



# Implementation

CHAPTER

# 8

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# 8.1 Roadmap to Implementation

**The Downtown vision will be accomplished through a mix of public investment projects and private infill development. Public realm improvements promote placemaking and strengthen Downtown identity.**

## Implementing the 2040 Vision

Implementation of the Precise Plan will occur over time and will require collaboration between the City of San Rafael, property owners, and the development community, as well as City funding and grants. It will be a combination of larger, catalyst projects at key locations, as well as ongoing smaller-scale infill developments.

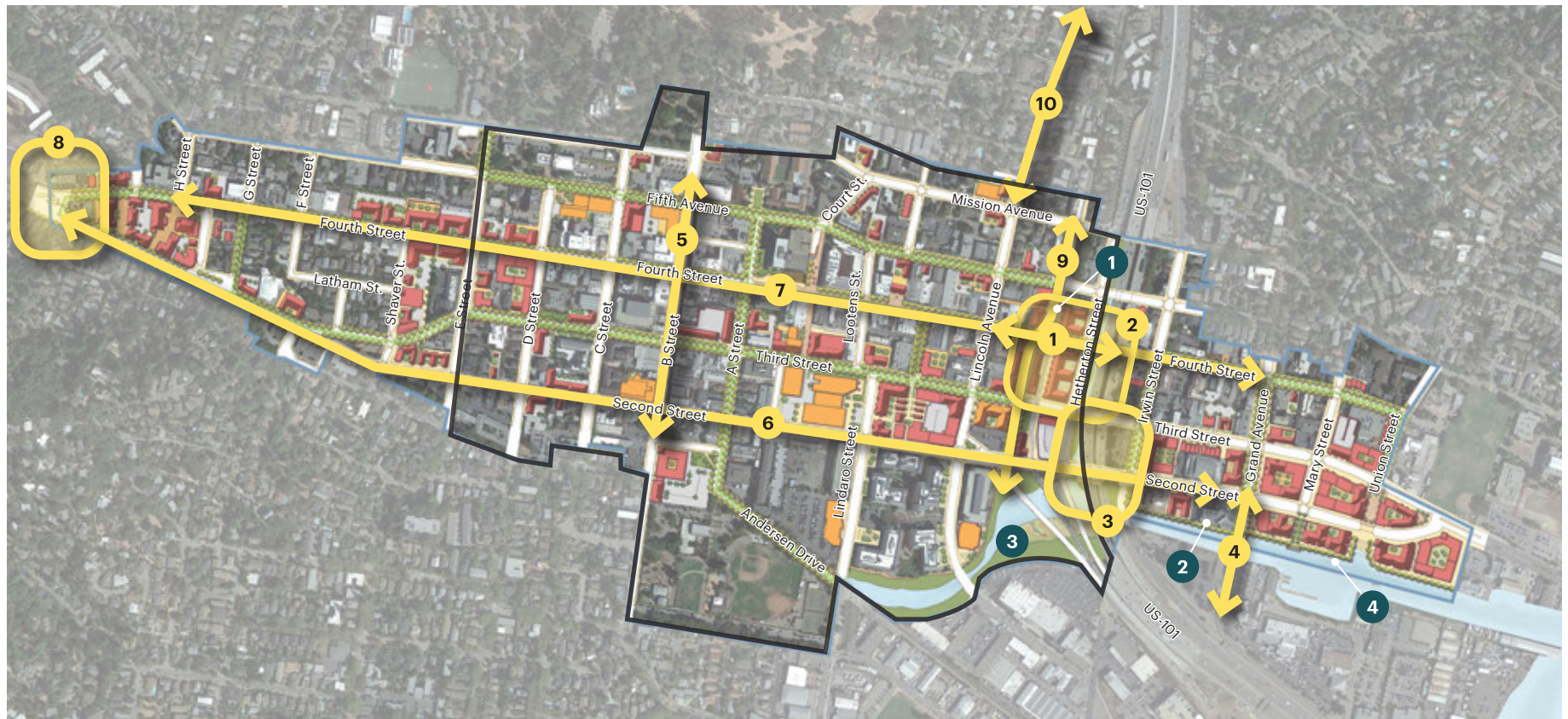
The Precise Plan does not recommend a rigid phasing strategy for implementation. This is intentional, in order to provide a degree of flexibility to City staff in exploring innovative solutions and strategies, and to be able to take advantage of development opportunities over the life of the Plan. Also, for many of the proposed improvements, it will be practical and cost-effective to initiate a pilot project with a defined timeline to test the design concepts for viability prior to incurring substantial capital costs.

The Precise Plan includes dozens of implementing actions, some of which are already underway and represent the core services provided by City departments and others that will require additional funding or revenue streams. The Precise Plan embraces the idea that new programs must be evaluated for their fiscal impact on the City as well as secondary impacts on residents and businesses.

The same is true for capital improvement projects, such as flood control improvements and bicycle lanes. Cost-benefit analysis must consider the City's ability to pay for the improvements or services to be provided. It must also consider the social, environmental, and health benefits that may result.

Implementation of the Precise Plan will require ongoing consideration of trade-offs between the costs and benefits of various programs and improvements. For example, reconfiguring streets to add bicycle lanes would benefit those that use the new bicycle infrastructure but could add to vehicle traffic delays for motorists. While social, health, and environmental benefits are hard to quantify, they are important considerations in such decisions. Some projects may have important long-term dividends (fewer injuries, reduced greenhouse gas emissions), while others may be difficult to justify given competing priorities and other tools available to achieve the same goals.

Ultimately, each program and each decision must be evaluated on its merits, recognizing that, in an environment of limited resources, cost-benefit analysis must be part of the process. Fiscal responsibility is part of the foundation of the City's General Plan as well as this



**Figure 8.1 Priority projects recommended for Downtown**

Note: The highest priority projects are indicated on this map. Refer to Table 8A for the complete list of priority projects.

**Transportation Projects**

- 1 Downtown Gateway Improvements
  - 2 Transit Center Relocation
  - 3 US-101/Downtown San Rafael Interchange  
Bicycle and Pedestrian Master Plan
  - 4 Canal Pedestrian-Bicycle Connection
  - 5 Downtown One-Way Street Conversion
  - 6 Second Street Multimodal Improvements
  - 7 Fourth Street Improvements
  - 8 Fourth Street Intersection Realignment
  - 9 Tamalpais Avenue West Improvements
  - 10 Lincoln Avenue Peak Period Lanes/Parking Restrictions
- Downtown Parking Assessment District

**Civic Space Projects**

- 1 Transit Plaza
- 2 Montecito Promenade
- 3 Urban Flood Mitigation Wetland
- 4 San Rafael Canal Adaptation

Scale 1" = 800'



Precise Plan and is also integral to the implementation of both the General Plan and Precise Plan.

The Plan recommends the following implementation strategy:

#### ■ **Placemaking Through Priority Projects**

Placemaking is a central strategy in the Precise Plan to attract investment to Downtown and to achieve many of the Precise Plan goals. The City should seek to prioritize improvements at nodes where they can stimulate private investment and contribute to Downtown's continued role as a mixed-use and cultural destination for the region. City staff should collaborate with relevant agencies to prioritize key public realm improvements (high, medium, low) and establish a timeline (near-term and/or long-term) to pursue funding and implementation. Grant funding opportunities as well as partnerships with private entities should be explored.

The Precise Plan recommends a list of key priority projects for placemaking, shown in Figure 8.1 and listed in Table 8A. The priority projects have been selected on the basis of their importance in framing the Plan vision, due to their scale, location, and/or their potential impact on existing and subsequent development. These are recommended based on conditions at the time of the drafting of the Plan, and can be changed over the life of the Plan as conditions change, and to avail of new opportunities.

#### ■ **Facilitate Incremental Infill**

The analysis of Downtown lots during the Design Charrette highlighted many small and medium-scale potential infill opportunity sites. A steady flow of such projects across Downtown will create sustained, balanced, and distributed growth, at a scale that will blend well with the existing fabric and fill in missing gaps. The Downtown Precise Plan and Downtown Form-Based Code provide clear guidance

about the City's expectations for new development in terms of built form and character, and establishes additional clarity with regards to historic resources in order to encourage streamlined review processes.

#### ■ **Short-Term Pilot Projects and Tactical Urbanism**

Define pilot projects for planned improvements, particularly those for streetscape and public realm improvements, and carry out short-term transformations to both test out design concepts and to build community support for longer-term implementation of the ideas. Investment projects can benefit from "quick-build" and "tactical urbanism" strategies that implement short-term, low-cost improvements to test design concepts and build community support for more permanent solutions. Public investments such as street improvements and civic spaces can be achieved through temporary street closures and movable furnishings. Private development can also install temporary uses and activities that generate foot traffic in anticipation of development.

#### ■ **Sustain Local Business and Institutions**

Downtown's local businesses and cultural establishments contribute to its uniqueness and give it an authentic character, essential for placemaking. New development in Downtown may have an impact on existing businesses and uses. Policies can help to protect local businesses and prevent displacement. Additional information can be found in Chapter Seven: Affordable Housing and Anti-Displacement.

# Potential Financing Strategies and Funding Sources

**Potential sources of funding for the public realm improvements and programs identified in this chapter include allocation of new City revenues that new development will generate; development impact fees paid by project developers; and federal, state, and local grants.**

## Fiscal Analysis

The Precise Plan preparation process included an analysis of the impact that the Plan will have on City of San Rafael General Fund revenues and expenditures. The analysis found that the annual revenue that the Plan will generate in the form of increased property taxes, sales taxes, and other City General fund revenues sources will exceed the increases in annual City expenditures that will be needed to pay for increased service demands generated by new development. The City could elect to use some or all of the resulting surplus in annual General Fund revenue to help pay for Plan Area public improvements and other Plan implementation activities. Because these surpluses will be derived from General Fund revenue sources, which can be spent at the City Council's discretion, the City will have significant flexibility in making expenditure decisions. However, this revenue surplus is likely to be somewhat limited in the early phases of implementation, during which financing public improvements and programs may be particularly crucial, because these revenues are dependent on new development projects in the Plan Area that will be constructed over time.

As opposed to spending available funds on a pay-as-you go basis, using only the funds that accrue on an annual

basis, the City could consider establishing an Enhanced Infrastructure Financing District (EIFD) in the Plan Area that would enable the City to bond against future revenues "up front" and then use the subsequent annual revenues to pay off the bond principal and interest. An EIFD would authorize the City to earmark its share of property tax increment in the Plan Area to generate funds that can be used to assist in Plan implementation actions. Using this type of financing tool would enable the City to accelerate investments in Plan Area public improvements, which in turn would help to accelerate private investments in the Plan Area. Additional analysis would be necessary to assess whether an EIFD would be a suitable tool for the types of implementation activities that are desired for the Plan Area and whether this tool would be desirable given other City policy objectives.

In addition, the City may be able to partially fund new improvements through impact fees charged to new development. San Rafael already assesses impact fees to mitigate some of the impacts from new development and could consider whether new types of impact fees or adjustments to current fee schedules would be appropriate within the Plan Area. Impact fees can only be used to mitigate the impacts associated with

the new development that generates the impact fee revenue, and therefore may not be suitable for financing all improvements and programs identified in this implementation plan. In addition, adopting high impact fees could affect the financial feasibility of new private development projects, thereby impeding the type of development that the Precise Plan envisions. Thus, any new impact fees should be carefully evaluated and supplemented with other financing sources to fully implement the Plan.

Finally, grants from regional, state, and federal funding programs will be crucial in helping to address shortfalls in local funding and accelerate the availability of funds to implement projects. Potential sources of regional, state, and federal grant funding include the California Strategic Growth Council Affordable Housing and Sustainable Communities Program and federal transportation funds.

### **Impact of COVID-19 on Implementation**

In the time since the City initiated the Downtown Precise Plan process, the COVID-19 pandemic has disrupted the global economy as well as many people's daily lives in ways that were entirely unanticipated during the initial phases of the planning process, though the most significant impacts of the pandemic are anticipated to be temporary. The Downtown Precise Plan is a long-term planning document that will outlast the current economic crisis and span economic cycles and will similarly outlast the need for social distancing guidelines. Many of the actions that the Plan calls for will aid the Downtown area and the City overall in withstanding the current crisis and recovering as conditions improve.

The impacts of the pandemic include considerable negative impacts on the retail and restaurant sectors as well as the lodging industry, creating significant challenges for many retailers, restaurants, and hotels, in

San Rafael and elsewhere. While some of these challenges are likely to be temporary and will lessen as the economy recovers, many of the businesses in Downtown San Rafael will need additional support to withstand the ongoing economic crisis and to recover as economic conditions improve. The Precise Plan includes a number of recommended actions to support existing businesses and attract new businesses to Downtown San Rafael, which can help to aid in weathering the current crisis and through the recovery phase. Some of these actions, such as facilitating outdoor dining options, may be particularly relevant given current conditions.

In addition, the pandemic will likely slow the pace of new development in the near term, including in San Rafael, with varying impacts across land use types. While the pandemic is likely to delay future retail and lodging development in the Precise Plan area over the near term, other development projects, such as those related to the life sciences sector, could be relatively insulated from the current economic climate. Overall, the new development in the Precise Plan Area is likely to be somewhat delayed until economic conditions improve.

The economic impacts from the pandemic have also negatively affected the City of San Rafael's budget, causing a decrease in revenue from sales tax revenue, transient occupancy tax revenue, and other key sources of municipal funding. These trends are anticipated to continue as the economic effects of the pandemic are ongoing. The City has begun to implement cost-cutting measures that will result in a decrease in City staff availability, which can be expected to impact the pace at which the City is able to implement the Precise Plan in the near term. As economic conditions improve and General Fund revenues increase, the City should have the ability to accelerate the implementation process, depending on staff capacity and city-wide priorities.

Finally, the pandemic has affected the economic stability of countless households and individuals who have lost their employment or seen a significant decrease in earnings due to the ongoing economic crisis. While the City cannot independently address these challenges, the Plan does include measures that can mitigate these impacts, which are increasingly important given current conditions. These include economic development strategies that can help to support local businesses, as noted above, as well as the affordable housing and anti-displacement strategies that are included in Section 8.3: Recommended Actions of this chapter.

# Priority Projects for Transportation and Public Realm Improvements

Table 8A. Priority Projects for Transportation and Public Realm Improvements			
8A.1. Streets and Transportation Infrastructure Improvements			
Priority Projects	Timing <sup>1</sup>	Priority	Funding Source
<p><b>8A.1.1. Downtown Gateway Improvements</b>                      First/last mile improvements for SMART Station and Transit Center (pedestrian, bicycle, lighting, wayfinding).                      Downtown intersection improvements (traffic signals, roundabouts, and/or turn lane modifications).</p>	Near-term	High	Traffic Improvement Fee; State/Federal/ Transportation Authority of Marin (TAM); private development-related improvements.
<p><b>8A.1.2. Transit Center Relocation</b>                      Implement the San Rafael Transit Center relocation project on site selection by the Golden Gate Bridge, Highway and Transportation District (GGBHT).                      Evaluate and implement necessary circulation and wayfinding improvements on surrounding streets to support the new function.</p>	Near-term	High	Golden Gate Bridge, Highway and Transportation District (GGBHTD); grants.
<p><b>8A.1.3. US-101/Downtown San Rafael Interchange</b>                      Intersection and ramp improvements to Second Street, Third Street, Hetherton Street, Irwin Street, and/or ramps.</p>	Near-term	High	State and Federal/ TAM funding.
<p><b>8A.1.4. San Rafael Bicycle and Pedestrian Master Plan</b>                      Improvement projects relevant to Downtown as described in the following diagrams in Chapter Six: Transportation and Parking:                      - Figure 6.14: Pedestrian Priority Network                      - Figure 6.18: Bicycle Priority Network</p>	Near to long-term	High	Traffic Improvement Fee; State/ Federal/ TAM funding.
<p><b>8A.1.5. Canal Pedestrian-Bicycle Connection</b>                      Pedestrian and bicycle connection between the Canal neighborhood and the Montecito Commercial Sub-Area through improvements to Grand Avenue.</p>	Near-term	High	Traffic Improvement Fee; State/ Federal/ TAM funding.

<sup>1</sup> Near term: 2020 to 2030  
 Long term: 2030 to 2040



<b>Table 8A. Priority Projects for Transportation and Public Realm Improvements (Continued)</b>			
<b>Priority Projects</b>	<b>Timing<sup>1</sup></b>	<b>Priority</b>	<b>Funding Source</b>
<b>8A.1.6. Downtown One-Way Street Conversion</b> Convert B Street to two-way operation.	Near-term	High	Traffic Improvement Fee/ CIP project.
<b>8A.1.7. Second Street Multimodal Improvements</b> Improve Second Street corridor operations while addressing pedestrian and bicycle safety at crossing locations, and widen sidewalks and remove parking where feasible.	Near-term	High	Traffic Improvement Fee; State/ Federal/ TAM funding.
<b>8A.1.8. Fourth Street Improvements</b> Pedestrian, bicycle, and vehicular circulation improvements on Fourth Street on the following segments, as described in Section 6.3: Street Transformations: - Fourth Street between H and E Streets - Fourth Street between E Street and Lincoln Avenue - Fourth Street between Tamalpais and Hetherton Streets - Fourth Street between Irwin and Grand Streets	Near to long-term	High	Traffic Improvement Fee; State/ Federal/ TAM funding.
<b>8A.1.9. Fourth Street (West End) Intersection Realignment</b> Re-align Fourth Street/Second Street/Marquard Avenue intersection.	Near-term	High	Traffic Improvement Fee; State/ Federal/ TAM funding.
<b>8A.1.10. Tamalpais Avenue West Improvements</b> Pedestrian, bicycle, and vehicular circulation improvements on Tamalpais Avenue on the following segments, as described in Section 6.3: Street Transformations: - Tamalpais Avenue between Second and Third Streets - Tamalpais Avenue between Third and Fourth Streets - Tamalpais Avenue between Fourth Street and Mission Avenue	Near to long-term	High	Traffic Improvement Fee; State/ Federal/ TAM; private development-related improvements.
<b>8A.1.11. Lincoln Avenue Peak Period Lanes/Parking Restrictions</b> Extend the existing PM peak period parking restrictions, to allow for two lanes in each direction during both AM and PM peak periods, from Hammondale Court/SB US-101 ramps to Mission Avenue. Provide additional parking in corridor.	Near-term	High	General Fund; local capital improvement.
<b>8A.1.12. Precise Plan Downtown Parking Assessment District</b> Expand the existing Downtown Parking Assessment District east to E Street and west to Hetherton Street.	Near to long-term	High	Parking Assessment District.

<sup>1</sup> Near term: 2020 to 2030  
Long term: 2030 to 2040

Table 8A. Priority Projects for Transportation and Public Realm Improvements (Continued)			
8A.2. Civic Space Improvements			
Priority Projects	Timing <sup>1</sup>	Priority	Funding Source
<p><b>8A.2.1. Transit Plaza</b> Reconfigure Tamalpais Avenue between Fourth Street and Fifth Avenue to create a plaza designed to accommodate pedestrian and bicycle movement, temporary activities, and allowing emergency vehicular access as needed. Improve Walter Lane to enable it to function as a pedestrian passage.</p>	Near-term	High	Grants; private development-related improvements.
<p><b>8A.2.2. Montecito Promenade</b> Pedestrian and bicycle improvements to the existing promenade to improve connectivity to Downtown, the Canal neighborhood and to the city-wide north-south pedestrian-bicycle connector.</p>	Near to long-term	High	Private development-related improvements.
<p><b>8A.2.3. Urban Flood Mitigation Wetland</b> Consider acquiring the parcel(s) south of Second Street and east of Lincoln Avenue along the San Rafael Canal (as shown in Section 4.4: Public Realm and Connectivity) to create an urban wetland or a similar feature to control local flooding and potentially form part of an adaptation strategy for future sea-level rise.</p>	Near to long-term	High	State and Federal grants; future climate adaptation financing measures (bonds, special assessments, etc.).
<p><b>8A.2.4. San Rafael Canal Adaptation and Creek Enhancements</b> Levee improvements, infrastructure hardening, and other mitigation and adaptation strategies consistent with General Plan recommendations; enhancement of Irwin and Mahon Creeks.</p>	Near to long-term	High	State and Federal grants; future climate adaptation funding measures (bonds, special assessments, etc.)
<p><b>8A.2.5. Fourth Street as Shared Street</b> Evaluate the feasibility of converting Fourth Street from A Street to Lincoln Avenue as a shared street coordinated with recommended transportation improvements.</p>	Long-term	Medium (assess feasibility)	Grants; Traffic Improvement Fee; development-related improvements.
<p><b>8A.2.6. Pocket Park in West End Village</b> [subject to the redevelopment of privately-owned parcel] on north side of Fourth Street mid-block between Shaver and F Streets.</p>	Long-term	Medium (assess feasibility)	Grants; private development-related improvements; future CIP item.
<p><b>8A.2.7. Green Infrastructure for Downtown Street Upgrades</b> Integrate permeable pavement, catchment basins, and other suitable green infrastructure as part of future street improvements and upgrades to increase the stormwater retention capacity of Downtown streets and reduce runoff.</p>	Long-term	Medium (assess feasibility)	Grants; future climate adaptation funding measures (bonds, special assessments, etc.).

<sup>1</sup> Near term: 2020 to 2030  
Long term: 2030 to 2040

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## 8.2 Economic Development Strategy

**The economic development strategy for Downtown is aimed at strengthening its role as a regional center and ensuring a high quality of life for the City's residents and workers.**

### Vision for Economic Development

Downtown San Rafael will strengthen its role as a vibrant, attractive, and livable place with a diverse economy. Downtown will foster innovation and entrepreneurship, economic opportunity, quality jobs, arts and cultural events, and an appealing mix of shops, services, and entertainment venues. Downtown's role as a transportation hub will continue to attract new investment in mixed-use commercial and residential development that will, in turn, support the Downtown's retail sector and provide new housing and employment opportunities.

### Expected Outcomes

The Precise Plan visualizes the future Downtown as one that serves San Rafael's local community, and is also a regional destination. To enhance its vitality and attractiveness, Downtown will feature new investments in streetscapes, mobility, and placemaking to support both reinvestment in existing properties and redevelopment of infill sites. The following are a few expected outcomes of the successful implementation of the Precise Plan, which relate to the design principles and the design concepts discussed in previous chapters.

- Small business growth that can be accommodated with new commercial space Downtown;
  - New market-rate and affordable housing to address workforce housing needs and generate additional spending power to support Downtown businesses;
  - Preservation and enhancement of the City's fiscal sustainability through increased taxable sales and increased property values;
  - Establishment of new maker and craft businesses as well as independent retailers;
  - Strengthening of Downtown as a California Arts and Culture district;
  - Regular communication and needs assessment of Downtown's business community; and
  - Increased promotion of Downtown with enhanced events programming and robust social media and cross-marketing campaigns.
- Development of opportunity sites into new mixed-use commercial and residential development;

# Overarching Strategies

The following summarizes a variety of high-level strategies for the City of San Rafael to consider, recognizing the stated goals of the City, local conditions within the Plan Area, and the community vision proposed by this Precise Plan.

## Strategy

1

**Support existing businesses and attract new businesses to Downtown.**

## Strategy

2

**Maintain and enhance Downtown's contribution to San Rafael's fiscal vitality.**

## Strategy

3

**Support new infill and transit-oriented development.**

## Strategy

4

**Strengthen Downtown as a community and regional destination.**



**Table 8B. Economic Development Strategy: Implementation Actions and Recommendations**

<b>Strategy 1</b>		
Support existing businesses and attract new businesses to Downtown		
<b>Action</b>	<b>Timeline</b>	<b>Responsible Departments/ Parties</b>
<b>8B.1.1.</b> Continue to provide and promote a business-friendly environment with an efficient, equitable, and predictable permitting process.	Ongoing	Community Development and Economic Development departments
<b>8B.1.2.</b> Continue to prepare and update marketing materials to support firm attraction to Downtown and to support the Downtown San Rafael BID, Chamber of Commerce, and the newly designated San Rafael Downtown Arts and Cultural District.	Ongoing	Economic Development department, Downtown San Rafael Business Improvement District, and Chamber of Commerce
<b>8B.1.3.</b> Monitor and update development standards in the zoning code to allow progressive and efficient floor area ratios, parking standards, and other development regulations in accordance to the Precise Plan and General Plan.	Ongoing	Community Development and Economic Development departments
<b>8B.1.4.</b> Continue to offer business technical assistance and information related to market research, financial resources for business expansion, and workforce training.	Ongoing	Economic Development department
<b>8B.1.5.</b> Coordinate with San Rafael Downtown, the Chamber of Commerce, and Downtown businesses to identify areas where the Downtown's social media presence, and marketing and branding efforts can be enhanced.	Complete by 2023	Economic Development and local business organizations
<b>Strategy 2</b>		
Maintain and enhance Downtown's contribution to the City's fiscal vitality		
<b>Action</b>	<b>Timeline</b>	<b>Responsible Departments/ Parties</b>
<b>8B.2.1.</b> Continue to partner with commercial real estate brokers and property owners to track available spaces, monitor leasing activity, and support tenant recruitment and permitting.	Ongoing	Economic Development department
<b>8B.2.2.</b> Strengthen joint efforts with the San Rafael Chamber of Commerce to identify joint business support and promotion such as small business training and area-wide joint advertising	Start in 2021, and ongoing	Economic Development department and Chamber of Commerce

**Table 8B. Economic Development Strategy: Implementation Actions and Recommendations (Continued)**

<b>8B.2.3.</b> Support local maker and craft businesses as well as other independent retailers by promoting Downtown locations and providing guidance for permitting.	Ongoing	Economic Development department
<b>8B.2.4.</b> Support existing and new co-working spaces to bring additional workers to Downtown.	Ongoing	Economic Development department
<b>8B.2.5.</b> Retain existing retailers by surveying needs, identifying issues, and partnering with City departments and other business organizations to address issues raised.	Ongoing	Economic Development department, Downtown San Rafael Business Improvement District, and Chamber of Commerce
<b>8B.2.6.</b> Encourage property owners to utilize vacant retail space for micro-enterprises, pop-up retailers, pop-up/try-out restaurants, and special events; identify and address barriers to pop-ups and temporary uses of retail space.	Start by 2022 and ongoing	Community Development and Economic Development departments
<b>8B.2.7.</b> Research a revolving loan fund to provide financing to owners of older structures to provide venting, facade upgrades, and other improvements to expand the inventory of retail space that can accommodate restaurants and support existing retailers.	Complete by 2024	Community Development, Finance, and Economic Development and departments
<b>8B.2.8.</b> Work with existing and new restaurants to offer outdoor dining options.	Ongoing	Economic Development, Community Development, and County Health departments
<b>8B.2.9.</b> Continue to report marketing activity, leasing volume, sales tax revenues, and business issues to the City Manager and City Council on a regular basis.	Ongoing	Economic Development department

**Strategy 3**

## Support new infill and transit-oriented development

Action	Timeline	Responsible Departments/ Parties
<b>8B.3.1.</b> Encourage parcel assembly through a height bonus over the base level allowed height.	Complete by 2022	Community Development department
<b>8B.3.2.</b> Consider setting a minimum parcel or development size for key blocks suitable for TOD development Downtown.	Complete by 2022	Community Development department

<b>Table 8B. Economic Development Strategy: Implementation Actions and Recommendations (Continued)</b>		
<b>8B.3.3.</b> Offer a wide range of both affordable and market rate housing by supporting a variety of housing types, including live-work on the ground floor of selected blocks Downtown.	Ongoing	Economic Development and Community Development departments
<b>8B.3.4.</b> Continue to preserve historic resources in Downtown to retain the area’s authenticity and attract new investment.	Ongoing	Community Development department
<b>8B.3.5.</b> Pursue grant funding for enhanced mobility improvements to strengthen ties to the SMART station and between the west and east sides of Downtown across US-101.	Start by 2021	City of San Rafael
<b>8B.3.6.</b> Explore partnerships with local health care providers such as Kaiser Permanente and major employers such as Bio-Marin to add new outdoor wellness facilities Downtown such as a par course.	Complete by 2024	City and private health care providers
<b>8B.3.7.</b> Incorporate flexibility into development standards that allow new projects to incorporate a variety of unit sizes to meet a range of housing needs and respond to market conditions.	Complete by 2021	Community Development department
<b>8B.3.8.</b> Consider use of City-owned sites for infill development projects.	Ongoing	Community Development department
<b>8B.3.9.</b> Ensure that building and development standards enable lower-cost construction methods such as modular construction and construction that uses prefabricated components.	Complete by 2023	Community Development department
<b>8B.3.10.</b> Continue to provide height bonuses and other incentives for projects that provide affordable units and explore the potential for additional height bonuses.	Ongoing	Community Development department



**Table 8B. Economic Development Strategy: Implementation Actions and Recommendations (Continued)**

<b>8B.3.11.</b> Implement streamlined review of new development to the extent possible and appropriate through the implementation of the Downtown Precise Plan, and explore additional opportunities to remove or reduce discretionary review processes for projects that provide affordable units or meet other Precise Plan goals, including reducing discretionary review of incentives for these projects.	Start in 2021 (through adoption of the Downtown Precise Plan)	Community Development department
<b>8B.3.12.</b> Adopt a defined set of height bonuses and/or development incentives and concessions that exceed those available under State Density Bonus law for projects that provide more affordable units than needed to be eligible for the maximum 35% State Density Bonus for market-rate projects, with the goal of minimizing discretionary review for projects that pursue these incentives.	Start in 2021 (through adoption of the Downtown Precise Plan)	Community Development department
<b>Strategy 4</b>		
Strengthen Downtown as a community and regional destination		
Action	Timeline	Responsible Departments/ Parties
<b>8B.4.1.</b> Build on the California Arts and Cultural District designation with expanded programming in partnership with local and regional arts and cultural organizations.	Ongoing	Library and Recreation departments
<b>8B.4.2.</b> Establish Downtown as San Rafael’s lifestyle and entertainment center through promotions of events, enhance use of social media positioning, and encouraging new hotel development.	Start by 2022	Economic Development and local business organizations
<b>8B.4.3.</b> Continue to provide high quality public services and facilities Downtown, including recreational and cultural amenities.	Ongoing	Library and Recreation departments
<b>8B.4.4.</b> Review and enhance how San Rafael and its Downtown are presented in travel, restaurant, and event guides both in print and online media.	Start by 2023	Economic Development department

# Additional Recommendations for Downtown Development

**A feasibility analysis of hypothetical infill projects informed additional recommendations that address development issues relevant to Downtown San Rafael.**

## Feasibility Analysis for Infill Projects

The team economist carried out a financial feasibility analysis for three different hypothetical prototype infill sites in Downtown, with the objective of evaluating what type of development was financially feasible under market conditions in 2020, as well as over the long-term implementation period for the Plan. The feasibility analysis is included in Appendix VIII: Financial Feasibility Analysis of Infill Sites, and key findings are summarized below:

- Three hypothetical development projects were analyzed, on typical small, medium and large infill sites in Downtown. All faced feasibility challenges in the development environment at the time (2020), similar to conditions in most Bay Area cities, and attributed partially due to high construction costs at the time;
- Small residential projects faced more significant financial feasibility challenges than larger projects;
- Larger residential projects were potentially financially feasible if the market conditions would change slightly, or through adjustments to development costs and rents;
- Relative to other factors that affected development feasibility, the City's inclusionary requirements had a relatively modest impact;
- Development incentives such as height bonuses were found to support the financial feasibility of providing affordable units in new residential development projects;
- While office development faced considerable financial feasibility challenges in the 2020 development environment, an office project well-positioned to achieve higher rents than typical was potentially financially feasible;
- Catalyst infill development in the Plan Area were potentially feasible if City-owned sites were made available at a discounted cost;
- Development feasibility would be positively affected by a development process that was both flexible and predictable;
- Parking ratios played a key role in determining financial feasibility; and
- The study determined that the Plan Area was well-positioned to attract new residential and office development as economic conditions improved, supported by Plan policies to facilitate new infill development.

## Economic Feasibility Study

Three development prototypes were tested for financial feasibility in the Plan Area. All prototypes provide a mix of market-rate and affordable units, based on inclusionary requirements, and assume a 35 percent State Density Bonus.

All three prototypes face financial feasibility challenges in the current development environment, similar to challenges currently present in many other Bay Area communities. However, the Downtown Precise Plan area is well-positioned to attract new residential and office development as economic conditions improve, particularly with policies in the Plan that help to facilitate new infill development.

For full report, see Appendix VIII: Financial Feasibility Analysis of Infill Sites.

### Prototype 1: Small Infill Site

#### Snapshot

- 0.1 acres
- Seven residential units, including six market-rate units and one Very Low Income unit (61 dwelling units/acre)
- Three tuck-under parking spaces (0.43 spaces/unit)

#### Analysis

This prototype is not feasible under current market conditions but could become feasible with decreased hard costs and increased market-rate rents, especially when coupled with a City-owned site made available at low or no cost.

**Smaller residential projects face more significant financial feasibility challenges than larger projects. Parcel assembly may be critical for enabling new development in the Plan Area.**

### Prototype 2: Medium Infill Site

#### Snapshot

- 0.9 acres
- 27 units, including 24 market-rate units and three Very Low Income units (31 dwelling units/acre)
- 20 parking spaces, including 15 surface and five tuck-under spaces (0.74 spaces/unit)

#### Analysis

This prototype is not feasible under current market conditions. This prototype had the highest residual land value per site area of the three prototypes, but this was still not high enough to achieve financial feasibility in the current environment.

**The current imbalance between construction costs and residential project revenues is expected to even out over time, at which point the feasibility of this prototype would improve.**

### Prototype 3: Large Infill Site

#### Snapshot

- 2.1 acres
- 200 residential units (170 market-rate units and 30 affordable units), 90,000 sq ft office space, and 10,000 sq ft retail space
- 285 parking spaces in above-ground podium with parking lifts

#### Analysis

This prototype is not feasible under current market conditions, but could become financially feasible in somewhat different market conditions, with lower development costs or higher rents than are typical in San Rafael in 2020.

**While office development faces considerable financial feasibility challenges in the current development environment, an office project that is well-positioned to achieve higher rents than typical could potentially be feasible.**

The findings from the study helped to inform the following development strategies recommended for specific conditions existing in the Plan Area.

### Parcel Aggregation

Downtown San Rafael has many small parcels (e.g., less than one acre) with one-story buildings and other parcels with private surface parking lots. These small parcels are often more challenging to redevelop due to less flexibility in building design, parking options, and poor economies of scale (e.g., projects are more expensive on a per unit or per square foot basis since fixed costs are allocated over a small square footage base of improvements). Prior studies completed for the prior Downtown Station Area Plan found that up to 75 percent of the parcels Downtown are less than 13,000 square feet in area, representing more than half of the Downtown area.

The financial feasibility analysis conducted for the Plan Area also found that larger parcels were economically more feasible compared to smaller parcels, indicating that parcel aggregation may need to be incentivized and regulated to ensure appropriate built outcomes. The City needs to adopt policies that provide economic incentives for parcel aggregation to achieve projects of scale and to improve development feasibility.

#### ■ Parcel Aggregation Incentives

The most common incentives that cities adopt to encourage lot consolidation and parcel aggregation are policies that reduce costs or increase density through bonus FAR or increased height.

#### **Policies that can reduce costs include:**

- Reduce parking requirements for projects on aggregated parcels. For example, the City of Roseville

gives a parking credit of one space for two lots merged and three spaces for three lots merged.

- Waive or reduce selected development and/or impact fees for projects on merged lots.
- Adopt a Mills Act historical property contract program to reduce ad valorem property taxes for projects involving a historic property on an aggregated parcel.

#### **Policies that can increase density (hence, project revenue potential):**

- Consider a graduated height bonus program that allows additional height proportional to the level of parcel aggregation to avoid encouraging holdouts. A height bonus program could offer additional height for projects on sites that are aggregated to form a site size of one-half acre or more, with more significant bonuses for projects on sites that are aggregated to form a site size of at least one acre. The one-half acre size threshold would be consistent with recent Housing Element guidance issued by the California State Housing and Community Development Department (HCD) defining sites measuring less than one-half acre as small sites that typically present financial feasibility challenges. Since many of the sites in the Downtown area measure less than one-half acre, as discussed above, aggregating parcels to form sites measuring at least one half acre would improve feasibility relative to current parcel sizes.

The Downtown Precise Plan already includes tiered height bonuses of up to 33 feet for projects that provide 100 percent affordable housing consistent with AB 1763. With the exception of 100 percent affordable projects, the affordable housing height bonuses generally enable an additional 10 feet of building height for projects in which at least 20 percent of units are affordable. In

some areas within the Downtown area, an additional 10-foot bonus is available for projects that provide community benefits, up to a maximum combined bonus of 20 feet.

Height bonuses for projects that require parcel aggregation could: a) allow a 10-foot height increase for projects that do not provide affordable units or provide less than 20 percent of units as affordable; or b) allow an additional 10-foot height bonus in addition to any height bonus for affordable units. The maximum height bonus could remain capped at 20 feet or could be increased to allow layering of bonuses up to a larger maximum amount. Creating such a bonus program would require weighing multiple factors that include the desired overall maximum height for buildings in the Plan Area after factoring in all bonuses, the need for height bonuses to incentivize affordable housing, and the need for height bonuses to incentivize parcel aggregation.

- Set a minimum project size for certain key blocks suitable for transit-oriented development Downtown, which would also discourage holdouts.

### Repurposing Existing Historic Buildings

Downtown San Rafael has many historic buildings some of which are already listed as a local historic resource and others that are eligible and not listed. Some others require evaluation. Often these building are hard to retrofit for contemporary uses, particularly for food and beverage uses that require code-compliant hooding and venting.

In October 2019, California enacted AB 451 which established a new State Historic Tax Credit Program that provides a new significant economic incentive for historic preservation and adaptive reuse. This new tax credit program provides 20 to 25 percent credit against state taxes and can be utilized in tandem with the Federal

50 percent Historic Tax Credit program. Application for credits is made through the State's Tax Credit Allocation Committee on a first-come, first serve basis with a total program limit of \$50 million.

At the local level, San Rafael could leverage these state and federal programs by adopting a Mills Act program to provide contract property tax abatements. Together these three programs could provide a powerful incentive to property owners to reinvest in their properties, convert properties to new uses, or undertake major rehabilitation. To maximize the opportunity to utilize these programs, the City could encourage listings at the local and national level, to widen the pool of potential program participants.

Many other California cities have adopted Mills Act programs including Larkspur, Belvedere, Benicia, Berkeley, Oakland, Redwood City and San Mateo.

### Supporting Retail Downtown

Downtown San Rafael is an attractive destination with an authentic small-city setting but its many retailers face strong headwinds as the retail sector continues to evolve. Increasing internet sales have impacted brick-and-mortar stores worldwide, but "experiential retail" is an emerging trend, and retailers are adapting to providing a "unique" shopping experience that could not be had online. The COVID-19 pandemic has further challenged the retail sector and accelerated trends that were already underway.

As trends change, Downtown San Rafael has certain attributes that could position it better than many similar downtowns, for adapting to new retail formats:

- It has a well-preserved stock of historic buildings and provides an authentic main street experience in a scenic setting, with mild climate suited to outdoor dining.

- It also enjoys good access and visibility, located on both sides of US-101.
- San Rafael's residents and large pool of daytime workers contribute to its high spending power.

Downtown continues to face challenges within the retail sector, which include lack of activity during evenings and weekends, a relatively small population and employment base within Marin County, issues related to homelessness, and a lack of a coordinated marketing effort and strong identity for the Downtown. Existing retail spaces are fairly old and may be unsuitable for tenants that are currently seeking Downtown space, particularly restaurants.

To strengthen retail in the face of significant and ongoing disruption, the City can take several concrete steps:

- Promote additional housing and office development to add buying power to Downtown's consumer base.
- As a means of streamlining permit approvals, land use regulations for the Plan Area have been updated to reduce the number of uses, including adding "artisanal" manufacturing uses. The City can evaluate the list to

reduce the uses that are subject to conditional use permits, and add the recommended new uses to encourage occupancy by small-batch producers with a public retail operation.

- Reduce water/sewer hook-up charges for eating and drinking establishments to lower the cost of establishing new businesses in these categories.
- Adopt a pop-up retail ordinance granting temporary certificates of occupancy with temporary retail use permits with minimal or no fees.
- Encourage existing and new restaurants to offer sidewalk dining, and continue the current practice of periodic evening street closures for outdoor dining, even after the COVID-19 pandemic recedes.
- Establish a revolving loan fund to provide financing to owners of older structures to provide venting, facade upgrades, and other improvements to expand the inventory of retail space that can accommodate restaurants.

## 8.3 Recommended Actions

### A. Historic Resources Management

**The Precise Plan recommends the following actions for protecting historic resources in Downtown.**

#### **1. Refine "Chapter 2.18 - Historic Preservation" in the San Rafael Municipal Code. Refer to Section 5.5: Recommendations for Historic Preservation Ordinance for additional details.**

**1A.** The Plan recommends that the City appoint one of the following, as feasible:

- A full Historic Preservation Commission as is recommended by the California Office of Historic Preservation (OHP) - note that the OHP recognizes this option may not be feasible in all cases; or
- An advisory committee made up of a Design Review Board member, a Planning Commission member and an architectural historian who has up-to-date training on current preservation standards; or
- An on-call professional Architectural Historian familiar with CEQA compliance for additional historic analysis.

**1B.** Align with CA OHP procedures for evaluating and designating individual historic resources and Historic Districts, including industry accepted definitions.

**1C.** Create a full suite of historic preservation economic and feasibility incentives.

**1D.** Establish a clear process for local designation.

**1E.** Add guidelines to relocate designated resources per Criteria Consideration B ("Moved Properties of the National Register of Historic Places Criteria for Designation") to avoid demolition when feasible.

#### **2. Maintain Inventory and Map of Historic Resources**

**2A.** Maintain the City's recently prepared historic context statement by updating it every five years.

**2B.** Maintain an inventory and map of the historic resources in Downtown, informed by a field survey and updated every five years.

**2C.** Maintain the inventory of historic resources in the City's Geographic Information Systems (GIS) database.

### **3. Streamline Permitting Processes and Procedures. Refer to Section 5.6: Procedures for Additions, Alterations and Demolition for additional details.**

**3A.** Assess and streamline planning procedures and permitting processes for review of projects involving historic resources, and eliminate possible redundancies and extraneous processes. Adopt the guidance and procedures described in Section 5.6 and illustrated in Tables 5A and 5B. Establish clear procedures compliant with The Secretary of the Interior’s Standards for the Treatment of Historic Properties for individual properties, and in identified eligible historic districts.

### **4. Develop Educational Materials for Historic Resources**

**4A.** Develop educational materials for building owners (and potential owners) of historic resources, including information on grants and other sources of funding for maintaining the properties. This will further the preservation and development goals of San Rafael and provide factual info about the opportunities, benefits, and responsibilities for historic building ownership.

### **5. Offer Design Guidance**

**5A.** To create efficiencies early on in the development of a project, design guidance should be provided to current and potential owners of historic resources in Downtown. This should be done in advance of design guidelines.

### **6. Preservation Recognition and Education Programs**

**6A.** Develop programs to celebrate and educate the citizens about their City’s history and built environment.

**6B.** Provide information about the sustainability of preservation and rehabilitation of older structures, as compared to new construction.



## B. Affordable Housing and Anti-Displacement

**The Plan recommends adoption of the Affordable Housing and Anti-Displacement Strategy for the Plan Area, the key recommendations of which are summarized below. Please refer to Section 7.4: Implementation Strategies for additional information.**

### 1. Housing Production Strategies

**1A. Streamlined Development Review.** Streamline the development review process for Downtown by adopting the Downtown Form-Based Code and continue to develop city-wide Objective Design and Development Standards. Consider developing a By-Right Affordable Housing Overlay Zone, an Online Permit Guide, and a Permit Management System.

#### 1B. Air Rights Development/Land Right Downs.

Complete the ongoing feasibility study of six parking lots in Downtown (refer to Section 7.4 Implementation Strategies for details) for the potential development of affordable housing, retaining the ground floor parking for public use.

#### 1C. Outside Funding Resources and Applications.

Complete the General Plan Amendment and Zone Changes on parcels currently designated Light Industrial to support two local non-profits in developing housing for formerly homeless individuals.

**1D. Enhanced Height Bonuses in the Plan Area.** Explore modified height bonuses to incentivize production of affordable units near transit.

**1E. Potential Zoning Strategies.** Use the Downtown Form-Based Code's updated standards for parking and building height limits to encourage production of more housing developments. Consider providing deeper reductions in parking standards for eligible affordable housing projects.

**1F. Multifamily Acquisition/Rehabilitation.** Develop an inventory of older, under-maintained apartment projects for potential future acquisition and rehabilitation.

**1G. Innovative Housing Approaches.** Pursue Community Land Trusts and Limited Equity Cooperative strategies to encourage innovative housing approaches to broaden the types of housing available.

### 2. Tenant Protection Strategies

#### 2A. Tenant Relocation and Protection Ordinance.

Maintain and regularly update the City's Tenant Relocation and Protection Program, with a focus on protecting current Downtown tenants that may be at risk of getting priced out because of rent increases due to anticipated redevelopment in Downtown.

#### 2B. No Net Loss/One-for-One Replacement.

Implement a one-for-one replacement requirement in the Plan Area for projects involving the demolition or removal

of deed-restricted residential units affordable to lower and/or moderate-income households.

### **2C. Preservation of Affordable Rental Housing.**

Inventory privately-held below-market rate properties and discuss options and incentives with the owners to extend affordability controls.

## **3. Strategies to Address Homelessness**

### **3A. Eliminating Homelessness.**

Work with local housing advocates, social service providers, unsheltered residents, the Chamber of Commerce, and local businesses to address issues associated with homelessness in Downtown.

Humanely and compassionately enforce loitering and vagrancy regulations, and develop mutually beneficial solutions that increase shelter, transitional and permanent housing, and supportive services to assist unsheltered residents.

## C. Utility Infrastructure

**Downtown has sufficient capacity in its utility infrastructure systems to support the additional uses proposed by the Precise Plan. The Plan recommends the implementation of planned infrastructure upgrades, and to consider strategies to adapt to climate change and its related impacts.**

The analysis of existing conditions did not reveal any deficiencies in Downtown's utility infrastructure, and there is enough capacity in the system to support the Precise Plan's recommended development program.

The following infrastructure improvements are planned or under consideration, and the Plan recommends their implementation. Infrastructure upgrades in the future should consider adaptation to climate change, to make Downtown systems more resilient to future impacts from sea-level rise, increased risk from wildfire, power disruptions, etc.

### Water Supply

A major improvement project by Marin Municipal Water District (MMWD) in the Plan Area is the Pipeline Replacement Program. This is an ongoing program to replace approximately eight miles of pipelines that have reached the end of their useful life. By 2025, 4,000 feet of pipeline, located in Third Street between Irwin Street and Fourth Street, are planned for replacement. Other improvement initiatives are:

- Transmission and Distribution Pumps Replacement Program;
- Slide Repair; and
- Fire Flow Improvement Program (FFIP).

### Sanitary Sewer

Major capital improvement initiatives have been recently completed, are underway, or are planned by San Rafael Sanitation District (SRSD) in the Plan Area. The 10-Year Capital Improvement Program of the Central Marin Sanitation Agency (CMSA CIP) includes the replacement and rehabilitation of existing capital assets, as well as the acquisition or construction of new capital assets. Two major projects in the 2019 CIP include:

- Primary Clarifier Gates Actuator System; and
- Secondary Clarifiers Rehabilitation.

### Stormwater System

Construction of new stormwater facilities and the maintenance of existing facilities are managed through the City's Capital Improvement Program (CIP). The CIP lists expected new facilities as well as facility improvements and repairs. The list includes fully funded projects as well as projects where funding is not yet available.

The City is actively seeking better long-term funding strategies for these projects, including:

- More aggressive pursuance of grant funding for non-Right of Way capital projects;

- Pursuance of ballot measure to raise current per-parcel stormwater assessment in FY 2018-19; and
- Exploring alternative funding mechanism such as assessment districts or public private partnerships.

### Electricity and Natural Gas

PG&E has implemented a Gas Pipeline Replacement Program (GPRP) to improve gas service to customers. The goal is a more reliable system with less maintenance and lower energy costs. As part of the GPRP, PG&E has completed work on a natural gas main that travels through the Bret Harte neighborhood in San Rafael and feeds most of southern Marin County. PG&E's construction involved excavating, removing and replacing the existing gas main down Second Street, Irwin Street, Lindaro Street, Andersen Drive, Woodland Avenue, and Du Bois Street.

### Energy Resiliency

Economic vitality rests on the ability to continue operations during disruptions to the electrical grid. On-site solar and battery storage and the ability to disconnect from the grid during power loss due to natural events and intentional shut-offs provides energy resiliency as well as cost-savings. State and regional efforts and incentives to increase the number of renewable energy microgrids such as SB 1339 offer Downtown property owners and businesses the opportunity to pursue energy resilience as a means of preparing for the increased effects of climate change.

## D. Adaptation to Climate Change

### The Precise Plan recommends the following actions for climate change adaptation for Downtown.

Adaptation to climate change and future sea-level rise will be important considerations that will guide new development as well as infrastructure upgrades over the life of the Precise Plan.

The Precise Plan recommends:

- Evaluate the strategies and recommendations of the Sea-Level Rise Adaptation Report being prepared as part of the General Plan.
- Study the Precise Plan's proposed natural systems approach outlined in Section 4.4: Public Realm and

Connectivity, and the projects listed in Table 8A, for feasibility in Downtown.

- Initiate pilot projects to test design concepts and to identify best strategies for future implementation.
- Pursue opportunities to enable renewable energy microgrids such as those with solar photovoltaic and backup battery storage for business and property owners for energy resiliency during power disruptions.

## 8.4 Plan Monitoring and Enforcement

### **The Precise Plan recommends the following recommendations for Plan implementation.**

- Develop metrics to evaluate the Plan's performance, based on the guidance and "expected outcomes" provided in Chapter Three: Design Principles and Guiding Policies.
- Set up a schedule for periodic review including annual reporting to monitor the Plan's performance.
- Set a period of approximately one year to test the Downtown Form-Based Code for new project proposals. Make adjustments as needed to refine the Downtown Form-Based Code.
- Develop a list of community benefits that would allow an additional height bonus for eligible projects. Potential community benefits include community amenities, publicly accessible open space, public use of private parking facilities, etc. Add appropriate references to the list of community benefits in Figure 4.8, Table 4D, and other relevant sections of Chapter Four: Design Vision.
- Update relevant sections of the San Rafael Municipal Code and other regulatory documents to be consistent with the Downtown Form-Based Code. Appendix I provides a list of sections of the San Rafael Municipal Code that were referenced in the drafting of the Downtown Precise Plan and Code. These sections, among others, may need to be updated to be consistent with the Downtown Code.
- Update the City's application submittal requirements to reflect the new information required by the Downtown Form-Based Code, including but not limited to Frontage Type standards, Facade Zone compliance, and Massing and Facade Articulation standards.

