Missing Middle Housing (MMH) Interim Ordinance Frequently Asked Questions (FAQ)

Background

On September 17, 2024, the City Council adopted the Missing Middle Housing (MMH) Interim Ordinance (2024-0027). This ordinance expands the range of housing types permitted by right within the single-unit and duplex dwelling zones (R-1, R-1A, R-1B, and R-2). Its purpose is to encourage small-lot development, and to facilitate the development of neighborhood-scale multi-unit dwellings, commonly referred to as missing-middle housing.

This FAQ is intended as a guide to help better understand how the MMH Interim Ordinance will be implemented. Please contact Planning staff at planning@cityofsacramento.org for additional information.

1. Is my development project subject to the ordinance?

The ordinance applies to projects that meet the following conditions as defined in Section 3 of the ordinance:

- A. The site is located within one of the following zones: R-1, R-1A, R-1B, or R-2 zone; and
- B. The site is not located within the airport safety zones as specified in the ordinance; and
- C. The development proposal involves:
 - Two or more primary dwelling units on a lot*; or
 - A single-unit dwelling on a lot that is between 1,200 and 2,899 square feet; or
 - A single-unit dwelling on a lot that is equal to or greater than 2,900 square feet, only if the applicant elects to proceed under this ordinance.

The <u>Land Information Lookup App</u> is a helpful resource to identify a property's zoning and proximity to the airport safety zones (which can be found using the app's Airport Influence Areas layer).

*Note: Accessory dwelling units (ADUs) and junior ADUs are not considered primary dwelling units.

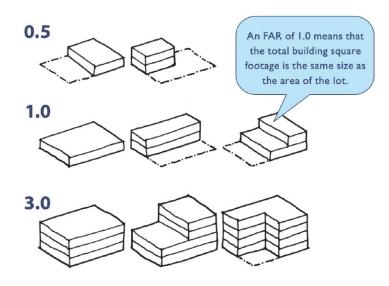


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2. What is Floor Area Ratio (FAR) and how is it calculated?

FAR is calculated as the ratio of the total building floor area on a lot to the total area of the lot. The maximum FAR standard essentially sets the ceiling in terms of the building square footage that is allowed on a lot based on the size of the lot (think of it as a percentage of the lot's size). For example, a maximum FAR of 0.7 on a 5,200 square foot lot means that the total building floor area cannot exceed 70% of the lot's area, or 3,640 square feet in this example. The building floor



area may be spread over multiple floors. You can look up a site's General Plan maximum FAR (as established by Map LUP-6) using the Land Information Lookup App (LILA).

A project's FAR is calculated by the following formula:

FAR = NBA (net building area in square feet) ÷ NLA (net lot area in square feet)

NBA (net building area) includes the total area of all floors of a building, above and below ground, measured from the exterior faces of the building, except the floor area of accessory dwelling units (ADUs), junior ADUs, and parking garages.

NLA (net lot area) is the total lot size, excluding publicly dedicated land, private streets, and other public use areas.

3. How many units can I build on a site under this ordinance?

There is no longer a cap on the number of units allowed in the R-1, R-1A, R-1B, and R-2 zones. However, residential development is regulated by the *minimum density* and *maximum Floor Area Ratio (FAR)* standards. The maximum FAR standard limits the building floor area (square footage) that is allowed on a site, thereby limiting the size and scale of the building(s).

The minimum density is established by Map LUP-8 of the 2040 General Plan. The maximum FAR allowed on a site is determined by both: 1) the General Plan maximum FAR (Map LUP-6) and 2) the Sliding FAR Scale (Figure LUP-5). Again, you can look up a site's General Plan minimum density and maximum FAR using the Land Information Lookup App (LILA). Please see question 4 for further information on determining the maximum FAR allowed on a site.



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Project applicants must analyze how many units they can feasibly build based on the site's physical constraints, allowed FAR, desired unit sizes, and project needs. *Hiring a licensed architect or design professional is recommended to assist with determining the number of units a development site can accommodate, and is required for projects proposing 5 or more units.*

4. How do I determine the allowed FAR for my project or site?

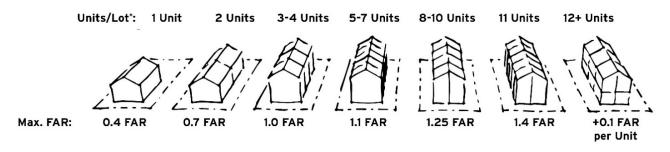
The City regulates maximum building intensity using floor area ratio (FAR) standards consistent with *Map LUP-6* and *Figure LUP-5* (Sliding FAR Scale as shown below), which applies to residential uses in the single-unit and duplex zones.

In addition to Map LUP-6, which sets the ceiling for FAR, the amount of FAR that is allowed on a site is also determined based on the number of primary units proposed on the lot*. As shown in Figure LUP-5 below, increments of building floor area (measured as FAR) are granted proportionally to the number of units proposed. Note that Figure LUP-5 limits the FAR allowed, not the number of units. The number of units shown is the minimum amount that must be provided to earn more FAR, up to the maximum FAR established by Map LUP-6.

Here's an example of how Map LUP-6 and Figure LUP-5 is applied to determine the FAR allowed. On a lot that is assigned a maximum of 1.0 FAR by Map LUP-6, development is limited to 0.7 FAR if two primary units are proposed (determined by Figure LUP-5), however, if three or more units are proposed, the full 1.0 FAR is allowed.

Additionally, new residential development is allowed up to 2,000 square feet of net building area or the maximum allowed by Figure LUP-5, whichever is greater (General Plan Policy LUP-3.3). For example, a proposal to build one unit on a lot is allowed a maximum of 0.4 FAR or up to 2,000 square feet of net building area, whichever is greater.

Figure LUP-5 Sliding FAR Scale



^{*}Units per lot does not include ADUs.

Please see page 9 for two examples on how to apply the General Plan's maximum FAR standards to determine the allowed FAR on a site.

*Note: Accessory dwelling units (ADUs) and junior ADUs are not considered primary dwelling units and do not count toward the minimum unit count on the Sliding FAR Scale (Figure LUP-5).

5. What additional requirements or regulations are included in the ordinance?

All residential development applying under this ordinance must meet all the requirements and objective development standards including, but not limited to, height, setbacks, tree planting, common open space, and design review/bulk control standards (please refer to the <u>ordinance</u>). You can review the <u>MMH Illustration Guide</u> for helpful visual exhibits that illustrate the main concepts and provisions of the ordinance, including bulk control and open space. Additionally, projects must comply with the <u>Citywide Single-Unit and Duplex Dwelling Design Guidelines</u>, as adopted by resolution of the city council.

Projects *must* also meet the anti-displacement requirements of the ordinance to receive approval. The project shall *not* result in any of the following:

- 1. Fewer dwelling units than currently exist;
- 2. Demolition of a dwelling unit that has been occupied by a tenant within the past year;
- 3. Demolition of a dwelling unit subject to an affordable-housing regulatory agreement.

6. How do I submit a planning entitlement application?

Development proposals applied under this ordinance will be reviewed through the City's discretionary <u>Site Plan and Design Review</u> (SPDR) process. Generally, <u>Forms</u> CDD-0063 and CDD-0022 will need to be completed and submitted. Please visit <u>e-Planning</u> for details on how to submit a planning entitlement application.

Before submitting a planning entitlement application, applicants are encouraged to contact staff at planning@cityofsacramento.org to request a pre-application meeting to review preliminary plans/drawings and identify potential critical challenges that could delay or render a project infeasible. Pre-application meetings help applicants know beforehand how to put together the best planning application, and the meeting saves both the applicant and City staff time in processing an application. Pre-application requests are accommodated as staff availability allows.



7. Are deviations from the development standards allowed?

Deviations from the standards of this ordinance are only allowed under *exceptional or extraordinary circumstances or conditions* and only when the required findings can be made, as discussed in subsection 5.D of the ordinance. Requests for deviations from the MMH ordinance will require a director-level hearing (additional review time and fees will apply).

8. Can I build accessory dwelling units (ADUs) as part of my project?

Keep in mind that in addition to the existing primary unit(s), property owners are allowed to build up to 2 ADUs (attached or detached) under the City's local ADU ordinance (City Code 17.228.105(B)), and up to 3 ADUs (1 attached ADU, 1 detached ADU, and 1 junior ADU) under the State's ADU standards (City Code 17.228.105(C)). ADUs are not subject to the MMH interim ordinance and do not count toward the project's FAR, however, ADUs are not allowed to be constructed within or encroach into any open space areas required by the Sacramento City Code.

Depending on your project goals and needs, it may benefit to build the units as ADUs, primary units, or a combination of both. Generally, planning or zoning approval is no longer required before submitting for a building permit to construct ADUs. ADUs under 750 square feet in size also benefit from reduced development impact fees. Please refer to the <u>ADU Resource Center</u> and the respective City Code sections for regulatory details related to each option.

9. Does the City have resources to help guide folks who may not have experience with developing housing projects?

The City's <u>Housing Development Toolkit</u> is a great place to start, and includes a <u>step-by-step</u> <u>guide</u> to navigate the major steps of moving through the planning and building process for housing projects. If you are also interested in building accessory dwelling units (ADUs) as part of your project, the <u>ADU Resource Center</u> is a great online resource to help property owners plan, build, and operate an ADU.

10. Where can I find guidance on what trees to plant?

The <u>Shady 80 tree list</u>, developed by the Sacramento Tree Foundation, is a great resource for identifying recommended tree species for the Sacramento region. The City also maintains a list of suitable trees to plant along with a planting guide available on our Street Tree <u>webpage</u>. Please note that all tree species and proposed planting locations must be reviewed and approved by Urban Forestry staff during planning entitlement review. Please also note that proposed parking lots are subject to the City's Parking Lot Tree Shading Ordinance (City Code <u>17.612.040</u>).

11. What if I need to remove a tree in order to build my project?

Sacramento City Code requires a Tree Permit before removing a certain size and species of trees located on private property. Please visit our Tree Permit <u>webpage</u> for additional information and guidance related to the tree permit process.

12. Besides the MMH ordinance and other local zoning regulations, what are other development regulations/considerations that I should be aware of?

In addition to local zoning rules, the development of housing is also regulated for building safety and impacts on local infrastructure related to utility service, public right-of-way improvements (curb, gutter, and sidewalk), etc. The City of Sacramento offers pre-application meetings to provide an opportunity for applicants to meet with multiple departments at once to discuss a project prior to submitting a planning application (as staff availability allows). Below are some helpful notes related to other key departments and their contact information:

Building Division

Buildings containing up to two units shall comply with the California Residential Building Code. Buildings containing three or more units (excluding junior ADUs) shall comply with the California Commercial Building Code. Please visit the Building webpage or contact Building staff at EZPermit@cityofsacramento.org for more information related to the building code, permit fees, forms, and inspections.

Department of Utilities (Water, Sewer, and Stormwater Drainage)

For information on standard specifications, system capacity, and fees related to on-site drainage, sewer and water connections to City systems, please visit the Utilities Development Standards webpage or reach out to DOUDevelopmentReview@cityofsacramento.org. Please note that the addition of more than 500 square feet of increased impervious surfaces (e.g. traditional pavement, rooftops, etc.) may trigger on-site grading/drainage requirements. Please refer to the City's On-Site Design Manual for additional information.

Development Engineering (Public Right-of-Way Improvements)

Please note that certain types of development projects may trigger off-site improvement requirements (e.g. curb, gutter, sidewalk, streetlight, alley improvements, etc.). Development Engineering can also help with research on recorded easements and maps, and helps to process property line adjustments, parcel maps, driveway permits/variances, and off-site improvement permits. Please visit the Development Engineering webpage or reach out to DE@cityofsacramento.org for more information.



Recycling and Solid Waste

Housing developments containing five or more units on one parcel must comply with the City's commercial solid waste requirements for multi-family properties (<u>City Code 13.24.520</u>). Please visit the City's Multi-Family Waste Requirements <u>webpage</u> or contact <u>wastecompliance@cityofsacramento.org</u> for additional information on how to comply.

Sacramento Municipal Utility District (SMUD)

The electricity provider for the Sacramento region is SMUD. A step-by-step guide for new power connections can be found on their <u>webpage</u>. It is highly advised that applicants coordinate with SMUD early in the project planning stages to identify potential constraints that may impact site planning and layout.

13. I would like to help increase homeownership opportunities. How can I sell the units separately?

One of the primary goals of the MMH interim ordinance is to promote entry-level homeownership opportunities. Under the ordinance, an individual parcel or lot can be as small as 1,200 square feet, with a minimum lot width of 16 feet. If applicants wish to subdivide a parcel into smaller parcels for fee-simple ownership or pursue a <u>common interest subdivision</u> for condominiums, a planning application for the approval of a <u>tentative map</u> is required. A subdivision requires preparation of technical drawings and maps and can be an expensive process. It is highly advised that applicants hire qualified surveyors or licensed civil engineers to assist with this process. Additionally, consider consulting a real estate attorney to explore other options such as housing cooperatives and tenancy-in-common arrangements.

14. Can a unit built under this ordinance be used as a short-term rental?

As required by <u>City Code 5.114</u>, all operators of short-term rental units (a stay of 30 days or less) are required to have a short-term rental permit issued by the Revenue Division, and are limited to using the unit as a short-term rental for no more than an aggregate of 90 days during the term of the permit (except when it is the permittee's primary place of residence). Please visit the City's Short-Term Vacation Rentals <u>webpage</u> for more information. A <u>Conditional Use Permit (CUP)</u> is required if the unit is being rented out on a short-term basis for more than 90 days over the annual term of the permit, *and* if the unit is not the permittee's primary place of residence.



15. What if my neighborhood has covenants, conditions and restrictions (CC&Rs) that may not permit neighborhood-scale multi-unit dwellings?

California Civil Code §4751 renders void and unenforceable any CC&R provisions that prohibit or unreasonably restrict accessory dwelling units (ADUs). However, state law does not currently address this for multi-unit dwelling types. CC&Rs are still enforceable as authorized by state law. The City's Planning and Development Code has no effect on CC&Rs or other private contracts. The City cannot verify or enforce any private covenant or agreement (City Code 17.104.100(E)).

16. Is parking required?

As of March 28, 2024, General Plan Policy LUP-4.14 (Elimination of Vehicle Parking Minimums) is in effect, and new or existing development will no longer be required by the City's Planning and Development Code to provide any off-street vehicle parking spaces. Off-street parking could certainly still be provided in new development. A minimum amount is no longer mandated by the City — allowing parking decisions to be made on a project-by-project basis.

17. How will building new units affect my property taxes?

Pursuant to Proposition 13, real property is reassessed when one of two events occurs: a change in ownership (sale or transfer) or new construction. When one of these two qualifying events occurs, the Sacramento County Assessor's Office will base valuations (i.e. assessments) on market evidence combined with sound appraisal principles and procedures. To learn more about how constructing additional units may affect your property taxes, please contact the <u>Sacramento County Assessor</u>.

18. Where can I learn more about the Missing Middle Housing Study effort that led to the adoption of this ordinance?

The Missing Middle Housing (MMH) Study was an intensive three-year effort to study and engage with the Sacramento community on MMH as a planning concept and housing strategy. The Study combined community engagement with technical, data-driven analysis to develop context-sensitive recommendations for permitting MMH citywide, many of which were incorporated into this ordinance. The reports, summaries, and other key documents associated with this Study are available on the City's MMH webpage.

Case Studies in Applying 2040 General Plan FAR Standards

Case Study #1

Property zoning: R-1

Lot size: 2,614 square feet (or 0.06 acre)

General Plan Minimum Density (Map LUP-8): 18 units/acre

• The minimum number of units that must be provided on this lot is 1 unit (found by multiplying 0.06 acre by 18 units/acre which equals 1.08 unit).

General Plan Maximum FAR (Map LUP-6): 2.0 FAR

- As long as the maximum FAR of 2 is not exceeded, a project may propose any number of units (no maximum density limit).
- Remember that per Policy LUP-3.3, up to 2,000 square feet of NBA (net building area) <u>OR</u> the maximum FAR allowed by the Sliding FAR Scale, whichever is *greater*, is permitted.
- Per the Sliding FAR Scale (see Figure LUP-5 on page 3):

Number of Units Proposed on Lot	FAR / NBA (Net Building Area) Allowed on Lot
1	2,000 sqft allowed (per GP Policy LUP-3.3) or 0.4 FAR / 1,046 sqft
2	2,000 sqft allowed (per GP Policy LUP-3.3) or 0.7 FAR / 1,830 sqft
3 or 4	1.0 FAR / 2,614 sqft (more than 2,000 sqft allowed by GP Policy LUP-3.3)
5-7	1.1 FAR / 2,875 sqft
8 to 10	1.25 FAR / 3,268 sqft
11	1.4 FAR / 3,660 sqft
12+	+0.1 FAR or 261 sqft per additional unit

- To be allowed the full 2.0 General Plan FAR, a minimum of 17 units must be provided.
- ADUs are not included in the property's FAR or maximum allowed NBA. For example, on this same lot:
 - A project proposing 2 primary units and 2 ADUs, the 2,000 sqft of maximum NBA allowed would only be applied to the 2 primary dwelling units. The 2 ADUs are not subject to the MMH ordinance, but they would still need to comply with either the City's or State's ADU standards.



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Case Study #2

Property zoning: R-1

Lot size: 21,750 square feet (or 0.5 acre)

Development Proposal:

Existing single-unit dwelling on lot and seeking to add multiple additional units

General Plan Minimum Density (Map LUP-8): 3 units/acre

• The minimum number of units that must be provided on this lot is 2 units (found by multiplying 0.5 acre by 3 units/acre which equals 1.5 and is rounded up to 2 units).

General Plan Maximum FAR (Map LUP-5): 1.0 FAR

- As long as the maximum FAR of 1.0 is not exceeded, a project may propose any number of units (no maximum density limit).
- In this example, 1.0 FAR is equal to 21,750 square feet. The existing unit is 2,200 square feet in size which needs to be subtracted out, meaning that the property has 19,550 square feet remaining to develop additional units.
- Again, ADUs are not included in the property's FAR or maximum allowed NBA.
- Keep in mind that for each unit proposed, a certain amount of common open space must be provided on-site (please refer to ordinance).