

## How Sacramento Is Streamlining Approval Processes to Provide More, Greater Variety of Housing

California's housing prices are at the forefront of any conversation about affordability and the housing shortage crisis within the United States. Most cities in California are not meeting housing production targets, underproducing approximately <u>3.4 million housing units from 2000 to 2015</u> because of systemic challenges related to housing construction. Sacramento, city staff, including Acting Long Range Planning Manager Matt Hertel, and Senior Planner Remi Mendoza, have the goal to make it simpler, more efficient and cheaper to build housing of all types to address this crisis.

Local planners and home builders alike recognize the issue at hand, and in 2018, Sacramento city staff received direction to streamline the approval of housing projects to minimize housing barriers, including the associated time, cost and uncertainty existing in the housing approval process.

Sacramento's <u>2040 General Plan Update</u> envisions growth of 72,000 new homes and 80,000 new jobs over the next 20 years. Included in the general plan are key themes of housing availability, affordability, racial equity, sustainability and addressing climate change. The update also includes an eight-year <u>Housing Strategy</u>, with eight goals to address housing, including increasing overall housing production, increasing affordable units and promoting accessory dwelling units (ADUs).

In 2017 California passed <u>SB-35</u>, allowing Sacramento to become the first city in the state to implement <u>"ministerial approval"</u> of multi-unit housing projects, which allows infill housing projects up to 200 units to bypass public hearings and the California Environmental Quality Act (CEQA). This approval option is key to streamlining the project approval process, and is assisted by creating objective development and design standards. If a project meets the objective standards, it has 60-90 days to be approved. SB-35 also mandates that the design review or public oversight be objective and focused on streamlining projects. At the start of 2021, the city has four to five affordable housing projects in the works.

In Sacramento, about 70% of land zoned residential — or 43% of all city land existing — is for single-family homes only. Sacramento city staff questioned if this was the best way to use land while trying to meet the goals of the city's Housing Strategy. In answering this question, a key <u>initiative</u> of the General Plan Update now allows additional <u>"missing middle housing"</u> — duplexes, triplexes and fourplexes — in single-family zoned areas. Often mislabeled as an <u>elimination of single-family-zoning</u>, these policy initiatives build upon the fact that many of these housing types already exist. In R-1 neighborhoods, for example, duplexes are allowed by-right on corner lots, and all lots are permitted two ADUs by-right from the 2013 Planning and Development Code.

<u>California Senate Bill 9</u> seeks to build upon SB 35 and the local strategies in Sacramento. SB 9, if approved, would allow the creation of ADUs and duplex units within single-family residential zones across the entire state through the ministerial approval process. As in Sacramento, ministerial approval does not require the California Environmental Quality Act (CEQA) for project approval. The bill also requires "objective zoning standards, objective subdivision standards, and objective design standards" in the approval process.

A Tener Center study found "nearly 6 million properties would be able to take advantage of SB 9, which would allow for up to two duplexes on lots where only one home existed before. If the bill becomes law and just 5% of those property owners converted their single-family homes into duplexes, it would result in nearly 600,000 homes. For context, California cities and counties issued nearly 111,000 residential building permits in 2019, according to the Legislative Analyst's Office," reported NPR affiliate KQED.

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Similar actions are also occurring throughout the state. Nearby Berkeley voted in February 2021 to <u>allow</u> <u>multifamily housing units</u> on lots that have been exclusively single-family for more than a century.

Local stakeholders are taking steps in the right direction. Beyond the initiatives previously described, California has state mandates for housing production that allow adequate sites to have by-right zoning for housing. When matched with local efforts such as those in Sacramento and in anticipation of a forthcoming designation from the state to give advantages for affordable housing grants, the policy work is setting the foundation for a greater variety of housing type and price point to become available in the housing market. With housing affordability at the forefront, good policy and the efforts by the public and private sectors should work toward closing the gap between the amount of housing required and the amount being produced.

For more resources on optimal planning and development policy and practices, visit NAHB's <u>Land Use 101</u> <u>webpage</u>. For information specifically related to housing affordability, check out NAHB's <u>Creating Housing for All</u> <u>Toolkit</u>.

For more information contact NAHB's Program Manager for Land Use Nicholas Julian