

Incorporating New Housing into Malls and Office Parks

September 29, 2022



METROPOLITAN
TRANSPORTATION
COMMISSION



ASSOCIATION
OF BAY AREA
GOVERNMENTS

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P L A N N I N G

URBAN FIELD

Barry Miller, AICP

Agenda

- **Part 1: Implementation and Design Considerations**
(Jane Lin, Urban Field Studio)
 - *Discussion and Questions*
- **Part 2: Office/Mall Sites in Housing Elements**
(Barry Miller, AICP)
 - *Discussion and Questions*



Milpitas Transit Area - Office to Housing



San Antonio Center - Shopping Mall to Housing



Opportunities

- More housing
- Potentially more mix of land uses
- Potentially better looking buildings than big boxes or office parks
- Smaller scale, more human scale
- Opportunity to create a more walkable urban fabric (and include open spaces, streetscape, and other outdoor amenities)
- Addition of density to support public transit, economic development, and create a sense of place

Challenges

- Land use trade-off: Loss of retail or employment for housing
- There is still a future need for retail and office. While our focus is on housing, are there some moves that preclude the future?
- When in transition, there's weird juxtapositions of land uses
- Parcel by parcel development sometimes not well stitched together
- Can be unpopular because it often means much denser new development = Scary!

(In Urban Places) Redeveloping Office to Housing?



SPUR: Office to Housing Conversion (2022) (Photo: Sergio Ruiz)



Photo: Brigham Yen

Adaptive Reuse, The Broadway Lofts
Downtown Los Angeles



Photo: Robert Jordan

Box Factory | San Francisco



Photo: Jarrod Affonso

Adaptive Reuse, Warehouse Artist Lofts | Sacramento

(Suburban) Office Park Redevelopment



Typical Bay Area Class C Office (photos from real estate listing)



The office in “Office Space” the Movie (1999)

Office Park Redevelopment in Milpitas



Milpitas Metro | 2011



Milpitas Metro | 2022

437 acres, mixed use with ~7,000 units

Townhouses built under the Milpitas Transit Area Specific Plan (2008)

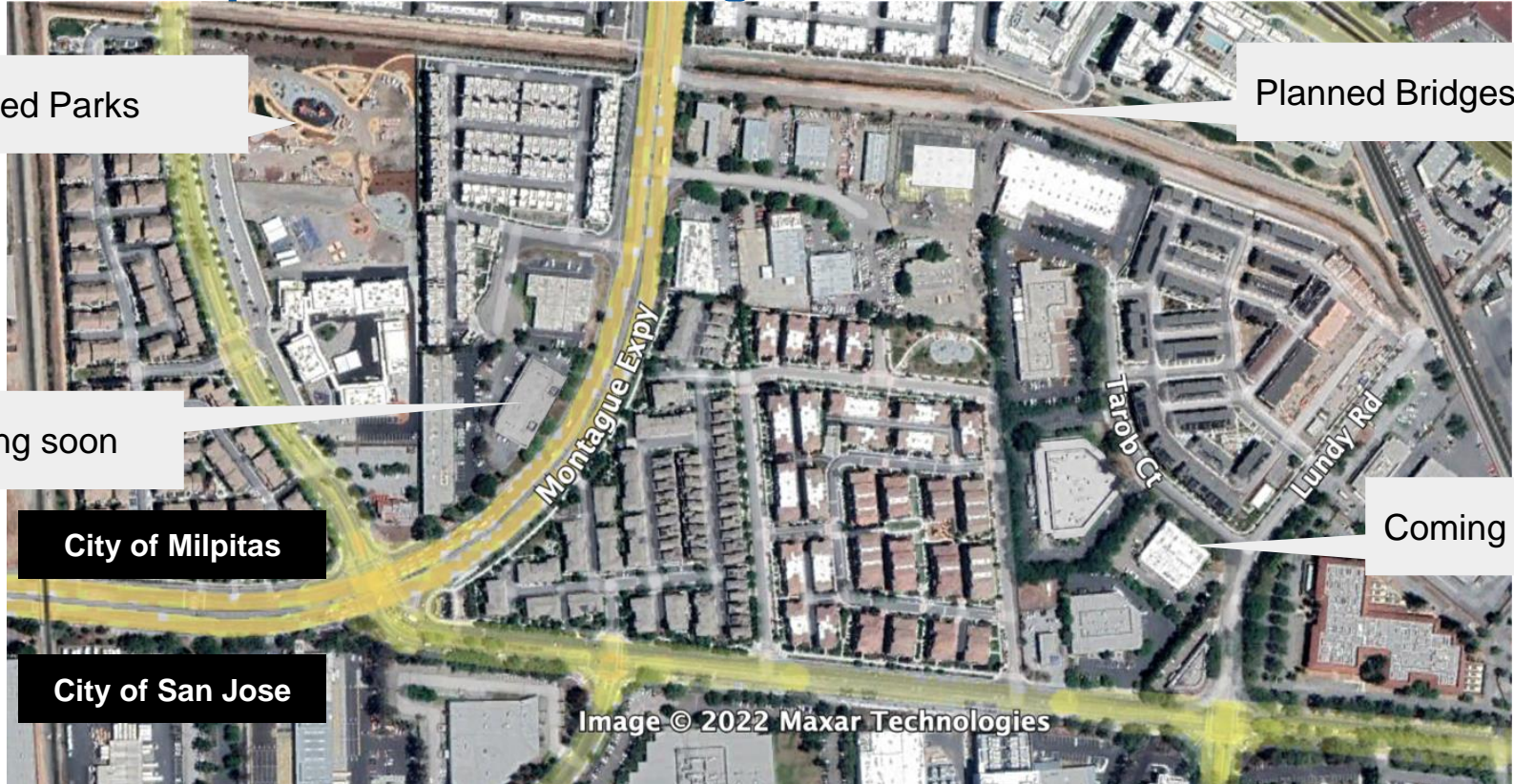


Photos: Jane Lin, Urban Field Studio

Apartments built under the Milpitas Transit Area Specific Plan (2008)



Milpitas Metro, a neighborhood in transition



Planned Parks

Planned Bridges

Coming soon

City of Milpitas

City of San Jose

Coming soon

Image © 2022 Maxar Technologies

How many different developers can you pick out in this aerial?

What is needed to make it complete?



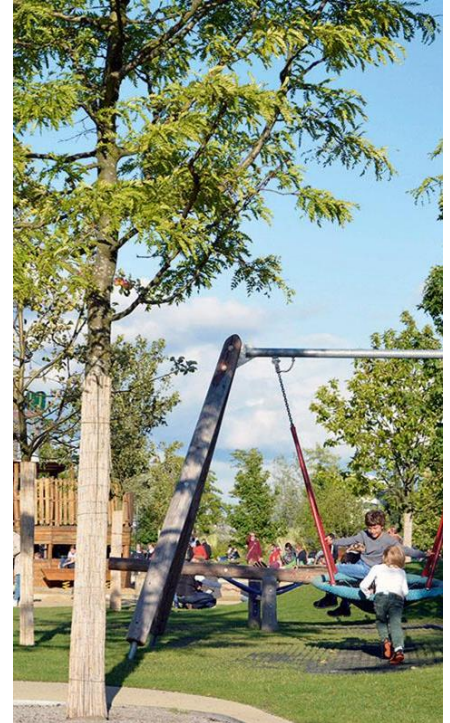
Access



Things to do



Parks



Amenities

Building for a Resilient Milpitas

We can't let today keep us from thinking about the future



Traffic will still be bad & we will increasingly rely on our alternative transportation options



We will still need places to go



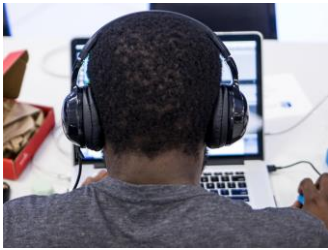
Walkable/ mixed-use places will still be desirable



The housing shortage has not gone away & we still need more options to house more equitably



What kind of place do you think Milpitas Metro should become?



What public improvements are needed to complete this area?



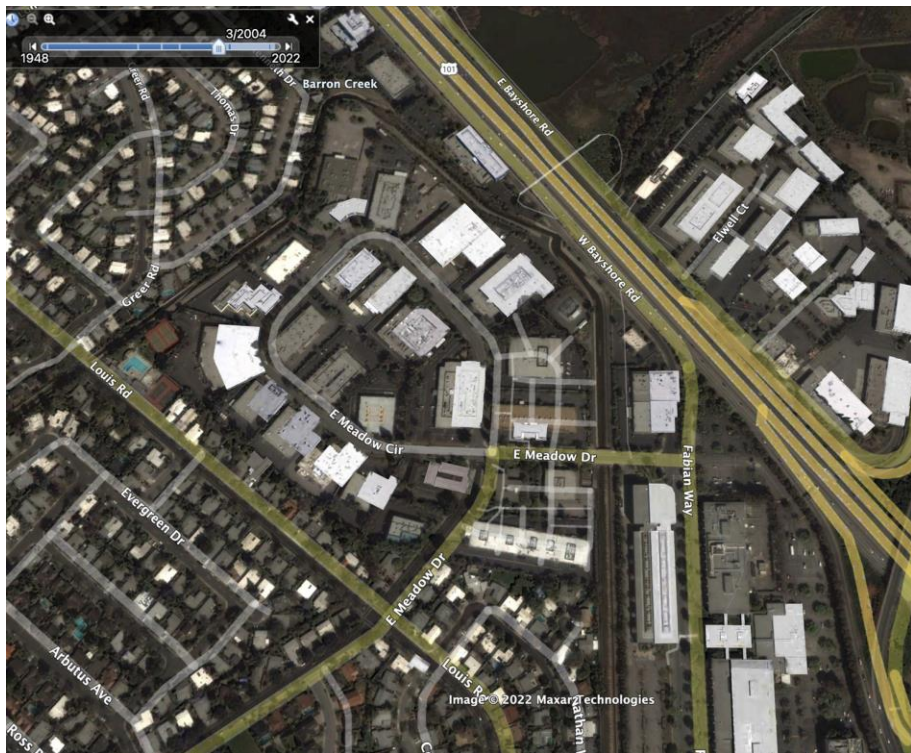
What do great neighborhoods look & feel like?



North Bayshore Preliminary Master Plan – Land Use Diagram



Where is a transition from office to housing the most realistic?



Palo Alto East Meadow Circle | 2004



Palo Alto East Meadow Circle | 2022

Palo Alto: Research, Office and Limited Manufacturing (ROLM) Site Tests for Housing Element Studies

Existing Zoning

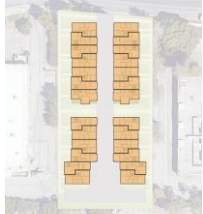


Grade Level Plan

Proposed Zoning



Grade Level Plan



Third Level Plan
(penthouse level not shown)



Second Level Plan

Proposed Zoning



Grade Level Plan

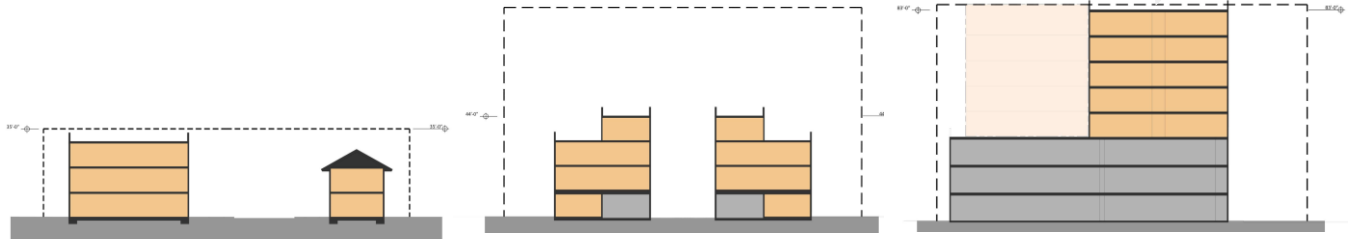


Typ. Upper Level Plan

Deep sites, EVA

E. Meadow Circle, Palo Alto (ROLM)

Testing Max



	Existing Zoning	Proposed Test 1	Proposed Test 2
Setback: Front	20	10	10
Setback: Interior Side	10, 6	5	5
Setback: Rear	10	5	5
Setback: Street Side Yard	16	5	5
Build-to-Lines: Frontage	N/A	N/A	N/A
Build-to-Lines: Side Street	N/A	N/A	N/A
Height Limit Buffer	No	N/A	N/A
Height	35	40	85
Daylight Plane	N/A	N/A	N/A

E. Meadow Circle, Palo Alto (ROLM) Continued

	Existing Zoning	Proposed Test 1	Proposed Test 2
Max Site Coverage	40%	70%	70%
FAR (Parking not included, with housing incentive program)	0.6	3.5	3.5
Maximum Residential FAR	N/A	N/A	Increasing FAR
Maximum Commercial FAR	N/A	N/A	
Minimum Mixed Use Ground Floor Commercial FAR	N/A	N/A	N/A
Residential Density Max (du/ac)	30	N/A	N/A
Residential Density Min (du/ac)	16	16	16
Max Average Unit Size (sf/unit)	N/A	N/A	N/A
Landscape/Open Space Coverage	30%	30% (On podium)	
Open Space Min Usable (sf/unit)	150 (Roof ok for 75% max)		Removing Max Density
Open Space Min Common (sf/unit)	75	Reducing Parking Reqs	
Open Space Min Private (sf/unit)	50		
Yard/Patio Min	100		
Parking: Studio/1 BR	1	1	1
Parking: 2+ BR	2	1.5	1.5
Parking: Retail	N/A		



Dead Malls *Architect Magazine, Photo: Michael Meiser*

2018 ULI TAP on Downtown Dublin

FIGURE 1: Specific Plan aerial map



2020 Vision for Downtown Dublin



2020 Vision for Downtown Dublin (renderings)



Parking lots look empty, but who has control of land?

CC&Rs for Bayfair Mall



CC&Rs for Dublin Place and Dublin Plaza

FIGURE 6: Parcel map of 99 Ranch Market shopping center and Dublin Place shopping center



99 Ranch Market Shopping Center (Blue parcels)

1. EPE Dev. (Fastsigns)
2. Sandelman (Ranch 99)
3. Tsai (shops)
4. Browman (CVS, etc.)
5. Cortana (Savers & Sports Authority)
6. Wells Fargo
7. Kumar (Citibank)
8. Valero

City of Dublin Parcels (Black parcels)

9. Dublin Senior Center
10. Wicklow Square Senior Housing

Dublin Place Shopping Center (Yellow parcels)

11. ASVRF (Grocery Outlet)
12. EvCap Amador Plaza & TA Amador Plaza (new restaurant pad & retail approved)
13. ASVRF (Target)
14. ASVRF (Hobby Lobby)
15. Burlington (BCF, ToysRUs and Bassett)
16. Nunberg (PetSmart)
17. ASVRF (new restaurant pad & retail approved - former Coco's)



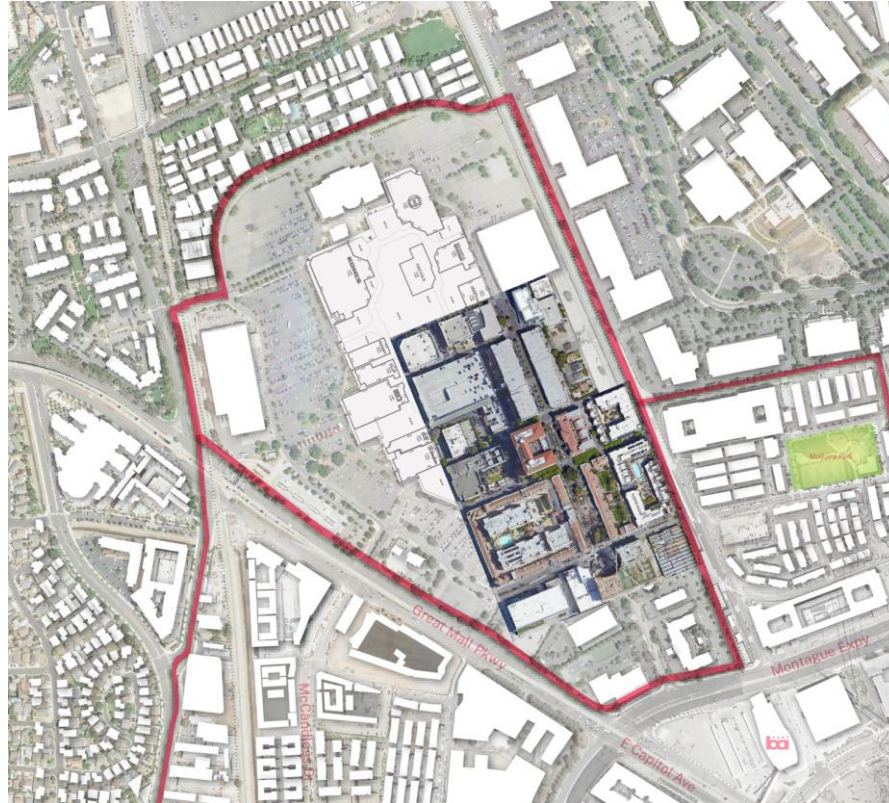
Great Mall Milpitas, Simon Properties



Image: ©111th Aerial & Architectural Photography

So much potential!

Santana Row Overlay



- 91 stores
- 213 hotel rooms
- 680,000 sf retail space
- 1,201 dwelling units
- 38 acres
- 16 blocks
- 1 acre promenade
- ½ acre gathering space

Bay Street Overlay



- 76 retail stores
- 400,000 sf retail
- 230 room hotel
- 400 residential units
- 17 acres
- 4 blocks
- 0.75 acre gathering space

The Americana at Brand Overlay



- 242 luxury apartments
- 100 condos
- 90,000 sf retail
- 24 acres
- 2 acres of gathering space

Potential Phases over the next 20 years



Develop only surface parking lots

Redevelop any part of the existing Mall

Something else?

STONERIDGE SHOPPING CENTER®

PLEASANTON (SAN FRANCISCO), CALIFORNIA



LIVE

WORK

THE SHOPS AT CLEARFORK
Fort Worth, Texas

FASHION CENTRE AT PENTAGON CITY
Arlington (Washington, DC), Virginia



PLAY

STAY

GRAPEVINE MILLS
Grapevine (Dallas), Texas

PHIPPS PLAZA
Atlanta, Georgia



SHOP

DINE

DENVER PREMIUM OUTLETS
Thornton (Denver), Colorado

STANFORD SHOPPING CENTER
Palo Alto, California

Milpitas Metro Specific Plan



Street Grid



Open Space



The vision for the Great Mall subdistrict as a transit-oriented high density, mixed-use neighborhood. This view is at Great Mall Parkway and McCandless Drive, looking beyond new development at the edges of the subdistrict.



Land Use Mix



Transit Oriented Urban Form



Illustration of the transformation of the Great Mall Parkway.

Corridors are also great Housing Opportunity Sites

There are more places where Class C Retail is struggling that could be underutilized for housing.

Retail pruning along long corridors may strengthen retail nodes elsewhere.

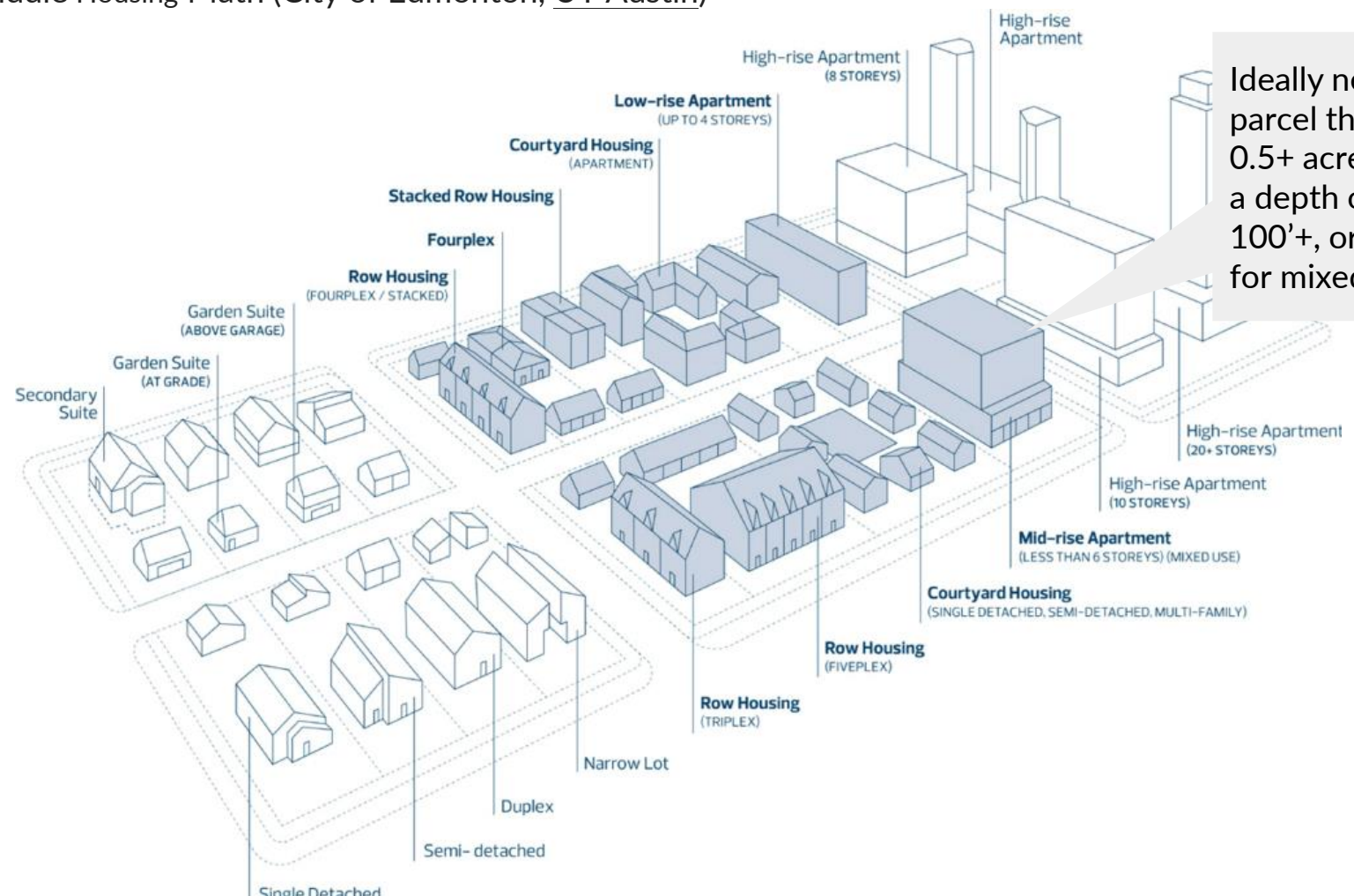


Class C Retail on El Camino Real, Palo Alto



Presidio El Camino, Santa Clara

Missing Middle Housing Math (City of Edmonton, UT Austin)



Ideally needs a parcel that's 0.5+ acres and a depth of 100'+, or 120'+ for mixed-use

If you build it, will they come?



Housing may subsidize the value of mixed-use development, but retail creates vibrancy, convenience, and desirability. How can you make it work?

Physical factors that make retail leasable

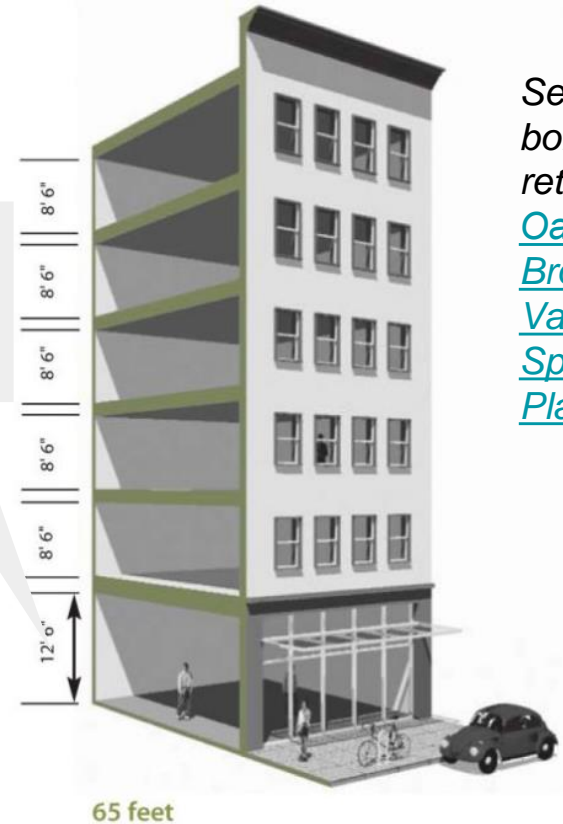
Make sure it is:

- Near other retail
- Has good visibility
- Near workplaces
- Near homes
- Has good foot traffic and not too much vehicular traffic

Design considerations:

- Maintain 18' clear height for the ground floor retail space. Plan for 3-4' mechanical space near the ceiling
- Do not make the ground floor too short. Make sure there is enough space for the retail when trying to maximize residential (Residential needs to be 8'-6" clear minimum, roughly 10' floor to floor)
- Provide venting and grease traps for restaurants

Good, but too short for retail in a competitive market



See height bonuses for retail in [Oakland's Broadway Valdez Specific Plan](#)

"It's the Ceiling Heights", David Baker, SPUR 2004

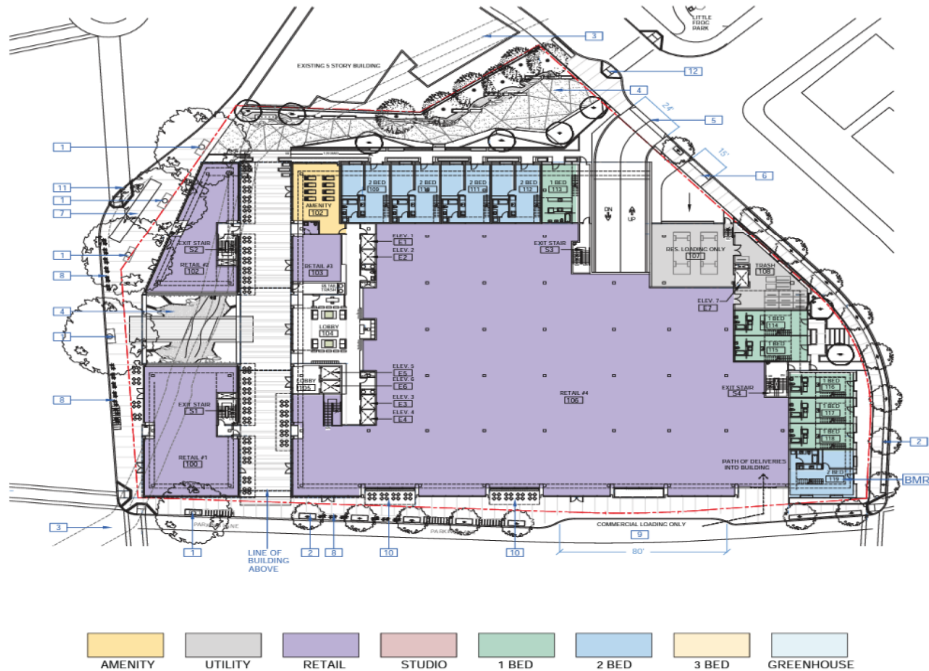
Physical factors that make retail leasable (cont.)

More design considerations:

- Retail store depths between 50'-60'
- Storefronts a minimum 16.5' wide
- Entries a minimum of 50 feet
- Commercial sidewalk space at 14' minimum
- Place lobby entrances in plan to allow for continuous retail
- Plan for operations: Entrance & loading, back of house
- Clearly separate Retail Parking from Residential Parking
- Column spacing: 30' in all directions
- Keep signage requirements flexible
- Make sure parking is separate and clear for retail from residential, and never mechanically stacked or tandem
- Hide deliveries and trash pick up
- Address odors and noise with good ventilation and barriers



Designing Mixed-Use: Start with the Retail



The Logan, 5110 Telegraph, Oakland: Many different building uses compete for the ground floor - lobbies, retail, open space, parking, and loading.

Guidelines should address:

- **Siting.** Frontage on more than one side is a challenge.
- **Height, massing and articulation.** Make sure it's tall enough.
- **Retail Frontage.** Oriented to the street, active windows.
- **Residential Frontages.** Line the ground floor with residential pedestrian entrances to the streets, e.g. townhouses
- **Streetscape.** Add plazas, street trees, outdoor seating, outdoor cafes, enhanced lighting and widened sidewalks.
- **Materials.** Retail and housing should be vertically integrated, and building articulation should respond to scale of the neighborhood.
- **Parking & Loading.** Parking should be below grade or wrapped with other uses.
- **Signage.** The signage should be limited in size and location but offer a clear identity for the store.

Typical Commercial Tenant Size is Shrinking



Small: 0 – 3,000 sf

- Cafes, retail, small restaurants

Medium: 8,000 – 15,000 sf

- Pet Food, Express, Trader Joes

Large: 15,000 – 30,000 sf

- Grocery Store, Office Max, Ross

Extra Large: 50,000 – 150,000 sf

- Target, Costco, Home Depot

The redevelopment of underutilized one-story commercial spaces will result in smaller retail spaces. If existing 10,000-square foot retail space is demolished for mixed-use redevelopment, the retail space that gets rebuilt will be small individual spaces of 1,000-2,000 sf. Neighborhood anchors are typically need 10-40k depending on the use

Worst of...



Messiest Trash Pickup:
Somewhere, very typical



Most unfortunate placement of
utility boxes: Lydian, Oakland



Least hospitable ground floor
residential patio: Caged, on the
shady side of the street

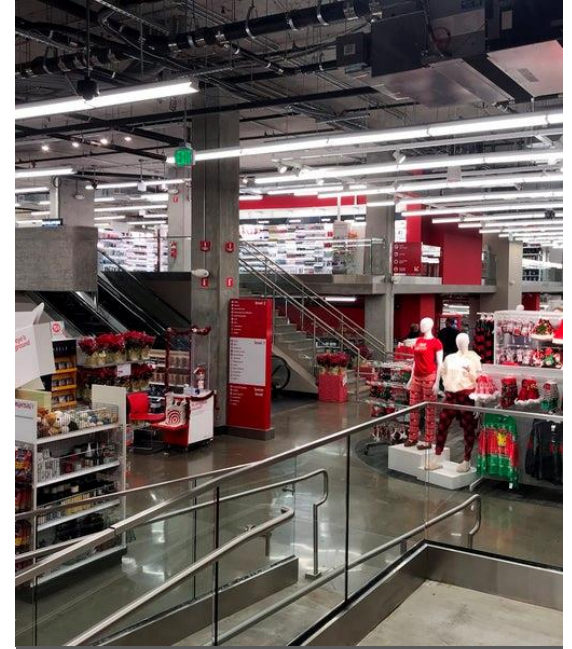
Best of...



Best hidden utilities:
2850 Broadway, Oakland



Best plaza next to retail in Mixed-Use:
Trader Joe's in Milpitas



Best Retail Ceiling Height in
Vertical Mixed Use: Target,
Oakland

Making the most of it!



Hidden utilities on the backside of the building (near parking entrance)



Almost private ground floor unit patio



Minimized loading and garage access on a residential street

Summary/Key Takeaways

Top 3 Takeaways

1. Strive to make it feel “public” vs. “private” as new housing development takes hold
 - a. Streets are important
 - b. Making sure individual projects connect
2. Retail is a unique and fragile land use (just like trees) uprooting can cause it to die
3. Mixed-use building design should start with the design of retail first, before housing to ensure successful, leasable spaces

Other stuff to remember

- Parking lots are more complicated than they appear
- Are office and retail uses really end of life?
 - Where does office need to be preserved?
 - Big malls or strip malls on corridors?
- Middle housing requires the right design standards to make them possible
- Watch out for
 - Adjacencies between new housing and other uses
 - Ground floor unit design
 - Back-of-house

What can cities do to support housing and mixed-use on Mall and Office sites?

- Visioning (work with electeds)
- Studies
- Specific Plan+EIR
- Zoning and General Plan Amendments
 - Adopt new standards for anticipated housing typologies
- Adopt incentives/requirements
 - Community Benefits
 - Bonuses
- Design Review
- Project Approval
- Community Development/Economic Development talking to/bridging connections between Stakeholders
- Set Up/Collect Impact Fees
- Investment in Infrastructure
- Development Agreements
- **More?**

Questions and Discussion

SHOPPING MALLS, OFFICE PARKS, AND THE 6th CYCLE HOUSING ELEMENT

Keeping it Real

Barry Miller, FAICP

SEPTEMBER 29, 2022



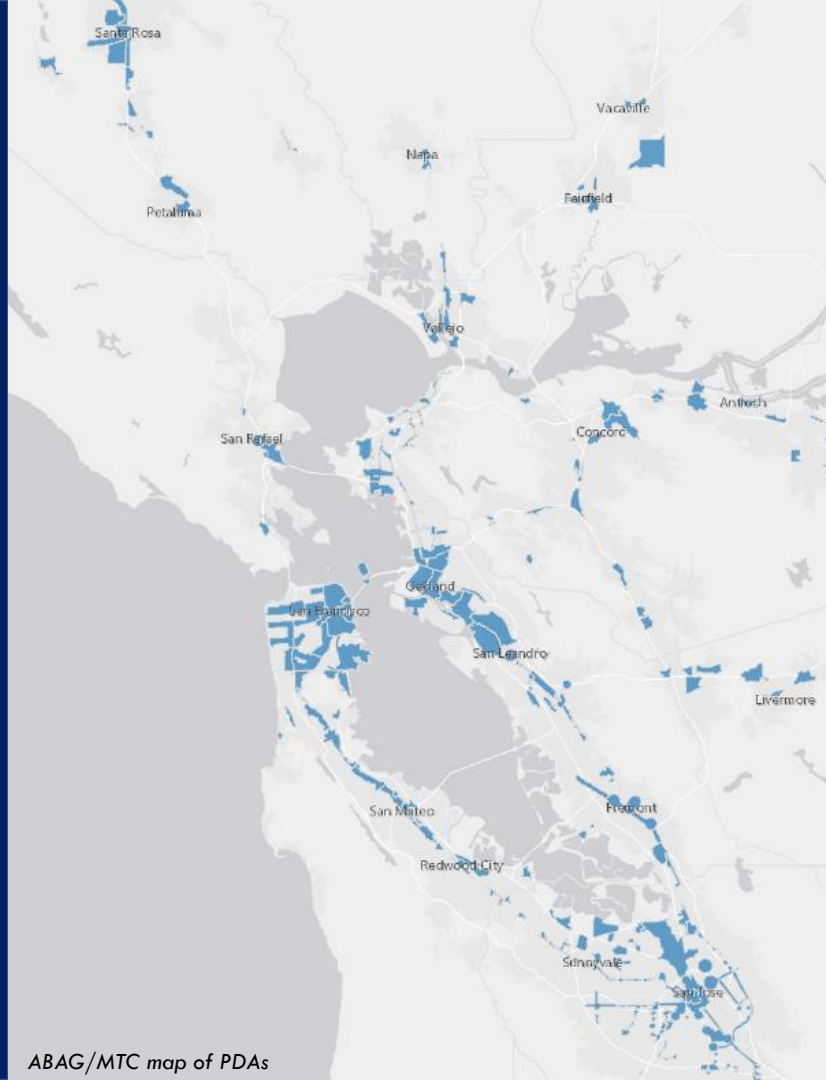
The “view
from the
trenches”?



Gignoux, *Le Pelerin* 1935

The Mall is closing! We have another housing site!

Where can we
fit 441,176 units
of housing?



ABAG/MTC map of PDAs

Regional shopping malls appear on the housing site inventories of many Bay Area cities

These sites are usually the largest properties in the sites inventory and often represent 20-30% of the City's total RHNA

Partial List

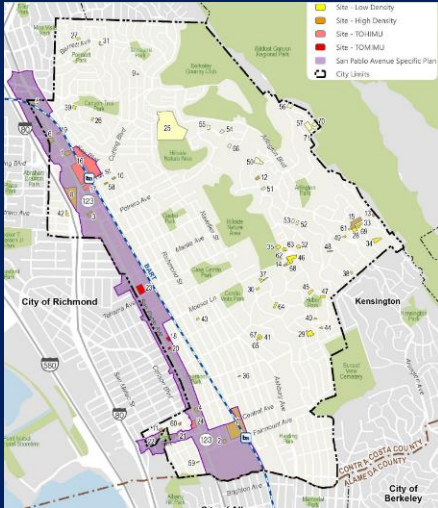
- Alameda (Southshore Plaza)
- Corte Madera (Macy's)
- Cupertino (Vallco Fashion Park)
- Daly City (Serramonte)
- El Cerrito (El Cerrito Plaza)
- Fremont (Hub)
- Milpitas (Great Mall)
- Newark (Newpark Mall)
- Richmond (Hilltop Mall)
- Pleasanton (Stoneridge Mall)
- San Bruno (Tanforan)
- San Francisco (Stonestown Mall)
- San Leandro (Bayfair Mall)
- San Mateo (Hillsdale Mall)
- San Rafael (Northgate Mall)

Mid-size and small shopping centers also appear in most housing site inventories



...because they look like this

6th Cycle Housing Elements are relying heavily on commercially zoned sites to meet the RHNA



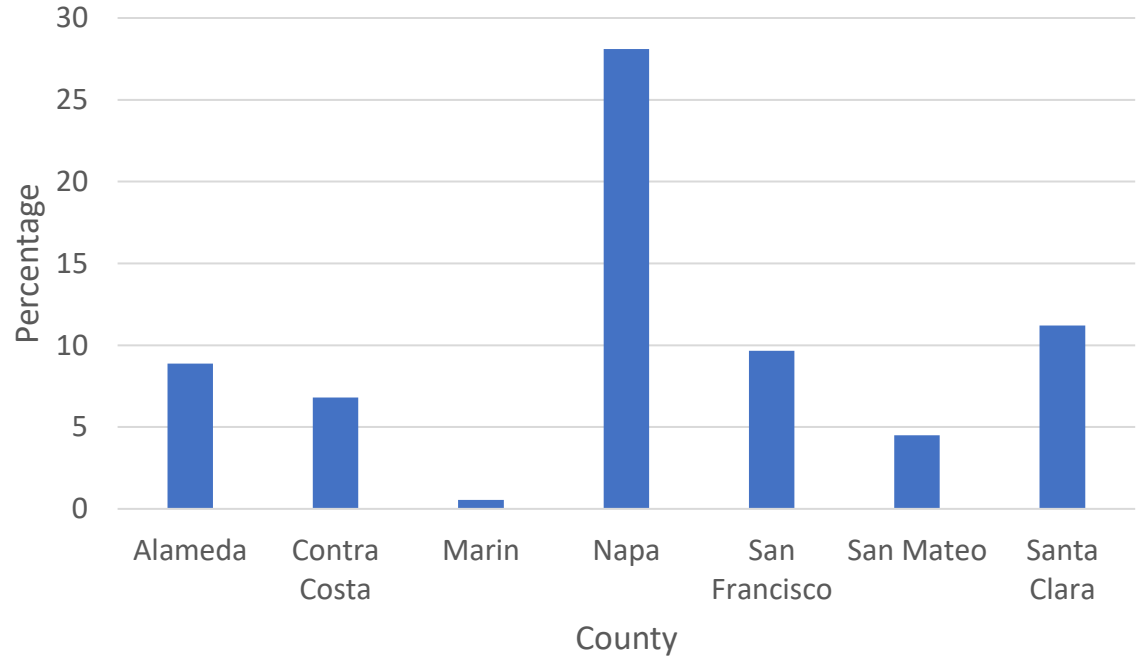
Example: El Cerrito Housing Element

- Vacant multi-family zoned land is scarce or non-existent in many smaller cities
- Most jurisdictions allow housing in their community and neighborhood commercial zoning districts
- In many cities, 80%-90% of the sites designated as “lower income” opportunities are zoned commercial or mixed use
- Regulatory standards and incentives for housing in these zones vary

KEEPING IT REAL

Between 2014 and 2019, only 8.5% of the Bay Area's residential construction occurred on former commercial sites

(9,298 out of 109,400 units added)



Percentage of total housing units built on former commercial land, 2014-2019

We are witnessing
the transformation
of our regional
malls...

Source: National Association of
Realtors and Vox, 2022

What some vacant malls have become

Subsequent uses of 94 vacant malls



...but not always to
housing!

Shopping Malls and Office Parks are considered “non-vacant” sites by HCD



This is a vacant site



This is not a vacant site.
It's a vacant building.

HCD Guidance for Non-Vacant Sites

- Describe the existing use and explain why it is likely to be discontinued
- Provide metrics that support the conclusion (such as FAR, I/L ratio, vacancy rate)
- Document development and redevelopment trends for non-vacant sites in the jurisdiction
- Explain how policy and regulatory framework support housing on the site
- If non-vacant sites make up 50%+ of the lower income site inventory, must make findings and provide substantial evidence that sites are realistic

What is HCD looking for?

- Expiring leases
- Poor structural condition
- Existing use is leaving/ building is vacant
- Owner provides a letter of interest



Vacant buildings are generally more viable....



...than active uses with long-term leases and no plans to leave

What is HCD looking for? (cont.)

- Tell the “story” of the site
- Sites in Specific Plan areas are most viable
 - Regulatory framework for housing is in place
 - Incentives may exist
 - Graphics and diagrams help
- Commit to specific actions related to the site in the Housing Element
- Be realistic about # of units by 2031
- Be realistic about income mix— and mindful of “no net loss” requirement

Example: Moreno Valley

“Large Sites: The element is revised to demonstrate that a letter of interest, proposing up to 1,600 units, has been received for the Moreno Valley Mall site. Sites greater than ten acres in size are not eligible absent a demonstration that sites of equivalent size and affordability were successfully developed during the prior planning period, unless other evidence is provided. The inventory accommodates a mix of incomes on the Moreno Valley Mall site, including up to 1,067 units anticipated to be available to lower-income households. While the site is generally acceptable because of the letter of interest in residential development, additional analysis is necessary to demonstrate the appropriateness of this site for such large numbers of affordable units. For example, developments with units affordable to lower-income households typically range in size from 50 to 150 units. The mall site goes well beyond this range without any analysis regarding the feasibility or practicality of this magnitude of development with this number of affordable units. Because it is utilizing this site toward the housing need for lower-income households, the element must rescale assumptions or add analysis and programs as appropriate.”

- City identified 60-acre regional mall as housing site, with capacity for 1,600 units
- 2/3 of capacity was allocated to lower income
- HCD objected to proposed income mix— inadequate analysis to support this number of affordable units
- Element was resubmitted with 240 lower income on the site (15%)



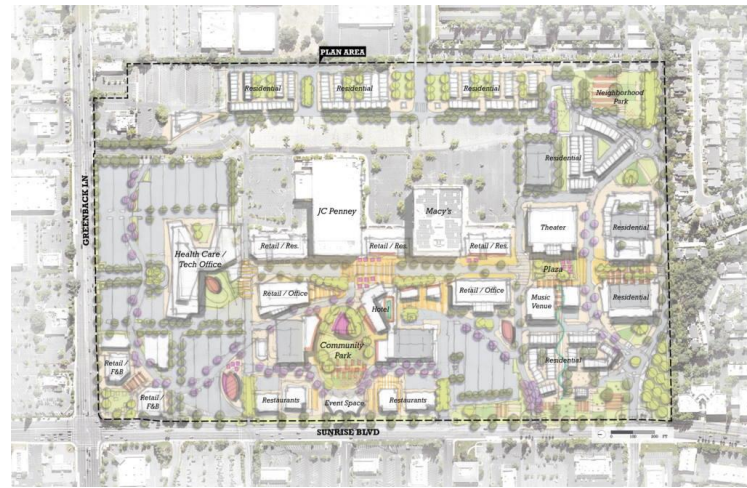
Example: Lakewood

“Program A-9 (Lakewood Mall Redevelopment) commits to collaborate with the owner/future developer but should also commit to facilitate and encourage development affordable to lower-income households such as ensuring developable areas of appropriate size through site planning or land division or providing incentives to encourage the assumed level of affordability.”

- 6th Cycle RHNA: 3,922 units (873% increase over 5th Cycle)
- Mall is 2.1 million SF, built in 1951; enclosed in 1978
- City assigned 26% of RHNA to mall (1,000 units (15% L, 5% M, 80% AM))
- HCD Letter (1) indicated City needed a specific program to encourage development of the site
- City added “work with owner” program
- HCD Letter (2) indicated the program needed to ensure developable areas of appropriate size on the site
- City revised program. It will:
 - *promote affordable housing on the site*
 - *facilitate parcelization into 0.5-10 acre sites*
 - *Allow densities conducive to affordable housing*
- City found in compliance September 16, 2022



Example: Citrus Heights



- City identified 95-acre Sunrise Mall as housing site
- Site is comprised of multiple parcels
- Specific Plan for reuse has been adopted
- Housing was only assumed on four parcels—primarily surface parking lots, totaling 26 acres
- Although zoning allows 1,040 units on the sites, City took a conservative approach and only counted 1/3 of potential
- Element was certified in 2021



Example: City of Alameda



- Southshore Shopping Center listed as housing site (800 units)
- Housing Element includes:
 - ✓ *Action plan to upzone, from 21 DUA maximum to 30 DUA minimum, no density maximum, and 60' height limit*
 - ✓ *New overlay district with zoning incentives for residential uses in shopping center*
 - ✓ *Objective standards (already adopted) to facilitate by right residential development*
- Realistic capacity estimates based on property owner input
- 50% of new units presumed lower income

Logistics: Show HCD what is required to enable housing on the site



Example: Northgate Mall, San Rafael

HOW?

Work with the property owner to address:

- Relocation of tenants
- Parcelization Plan
- Phasing Plan
- Parking Plan

Getting your zoning right

HOW?

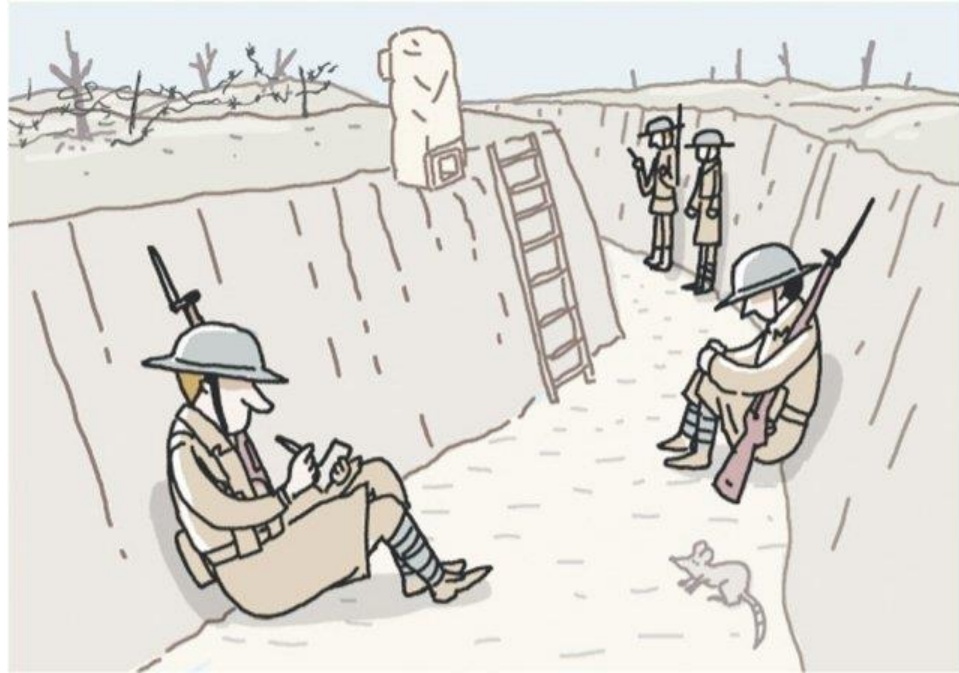
- Ensure that multi-family housing is a permitted use (no CUP)
- Aim for the highest densities you can (ideally over 50 DU/AC)
- Include minimum densities (ideally 30 DU/AC)
- Consider using FAR in lieu of density, no less than 2.0 FAR
- Avoid standards that inhibit maximum density
- Adopt objective design standards that facilitate by-right approval
- Consider identifying “residential only” zoning on some parcels



Lessons Learned

- Malls and shopping centers are realistic sites – but don't over-estimate capacity
- Diversify your sites--don't rely on shopping centers alone
- Align zoning standards for high-density housing
- Include a parcelization program (don't presume the entire site will redevelop by 2031)
- Be realistic about income mix—consider stronger incentives for affordability
- Property owner support is critical
- Pair your sites with programs that incentivize their reuse

Thank You!



*I fear we will never meet our RHNA.
If only the Mall would close.*