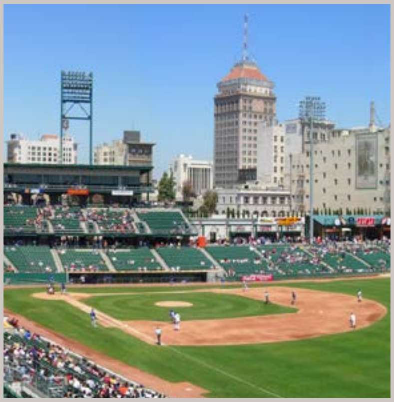


FINANCING VALLEY INFILL

HOW TO BOOST SUSTAINABLE DEVELOPMENT IN THE SAN JOAQUIN VALLEY

OCTOBER 2021

COUNCIL OF INFILL BUILDERS

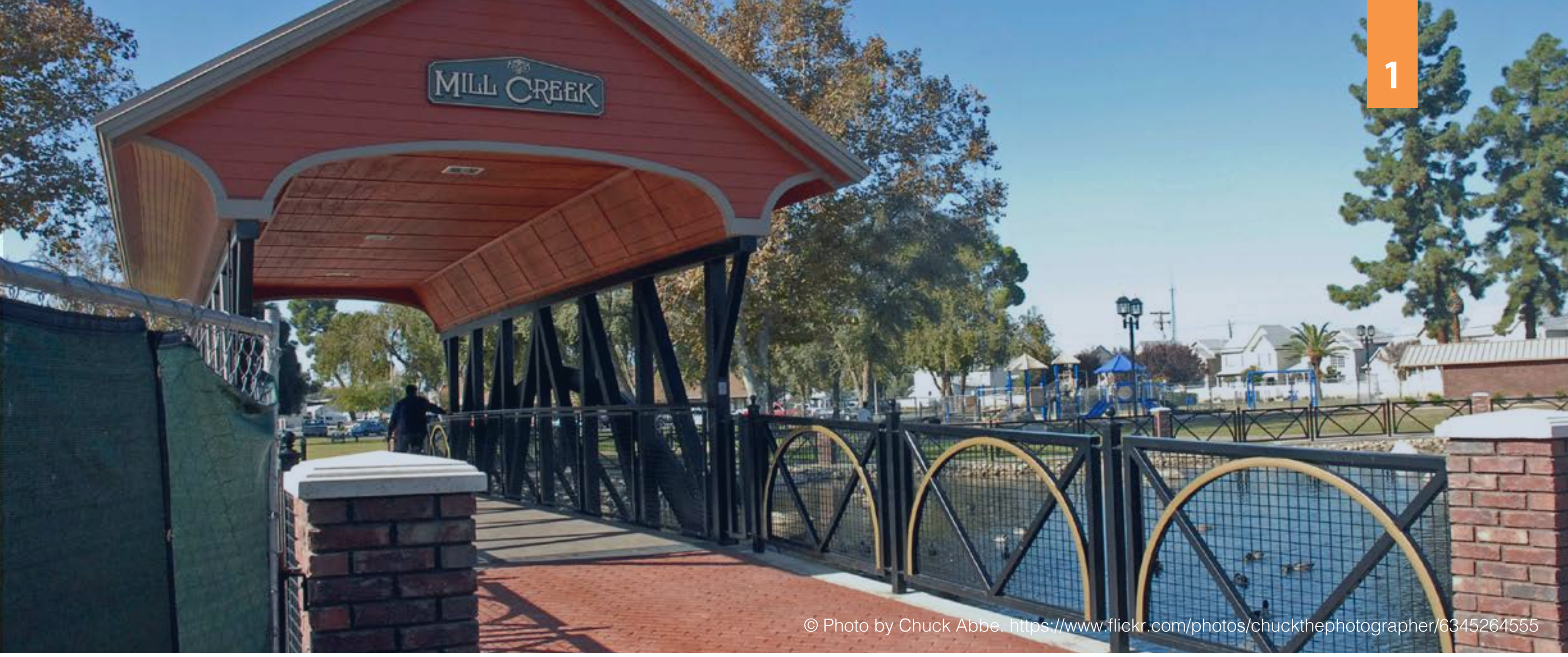
INTRODUCTION & SUMMARY

The San Joaquin Valley is one of the fastest-growing – and most economically and environmentally at-risk – regions in California. In just the past decade alone, population and economic growth have led to a doubling of the median home sale price (now at $300,000), while in the past year, the average apartment rent has increased 4.2% to $1,490 per month. At the same time, income growth has failed to track this increase in housing prices, with 44% of residents renting their homes. Compounding matters, the Valley economy features high and volatile unemployment rates, frequently in the teens. As a result, the percentage of housing that is affordable to residents in the region decreased from 74% in 2010 to 50% in 2020.[i]

Beyond these economic and affordability challenges, growth in the San Joaquin Valley has been predominantly auto-oriented and low density, leading to unsustainable environmental outcomes. Developers have built many of these new homes on converted open space and agricultural lands, rather than in existing urbanized areas. Between 2010 and 2019, single-family homes accounted for 84% of all units built in the San Joaquin Valley. This type of expansive, auto-oriented single-family home development exacerbates what is already the worst air quality in the nation, with greater emissions from increased automobile driving. And this development also undermines the region's critical agricultural economy, which many Valley communities rely heavily upon for jobs (including at least 20% of jobs in Madera and Tulare counties alone).[ii]

To accommodate future growth sustainably and affordably, the San Joaquin Valley will need to focus development in existing urbanized areas, including downtowns and key transit corridors, commonly described as "infill." Yet this infill growth will not happen without policy intervention, given the demographics, current land use rules, and economics of real estate development in the Valley.

To address these challenges, the Council of Infill Builders convened real estate and policy experts from the region and beyond in February 2021 to develop a vision for infill development in the San Joaquin Valley, prioritize the key barriers to financing and deploying infill in the region and recommend solutions to each. This policy report summarizes those findings.



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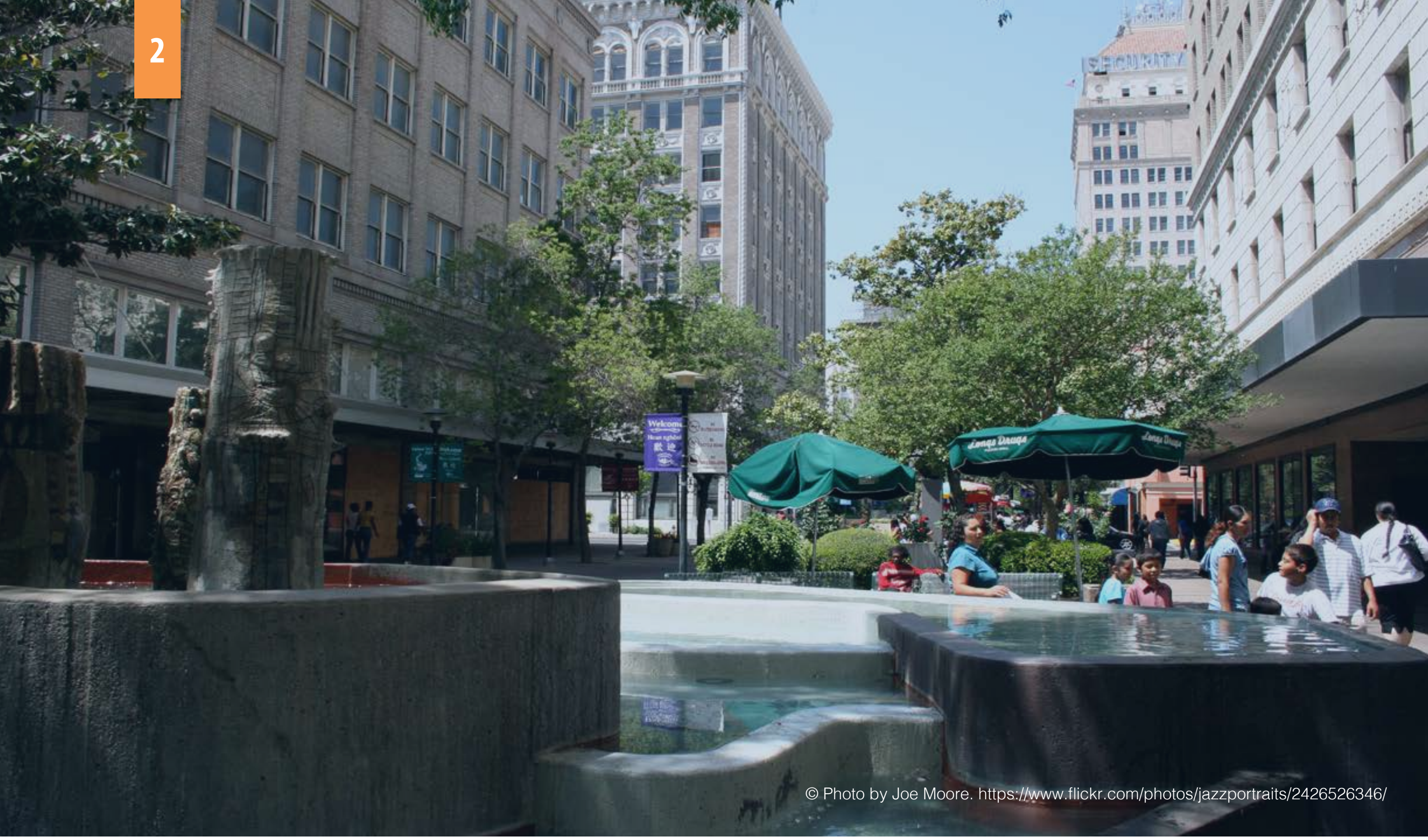
VISION FOR SAN JOAQUIN VALLEY INFILL DEVELOPMENT

Participants at the February convening described a vision for the ideal infill development in the region, featuring:

- Infill projects with a combination of **affordable-moderate and market-rate housing, mix of uses, and higher densities**
- Transit-oriented locations in **downtown urban cores and along key transportation corridors**
- Neighborhoods that incorporate **open space, streetscape and pedestrian and bicycle infrastructure** paid for by all residents rather than newcomers only
- Abundant and pleasant options for **active transportation such as walking or biking**
- Nearby **amenities like child care and community centers,** supported by all residents
- **Opportunities for people of all incomes** to be able to live in and participate equitably
- **Support for existing low-income residents** in infill areas, ensuring they are not displaced or evicted

Achieving this vision requires identifying and overcoming the obstacles that make it unlikely to be realized on its own. The following section describes those obstacles and offers solutions for local and industry leaders.

"To accommodate future growth sustainably and affordably, the San Joaquin Valley will need to focus development in existing urbanized areas, including downtowns and key transit corridors…"



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BARRIERS AND SOLUTIONS FOR INFILL DEVELOPMENT IN THE SAN JOAQUIN VALLEY

Common barriers often prevent developers from building infill projects in key San Joaquin Valley locations, such as in downtowns and near major transit. For the February convening, the Council of Infill Builders surveyed participants in advance and discussed the most common barriers to infill in the region. Participants identified the following six priority barriers to infill and offered solutions to overcome each of them, discussed below.

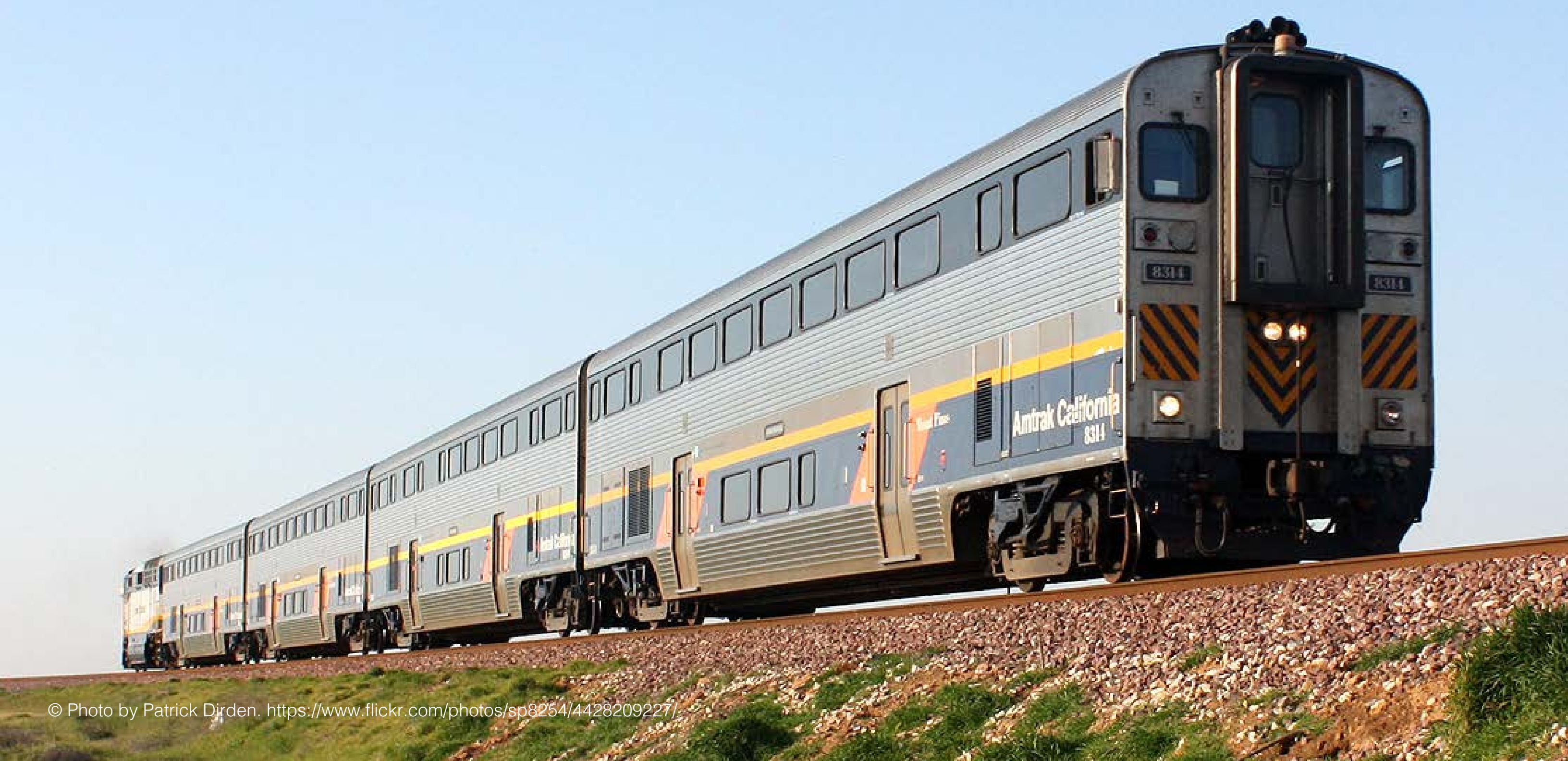
1. **High fees and restrictive local permitting and zoning** in infill areas that encourages outward development instead of infill
2. **Dearth of willing sellers** for blighted lots and lack of support from city leaders to facilitate sale of those lots
3. **Inadequate supportive infrastructure** in key infill areas that disincentivizes private investment
4. **Absence of political commitment** from leaders in prime infill areas
5. **Difficulty competing for state and local funding** with other projects around the state based on insufficient, uncoordinated and administratively burdensome funding programs
6. **High construction costs** that make infill development difficult to "pencil" given current rents and demand

While additional barriers exist, participants agreed that these six represent the most common barriers that render infill difficult to accomplish in the San Joaquin Valley.

To help overcome these barriers, the group recommended **near-term, priority solutions** for state and local leaders, including:

1. **Reform local fees for infill projects** by accounting for their true cost versus peripheral development projects.
2. **Invest in infill infrastructure** to improve amenities and avoid saddling most or all of the costs on "pioneer" projects.
3. **Reform zoning for infill** by making it easier and faster to permit meritorious projects.
4. **Assemble infill land parcels through land banking** with incentives for owners to sell.
5. **Harmonize state and local funding** and financing opportunities for Valley infill projects.
6. **Mobilize residents to support infill projects,** particularly with outreach to residents of low-income, disadvantaged communities.
7. **Assess and address causes of high construction costs** and convene state and local leaders to advance solutions.

These and other solutions are discussed in more detail in this report.



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Barrier #1: High costs and fees, along with byzantine local permitting and zoning rules

Infill development in existing urbanized areas often faces higher fees and regulatory barriers to permitting, in part because of existing residents who object to new projects and older infrastructure that may require upgrades. Participants cited high local fees, building restrictions such as fire codes (despite projects that pose no additional fire safety risk beyond the existing, grandfathered conditions), local resident objections, and restrictive zoning provisions, particularly via excessive local minimum parking requirements. Finally, some noted that it was particularly challenging to convert outdated commercial and office buildings to residential due to onerous code compliance provisions.

Solutions for High Fees and Permitting Challenges: *Provide Regulatory Flexibility*

To reduce high fees and simplify complex permitting processes, San Joaquin Valley leaders could reform local permitting and fee requirements, conduct more advance planning and outreach, and allow more flexibility and recognition of the benefits of infill.

SPECIFIC SOLUTIONS:

CITY AND COUNTY LEADERS COULD:

Reform and improve fees through measures that assess and incorporate actual infill impacts in a transparent and predictable manner. 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. In addition, they can implement robust fee waiver paths for projects that are prioritized within an existing city infill plan, benefit key population groups, and meet crucial sources of demand. Finally, city and county leaders can develop a "one-stop shop" to be transparent about all applicable fees. These fees can run the gamut from city, schools, special districts, and other sources. Developers need transparency at the outset about what to expect in order to arrange financing, anticipate costs, and avoid uncertainty.

Streamline permitting through advance planning and community outreach to build support and avoid displacement. Local leaders can help infill project developers and residents by front-loading environmental review and outreach to neighborhoods and local districts at the plan level. Individual projects can then receive ministerial approval if they are consistent with these plans. Local leaders will thereby enable streamlined permitting to make the approval processes simpler and more efficient. This upfront investment in the plan and outreach can pay dividends for project developers that implement the plans. To accomplish these goals, cities and counties can use digital tools, such as big-data analysis and online processes, plus incorporate human-centered design, to put local residents in the user experience at the outset. They can attract broad local support for infill projects through developing this advance vision and conducting extensive outreach, including measures to ensure equitable outcomes within the neighborhood and to avoid displacing low-income renters. Through these actions, local political leaders will also be demonstrating commitment to the key initial projects, thus encouraging private investment to make the plans real.

Reform infill zoning through overlay zoning, ending exclusionary zoning, form-based codes, and reduced minimum parking requirements for ministerial permitting. Restrictive zoning can stymie infill at the outset. City councils and county boards will need to prioritize zoning changes to implement their plans, such as developing overlay zoning[iii] for targeted development in specific infill neighborhoods or ending single-family zoning in exclusive neighborhoods to allow a diversity of housing types affordable to more income levels. The City of Santa Rosa is an example of this action, where they developed an overlay zone in the wildfire rebuild zones and downtown priority area. Development can then be by-right if it complies with this zoning.[iv]

Create marketing strategies and a pipeline of pioneer infill projects, particularly in Opportunity Zones. An "Opportunity Zone" is defined as an economically-distressed area where private investments can be eligible for capital gain tax incentives, as defined by the federal government based on 2017 tax legislation.[v] Once local leaders have a plan and outreach for development in these and other infill areas, they can create marketing strategies to boost demand for infill and focus on developing a pipeline of projects that could be ready for approval.

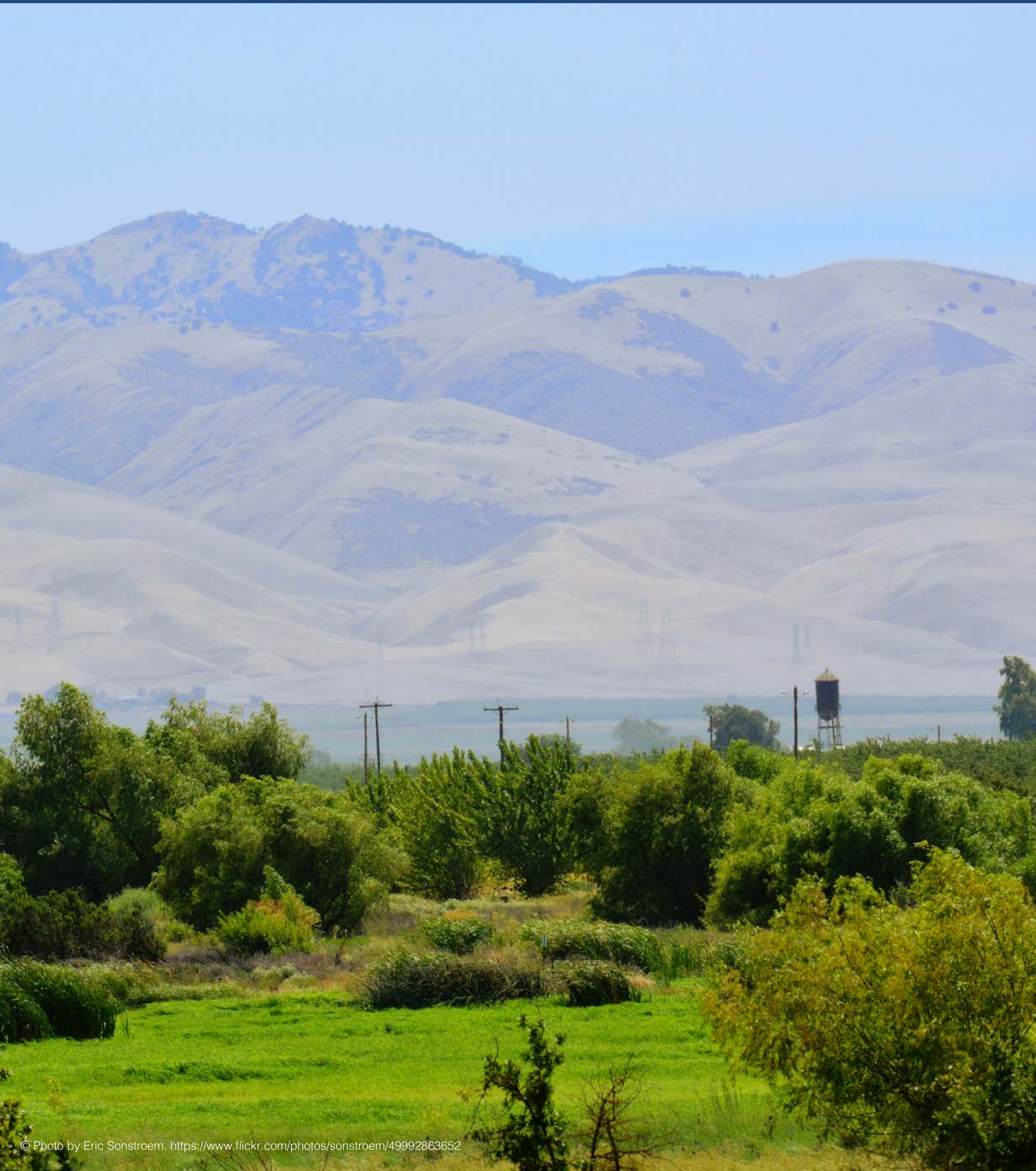
Incorporate flexibility on conversions of existing commercial and industrial buildings to residential uses. These existing buildings in infill areas often have significant architectural value and could help rejuvenate an area by converting to residential uses. The conversion, as opposed to new construction, also means that the building can be prepared for residences relatively fast. However, local leaders may need to update historic building and other codes to ensure no onerous, duplicative or excessive requirements stymie these conversions. To the extent these codes are state-based, advocates may need to support reform at the state level to support local infill through re-use of existing buildings.

Facilitate a dialogue with labor leaders to boost construction labor supply and training programs and reduce project costs. High labor costs, in part due to an ongoing, state-wide construction labor shortage, is a major contributor to the overall increase in infill project costs. City leaders could facilitate a dialogue between developers and labor leaders to boost local college partnerships and vocational training programs in high school, in order to boost the supply of new workers. In exchange, construction trade groups might be willing to entertain reduced costs for labor on new projects.

Develop optimal parking policies to encourage market-driven supply that boosts walkability, biking and transit usage. Participants noted that excess parking supply and requirements adds to project costs and can reduce the walkability and transit-friendly nature of downtowns and commercial corridors. For example, the average cost of a parking space in a parking structure ranges from $15,000 to $30,000. Costs per unit in San Francisco for podium parking can range from $17,500 to $35,000 per unit, depending on the ratio of spaces per unit, and up to $38,000 for underground parking. Ongoing operation and maintenance of parking structures can also be costly for rental properties. At the same time, some participants noted that lenders are reluctant to finance new projects in the San Joaquin Valley without sufficient on-site parking.

As a result, city leaders can develop parking policies that allow the market to determine supply while providing options to reduce the demand for on-site, decentralized parking that can increase project costs. For example, a city could explore the potential for centralized parking that can convert to other uses in the future if less parking is needed. In general, city leaders could reduce or eliminate minimum parking requirements, unbundle parking from housing (charging the cost of a parking space separately from the cost of renting or purchasing a home), and allow developers to use more shared parking.

Promote density bonus potential with access to data and greater transparency. State density bonus law allows developers to increase the density of their project in exchange for adding more affordable housing units. Participants noted that local government leaders could improve the use of this program by making data related to density limits and affordable housing units more accessible and transparent.



Barrier # 2: Dearth of willing sellers for infill parcels

Many infill areas feature blighted and vacant lots that would be prime candidates for redevelopment. However, parcel owners may be unwilling to sell or sell at a reasonable price, making infill development infeasible. Under California's Proposition 13, which limits increases in property tax rates, longtime owners may be paying relatively little in property taxes, thus creating low carrying costs and a disincentive to sell or redevelop. Furthermore, many cities or counties may not be taking a leadership position to support and facilitate these sales.

Solutions for Lack of Willing Sellers: *Public Sector Leadership to Assemble Parcels and Encourage Sales*

To make more parcels available, local and private sector leaders should take on a more robust role in facilitating parcel assembly and sales.

SPECIFIC SOLUTIONS:

CITY AND COUNTY LEADERS COULD:

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. The upside is gradual acquisition of parcels to facilitate transformative infill projects. The political challenge though can be the risk of the public sector overpaying for a parcel. Ultimately, this approach requires public funds so that local leaders can move quickly to make key purchases as parcels become available, as well as bolster local staff to administer the program. They will also need advance planning to identify key parcels and streamline purchases. Local leaders may also be able to access some state funding, such as Transformative Climate Communities grants from the California Strategic Growth Council, which are available for land banking but have not seen extensive use for this purpose, according to participants.[vi] The state also has funds from its Permanent Local Housing Allocation (PLHA), which have doubled and can provide a constant local financing stream for these types of purchases.[vii]

Explore more programmatic implementation of the state's health and safety receivership program for blighted and dangerous properties. Some infill properties may represent dangers to residents, such as from degraded structures or crime. Local leaders can take advantage of state guidance and programs for taking these parcels into receivership to force sales to owners who can maintain them adequately and safely for the public.

Enforce code compliance and consider eminent domain if necessary. Local leaders can use enforcement of existing codes to force recalcitrant property owners to clean up blighted, dangerous properties. They can increase fines to encourage sales. Finally, they can consider a more challenging step of invoking eminent domain to seize blighted property for public uses such as providing affordable housing.

FEDERAL, STATE AND LOCAL LEADERS COULD:

Create incentives for property owners to sell. State and local leaders can create tax incentives to encourage sales, such as allowing a tax basis carry over or capital gains holiday with sunsetting time limits for owners to take advantage. If the deadline passes, owners would lose the tax advantages. State and local leaders would need to ensure these programs comply with federal and state laws, such as Proposition 13, before putting them into effect. Local leaders can also impose variable fees that go into effect if sales (or redevelopment) do not occur or which could be delayed pending a sale of the parcel.

Educate city officials and the public on best practices and market realities for retail and other streetscape amenities. While many residents and local leaders may want abundant retail options for ground-level infill development, market realities may conflict. An outreach campaign, through working lunches, presentations, and roundtables, could help explore and educate leaders, developers and residents about options to activate the streetscape in infill areas beyond retail, such as through events, public spaces, and other uses like flexible work spaces and services.

Barrier #3: Inadequate supportive infrastructure in infill areas

Infill areas, such as downtowns and transit corridors, are often in need of infrastructure investment, including utility upgrades such as undergrounding and improving water mains. Infrastructure investment can also boost amenities (i.e. creating a "there there") to attract more people to want to move downtown and potentially pay a premium to do so, helping to justify new infill investment. But local governments often are reluctant to make this investment without knowing the true cost accounting of infill infrastructure investments compared to existing subsidies for infrastructure for auto-oriented edge development.

Solutions for Lack of Supportive Infrastructure: *True Cost Accounting of Infill Infrastructure Investment with Commensurate Fees and Rates*

To improve investment in infill infrastructure, local leaders need to account for the true cost of various investment scenarios and develop fees and utility rates that are commensurate with the costs and benefits of improved infill infrastructure.

SPECIFIC SOLUTIONS:

CITY AND COUNTY LEADERS COULD:

Assess the true overall costs to municipal budgets of greenfield versus infill infrastructure. Peripheral "edge" development often ends up costing municipal budgets more than just the infrastructure, in terms of long-term loss of open space, agricultural land and opportunities for more revenue-raising, compact development in existing neighborhoods. Cities and counties could conduct this analysis to re-balance fees and infrastructure spending to tilt toward infill, which often provides a much greater return of revenue to municipal budgets, per square foot of utilized land. Local leaders could also assess the "stranded asset" cost for peripheral infrastructure investment using GIS tools. As one potential model, the City of Lancaster developed a fee structure that includes a surcharge levied on new development beyond the central core, outside of a five-mile radius, with project developers further from the central core facing a higher surcharge.[viii]

Focus on allowing the top "pioneer" infill projects in a municipal pipeline to benefit from infrastructure spending, including via state funding programs. These pioneer projects often help catalyze further investment in infill. As a result, local leaders should focus on providing infill infrastructure to benefit them in order to jumpstart subsequent private infill development. Leaders could demonstrate a nexus between fees imposed on projects in a variety of locations and investment in the urban core because downtown or key transit corridors represent "everybody's place." In addition, local leaders could consider leveraging state funds to help fund pioneer/catalyst projects, such as the Infill Infrastructure Grant (IIG) program and Strategic Growth Council programs like Transformative Climate Communities (TCC) and Affordable Housing and Sustainable Communities (AHSC).

Use utility rates to help fund infill infrastructure. If impact fees are not sufficient to raise enough revenue for infrastructure investments, local leaders can look to fund these upgrades through the rate base for water and sewer utilities and even roads, based on municipal transportation budgets. More development in existing urbanized areas can benefit the utilities by providing increased demand and therefore sales revenue at a relatively cheaper cost to supply, given the compact development patterns and clustering of new customers.

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. Successful examples of this approach have occurred in San Francisco, Oakland, Los Angeles, and Sacramento.

Eliminate road-based fees for infill projects. Capital facilities fees are often levied to fund roadway improvements, expansion or maintenance. Since well-designed infill is typically transit-oriented or walkable or bikeable, local leaders could reduce or exempt fees on infill projects that are solely for auto infrastructure. These reduced fees could help incentivize more infill projects. Local leaders could also take the opportunity to update the circulation elements of their general plans to remove or change outdated "level of service" policies that measure auto delay as a basis for evaluating land use impacts on transportation, which unfairly penalize infill projects. Instead, local leaders could adopt metrics that evaluate vehicle miles traveled (VMT) generated by a project or land use, as state law (SB 743) requires for analyzing transportation impacts under the California Environmental Quality Act (CEQA).

Barrier #4: Absence of political commitment to infill

Participants at the convening noted a general challenge with securing strong political support from elected leaders and staff to promote and expedite infill. Some infill development can be controversial if it introduces significant changes to existing neighborhoods. In some cases, municipal staff may lack experience on how best to permit or process infill projects. They may lack skills or experience in how to conduct outreach to communities or knowledge about infill success stories outside of the San Joaquin Valley. In some cases, infill developers may suffer from a lack of cooperation or coordination among city and county governments. They may also face a mismatch between public agency and industry priorities for locational choices for siting facilities and services, such as where best to plan for and permit corporate offices, schools, and health clinics, and how to conduct workforce training and mental health and social services.

Solutions for Boosting Political Commitment: *Elect and Support Strong Political Leadership and Community Outreach*

To improve the political climate for infill, local residents will need to mobilize to support and elect leaders who are pro-infill. They will also need to improve outreach to communities, particularly low-income ones, to boost support and mitigate any negative impacts such as displacement of low-income renters.

SPECIFIC SOLUTIONS:

INFILL ADVOCATES COULD:

Organize communities to recruit and elect representatives who will support infill. Once elected, community leaders can support these officials when they have to make pro-infill decisions via tough votes. That can include attending public hearings and mobilizing campaigns to support.

Conduct outreach to mobilize people and voters who will benefit from infill. Often decision makers only hear from the residents who believe they will be negatively affected by a new infill project. Advocates and local leaders can instead mobilize those who will benefit from infill, such as those who will find affordable housing or their neighborhoods improved through investment in new amenities. That organizing can also include other interest groups that are currently not mobilized, such as those in affected sectors like health care or the broader business community. Advocates should focus specifically on neighborhood groups that might support infill developers who currently lack sufficient financing or funding for their projects, in order to ensure that the projects attract political support that can help facilitate financing.

Engage infill developers to help them understand the need to invest in local organizations and community support. Infill developers will benefit from having local residents mobilized to support their projects, particularly when elected officials face politically difficult votes to approve these projects. Developers could offer local organizations commitments to support capacity-building and engagement on project design and future operational considerations, particularly when the community is at risk of displacement.

Raise funds to expand capacity for community-based organizations. With additional resources, local organizations can mobilize on behalf of key infill policies or projects. As one model, the Fresno Community Economic Development Partnership helps build capacity among organizations to enable them to engage on advocacy.[ix] These funds can be coupled with funds already dedicated for housing, as occurs in places like Modesto and Stockton.

CITY AND COUNTY LEADERS COULD:

Conduct outreach to low-income disadvantaged community residents on infill. These residents may have concerns about displacement or are otherwise not able to be engaged in local policy debates. Public outreach can involve them in the process and also can ensure their concerns are incorporated into policy, such as protections against eviction for low-income renters and assistance finding comparable or better units at similar or cheaper rents.

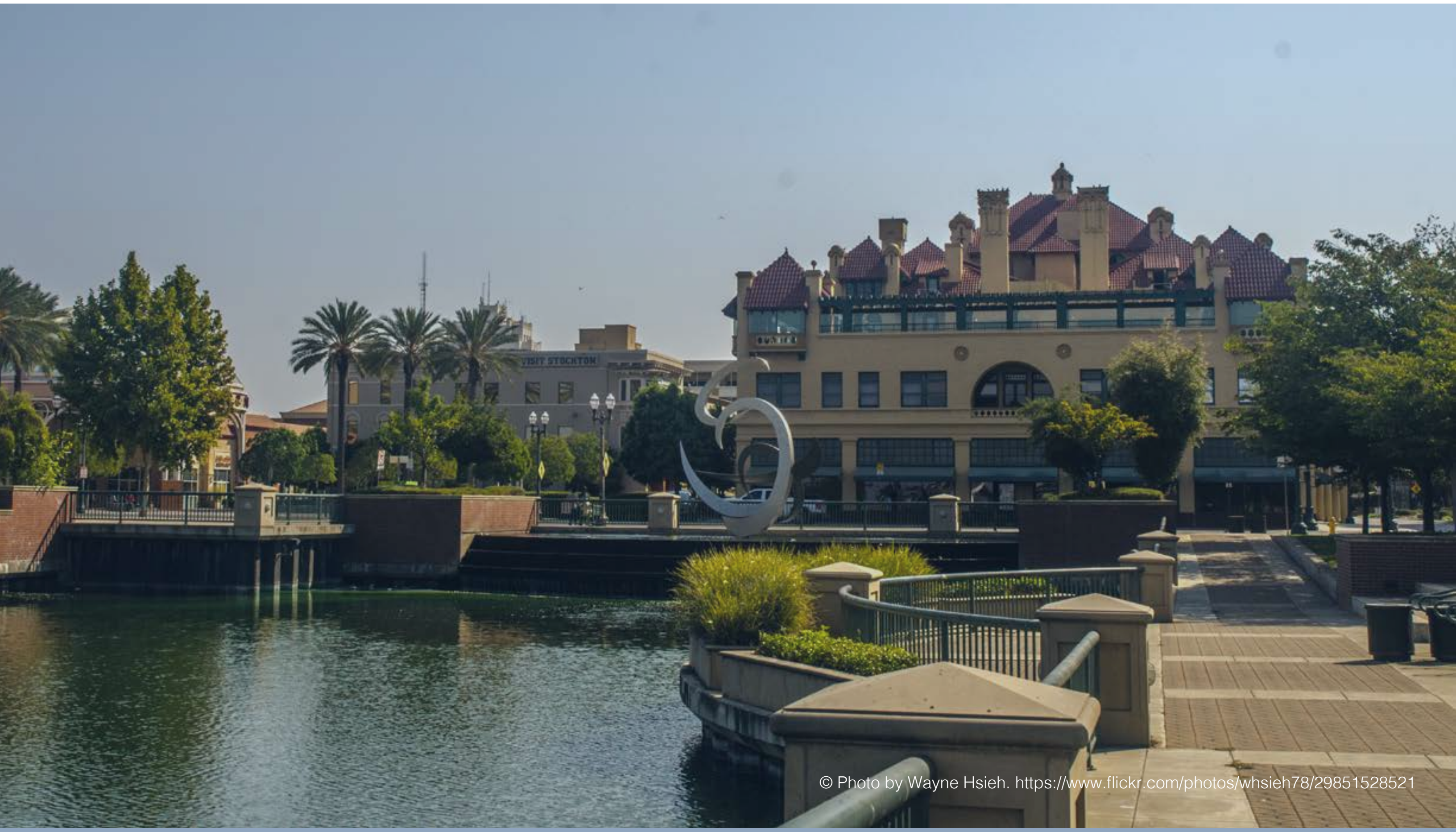
Amplify the need for state funding to support community-based organizations for outreach. Enhanced capacity for local organizations can allow them to participate more meaningfully in infill policy decisions. Participants in the convening specifically mentioned how state funding from the aforementioned Transformative Climate Communities program could be one potential source. As another potential source, the Strategic Growth Council recently launched the Partners Advanced Climate Equity (PACE) program, a pilot program designed to increase capacity for local organizations.[x] With more funding, the program could support more organizations around the state, including in the San Joaquin Valley.

Barrier #5: Difficulty for San Joaquin Valley infill projects to compete for state and local funding

Myriad public funding opportunities, including state and local grants, exist for infill. But participants noted that San Joaquin Valley infill developers often have difficulty competing for these funds, particularly with coastal cities, in part because of the Valley's demographic and economic characteristics, but also due to lack of capacity to apply. In particular, participants noted the challenge of disorganized funding cycles among the numerous programs.

Solutions for Difficulty Competing for Public Funds: *Organize for State and Local Reform of Funding Programs to Harmonize and Streamline Them*

To improve the cycles and requirements for public funding and financing opportunities for infill, state and local grantmakers, with possible legislative support, should reform these programs to harmonize and streamline them.



SPECIFIC SOLUTIONS:

INFILL ADVOCATES COULD:

Organize local allies to advocate for harmonized funding cycles among multiple agencies. Agencies with infill financing or funding programs may not otherwise prioritize coordinating these various opportunities to reduce paperwork and barriers to apply from infill project developers. Infill advocates should ensure that state legislators and grantmakers, along with local funding and financing leaders, align their programs.

STATE LEADERS COULD:

Unify and coordinate their notices of funding availability (NOFA) through key housing agencies. Specifically, the California Department Housing and Community Development (HCD), which provides much of the financing opportunities related to infill, could ensure that various funding and financing program pool resources or hold and review applications until all notices of funding availability (NOFAs) have been issued. In some cases, the state legislature may need to modify some of the timelines on statutorily created programs. The California Strategic Growth Council also offers grants for infill housing and could align its grantmaking with other state housing programs.

Designate an overarching state agency or entity to address barriers to community development corporations accessing infill funds. The state could ensure this entity is responsible for harmonizing these funding opportunities and cataloging barriers and offering solutions. In some cases, the entity or agency could propose legislation as needed.

CITY AND COUNTY LEADERS COULD:

Ensure local funding cycles align with state funding cycles. Once the state harmonizes its funding approach, or immediately if possible, local governments could follow suit with their infill financing or funding programs.

Barrier #6: High infill construction costs

Participants cited high costs as a significant barrier to building infill projects. While this problem is statewide to a large extent, the effects are particularly acute in the San Joaquin Valley, due to the relatively lower rents and incomes. Every incremental increase in costs means fewer infill projects will be profitable and get built. Participants cited the high cost of materials and a lack of skilled labor, which leads to high labor costs, along with already high land costs. They also cited the challenge specifically for developers who already net small profit margins on units on small lots. In general, they cited data that Fresno costs are roughly $550,000 per unit, while Bakersfield is generally lower at $250,000 per unit. They also noted that local requirements for dedicating the first floor of apartment buildings to commercial use can add to costs when compared to using it for non-commercial space. The lack of land banking and difficulty assembling parcels, discussed above, adds to the costs.

Solutions for High Construction Costs: *Assess the Causes of Cost Increase and Seek State and Local Policies to Address*

Infill advocates and developers first need to determine the causes and then seek solutions to address what is otherwise a statewide problem. Local leaders can also help streamline permitting for less costly alternatives.

SPECIFIC SOLUTIONS:

INFILL ADVOCATES COULD:

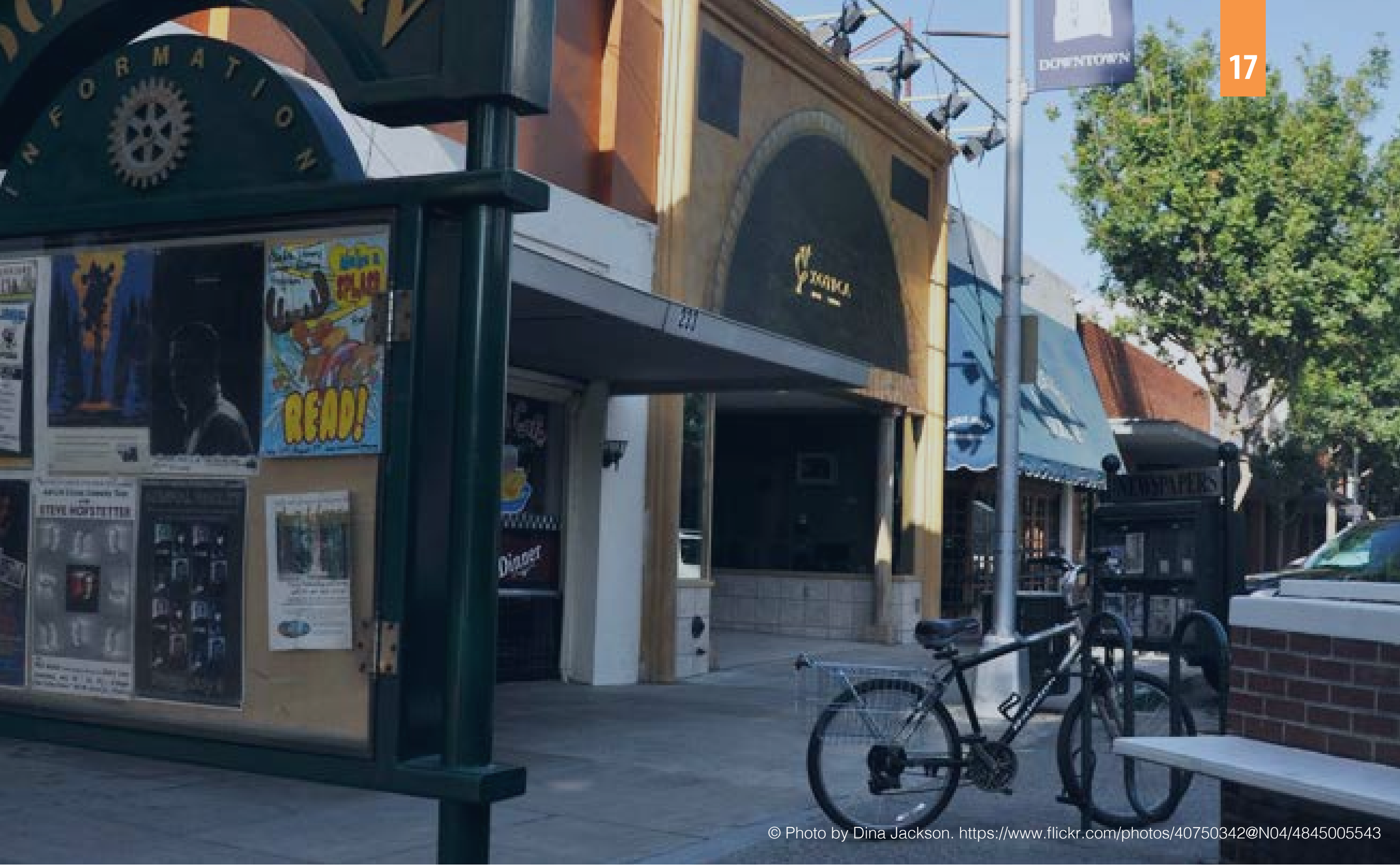
Develop more detail and data on the causes driving cost increases. They will need to distinguish soft costs, such as for planning and permitting, versus hard costs, meaning materials and labor. They should assess land challenges, supply chain factors, labor, and the impact of state and local regulations. Armed with this information, they could engage state leaders for assistance on the analysis and to develop and implement options to lower costs statewide.

CITY AND COUNTY LEADERS COULD:

Streamline and boost lower-cost infill alternatives. For example, local leaders could boost production of accessory dwelling units or modular housing as a solution for deploying more affordable housing units in infill locations.

STATE LEADERS COULD:

Work with local advocates to catalogue causes of high construction costs and implement solutions to address costs. These solutions could include programs to promote land banking, boost labor force training and participation to increase supply, and streamline permitting to reduce soft costs.



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CONCLUSION: BOOSTING INFILL IN THE SAN JOAQUIN VALLEY REQUIRES COORDINATED COALITION ACTION

The San Joaquin Valley faces great environmental and affordability risks, and business-as-usual growth will only exacerbate this dynamic. Infill development in the region represents a critical solution to these challenges, but project proponents and developers experience an array of challenges, from lack of supportive infrastructure and public processes to high construction costs and fees. Overcoming these barriers will require coordinated action, including mobilization by advocates and developers, proactive leadership from local officials, and supportive policies by state leaders. Decision makers from multiple levels of government and the private sector will need to mobilize, coordinate and align. The need is great, given the stakes for the region and the state as a whole. Ultimately, successful infill deployment can lead to a more sustainable, livable and economically productive San Joaquin Valley, improving the economy and environment for all Californians.

“The San Joaquin Valley faces great environmental and affordability risks, and business-as-usual growth will only exacerbate this dynamic.”

CONVENING ATTENDEES

Participants:

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ABOUT THE COUNCIL OF INFILL BUILDERS

The Council of Infill Builders is a 501(c)(3) nonprofit corporation of real estate professionals committed to improving California through infill development. Infill development revitalizes neighborhoods and communities, provides transportation choices, creates viable close-knit mixed-use areas, reduces greenhouse gas emissions and improves the overall economy. The Builders seek to educate the public about these benefits through research and outreach.

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In addition, Ethan Elkind, Marilee Hanson and Terry Watt provided facilitation and note-taking assistance at the convening. We thank Scott Jacobs for designing this policy brief and Marilee Hanson for drafting assistance.

ENDNOTES

i California Forward, Housing in the San Joaquin/Central Valley, pp. 1-5. Available at: https://cafwd.app.box.com/s/jcmu0zca50blwchsr3nl3u24xv7cyyzu (accessed March 18, 2021).

ii California Forward, Housing in the San Joaquin/Central Valley, pp. 2-5. Available at: https://cafwd.app.box.com/s/jcmu0zca50blwchsr3nl3u24xv7cyyzu (accessed March 18, 2021).

iii Overlay zoning is a regulatory tool that creates a special zone placed over an existing base zone. The overlay zone identifies special provisions in addition to, or instead of, those in the underlying base zone.

iv For more information on the City of Santa Rosa's downtown plan, please visit: https://srcity.org/2911/Downtown-Station-Area-Specific-Plan (accessed April 20, 2021). For information on the City's overlay zoning in wildfire rebuild areas, please visit: https://srcity.org/2674/Resilient-City-Zoning (accessed April 20, 2021).

v For more information on federal opportunity zones, please visit: https://eda.gov/opportunity-zones/ (accessed April 20, 2021).

vi For more information on the California Strategic Growth Council's transformative climate communities program, please visit: https://sgc.ca.gov/programs/tcc/ (accessed April 20, 2021).

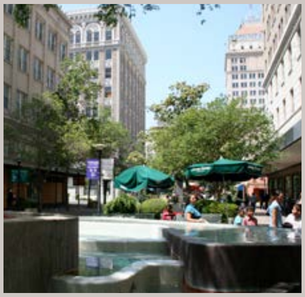
vii For more information on the Permanent Local Housing Allocation (PLHA): https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml (accessed March 17, 2021).

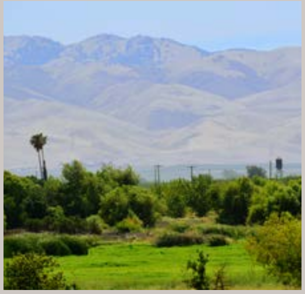
viii For more information on the City of Lancaster's distance-based fee structure, please visit: https://ilsr.org/rule/land-use-policy/2469-2/ (accessed April 20, 2021).

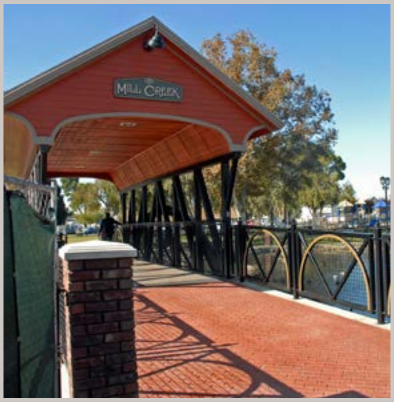
ix For more information on the Fresno Community Economic Development Partnership, please see: FresnoCEDP.org (accessed March 18, 2021).

x For more information on the Partners Advancing Climate Equity (PACE) program, please visit: https://partnersadvancingclimateequity.org/ (accessed May 5, 2021).

This report and its recommendations are solely a product of the Council of Infill Builders and do not necessarily reflect the views of all individual convening participants, reviewers, or observers.







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