
Basic Economic Guiding Principles

- **Development:** Plan must retain at least 25K homes and 50K jobs
 - **Feasibility:** Values from development must support the infrastructure costs, including public facilities
 - **Fiscal Impacts:** Development must generate adequate City revenues to cover City service costs
 - **Workplace Land:** Strive to maintain/increase land for jobs rather than assuming densification
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Avoidance vs. Mitigation

- Certain impacts can be either avoided or mitigated
 - Wetlands, streams, trees, habitat
 - **Avoidance:** Adjustments within plan can be incorporated into financing and phasing
 - **Mitigation:** Off-site adjustments may be out of City and developers' control and may hinder financing and phasing
 - May also require more than 1:1 mitigation
 - **Recommendation:** Avoid impacts where possible
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Development Reduction

- Some refinements reduce developable land
 - Corp yards, second high school, railroad setback, etc.
 - Previous plan had “surplus” development capacity
 - Plan has room for over 26K homes and 56K jobs
 - Still, some densification of development is required
 - Land retained after refinements does not have 25K & 50K
 - Reduction of units or jobs means less public service demand, but also less City revenues and financing capacity
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Development Densification

- Densification can yield mixed economic results
 - **Land Values/Acre:** May increase or decrease, depending on market values and development costs over time
 - **Financing:** Net loss of developable land probably reduces financing capacity, but may also reduce infrastructure costs
 - **Fiscal Impacts:** Higher density products may have lower values/unit and thus yield lower taxes, but may also generate less demand for certain services
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New Public Facilities

1. Corporation Yards for City, School District
 2. Solid Waste facility
 3. Lit Ballfields relocated from Laguna Seca
 4. Second High School site
- Economic Effects:
 - Decrease developable area, require some densification
 - Increase capital costs that must be financed
 - Uncertain impact on fiscal projections
 - Will local corporation yards reduce service costs?
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Avoidance of Existing Features

1. Wetlands
 2. Streams
 3. Trees
 4. Habitat
 5. Cultural resources
- Economic Effects:
 - ❑ Decrease developable area, require some densification
 - ❑ Capital cost financing effects depend on extent of avoidance/mitigation
 - ❑ Uncertain impact on fiscal projections
 - Will any public maintenance be required? Impact of densification on public revenues and service costs?
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Wildlife Connectivity

“Identify wildlife connectivity opportunities”

- Economic Effects:
 - May decrease developable area, require densification
 - Capital cost effects depends on solution
 - Uncertain impact on fiscal projections
 - Who will provide maintenance? Impact of densification on public revenues and service costs?
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