

2040 General Plan Proposed Key Strategy:

Permit a Greater Array of Housing Types in Single-Unit Neighborhoods

The General Plan and Climate Action and Adaptation Plan Update (2040 General Plan Update) was initiated in February 2019. The project consists of four main phases of work. To wrap-up Phase 2 – Options Exploration, on January 19, 2021, City Council unanimously directed staff to proceed with the Draft Land Use Map, Proposed Roadway Changes and Other Key Strategies for the purpose of preparing the Draft 2040 General Plan (Phase 3). The Draft 2040 General Plan is anticipated to be ready for public review in Summer/Fall 2021, with final City Council adoption anticipated in Spring 2022 (Phase 4).

The Key Strategies represent substantial policy changes being considered for the Draft 2040 General Plan. One of the proposed key strategies is to permit a greater array of housing types such as duplexes, triplexes, and fourplexes in existing residential neighborhoods. To help better understand the key strategy of permitting a greater array of housing types, below are some frequently asked questions with accompanying explanations.

Is there a proposal to "eliminate single-family zoning?"

No. The proposed Key Strategy of permitting a greater array of housing types in the existing single-unit neighborhoods would not "eliminate single-family zoning." There will be no restriction or change to allowing the construction of single-family/single-unit homes where they are currently permitted today. 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 only, with duplexes only allowed on corner lots.
- 43% of the city's total land area is zoned for single-family.

What are the steps and timeline for implementation? How can I provide input?

Once the 2040 General Plan is adopted by City Council, currently anticipated for Spring 2022, the <u>City's</u> <u>Planning and Development Code</u> (i.e. zoning code) will need to be updated to allow duplexes (currently allowed on corner lots), triplexes, or fourplexes by-right in traditionally single-unit zone neighborhoods (i.e. R-1 Zones). Once the changes to the Planning and Development Code are adopted by City Council anticipated by Fall 2022, additional housing types would be allowed in residential zones. Here are the anticipated opportunities to provide input and help shape the plan over the next year and a half:

- Summer/Fall 2021: 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 2021 Summer 2022: Establish Working Group and Obtain Neighborhood-Level Input



- Using grant funds, a consultant team will be hired to assist planning staff in conducting additional analysis and will work close with the community to develop a plan that maintains the current scale and feel of neighborhood block, while also allowing a few more neighbors to move in.
- Spring 2022: Adoption of 2040 General Plan.
- Summer 2022: Planning & Development Code Update.
- Fall/Winter 2022: Anticipated effective date.

You can also visit www.sac2040qpu.orq to sign-up for email updates.

Why is this 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. Residents have stated that they want a city where people of all backgrounds and income levels can afford to live. The City of Sacramento needs a lot more housing, in particular lower-cost housing. For us to meet this tremendous need we must build more lower-cost housing that does not require subsidy, such as accessory dwelling units, duplexes, triplexes and fourplexes. Sacramento has limited housing options. If you want to live in most of the City's residential neighborhoods you must buy or rent the most expensive housing type—a single-family home. The majority of the City's neighborhoods are currently zoned for single-unit homes, the most expensive housing type to own or rent. These housing types are not only more affordable rental options but could also provide opportunities for entry-level homeownership.

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

According to a recent market survey by real estate firm Newmark, Sacramento ranked second out of the nation's largest cities for the fastest growth in apartment rental prices. The average rent in the area by the end of 2020 was \$1,710, up from \$1,587 a year prior. Average rent prices have risen by \$735, a substantial increase of 75%, in the Sacramento region over the last decade. 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 comparablequality single-family homes (Victoria Transport Policy Institute). The <u>City of Portland</u> found that allowing these smaller units throughout the city could reduce average housing costs by 56% over a 20-year period. The City of Sacramento will conduct an economic analysis over the next year to understand to what extent allowing a greater array of housing types will provide lower-cost housing options.

Additionally, <u>research</u> indicates that building middle-priced housing increases long-term regional affordability through a process called "filtering," which is the idea that 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 prices, particularly over the long



run. You can check out this short <u>video</u> from the Sightline Institute to learn more about the "filtering" process.

How is land use and zoning an equity issue?

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

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).

Past discriminatory practices of racially restrictive covenants and government-sponsored redlining have created barriers to homeownership and intergenerational wealth-building for many minority families, and subsequent single-family zoning in high opportunity neighborhoods has reinforced it.

The exclusion of lower-cost housing types (e.g. duplexes, triplexes, and fourplexes) prevent lower-income residents from moving to neighborhoods with the best parks, schools, and other desirable amenities. Allowing a greater array of housing types in Sacramento's residential neighborhoods will help create more equitable and inclusive neighborhoods by addressing the remnant forces of government policies of exclusion and racial segregation.

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

Does State law require jurisdictions to address this?

Yes. State housing law (AB 686) also 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 a greater array of housing types in our neighborhoods lead to an increased risk of displacement for my current neighbors?

In November 2019, City Council adopted the <u>Vision and Guiding Principles for the 2040 General Plan</u>. 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 <u>Draft 2021-2029 Housing Element</u> and through the work of the <u>Neighborhood Development Action Team</u>.



Research by the <u>California's Legislative Analyst Office</u> and the <u>University of California, Berkeley</u> researchers indicate that building more housing reduces regional displacement.

The <u>City of Portland</u> found that allowing these smaller units citywide would reduce residential displacement for low-income renters who live in single-family homes by 28% over 20 years. The City of Sacramento will conduct a displacement risk analysis over the next year to understand if allowing a greater array of housing types would lead to an increased risk of displacement.

What is allowed in my single-family neighborhood now?

Single-unit homes (i.e. single-family), duplexes on any corner lot, and up to two Accessory Dwelling Units (not to exceed 1,200 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. <u>(Sacramento Planning and Development Code, § 17.104.100.E.)</u>

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 1.5 years, a lot of analysis and community engagement will be conducted. The final recommendation to City Council will consider the lot sizes that vary throughout the city, 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 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.
- In 1956 the remainder of the neighborhood was zoned to exclusively the R-1 zone (single-family).

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

Yes. These 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.

In fact, there are over 2,300 of these housing types scattered throughout the City's neighborhoods that were established before 1960.

This proposed Key Strategy of permitting a greater array of housing types in residential neighborhoods is a thoughtful approach for allowing neighborhood scale housing options that fit into the fabric of existing neighborhoods.

As a fun visual exercise, check out this online <u>quiz</u> created by Silicon Valley at Home where participants try to guess the number of units in a neighborhood-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 effects, areas of poor air quality, and areas with populations most vulnerable to the effects of increased and extreme heat. The City is also in the process of updating its <u>Urban Forest Master Plan</u> and is anticipated to be available for public review in Summer/Fall 2021.

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 you see in our neighborhoods today, however, a few more people 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) and maintain the overall neighborhood scale.

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

- Height: 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 <u>current parking standards</u>, 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 no off-street parking is 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. 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 still be required anywhere in the city, 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, <u>research</u> 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 Summer/Fall 2021.

Additionally, new development will pay 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.

Who else is doing this?

Beyond Sacramento, there is a national conversation taking place about the role of land use and zoning to create 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:

On the local level:

- Cities like Minneapolis and Portland have also 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 City Council approved a growth plan that would allow duplexes and triplexes throughout the city.
- 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 a greater array of housing types.

On the state level:

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

And nationally:

• President Biden's <u>American Jobs Plan</u> acknowledges the seriousness of the national housing crisis and calls out local exclusionary zoning laws like single-unit 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.



Attachment A

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

Two examples of existing duplexes:



1. An existing duplex in the Curtis Park neighborhood.

2. An existing duplex in the Land Park neighborhood.





Two examples of existing triplexes:

1. An existing triplex in the Curtis Park neighborhood.



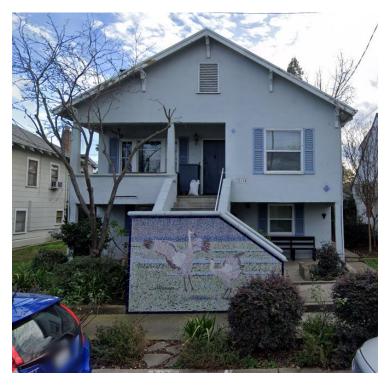
2. An existing triplex in the North Oak Park neighborhood.





Two examples of existing fourplexes:

1. An existing fourplex in the Land Park neighborhood.



2. An existing fourplex in the East Sacramento neighborhood.

