





Planning & Design Commission | May 9, 2024

# Recap of MMH Study







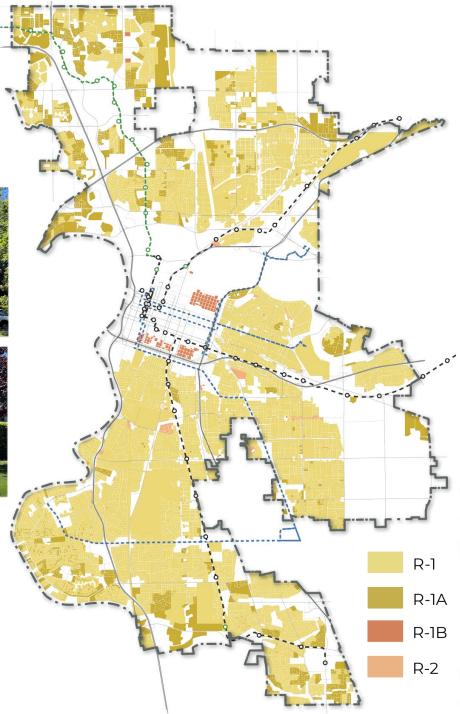






The City shall promote the development of a greater variety of housing types and sizes in all existing and new growth communities to meet the needs of future demographics and changing household sizes.

# LUP-6.3 Variety of Housing Types, 2040 General Plan Sacramento City Council, February 27, 2024





# MMH Study's Key Reports

#### Findings shared as four key reports:

- Missing Middle Housing Informational Report
   Facts about Missing Middle Housing and case studies
   October 2022
- Attainability and Livability Report
   Citywide place-based and feasibility analysis
   September 2023
- Displacement Assessment Toolkit
   Citywide assessment and anti-displacement strategies
   May 2024
- MMH Zoning, Design, & Policy Recommendations
   Final MMH recommendations
   May 2024





# Two Phases of Community Engagement



#### Phase 1: Information Sharing and Gathering

What challenges/barriers exist and what are key considerations for implementation?

#### Phase 2: Solutions and Recommendations

Guiding Questions for Preliminary Recommendations:

- What could MMH look like in Sacramento?
- Will it be lower-cost and attainable?
- How can MMH promote ownership opportunities & address potential displacement?





# City Council Direction & 2040 General Plan

#### Nov 28, 2023: City Council Direction

#### 1. Increase FAR Near Quality Transit

 Revise the draft 2040 General Plan Maximum Floor Area Ratio (FAR) Diagram to <u>increase the</u> <u>maximum FAR from 1 to 2</u> in areas within a half-mile walking distance of existing <u>high-</u> <u>frequency bus stops</u> and existing and planned <u>light rail stations</u>.

#### 2. Regulate MMH Form, Not Unit Count

Proceed with a revised Missing Middle Housing (MMH) approach that <u>regulates the building form</u> through the 2040 <u>General Plan FARs</u> and the single-unit and duplex dwelling zone <u>standards found in the Planning & Development Code</u> (including but not limited to required setback areas, height and lot coverage limits, and bulk control).

#### 2040 General Plan

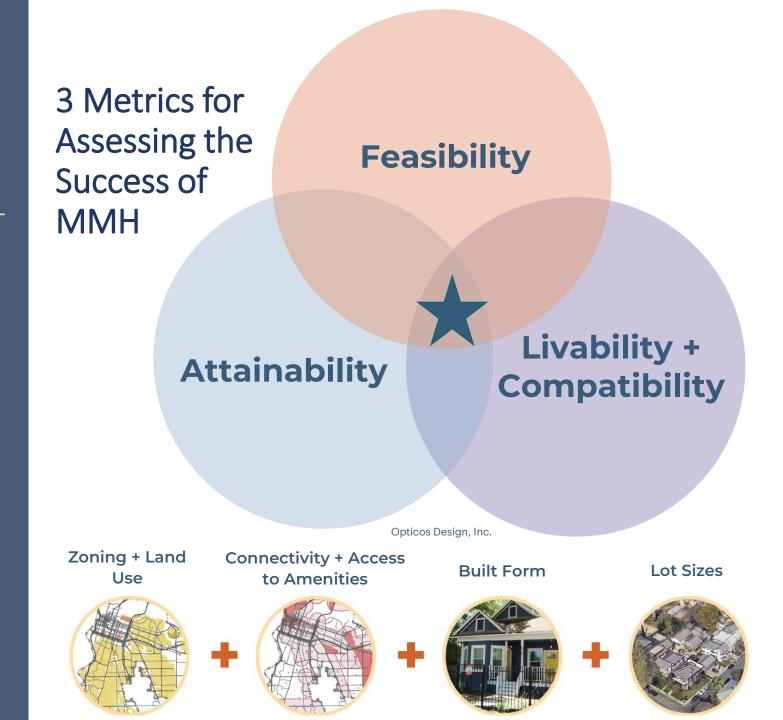
- Adopted Feb. 27, 2024, and reflects both directives.
- Neighborhood-Scale Multi-Unit Dwelling is added with new definition in GP.



# MMH Study's Final Recommendations

How were the recommendations developed?

- Citywide Place-Based Analysis
- Economic Feasibility Analysis
- Displacement Assessment
- Input from Community & Council
- 3 Guiding Questions
- 3 Metrics for Evaluating Success

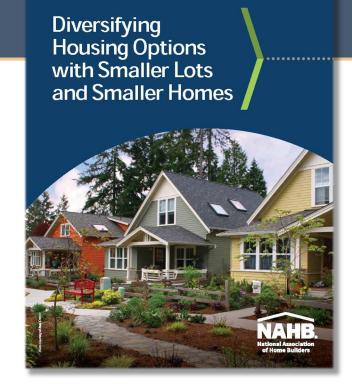


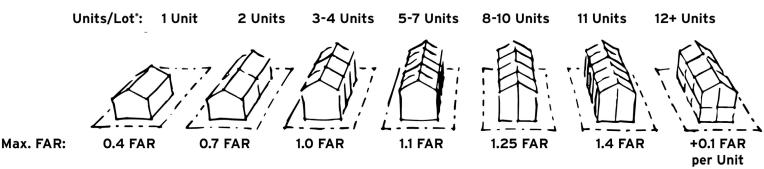




# Attainability Final Recommendations

- Encourage <u>smaller homes on smaller lots</u> that provide entry-level ownership opportunities.
- Restrictions related to <u>tenant-occupied</u>
   <u>housing</u> to protect vulnerable residents &
   preserve affordable housing stock.
   *Figure L'UP-5*
- Incentivize smaller
   attainable-by-design units
   through a <u>Sliding Floor Area</u>
   Ratio Scale.





Sliding FAR Scale



# Missing Middle Interim Ordinance

#### **Objectives**

- 2040 GP Implementing Action LUP-A.10 (Planning & Development Code Update)
- Uncodified interim ordinance that will <u>allow by-right neighborhood-scale duplex and multi-unit dwellings</u> & <u>small single-unit dwellings on small lots</u> in the R-1, R-1A, R-1B, and R-2 zones.

### Proposed Framework

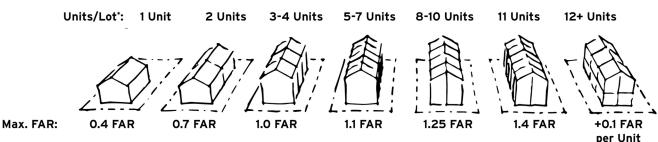
- 1. Built Form Standards
- 2. Provisions Related to Trees and Open Space
- 3. Provisions that Encourage Attainability and Promote Ownership Opportunities

# Neighborhood-Scale or 'House-Scale' Design



# Figure LUP-5 Sliding FAR Scale

## 1. Built Form Standards



#### **Density**

- No maximum density limit
- Minimum density established by General Plan

## Height

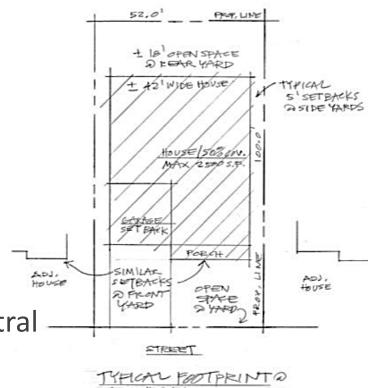
Maintain current limit of 35'

#### Floor Area Ratio (FAR)

 Maximum FAR established by General Plan and is further limited by Sliding FAR Scale

## Lot Coverage

- Current in R-1 zone: 40% max.
- New: 60% or 800 sq. ft. in Central City SPD; 50% or 800 sq. ft. elsewhere
- Not identified as a barrier in study



# Setback Requirements

(generally, not identified as barrier in study)

#### Interior Side Setback

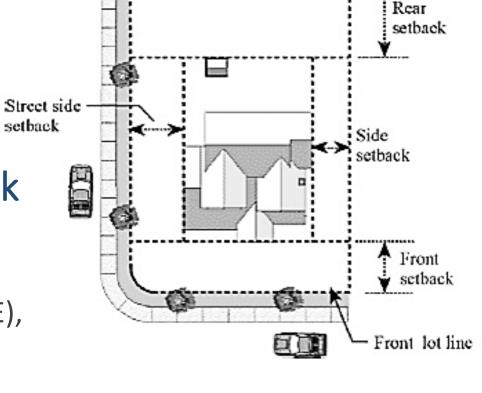
 No minimum, except when adjacent to singleunit dwelling, then 5' or 3' (if lot width is <52')</li>

#### Rear Setback

 Maintain current requirement of 15' except on lots <2,900 sq. ft. or abutting public alley, then 4'

#### Street-Side Setback

 Maintain current requirement of 12.5' (standard width of PUE), w/ allowed projection



#### Front Setback

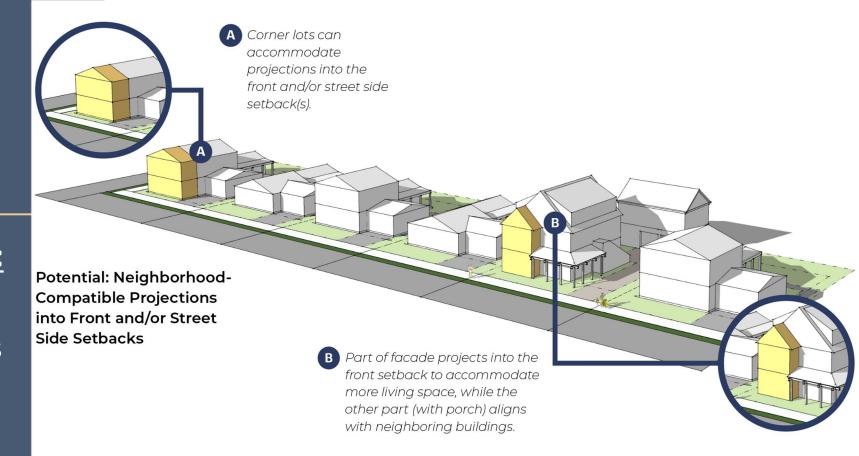
- Match adjacent buildings, but if none exists, setback is 12.5' or 8' in Central City SPD (which is reduced from current requirement of 20')
- Additionally, front projection allowed



# Front + Street-Side Setback Projections

#### If 6' x 8' porch is provided:

- 2-story projection up to 50% of the façade width is allowed into front setback up to 40% of required depth, or 5', whichever is greater
- On corner lots, this projection is allowed in both the front & streetside setbacks



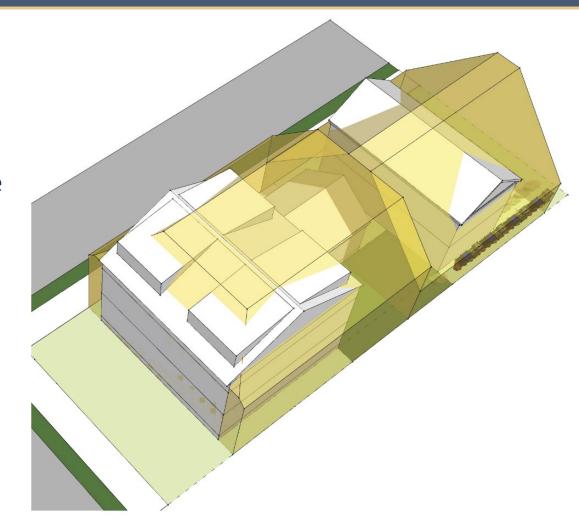
#### Building projection must:

- Contain one opening per floor,
- Covered by roof, and
- Not contain a garage or carport.

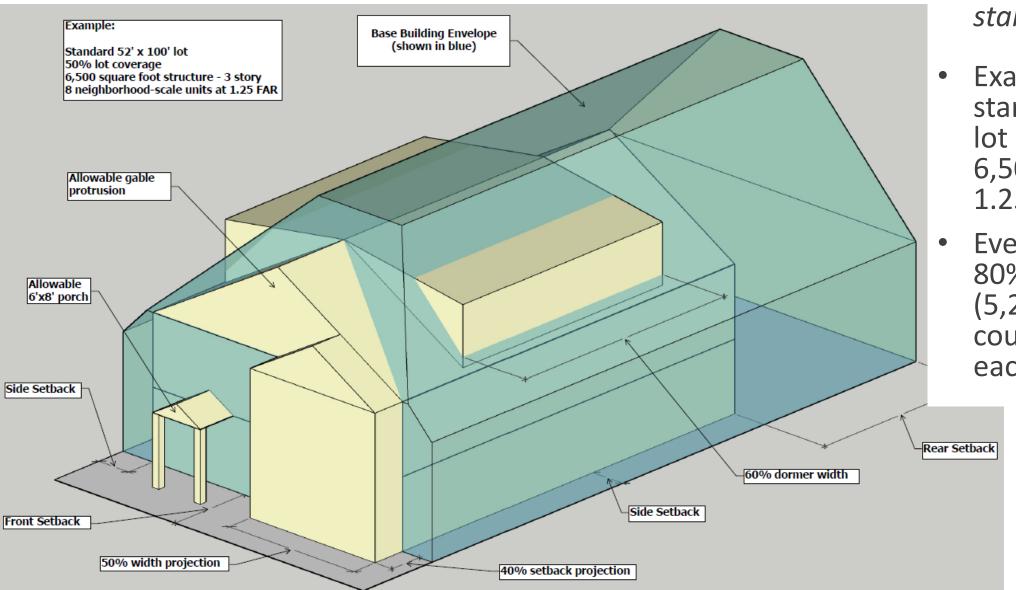


#### Modified Bulk Control

- Projects with 3 or more primary units on a lot must be contained within a "tent" consisting of:
  - <u>Side planes</u>: Vertical planes that begin at side lot lines and rise **16' high** (increase from existing 12'), at which point, the planes continue at a 45-degree angle to form the roof planes
  - Front plane: Vertical plane at primary front façade that rises **20' high** (increase from existing 14')
  - Dormers/extensions out of roof plane are conditionally allowed.
  - Key takeaway: Bulk control "tent" has been expanded to only restrict building mass on the 3<sup>rd</sup> story (rather than 2<sup>nd</sup> story).



# Built Form Standards Working Together



- The larger the lot, the more permissive the standards become.
- Example shows that a standard 5,200 sqft. lot could provide a 6,500 sqft. building at 1.25 FAR
- Even if assuming only 80% is leasable (5,200 sq. ft.), <u>8 units</u> could fit at 650 sqft. each



# 2. Open Space + Trees

- Currently:
  - Open space areas can not overlap with setback areas
  - Title 17 does not require tree planting, except within parking lots
  - Setback deviations can help save trees, but time/cost serve as disincentives

- 1. Require open space at 125 sq. ft. per unit beyond the first two primary units, but allow overlap w/ setbacks if a functional, shared open space is provided and meets all design criteria, including tree shading.
- 2. New tree planting requirement that aims to increase tree canopy over sidewalk/street.
- 3. Allow building to <u>encroach into setback</u> <u>areas</u> to: <u>save an existing private protected</u> tree, or allow adequate space for a <u>large</u> city-approved tree along sidewalk/street (40'+ mature diameter).



# MMH Capacity Modeling

# What barriers are left for neighborhood-scale MMH?

- This interim ordinance implements 5 out of the 6 Top Priority Recommendations
- Non-zoning barriers remain
- For example: Analysis shows <u>500-800</u>
   sqft units are economically feasible and an 8-plex could be built on lots as small as 6,000 sqft
- Note: ADUs were not included in analysis.

#### **MMH Capacity Modeling**



# of units

**Market Feasible Capacity** 



# of units



# Attainability for All?

- Allowing neighborhood-scale MMH along with the sliding FAR scale can produce lower-cost housing attainable to middle-income households.
- Acknowledging that median annual household incomes vary between racial groups.
- MMH is only one piece of the housing puzzle and more work needs to be done.

Head of Household Race	Black or African American	Native American, Native Hawaiian, Pacific Islander	Hispanic White (no other race)	Other, Two or more races	Asian	White
Median Annual Household Income*	\$57,400	\$72,200	\$72,500	\$71,800	\$90,100	\$89,400
SF Home Cost Burden	198%	157%	157%	158%	126%	127%
Duplex Cost Burden	61%	48%	48%	48%	39%	39%
Fourplex Cost Burden	46%	36%	36%	37%	29%	29%
ADU Cost Burden	40%	32%	32%	32%	26%	26%
% of Sacramento Households	13%	2%	7%	21%	17%	41%

<sup>\*</sup>Median Annual Household Income in 2022 inflation adjusted dollars (5-year ACS Census data)

Economic Analysis Findings **Average Unit Price** 

Base Case

\$602,378

*Alternative* **\$420,148** 

Low Vulnerabilty (Green) Areas

**Share of Housing Replacement in** 

Alternative

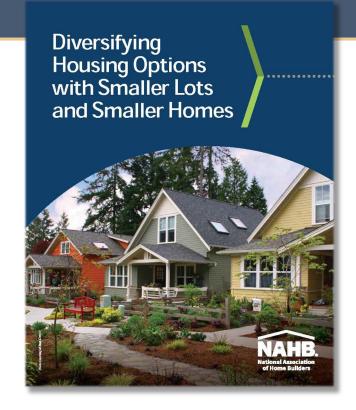


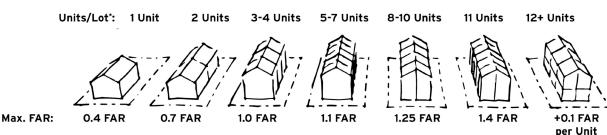


# 3. Attainability + Ownership

- Smaller homes on smaller lots:
  - Reduce minimum lot size to 1,200 sq.ft. from 5,200
  - Reduce minimum lot width to 16', but on each side that abuts a detached single-unit dwelling, increase by 4'
- Protect vulnerable residents & preserve affordable housing:
  - > Findings of fact are required for project approval
- Sliding FAR Scale:
  - Implemented through 2040 General Plan & can be fully implemented via this interim ordinance

Figure LUP-5
Sliding FAR Scale





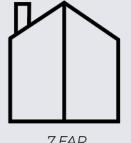
#### Market Rate Only



1.0 FAR 50% Lot Coverage

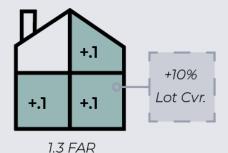


1.0 FAR 50% Lot Coverage

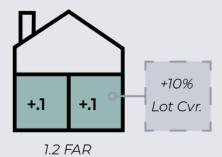


.7 FAR 50% Lot Coverage

With Deed-Restricted Units

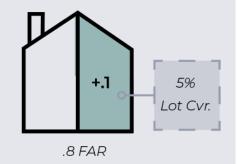


60% Lot Coverage



60% Lot Coverage

55% Lot Coverage



#### Local Bonus for Affordable MMH

- Near-term next step: A local bonus program to encourage the production of deed-restricted affordable units within developments of 4 or less primary units.
- The affordable units must be <u>at least 400</u> sq. ft. and deed-restricted <u>10-years</u>:

Size of Deed-Restricted Unit	Income Level
400 – 749 square feet	Very Low Income (60% of AMI or less)
750 square feet and up	Low Income (60-80% of AMI)





- June 27 Planning & Design Commission:
   MM Interim Ordinance Adoption Recommendation
- July 23 Law and Legislation Committee:
   MM Interim Ordinance Adoption Recommendation
- Aug 27 City Council:
   MM Interim Ordinance Adoption
- September 26, 2024:
  Proposed Effective Date of Interim Ordinance







# Final Recommendations & Proposed Interim Ordinance Framework

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