came to mind.

The Gateway Area Plan envisions a community benefit system that will function much like conditions of approval. In a way, they will be pre-approved conditions of approval that ensure that larger projects provide more benefit to the community in exchange for ministerial review and streamlined permitting. The size and number of community benefits required of each project should generally match the scale of the project to ensure cost feasibility and proportional contribution to improvements in our community. So, in the context of the Gateway Plan, a community benefit is

specifically tied to a proposed development project and is a cost-feasible, proportional contribution to benefits that implement the values and vision of the community as outlined in the Plan.

Currently, the community benefits program is drafted to incentivize a range of outcomes that were expressed by the community, committees, the Commission, and the Council over the years leading up to the Draft Gateway Plan. The benefits were based on the input from these early meetings and were designed to respond to the values and concerns we heard about housing production, open space and recreation needs, energy conservation, and alternative transportation, among other subject areas. These draft ideas should be vetted by the Commission before making a formal recommendation to the Council on the program.

In establishing a community benefits program in the Plan, the work of the community and the Commission is to define the connection between the multitude of benefits we can imagine, the values expressed in the Plan, and the feasibility of implementing the benefits. To do this, we suggest the Commission start by developing a large and aspirational list of benefits. The list can then be ranked by value to the community. The exact structure of the program will be fleshed out at future meetings, but the Commission should establish which benefits should be ranked higher for larger projects, which should be ranked lower, and which should be dropped from the list entirely. After this step, the benefits list will be ranked and the connection between the values and vision will be established. The exercise for the November 15, 2022, meeting will make significant progress developing this list.

As drafted, the benefits program has three types of outcomes. Each of these outcomes have been expressed as values of the community and recognizing them as community benefits incentivizes projects to result in these outcomes. The outcomes result in projects, programs, or objectives that further the community vision and values.

- The first outcome is tangible projects that would be completed by the project developers. Several examples of either on-site or off-site projects fall into this category, such as building indoor bike lockers or publicly accessible private open space.
- The second type of outcome is a collection of programs that accomplish community objectives. Some examples of programs include fee programs for conservation easements, fee programs for alternative transportation infrastructure (like the bus pass program or carshare and bikeshare programs), and other regional scale programs.
- The third type of outcome is obtaining our objectives and policies, such as creating more affordable housing to address specific household income ranges, rapidly producing housing to address the housing crisis, or creating more homeownership opportunities.

In addition to the types of outcomes, the list can be sorted based on the nexus to the project. Some recommended community benefits are relatively unexceptional and are similar to those that would be considered conditions of approval for projects that receive discretionary review. An example of this might be providing public access through natural areas or agreeing to onsite tribal monitoring of ground disturbing activities where not otherwise required by law.

While they would not be sufficient on their own to garner streamlined permitting, the concept in the draft ensures that these reasonable lower tier improvements are recognized as positive contributions to the community that projects bring. This 'lower tier' group of amenities could be kept as recognized benefits or made conditions of approval, via standards in the Form-Based Code. As currently envisioned, they are recognized as community benefits, which surely they are or we would not have required them of projects in the past.

Some of this lower tier benefits category may already be required by other regulations. These could be enhanced beyond the requirement to push them into a 'benefit' category. An example of this might be the sidewalk requirement with expanded width. Typical conditions of approval and the municipal code require minimum five-foot-wide sidewalks. A community benefit might include adding three feet of sidewalk on private property where it isn't otherwise required, for example. The electric reach code is another example of going above the requirements as a way to better accomplish our shared goals. The Commission should consider whether to create new classes of lower and middle tier benefits whether they decide to keep the low tier benefits discussed above.

Lastly, there are some benefits that clearly go beyond the requirement. Adding affordable housing beyond requirements, building a net-zero building, adding a microgrid, funding a project based carshare program, and daylighting a creek are all examples of beyond condition of approval nexus and proportionality. These high-value, upper tier benefits are generally more readily understood by the public as community benefits.

The Commission should consider the range of community benefits and make recommendations to include those that they feel help to bring about outcomes that implement the community value. The ranking exercise the Commission will work through at this meeting will help provide structure for the community benefits program.

**ATTACHMENTS:**

Planning Commission Form Based Code Exercise 11-16-2022 (PDF)