

REPORT TO GENERAL PLAN 2040 STEERING COMMITTEE

Subject: Developers' Perspectives on Long-Range Planning Issues

EXECUTIVE SUMMARY

A panel of three local professionals in the development and real estate industries will offer their perspectives on growth, development, and long-range planning issues in San Rafael. Several Steering Committee members have provided us with questions in advance—these have been adapted and forwarded to the panelists to ensure that their remarks address issues of interest to the Committee. Committee members will also have an opportunity to ask questions and offer their own perspectives and observations.

REPORT

The General Plan shapes future growth and development in the city. Thus, engaging the local development community is an essential part of the planning process. Just as General Plan policies must consider resident input and issues related to traffic, infrastructure, and the environment, they must also consider the realities of the local development market and the issues associated with building in San Rafael.

We have assembled a panel of three development professionals for a presentation/ Q&A / Discussion session with the Steering Committee. The panelists include a commercial real estate broker, a principal with a residential and commercial development and construction company, and a non-profit affordable housing developer. Bios for each panelist are included later in this report.

Meeting Format

Each panelist will be asked to provide a quick (3-4 minute) introduction, including an overview of their experience developing property in San Rafael or finding locations for tenants.

We will then have about 45 minutes to hear the panel's responses to questions that have been developed by staff and our Steering Committee members. The final 15 minutes will be an opportunity for Steering Committee members to ask additional questions or share their own views and perspectives on the information that has been presented.

Our Panel

Haden Ongaro, Executive Vice President at Newmark Knight Frank

Haden Ongaro joined Newmark Knight Frank in 2010 and currently serves as executive vice president in the company's San Rafael office. He was instrumental in establishing new offices for Newmark Knight Frank in Marin and Sonoma counties in 2010.

Mr. Ongaro was a founding member of Orion Partners, Ltd., a commercial real estate firm established in 1996. During his tenure at Orion Partners, Mr. Ongaro was the company's Top Producer in 1996, 2000 - 2007 and 2009 and helped the firm grow into the largest commercial real estate services provider in the North Bay.

Mr. Ongaro's career in commercial real estate began in 1986 with Grubb & Ellis, now a part of Newmark Knight Frank. At Grubb & Ellis in Marin County he achieved Rookie of the Year in 1988, and became Top Producer in 1990.

Dennis Fisco, Principal at Seagate Properties

Dennis has been a Principal with Seagate Properties, Inc. since the expansion of the San Francisco office in 1984. Dennis has primary responsibility for all legal consultation and the oversight of Seagate's administration, asset management, receivership and accounting functions. He has extensive experience in all aspects of the operation and re-development of real estate having been involved in the development or re-development of over \$1.0B in commercial real estate projects including LEED certified developments.

Dennis graduated from Case Western Reserve University (1977) with a BA in Political Philosophy and he holds a JD degree from Cleveland Marshall College of Law (1979). He is a licensed attorney and an active member of the State Bars in Ohio, Texas, Colorado, and California. Dennis is a licensed California Real Estate Broker, a former Councilman and two-term Mayor of the City of Mill Valley, California. He was appointed Mill Valley Citizen of the Year in 2006. Dennis is also a member of the Mill Valley Tennis Club, where he is a former two-term President and Honorary Member. He is also a member of the Association for Corporate Growth and Lambda Alpha International, as well as a variety of professional and civic organizations and boards. Dennis is a founding and current Board member of the Sweetwater Café and Music Hall, an emeritus member of the Board of the Mount Tamalpais School, and is a member of Hawken School's Board Visiting Committee.

Susie Criscimagna, Senior Project Developer at Eden Housing, Inc.

Susie Criscimagna is the Associate Director of Real Estate Development at Eden Housing, a non-profit that develops and manages affordable housing communities across the state of California. Since joining Eden Housing in 2013, she has managed the development of affordable housing communities for families, seniors, veterans, and people with disabilities across the Bay Area.

Previously, she has worked at the Harvard Joint Center for Housing Studies, conducting research on the national housing market, focusing on affordable housing, rental markets, green building, and mortgage markets. Her research included analyses on the housing affordability gap between incomes and rents at national and metropolitan scales. Susie attained her master's degree in urban planning from Harvard University, with a focus on real estate development and finance, and holds a BA from Dartmouth College.

Questions for the Panel

On September 26, we emailed members of the Steering Committee (and alternates) and asked for your ideas for questions for our developer panel (a big “thank you” to those of you who replied!). In addition, staff developed a list of possible questions. These have been provided to our panel to give them a better sense of the issues of interest and the topics likely to come up over the course of the General Plan. We will not have time to hear responses to all of these questions during the Committee meeting, but will select a sufficient number to touch on an array of subjects.

Staff-generated Questions

1. What sort of development do you see needed in San Rafael over the next 20 years and why?
2. What is the future of retail, especially smaller downtown shops and larger retail stores like those at Northgate and along Francisco Boulevard?
3. What are the opportunities and barriers for new development or bringing in commercial tenants to San Rafael?
4. What is the one thing you would suggest the City could do to improve housing production?
5. How do you see developers (or large tenants) developing plans that garner community support?
6. Are there any local projects you can point to that in your view were successful for both the developer and the community?

Questions from Committee Members

1. What do you think are the biggest market challenges and City approval challenges for developing new projects in the city?
2. Why has so little housing been built since the last General Plan was adopted?
3. What is the “right” inclusionary housing requirement –10% 15% 20% 25%?
4. How does financing / access to funding work for different types of developers? How are projects evaluated (e.g. pro formas) in different sectors? (residential, commercial, etc.)?
5. What are the costs and benefits of rent control, from your perspective as a developer?
6. If you could change (or add) one general plan policy to result in new housing, what would it be?
7. What is the biggest challenge to your projects (Land? Codes? Fees? Labor? Planning Process?)
8. Will any of the recent state housing bills affect your industry? If so, how? If not, why?

9. Why do so many commercial/industrial spaces stay empty for so long, especially on 4th Street? Is there anything the City could do to encourage higher commercial occupancy?
10. What type of commercial space is in most demand right now?
11. Are there any parts of San Rafael that you think are particularly ripe for redevelopment?
12. What kind of development do you think San Rafael needs to expand its economy?
13. What kind of development do you think the private sector most wants to bring to San Rafael, and what is preventing it?
14. Based on past experience, many of the initial project submittals to the City have met zoning standards but ignored design guidelines. For example—buildings cantilevered over the street, no step back of higher stories, etc.
 - a. What went wrong?
 - b. Were they not advised of City plans and guidelines? Were the guidelines intentionally ignored? Did the architects feel the guidelines were not suitable?