



MISSING MIDDLE HOUSING

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Missing Middle Housing (MMH) Implementation Study

Background

In February 2019, the City initiated an update to the General Plan and Climate Action and Adaptation Plan (2040 General Plan Update) and undertook a major engagement effort to understand the issues that were on our residents' minds. In response to community input, several Key Strategies were presented to the City Council on January 19, 2021, where they unanimously directed staff to proceed for the purpose of preparing the Draft 2040 General Plan. The Draft 2040 General Plan is expected to be ready for public review in Fall/Winter 2022, with final adoption in early 2023.

One of the Council-approved Key Strategies is to permit a greater array of housing types such as duplexes, triplexes, and fourplexes (also referred to as Missing Middle Housing) in existing residential neighborhoods. To gain a better understanding of the benefits and challenges of allowing Missing Middle Housing (MMH), the City has hired Opticos Design, Inc. to help conduct additional analysis and engage the community in conversation to gather meaningful input from residents to inform MMH implementation recommendations. To help better understand this Key Strategy and the Missing Middle Housing Implementation Study, below are some frequently asked questions with accompanying explanations.

What is Missing Middle Housing (MMH)?

For the purpose of this study, the term ***Missing Middle Housing refers to house-scale buildings that contain more than one home such as duplexes, triplexes, fourplexes, and bungalow courts, usually built to the same scale as surrounding single-unit homes.*** These house-scale buildings are “middle” in form and scale, between single-family and multi-family buildings. They also can deliver homes at a price point that are more attainable for “middle”-income households, including both rental and entry-level home ownership opportunities. The reason why they are “missing” is because due to many barriers, including zoning barriers, these housing types have not been produced by the market for many decades. Historically, these types of housing were once common in early cities across America, in fact, over 2,300 duplexes, triplexes, and fourplexes exist already throughout Sacramento's single-unit zones.

Is there a proposal to “eliminate single-family zoning?”

No. The City is not proposing to end single-family zoning or restrict the construction of new single-family/single-unit homes where they are currently allowed today. The proposal to permit a greater array of housing types in existing single-unit neighborhoods will not “eliminate single-family zoning” or prohibit single-family homes. This strategy will simply re-allow the construction of housing that was once common in communities all over the U.S. All homeowners can keep their single-family homes and developers can continue to build single-family housing. In fact:

- 70% of Sacramento's residential neighborhoods are zoned for single-family, and
- 43% of the city's total land area is zoned for single-family.



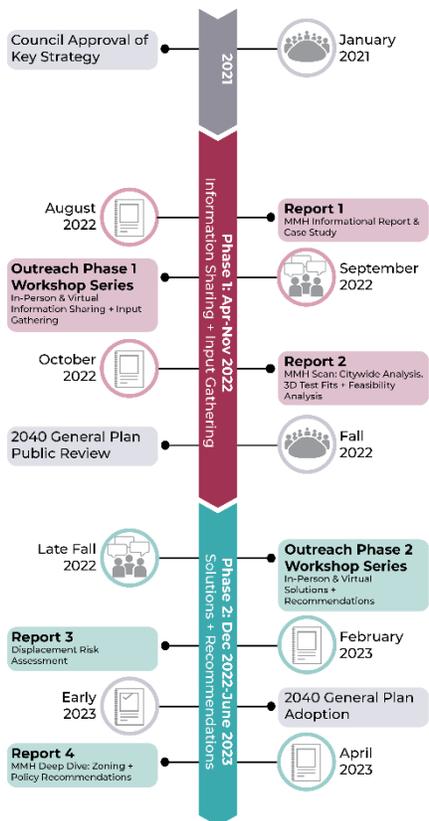
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What is the timeline for implementation and how does this study fit in? How can I provide input?

Once the 2040 General Plan is adopted by City Council, currently anticipated in early 2023, the [City's Planning and Development Code](#) (i.e. zoning code) will need to be updated to allow Missing Middle Housing types by-right in traditionally single-unit and duplex-dwelling zoned neighborhoods (i.e. R-1 and R-2 Zones). Before the code is updated, the City is undertaking a 14-month effort to study and develop land use, zoning, and design standard recommendations to thoughtfully implement Missing Middle Housing (MMH) in Sacramento. ***Please note that code amendments will occur after the conclusion of this study and Council adoption of the 2040 General Plan, not as a part of this study.***

Once the changes to the Planning and Development Code are adopted by City Council, anticipated by late 2023, additional housing types would be allowed in single-unit and duplex-dwelling zones. Below is the anticipated timeline and milestones of this study, including key General Plan milestones, and opportunities to provide input:



• **Late Fall/Winter 2022:** Draft 2040 General Plan available for public review.

- The public review draft will include recommended policy language to allow a greater array of housing types.

• **Summer 2022 – Summer 2023:** MMH Implementation Study

- The City will engage with residents through citywide workshops (in-person and virtual) in both phases of the project. In Phase 1 (Information Sharing + Gathering), residents will learn about the MMH concept and will share feedback. The feedback will be used to formulate architectural recommendations and regulatory solutions, such as design and development standards, and will inform Phase 2 (Solutions + Recommendations).
- A total of 4 reports will be developed that cover topics ranging from case studies of other American cities that have undertaken similar initiatives, economic feasibility of MMH, and an assessment of displacement risk in our vulnerable communities. The project will culminate with a final report that will present zoning and design standard recommendations.

• **Early 2023:** Adoption of 2040 General Plan.

• **Fall/Winter 2023:** Planning & Development Code Update.

• **Early 2024:** Anticipated effective date.

You can also visit www.cityofsacramento.org/MMH to [sign-up for email updates](#).



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Why is this strategy being considered?

Through over two years of outreach for the 2040 General Plan Update, several priorities have risen to the top: climate change, equity, inclusive economic development and of course housing availability and affordability. Faced with steep increases in both rent and home prices caused by a severe housing shortage as well as [limited housing options](#) available, residents have expressed that they want a city where people of all backgrounds and income levels can afford to live. Sacramento needs a lot more housing, particularly, housing that is [lower in cost](#) and more attainable for our residents. For us to meet this tremendous need, we must build more attainable housing types that do not require subsidy, such as accessory dwelling units, duplexes, triplexes and fourplexes.

These Missing Middle Housing types are not regulated affordable housing, but by being lower in cost than single-family products by nature, can help to house many of our middle-income residents, hence the term “missing middle,” and add to the City’s overall [supply](#) of housing. These Missing Middle Housing types are not only more attainable rental options but could also provide opportunities for entry-level homeownership. The majority of the City’s neighborhoods are currently zoned for single-unit homes, the most expensive housing type to own or rent. Because of this lack of options, if you want to live in most of the City’s residential neighborhoods, you are largely limited to buying or renting the most expensive housing type on the market.

Additionally, by restricting the majority of the City’s neighborhoods to one housing type, existing zoning rules reinforce [housing and social disparities](#) among our communities. This strategy will not solve these disparities on its own but would signify a big step towards equity and inclusivity, or at least, remove a significant barrier to achieving that goal. This proposal can also help to create a more sustainable city by providing housing closer to employment, transit, and amenities, reducing greenhouse gas emissions and air pollution. In addition, research have shown that smaller homes carry a [smaller carbon footprint](#) than their larger counterparts.

The cost to rent or own a place in Sacramento has become more expensive. Would these housing types be cheaper?

According to [new research](#) from [Realtor.com](#), the Sacramento region saw the fifth highest increase in rental prices among the nation’s 50 largest metro areas in 2021. By the end of 2021, the median monthly rent in the Sacramento region reached \$2,103, an alarming increase of 19.5% from 2020, placing Sacramento’s rents at an equivalent price point as the Washington, D.C., and Seattle metro areas (as of December 2021). A further breakdown of Realtor.com’s data shows that the median monthly rent for a studio apartment in the Sacramento region in 2021 was \$1,945; a one-bedroom was \$1,973; and a two-bedroom was \$2,239. Vacancy rates are extremely low and the demand for housing is significantly greater than supply.

Townhouses typically cost 30 percent less per unit, and apartments 50 percent less, than comparable-quality single-family homes ([Victoria Transport Policy Institute](#)). Additionally, [research](#) indicates that building middle-priced housing increases long-term regional affordability through a process called *filtering* — as new market-rate housing is built, higher-income people move into it, leaving behind older housing stock for lower-income people. Studies indicate that increasing housing supply tends to reduce housing



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prices, particularly over the long run. You can check out this short [video](#) from the Sightline Institute to learn more about the *filtering* process.

The [City of Portland](#) found that allowing these smaller units throughout the city could reduce average housing costs by 56% over a 20-year period. As a part of this study, the City will conduct an economic analysis to understand to what extent allowing Missing Middle Housing types will produce more attainable housing options.

How is land use and zoning an equity issue?

One of the reasons why many of Sacramento's higher-resourced residential neighborhoods remain racially segregated is because many of the "desirable" neighborhoods remain zoned exclusively for single-unit homes, the most expensive housing product.

Historically, there were racially restrictive covenants in many of our neighborhoods (Land Park, East Sacramento, Elmhurst, Pocket, etc.) until the early 20th century, and government-sponsored redlining was practiced until outlawed by the Fair Housing Act in 1968 (although discriminatory practices continued long-after 1968). [Historical research](#) also reveals that the creation of single-family zoning in the early 1900s was largely motivated by a desire to keep affluent residential neighborhoods at the time racially segregated.

Past discriminatory practices of racially restrictive covenants and government-sponsored redlining have created barriers to homeownership and intergenerational wealth-building for many families of color, and subsequent single-family zoning in high opportunity neighborhoods continues to [reinforce](#) the racial wealth gap and socioeconomic disparity we see today in our communities.

The prohibition of Missing Middle Housing types (e.g. duplexes, triplexes, and fourplexes) excludes moderate-income families from moving to neighborhoods with the best parks, schools, and other desirable amenities. Allowing Missing Middle Housing types in Sacramento's neighborhoods will help create more equitable and inclusive communities by addressing the remnant forces of government policies of exclusion and racial segregation.

The Sacramento Area Council of Government's (SACOG) [Housing Policy Toolkit](#) (June 2020) provides a detailed overview of the role of zoning in exclusionary housing practices that can be found on pages 21-27.

Are there other benefits to allowing Missing Middle Housing types?

For various historical and regulatory reasons, there has been a decline in small-scale, incremental growth led by local builders and investors in the modern housing development industry. The Missing Middle Housing concept has the potential to empower local homeowners and builders to reinvest in our communities and provide much-needed housing. It also provides economic opportunities for homeowners in the city to house inter-generational households and earn passive retirement income. There has also been a downward trend in average household size and an increasing number of elderly residents on a fixed income who need attainable age-friendly housing options as they downsize. Missing Middle Housing will allow the market to respond to this growing need. A desired outcome of this effort is



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the development of a MMH process that empowers our residents to invest in our community through neighborhood-scale residential projects that can create generational wealth while providing housing.

Does Missing Middle Housing have the potential to help combat the climate crisis? How?

[Research](#) finds that residential energy use accounts for roughly 20% of greenhouse gas (GHG) emissions in the United States, and that in addition to decarbonizing our energy consumption and increasing the energy efficiency of our homes, fundamental changes to the built form of our communities are necessary to meet global GHG reduction goals. These changes include incentivizing smaller homes that have [reduced energy demands](#) per capita compared with their larger single-family counterparts. Missing Middle types are smaller by design and require less energy to heat and cool, making them more energy efficient. By being the “[Goldilocks](#)” in terms of scale and size, Missing Middle Housing has the potential to reduce further sprawling development patterns and support low-carbon modes of transport, while also blending into the fabric of existing neighborhoods.

Does state law require jurisdictions to address this?

Yes. State housing law ([AB 686](#)) requires jurisdictions to take *meaningful* actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities. The primary action cities can take is to provide more lower-cost housing options in areas of the city with the most access to opportunity.

Will allowing Missing Middle Housing types in our neighborhoods lead to an increased risk of displacement for my current neighbors?

In November 2019, City Council adopted the [Vision and Guiding Principles for the 2040 General Plan](#). One of the adopted guiding principles is to “cultivate a broad mix of housing types in residential zones throughout the city to provide options for residents of all income levels, while protecting existing residents and communities from displacement.” Protecting residents from displacement is a priority for the City of Sacramento and is reflected in the [2021-2029 Housing Element](#) and through the work of the [Neighborhood Development Action Team](#).

Research by the [California’s Legislative Analyst Office](#) and [University of California, Berkeley](#) researchers indicate that building more housing reduces regional displacement.

The [City of Portland](#) found that allowing these smaller units citywide would reduce residential displacement for lower-income renters who live in single-family homes by 28% over 20 years. As part of the Missing Middle Housing Implementation Study, the City will conduct a displacement risk analysis to understand if allowing missing middle housing types would lead to an increased risk of displacement.



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What is allowed in my single-unit neighborhood now?

Single-unit homes (i.e. single-family), duplexes on any corner lot (per allowed uses in City's [R-1](#) zoning rules) and in R-1/RE (Rural Estate) zones (under [SB 9](#) rules), and up to two Accessory Dwelling Units (not to exceed 1,200 total square feet).

What if I live in a neighborhood that has covenants, conditions and restrictions (CC&Rs) that may not permit a greater array of housing types?

The California legislature passed AB 670 (Stats. 2019, ch. 178) to make changes to common interest development law. In particular, California Civil Code § 4751 renders void and unenforceable any CC&R provisions that prohibit or unreasonably restrict Accessory Dwelling Units. State law does not currently address this for duplexes, triplexes, or fourplexes. If City Council approves a greater array of housing types such as these in single-unit neighborhoods, CC&Rs would continue to be enforceable as authorized by state law. The City's Planning and Development Code has no effect on CC&Rs or other contracts. The City's Planning and Development Code applies to all land uses and development regardless of whether it imposes a greater or lesser restriction on the development or use of buildings, structures, or land than a private agreement or restriction, without affecting the applicability of any agreement or restriction. The City cannot enforce any private covenant or agreement. ([Sacramento Planning and Development Code, § 17.104.100.E.](#))

What will be the maximum number of units allowed on a lot?

The maximum number of units that will be permitted on a lot is yet to be determined. Over the next year, extensive analysis and community engagement will be conducted. The final recommendations to City Council will consider the lot sizes that vary throughout the city, existing conditions and context types, economic feasibility, the number of allowed accessory dwelling units, required residential open space, distance from other homes and the maximum size and height of units.

Has my neighborhood always been zoned R-1 to only allow single-family units?

If you live in an older neighborhood, likely not. Land use and zoning policies have evolved over the years as the city grew. Various areas of the city have their own unique story, but as an example, here is a summary of allowable housing types historically in the Elmhurst Neighborhood:

- From 1923-1929 "apartment houses" (or multi-family as this housing product is more commonly known) were allowed.
- By 1936 zoning changes had restricted most of the neighborhood to 2 units maximum per lot, with the properties facing T Street restricted to just 1 unit.
- By 1956 the remainder of the neighborhood was zoned to exclusively the R-1 zone (single-family).



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Are housing types such as duplexes, triplexes, and fourplexes appropriate in residential neighborhoods?

Yes. Missing Middle Housing types such as duplexes, triplexes, fourplexes are already found throughout the City's "single-family" neighborhoods and you may not even be aware of it. This strategy will simply re-allow the construction of housing that was once common in communities all over the U.S. – in fact, there are over 2,300 of these housing types scattered throughout the City's neighborhoods that were established before 1960.

This proposal to permit Missing Middle Housing types in residential neighborhoods is a thoughtful approach for allowing house-scale housing options that fit into the fabric of existing neighborhoods.

As a fun visual exercise, check out this online [quiz](#) created by Silicon Valley at Home where participants try to guess the number of units in a house-scale residential structure. See how many you can guess right!

We love the residential open space and trees of our neighborhood. Will these be maintained?

Yes. Residential open space (i.e. maximum lot coverage and minimum setbacks) is currently required in single-family neighborhoods and will continue to be required for duplexes, triplexes, and fourplexes.

The 2040 General Plan includes a Key Strategy to increase the amount of tree-canopy cover in the city, prioritizing investments in the areas with the greatest urban heat island effect, areas of poor air quality, and areas with populations most vulnerable to the effects of increased extreme heat events. The City is also in the process of updating its [Urban Forest Plan](#) and is anticipated to be available for public review before the adoption of the 2040 General Plan.

Additionally, a [tree permit](#) and director-level public hearing are required prior to the removal of City trees or [private protected trees](#). Submission of an arborist report and a tree replacement plan are required as part of the tree permit process. If a City or private protected tree is approved for removal, a tree replacement plan provides for replacement trees at a rate of inch for inch on the project site or an in-lieu payment of \$325 per inch that Urban Forestry uses to plant trees elsewhere. A combination of replacement plantings on the project site and the payment of fees is common.

What do duplexes, triplexes, and fourplexes look like? How big and tall can they be?

The proposed change focuses on regulating the form and size of buildings, with less emphasis on the number of units in the building.

The building envelope and size would be in line with what we see in our neighborhoods today, however, a few more residents could now be living in these homes.

These housing types would comply with [Citywide Design Guidelines](#), and the Planning and Development Code's development standards would continue to control the outward appearance of buildings (i.e. size, height and open space requirements) with new small-scale multi-unit housing informed by existing neighborhood context.



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As an example, [the current development standards for the single-unit dwelling zone \(R-1\)](#) include:

- Height limit: 35 ft. maximum
- Minimum setbacks (from street/structures): 20 ft. front, 15 ft. rear, 5 ft. side
- Lot coverage/residential open space requirements: 50% of the lot can be covered by structures

How about some actual photos of these housing types that are currently in the city?

Great idea. Please see **Attachment A** below to view some representative examples of duplexes, triplexes and fourplexes currently found in the City’s “single-family” neighborhoods.

What about parking?

Under [current parking standards](#), residential neighborhoods zoned R-1 typically require a minimum of 1 off-street parking space per unit. There are reduced off-street parking requirements within walking distance of light-rail stations and off-street parking is not required for an Accessory Dwelling Unit.

On January 19, 2021, City Council directed staff to move forward with the 2040 General Plan Key Strategy of eliminating city-mandated off-street parking requirements for new development. However, further study, community outreach, and coordination with the City’s Parking Services Division on programs such as the residential parking permit program, and further Council action, will be required prior to the implementation of this Key Strategy.

Off-street parking could certainly still be provided in new development. A minimum amount just would not be mandated by the City — allowing parking decisions to be made on a project-by-project basis. Removing mandatory parking minimums would help discourage excess vehicle trips and ensure that valuable land is available for more important uses, like housing. Additionally, [research](#) has shown that excessive, inflexible parking requirements decrease housing affordability and results in long-term environmental costs. Lastly, the City will be updating its requirements on new development to require alternatives to cars (such as shared parking, carsharing, and unbundling of parking), which will help to address demand for on-street parking.

Can the City's infrastructure such as sewer and water support additional housing units?

The Master Environmental Impact Report (MEIR) for the 2040 General Plan will evaluate any potential impact the policies and programs may have on the environment, including any potential impact on infrastructure such as water and sewer. The MEIR is anticipated to be ready for public review in Late Fall/Winter of 2022.

Additionally, new development pays impact fees to pay for impacts to existing infrastructure. New development in the Combined Sewer System that creates additional run-off must have onsite drainage infrastructure (such as swales) to mitigate impacts.



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Will allowing Missing Middle Housing types in the City's single-unit zone result in property value reassessment by the Sacramento County Assessor?

Pursuant to Proposition 13, real property is reassessed only when one of two events occur: a change in ownership (sale or transfer) or new construction. Changes in what is allowed by zoning rules do not trigger reassessment of real property. When qualifying events that trigger a reassessment occurs, the County Assessor's Office will base valuations (i.e. assessments) on market evidence combined with sound appraisal principles and procedures.

Who else is doing this?

Beyond Sacramento, there is a national conversation taking place about the role of land use and zoning in creating more equitable neighborhoods and housing opportunities. States and cities are taking actions to allow a greater array of housing types in single-family zones, including:

At the local level:

- Cities like Minneapolis (MN) and Portland (OR) have changed their land use and zoning regulations to allow a wider range of small-scale multi-unit housing in all their residential neighborhoods. In May 2021, Charlotte's (NC) City Council approved a growth plan that would allow duplexes and triplexes throughout the city. In July 2022, Spokane's (WA) City Council adopted interim zoning rules to permit duplexes, triplexes, and fourplexes in their single-family zone.
- Grand Rapids, the second largest city in Michigan, has been permitting more units in areas traditionally zoned for single-family homes for over a decade.
- Many cities in California, including Berkeley, South San Francisco, San Jose, and Oakland have received Council direction to study allowing Missing Middle Housing types.

At the state level:

- Oregon allows a variety of housing types in any city of more than 10,000 people.
- California passed Senate Bill 9, which allows homeowners to divide their single-family property into two lots and allows two homes to be built on each of those lots.

And nationally:

- President Biden's [American Jobs Plan](#) acknowledges the seriousness of the national housing crisis and calls out local exclusionary zoning laws like single-family zoning as a major contributor to inflated housing and construction costs. Biden's plan includes a new competitive grant program that awards funding to jurisdictions that take concrete steps to eliminate zoning barriers.

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Attachment A

Examples of duplexes, triplexes and fourplexes currently found in the City's "single-family" neighborhoods.

Three examples of existing duplexes:

- 1. An existing duplex in the Curtis Park neighborhood.***



- 2. An existing duplex in the Land Park neighborhood.***





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3. An existing duplex in the Elmhurst neighborhood.



Three examples of existing triplexes:

1. An existing triplex in the Curtis Park neighborhood.





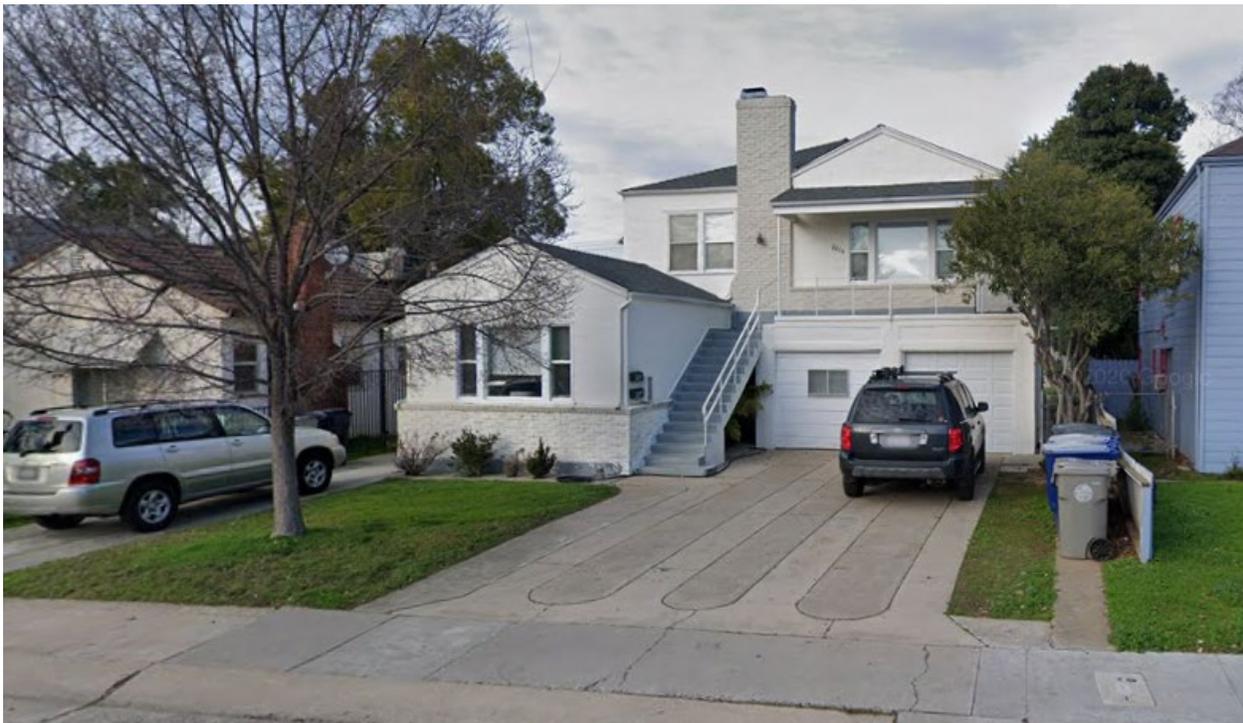
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2. An existing triplex in the North Oak Park neighborhood.



3. An existing triplex in the Land Park neighborhood.





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Two examples of existing fourplexes:

1. *An existing fourplex in the Land Park neighborhood.*



2. *An existing fourplex in the East Sacramento neighborhood.*

