Final Recommendations & Proposed Interim Ordinance Framework
Planning & Design Commission | May 9, 2024
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:

1. **Missing Middle Housing Informational Report**  
   Facts about Missing Middle Housing and case studies  
   October 2022

2. **Attainability and Livability Report**  
   Citywide place-based and feasibility analysis  
   September 2023

3. **Displacement Assessment Toolkit**  
   Citywide assessment and anti-displacement strategies  
   May 2024

4. **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 increase the maximum FAR from 1 to 2 in areas within a half-mile walking distance of existing high-frequency bus stops and existing and planned light rail stations.

2. Regulate MMH Form, Not Unit Count
   • Proceed with a revised Missing Middle Housing (MMH) approach that regulates the building form through the 2040 General Plan FARs and the single-unit and duplex dwelling zone standards found in the Planning & Development Code (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.
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
Built Form Final Recommendations
Attainability Final Recommendations

• Encourage *smaller homes on smaller lots* that provide entry-level ownership opportunities.

• Restrictions related to *tenant-occupied housing* to protect vulnerable residents & preserve affordable housing stock.

• Incentivize smaller attainable-by-design units through a *Sliding Floor Area Ratio Scale*.

*Units per lot does not include ADUs.*
Missing Middle Interim Ordinance

Objectives

• 2040 GP Implementing Action LUP-A.10 (Planning & Development Code Update)

• Uncodified interim ordinance that will *allow by-right neighborhood-scale duplex and multi-unit dwellings & small single-unit dwellings on small lots* 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
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 single-unit dwelling, then 5’ or 3’ (if lot width is <52’)

**Street-Side Setback**
- Maintain current requirement of 12.5’ (standard width of PUE), w/ allowed projection

**Rear Setback**
- Maintain current requirement of 15’ except on lots <2,900 sq. ft. or abutting public alley, then 4’

**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 & street-side 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:
  
  • **Side planes**: 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 3rd story (rather than 2nd story).
• 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.), **8 units** could fit at 650 sqft. each
2. Open Space + Trees

• Currently:
  - Open space areas cannot 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 with 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 encroach into setback areas to: save an existing private protected tree, or allow adequate space for a large city-approved tree along sidewalk/street (40’+ mature diameter).
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 **500-800 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.
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.

### Economic Analysis Findings

<table>
<thead>
<tr>
<th>Head of Household Race</th>
<th>Black or African American</th>
<th>Native American, Native Hawaiian, Pacific Islander</th>
<th>Hispanic White (no other race)</th>
<th>Other, Two or more races</th>
<th>Asian</th>
<th>White</th>
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<tbody>
<tr>
<td>Median Annual Household Income*</td>
<td>$57,400</td>
<td>$72,200</td>
<td>$72,500</td>
<td>$71,800</td>
<td>$90,100</td>
<td>$89,400</td>
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<tr>
<td>SF Home Cost Burden</td>
<td>198%</td>
<td>157%</td>
<td>157%</td>
<td>158%</td>
<td>126%</td>
<td>127%</td>
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<tr>
<td>Duplex Cost Burden</td>
<td>61%</td>
<td>48%</td>
<td>48%</td>
<td>48%</td>
<td>39%</td>
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<td>Fourplex Cost Burden</td>
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<td>36%</td>
<td>36%</td>
<td>37%</td>
<td>29%</td>
<td>29%</td>
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<tr>
<td>ADU Cost Burden</td>
<td>40%</td>
<td>32%</td>
<td>32%</td>
<td>32%</td>
<td>26%</td>
<td>26%</td>
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<tr>
<td>% of Sacramento Households</td>
<td>13%</td>
<td>2%</td>
<td>7%</td>
<td>21%</td>
<td>17%</td>
<td>41%</td>
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*Median Annual Household Income in 2022 Inflation adjusted dollars (5-year ACS Census data)
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

*Units per lot does not include ADUs.*
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 *at least 400 sq. ft.* and deed-restricted *10-years*:

<table>
<thead>
<tr>
<th>Size of Deed-Restricted Unit</th>
<th>Income Level</th>
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</thead>
<tbody>
<tr>
<td>400 – 749 square feet</td>
<td>Very Low Income (60% of AMI or less)</td>
</tr>
<tr>
<td>750 square feet and up</td>
<td>Low Income (60-80% of AMI)</td>
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Proposed Adoption Schedule

• 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

Please sign up for email updates at www.cityofsacramento.org/MMH
Final Recommendations & Proposed Interim Ordinance Framework

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