

Ravenswood Business District / 4 Corners Specific Plan Update

Workshop #2: Review of Growth Scenarios

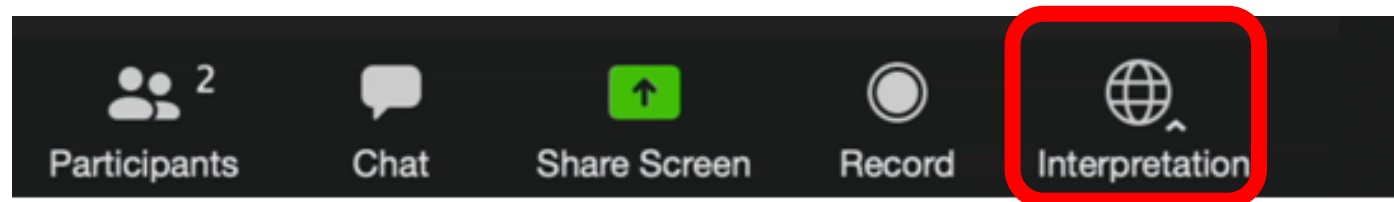
September 22, 2021 | 6:30pm



Spanish Interpretation Available

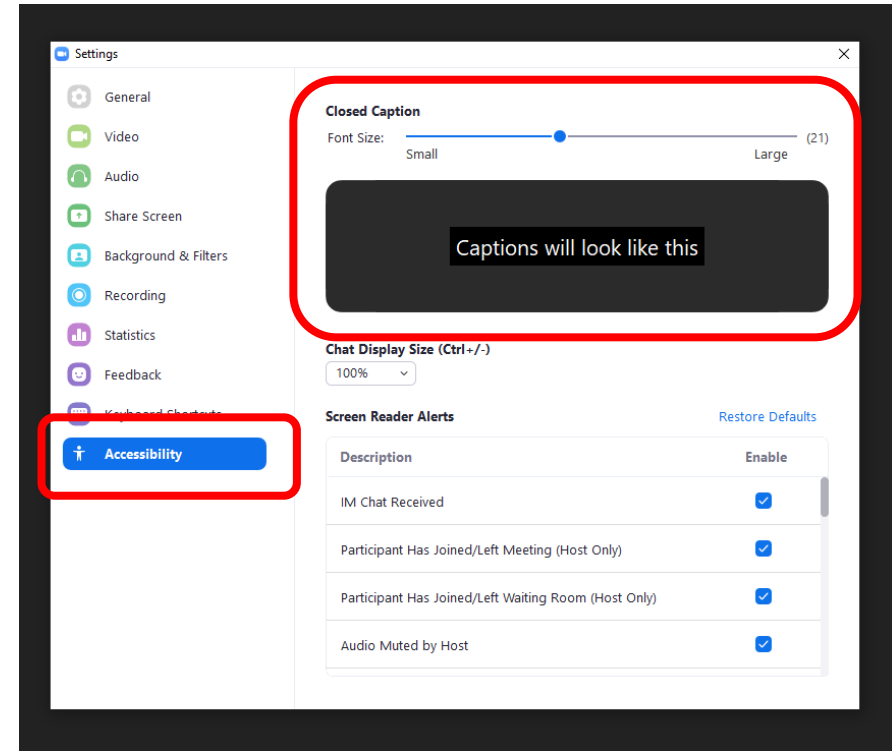
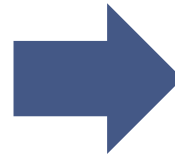
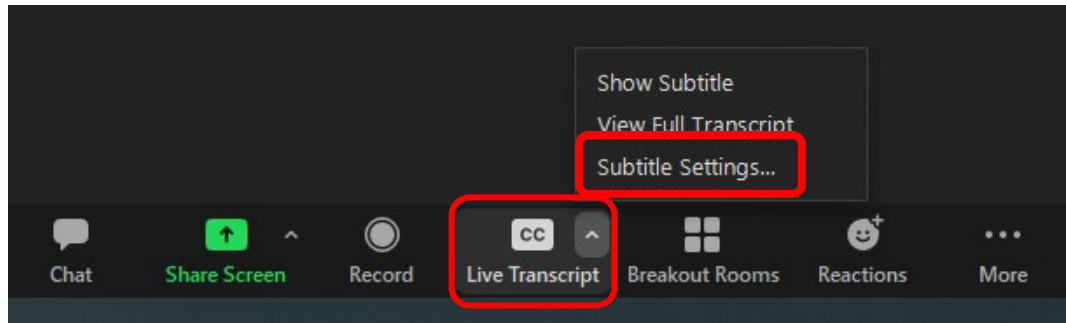
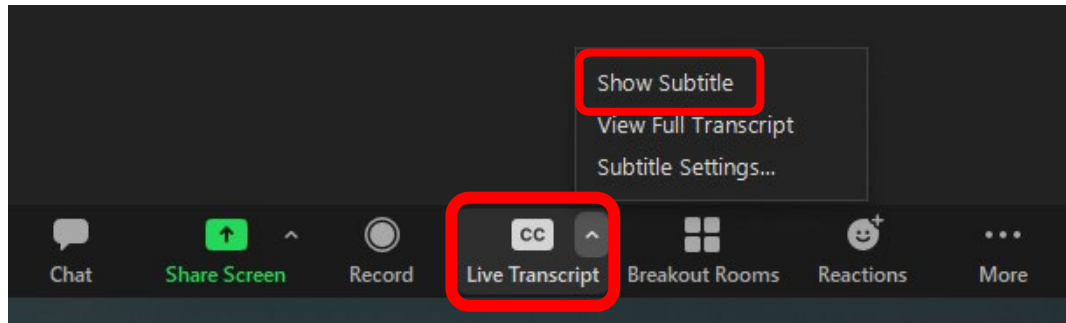
La interpretación simultánea para esta reunión estará disponible en Español:

- Por favor haz clic en el icono **INTERPRETATION** en tu barra de herramientas para acceder al idioma deseado
- Bajo la opción Español



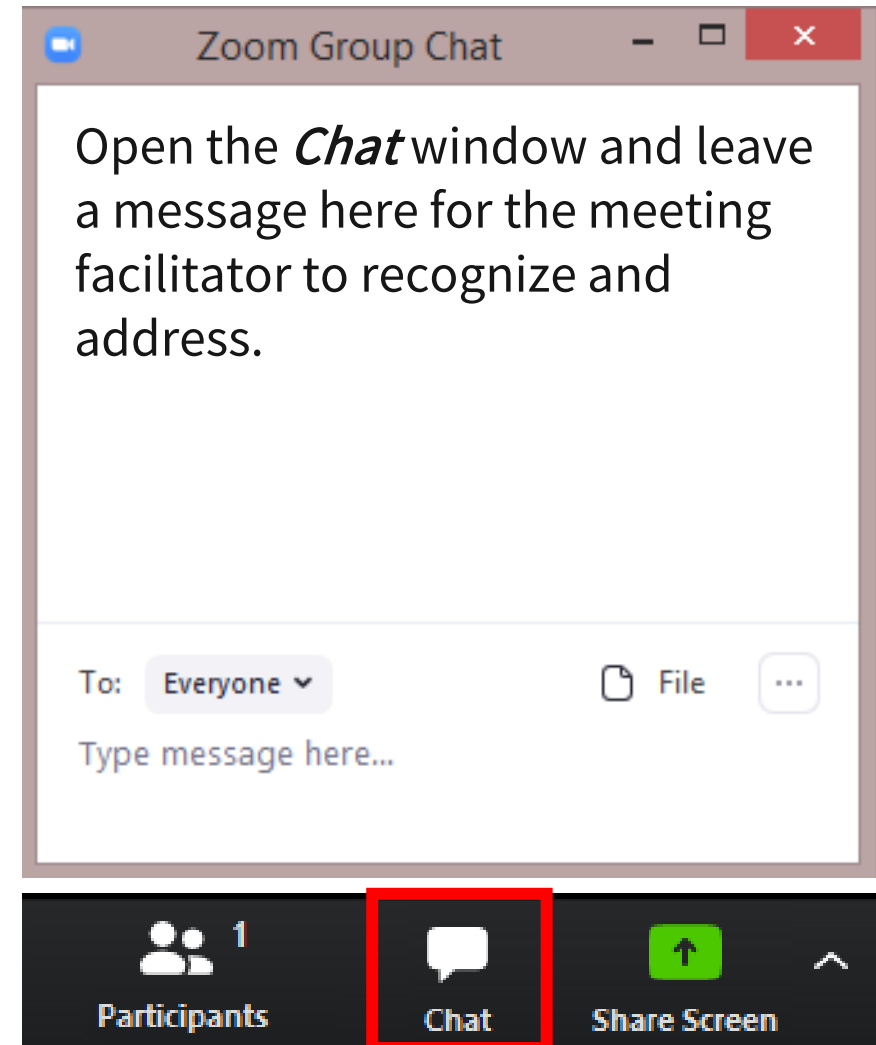
Subtitles Available

- A live transcript of the audio is available through Zoom by selecting the **Live Transcript** icon – *Show Subtitle*
- Caption size can be manually adjusted – *Subtitle Settings – Accessibility – Closed Caption – Font Size*



Workshop Logistics

- This meeting is hosted through **Zoom**:
 - **Join by Phone: +1 669 900 6833**
 - **Meeting ID: 858 8140 9924**
Pass: 420744
- For **questions/comments**: please use the Zoom **Chat Function**. A facilitator will process incoming comments.
- Please **hold** your chats during the main presentation.
- Portions of the meeting are being **recorded**, and will be posted on the City project website



Workshop Agenda

- 6:30 – 6:45pm **Welcome/Introduction and Objectives (*Poll*)**
- 6:45 – 7:15pm **Presentation**
 - **Specific Plan Update Overview**
 - **Overview of Scenarios**
 - **Scenario Analysis Summary by Topic** (Transportation, Fiscal Impact, Displacement, Jobs, Community Benefits, Urban Design)
- 7:15 – 7:20pm **Breakout Group Instructions**
- 7:20 – 8:25pm ***Breakout Groups (two rounds)***
- 8:25 – 8:55pm **Report Back and Reflections (*Poll*)**
- 8:55 – 9:00pm **Next Steps**
- 9:00pm **Adjourn**

Tonight's Objectives



Learn about **different potential growth scenarios**



Hear about the **potential impacts and benefits of each scenario**



Share perspectives on **trade-offs** between the scenarios



Discuss any other **concerns, questions, and thoughts**

Polling Activity



Specific Plan Update: Overview + Progress to Date

2013 Specific Plan Vision

Background

- Completed in 2013
- Extensive community engagement process
- Primary community benefit: jobs for residents

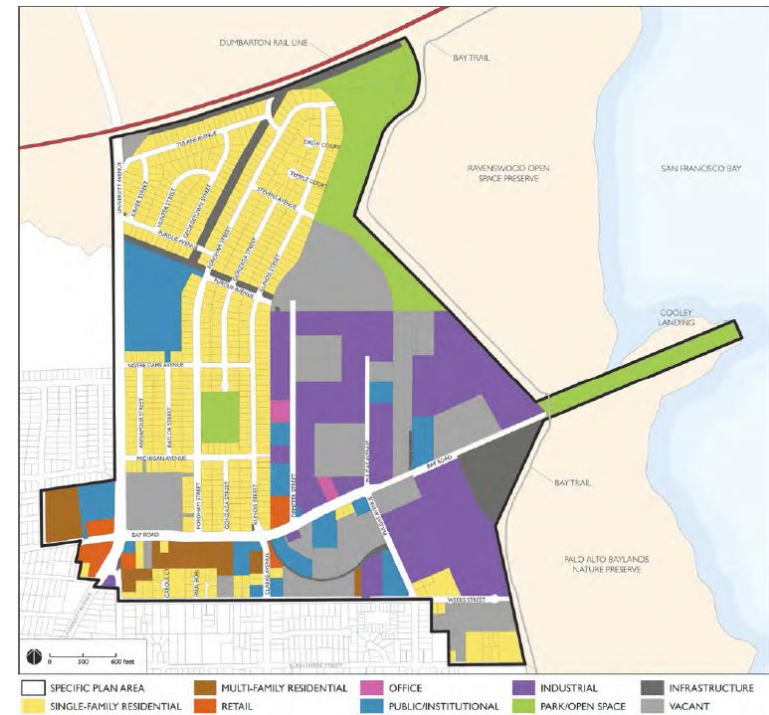
Vision

“Transform the area into a vibrant, walkable, mixed-use destination with a significant increase in employment, institutional uses, and moderate increase in housing”

2013 Challenges:

- Limited vehicle access
- Pollution concerns
- Lack of developer interest
- Small parcels and many owners

RAVENSWOOD / 4 CORNERS TOD SPECIFIC PLAN CITY OF EAST PALO ALTO



2013 land uses in RBD

Specific Plan Update

Proposed development **exceeds** amount analyzed

- Over **4 million square feet** of new development proposed

Evaluate a limited number of topics:

1. “Impacts” and “benefits” of allowing more office/R&D development
2. Framework for **community benefits**
3. New design standards that create a **“complete” neighborhood**



Proposed Projects

4 Major Projects:

- Almost 4 MSF of office/R&D
- 0 s.f. of industrial space
- 125,000 s.f. of community space
- 65,000 s.f. of retail space
- 530+ housing units

5+ Minor Projects:

- Job Train Office
- EPA CENTERARTS
- Ravenswood Health Center Office
- 965 Weeks & 1201 Runnymede
- 1804 Bay Road



Progress to Date



An aerial photograph of a coastal city, likely San Francisco, showing a dense urban area with a mix of residential and commercial buildings. In the background, a large body of water (the bay) is visible, with mountains in the distance. The image is overlaid with a semi-transparent blue filter. A white rectangular box is positioned in the center, containing the title text. A solid orange vertical bar is on the left side of the white box.

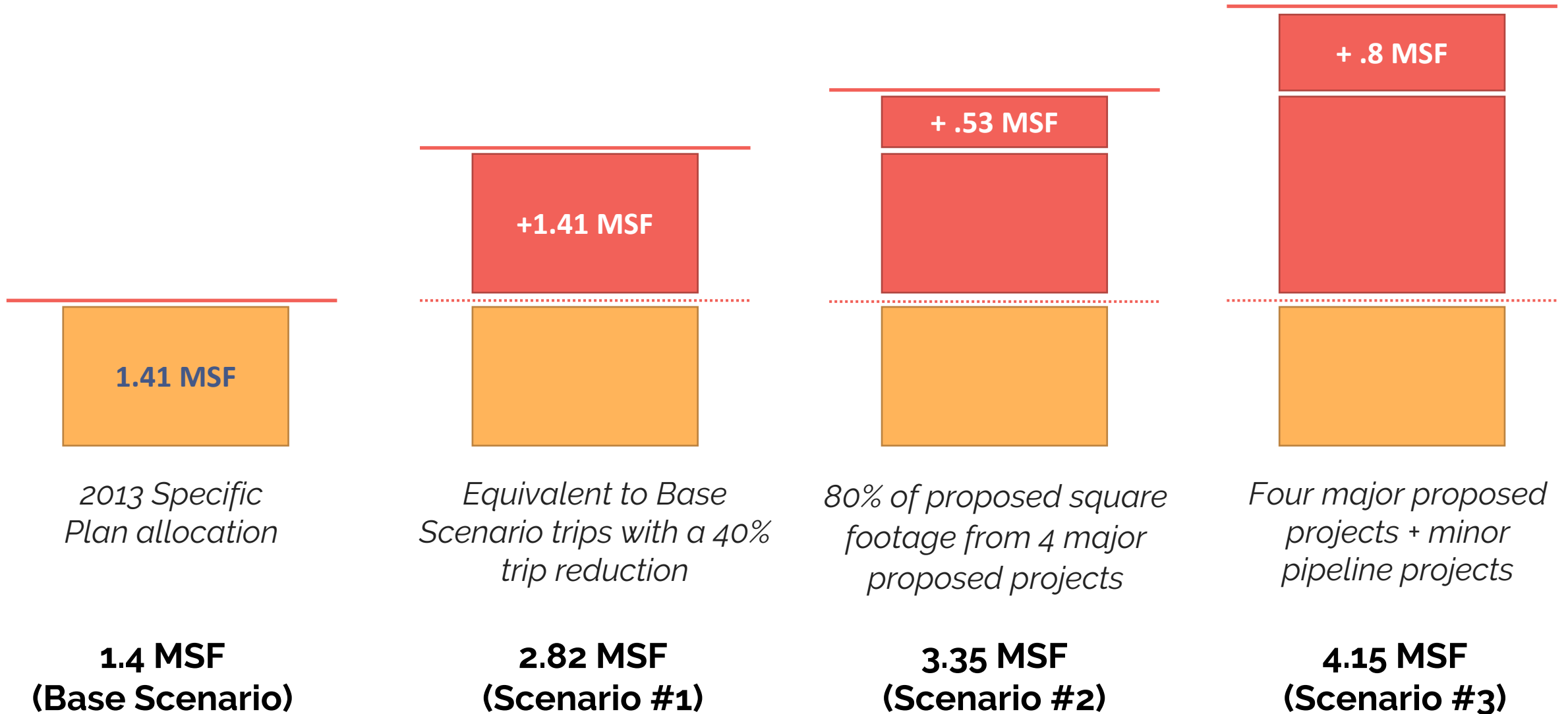
Development Scenarios

Development Scenarios

- Council approved the study of 3 scenarios, in addition to the existing Plan allocation
- Primary variation is Office/R&D square footages
- Allow for discussion of tradeoffs for increasing development capacity

	Existing Plan Scenario (2013)	Scenario 1	Scenario 2	Scenario 3
Office/R&D	1,420,000	2,820,000	3,335,000	4,150,000
Light Industrial	175,000	240,000	240,000	300,000
Retail/Comm./Civic	172,000	172,000	172,000	245,000
Housing	835	835	835	1,100

Scenarios (R&D/Office s.f. Only)



Scenario Context

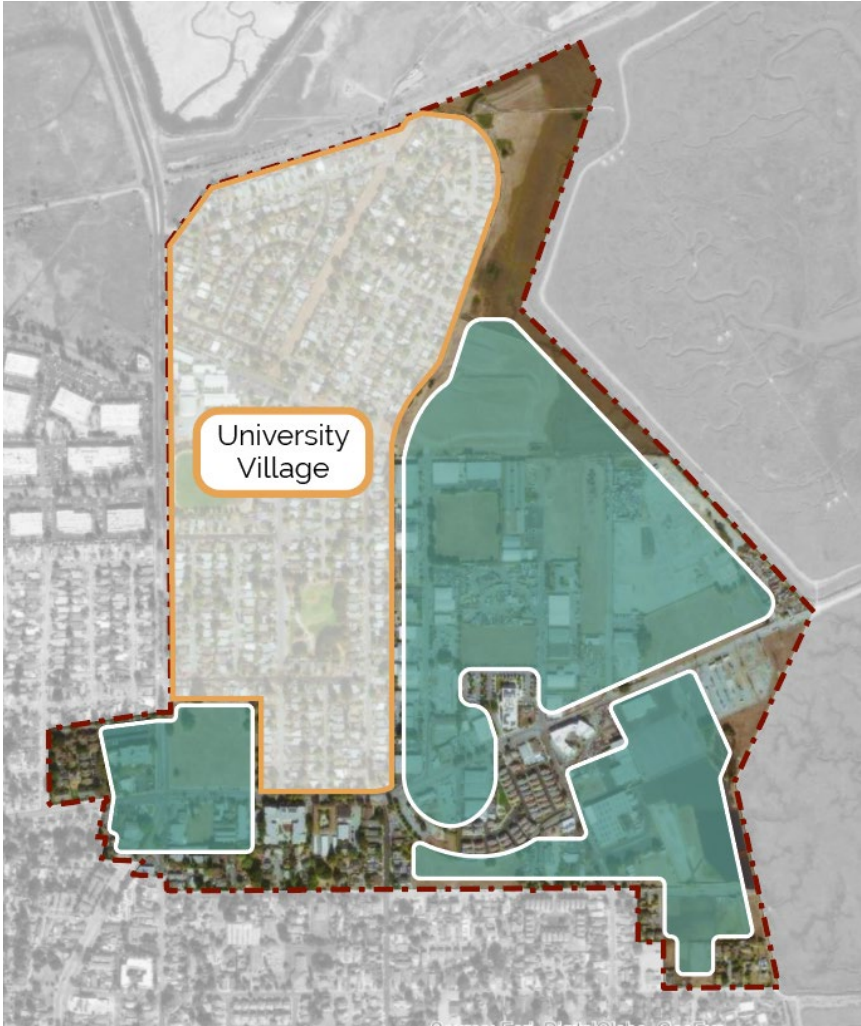
All Plan areas: 327 acres



Gross Developable Area: ~130 acres



Scale Comparison – Facebook HQ



Scale Comparison: University Circle

Base Scenario

- 1,420,000 sf
- 2x University Circle

Scenario 1

- 2,820,000 sf
- 4x University Circle

Scenario 2

- 3,335,000 sf
- 5x University Circle

Scenario 3

- 4,150,000 sf
- 6x University Circle



An aerial photograph of a coastal city, likely Seattle, showing a large body of water (Puget Sound) in the background and a dense urban area in the foreground. The image is overlaid with a semi-transparent blue filter. A white rectangular box is positioned in the center, containing the title text. To the left of this box is a solid orange vertical bar.

Trade-offs Framework

Potential Impacts & Benefits

Potential Impacts

- Traffic congestion
- Gentrification
- Decreased housing affordability
- Visual impacts

Potential benefits

- Increased tax revenues
- Affordable housing
- New public facilities
- Jobs and job training for residents
- “First Source Hiring”
- New community spaces
- New parks and open spaces
- A ‘main street’ on Bay Road
- SLR/Flood protection



Impacts

Benefits

Analysis of Scenarios: Key Metrics/Data Points

Transportation

- Total trips
- Trips on roadway segments
- Loop Road benefits

Jobs & Market Analysis

- # of jobs produced by educational attainment

Urban Design

- Complete neighborhoods

Gentrification and Indirect Displacement

- Factors for displacement
- Scale of potential impact
- Funds generated from new developments

Fiscal & Financial Benefits

- Fiscal impacts
- Impact fees
- Direct community benefits



Traffic Analysis

Hexagon

Key Analysis Questions

Questions

- How much is regional traffic expected to grow by 2040?
- How much is congestion expected to worsen at intersections and along roadway segments at different levels of development?
- What effect does the loop road have on traffic congestion?

Analysis

- Total daily trips for the RBD
- Average Daily Trips (ADT) on roadway segments

Trip Analysis

- Measured as **total trips** resulting from development in the RBD
- 2013 Specific Plan EIR established a baseline to compare scenarios
- Applied **40% trip reduction** requirement in new TDM Ordinance

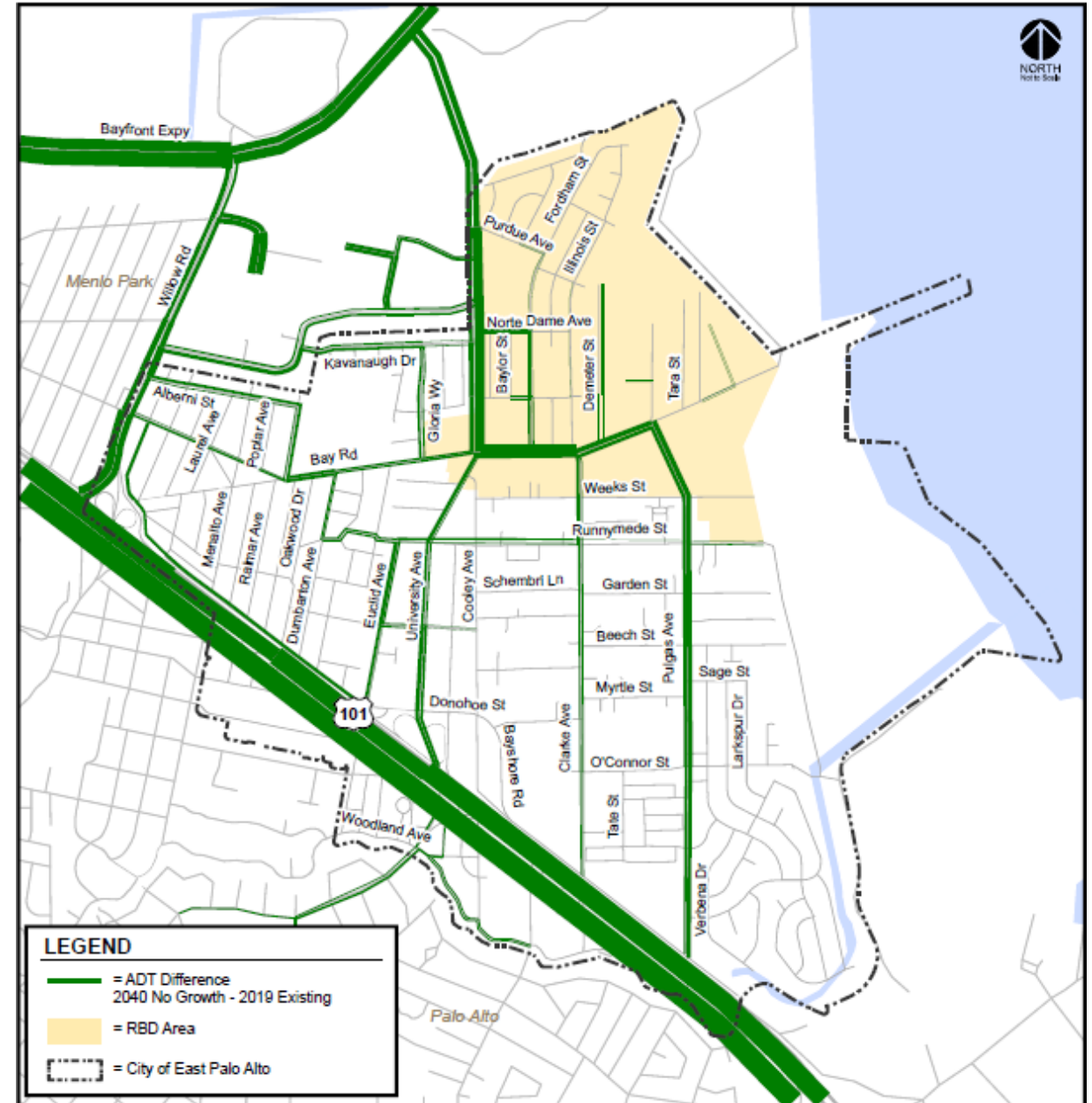
Scenario	Office/R&D	% Increase in Daily Trips (compared to 2013 EIR)	Reduction (needed to hit Baseline Trips)	TDM Reduction Measures needed to achieve baseline
Base Scenario	1.4 MSF	--	0%	None
1. Net Zero ADT	2.82 MSF	0%	40%	40% reduction required in TDM Ordinance
2. 80% Scenario	3.35 MSF	+12%	47%	Developer actions plus local govt support/measures
3. Proposed projects	4.15 MSF	+29%	57%	All Above plus large infrastructure projects (eg, Dumbarton Rail)

Average Daily Traffic

No Growth through 2040

- Substantial **increases** in traffic on regional roadways
- **Increase** in cut-thru traffic on many local streets
 - Largest increase on Pulgas Ave
 - Increases on Clarke Ave, Bay Road, Runnymede Ave, and Euclid Ave

Green lines show the difference between existing traffic and 2040 No RBD Growth traffic

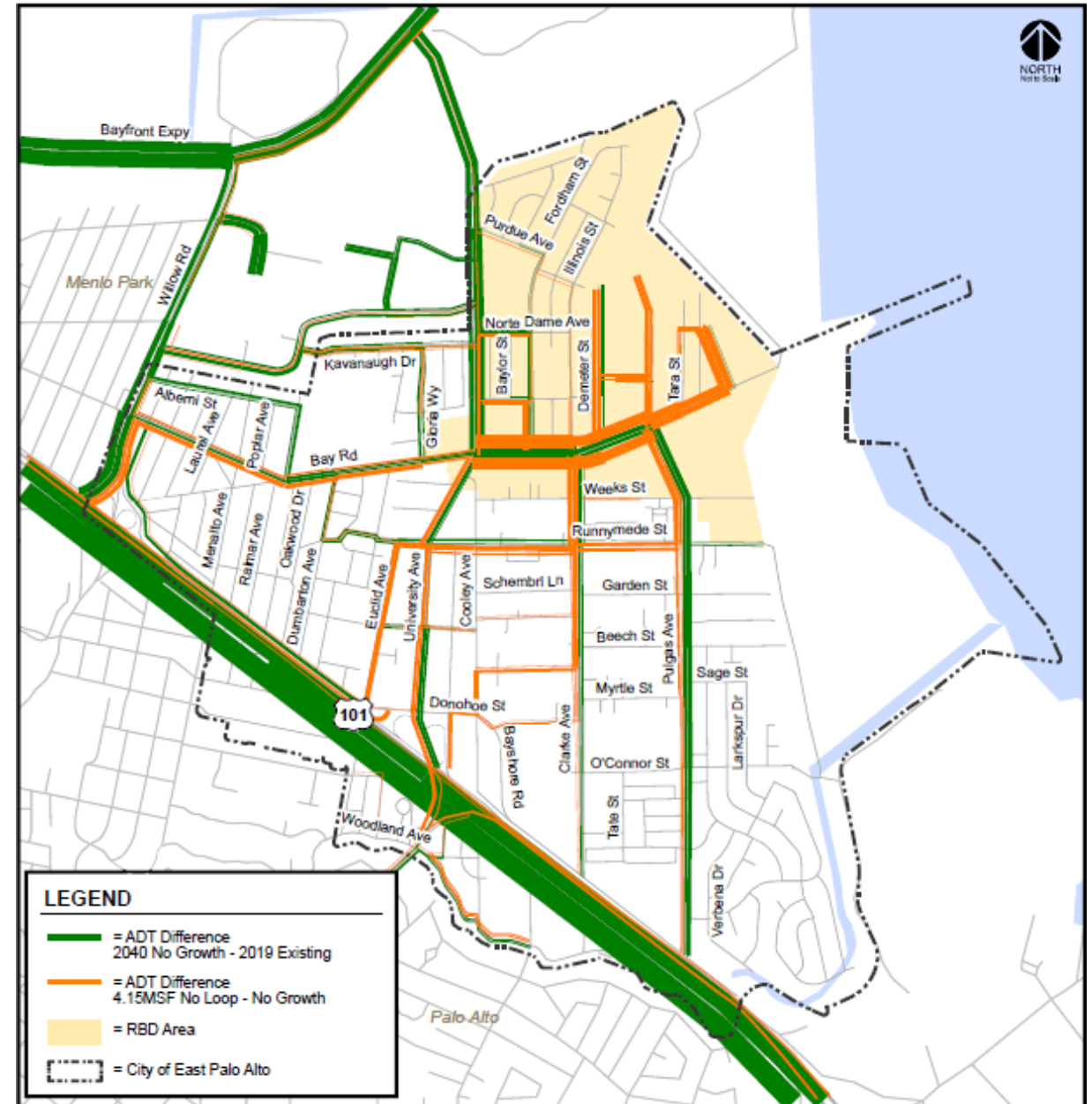


Average Daily Traffic

Scenario 3 (4.15msf) + No Loop Rd

- **Less** Impact on regional roadways because they are already at capacity
- Substantial **increase** in trips within RBD
 - Bay Road (east of University) has the greatest increase, also Demeter
 - Clark and Pulgas have notable increases between Runnymede and Bay Road
 - Other local roads have minor increases (Euclid, Runnymede, Bay west of Univ.)

Orange lines show the difference between 2040 No RBD Growth and 4.15 MSF with no Loop Rd

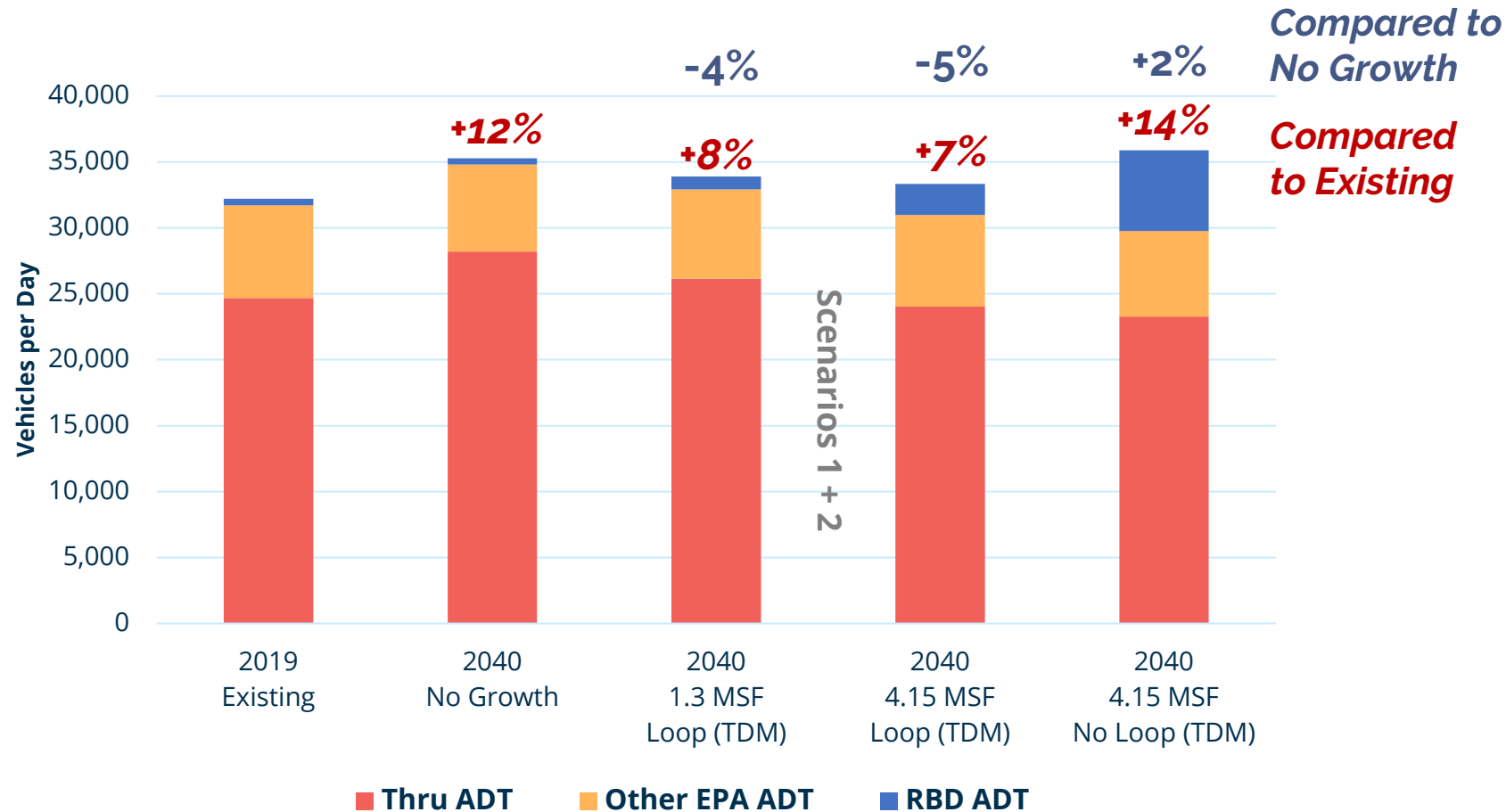


Average Daily Traffic – University Avenue



- Majority of traffic is cut-through (**red** in chart)
- Loop road **reduces** traffic by approx. 5% in largest growth scenario
- RBD development changes who is using University, but total traffic will **not change much** since it is at capacity

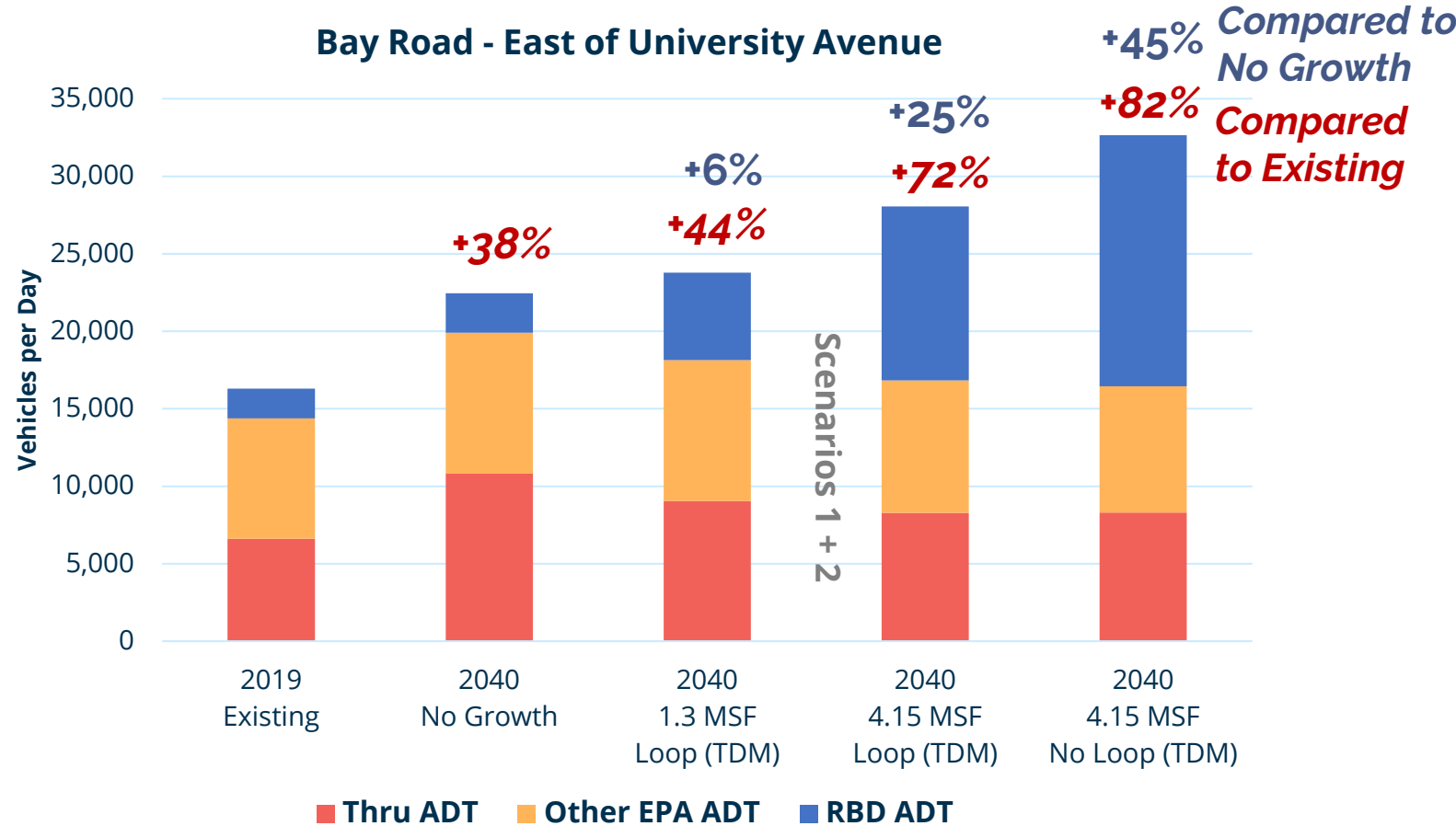
University Avenue - North of Bay Road



Average Daily Traffic – Bay Road



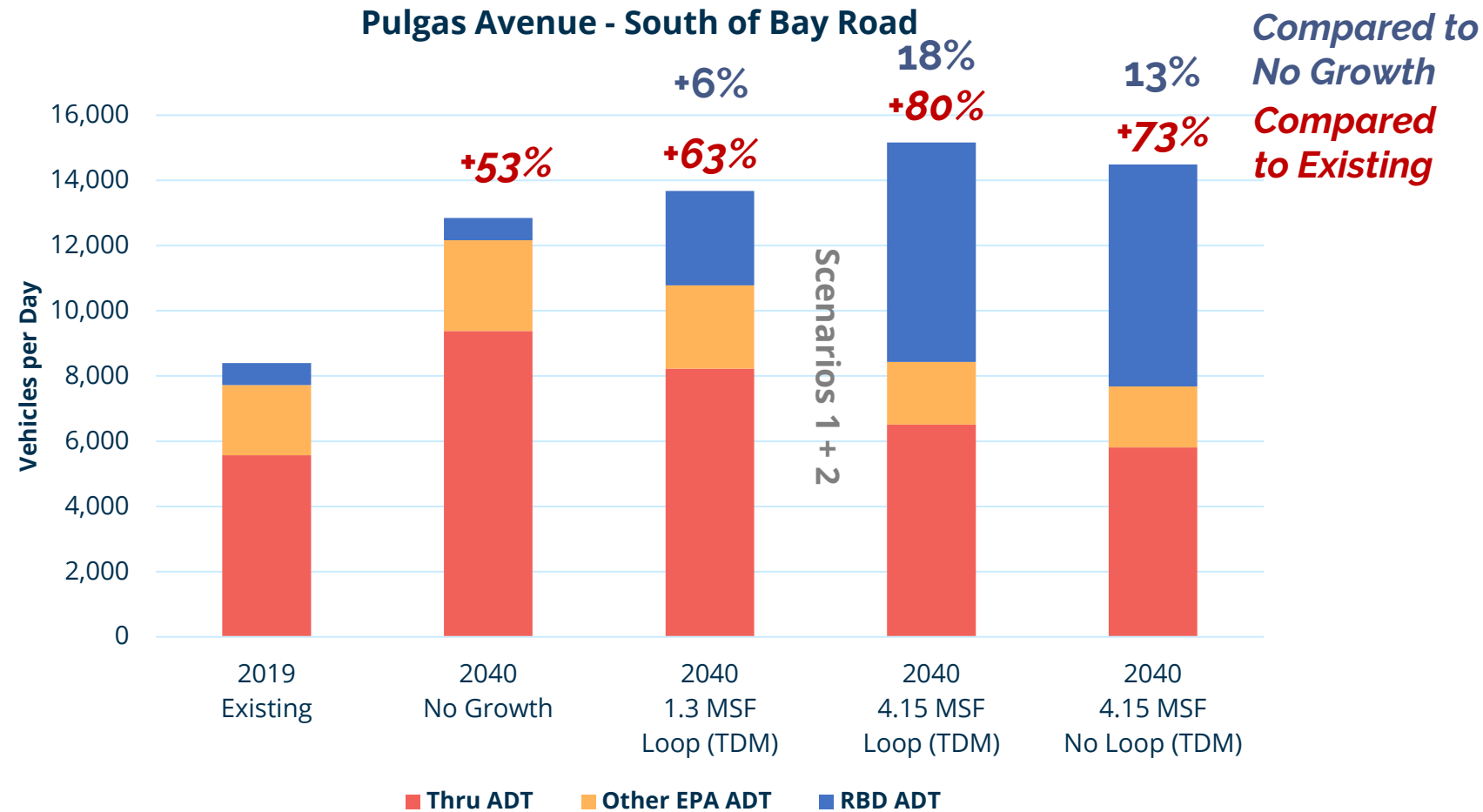
- Traffic will **increase** by 38% in 2040 without any RBD growth
- Very minor increase in traffic with base scenario and loop road
- Increases** between 25% and 45% at largest scenarios
 - Scenarios 1 and 2 expected to see between a 6% and 25% **increase** in traffic
- Loop road **reduces** traffic on Bay Road



Average Daily Traffic – Pulgas Avenue



- Traffic will get significantly worse even with no development in RBD
- Smaller increases in traffic with growth scenarios (between 6% and 18%)
- Mostly, growth in RBD shifts traffic from regional to local – EPA benefits more from its own roads



Peak Spreading (duration of congestion period) NB Pulgas Ave south of Bay Road

2019
Existing



1 Hour

2040 No
Growth



6 Hours

2040 1.3MSF Loop



6 Hours (0% increase)

2040 4.15MSF Loop



8 Hours (33% increase)

2040 4.15 MSF Loop -
w/Intersection
Improvements



6 Hours (0% increase)

Conclusions

- Traffic congestion will substantially increase in EPA in 2040 due to regional growth even if nothing is built in RBD
- RBD-generated traffic primarily replaces cut-through traffic on University Ave
- Daily traffic impacts on local roadways vary
 - Some segments have marginal impact from increases in RBD development
 - Largest impacts seen on Bay, Pulgas, and Clarke
 - Duration of congested period (“peak”) could increase without improvements
- New development funds infrastructure improvements that could reduce delay at key intersections (both RBD + citywide)
- Loop road improves traffic in some locations (shifts some traffic away from Bay Road and University Ave), but does not solve the traffic issue



Jobs and Employment

Strategic Economics

Employment by Land Use

- Number of jobs from new development range from about 10,000 to 14,000
- Scenarios do not vary significantly in the types of jobs created. About 90% of jobs are in office/R&D lab buildings.

New Jobs by Land Use and Scenario

	<i>Job Density (GSF Per Employee) [a]</i>	Scenario 1		Scenario 2		Scenario 3	
		Jobs	Percent of Total	Jobs	Percent of Total	Jobs	Percent of Total
Office	300	6,119	62%	7,226	63%	9,167	64%
R&D/Lab	350	2,824	29%	3,335	29%	4,000	28%
Flex/Industrial	500	480	5%	480	4%	600	4%
Retail	300	373	4%	373	3%	417	3%
Amenity	400	75	1%	100	1%	138	1%
Total New Jobs		9,871	100%	11,514	100%	14,321	100%

Source: Raimi + Associates, 2021; Strategic Economics, 2021.

Workforce and Education Requirements for New Jobs by Scenario

- 80% of new jobs in all scenarios would require at least some college education (20% do not)
- About 40% of adults in EPA have some post-secondary education
- Flex/light industrial jobs offer more opportunities for workers that lack post-secondary education

New Jobs by Educational Requirement and Scenario

	Scenario 1		Scenario 2		Scenario 3	
	Jobs	Percent of Total	Jobs	Percent of Total	Jobs	Percent of Total
No formal educational credential	574	6%	640	6%	781	5%
High school diploma or equivalent	1,523	15%	1,758	15%	2,193	15%
Postsecondary non-degree award	71	1%	82	1%	103	1%
Some college, no degree	285	3%	334	3%	419	3%
Associate's degree	603	6%	708	6%	872	6%
Bachelor's degree	6,139	62%	7,198	63%	8,974	63%
Master's degree	103	1%	121	1%	150	1%
Doctoral or professional degree	328	3%	387	3%	476	3%
<i>Unknown Due to Data Suppression</i>	244	2%	286	2%	354	2%
Total Jobs	9,871	100%	11,514	100%	14,321	100%

Source: California Economic Development Department for the San Jose-Sunnyvale-Santa Clara MSA, Industry to Occupation Matrix for Q1 2020; California Economic Development Department for the San Jose-Sunnyvale-Santa Clara MSA Occupation Projections for 2016-2026; Strategic Economics, 2021.

Summary of Land Uses

	Office	R&D/Lab	Flex/Industrial	Retail
Job Density (per sf)	Very High	High	Very Low	Moderate to High
Average Wage	\$124,025	\$132,452	\$108,529	\$43,335
% of Jobs Requiring Post-Secondary Education	High	High	Moderate	Low
Market Demand and Feasibility (Value > Costs)	High	Moderate	Low	Low
Potential for Community Benefits Contribution	High \$\$\$\$\$	Moderate \$\$\$	Low \$	Low \$

An aerial photograph of a city and a large body of water, possibly a bay or lake, with mountains in the distance. The image is overlaid with a semi-transparent blue filter. A white rectangular box is positioned on the left side of the image, containing the title and subtitle. A solid orange vertical bar is on the far left edge of the white box.

Gentrification and Displacement

Strategic Economics

Defining Gentrification and Displacement

- Direct Displacement: Process in which households are forced to leave
 - Could result from increasing housing prices/rents, landlord harassment, renovations/repairs, redevelopment, condo conversions, etc.
- Indirect Displacement/Gentrification: Process of change when neighborhoods attract new private and public investments
 - Reduced ability of residents to afford housing due to upward pressure on rents/housing prices often due to new construction or investments, marked by influx of more affluent residents.



Risk Factors for Gentrification / Indirect Displacement

- Multiple factors are linked to neighborhood vulnerability to these pressures:

Regional Factors

- Rapid economic expansion and job growth
- Shortage of housing supply and rising rents/sales prices

Neighborhood Factors

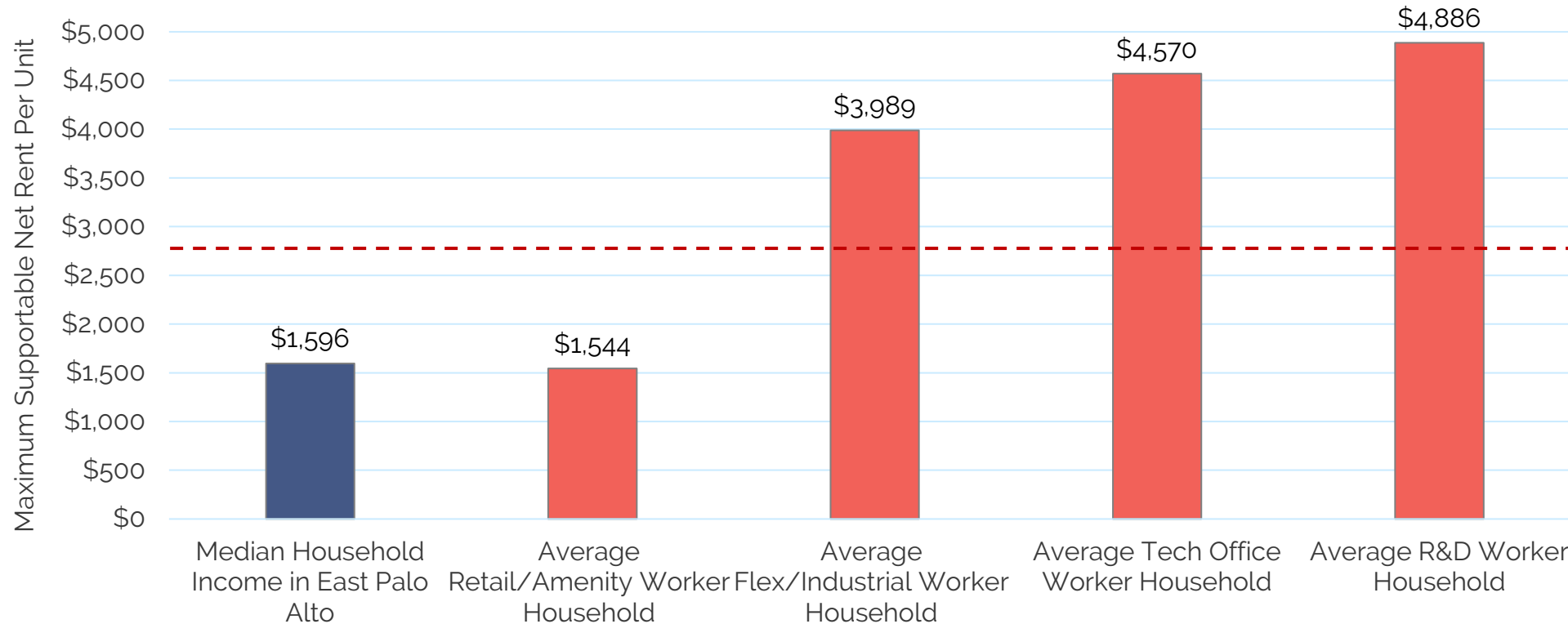
- Low-income & cost-burdened households
- Race/ethnicity of existing residents
- Share of renters
- Type of existing housing
- Proximity to amenities (e.g., transit, parks)

Public Investments

- New or enhanced transit and infrastructure
- Other investments that significantly improve access or quality of life (e.g., new high-quality parks and open space)

Market Pressure from New Households and Affordability of Housing for Existing Residents

Maximum Supportable Rent in EPA and for New Workers in the RBD Area

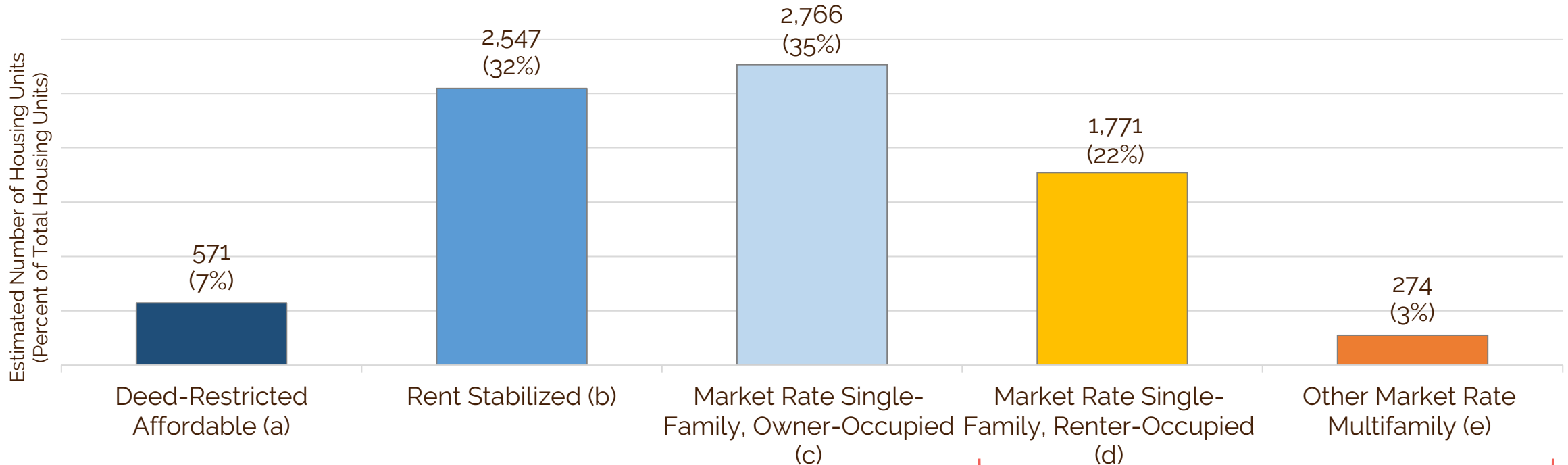


Source: CoStar, 2021; Santa Clara County Housing Authority, 2021; Strategic Economics, 2021.



Households at Risk of Gentrification/Displacement

Housing Stock in East Palo Alto by Tenure and/or Housing-Related Protections



Source: City of East Palo Alto, 2021; U.S. Census American Community Survey 5-Year Estimates, 2015-2019; Strategic Economics, 2021..

1/4 of EPA households may be vulnerable to displacement



Housing Policies in Specific Plan Area

Inclusionary Affordable Housing Units*

Base Scenario	Scenario 1	Scenario 2	Scenario 3
167	167	167	220

*Affordable rental units would be affordable to households earning 35% of AMI, 50% of AMI, and 60% of AMI. Affordable for-sale units would be affordable to households earning 80% and 120% AMI.

EPA has multiple regulations in place to stem gentrification:

1. 20% of all units must be affordable
2. Commercial development must pay an affordable housing linkage fee
3. Commercial development must pay an annual fee for affordable housing and first source hiring

One-Time Commercial Linkage Fees for Affordable Housing*

Base Scenario	Scenario 1	Scenario 2	Scenario 3
\$16.7 million	\$33.6 million	\$39.7 million	\$49.4 million

* Commercial developers may propose to provide affordable units on-site rather than pay the fees.

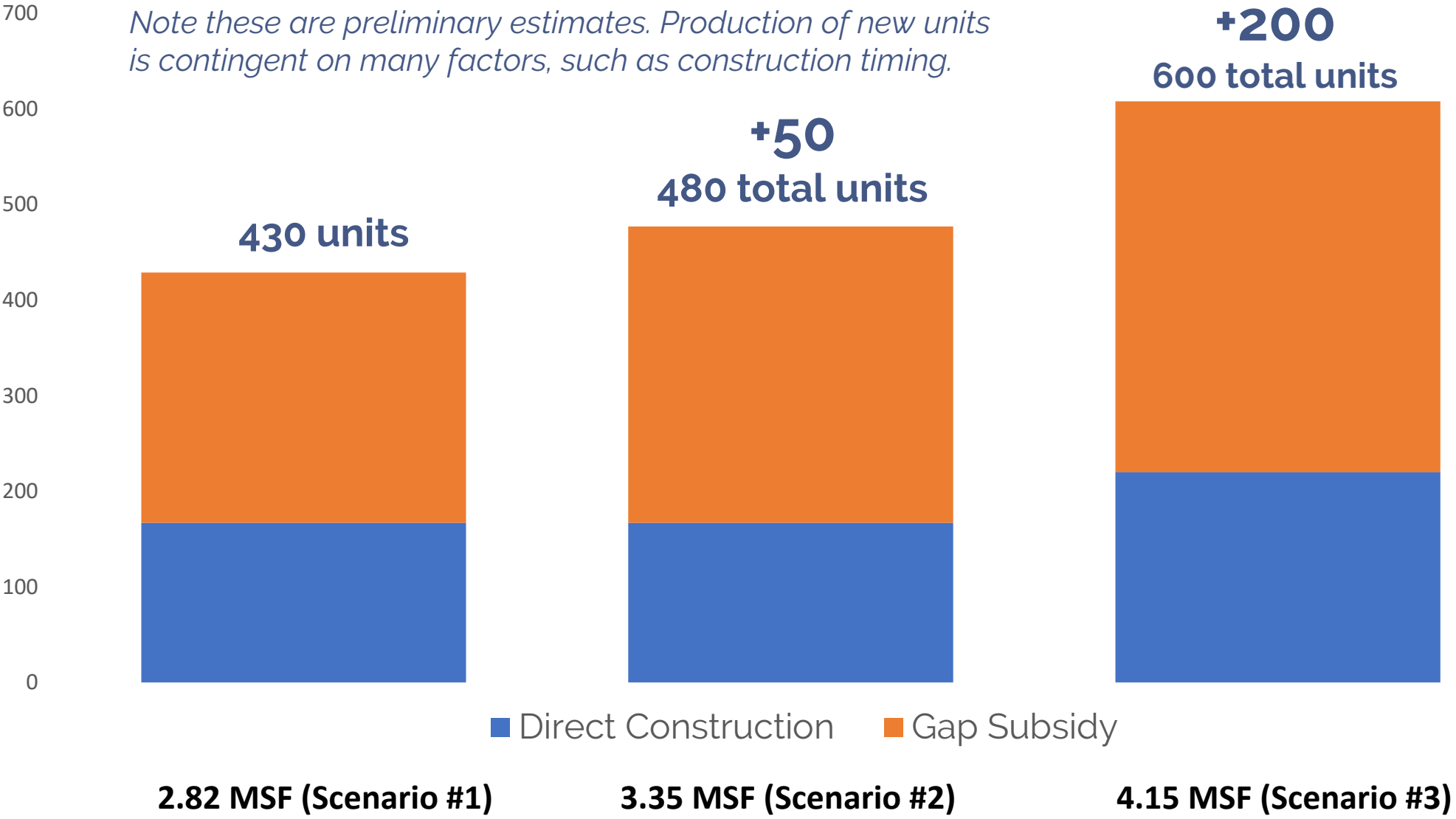
Annual Revenues from Measure HH for Affordable Housing Production and First Source Hiring

Base Scenario	Scenario 1	Scenario 2	Scenario 3
\$3.5 million	\$7.1 million	\$8.4 million	\$10.5 million

Source: City of East Palo Alto, 2021; Raimi+Associates, 2021; Strategic Economics, 2021.



Estimated Affordable Housing Units (built or subsidized by RBD development over 10 years)



Conclusions

- EPA has experienced gentrification even without any new development in the RBD.
 - Monthly rents rose from \$1,720 in 2011 to \$2,750 in 2021
 - Rapid increase in White and Asian population; decline in Black population
- Many existing East Palo Alto households are at risk of displacement
 - 25% of households are relatively unprotected from eviction and rent increases
 - City's median household income of \$67,000 is less than half of nearby cities
- Research shows that large-scale commercial development can increase pressure on nearby housing
- Any growth scenario, combined with regional growth, will continue to put pressure on housing in EPA
- Regardless of what happens in RBD, housing pressure (gentrification) will continue



Fiscal, Financial, and Community Benefits

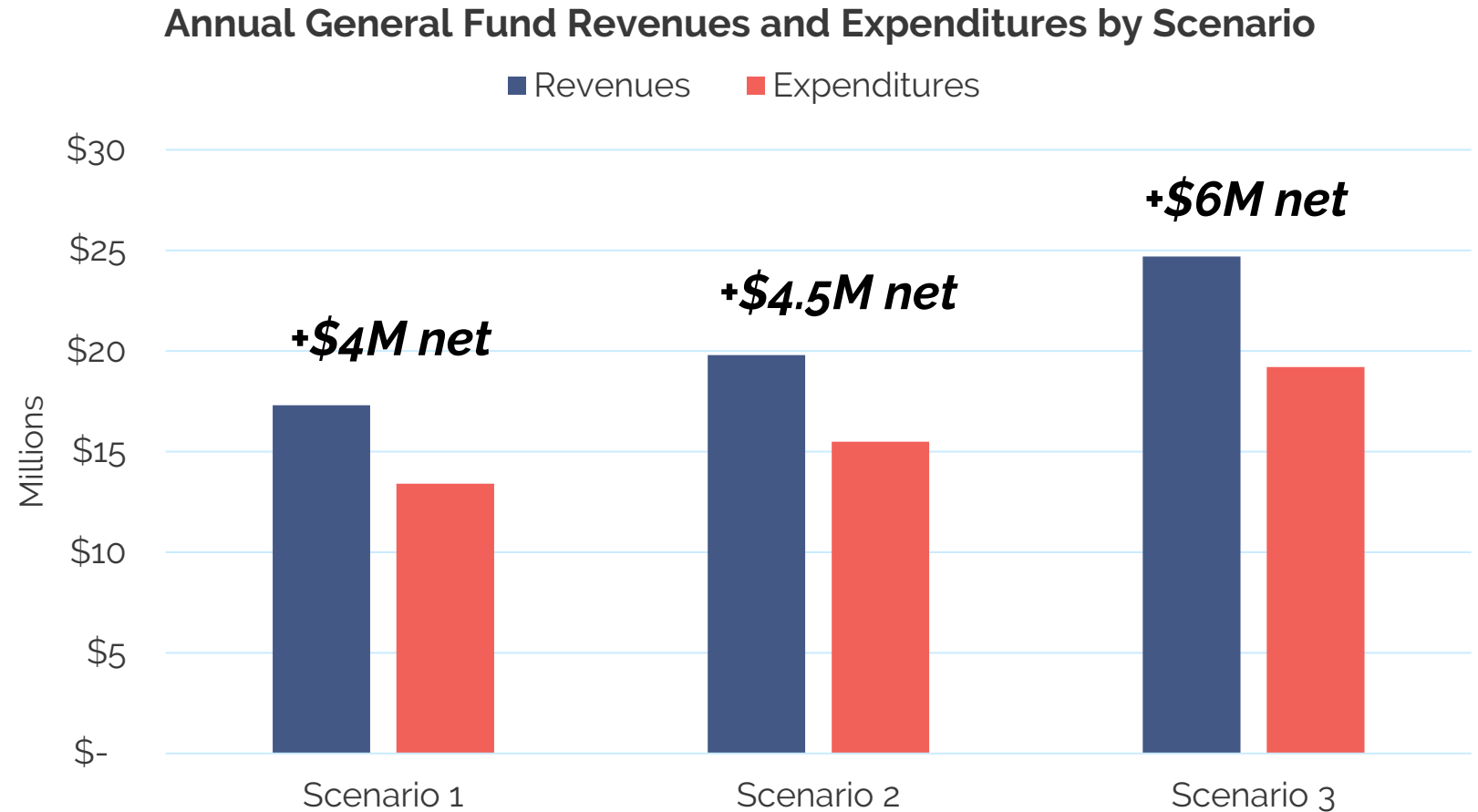
Strategic Economics

Types of Fees and Benefits

1. Fiscal impacts – revenues for city government
2. Impact fees – charged to project; mitigate impacts of development; address citywide needs (not deficiencies)
3. Direct community benefits – benefits provided by projects over and above impact fees

Fiscal Impact Summary

- RBD Scenarios increase net revenues by \$4M - \$6M every year, funds that can pay for City services and programs
- Larger scenarios capacity generate higher net revenues for the City
- Zero revenues from RBD under No Growth

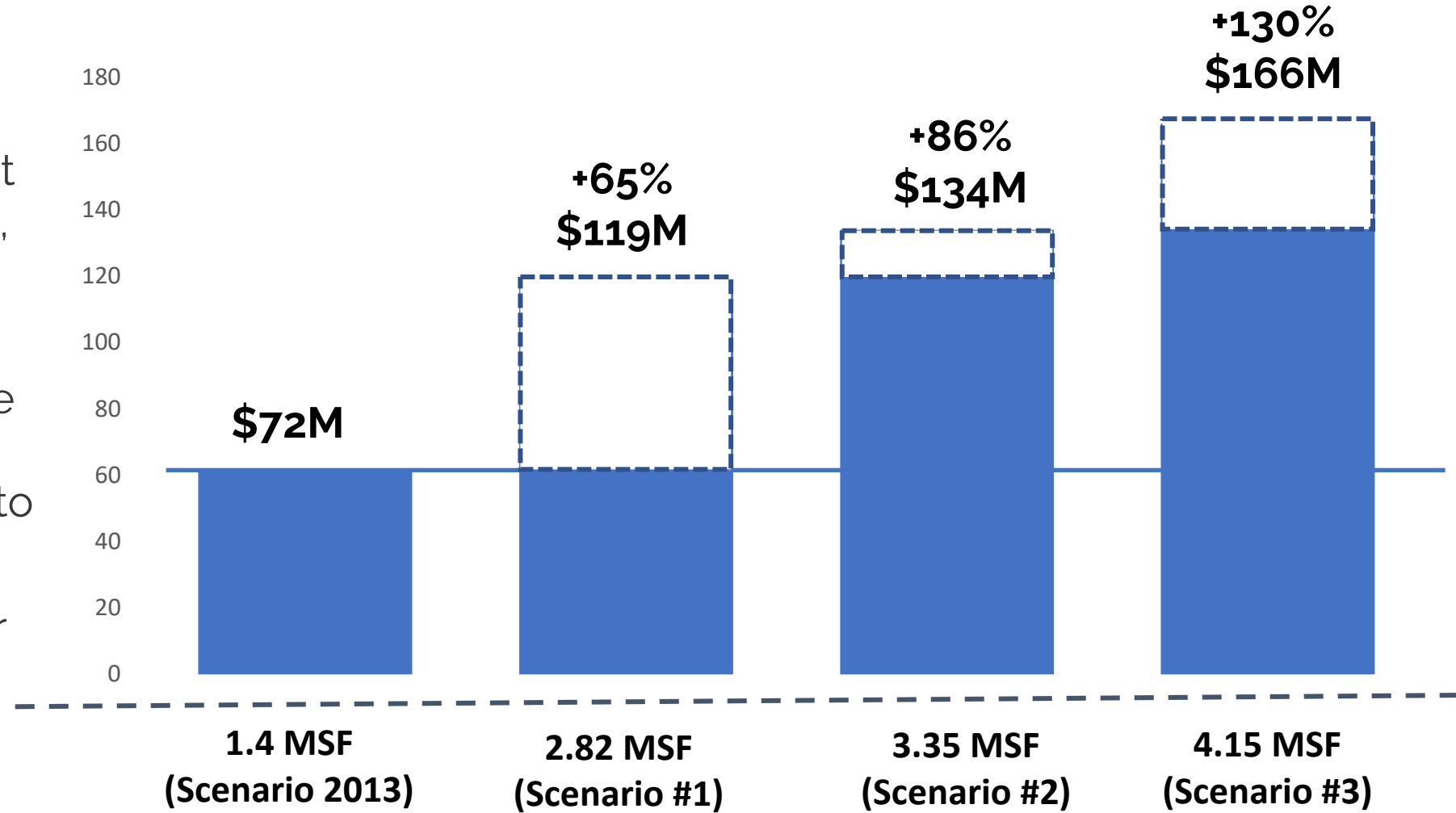


Source: Strategic Economics, 2021.



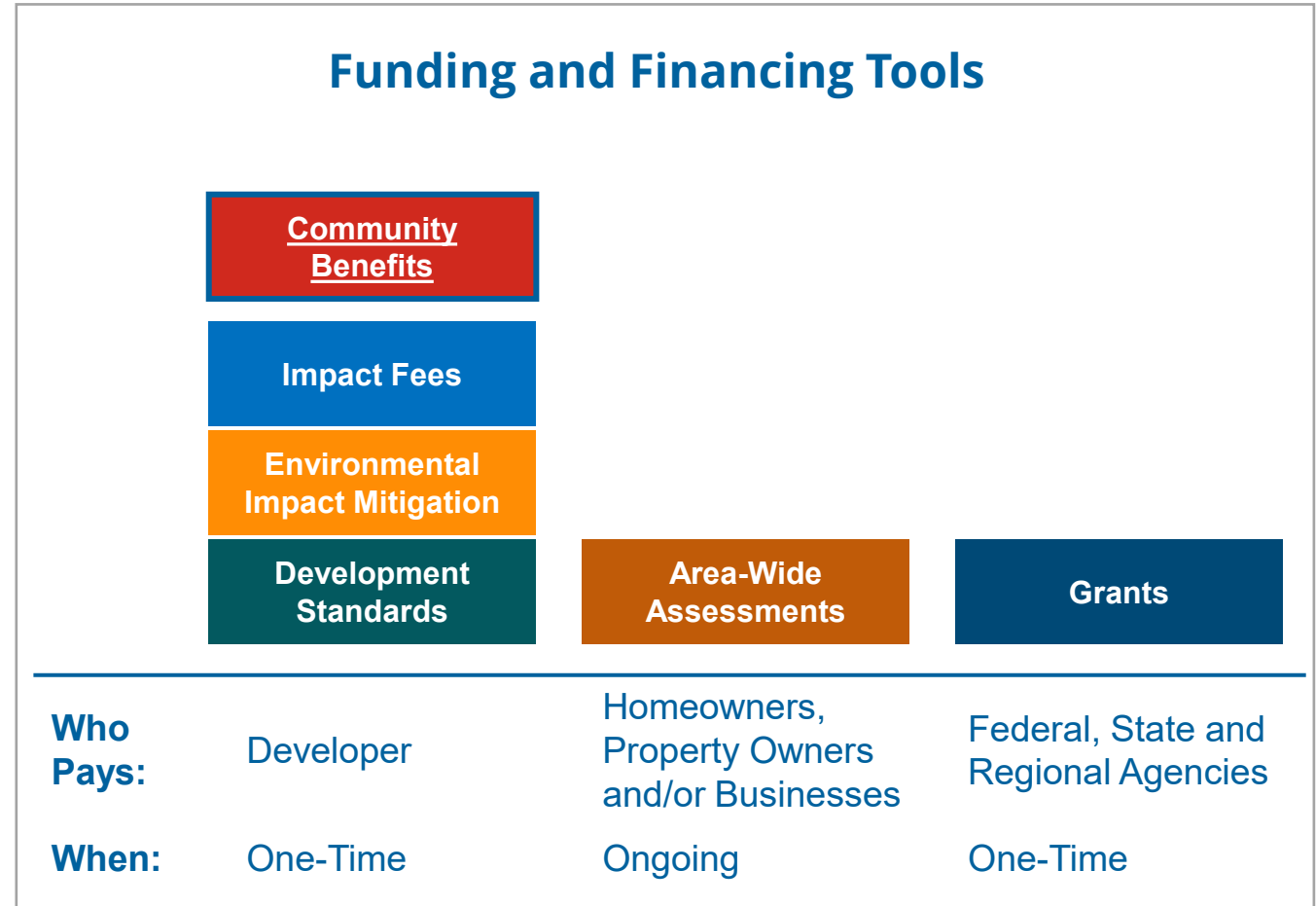
Impact Fees from New Development

- Impact fees mitigate the impact of new development on the cost of providing new utilities, facilities, schools, and affordable housing
- Total impact fee revenue generated ranges from \$119 million (Scenario 1) to \$166 million (Scenario 3)
- Impact fees 2x higher for office/R&D than for industrial and retail



Direct Community Benefits

- Developer contributions beyond required mitigations and improvements in exchange for additional development rights



Developer-Proposed Community Benefits

All 4 major projects are proposing community benefits

- Commitment to local hiring
- Job training facilities and programs
- Entrepreneurial incubator & non-profit spaces
- \$5M+ for community fund payments
- Subsidized retail spaces
- Free community spaces
- Farmer's markets
- Relocated library, relocated Civic Center
- New affordable housing (one applicant proposing 100% affordable, others proposing 20% per inclusionary requirements)
- On-site improvements for SLR protection
- Publicly accessible plaza at University and Bay
- Connected waterfront park and trails along the Bay, stretching from Fordham Street to Weeks Street (20+ acres)
- Recreational sports fields and amenities
- Hundreds of new trees
- Restoration/rehabilitation of inner marsh and wetland (20+ acres)
- Public art, murals, other beautification efforts

Past Community Benefits Received by the City

- Community benefits proposed by the four major projects are significantly greater than those provided by past office projects:
 - Sobrato Phase I
 - Job Train space (~2,500 SF)
 - Sobrato Phase II (Amazon)
 - 8,690 sf of community flex space (in parking garage)
 - ~\$1,755,000 of additional community benefits
 - Measure HH tax payment and Local Hire contribution funds for training
 - Arts Mural
 - University Circle
 - Providing existing/displaced businesses opportunity to relocate within project
 - None other than impact fees
- Since these projects were completed, the City has adopted new policies and requirements to increase benefits provision

Key Takeaways

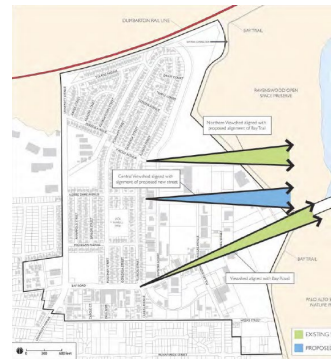
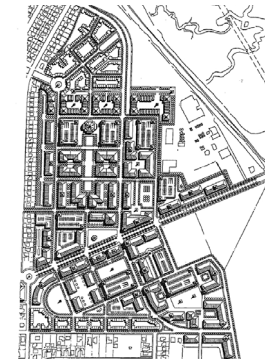
- The RBD Scenarios are all fiscally positive, generating more revenues than costs for the City
- Development in the RBD area could increase the City's General Fund total revenues by between \$17 and \$25M annually (net revenue by \$4-6M/year)
- Between \$119M and \$166M in impact fees for parks, infrastructure, schools, and facilities
- Commercial linkage fee provides between \$33M and \$49M for affordable housing (one-time revenue)
- Annual Measure HH revenues of between \$7.1M and 10.5M
- Development projects are proposing significantly more benefits than past projects

An aerial photograph of a city and a large body of water, possibly a bay or lake, with mountains in the distance. The image is overlaid with a semi-transparent blue filter. A white rectangular box is positioned in the center-left, containing the title text. To the left of this box is a solid orange vertical bar.

Urban Design & Placemaking

Refresher: Urban Design Principles

- #1. Create a **Complete Neighborhood**
- #2. Build **walkable blocks**
- #3. Create an interconnected **transportation network**
- #4. **Activate** Bay Road
- #5. **Moderate** building size
- #6. Enhance **public views** of the Bay
- #7. Connect people to the **waterfront**
- #8. Develop a **welcoming network of open spaces**



Key Analysis Questions

- What does the site look like with **different levels of development**?
- What are the **urban design outcomes** across scenarios?

2013 Conceptual Rendering



Base Scenario: 1,420,000 sf (Concept 1)



1 Major Project

2 University Circles



Base Scenario: 1,420,000 sf (Concept 2)



4 Major Projects

2 University Circles



Scenario 1: 2,820,000 sf Office + R&D



3 Major Projects

4 University Circles



Scenario 2: 3,335,000 sf Office + R&D



4 Major Projects

5 University Circles



Scenario 3: 4,150,000 sf Office + R&D



4 Major Projects

6 University Circles



Key Urban Design Trade-Offs

- Ability to create a “neighborhood” **increases** as the amount of development increases
- Placemaking potential **increases** as the amount of development increases
- Visual impacts vary depending on the height and location of the buildings, but likely **increase** as development increases
- Larger growth scenarios enable a more complete transportation network and a more “urban” district.
- Additional urban design work *after* selection of growth scenario by Council will identify specific standards and guidelines to achieve outcomes

An aerial photograph of a coastal city, likely San Francisco, showing a dense urban area with a mix of residential and commercial buildings. In the background, a large body of water (the San Francisco Bay) is visible, with hills and mountains in the distance. The image is overlaid with a semi-transparent blue filter.

Conclusions



Key Take-Aways

1. Ongoing regional growth in the region will impact EPA residents regardless of what development occurs in RBD.
2. Traffic will get worse in EPA, even if there is no development in the RBD
3. Strong market for office/R&D; weak market feasibility for industrial; low demand for retail
4. Gentrification has occurred and will continue to occur but new development adds pressure
5. All scenarios produce a positive fiscal impact for the city
6. Development pays significant impact fees that will result in citywide benefits
7. Growth scenarios impact the potential for complete neighborhoods

An aerial photograph of a city and a large body of water, possibly a bay or lake, with mountains in the distance. The image is overlaid with a semi-transparent blue filter. A white rectangular box is positioned in the center, containing the text 'Q&A Session'. To the left of this box is a solid orange vertical bar.

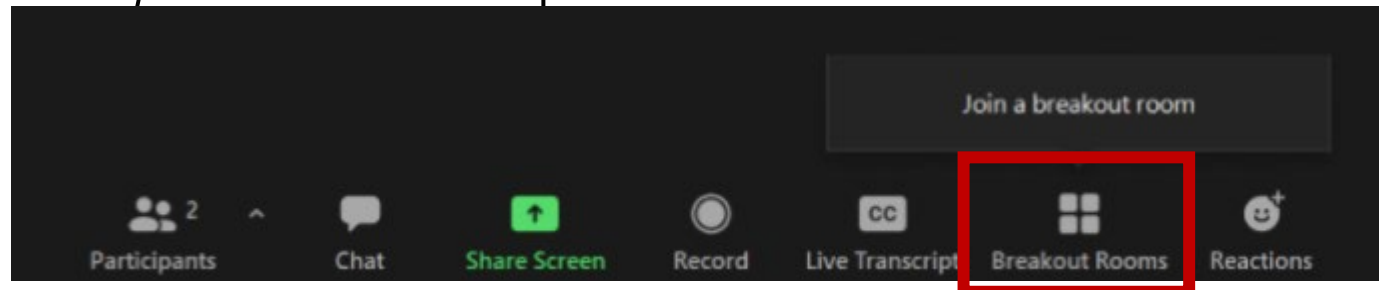
Q&A Session

An aerial photograph of a city and a large body of water, possibly a bay or lake, with mountains in the distance. The image is overlaid with a semi-transparent blue filter. A white rectangular box is positioned in the center, containing the text 'Breakout Groups'. To the left of this box is a solid orange vertical bar.

Breakout Groups

Breakout Group Logistics

- Breakout groups will be organized into **2 sessions**, each ~30 minutes
 - Each group will be **facilitated** by a member of the project team
 - Participants can **unmute** their mics and participate in the conversation, or send comments via **chat**
- Participants can select from the following groups:
 1. Urban Design, Placemaking, & Land Use
 2. Community Benefits & Fiscal Impacts
 3. Housing, Displacement, & Jobs
 4. Transportation & Mobility
 5. **Spanish Interpretation (all topics covered)*



Breakout Group Topics

First Session	Placemaking, Land Use & Open Space	Community Benefits and Fiscal Impact	Housing, Displacement and Jobs	Transportation	Spanish (All Topics)
Second Session	Transportation	Community Benefits and Fiscal Impact	Housing, Displacement and Jobs	Transportation	Spanish (All Topics)

- Select your FIRST group
 - **Thirty-minute** discussion on first topic
- **We will announce a transition* and briefly return to the main room*
- Select your SECOND group (different from first)
 - **Thirty-minute** discussion on second topic

An aerial photograph of a city and a large body of water, possibly a bay or lake, with mountains in the distance. The image is overlaid with a semi-transparent blue filter. A white rectangular box is positioned in the center, containing the title text. To the left of this box is a solid orange vertical bar.

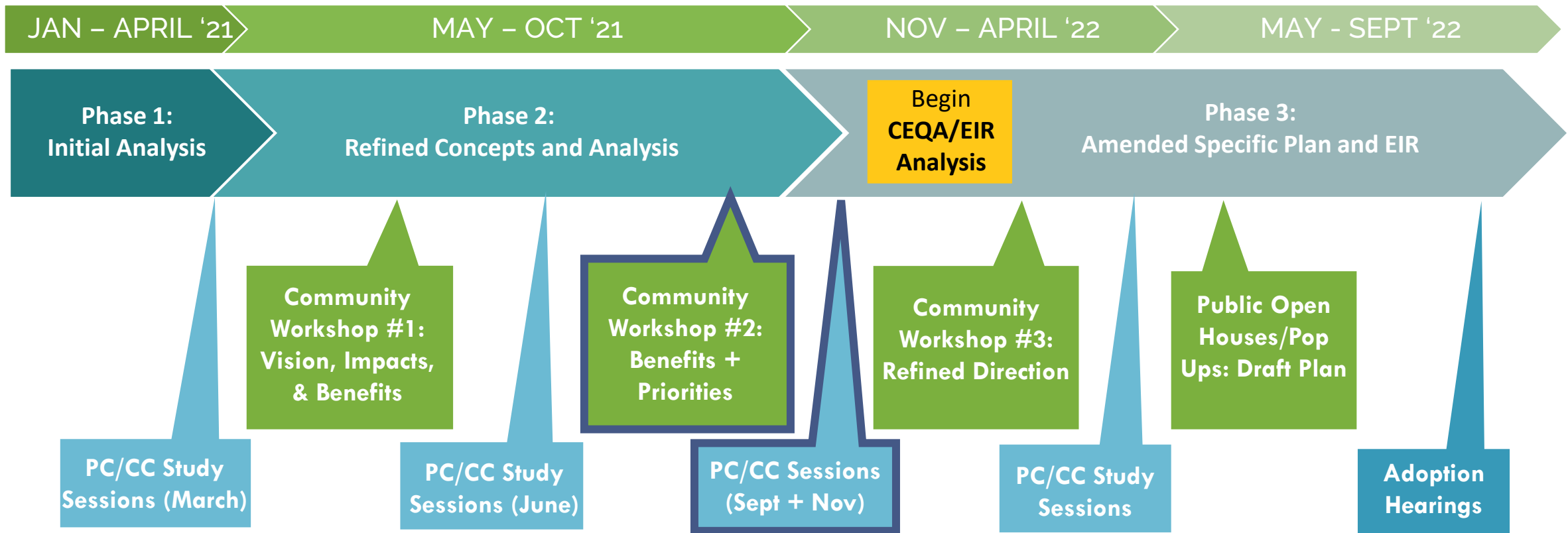
Report-Back and Group Discussion

Polling Activity

Group Discussion Questions

- Broadly, what are your thoughts on the trade-offs across the scenarios?
- What are the pros and cons of each scenario?
- How does EPA grow and evolve without losing its identity and character?

Project Schedule – Moving Forward



Thank you!

<https://www.cityofepa.org/planning>



Extras



Key Takeaways

- El crecimiento regional en curso en la región afectará a los residentes de EPA independientemente del desarrollo que ocurra en el RBD.
- El tráfico empeorará en la EPA, incluso si no hay desarrollo en el RBD.
- Fuerte mercado de oficinas; viabilidad de mercado débil para la industria; baja demanda para comercial
- La gentrificación ha ocurrido y seguirá ocurriendo, pero el nuevo desarrollo agrega presión
- Todos los escenarios producen un impacto fiscal positivo para la ciudad
- El desarrollo paga tarifas de impacto grandes que resultarán en beneficios para toda la ciudad.
- Los escenarios de crecimiento impactan el potencial de desarrollar vecindarios completos