

Appendix C – Best Practices: Infill Development and Incentives

Category	Policy	Plan/Program
CEQA Streamlining	Develop policies to streamline the CEQA process for infill projects. Take advantage of CEQAs tiering provision by preparing programmatic documents. The key element is to have a complete master plan EIR that has considered all these logical infill options to reduce the chance of a developer having to do advanced CEQA work.	Fresno Infill Development Act
	Explore the potential for specific plans with form-based or otherwise objective design standards that allow for CEQA tiering and nondiscretionary project approval.	SACOG Commercial Corridors Toolkit
	Explore opportunities for full CEQA exemptions and make potential housing developers aware of the suite of CEQA streamlining opportunities (like SB 226, SB 375, SB 743) by providing information on websites and proactively seeking them out for potential projects.	SACOG Commercial Corridors Toolkit
Density Bonus	Density bonus policies must set a level that provides infill projects a competitive edge over traditional projects. Density bonuses should not result in projects out of scale and character with existing neighborhoods.	Fresno Infill Development Act
	Jurisdictions may offer additional bonuses beyond what is required by California law.	SACOG Commercial Corridors Toolkit
Development Standards: Lot Coverage & Lot Size	Remove or reduce lot coverage.	SACOG Commercial Corridors Toolkit
	Overall lot widths should be minimized.	Fresno Infill Development Act
Development Standards: Residential Density	Do not establish a maximum residential density standard. Instead, allow residential density to be naturally restricted through other development standards, such as building height and Building Code requirements for minimum unit size.	City of Arcata Gateway Area Plan
	Establish a minimum residential density standard in each of these land use regulations, with exceptions established for some use types (such as theaters) and some building types (such as historically significant structures and the adaptive reuse of existing buildings).	City of Arcata Gateway Area Plan
	Require that all new development provides at least some minimum quantity of housing units by establishing a minimum residential density (number of units per acre). Projects that do not provide the designated minimum residential density will need a use permit demonstrating they support the Gateway Area objectives.	City of Arcata Gateway Area Plan
	Support TOD in high frequency transit areas by zoning for multi-family and mixed use of at least 40 units/acre and minimizing single-family zoning.	SACOG Commercial Corridors Toolkit

Appendix C – Best Practices: Infill Development and Incentives

Development Standards: Height & Setbacks	Minimum Height: To find the financial incentives to enable developers to build more residential units on a smaller lot, the zoning will need to be upgraded and higher densities allowed. Requiring minimum height levels that are not cost-efficient will deter potential developers.	Fresno Infill Development Act
	Setback requirements for infill projects should be modified to accommodate a higher density development. All setback requirements should be modified in infill areas including: 1) Front setbacks to conform to existing building lines and limitations established to prevent from being set back too far and 2) Side setbacks should be reduced to as far as zero lot lines.	Fresno Infill Development Act
	Remove or reduce setbacks.	SACOG Commercial Corridors Toolkit
Development Standards: Parking	Maintain standards in the Municipal Code that allow flexibility for parking reductions and parking in shared lots.	Chico Land Use Element
	Standard parking ratios should be relaxed on infill developments. Parking should be encouraged in the rear of buildings. Parking standards should be minimized to prevent too much land being used for parking.	Fresno Infill Development Act
	Remove or reduce parking minimums: A requirement of two parking spaces per unit can directly add \$80,000 to the price of building a home. One of the most effective ways local agencies can reduce the cost to produce housing is to reduce or remove parking requirements.	SACOG Commercial Corridors Toolkit
	In areas with high frequency transit and multimodal options, consider unbundling parking.	SACOG Commercial Corridors Toolkit
Displacement	Develop a baseline understanding of the community. Once the assessment is done, policymakers should work with the community and experts, through transparent and authentic engagement, to create policy plans that support local organizations, create partnerships with the public and private sectors, and are creative and strategic.	SACOG Commercial Corridors Toolkit
	Incentivize affordable housing.	SACOG Commercial Corridors Toolkit
	Protect natural affordability, and provide tenant protections through: <ul style="list-style-type: none"> -Condominium conversion restrictions/Ordinance -Single Room Occupancy (SRO) Preservation Ordinance -Tenant-based assistance program (e.g., multilingual tenant legal counseling program) -Rent stabilization or rent control ordinance -Just cause eviction ordinance -Foreclosure assistance program 	SACOG Commercial Corridors Toolkit

Appendix C – Best Practices: Infill Development and Incentives

Displacement Cont.	<p>Minimize Commercial Displacement and Incentivize Small and Local Businesses through:</p> <ul style="list-style-type: none"> -Economic Development Focused on Targeted Income Groups -Local business/services preference programs -Create and maintain a small business alliance -Establish a small business advocate office and single point of contact for every small business owner -Form a program to ensure that some fraction of a jurisdiction’s purchases of goods and services come from local businesses 	SACOG Commercial Corridors Toolkit
Fees: Deferral/Waiver	To support desired development patterns and economic development opportunities, continue the use of, and expand as appropriate, City incentives related to deferral of development impact or permit fees.	Chico Land Use Element
	Fee Deferral or Elimination for Affordable Units.	SACOG Commercial Corridors Toolkit
Fees: Restructuring	Adoption of a tiered development fee program that varies fees by development type, such as infill and newly annexed areas, recognizing that different types of development have different impacts on services and infrastructure needs.	Chico Land Use Element
	Local leaders can reform fee structures to more accurately incorporate both the impacts and benefits of infill. They can begin by recalibrating infill fees, such as basing them on bedrooms rather than units. They can also adjust the fees to reflect the actual infrastructure demand, which could be lower in infill areas.	Council of Infill Builders - San Joaquin Valley
	Eliminate road-based fees for infill projects. Capital facilities fees are often levied to fund roadway improvements, expansion or maintenance.	Council of Infill Builders - San Joaquin Valley
	Targeted infill areas shall have reduced impact fees and waivers for infrastructure hookup fees.	Fresno Infill Development Act
	Consider changing how and what impact fees are assessed, including moving from per unit to per square foot metrics for assessing fees.	SACOG Commercial Corridors Toolkit
	Structure fees by location to be lower for projects in infill and established communities. Or consider a pilot program that reduces fees for certain types of housing, or in a certain area, or a certain timeframe.	SACOG Commercial Corridors Toolkit
Financing Incentives	<ul style="list-style-type: none"> - Property Tax Exemption/Abatement - Development Impact Fees: Offer abatement, discounting and deferral of development impact fees as an incentive for infill projects exceeding current policies. 	Fresno Infill Development Act

Appendix C – Best Practices: Infill Development and Incentives

	<ul style="list-style-type: none"> - Tax Increment Financing District: Some jurisdictions have created Tax Increment Financing Districts (TIF) where property tax revenue can be directed to fund infrastructure and other improvements. - Land Value Tax: Some jurisdictions discourage holding of unimproved property using a "Land Value Tax" that taxes the land and not the improvements. The Land Value Tax incentivizes property improvements and will discourage land speculation. - HUD Section 108 loan program: The Section 108 Loan Guarantee Program is a source of financing allotted for the economic development, housing rehabilitation, public facilities rehab, construction or installation for the benefit of low-to moderate-income persons, or to aid in the prevention of slums. - HUD Section 223 (f) loan program: This federally insured loan program is designated for purchases of multifamily projects and for refinancing existing projects. 	
<p>Funding: Affordable Housing</p>	<p>Housing Trust Fund Ordinance: Housing trust funds provide a designated source of public funds to create affordable housing and can be matched with State funding. In some funding programs, local trust funds are required to apply. These trust funds may be funded through any of the below direct funding options:</p> <ul style="list-style-type: none"> -General Obligation Bond -Sales Tax -Progressive Rel Estate Transfer Fee -Community Land Trusts/Land Banking Programs 	<p>SACOG Commercial Corridors Toolkit</p>
<p>Funding: Infrastructure</p>	<p>Businesses that meet the City’s program eligibility requirements related to residential and/or commercial development, project location, capital investment amount, and infrastructure improvement amount may be reimbursed up to \$900,000 annually.</p>	<p>City of Stockton Downtown Infrastructure Infill Incentive Program</p>
	<p>Develop infrastructure finance districts in key infill areas. Enhanced infrastructure finance districts (EIFD) or infill community facilities districts can be launched (with a two-thirds vote of property owners in the case of communities facilities districts but not EIFDs) to help finance upgrades to infrastructure, through property tax assessments that can spur bond sales.</p>	<p>Council of Infill Builders - San Joaquin Valley</p>
	<p>Explore Enhanced Infrastructure Finance Districts (EIFDs), Community Revitalization and Investment Authorities (CRIAs), and Infrastructure and Revitalization Districts (IRFDs).</p>	<p>SACOG Commercial Corridors Toolkit</p>
	<p>Create a predictable environment with an established fee structure. Develop a finance plan to provide a framework on how infrastructure would be phased, and</p>	<p>SACOG Commercial Corridors Toolkit</p>

Appendix C – Best Practices: Infill Development and Incentives

	what funding sources would be obtained to pay for the identified improvements.	
Inclusionary Housing	Inclusionary zoning ordinances can add low-income housing stock by requiring builders to lease or sell a share of their new homes at below market prices to lower income households...Jurisdictions can conduct a nexus study to measure the financial feasibility of different inclusionary percentages to ensure that the program does not severely hinder multifamily housing production.	SACOG Commercial Corridors Toolkit
Infrastructure	Prioritize infrastructure investment in infill areas that can support sustainable development, including water, sewer, dry utilities, storm drains, and road improvements. Infrastructure incentives are a key component in reducing infill costs.	Fresno Infill Development Act
	Analyze all infrastructure needs (streetlights, wastewater, storm drainage, water supply, natural gas, electric systems, telecommunications) and prioritize infrastructure improvements that provide infrastructure to serve the most amount of development for the least cost.	SACOG Commercial Corridors Toolkit
	Conduct a biking and walking audit to understand the user experience to inform what improvements are needed to facilitate more walking and biking options.	SACOG Commercial Corridors Toolkit
	Implement techniques such as mobility hubs for bike/scooter share, EV car share, and micro transit, to center user experience in the planning and design.	SACOG Commercial Corridors Toolkit
Parcel Acquisition	Implement land banking for housing and provide funding to enable competitive offers. Land banking involves public sector purchase (such as through local agencies involved in land use) of available parcels to assemble them for eventual purchase and development by private parties	Council of Infill Builders - San Joaquin Valley
Permit Streamlining	To support desired development patterns and economic development opportunities, continue the use of, and expand as appropriate, City incentives related to priority project processing.	Chico Land Use Element
	Establish ministerial permitting options and streamlined development processes for housing projects that provide designated community amenities or otherwise facilitate the guiding principles.	City of Arcata Gateway Area Plan
	Variations or permits for nonconforming development may be necessary for infill parcel development. Avoid variations by effectively using zoning codes and or master plan that should address most infill problems and deal with them without cumbersome variance processing.	Fresno Infill Development Act
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	Remove discretionary review processes from otherwise zoning-compliant multifamily	SACOG Commercial

Appendix C - Best Practices: Infill Development and Incentives

	housing projects and institute by-right approvals.	Corridors Toolkit
Permit Streamlining Cont.	Allow missing middle housing by-right in nearby residentially zoned land to increase the housing adjacent to the corridor.	SACOG Commercial Corridors Toolkit
	Allow for attached residential in commercial zones by right.	SACOG Commercial Corridors Toolkit
Zoning	Reform infill zoning through overlay zoning, ending exclusionary zoning, form-based codes, and reduced minimum parking requirements for ministerial permitting.	Council of Infill Builders - San Joaquin Valley