

Memorandum

To: Ken Hiatt, Interim City Manager, City of Woodland

From: Matt Kowta, Principal

Date: July 01, 2020

Re: Potential Impacts of Woodland Research and Technology Park on Spring Lake

The purpose of this memo is to assess the potential impacts of the proposed Woodland Research and Technology Park (WRTP) project on buildout of Spring Lake and timely development of Spring Lake public improvements. Policy 2.B.1 of the City of Woodland 2035 General Plan requires the city to evaluate potential impacts to existing specific plan areas that are building out. Specifically, the concern is whether development of Woodland Research and Technology Park would delay or slow the absorption of planned development in Spring Lake such that it would cause delays in the funding and construction of public facilities planned for Spring Lake.

Status of Spring Lake Development

The Spring Lake Specific Plan covers approximately 688 acres and originally entitled a total of 4,037 residential units. Subsequent plan amendments increased the residential capacity to 4,155 units, including 3,167 single-family units (R-3 to R-8) and 988 multifamily units (R-15 to R-25). Spring Lake is primarily a residential development, but it includes additional complementary land uses, including land designated for roads, parks and open space, schools, ancillary office and commercial development, a fire station, and drainage facilities.

Spring Lake development commenced construction in 2005. As of July 1, 2020, there were approximately 745 single-family residential units and 690 multifamily units remaining to be built. Of the single-family lots remaining unbuilt, approximately 355 are owned by national homebuilding companies that are actively advancing plans to construct and sell homes and are projected to complete these projects within the next two years. If development of these projects proceeds as expected, this would leave approximately 390 single-family units left to build in 2022 and beyond. Assuming the long-term average annual single-family residential development pace of 150 units per year, less than two years of additional absorption for the single-family units in Spring Lake remains.

Consistent with most suburban housing markets in the Sacramento Region, absorption for Spring Lake's multifamily units has been much slower than for single-family development. As

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of July 1, 2020, 330 multifamily units have been constructed in Spring Lake. This translates to an annual average absorption rate of 22 units since Spring Lake development commenced in 2005. The majority of these units have been as a result of required affordable housing being constructed through the use of various government subsidies. If this same average were to hold through buildout, the 690 multifamily units remaining would require an approximately 30-year absorption period. To try and help improve the feasibility of constructing multifamily units, the City of Woodland recently modified the development impact fees for multifamily and smaller units, including those within Spring Lake. Several applications have recently been submitted or are anticipated for entitlement of multi-family rental and for-sale housing in Spring Lake. It will be several years before it can be determined if these actions were successful in stimulating the construction of additional multifamily units.

Planned Development at Woodland Research and Technology Park

While Spring Lake is primarily focused on residential development, the Woodland Research and Technology Park project proposes a greater mix of uses, including significantly fewer residential units (1,600 total), and substantially more non-residential space than Spring Lake, including approximately 279,500 square feet of retail space, 1.4 million square feet of tech/R&D/office space, and 312,400 square feet of light industrial / flex space.

The City of Woodland is moving towards approval of the WRTP Specific Plan in late 2020. Given roughly two years that would be required to complete earthwork and infrastructure development, vertical development might begin in earnest in 2022, with the first residential and/or commercial space not anticipated to be complete and ready for occupancy until mid- to late-2023. Based on this timeframe, Spring Lake has at least three years to continue developing before any new residential product at WRTP would potentially pose competition for residential housing demand.

Projected Spring Lake Development by 2022

Based on the anticipated near-term absorption in Spring Lake, following is a projection of absorption of residential units in Spring Lake by 2023, when new competition for residential demand could emerge from Woodland Research and Technology Park:

SLSP Development Remaining as of 7/1/2020:

Single-Family Units	745
Multifamily Units	690

Anticipated Near-Term Development (2020 and 2021):

Single-Family Units owned by homebuilders	355
Multifamily units in planning / construction	~316

Anticipated Near Term Development (2022-2023):

Single-Family Units @ average absorption of 150 units/year	390
Multifamily Units	44

Remaining SLSP Residential Development by late 2023:

Single-Family Units	~90
Multifamily Units	~330

Anticipated Spring Lake Public Facilities Yet to Be Built by late 2022

The primary concern with the continued build out of Spring Lake is the timely completion of key public facilities that are planned in their neighborhood, including parks and greenbelts, arterial/collector roadway connections, drainage facilities, Spring Lake Elementary school, and a fire station. The completion of these facilities is contingent on the fees generated by the remaining development in the Spring Lake Specific Plan areas. City staff have indicated that based on the infrastructure currently under construction and the projected absorption of Spring Lake residential development, all greenbelts and arterial/collector roadways will likely be completed by the end of 2022. Furthermore, development phases within the WRTP will be required to conduct traffic studies as part of the entitlement review. Any arterial or collector roadway segment within Spring Lake that is not yet completed will be evaluated and, if needed, conditioned to be improved concurrent with the appropriate development phase of the WRTP.

Approximately 14-acres of neighborhood parkland remain to be constructed within Spring Lake and fees from residential development assumed through 2023 will be sufficient to complete these remaining parks within the Specific Plan. In addition, Spring Lake Park Fees paid by homebuilders will contribute approximately \$2.5M toward construction of additional sports fields at the Community Center. This amount is roughly equivalent to the Spring Lake Park fees projected to come from the last 150 single family homes and remaining 440 multi-family units in the Specific Plan.

The City recently completed a Fire Department Standards of Coverage and Staffing study that confirmed the relocation of Station #3 to the Willow Springs School site would improve coverage to the east part of Woodland including Spring Lake and also result in more efficient station deployment through the build out of the General Plan. The City acquired the Willow Spring School site in June of 2019 and has initiated analysis of financing options for construction of the station. The primary funding sources for construction of the station will be development fees. Feasibility of financing and timing of construction of this facility is largely dependent on the continued rate of development in Woodland. As long as the development fees, including community benefit fees negotiated through recent development agreements, for new development in the WRTP are equivalent to those for Spring Lake and other parts of

town, advancing construction in WRTP will not result in delay of completion of the new fire station. The fees from the WRTP and/or other development beyond Spring Lake will be needed to fully fund construction of the new fire station.

The first phase of Spring Lake Elementary School (SLES) was completed by Woodland Joint Unified School District in 2018 and opened with an enrollment of 170 students at grade levels of transitional-kindergarten through third grade. The initial phase of construction included 10 classrooms, playgrounds, and an administration building. At completion, SLES will serve a planned enrollment capacity of 300 students and will include a total of 14 classrooms, a multipurpose room/cafeteria, and playfields. The build out of the school is being phased as school fees are being collected from new home construction in Spring Lake. The next phase of construction is planned for 2021 and will consist of the completion of the multi-purpose room/cafeteria followed by the construction of the remaining classroom facilities and playgrounds in 2022. The District has collected sufficient fees to construct the multi-purpose room and estimates based on the City's projected develop activity that the funding needed to construct the remaining phase(s) of the school will be collected by 2023.

Conclusion

Based on the current status and projected build out of Spring Lake, the Woodland Research and Technology Park project is not anticipated to delay the timing of completion of remaining infrastructure or amenities to be built as part of the Spring Lake Specific Plan. Infrastructure and amenities to be constructed by the WRTP, or fees paid by the development, will actually help complete improvements and services planned with build out of the southeast area including; connection of CR 25A between CR102 and HWY113, fire station #3 relocation, additional police beat, additional sports fields at the Community Center, and the new aquatic facility on Pioneer Avenue.