

AB 6909:

# GMA Compliance – Policy Direction on Development Code Amendments

City Council  
April 21, 2026

Community Planning and Development  
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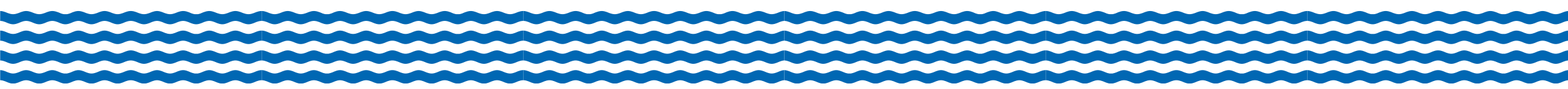
# Purpose

To get City Council direction on three policy questions:

- What rate and affordability level should be required by the new inclusionary zoning (Exhibit 1)?
- Should “adult entertainment” and “warehousing” be allowed land uses in the new TC-8 subarea (Exhibit 2)?
- Should the Town Center design standards that affect floor area ratio be reviewed during Phase 1 or 2 of the Station Subarea Plan (Exhibit 3)?

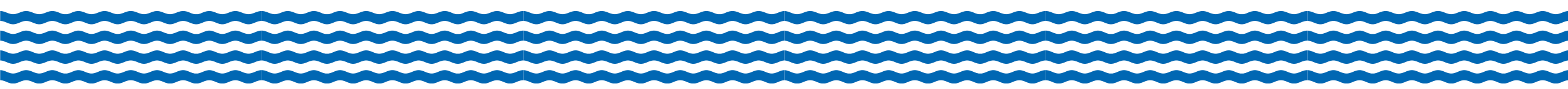
# Inclusionary Zoning - Background

- Type of zoning that establishes a mandatory percentage of affordable units in new development.
- Two key variables: percent of units required and affordability level.
- Needed to demonstrate compliance with GMHB Order and support affordable housing production.



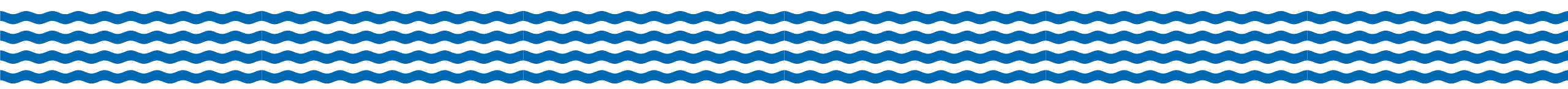
# Inclusionary Zoning and Fee In Lieu

- The market does not produce units in the 0-30% AMI range.
- Combining inclusionary zoning with fee-in-lieu would help to close the 0-30% AMI unit deficit by generating funds for these units.
- Requiring 10% of units to be affordable is expected to improve project feasibility, which in turn should help produce 0-30% AMI units.



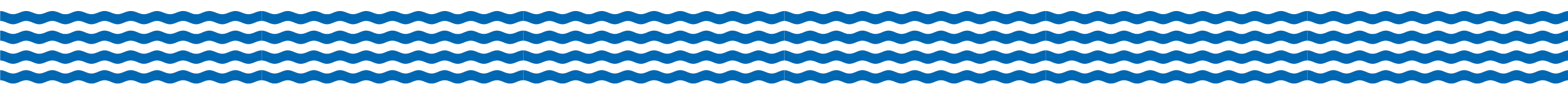
# Inclusionary Zoning - Alternatives

- Alternative A: Set inclusionary zoning requirement at 10% of units at 50% AMI (Recommended).
- Alternative B: Set inclusionary zoning requirement at 15% of units at 50% AMI.
- Staff Recommendation: Adopt 10% requirement – supports feasibility, housing goals, and fee in lieu outcomes.



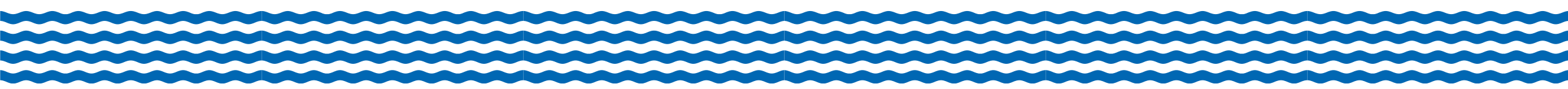
# Staff Recommendation: Require 10% of units at 50% AMI

- 10% is consistent with nearby jurisdictions.
- Improves financial feasibility for developers under new upzoning.
- Provides more reliable production estimates for 50% AMI units.
- Fee in lieu mechanism can improve extremely low-income housing production by generating funding for 0-30% AMI units.



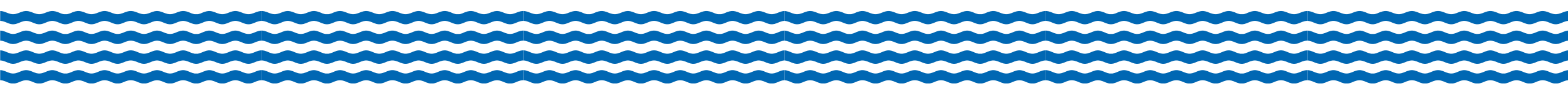
# Zoning Amendments - Background

- Council direction – Increase height to 8 stories in TC and 6 stories in surrounding MF zones.
- Transition Town Center from six subareas to two (TC-8 and TCMF-6).
- Need to resolve allowed land uses when consolidating the land use table for new the subareas: Adult Entertainment and Warehousing uses.



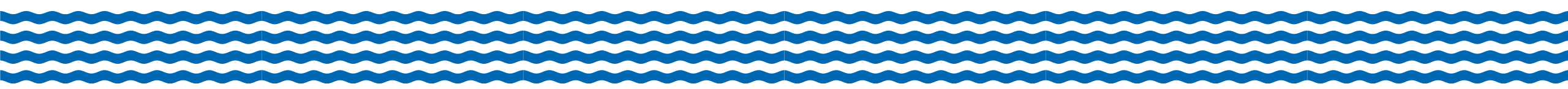
# Zoning Amendments - Alternatives

- Alternative A: Allow adult entertainment and warehousing by CUP in TC-8.
- Alternative B: Prohibit adult entertainment and warehousing in TC-8 (Recommended).
- Staff Recommendation: Prohibit to avoid land use incompatibility and maintain residential forward redevelopment.



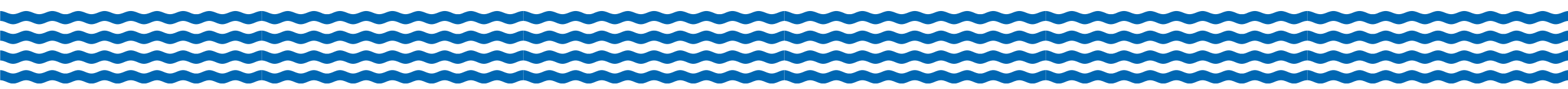
# Design Standards - Background

- Three standards reduce achievable floor area ratio (FAR):
  - Average daylight plane
  - Major site features
  - Major façade modulation
- Council can decide whether to remove them in Phase 1 or review them in Phase 2.



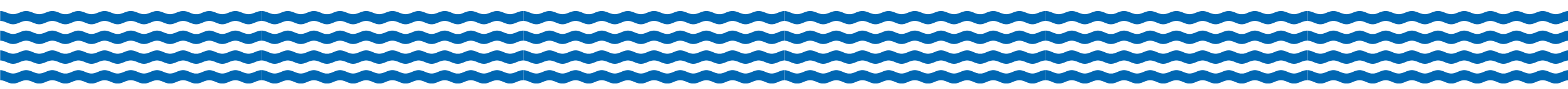
# Design Standards - Background

- Average Daylight Plane: restricts upper story bulk.
- Major Site Features: requires through block connections or public open space – limiting how much of the site can be taken up by buildings.
- Major Façade Modulation: requires building articulation to reduce massing.
- All reduce FAR, thus require careful study before revision.



# Design Standards - Alternatives

- Alternative A: Remove all three standards in Phase 1.
- Alternative B: Keep standards and review during Phase 2 (Recommended).
- Staff Recommendation: Retain now, study impacts later under full FAR analysis for the entire station area.



## Recommended Motions

1. Direct staff to set the inclusionary zoning requirements at 10 percent of units to be affordable at 50 percent AMI when drafting code amendments to comply with the GMHB Order.
2. Direct staff to prohibit adult entertainment and warehousing in the TC-8 subarea when drafting code amendments to comply with the GMHB Order.
3. Direct staff to include policy direction in the Station Subarea Plan to review the requirement for average daylight plane, major site features, and major façade modulation during Station Subarea Plan Phase 2.