



# REPORT TO PLANNING COMMISSION City of Sacramento

# 12

915 I Street, Sacramento, CA 95814-2671

STAFF REPORT  
**December 8, 2011**

Honorable Members of the Planning Commission:

**Subject:** The Green Development Code (LR11-006)

**Council District:** Citywide

**Recommendation:** Review and Comment.

**Contact:** Greg Sandlund, Associate Planner, (916) 808-8931; Jim McDonald AICP, CFM, Senior Planner, (916) 808-5723.

**Presenter:** Tom Pace, Principal Planner, (916) 808-6848

**Department:** Community Development

**Division:** Planning

**Organization Number:** 21001222

## **Description/ Analysis**

**Issue:** The 2030 General Plan included a number of priority implementation measures that will help to promote a sustainable, livable, built environment for the City of Sacramento. One of these measures included a comprehensive update to the zoning code which will be informed and directed by the 2030 General Plan and Climate Action Plan. This updated, reorganized code will be called the Green Development Code.

The Green Development Code will be developed in three phases. Phase I will Restructure and improve processes in the development code (including parking regulations, design review, and citywide housing programs) to make possible sustainable infill development that is economically feasible. Phase II will improve energy efficiency of new development as well as consolidate and update site development standards to improve public health and safety. Phase III will

incorporate standards for better designed, healthy neighborhoods that are walkable, safe, and minimize the use of our natural resources.

Staff has prepared white papers on seven key topic areas that will make up the first phase of developing the Green Development Code (Attachment 4). Staff is requesting the Planning Commission's input on key issues and questions have come out of initial discussions on the white papers (Attachment 2). Staff is also requesting that the Planning Commission identify other important issues and questions that have not already been identified.

The white papers will inform the creation of the annotated outline of the first phase of changes. Key recommendations for code changes have been identified based on comments received to date (Attachment 3). The annotated outline of code changes will be presented to the Planning Commission and City Council in the spring of 2012. A draft of Phase I ordinances will follow in the summer of 2012.

**Policy Considerations:** The Green Development Code described in this report is consistent with the City's goals and policies as established in 2030 General Plan and Sustainability Master Plan. These policies include:

- **Goal LU 2.6 - City Sustained and Renewed.** Promote sustainable development and land use practices in both new development and redevelopment that provide for the transformation of Sacramento into a sustainable urban city while preserving choices (e.g., where to live, work, and recreate) for future generations.
- **Goal LU 2.5 - City Connected and Accessible.** Promote the development of an urban pattern of well-connected, integrated, and accessible neighborhoods corridors, and centers.
- **Goal U 6.1 - Adequate Level of Service.** Provide for the energy needs of the city and decrease dependence on nonrenewable energy sources through energy conservation, efficiency, and renewable resource strategies.
- **Goal ER 6.1 - Improved Air Quality.** Improve the health and sustainability of the community through improved regional air quality and reduced greenhouse gas emissions that contribute to climate change.

**Environmental Considerations:** No project is being proposed at this time. Staff is only presenting details about a pending planning initiative. Environmental review pursuant to the California Environmental Quality Act (CEQA) will be conducted prior to the adoption of any ordinances.

**Public Comments:** Staff will conduct outreach with key stakeholders and will solicit input for the development of the annotated outline. Additionally, throughout each key stage of the project staff is consulting with the Code Users Advisory Group which consists of community members that have experience working with the zoning code.

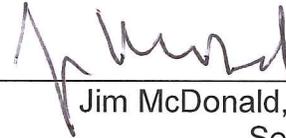
General outreach will be conducted as a part of the public review process for each phase of the Green Development Code Update.

**Sustainability Considerations:** The Green Development Code is consistent with the City's Sustainability Master Plan goals and policies as adopted by the Council in December 2007, by building energy independence, combating global warming, improving public health, and making possible sustainable land use and transportation policies as identified in the 2030 General Plan and the Sacramento Blueprint.

**Rationale for Recommendation:** The Green Development Code is a priority implementation program for the 2030 General Plan. Improving development regulations will help ensure consistency between planning policies and zoning regulations; ensure a timelier, more predictable development review process; and send a message that the City wants to encourage development consistent with its general plan.

**Financial Considerations:** The Green Development Code will be prepared by existing city staff. Staff is seeking additional resources through the State's Sustainable Communities Grant Program to supplement work in Phases II and III.

Respectfully submitted by:



Jim McDonald, AICP, CFM  
Senior Planner

Recommendation Approved:



Thomas S. Pace  
Principal Planner

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**Attachment 1**

**Background**

**Issue:** The 2030 General Plan encourages urban, compact and sustainable development. The existing development codes, however, are more than 50 years old and promote suburban, auto oriented development. The City of Sacramento needs a development code that fosters economic development; sustainable, transit oriented, infill development; and livable neighborhoods.

**Strategy:** Create the Green Development Code which will implement the 2030 General Plan and the City's Climate Action Plan.

**Phase I (Fiscal Year 2011-2012):** The first phase will take place during the 2011/2012 fiscal year and will primarily involve reorganizing and consolidating our development codes to achieve the following objectives:

- Restructure the development codes for ease-of-use by architects, current/future businesses, and homeowners
- Clarify and improve the permit and review process to avoid unnecessary delays and costs
- Add greater flexibility to the review process for site development standards to allow for innovative design and sustainability
- Simplify and update land use categories to improve interpretation and predictability
- Establish incentives for green development to conserve energy and natural resources
- Reduce the car orientation of the code with updated parking requirements that reduce neighborhood impacts while encouraging revitalization and investment
- Update citywide housing programs to reflect changes in the economy and new development patterns to improve the quality and livability of affordable housing

**Timeline:**

Planning Commission Discussion on Key Issues and Challenges	<b>December 8, 2011</b>
Planning Commission/City Council Review of Outlined Changes	<b>April 2012</b>
Planning Commission/City Council Review of Draft Ordinances	<b>July 2012</b>
City Council Adoption of Phase I Changes	<b>August 2012</b>

**Attachment 2**

**Key Issues and Questions**

**Structure of the Code**

As the city has grown, so has the complexity of the development code. The existing structure of the zoning code, which may have been adequate 50 years ago, now requires referencing multiple sections when determining a required action.

- How can the code be more accessible and easier to maintain?

**Review Process**

The current patchwork approach to development review results in most new projects in the City being subject to discretionary review in one way or another, but it can be daunting to predict which types of approvals might be necessary for a given project.

- Can a single, uniform, citywide site plan and design review process replace the current, separate plan review, design review processes?

**Parking**

Parking requirements can create substantial challenges to not only the cost, design, and development of infill projects but also the community's perceived negative impacts of the new development.

- How can the City reuse older commercial lots, with little onsite parking, without creating additional impacts to the neighborhood?

**Green Incentives**

The 2030 General Plan and Climate Action Plan both encourage a higher standard of green building, such as Cal Green Tier I/II, or 3rd party green building rating systems such as Build it Green's GreenPoint Rated system (GPR) or the US Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system.

- How can the City effectively incentivize green building and design through process improvements in the planning review period?

**Housing**

The Mixed Income Housing Ordinance primarily applies to greenfield, suburban residential development while the City is transitioning to a predominantly infill model.

- How can the City continue ensure that affordable housing is included in our future development?

**Land Use Categories**

For certain land use categories (such as a dairy processing plant), additional development standards have been developed over time and enforced by outside regulatory bodies, particularly for public health and safety, that make the City's standards and conditions redundant or obsolete.

- Can the Green Development Code consolidate these uses and their specific development standards under a broader term (i.e. manufacturing) to allow for easier interpretation?

**Attachment 3**

**Outline of Phase I Changes**

- **Clarify and improve the permit and review process**
  - Require early review with Planning Commission
  - Combine plan review/design review
  - Revise entitlement requirements for desired uses (e.g., mixed use, residential etc.)
  - Establish a citywide, ministerial, design review process for new and existing single family homes
  
- **Restructure the development code to improve use and interpretation**
  - Provide diagrams and drawings
  - Add an introduction/how to use section (similar to General Plan)
  - Add a glossary of terms AND entitlements
  - Consolidate zoning regulations with similar land use types (i.e. residential, commercial)
  
- **Add flexibility to review process for site development standards**
  - Give the Design Director the ability to approve minor deviations in development standards as a part of a part of site plan and design review.
  
- **Simplify and update use categories**
  - Combine similar land use types
  - Add land use definitions
  - Remove/edit dated footnotes
  - Revisit allowed height, density, and setback standards (e.g., RMX currently allows only 36 du/na...as does C-2)
  
- **Establish incentives for green development using improved design review and the density bonus ordinance**
  - Allow for expedited staff level design/plan review for LEED Gold projects
  
- **Reduce car orientation of the code with up-to-date parking requirements that can reduce neighborhood impacts while encouraging development**
  - Update the Parking Ordinance
    - Identify accurate parking ratios that consider context (suburban, traditional and urban settings)
    - Create an optional in-lieu fee for required spaces not provided, to pay for transit, ped/bike improvements, public parking
    - Identify a ministerial process to allow for alternative parking standards
    - Adopt urban parking lot design standards
    - Decouple bicycle parking from auto parking requirements

- **Update citywide housing programs to reflect changes in the economy and new development patterns**
  - Update the Mixed Income Ordinance
    - Expand the Mixed Income Housing Ordinance citywide while reducing the financial burdens to projects currently subject to inclusionary ordinance.
    - Develop a tiered approach to affordable housing that minimizes burdens on small infill projects while giving flexibility to larger projects to pay a fee that may be used to help subsidize affordable housing near transit stations and in mixed-use infill neighborhoods.
  - Update the Housing Trust Fund (HTF) Ordinance
    - Waive housing trust fund fees for the commercial components of vertical mixed use projects
    - Merge the Citywide and North Natomas housing trust fund fee schedules
  - Update the density bonus ordinance to reflect changes in state law

## White Paper: Green Development Code Structure

### Policy Direction

The 2030 General Plan contains goals and policies that support growing smarter through infill development, sustainable and healthy neighborhoods, and a diverse and vibrant economy. The structure and layout of the Green Development Code will assist in encouraging and facilitating desired development that supports these General Plan themes by providing for consistent application and ease of use.

The General Plan implementation measure, Administrative Program 13, states: “The City shall review and update the Sacramento Code, Zoning Ordinance, and applicable guidelines, consistent with the policies and diagrams of the General Plan.”

### Purpose

The Green Development Code will be organized and formatted to be highly accessible and to provide a clear understanding of required actions. It will also be structured to be clearly aligned with the 2030 General Plan.

### Background

There has not been a comprehensive update of the zoning code in over 50 years. The zoning code has been amended throughout the years to reflect new development practices, including updated development standards, revised and new uses, modified review processes, and the codification of new strategies such as transit oriented development. Portions of development-related ordinances have also been placed in other titles, e.g. the sign ordinance is in Title 15, and subdivision regulations are in Title 16. Title 18 includes several aspects of development, including street dedication and fees.

### The Problem

As the city has grown, so has the complexity of the development code. The existing structure of the zoning code, which may have been adequate 50 years ago, now requires referencing multiple sections when determining a required action. For example, the land use chart, a matrix that matches allowed uses with zoning, has 85 footnotes of use conditions, ranging from residential minimum lot area requirements to medical marijuana dispensaries. Site and building development standards are provided in an entirely different chapter.

Additionally, cross referencing different code chapters is often required for other regulatory functions, such as sign requirements, subdivisions standards, street dedication, and fees. This labyrinth of development codes is time-consuming to navigate, difficult to understand, and can result in inconsistent interpretations of the code.

### Recommended Solution

Consolidate all development codes into one title; list allowed uses and development standards together for each zoning category; redistribute footnotes to appropriate sections; and add new sections generated from the Climate Action Plan and Green Building program.

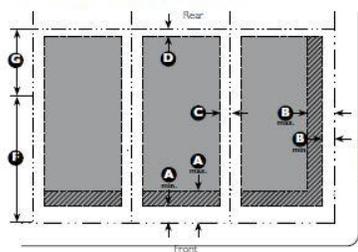
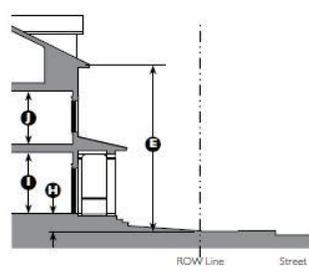
The proposed outline of the Green Development Code is provided below:

- 1) General Provisions (purpose and authority, definitions, non-conforming uses and buildings, property maintenance)
- 2) Zoning Districts and Land Use Regulations.
- 3) Special Use Regulations
- 4) Site Development Standards (landscaping and tree shading, street dedication, paving, grading, etc.)
- 5) Parking
- 6) Signs (exempt and prohibited, maintenance, etc.)
- 7) Subdivisions
- 8) Development Impact Fees
- 9) City-wide Programs
- 10) Administration (applications and fees, development review process, appeals, administrative permits)

Zoning Districts and Land Use Regulations. Allowed uses and development standards for categories of zoning (e.g. residential, commercial, industrial, etc.) will include graphics for additional clarity (See example from Livermore, California, on this page.) The development requirements will be aligned with the General Plan’s design guidelines and minimum/ maximum densities and floor-area-ratios.

3.02.070
Transect Zones

### T3 Neighborhood (T3N) Standards

**Key**

--- ROW / Property Line    ■ Building Area

— Setback Line            ▨ Facade Zone

**C. Building Placement**

Setback (Distance from ROW / Property Line)	
Front	20' min. <sup>1</sup> ; 30' max. <sup>2</sup> <b>A</b>
Front facade within facade zone	50% min.
Side Street or Civic Space	10' min.; 15' max. <b>B</b>
Side	5' min. <b>C</b>
Rear	5' min. <b>D</b>

<sup>1</sup> Setback may match an existing adjacent building. The building may be set to align with the facade of the front-most immediately adjacent property, for a width no greater than that of the adjacent property's facade that encroaches into the minimum setback.

<sup>2</sup> No maximum front setback for Carriage Houses.

**D. Building Form**

Lot Size	
See Part 5 (Building Types).	
Building Height <sup>3,4</sup>	
Lot depth ≤ 100': Within 75' of street property line or	<b>F</b>
Lot depth > 100': Within 90' of street property line	<b>E</b>
Stories	2-½ stories max <b>E</b>
To Eave or Parapet	24' max.
Overall	35' max.
Other lot area	
Stories	1-½ stories max <b>E</b>
To Eave or Parapet	15' max.
Overall	24' max.
Ground Floor Finish Level: Main Building	18" min. above sidewalk <b>I</b>
Ground Floor Ceiling	9' min. clear <b>I</b>
Upper Floor(s) Ceiling	8' min. clear <b>I</b>

<sup>3</sup> Does not apply to accessory structures. See 4.02.030 (Accessory Structures)

<sup>4</sup> See Part 5 (Specific to Building Types) for additional height regulations.

**Miscellaneous**

Mansard roof forms are not allowed.

**E. Allowed Use Types**

Ground Floor <sup>5</sup>	Residential
Upper Floor <sup>5</sup>	Residential

<sup>5</sup> See 3.02.070.H (T3N Use Table) for specific uses

3-14
Livermore Development Code

A typical outline to a zoning category would look like this:

**Zone Category: Residential**

- Uses: Permitted and Conditional
- Standards:
  - Height
  - Minimum/Maximum FAR
  - Lot width, size, and coverage
  - Setbacks
  - Parking
- Architectural Design Standards
- Parking
- Signs (number, type, and size)

**Challenges to Achieving the Solution**

Although the Green Development Code will be easier to use, the transition to the new code structure will be difficult for many. Staff training and outreach to the development community and property owners will be required.

**Discussion Questions**

1. Will the proposed structure work well with anticipated changes, e.g. plan review /design review process, parking, green incentives, etc.?
2. Would this structure easily accommodate future amendments? Is it flexible enough to be responsive to changing policy, laws or development trends?
3. Will the proposed structure be easy to understand by all users (staff, property owners, real estate professionals, land developers, etc.).

## **White Paper: Use Categories/Definitions**

### **Policy Direction:**

The 2030 General Plan identifies as a priority implementation program the updating of the Zoning Ordinance. Specifically, the General Plan provides direction to update the Zoning Ordinance to be consistent with the General Plan in areas including, but not limited to, the following: streamlining infill development, green/sustainable development practices and site planning. Additionally, the General Plan provides specific direction to update the Zoning Ordinance consistent with the policies and diagrams of the General Plan.

### **Purpose:**

The 2030 General Plan describes land use and urban forms in context sensitive designations (e.g., urban, traditional and suburban) and allows for a wide range of urban infill development that provides for complete neighborhoods and efficient urban development. Land use descriptions and definitions in synch with the General Plan would add clarity and remove ambiguity about the land use types that are allowed and even encouraged to develop.

### **Background:**

The current zoning code was initially adopted in the late 1950's. Land use regulations are applied based on land use descriptions identified in a land use/zoning matrix. In the land use/zoning matrix, a use is either allowed by right, allowed subject to conditions (identified by footnotes) or prohibited altogether. The Zoning Ordinance contains 170 land use uses (29 Residential, 43 Industrial and Agriculture and 98 Commercial). Eighty-four footnotes describe supplemental conditions and/or entitlements required for various uses to occur in a specific zone. Land uses and footnotes were often times added to remedy specific problems that may or may not exist today.

### **The Problem:**

#### Land Use

The significant number of land uses and footnotes in the land use/zoning matrix adds unnecessary complexity to the zoning code. For example, there are several types of manufacturing listed in the land use/zoning matrix (e.g., billboard manufacture, ice manufacture and cement or clay manufacturing), as well as a stand-alone use "manufacturing". There is similar overlap for commercial and residential uses.

#### Footnotes

The 84 footnotes to the land use/zoning matrix describe additional entitlements and development standards required for approval. These additional requirements are sometimes dated and no longer relevant, superseded by other regulations, or occur for reasons no longer apparent to staff, the Planning Commission or City Council. Also, the footnotes mix land use regulations and development standards, making it difficult to know whether to find the development standards under "Division II Land Use Regulations" or "Division III Development Standards."

## Definitions

Definitions exist for some uses and not others. Additional definitions may help to remove ambiguity regarding whether or not a use is allowed in a given zone. For example, a furniture or flooring manufacturer might be considered to be a “manufacturing” use. However, if a use employed a planing mill as a tool, would the facility become classified as a planing mill? Or should that designation only be applied to facilities, such as lumberyards, that use planing mills as a primary piece of equipment.

### **Recommended Solutions and Associated Challenges:**

There are a number of options to address the land use and definitions challenge. These include: consolidating the number of land use categories into fewer, more generalized types, paring back the number of footnotes by eliminating redundant and dated language, moving special use regulations to new code sections created for this purpose, and providing additional definitions, particularly for the new consolidated land use types.

There are advantages and disadvantages to numerous, specific land use types. The more specific the type, the greater the regulatory control over specific uses. If use types are consolidated, there may be uses that lose regulatory control over land use and/or development standards. This can be seen as both a positive and a negative.

Similarly, footnotes provide for specific regulatory land use and development standard direction. The removal or paring back of footnotes would provide less opportunity for discretionary review. On the other hand, less regulatory control might result in ease of development consistent with the 2030 General Plan.

Lastly, definitions provide clear direction for uses allowed in specific land use types. At the same time, specific definitions can also limit flexibility for determination of uses allowed in a specific land use type. Flexibility in this case can be a double edged sword. If a use was intended, but not specified, the lack of flexibility can result in the need for an entitlement where one was not intended (see planing mill/furniture manufacturing example above).

### **Discussion Questions:**

1. How general (and flexible) should the land use types in the Zoning Ordinance be?
2. If footnotes are pared back or removed, how comfortable will we be with generalized zoning regulations?
3. Will additional definitions provide for clear regulatory direction, or will they result in a regulatory constraint by limiting our ability to “interpret” which land uses are allowed or regulated?

## **White Paper: Green Development and Infill Incentives**

### **Policy Direction**

On March 3, 2009 the City Council adopted the 2030 General Plan (General Plan). One of the General Plan's overarching themes is "Developing a sustainable future," and infill development was identified as an important component to achieving sustainability. Infill development better supports public transit use, provides more efficient land use, and ideally results in a mix of uses supportive of complete neighborhoods.

The General Plan identifies priority implementation measures, including adoption of a climate action plan to reduce greenhouse gasses and adapt to a changing climate, adoption of a green building ordinance and a comprehensive update to the zoning code (Green Development Code). The General Plan also includes several measures to establish incentives to encourage green development.

### **Purpose**

The purpose of incentives for green development is to:

- Promote infill development consistent with the goals of the General Plan; and
- Encourage a higher standard of green building, such as Cal Green Tier I/II, or 3rd party green building rating systems such as Build it Green's GreenPoint Rated system (GPR) or the US Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system.

### **Background**

The Green Development Code will include "fixes" that will encourage infill development, through a number of improvements including:

- improving the review process;
- restructuring the code for clarity and ease of use; and
- revising parking standards; and providing flexibility in development standards.

These changes alone would make green development easier and less costly to achieve. However, additional measures – both mandatory and voluntary – are being considered to further promote green development.

Phase I of the Green Development Code includes establishing incentives for green development by improving the site plan and design review process and development incentives for qualifying green projects.

Phase II of the Green Development Code will implement the Climate Action Plan and Green Building Program, which address site development, air quality, energy efficiency, and water conservation. It is not yet defined to what degree these green measures will be mandatory and which will be voluntary and supported by incentives.

Phase III will provide a wider focus by addressing sustainable land use and mobility through neighborhood design criteria, adaptive reuse of existing infrastructure, and connectivity standards. Additional measures to improve water quality and update landscape requirements to reduce water use will also be included in Phase III.

### **The Problem**

Infill development can be more expensive than comparable greenfield development due to higher land costs, higher construction costs, perceived lack of market acceptance for urban mixed use development, and higher costs of complying with development regulations that restrict infill development. Green development is perceived to have higher upfront costs than conventional development. New mandatory requirements for green construction are unpopular due to concerns

about adding to development costs during the current downturn in the economy. Developers, already feeling burdened by recent state requirements for greener construction, do not often opt for green development for various reasons, as is discussed below.

Because green development is a fairly new product type, it can be difficult to secure funding and technical expertise in green design and construction. Furthermore, although the operating cost of green buildings is much less expensive than traditional buildings, the savings incurred may not provide builders incentive to voluntarily invest in the added costs for a product they will sell upon completion.

The City's primary barrier to providing financial incentives for green development is lack of funding to provide subsidies to offset construction and infrastructure costs.

### **Recommended Solution**

Staff proposes that Phase I of the Green Development Code offer regulatory incentives for green development both at a citywide level as well as for specific infill areas.

#### Citywide:

All development will benefit from improvements to the code discussed in other white papers, especially those associated with the project review process and parking standards. As a result, fewer discretionary entitlements will be mandated and those that are mandatory will more often be decided at staff or ZA level. Also, many projects consistent with the General Plan receive CEQA benefits under the Master EIR, and projects may not need to be rezoned due to City-initiated rezoning.

For green building projects, the proposed citywide incentive would apply to new development built at the LEED Gold standard or higher. LEED is an existing standard with proven success. The LEED certification of a project is obtained by the developer, so staff is not involved in the enforcement of the standard.

- *Standard:* LEED Gold or higher
- *Incentive:* Staff level review for projects over 40,000 square feet or four stories in height that would otherwise require commission-level site plan and design review.
- *Process:* Developer provides initial documentation demonstrating intent to qualify for the LEED Gold or higher or at least 75 GPR points and submits an affidavit of intention that the standard will be met.

#### Within Tier I Infill Areas:

New development in Tier I infill areas would be subject to LEED Gold or higher or at least 75 points on the GPR scale, to receive process incentives. Tier I Infill areas are near transit lines, urban centers, or have potential for mixed use development. Tier I Infill areas are generally in mixed-use, higher density neighborhoods, so there is less potential for neighborhood conflict.

- *Standard:* LEED Gold or higher, or at least 75 GPR points
- *Incentives:* Staff level review for site plan and design review (same as Citywide incentive) and flexibility in development intensity (i.e. higher FAR, higher density, increased building height, development on undersized lots)
- *Process:* Staff works with developer to identify equally beneficial ratio of development intensity for green development. This process includes the developer demonstrating that the project qualifies for LEED Gold standard or higher or GPR standards, and submits an affidavit of intention that the standard will be met.

### **Challenges to Achieving the Solution**

- The proposed incentives may not be enough to attract development, particularly in infill areas where infrastructure costs are high.
- The amount of incentive that would encourage green development is unknown, and may have to be determined on a case-by-case basis.
- The city assumes the risk of providing incentives for projects that may, upon completion, not follow through on their stated intent for LEED or GPR certification, or projects which cannot get LEED or GPR certification at the minimum level required for the incentives (e.g. the project, as designed, is rated at Silver rather than Gold by GBCI after the Certificate of Occupancy is issued). At this point, the project would become a code violation, and the city would have to determine the best approach to rectify the situation.
- There are aspects of the city code and processes that may conflict with some of the LEED criteria. Additional work to identify these conflicts and opportunities for harmonization will be undertaken in Phase II of the Green Development Code process.
- The appropriate level of review for green building incentives and general process improvements proposed in the Green Development Code will have to be defined; this entails finding a balance between encouraging desirable development in general, and incentivizing green development that meets much higher performance standards.

### **Discussion Questions**

Further discussions regarding additional incentives – such as reducing or deferring impact fees, reducing street standards, and assigning technical staff as a process point of contact – will take place during the development of Phase II and III of the Green Development Code. The analysis of proposed incentives will include identifying the appropriate mechanism to apply the incentive and the types and number of green measures to be provided for that incentive.

The following questions apply to Phase I:

- Are the proposed incentives enough to attract green development?
- How can public input be incorporated into the process while still providing an expedited review process? Or should it?
- How will the review process for green development differ from the overall Green Development Code design and review revisions that apply to all development?
- Is there a way to incentivize green improvements to existing buildings?
- What other “green” benchmarks should be considered?

## White Paper: Housing

### Policy Direction:

The 2030 General Plan has pointed the City towards producing a greater portion of its housing in infill areas. Flexible development standards and new funding resources will help to provide housing that is available to a diverse population with a range of income levels. Supporting polices include the following:

**H-1.3.4** The City shall encourage a range of housing opportunities for all segments of the community as part of the community planning and implementation process for newly annexed, newly developing, re-use and intensification areas.

**H-2.2.1** The City shall promote quality residential infill development through the creation/adoption of flexible development standards and with funding resources.

**H-2.2.2** The City shall use financial tools to diversify market developments with affordable units, especially in infill areas.

### Purpose:

Update current housing programs to facilitate affordable, balanced and sustainable communities in anticipation of the substantial reinvestment and redevelopment of our existing neighborhoods over the next 20 years.

### Background:

The primary (non-federally funded) affordable housing programs the City has utilized in the last decade are the Mixed Income Housing Ordinance and the Housing Trust Fund Ordinance.

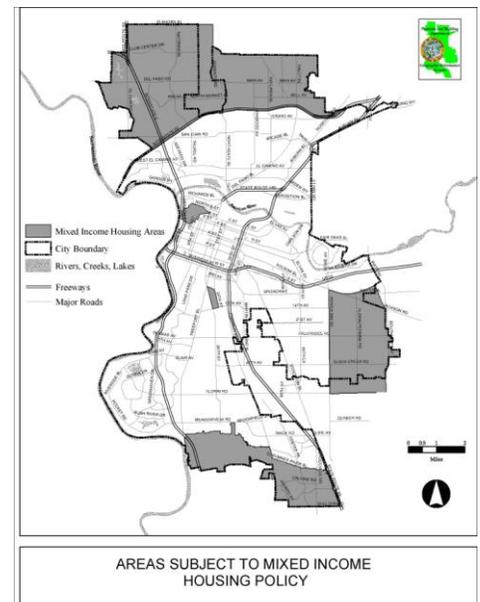
The Mixed Income Housing Ordinance (commonly referred to as the Inclusionary Housing Ordinance) requires residential developments in new growth areas to build 15% of the housing to be affordable to lower income families.

The Housing Trust Fund (HTF) requires nonresidential development to pay a fee that supports affordable housing development required to support new employees. That support is provided through gap financing for new or substantially rehabilitated housing.

For the past 20 years, 2/3 or more of housing production has been in the form of standard single family homes located in new growth (predominantly green field) areas. These new growth areas are largely built out and are becoming infill areas as growth moves to outlying areas. Furthermore, the 2030 General Plan is steering the majority of the City's new development into existing infill areas not subject to the Mixed Income Housing Ordinance. New large subdivisions of single family homes will become increasingly rare.

### The Problem:

1. Much of the affordable housing built as a result of the Mixed Income Housing Ordinance is concentrated in very large apartment complexes that are not well-integrated into the surrounding neighborhoods and that result in excessive concentrations of poverty contrary to the concept of "mixed-income housing."
2. The current Mixed Income Housing Ordinance is complicated, inflexible and imposes a heavy financial burden on small and medium-sized development projects subject to it.



3. Small single-family subdivisions are especially hard-hit by requirements to build affordable for-sale units, where finding qualified low-income buyers is difficult. The mandatory deed restrictions for 55 years also limit resale options for low-income families.
4. Much of the new infill residential development anticipated in the coming years will not be required pay for or provide affordable housing.
5. New employment (approximately 140,000 jobs) will generate a need for more affordable housing.
6. Infill development is generally more expensive than green field development. Requirements for on-site, concurrently built affordable housing may make these projects infeasible.
7. The Housing Trust Fund Ordinance lacks clarification on mixed use residential development as well as certain types of nonresidential uses (i.e. a clubhouse for residential development).
8. The Housing Trust Fund Ordinance has two different fee schedules (North Natomas and Citywide) which can cause confusion on the part of city staff and applicants.

**Recommended Solutions:**

1. To reduce the burden of the current inclusionary ordinance while expanding coverage of a new ordinance citywide, develop a tiered approach to affordable housing that minimizes burdens on small infill projects while giving flexibility to larger projects to pay a fee that may be used to help subsidize affordable housing near transit stations and in mixed-use infill neighborhoods.
2. Develop a nexus study that analyzes the economic impact of an in-lieu fee for new residential infill developments of 9 units or more.
  - a. The study would include a comprehensive analysis of all fees collected from residential and commercial development.
  - b. Funds collected will support the existing Housing Trust Fund Program.
  - c. Ensure the new affordable housing fee burden is lower than the current inclusionary requirement.
  - d. Maintain flexibility in where and how fee proceeds are spent, consistent with existing Housing Trust Fund program.
  - e. Consider allowing large-scale, master-planned communities to continue to provide a portion of the affordable housing obligation on-site.
3. Clarify the Housing Trust Fund for improved interpretation by staff and applicants.
  - a. Merge the two fee schedules.
  - b. Clarify that vertical mixed use projects with a specified proportion of housing units are not to be charged the housing trust fund fee.

**Challenges to Achieving the Solution:**

Ordinances that require affordable housing fees or construction are very controversial and often can create a polarized debate. On one end of the spectrum, the development community will point to the increasing amount of government regulation and fees, on the other side, advocates for affordable housing will want to see the highest amount of fees collected and/or housing units built as possible. In lieu fees will likely not generate or leverage the same amount of housing as the current build requirement.

**Discussion Questions:**

1. Should the Mixed Income Housing Ordinance require affordable housing units to be built in infill areas or should it be a fee only system? Or a combination of both?
2. Should land dedication be more emphasized as part of the Mixed Income Housing Ordinance?
3. Are there better ways to encourage the production of affordable housing in infill areas?
4. Should we waive the HTF fee for qualified vertical mixed use projects?
5. Is it better to build a large volume of affordable housing, taking advantage of “economy of scale” or should we build smaller but better designed projects, which are more expensive?

## White Paper: Parking

### Policy Direction:

The 2030 General Plan and the Central City Parking Master Plan acknowledge the challenge of providing adequate off-street parking to meet the needs of businesses and residents, while at the same time reducing constraints to development caused by onerous or inflexible parking requirements. Supporting policies include the following:

**M 6.1.1 Appropriate Parking.** The City shall ensure that appropriate parking is provided, considering access to existing and funded transit, shared parking opportunities for mixed-use development, and implementation of Transportation Demand Management plans. *(RDR)*

**M 6.1.2 Reduce Minimum Parking Standards.** The City shall reduce minimum parking standards over time to promote walkable neighborhoods and districts and to increase the use of transit and bicycles. *(RDR/PSR)*

**CC.M 1.2 Adequate Parking.** The City shall provide adequate off-street parking to meet the needs of shoppers, visitors, and residents. *(MPSP/SO)*

**CC.M 1.3 Residential Street Parking.** The City shall reduce the adverse impact of commuter parking on residential streets. *(MPSP)*

### Purpose:

Provide effective tools to reduce parking impacts while encouraging economic development.

### Background:

The Zoning Code's parking requirements for new land uses are outdated and designed primarily for suburban development, as opposed to redeveloping our existing urban and traditional neighborhoods. These existing neighborhoods often include the reuse of lots and buildings that were created prior to the significant increase in the use of the automobile.

### The Problem:

1. Parking requirements can create substantial challenges to not only the cost, design, and development of infill projects but also the community's perceived negative impacts of the new development.
2. Current regulations do not acknowledge the benefits of mixed-use, walkable neighborhoods that are well-served by transit in terms of reducing trips and the need for parking; they also do not provide incentives for owners of existing parking facilities to share their parking when it is not being used.
3. Current regulations are inflexible both in how off-street parking can be provided but also in how parking lots are designed.
4. Many existing infill sites contain little or no parking.
5. New infill development is often expensive and cannot afford the cost or space required for suburban parking standards.

**Recommended Solution:**

1. Evaluate the existing regulatory environment considering:
  - a. Parking generation rates
  - b. Existing parking ratios
  - c. Parking supply
  - d. Transit supportive uses
  - e. Areas of the city impacted by parking waivers
  - f. Economic feasibility of complying with current parking requirements
2. Develop a report, which includes:
  - a. The evaluation of the existing regulatory environment
  - b. Recommended revisions to the existing parking ratios (if necessary)
  - c. Recommended tools to provide alternatives to onsite or off-site parking requirements (e.g. in-lieu fees, car sharing, ministerial process)
  - d. Recommended policy changes (if necessary)
  - e. Recommended process for additional implementation
3. Obtain Council approval of the report's recommendations and any immediate ordinances amending the City's parking regulations for off-street parking.

**Challenges to Achieving the Solution:**

1. Creating flexible, smart regulations for parking while ensuring predictability for developers.
2. Ensuring adequate off-street parking to meet the needs of residents, shoppers, and visitors.
3. Community concerns about customer parking (especially late at night) in neighborhoods already impacted by new development.
4. Business district concerns about commuter parking that takes up customer spaces all day long, where commuters try to avoid paying for parking closer to their workplaces.

**Discussion Questions:**

1. What do you think are the biggest issues facing the City as it relates to parking, both in terms of meeting demand and achieving financial success?
2. What have your experiences been in trying to develop in the City given the existing minimum parking requirements?
3. What are your thoughts regarding "context sensitive parking requirements" in which parking requirements vary based on factors such as the level of transit service?
4. Are you supportive of concepts such as:
  - Fees paid in-lieu of on-site parking spaces,
  - Car sharing,
  - Parking space sharing,
  - Greater flexibility with providing offsite parking?

## **White Paper: Review Process/Design Review**

### **Policy Direction**

2030 General Plan Policy LU 2.7.2: “Design Review. The City shall require design review that focuses on achieving appropriate form and function for new and redevelopment projects to promote creativity, innovation, and design quality.”

General Plan Implementation Measures, Table 4-1, Measure 13: “The City shall review and update the Sacramento Code, Zoning Ordinance, and applicable guidelines, consistent with the policies and diagrams of the General Plan.”

General Plan Implementation Measures, Table 4-2, Measure 17: “The City shall prepare and adopt citywide Design Guidelines or Comprehensive Design Guidelines that identify the City’s expectations for planning, designing, and reviewing development proposals.”

### **Purpose**

The purpose of improving the development review process and design review is to increase predictability of planning outcomes for the public and permit applicants by simplifying the number of planning approvals typically required for new development, particularly for green development that is consistent with the general plan and climate action plan.

### **Background**

Current Zoning Code provisions require most new development projects to undergo a public hearing process prior to receiving planning approval. While State law mandates public hearings for some project types, such as subdivision maps and rezonings, many other projects are subject to City rules that trigger plan reviews by the Planning Commission or Zoning Administrator, design review by the Design Commission, or both. Plan review tends to focus on site plan considerations such as the arrangement of parking, buildings, circulation, and landscaping, while design review tends to emphasize architectural review of buildings.

### **The Problem**

Certain zones require approval of a special permit for all or most uses in those zones. Normally, special permits are used to regulate conditional uses that may not be appropriate on every site in a given zone (such as schools or churches), or which have distinctive impacts which require a case-by-case review (such as bars and liquor stores). However, in these zones, the special permit is used to regulate all or most development, even routine land uses such as office, retail stores, and housing.

Furthermore, suburban-style development standards dictate height limits, setbacks, parking requirements and site plan standards that infill development often cannot meet. This results in many infill projects requiring variances in addition to design review or plan review. To further complicate matters, sometimes special permits are used in ways that function as variances rather than conditional use permits. This was apparently done in order to bypass the strict findings required of the variance process, so that flexibility in development standards could be given to desirable projects.

This patchwork approach to development review results in most new projects in the City being subject to discretionary review in one way or another, but it can be daunting to predict which types of approvals might be necessary for a given project. Issues with review include:

- The types of approvals for the same kind of project can vary from one area to another;
- Expert staff sometimes cannot determine which approvals are required without extensive research and consultation with senior managers;
- The review process is inconsistent: design review projects get extensive architectural review but only cursory site plan review, while plan review and special permit projects have extensive site plan review but less-than-adequate architectural review; and
- The current situation is unfair to older, declining communities: while most “new growth” areas are blanketed with Planned Unit Developments that ensure all projects get reviewed, and the Central City and a few older neighborhoods like Oak Park and Del Paso Heights are design review districts, most of the in-between areas (such as the south area) may not receive consistent review at all.

### **Recommended Solution**

A uniform, citywide site plan and design review process is needed that includes an ability to allow flexibility in development standards. This new procedure would replace the current plan review, design review and certain special permits (such as the “major project” special permit for development over 75,000 square feet in the CBD; the special permit for exceeding 40,000 square feet in the C-2 zone or 20,000 square feet in the C-1 zone; and the special permit for all development in the R-1A zone).

Mirroring the recent changes to the design review process, the new site plan and design review would have staff-level non-hearing decisions for projects that are fully consistent with development standards and guidelines, staff-level hearings for projects that deviate from standards or guidelines and commission-level hearings for significant projects or projects posing major policy concerns.

### **Challenges to Achieving the Solution**

- Some areas not subject to design review, plan review or certain special permits may not want site plan and design review

### **Discussion Questions**

1. Are the current design review level triggers for staff, director, and commission review an appropriate model for the new site plan and design review?
2. What kind of development standards flexibility should be built into site plan and design review? Setbacks, lot coverage, landscaping/paving/lighting/trash enclosures? Height? Limited to 50% of requirement?
3. Should all single-family homes be subject to discretionary review, or should most non-tract homes (outside the Central City) have only ministerial checklist review?
4. How much discretion for deviations from development standards should be given to the Planning Director/Design Manger?

## White Paper: New Zoning Districts

### Policy Direction:

The 2030 General Plan includes new land use designations that recognize urban form, and urban development standards including mixed use, minimum levels of intensity, and higher intensity development, particularly near transit and commercial centers.

### Purpose:

There is a need for a more robust zoning code to implement the new General Plan land use designations. New zoning districts would synch up better with the General Plan, and would result in projects that would require fewer entitlements when found consistent with the General Plan.

### Background:

The current zoning districts date back to the 1960's. They promote relatively low intensity development, single use zoning, and suburban development standards. Often times the current zoning code requires numerous planning entitlements and exceptions to allow urban infill development, even when consistent with the underlying General Plan land use designation.

### The Problem:

The current zoning code districts have been amended and appended over time to "fit" the General Plan.

#### Context

The districts describe and regulate specific development types (retail, housing, industrial etc.), as opposed to neighborhood and district types identified in the General Plan (e.g., traditional neighborhoods, traditional corridors, urban centers etc.). The same commercial zone (i.e., C-2) applies to a suburban corridor as might also apply to an urban center.

#### Intensity and Use

There are several categories of commercial zoning that can be used to implement the General Plan, but they provide narrow ranges of development intensity. Often times, a development intensity allowed by a specific zone district does not allow for an appropriate level of use (or mix of uses). As an example, commercial development in a commercial corridor would be allowed by right in the C-2, General Commercial zone, but housing in the same zone is subject to a special permit entitlement. The Central Business District (C-3) zone allows housing by right, but at a level of intensity not appropriate for most corridors.

#### Development Standards

As with use and intensity, development standards are typically a "one size fits all" approach in the current zoning district. For example, the Standard Single Family (R-1) zone requires significant setbacks for front, side and rear yards, regardless of location. Similarly, the height limit for the General Commercial (C-2) zone allows the same maximum height, whether in the Central City, or a suburban shopping center.

### **Recommended Solutions and Associated Challenges:**

There are several options for solutions, including:

- creation of new zones, consistent with General Plan land use categories;
- creation of new zones that allow for a broad range of urban infill development (not necessarily modeled after the General Plan format);
- modification of existing zoning definitions and descriptions; or
- creation of new zones to supplement the existing zones.

The creation of new zones would be ideal. They could incorporate urban land uses and development standards and be tailored to implement the variety of new General Plan land use designations. The new zones would allow development consistent with the General Plan to occur with fewer entitlements. This approach, however, would require that each parcel in the City be “rezoned” to the new zoning classification. This process would require extensive noticing and outreach to each and every property owner in the City. In addition to the work involved in this outreach process, there would be significant opposition to any changes to existing zoning (even where it would benefit a property owner in terms of development flexibility).

Modification of existing zones would introduce new development standards and land use allowances, without triggering the rezone process. There may be more time spent fixing an existing code (as opposed to crafting it from scratch), but the long term time savings would be beneficial in the long run. This effort might be supplemented by the creation of new zones to fill in the “gaps” between the limited number of existing zones and the total number that would be required to adequately implement the General Plan. The new zones could be applied to properties as they are developed or planned for new development. In this situation, the property owners would be supportive of this form of rezoning.

### **Discussion Questions:**

1. Should the City pursue a more comprehensive approach to the zoning code update by adopting an entirely new zoning classification system?
2. Can using the existing system, with modifications to the base zones, effectively implement the General Plan?
3. If the City takes the hybrid approach by creating a short list of new zones, should these be applied immediately, or should they be applied on a project by project basis?

Attachment 5

**Green Development Code  
Outreach Groups – PHASE I**

Private Development

- Private developers
- Architects/Designers
- Developers (Small to med. sized projects)
- Industrial Developers
- Single Family Homes Developers

Affordable Housing Developers

PBIDS

- Del Paso Blvd.
- Franklin Blvd.
- Greater Broadway
- Midtown Business Association
- Oak Park
- Power Inn
- River District
- Sacramento Downtown Partnership
- Stockton Blvd.
- Florin

Businesses

Brokers & Property Owners

Business and Neighborhood Groups

- SACTO
- Sacramento Chamber
- BIA
- ECOS
- Neighborhood Services Community Partnership Meetings & Newsletter
- Key Community Members
- Ubuntu Green
- Sacramento Builders Exchange

Miscellaneous

- General Plan e-mail list

City Departments

- Economic Development
- Utilities
- DOT
- Parks
- Fire
- Police
- General Services

Agencies

- County
- SACOG
- SHRA
- SMAQMD
- RT
- SAFCA
- CADA

Technical Team - Utilities

- SMUD
- PGE
- ATT