





City Council | September 17, 2024

### Missing Middle Housing Study









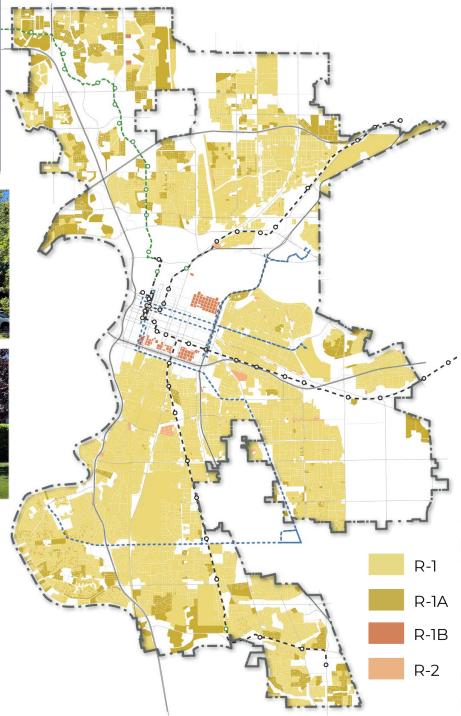




The City shall promote the development of a greater variety of housing types and sizes in all existing and new growth communities to meet the needs of future demographics and changing household sizes.

#### **LUP-6.3 Variety of Housing Types, 2040 General Plan**

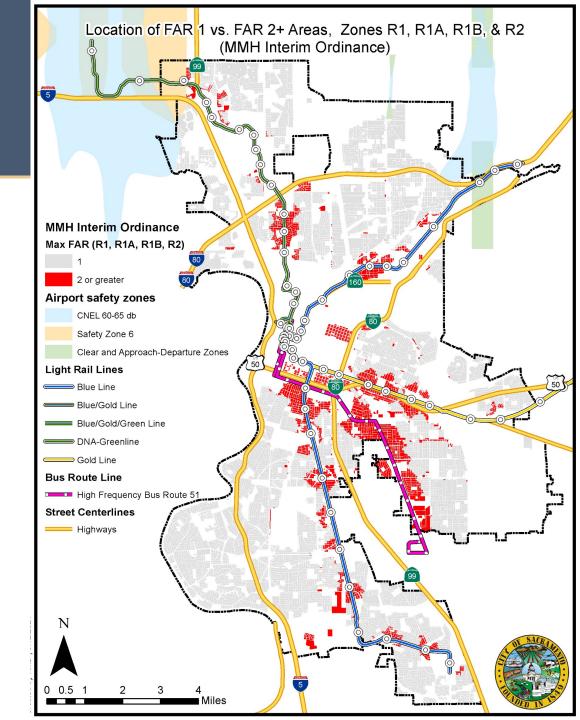
Sacramento City Council, February 27, 2024



# City Council Directive & 2040 General Plan

#### Council directed staff to:

- 1. Allow FAR of 2 within half-mile walking distance of existing high-frequency bus stops and existing and planned light rail stations.
- 2. Proceed with MMH approach that regulates the building form through FAR and development standards such as setback, height, and bulk control.





### Missing Middle Housing Interim Ordinance

- Interim ordinance that will **broaden the range** of housing types allowed by right in the R-1, R-1A, R-1B, and R-2 zones
- Allow neighborhood-scale multi-unit dwellings and small lot development by-right
- Other zones commonly found along corridors and centers already allow higher-intensity housing by-right (R-3, R-4, R-5, RO, RMX, C-1, C-2, & C-3)

#### Main Components

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

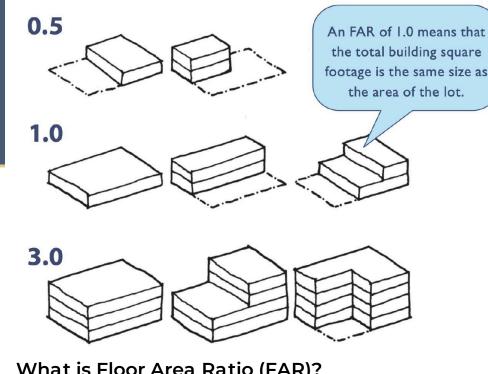
### 1. Built Form Standards for Neighborhood-Scale

- Removal of density
- Floor area ratio (FAR) limits
- Height limit
- Setback requirements (relaxed within ½ mile from transit)
- Bulk control envelope (relaxed within ½ mile from transit)
- Lot Coverage (relying on setback/open space)

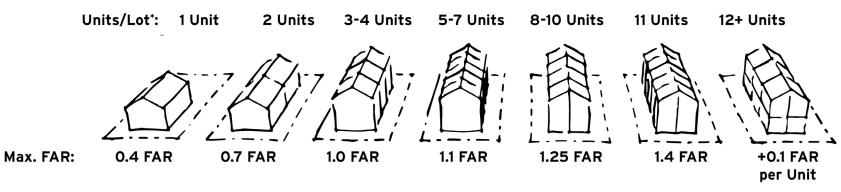
# 2040 General Plan and FAR (Floor Area Ratio)

- Floor Area Ratio (FAR) regulates the total building floor area allowed on a given lot, proportional to the size of the parcel.
- The Sliding FAR Scale grants increments of allowed building or floor area proportionally to the number of units proposed on a given lot.

Figure LUP-5 Sliding FAR Scale



What is Floor Area Ratio (FAR)?





# Height, FAR, Lot Coverage

#### Density

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

### Height

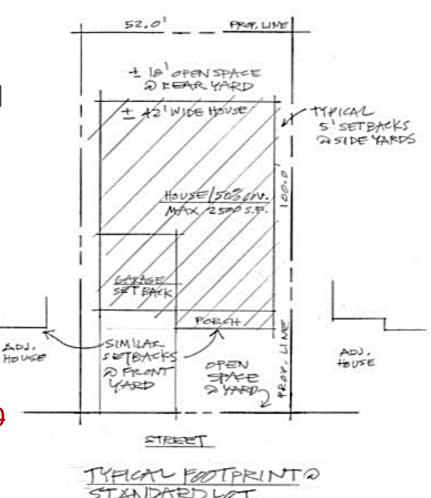
Maintain current limit of 35'

### 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



# Setback Requirements (FAR of 1)

#### Interior-Side Setback

- No minimum
- Except when adjacent to single-unit dwelling, then **5'** or 3' (if lot width is <52')

#### Rear Setback

- Maintain current requirement of 15'
- Except on lots <2,900 sq.</li> ft. or abutting public alley, then 4'

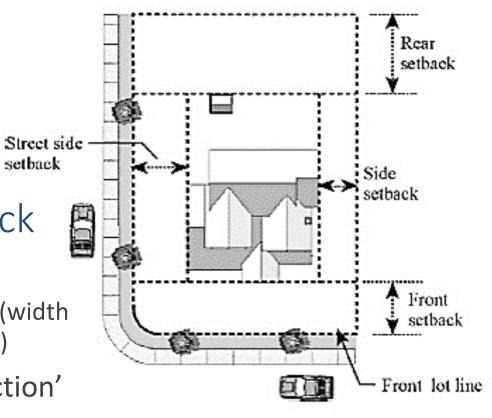
#### Street-Side Setback

setback

- Maintain current requirement of 12.5' (width of Public Utility Easement)
- Allow building 'projection'

#### Front Setback

- Match adjacent buildings
- If none exists, setback is 12.5'
- Allow front 'projection'



## Setback Requirements (FAR of 2)

#### Interior Side Setback

No change.

#### Rear Setback

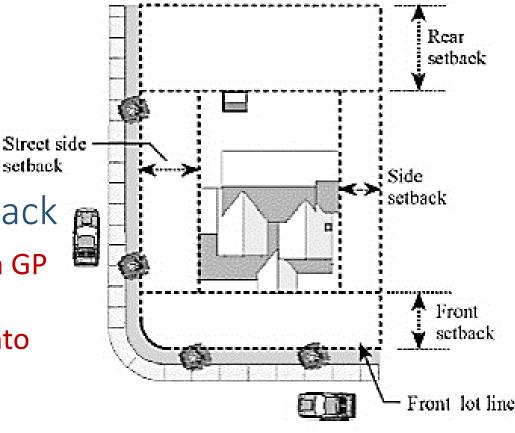
- Minimum is 10' when GP allows FAR of 2
- Except on lots <2,900 sq.</li>
  ft. or abutting public alley, then 4'

### Street-Side Setback

- Minimum is 5' when GP allows FAR of 2
- No encroachment into public easement

#### Front Setback

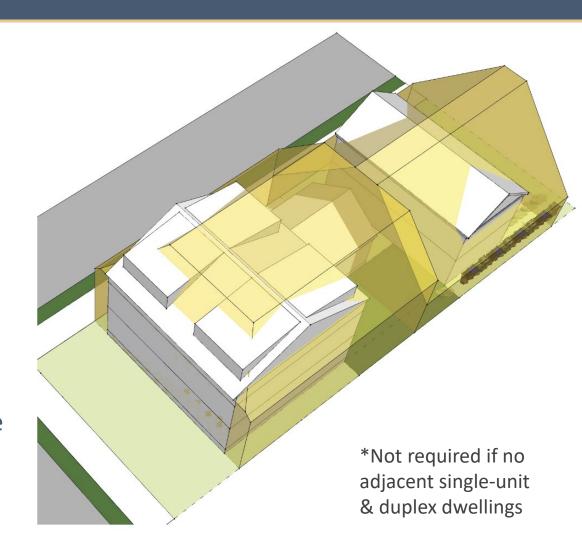
- When GP allows FAR of 2, setback is the <u>least</u> of:
  - 1) Match adjacent building, or
  - **2) 12.5'**, or 8' (in Central City)
- Allow front 'projection'





### Bulk Control (building volume on 3<sup>rd</sup> story)

- Projects with 3+ primary units must be contained within a "tent" bounded by\*:
  - <u>Side planes</u>: Vertical planes that begin at side lot lines and rise **16'** high, at which point, the planes continue at a 45-degree angle to form the roof planes (allows 21' of vertical height w/ 5' setbacks)
  - <u>Front plane</u>: Vertical plane at primary front façade that rises **20'** high (allows 20' of front wall)
  - Roof plane: Dormers/extensions are conditionally allowed.
    - FAR of 1: Aggregate length limited to 60% of the width of the main wall below
    - FAR of 2: No restriction on aggregate length

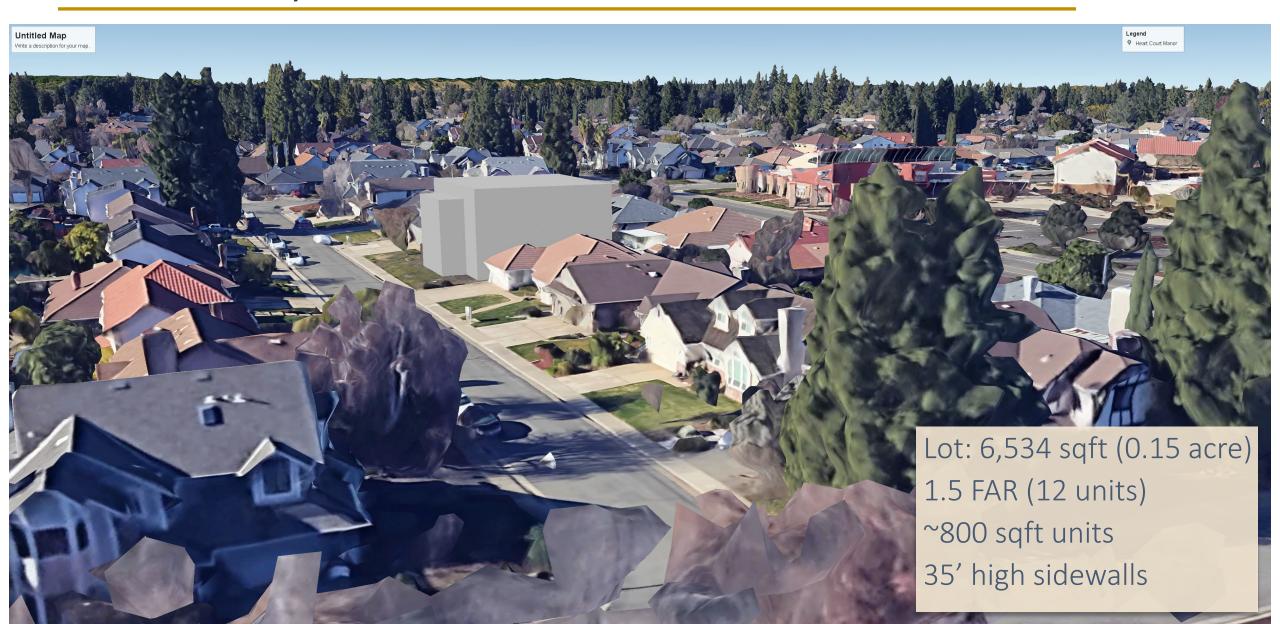




### Case Study: 1.4 FAR w/ Bulk Control



# Case Study: 1.5 FAR w/o Bulk Control



### 2. Trees and Open Space

- Tree Planting Requirement to Shade Sidewalk/Street
- Zoning Incentives to:
  - Encourage preservation of mature trees
  - Encourage planting of large shade species
- Open Space Requirements (reduced within ½ mile from transit)
  - Encourage shared, functional outdoor space
  - Encourage additional tree shading
  - Revised to function similarly to lot coverage to ensure adequate outdoor space



# Open Space

Revisions in red

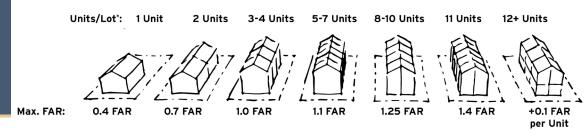


Developments with 2 or more primary units must provide open space as follows:

- 1. Central City SPD: according to current ratios in City Code (25 or 50 sf per unit)
- 2. FAR 1: 400 sq. ft. <u>OR</u> 125 sq. ft. per unit whichever is greater
- 3. FAR 2: 400 sq. ft. <u>OR</u> 75 sq. ft. per unit, whichever is greater
- 4. Allow overlap w/ setbacks if a *functional*, shared open space is provided and meets design criteria (e.g. 15' by 15' minimum dimension), including tree shading.

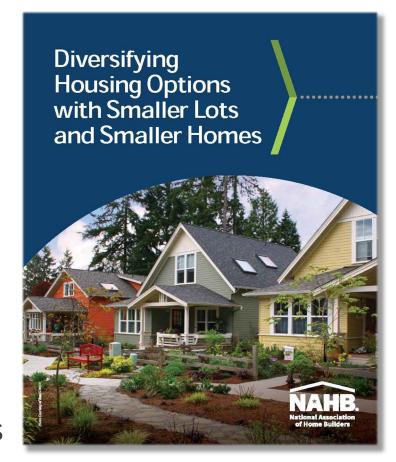
# 3. Attainability + Ownership

Figure LUP-5 **Sliding FAR Scale** 



\*Units per lot does not include ADU

- Smaller homes on smaller lots:
  - o Reduce minimum lot size to **1,200 sq. ft.** from 5,200
  - Reduce minimum lot width to 16', but increase by 4' if adjacent to neighboring single-unit dwelling
- Protect vulnerable residents & preserve affordable housing:
  - Cannot result in less units
  - Cannot demolish units occupied by tenant in past year
  - Cannot demolish regulated affordable units
- Sliding FAR Scale:
  - Incentivizes production of smaller, more attainable units





### Attainability for All?

- MMH can produce lower-cost housing attainable to middleincome 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

Alternative

\$602,378

\$420,148

**Market Feasible Capacity** 

Base Case

Alternative

+1,638

+8,400



### Next Steps



- Anticipated effective date: October 17, 2024
- Comprehensive update to Title 17 for GP consistency:
  - Anticipated completion by end of 2025
  - Will fold in MMH Interim Ordinance
- Potential Longer-Term Strategies
  - Local Bonus Program to incentivize deed-restricted MMH
  - Update City's Condominium Conversion Ordinance





# Planning & Design Commission's Recommendation (August 8, 2024)



- Passed a motion to forward to the City Council:
  - A recommendation to approve the resolution for environmental review and the interim ordinance, with a <u>revision to the ordinance so that the bulk</u> <u>control standard in section 7.B would not apply to sites designated with a</u> <u>maximum FAR of 2 or greater by the 2040 General Plan</u>.



### Staff Recommendation



- Adopt a **Resolution** determining that the MMH Interim Ordinance is a subsequent project within the scope of the Master Environmental Impact Report for the 2040 General Plan; and
- Adopt the proposed MMH Interim Ordinance.



Missing Middle Housing Interim Ordinance