



AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Lake Merritt Station Area Plan Update

DATE: March 2, 2012

City Administrator

Date

Approval

Deanna Santana

3/9/12

COUNCIL DISTRICT: mostly 2, sliver in 3

RECOMMENDATION

Action on a Report on the Draft Preferred Plan for the Approximate Half Mile Area Surrounding the Lake Merritt BART Station, which Contains Concepts and Strategies for Land Use, Open Space, Affordable Housing, Historic Preservation, Circulation, Streetscape, and Building Heights; and Will Be the Basis for a Draft Station Area Plan, which Will Be Studied in an Environmental Impact Report (EIR).

REASON FOR SUPPLEMENTAL

The City Planning Commission began discussion of the Lake Merritt Station Area Draft Preferred Plan at its meeting of January 18, 2012. At that meeting, the Commission passed a motion to hold a joint Planning Commission/ Lake Merritt Station Area Plan Community Stakeholders Group (CSG) meeting in order to continue discussion on key outstanding issues in the Draft Preferred Plan. The Planning Commission held that special public hearing on Saturday, February 25, 2012, after the initial staff report on this item was due.

OUTCOME

Staff is requesting preliminary input from the City Council on the Lake Merritt Station Area Draft Preferred Plan to make sure the concepts to date are generally acceptable. Significant public process remains both during the upcoming Environmental Impact Report (EIR) phase and the Draft Station Area Plan preparation phase.

Upon completion of this "check-in" phase, staff and the consultant team will prepare a memo responding to all comments received and the resulting refinements to be incorporated into a Draft Station Area Plan. The Draft Station Area Plan and Draft EIR will be reviewed by the Lake

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Merritt Station Area Plan's Technical Advisory Committee (TAC) and Community Stakeholder Group (CSG), and at a public workshop, followed by review by advisory boards and the Planning Commission. A Final Station Area Plan and Final EIR will then be presented at public hearings, and ultimately to the City Council for adoption, tentatively in December 2012.

ANALYSIS

This supplemental Agenda Report summarizes the feedback received at the joint meeting of the Planning Commission and the Lake Merritt Station Area Plan Community Stakeholders Group (CSG) on February 25th, 2012.

Feedback received continues to be generally supportive of the Plan's goals and policies, and there is consensus on a majority of the proposals in the Draft Preferred Plan. Therefore, staff's presentation and public comment at the special Planning Commission meeting were focused around three key outstanding issues:

1. Feasibility of One-Way to Two-Way Street Conversion
2. Building Height and Intensity Limitations
3. Mechanisms for Implementing Community Benefits

Staff's presentation started by highlighting the benefits of adopting a Lake Merritt Station Area Plan and providing clarification regarding the relationship of the Plan to the upcoming EIR process. Staff then presented initial recommendations for how to resolve the key outstanding issues, including refinements to be included in the Draft Station Area Plan (the next iteration of the Draft Preferred Plan), and clarification on what is beyond the scope of this Station Area Plan. Staff's recommendations attempted to balance the needs and priorities of different stakeholders, market realities and long-term visions, and neighborhood and citywide objectives. A full listing of these recommendations can be found in the Planning Commission staff report, which is included as *Attachment A* to this report.

Benefits of Adopting the Lake Merritt Station Area Plan

The Lake Merritt Station Area Plan will provide a short- and long-term vision for community improvements. It will ensure the area is designated by the Metropolitan Transportation Commission (MTC) as a Planned Priority Development Area (qualifying the area for more grant funding). It will also provide the necessary environmental clearance for the first phase of transportation improvements, prime the area for the next phase of implementation (identify priorities for subsequent studies), and promote more ground-level activity through new land use regulations.

EIR Process

An Environmental Impact Report (EIR) will be prepared to analyze the potential environmental effects of the Station Area Plan. Staff explained that an EIR is a decision-making tool and a structured form of information gathering that is used to determine the potential environmental impacts from a proposed project, policy, program, or regulation. EIRs study a maximum development envelope, which can then be pared down in the study of alternatives. The EIR process also determines mitigation measures to any potential environmental impacts that are identified.

Staff clarified that the details of the Station Area Plan do not have to be finalized when you start the EIR process, since doing so would remove the value of the EIR as a decision-making tool. The EIR will serve to inform the ongoing community discussion on the details in the Station Area Plan, and can direct the modification of proposed policies and programs in the Plan that would help to mitigate potential environmental impacts.

Discussion on Outstanding Issues

1. Two-Way Conversion

Eight speakers provided comment on this topic. There was an understanding among the speakers that, as explained by staff, it is beyond the scope and budget of the Station Area Plan and EIR (due to the cost of the required traffic studies) to study all of the community's proposed street conversions from one-way to two-way traffic, which are: 7th, 8th, 9th, 10th, Harrison, Webster, and Franklin Streets. Commissioners supported staff's recommendations to:

- Study the conversion of a portion of Harrison Street from one-way to two-way traffic.
- Conduct a separate two-way conversion study of 7th, 8th, 9th, 10th, Webster and Franklin Streets after adoption of the Lake Merritt Station Area Plan.
- Implement affordable, short-term circulation improvements that would not preclude two-way conversion in the future, such as reducing the number of travel lanes on streets where feasible and gaining bike lanes.
- Support other streetscape improvements identified in the Draft Preferred Plan to improve safety and help provide a unique character for the area, including pedestrian lighting, way-finding signage, cultural markers, gateways and pedestrian intersection improvements.

Commissioners and speakers also began a dialogue regarding prioritization of streetscape improvements, including those that the Plan would identify for future study. Most speakers identified 8th or 9th Street. This prioritization exercise will continue during the Draft Plan phase.

2. Building Height and Intensity

Fourteen speakers provided a mix of opinions on the topic of building height and intensity limitations. A couple of speakers wanted lower height limits, particularly for areas in or adjacent to historic districts. A third of the speakers supported no height limits or higher limits. However, a clear majority of speakers were okay with the proposed height limits or even unlimited heights as long as that intensity was linked to the provision of community benefits. Commissioners provided the following feedback:

- Unanimous support for linking the provision of community benefits with increased allowances for building height and intensity.
- Commissioner Pattillo expressed support for staff's recommendations for height map refinements in key portions of historic districts, such as the 7th Street Residential District and the King Block (see *Attachment A* for specific recommendations).
- Commissioners Whales, Zayas-Mart and Huntsman expressed their support for high-density development, but did not provide specific feedback on overall height limits.
- Commissioner Zayas-Mart expressed support for design guidelines that will be developed in the Draft Station Area Plan phase, and emphasized the importance of the pedestrian experience in the design of buildings.

If Council supports the Commission's recommendation for linking the provision of Community Benefits with increased allowances for building height and intensity, staff will develop a density incentive program for the Lake Merritt Station Area as part of the Draft Station Area Plan. It is important, however, that the height level triggers for such a program be set at levels that do not discourage developer investment in the Planning Area - particularly since no similar Community Benefit program would apply to other areas of downtown or to the city as a whole. Staff's concerns regarding this mechanism are described further under the Community Benefits section below.

3. Community Benefits

Fourteen speakers provided comment on the topic of mechanisms to ensure that community benefits (i.e. public services and amenities) in the Planning Area grow in parallel with the expected increase in population. The most widely discussed and supported mechanism was the linking of the provision of community benefits with building height and intensity incentives. A couple of speakers, including a representative of Alameda County, expressed concern that the combination of all proposed regulations (height limitations, open space requirements, retail frontage requirements) would preclude them from being able to develop on their site and provide their public services. Some speakers also highlighted the benefits that private development brings to the community.

Speakers also described some of the items that they would prioritize as community benefits. The most frequently mentioned community benefit was affordable housing, followed by open space or recreational facility improvements. In addition to the community benefits listed on pages 8-16 of the Draft Preferred Plan, speakers also mentioned that development could contribute towards a small business incubator fund, job training programs, arts & design educational opportunities, and local hiring. The representative from Laney College wanted the services the College provides to the public, including education, job training, and athletic and art activities, to be recognized as a community benefit.

Planning Commissioners provided the following feedback:

- Unanimous support for the strategy of allowing developers to achieve greater height or intensity in exchange for the provision of community benefits.
- Commissioner Pattillo expressed her definition of community benefits, distinguishing it from good design, such as providing jobs and apprenticeship training; a small business incubator fund; a 'Buy Local' program; and money for Laney College training programs.
- Commissioners Zayas-Mart and Huntsman expressed support for impact fees or in-lieu fees.

As described earlier, staff is concerned about the potential unintended consequences of lowering the by-right heights in the Planning Area to create a density incentive program. Applying such a tool would require the city to down-zone existing properties in the Planning Area and then establish a process for a developer to essentially "buy back" a property's previously allowed height and density through the provision of one or more of a defined list of Community Benefits as part of a new project. This additional layer of development costs might discourage developer investment in the Planning Area, and put the Planning Area at a competitive disadvantage in the real estate market compared to the rest of Downtown - particularly since no similar Community Benefit program would apply in other areas of the city.

Despite these concerns from staff, a Community Benefit program may prove feasible - as long as the height level triggers for such a program are not unreasonably low, and height and density incentives could be created that offer the development community an avenue toward some new and additional rights, such as even more height in some non-historic areas than currently allowed. Commissioners did not provide specific comments on the other Community Benefit mechanisms outlined by staff, including the formation of a Landscape and Lighting District, Community Facilities District, Community Benefit District, Business Improvement District, and/or Infrastructure Finance District (these are all described in *Attachment A*).

Staff has the following recommendations based on Planning Commission and community feedback:

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- Option 1: Ensure that the implementation section of the forthcoming Draft Station Area Plan includes a recommendation to study the feasibility of developing a Downtown-wide Community Benefit program, so that no one area of the Downtown is overburdened with special fees, development costs, or requirements.

OR

- Option 2: Develop a draft Height and Density Incentives Program for the Lake Merritt Station Area only. The initial recommendation by staff is that the by-right heights should be no less than 125 feet (unless a lower overall height is established in a particular height zone area). Under this preliminary proposal, one or more of a defined list of Community Benefits would be required in set increments (in this example, above 125 feet) in return for a corresponding increase in allowed height and density.
 - *Staff would need to study the legal implications of such a program, and how Community Benefits could be quantified, as well as how this type of program is implemented and managed. Staff would also study the impacts of similar programs in other jurisdictions.*

Additional Topics

In addition to commenting on the key outstanding issues, some speakers and Planning Commissioners provided general feedback, including commenting on the planning process and emphasizing the community's interest in prioritizing neighborhood parks.

Commissioners also provided the following feedback regarding the items identified for "Further Consideration" in the City Council Agenda Report (as well as the Planning Commission Staff Report):

- Commissioners Pattillo and Huntsman supported staff's recommendation to study the feasibility of a more public use for the small triangle block containing the "Fire Alarm" building (adjacent to Lake Merritt, between 13th and 14th Streets at Lakeside), including the possibility of rezoning the site as Open Space.
- Commissioner Pattillo also supported staff's recommendation to further consider the Peralta Community College District Administration property as a potential opportunity site, by continuing discussions with Peralta Community College District.

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For questions regarding this supplemental report, please contact Christina Ferracane, Planner II, at (510) 238-3903.

Respectfully submitted,



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ATTACHMENTS:

A. Planning Commission (February 25, 2012) Staff Report

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Location:	Lake Merritt Station Planning Area is generally bounded by 14 th Street to the north, 1-880 to the south, Broadway to the west and 5 th Avenue to the east (See <i>Attachment A</i> .)
Proposal:	The City is preparing a Lake Merritt Station Area Plan (Station Area Plan) and Environmental Impact Report (EIR) for the area surrounding the Lake Merritt BART Station that will provide a roadmap for how the area develops over the next 25 years. At this Planning Commission meeting, staff will present preliminary recommendations for ways to address community comments on the <i>Draft Preferred Plan</i> and key outstanding issues.
Applicant:	City of Oakland
Case File Number:	ZS11225, ER110017
Planning Permits Required:	N/A
General Plan:	Central Business District, Institutional, Urban Open Space, Urban Residential, Business Mix, Community Commercial, Neighborhood Center Mixed Use
Zoning:	CBD-X, CBD-P, CBD-P/CH, CBD-R, CBD-C, OS-(SU), OS-(LP), OS-(NP), OS-(RCA), S-2, RU-4, RU-5, M-40/S-4
Environmental Determination:	An EIR will be prepared as part of the Lake Merritt Station Area Plan.
Historic Status:	The Planning Area includes several Areas of Primary Importance (API); Areas of Secondary Importance (ASI); properties individually rated A, B, C, D; and Landmark properties.
Service Delivery District:	Metro, 3
City Council District:	2, and a small portion of 3
Status:	Ongoing
Action to be Taken:	Recommendations to City Council
Staff Recommendation:	<ol style="list-style-type: none"> 1) Continue discussion on <i>Draft Preferred Plan</i> (Planning Commission began discussion on the <i>Draft Preferred Plan</i> at their January 18, 2012 meeting) 2) Provide feedback on the <i>Draft Preferred Plan</i>, which will be the basis for the Draft Station Area Plan and studied in the Environmental Impact Report. 3) Recommend that staff return to the Planning Commission for a Scoping Session to initiate the Environmental Impact Report that will analyze the Draft Station Area Plan in accordance with the California Environmental Quality Act.
Finality of Decision:	N/A
For Further Information:	Contact project manager Ed Manasse at 510-238-7733 or emanasse@oaklandnet.com . Project message line: 510-238-7904 Project email address: Lake_merritt_plan@oaklandnet.com . Project website: http://www.business2oakland.com/lakemerrittsap

SUMMARY

The Planning Commission began discussion of the Lake Merritt Station Area *Draft Preferred Plan* at their January 18, 2012, meeting, where the Commission passed a motion to hold a joint Planning

Commission/ Lake Merritt Station Area Plan Community Stakeholders Group (CSG) meeting in order to continue discussion on the key outstanding issues in the *Draft Preferred Plan*. The objective of this meeting is to provide an opportunity for the Planning Commissioners to review proposed revisions to the *Draft Preferred Plan* based on community comments, as well as to allow for Planning Commissioner/CSG exchange regarding the following major outstanding issues:

1. Building height
2. Community benefits
3. Conversion of one-way streets to two-way travel

This report presents staff recommendations for ways to address community comments on the *Draft Preferred Plan*, an overview of the meeting format, as well as a synopsis of the key outstanding issues that will be discussed at the meeting.

BACKGROUND

Through an intensive community participation process, the Lake Merritt Station Area Plan will establish a blueprint for the future development of the area. The Plan will set policies to guide the type of uses and intensity of development that will transition the area into a vibrant, transit oriented neighborhood. Over the past several years, numerous community workshops, focus groups, stakeholder meetings, surveys and personal interviews have occurred to develop the concepts contained in the *Draft Preferred Plan*. As a result of this intensive and iterative community process staff has facilitated, the community is in agreement with many of the concepts in the *Draft Preferred Plan*.

Feedback received to date has been generally supportive of the goals and policies included in the *Draft Preferred Plan*. The overall vision of improving connections between existing and planned activity hubs and strengthening the vibrancy of the neighborhood is supported. However, stakeholders have made suggestions for refinements and there are different views on some key outstanding issues.

Staff is checking in with appointed and elected officials at this stage of the planning process to make sure the concepts in the *Draft Preferred Plan* are generally acceptable. Significant public process remains both during the upcoming Environmental Impact Report (EIR) phase and the Draft Station Area Plan preparation phase. The EIR will study the possible environmental impacts of the project (in terms of the number of new residential units, amount of commercial space and transportation improvements – other design and service/programming topics are not required to be studied as part of an EIR). The “next steps” section of this report provides the meeting details for the EIR scoping session.

Upon completion of this “check-in” phase, staff and the consultant team will prepare a memo responding to all comments received and the resulting refinements to be incorporated into the Draft Station Area Plan. The Draft Station Area Plan and EIR will be reviewed at various Technical Advisory Committee (TAC) meetings. Further, the Draft Station Area Plan will be discussed at a Community Stakeholder Group (CSG) meeting that will be scheduled to occur before a public workshop to review the Draft Station Area Plan. The Draft Station Area Plan and EIR will then be presented at advisory boards meetings, Planning Commission, and ultimately City Council for final adoption.

The *Draft Preferred Plan* can be viewed online at www.business2oakland.com/lakemerrittsap (under the section called ‘Reports’) and is also available for review at the Oakland Asian Cultural Center (388 9th Street), the Lincoln Square Recreation Center (250 10th Street) and the City of Oakland Planning Department (250 Frank Ogawa Plaza, Suite 3315).

Below are staff recommendations for how to resolve the key outstanding issues, including refinements to be incorporated into the upcoming Draft Station Area Plan and clarification on what community comments are beyond the scope of the Station Area Plan. The recommendations balance the needs and priorities of different stakeholders, market realities and long-term visions, and neighborhood and citywide objectives. The following attachments contain meeting minutes and comments from previous meetings to review the *Draft Preferred Plan*, including: *Attachment B* - all community comments; *Attachment C* - Community Stakeholder Group #12 meeting notes; *Attachment D* - Parks and Recreation Advisory Committee meeting minutes; *Attachment E* - Bicycle and Pedestrian Advisory Committee meeting minutes; *Attachment F* - Landmarks Preservation Advisory Board meeting minutes; and *Attachment G* - January 18th Planning Commission meeting minutes.

Community Requests Recommended for Inclusion in the Draft Station Area Plan

The upcoming Draft Station Area Plan (the next iteration of the *Draft Preferred Plan*) will include detailed policies for each planning topic, more specific building and streetscape design standards and guidelines, any necessary updates to the Oakland Planning Code and General Plan, an infrastructure financing and phasing plan, and prioritization and implementation recommendations. Staff recommends that the following specific items be incorporated into the Draft Station Area Plan:

- Refinements to the proposed height map (See “Outstanding Issues” section of this report for further discussion on Building Height).
- New land use regulations that will promote an increase in ground-level commercial activities.
- Additional parking and loading strategies, including reducing parking requirements and/or considering a parking maximum.
- More detail on strategies for reducing the parking requirements and reducing parking demand through bundled transit passes and bicycle parking, shared parking, unbundled parking and carshare and parking cash-out for employees should also be examined.
- Recommendations for the creation of a Parking Management District.
- Description of the “Webster Green” initiative.
- More specifics on under-freeway pedestrian connections.
- Environmental clearance for the conversion of two blocks of Harrison Street from one-way to two-way traffic (See “Outstanding Issues” section of this report for further discussion on One- to Two-Way Conversion):
The Plan will also recommend a separate two-way conversion study of 7th, 8th, 9th, 10th, Webster and Franklin Streets after adoption of the Lake Merritt Station Area Plan.
- Specific traffic and air pollution mitigation strategies:
The Environmental Impact Report (EIR) will study traffic and air pollution, and include any required mitigation strategies. Mitigation measures will be incorporated into the Draft Plan itself so that the Plan is ultimately self-mitigating.
- Pedestrian lighting as a first phase priority streetscape improvement:
The Plan must identify how the city will pay for all proposed improvements. Only if the Plan can identify a specific funding mechanism for new street lighting can it be listed as a first phase priority streetscape improvement.
- More ideas on 14th Street as an important gateway street for the City.
- Total cost estimates for each streetscaping scenario and the various components so the public can compare.
- Identification of streetscape improvements to speed bus transit.

- Designation of transit preferential streets.
- Recommendation that the Lake Merritt BART station and new development on the BART blocks include wayfinding signs that create a connection with Chinatown and incorporate cultural markers and plaques with information on the area's history.
- Guidance on the exiting and entering experience at the Lake Merritt BART station to ensure that connections to Laney College, Chinatown, and other destinations are defined.
- Identification of reuse options for Kaiser Auditorium.
- Design guidelines to address compatibility of new development.
- Stronger historic preservation language in the Goals and Vision Statements.
- Inclusion of the boundaries of all Areas of Primary Importance (APIs) and Areas of Secondary Importance (ASIs) on applicable Planning Area maps.
- "Affordable housing" defined in more detail.
- Specifics about the target number of affordable housing units in the Plan, as well as the potential amount of funding available.
- Anti-Displacement strategies (such as the potential expansion of the city's condo conversion "primary impact" area).
- Consideration of effective mechanisms for attracting EB-5 visa investments.
- Further elaboration on strategies for achieving community benefits (See "Outstanding Issues" section of this report for further discussion on community benefits).

Community Requests that are Beyond the Scope of the Station Area Plan

The following requested items are beyond the scope and budget of the Station Area Plan. The *Draft* Station Area Plan can identify the additional studies necessary to determine feasibility and implementation, as well as identify grants or other resources that will help fund these studies and projects:

- Environmental clearance for the conversion of 7th, 8th, 9th, 10th, Webster and Franklin Streets from one-way to two-way traffic:
It is beyond the scope and budget of the Station Area Plan and EIR to include the traffic studies required to environmentally clear the proposed conversion of 7th, 8th, 9th, 10th, Webster and Franklin Streets from one-way to two-way traffic. (For perspective, the City's Transportation Services Division received a cost estimate of \$200,000 for the traffic studies required to environmentally clear the conversion of just 10th Street from one-way to two-way travel - See discussion on Two-Way Conversion under the "Outstanding Issues" section of this report).
- Nexus studies for Impact Fees:
The Draft Plan will likely recommend that a nexus study be undertaken as a subsequent implementation item after the Station Area Plan adoption.
- Inclusionary Zoning (requirement for a specific amount of affordable housing – See discussion on Community benefits under the "Outstanding Issues" section of this report).
- Identification of circulation improvements for the area near the 880 freeway and tube entrances:

The circulation issues near the 880 freeway and tube entrances are currently being studied separately as part of the Broadway/Jackson project led by Alameda County Transportation Commission. The Draft Preferred Plan has specifically avoided any overlap with the scope of this separate Alameda County transportation project to allow the County's process to continue on its own path.

Items For Further Consideration

- Feasibility of a more public use for the "Fire Alarm" building and site near Lake Merritt, including the possibility of rezoning the site as "Open Space".
- Consideration of the Peralta Administration property as a potential opportunity site.
- Potential for new community and youth centers with dedicated programming and social services: *With Redevelopment funding now unavailable in Oakland, not all of the community's desired improvements will be prove financially feasible. The Draft Plan will be establishing priorities for the limited funding that will be available, so if a community/youth center is determined to be a top priority, it will be studied further for funding feasibility.*
- Designation of a full block for an additional active neighborhood-serving park: *The city can only designate a property as "park" if it is publicly owned. However, to address the concerns in the community that the Plan will not achieve either the necessary amount of open space to serve the expected population increase in the neighborhood, or the necessary minimum size of each open space to ensure usability, the Draft Station Area Plan will recommend that a nexus study for an in-lieu fee for open space be undertaken as a subsequent implementation item after the Station Area Plan adoption. This strategy of an in-lieu fee for open space instead of a requirement to provide on-site public open space would generate an open space fund that could be directed to either the purchase of property for additional neighborhood park space or the improvement of existing neighborhood parks, depending on community priorities.*

Items not Recommended for Inclusion in the Draft Station Area Plan

Based on City policies, unintended consequences or infeasibility, we recommend that the following requested items not be included in the next iteration of the proposals in the Draft Station Area Plan:

- Comment: *Set height limits by right to 45/55 feet, allowing increased height in exchange for neighborhood community benefits.*
Response: Not recommended for inclusion in Draft Station Area Plan - see discussion on Height in the "Outstanding Issues" section of this report.
- Comment: *The Madison Square Park should be redeveloped as underground parking with a park on top.*
Response: Not recommended for inclusion in Draft Station Area Plan - a clear majority of the community would prefer there be no development in Madison Square Park.
- Comment: *Adopt inclusionary zoning in Planning Area to require a specific amount of affordable housing.*
Response: Not recommended for inclusion in Draft Station Area Plan - see discussion on Community Benefits in the "Outstanding Issues" section of this report.
- Comment: *Do not include bicycle routes through the commercial center of Chinatown.*

Response: Not recommended for inclusion in Draft Station Area Plan – the City of Oakland has an adopted Bicycle Master Plan that includes bike routes on 8th and 9th Streets, and the Station Area Plan must conform to City policy.

MEETING FORMAT

The meeting will follow a typical Planning Commission meeting format beginning with Planning Commissioner role call and opening remarks. Staff will provide an overview of the meeting and then make a brief presentation outlining the key topics intended for the group to focus on for the day. The presentation will be followed by a public comment period. At the conclusion of the public comment period, the Planning Commission will discuss the key topics. In an effort to maximize discussion time (and reduce the number of duplicative comments), CSG members who are also members of a community interest group or organization will be asked to elect one spokesperson for their group (as opposed to each member speaking individually).

OUTSTANDING ISSUES

I. Allowed Height and Density of New Development

The currently proposed Height Map in the *Draft Preferred Plan* attempts to accommodate and promote the high-density development needed to help create increased activity in the area, support Transit Oriented Development (TOD), and meet increased demands for community resources, while also respecting the existing urban fabric.

Community comments on this issue include:

- *The majority of planning area land is over-zoned, which encourages speculation and discourages actual development from taking place.*
- *Oppose base height change for the BART/MTC/ABAG blocks from 55 feet to 85 feet.*
- *The proposed height limit for the BART/MTC/ABAG blocks will adversely affect Madison Park and overwhelm the neighborhood character of Chinatown.*
- *Oppose the proposed by-right tower heights and ask that previous CUP/Community Benefit tower heights be used.*
- *Set height limits by right to 45/55 feet, allowing increased height in exchange for neighborhood community benefits.*
- *Concerned that a 45 ft. base height doesn't allow the maximum height for the most common and economical building type (wood frame construction: 55 – 60 feet).*
- *The 45' height limit should be applied to the entire 7th Street API, especially the Alice Street frontage facing Chinese Garden Park*
- *Create a finer-grained height map to address historic areas.*

Policy Options

Statements both for and against the various policy options related to height regulations are presented below.

POLICY OPTIONS	PRO	CON
1. Keep heights as currently proposed	<ul style="list-style-type: none"> ▪ Current height map is similar to existing CBD height limits 	<ul style="list-style-type: none"> ▪ Additional refinements could aid in addressing historic preservation issues
2. include height map refinements, such as: <ul style="list-style-type: none"> ▪ Applying 45' to entire Alice St. frontage facing Chinese Garden Park; ▪ Applying 45' to historic areas in Height Area 2b, but applying 85' to corner of 8th and Oak; ▪ Applying 45' to Height Area 1a; ▪ Lowering heights on King block; ▪ Lowering base height on MTC/ABAG block to 55'. 	<ul style="list-style-type: none"> ▪ A focused list of height map changes will not significantly reduce allowed density 	<ul style="list-style-type: none"> ▪ A limited list of changes will not address all height comments received
3. Lower by-right heights in entire planning area, and create a density incentive program	<ul style="list-style-type: none"> ▪ Other cities have adopted successful downtown density incentive programs 	<ul style="list-style-type: none"> ▪ Would only apply to a <i>portion of downtown</i>, so additional costs to achieve height would put Planning Area at a competitive disadvantage in real estate market compared to rest of downtown

Recommendation

Include a specific list of height map refinements, including but not limit to:

- Applying the 45 ft. height limit to the entire Alice Street frontage facing Chinese Garden Park;
- Applying the 45 ft. height limit to the historic areas in Height Area 2b, but applying 85 ft. to the non-historic corner of 8th and Oak;
- Applying the 45 ft. height limit to Height Area 1a;
- Lowering the base height on the MTC/ABAG block to 55-60 ft.;
- Lowering the tower height on the King Block API to 175 ft.;
- Increasing the base height in Height Area 9 to 125 ft.; and
- In Height Areas 3 and 4, requiring a smaller setback above 4th floor to 55-60 ft. to ensure the viability of wood frame construction.

II. Community Benefits

As new development begins to transform the Planning Area into a denser, more vibrant transit-oriented district, existing open spaces, community facilities, and other aspects of the public realm may become impacted. Therefore, the Draft Station Area Plan will develop a series of strategies to grow the level of public services and amenities in the planning area in parallel with the expected increase in population. Community improvements that keep pace with population growth will help ensure the area retains a desirable appeal. However, it is likely that not all of the community's desired improvements will prove financially feasible. Therefore, priorities will need to be established and a full menu of financing mechanisms identified through this planning effort.

The Draft Station Area Plan will address the benefits of the Plan to the community, prioritize the community's desired improvements, and outline the next steps (beyond the scope of the Draft Station Area Plan) to implement the prioritized community benefits.

Community comments on this issue include:

- *Provide mechanisms to ensure neighborhood community benefits are provided as part of development. They are a critically important component for supporting the vibrancy and growth of the Chinatown neighborhood and residents.*
- *The Plan does not provide a concrete approach for achieving neighborhood benefits. The list of possible strategies does not guarantee the provision of necessary neighborhood benefits, and the one required new strategy in the emerging plan (tying height limits to the provision of benefits) has been eliminated in the current version. There needs to be a mechanism for quantifying neighborhood benefits and expressly linking these benefits to the strategies. As currently written, the list of possible strategies are not required and are without specific requirements. The plan essentially does not provide any mechanism to achieve the community development needs that have been repeatedly expressed by community residents.*
- *Achieving Community Benefits is such an important topic that it should be its own chapter. The strategies described in Chapter 9 should be combined with others listed so the entire framework can be seen together.*
- *The Community Benefits framework needs to include specific implementation mechanisms and emphasize certainty – so developers will know what is expected of them and community members know that the benefits will actually be achieved.*
- *Restore previous linkage between “extra” tower height limits and community benefits*
- *The section on incentives for affordable housing should be linked to the Community Benefits framework*

Policy Options

Statements both for and against the various methods for financing community benefits are presented below.

POLICY OPTIONS	PRO	CON
<p>1. Height/Density/FAR Incentives</p>	<p>Density incentives can be an effective tool to achieve community benefits without the use of complex taxing schemes or development impact fees.</p>	<ul style="list-style-type: none"> ▪ Applying such a tool would require the city to down-zone existing properties in the Planning Area and then establish a process for a developer to essentially "buy back" a property's previously allowed height and density through the provision of one or more of a defined list of community benefits as part of a new project. This additional layer of development costs would put the Lake Merritt Station Area at a competitive disadvantage in the real estate market compared to the rest of the City. ▪ Could discourage developer investment in the Planning Area - particularly since no similar Community benefit program would apply to other areas of downtown or to the city as a whole. (See "Recommendations" section below for discussion of possible downtown- wide community benefit program).
<p>2. Landscape and Lighting District</p>	<p>Would establish new assessments to fund installation and maintenance of public improvements, such as street trees, sidewalks, parkways, and landscaping.</p>	<ul style="list-style-type: none"> ▪ Requires 2/3 voter approval to create or amend a Landscape and Lighting District. The district would need to establish a benefit formula and each parcel in the service area would be assessed according to the benefit it receives from the services and improvements. ▪ If only applied in the Planning Area, could put the Planning Area at a competitive disadvantage relative to other downtown neighborhoods.
<p>3. Community Facilities District (CFD)</p>	<p>A CFD could levy additional property taxes on land located inside the district to pay for new infrastructure.</p>	<ul style="list-style-type: none"> ▪ Requires 2/3 approval by the voters to form and issue bonds. The particular method of allocating the special tax, and the facilities and services to be authorized, would need to be specified. If bonds are to be authorized, their amount and maximum term must be specified as well. ▪ If only applied in the Planning Area, could put the Planning Area at a competitive disadvantage relative to other downtown neighborhoods.

<p>4. Fees and Exactions (Development Impact Fees and In-lieu Fees)</p>	<p>City may impose fees on new development to fund community benefits to offset the impact of new development.</p>	<ul style="list-style-type: none"> ▪ City would need to prepare a Nexus study to: <ol style="list-style-type: none"> 1) Identify the purpose of the fee. 2) Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities must be identified. 3) Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed (commonly called a Nexus). Also, requires City Council adoption. ▪ If only applied in the Planning Area, could put the Planning Area at a competitive disadvantage relative to other downtown neighborhoods.
<p>5. Community Benefit District/Business Improvement District</p>	<p>Business community could voluntarily assess themselves to fund marketing, promotion, security, limited streetscape improvements, maintenance and special events.</p>	<ul style="list-style-type: none"> ▪ Would require the Planning Area business community to pay annual fees to fund activities and programs. Not sufficient to fund infrastructure improvements.
<p>6. Infrastructure Finance District (IFD)</p>	<p>IFDs can fund regional public facilities by diverting property taxes for 30 years to fund identified improvements (such as parks).</p>	<ul style="list-style-type: none"> ▪ May not be used to pay for maintenance, repairs, operating costs, or services. Requires 2/3 approval by the voters to form and issue bonds. Requires a complex infrastructure financing plan.
<p>7. Inclusionary Housing</p>	<p>Inclusionary housing, or requiring a percentage of new housing construction to be affordable, can be an effective regulatory means of increasing the supply of affordable housing.</p>	<ul style="list-style-type: none"> ▪ Inclusionary housing would increase the cost of constructing housing in the City. ▪ Requires complex economic studies and nexus studies to determine the appropriate regulatory requirement for new affordable construction and an appropriate phasing strategy. ▪ Should be applied to all of downtown or entire city, both due to the cost of conducting the necessary studies, as well as the potential to put the Planning Area at a competitive disadvantage.

The adoption of the Lake Merritt Station Area Plan will make the Planning Area eligible for funding mechanisms and grant opportunities currently unavailable to the City and will position the City to be able to develop and implement a community benefit program in the future. The Plan will play a critical role in the future success of any identified funding mechanism for achieving a community benefit program for the area by prioritizing the community's desired improvements, and offering a recommendation for leveraging such a program within the context of the greater downtown area.

Recommendation

- 1) In the implementation chapter of the Draft Station Area Plan, include recommendations for the most feasible mechanisms for financing an identified list of high priority community

benefits. Use the options presented in the Draft Station Area Plan (discussed above) as a starting point.

- 2) In the implementation chapter of the Draft Station Area Plan, include a recommendation for studying the feasibility of developing a downtown-wide community benefit program so that no one area of the downtown is overburdened with special fees.

III. One-Way to Two-Way Street Conversion

A primary intent of the *Draft Preferred Plan* is to ensure that the community sees traffic calming and safety benefits from the Plan in the short-term. Therefore, the *Draft Preferred Plan* includes recommendations for affordable and easily implementable circulation improvements that never the less will have a significant traffic-calming effect for the community- such as re-striping streets to reduce the number of lanes. These short-term improvements will not preclude the possibility of two-way conversion in the future. As stated earlier in this report, it is beyond the scope and budget of the Station Area Plan and EIR to include the traffic studies required to environmentally clear all of the community's proposed street conversions from one-way to two-way traffic, which are: 7th, 8th, 9th, 10th, Harrison, Webster, and Franklin Streets. However, the Draft Station Area Plan will be able to study the conversion of a portion of Harrison Street from one-way to two-way traffic; and will recommend a separate two-way conversion feasibility study of 7th, 8th, 9th, 10th, Webster, and Franklin Streets after the adoption of the Lake Merritt Station Area Plan.

Community comments on this issue include:

- *Revert 7th, 8th, 9th, 10th Streets, and Harrison, Webster, and Franklin Streets to two-way streets to calm traffic and improve safety without a reduction in lanes.*

Policy Options

Statements both for and against the various methods for addressing one-way to two-way street conversion are presented below.

POLICY OPTIONS	PRO	CON
1. Keep traffic patterns as they are today	<ul style="list-style-type: none"> ▪ Would allow for more of the Plan's future improvement budget to be focused on streetscape improvements (lighting, sidewalks, street trees, etc.) 	<ul style="list-style-type: none"> ▪ No changes to existing traffic patterns would not address the community's desire for traffic calming, increased safety, and a less confusing driving experience for visitors.
2. Reduce the number of travel lanes on area streets where feasible, and study conversion of two blocks of Harrison to two-way travel	<ul style="list-style-type: none"> ▪ Will ensure that the area sees traffic calming and safety benefits from the Plan in the short-term, while not precluding the possibility of two-way conversion in future ▪ Less expensive circulation improvements that never the less will have a significant traffic-calming effect 	<ul style="list-style-type: none"> ▪ Will only partially address current traffic patterns that funnel drivers onto Webster Street and contribute to this street's congestion ▪ Current traffic pattern can be confusing, especially for visitors

<p>3. Convert 7th, 8th, 9th, 10th, Webster, and Franklin to two-way travel</p>	<ul style="list-style-type: none"> ▪ Two-way conversion is one possible method to address the current pattern of imbalanced traffic flows, and the funneling of east-bound vehicles west into the heart of Chinatown 	<ul style="list-style-type: none"> ▪ The cost to implement two-way conversion is expected to be substantial, since it will likely require expensive changes to existing traffic lights and other traffic control infrastructure ▪ Two-way travel may increase traffic congestion at intersections ▪ May require left turn lanes at intersections, eliminating on-street parking adjacent to intersection
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Recommendation

- 1) Reduce the number of travel lanes on area streets where feasible, and study the conversion of two blocks of Harrison Street from one-way to two-way travel:
 - *In order to ensure that the community sees traffic calming and safety benefits from the plan in the short-term, while not precluding the possibility of two-way conversion in the future, the Draft Preferred Plan includes implementation of less expensive circulation improvements that never the less will have a significant traffic-calming effect, such as re-striping streets to reduce the number of lanes.*

- 2) Recommend separate two-way conversion feasibility study of 7th, 8th, 9th, 10th, Webster, and Franklin Streets after the adoption of the Lake Merritt Station Area Plan:
 - *As stated earlier, the detailed CEQA analysis required to determine the feasibility of converting 7th, 8th, 9th, 10th, Webster, and Franklin Streets to two-way travel is not within the scope or budget of the current Station Area planning process. In addition, the plan must identify how the city will pay for all proposed improvements. The financial investment to implement two-way conversion will likely be substantial, since it may require expensive changes to existing traffic lights and other traffic control infrastructure.*

NEXT STEPS

The *Draft Preferred Plan* is scheduled for review at the March 13th Community and Economic Development (CED) Committee of the City Council, and the full City Council on March 20th. Additionally, the Scoping Session for the Draft Station Area Plan Environmental Impact Report is scheduled for the March 12th Landmarks Preservation Advisory Board meeting and the March 21st Planning Commission meeting. See meeting details below.

Date/Time/Location	Meeting Topic
<p>Monday March 12, 2012 6:00pm City Hall, Hearing Room 1 (first floor), One Frank Ogawa Plaza</p>	<p>Landmarks Preservation Advisory Board: <i>Scoping Session for the Environmental Impact Report</i></p>
<p>Tuesday March 13, 2012 2:00pm City Hall, Hearing Room 1 (first floor), One Frank Ogawa Plaza</p>	<p>Community and Economic Development Committee of the City Council: <i>Review of Draft Preferred Plan</i></p>

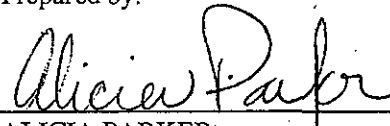
Tuesday March 20, 2012 6:30pm (tentative) Council Chambers (3rd floor) of Oakland City Hall, One Frank Ogawa Plaza	City Council: <i>Review of Draft Preferred Plan</i>
Wed March 21, 2012 6:00pm City Hall, Hearing Room 1 (first floor), One Frank Ogawa Plaza	Planning Commission: <i>Scoping Session for the Environmental Impact Report</i>

After completion of the public hearings on the *Draft Preferred Plan*, all feedback received will be assessed and incorporated, as applicable, into a Draft Station Area Plan. The *Draft Station Area Plan* and its associated *EIR* will again be presented to the community, the Planning Commission and other public bodies for public review and comment before final adoption by City Council of a Station Area Plan, tentatively in December 2012.

RECOMMENDATIONS

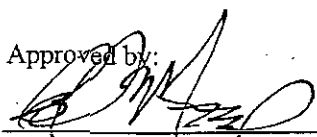
1. Provide feedback on the *Draft Preferred Plan*, which will be the basis for the Draft Station Area Plan and studied in the Environmental Impact Report.
2. Recommend that staff return to the Planning Commission for a Scoping Session to initiate the Environmental Impact Report that will analyze the Draft Station Area Plan in accordance with the California Environmental Quality Act, which will be followed by a full public review and comment process on both the EIR and the Draft Station Area Plan.

Prepared by:



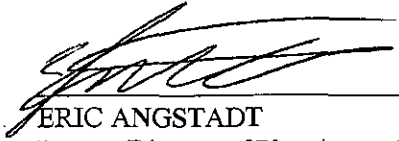
 ALICIA PARKER
 Planner II

Approved by:



 ED MANASSE
 Strategic Planning Manager

Approved for forwarding to the
City Planning Commission:



ERIC ANGSTADT
Deputy Director of Planning and Zoning

ATTACHMENTS:

- Attachment A – Location Map
- Attachment B – All community comments
- Attachment C – Community Stakeholder Group #12 meeting notes
- Attachment D – Parks and Recreation Advisory Board meeting minutes
- Attachment E – Bicycle and Pedestrian Advisory Board meeting minutes
- Attachment F – Landmarks Preservation Advisory Board meeting minutes
- Attachment G – January 18th Planning Commission meeting minutes