



DEVELOPMENT SERVICES DEPARTMENT – PLANNING DIVISION

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Option 1: By-Right Development – avoids increasing the deficit by 2,100 units

Unlike the other options presented, this option does not provide the City with additional units; it prevents the City from losing credit for approximately 2,100 units which were counted in the prior Housing Element. Current housing law prohibits the City from taking credit for:

- Non-vacant sites included in the prior Housing Element, and
- Vacant sites which have been included in the past two Housing Elements

Unless by-right development (with a 20% affordability requirement) is permitted on these sites.

This legal requirement is new for this Housing Element cycle, and was premised on the perception by the legislature that if a site has not developed, it is likely due to procedural barriers to site development. While this process prohibits discretionary review, the law does allow the establishment of “objective design standards,” which would allow the City to maintain some level of Design Review for these projects. An objective design standard requires no discretion or interpretation (e.g. “use a minimum of three types of colors and materials” instead of “variation in color and materials should be considered”). Therefore, staff suggests establishing a new process which would allow multi-family projects to be approved via the Building Permit process if 1) a minimum of 20% of units are affordable to lower income households and 2) the project complies with new “objective design standards.” Staff would need to develop these standards and bring them to City Council for approval.

This new process could either be applied just for the affected properties through Development Agreements or as a Citywide Zoning Ordinance Amendment. A property-specific process would require negotiating voluntary amendments to more than a dozen existing Development Agreements, as well as negotiating new Development Agreements. While this option could be pursued, it would involve a significant investment of time and the outcome is not assured. Staff recommends pursuing a Citywide Zoning Ordinance Amendment.

Option 2: Conversion Sites – up to 1,650 units

Staff examined vacant sites throughout the City to find properties with the potential to be converted to high density residential use. After screening out sites due to the presence of approved entitlements, Development Agreements, or significant environmental constraints (floodplain, wetland preserves, etc), the below sites remain for consideration (see Figure 1):

1. City Property: This ten-acre property is owned by the City and has a Community Commercial zoning and land use designation. Constraints include adjacency to the City’s wastewater treatment plant and Roseville Electric Energy Plant, and frontage on Blue Oaks Boulevard. This is also adjacent to the future Regional Sports Facility. Due to these challenges, and because the City owns the property, this site might be best suited as a demonstration site. The City could seek out a public-private partnership to develop an emerging or innovative housing product on this site. Assuming 5 net-acres developed at a density of 30 units to the acre, this property could provide **150 units**.
2. Harris Property: This 40-acre property is designated Urban Reserve. The property owner was a non-participant in the Creekview Specific Plan, and is therefore not covered by the Development Agreement. A portion of this land is unavailable due to the presence of a creek, floodplain, and an occupied single-family home, and there would be additional land loss due to the need for major

connecting roads, parks, and other public facilities. Conservatively assuming 20 acres is developable with housing at 30 units/acre, this property could provide **600 units**.

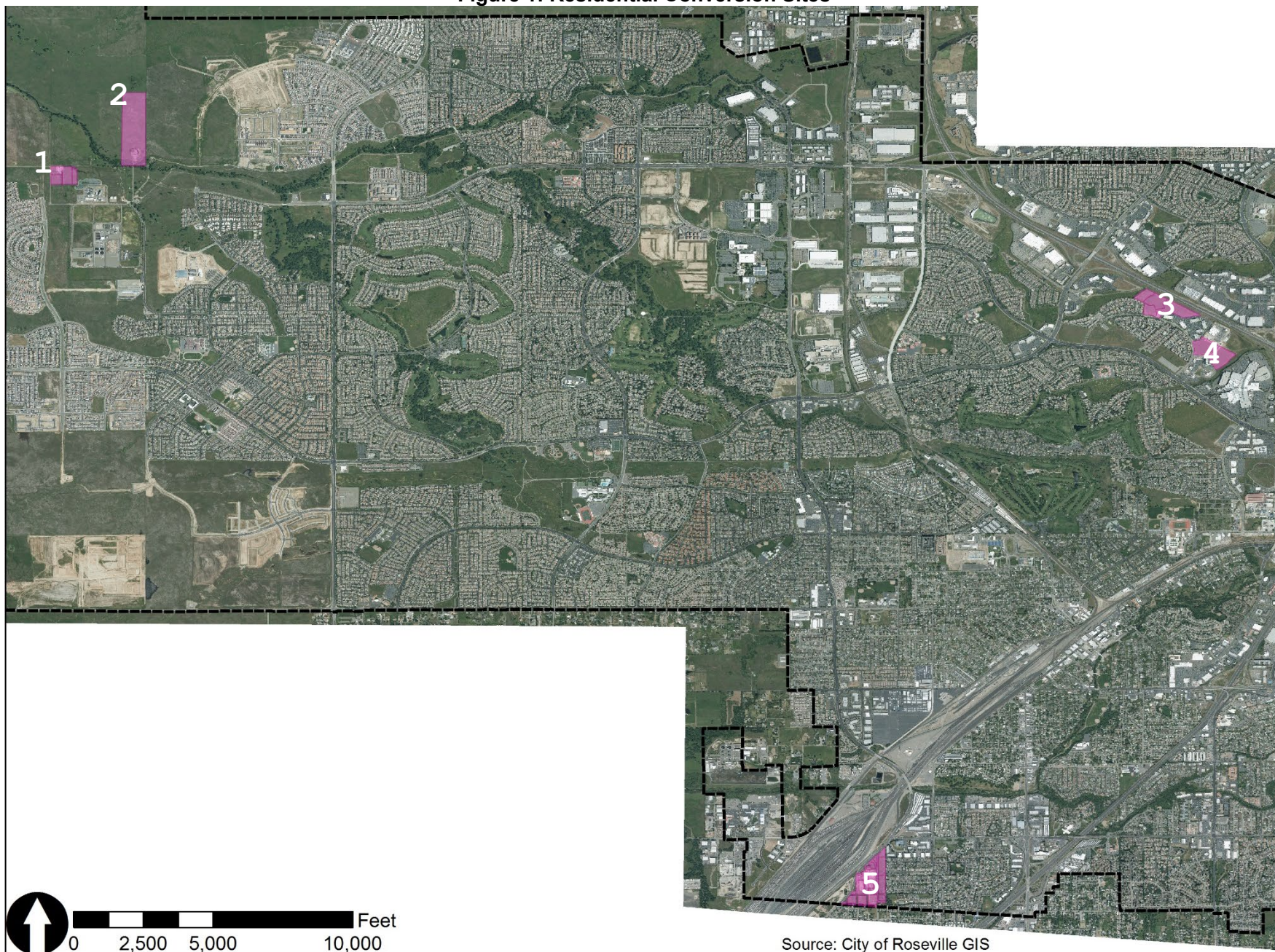
3. **Shea Property:** This includes multiple parcels totaling 20 acres, and is designated Business Professional (BP). Staff is aware of interest in developing this site with residential uses, but the interest is in market rate product. The proximity to Highway 65 and the onramp adds environmental constraints. This area has a BP land use designation specifically to provide a non-residential buffer between Highway 65 and the residential uses along Gibson Drive. Conservatively assuming 10 acres is developable with housing at 30 units/acre, this property could provide **300 units**.
4. **PAPPAS Property:** This includes two parcels of 6.7 and 7.9 acres, both designated BP. As with the previous property, this land has a BP land use designation to provide a non-residential buffer between Highway 65 and the residential uses along Gibson Drive. These properties are also surrounded by high-intensity non-residential uses (a conference center, a luxury gym with large outdoor recreation area, and the Galleria) which introduces compatibility and environmental constraints. However, assuming that 10 acres is developable with housing at 30 units/acre, this property could provide **300 units**.
5. **Railyard Site:** This includes multiple parcels which were approved for development with a business park which has never developed. Combined, the parcels total 34 acres with a land use designation of BP. This site involves significant environmental constraints, because it is adjacent to the widest section of the Union Pacific Railyard. Issues include hazardous conditions, hazardous materials/contamination, significant air quality issues, and noise issues. Though technically available, this site is a poor location for affordable housing. A more detailed planning approach would be needed in order to consider this site, which would focus on using some of the land for buffer uses and vegetation. Assuming that 10 acres is developable with housing at 30 units/acre, this property could provide **300 units**.

If all five sites were selected, this strategy could provide 1,650 units.

Option 3: Land Use Amendment Policy – up to 1,306 units

The West Roseville, Sierra Vista, and Amoruso Ranch Specific Plan areas include multiple vacant sites with HDR land uses at densities below 25 units per acre. Increasing the land use density of these sites to 30 units per acre would ensure the sites could be counted toward the inventory and would yield additional units. The City could adopt a policy which requires a Specific Plan Amendment project to include an increase in the density of HDR sites the applicant/property owner controls to a minimum of 30 units to the acre. If all of the currently vacant High Density Residential sites within the West Roseville, Sierra Vista, and Amoruso Ranch Specific Plans were amended to 30 units to the acre, a total of 1,306 units would be gained. The Creekview Specific Plan is not included, because all of the Creekview HDR sites are 29 or 30 units per acre. Staff would research the number of Specific Plan Amendments which have occurred in the past eight years, and determine how many units could have been gained.

Figure 1: Residential Conversion Sites



Option 4: Commercial Corridors – 400 units

City Council has identified commercial corridor planning and revitalization as a Council priority, and has allocated funding toward this planning effort for FY21. In addition, the City has received a \$310,000 grant from HCD for commercial corridor planning. Staff identified three corridors for the focus of this work: Harding Boulevard and Douglas Boulevard, Sunrise Avenue and Douglas Boulevard, and Atlantic Street. The draft project scope includes the creation of a Specific Plan for each corridor, focusing on increasing development flexibility through the application of mixed use zones, incentivizing redevelopment through the relaxation of standards, and encouraging applications by streamlining the application and approval process. Staff anticipates using the City's Downtown Specific Plan as a model. Specifically, each planning area has the potential to accommodate some of the City's RHNA allocation, as follows:

Harding/Douglas – As shown in Figure 2, below, most of this planning area has a Community Commercial land use designation. However, there are single-family residential properties on Douglas Boulevard and homes which have been converted to businesses. In addition, there are many older commercial properties with large parking fields, and hotel properties. In general, staff suggests rezoning most of the planning area to the Commercial Mixed Use designation, which would allow live-work, mixed use projects, and multiple-family residential projects.

Sunrise/Douglas – As shown in Figure 3, below, this planning area includes a mix of land use designations, including Community Commercial, Business Professional, Neighborhood Commercial, Public/Quasi-Public, High Density Residential, Medium Density Residential, and Low Density Residential. Staff is still defining the most appropriate boundaries for this planning area and anticipates including additional properties to the north of the boundary currently shown. Staff suggests rezoning most of the planning area to the Commercial Mixed Use designation, and creating a transition between the commercial district and the single-family residential district on the southern boundary, by applying a higher density residential land use (either Medium or High Density Residential).

Atlantic Street – As shown in Figure 4, below, the majority of this planning area has a land use designation of Low Density Residential (LDR). However, substantial portions of the areas with an LDR land use designation have a zoning designation of Attached Housing (R3), and many of the properties in this area have multiple dwelling units on each parcel of land. This zoning inconsistency also occurs for the areas with a Medium Density Residential land use designation, where the property has a zoning designation of R3, Two-Family, or General Commercial. Staff suggests the following:

- Community Commercial land use and Commercial Mixed Use zoning designation for the existing commercial properties on the Atlantic Street frontage.
- High Density Residential land use and Attached Housing zoning designation for the residential property along the Atlantic Street frontage, for the land immediately behind the commercial properties, and for the land between Folsom Road and Adelante High School.

Staff anticipates the above changes could result in the addition of 400 residential units, total, in these planning areas.

Figure 2: Harding/Douglas Land Use

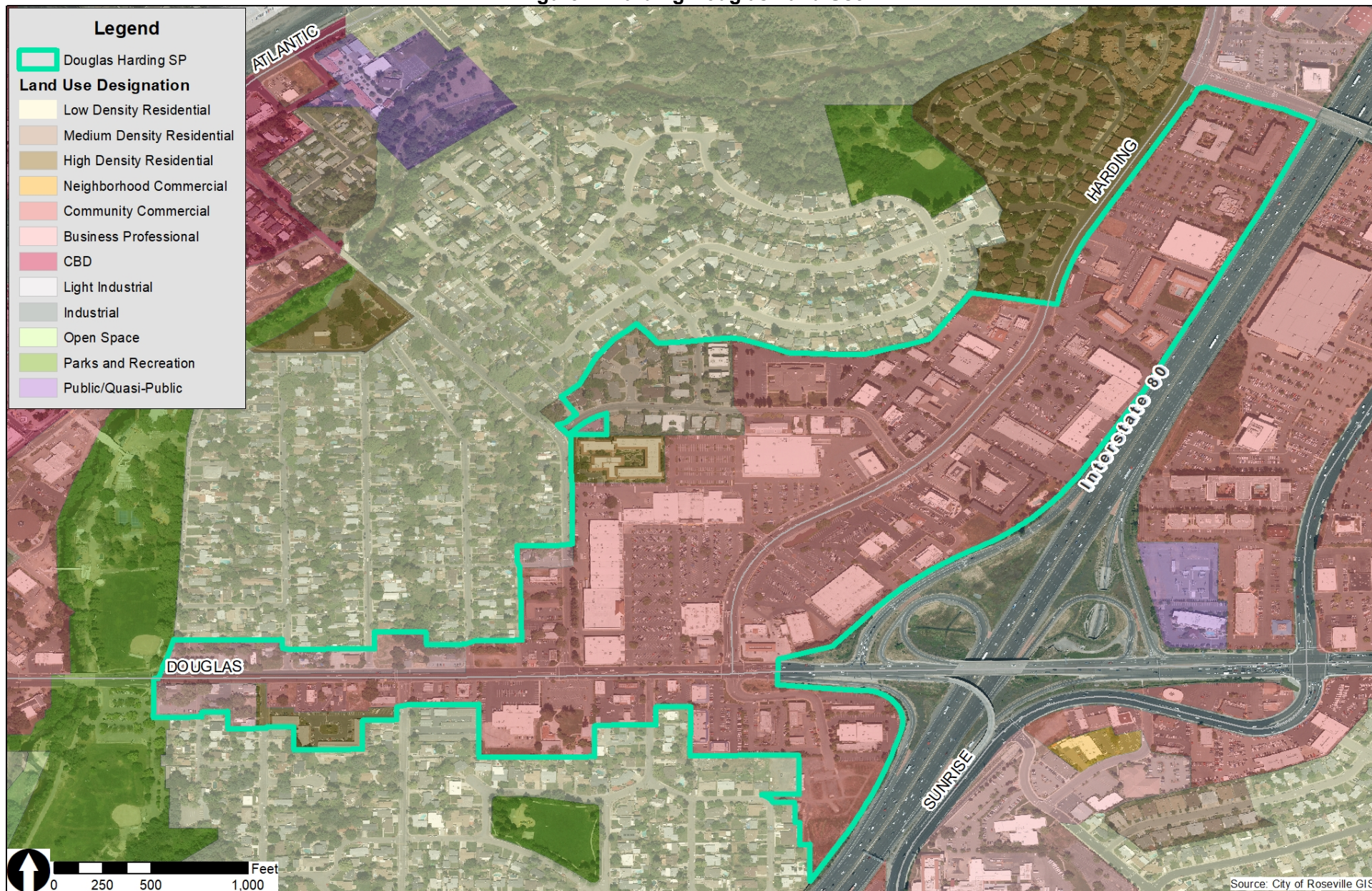


Figure 3: Sunrise/Douglas Land Use

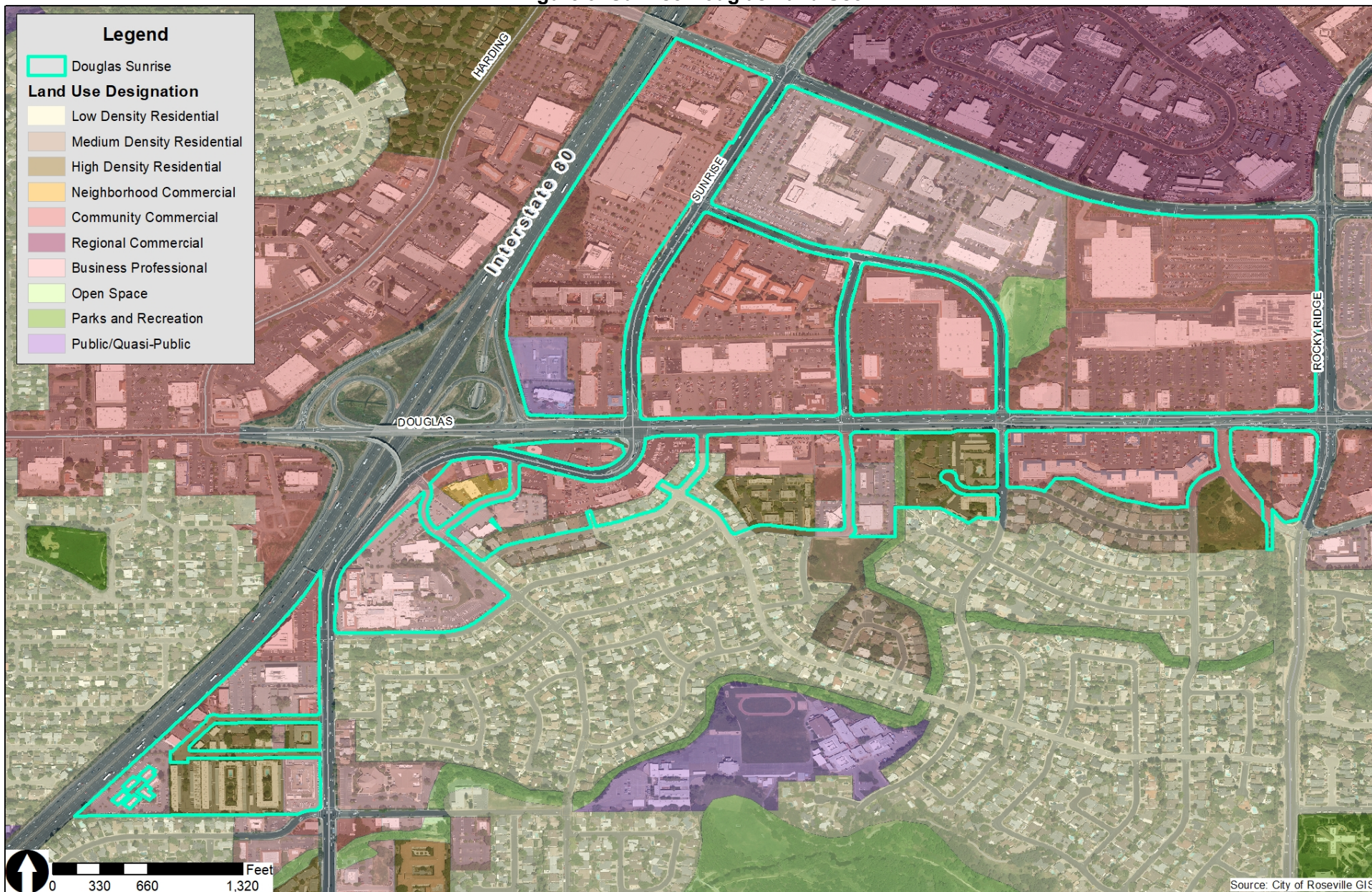
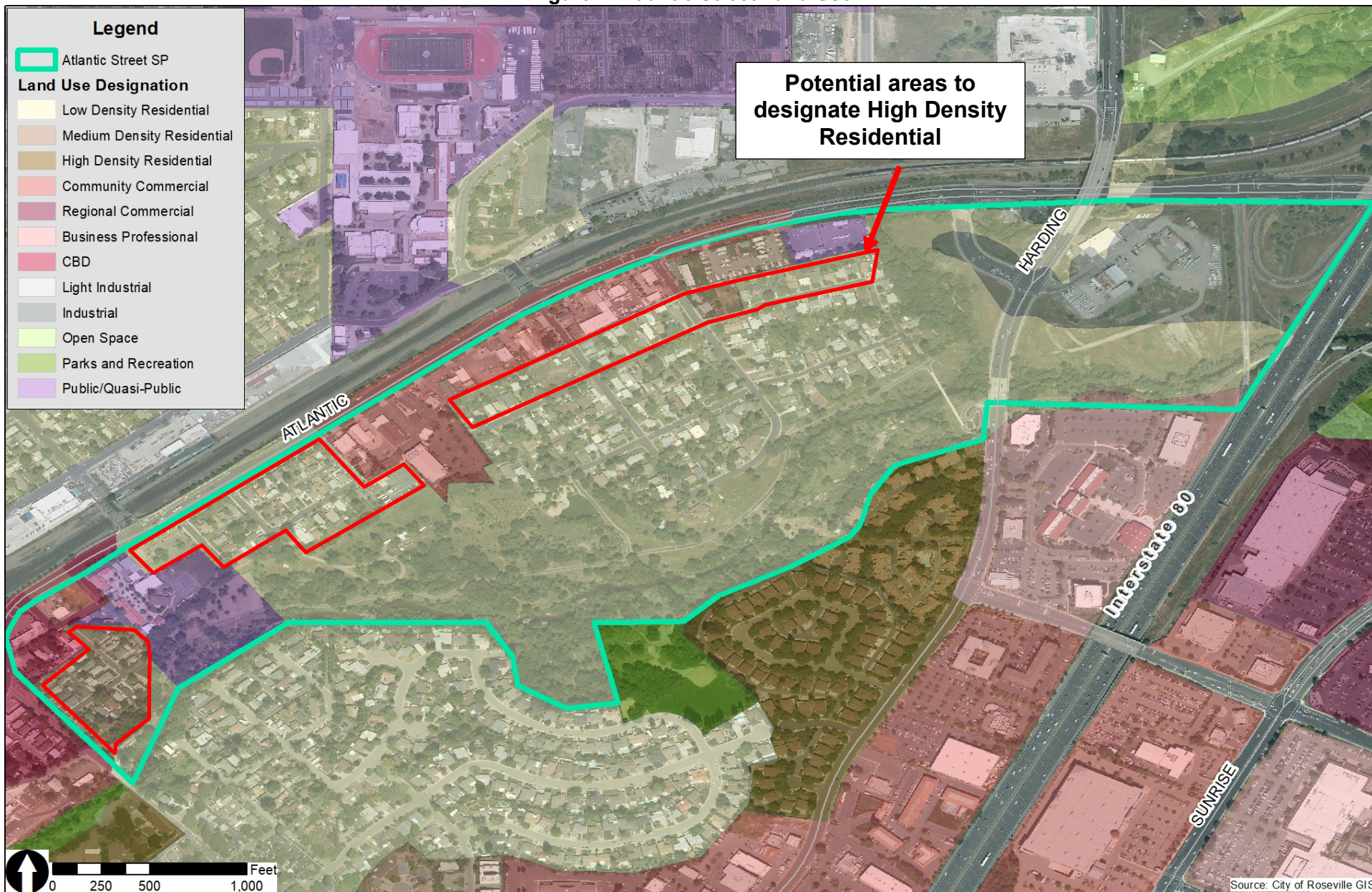


Figure 4: Atlantic Street Land Use



OPTION 5: Non-Residential Conversion Policy – units to be determined

This option is similar to Option 4, but would specifically apply to projects which convert non-residential land to residential uses. Recognizing that such conversions can have negative community impacts, the City's existing Guidelines for Conversion of Non-Residential Uses require these projects to provide a defined community benefit. Furthermore, while the existing policy requires compliance with the City's 10% affordability policy, these projects typically involve single-family residential development; compliance provides moderate to above-moderate income housing, not lower income housing. Staff suggests Council consider several components as part of this option, any of which (or all) could be selected:

- A policy amendment to specifically require *lower income* affordable housing.
- A policy amendment to require a minimum of 20% affordable housing.
- A policy amendment to require all or some portion of the land be converted to High Density Residential use at a minimum density of 30 units to the acre.

Staff suggests framing the affordability requirement as a minimum, because this would provide the City with flexibility to require a greater share of affordable housing if determined to be appropriate.

The methodology to determine this number would be similar to Option 6. Staff would research the number of non-residential conversions which have occurred in the past eight years, and determine how many units could have been gained.

Option 6: Development Agreement Policy – avoids future unit loss (no gains)

While the City has significant undeveloped land area which could be used to accommodate additional lower income units, nearly all of this land is within an active Development Agreement. Consequently, this land is only available for conversion to a High Density Residential land use with a willing land owner. This is the least profitable housing type, and as a consequence land owners are not eager to engage in a voluntary land use amendment. While discussing this constraint with other jurisdictions at SACOG's Housing Planners meetings, certain jurisdictions indicated that their Development Agreements contained a clause allowing land uses to be modified in response to new Housing Cycles or changes in state housing law. If this option were available, City Council would have significantly expanded options to address the RHNA allocation. Therefore, although it does not address the current need, staff recommend City Council consider requiring such a clause in all Development Agreements and Development Agreement Amendments in future. Suggested language is as follows:

"City has advised Landowner that the land uses vested with this approval are required to maintain the Plan Area's fair share of low, very low, and extremely low income housing (collectively, lower income housing) at all times. The share of lower income housing identified in the Affordable Housing chapter of the Plan Area is based on City's current Housing Element and Regional Housing Needs Allocation. Should a future Housing Cycle or changes in state law require City to increase its share of lower income housing, Landowner acknowledges that Landowner will be required to increase the amount of lower income units within the Plan area in order to comply with the provision that the Plan area maintain its fair share of lower income housing at all times."

Option 7: Affordability Policy Amendment – units to be determined

The City's current affordability policy imposes a 10% requirement on all newly entitled development. The City could increase this requirement, and could choose either to 1) only apply it to *new* residential units proposed in conjunction with a new Specific Plan or expansion of the City or 2) apply it to all new units as described above and to Amendments to Specific Plans requiring a Development Agreement Amendment. If the first option is selected, HCD has indicated that the City will not receive any additional housing credit. However, the policy change would better prepare the City for future high RHNA allocations. If the second option is selected, HCD has indicated a willingness to provide an additional increment of housing credit during the upcoming cycle.

To develop a new policy requirement, staff calculated how much affordable housing would have been required within the West Roseville, Sierra Vista, Creekview, Amoruso, and Campus Oaks planning areas (these have not reached buildout) in order to accommodate the current RHNA allocation. A 25% affordability policy would have resulted in approximately 6,200 units. However, requiring a quarter of all units to be affordable is extremely high, and while future RHNA allocations are expected to be higher than in the past, it is unclear whether they will be as high as this cycle. Therefore, if Council is interested in this option, staff recommends a 20% affordability policy because this amount is consistent with the affordability requirement in Option 5, below.

Staff developed a methodology to determine how many units could be credited if the City chose to apply this policy to Specific Plan and Development Agreement Amendments (SPA/DAA projects) which involve land use changes. The proposed methodology would include researching all SPA/DAA projects received during the last eight years (the length of a housing cycle), and calculating how many units would have been provided if all of those projects had been subject to a new 20% affordability policy. This number would then be used to forecast how many units could be gained during the next housing cycle.

Option 8: Affordable Housing Zone – avoids future unit loss (no gains)

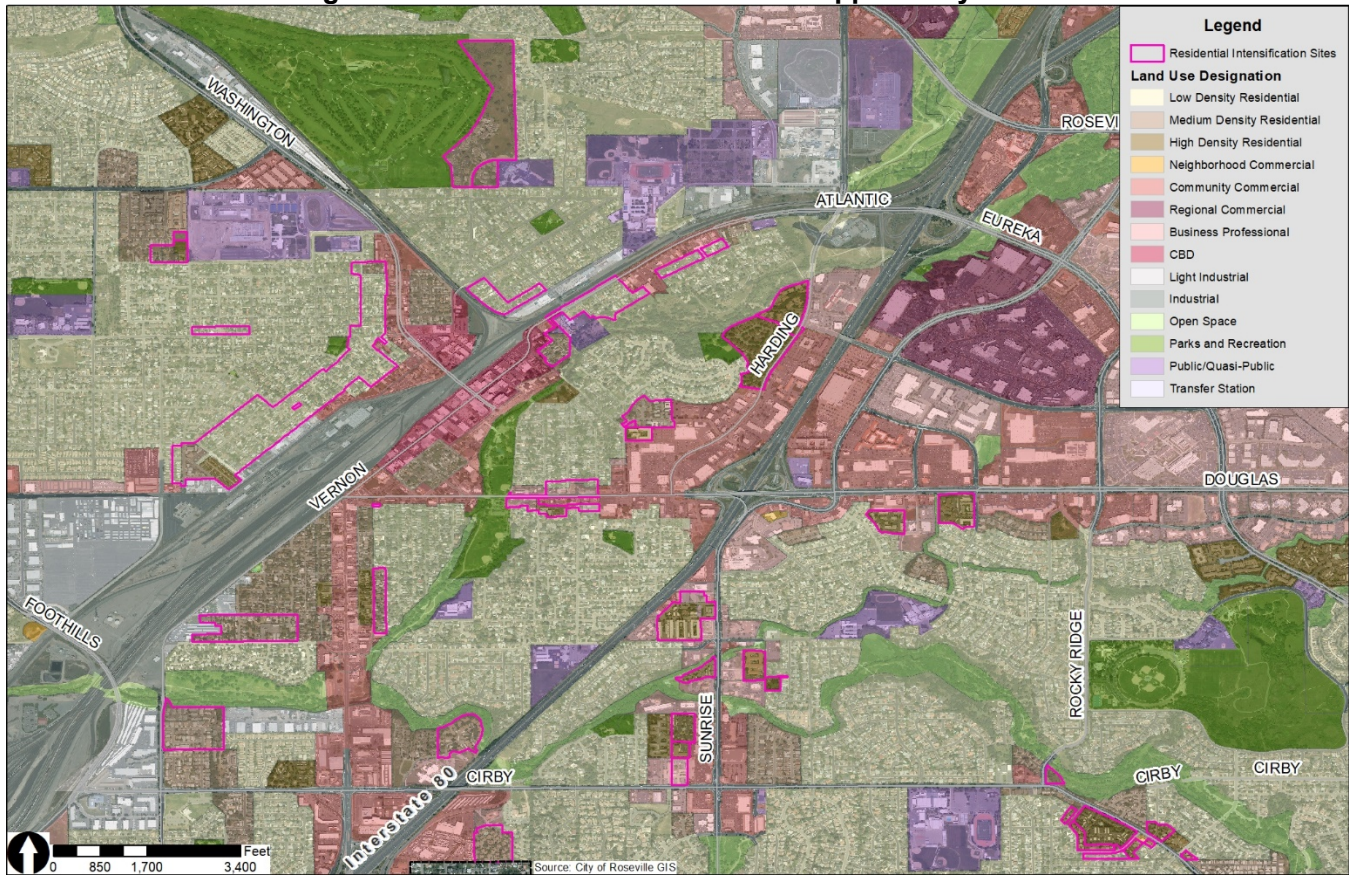
State law requires the City maintain its RHNA allocation at all times. If a high density site identified in the City's RHNA inventory develops as a market-rate complex, this is a loss which the City is obligated to offset by identifying additional land or units. The City cannot deny a project for causing a deficit, nor can the City make approval contingent on an applicant making up this loss. However, the City could adopt an amendment to the Zoning Ordinance establishing a new Affordable Housing overlay zone. This zone would require development to be affordable at a specified income level. In future, the City can then apply this zoning designation to all properties identified as lower income housing within the RHNA inventory, which would avoid issues related to net loss.

Option 9: Infill Intensification – up to 1,400 units (maximum)

This option consists of changing the land use designations of certain properties in the City's Infill planning area to allow higher densities. Staff examined all property within the Infill area of the City where the property is either zoned R3 (multiple-family designation), or has a land use designation of Medium Density Residential (MDR) or High Density Residential (HDR). The MDR and HDR sites were included because these are sites which already have more than one unit per lot, and were worth examining to determine if they were underdeveloped. Most of the properties with an existing R3 zoning designation have a Low Density Residential land use designation. The zoning reflects the presence of multiple units per lot on many parcels. Therefore, staff considered these good areas to examine the potential for intensification. Figure 4 shows all of the locations identified by staff.

A parcel-level analysis was completed by staff for all of the properties identified in Figure 5, to determine how many units could be added if allowable densities were increased. The analysis estimates a maximum amount—it is not a conservative estimate. Properties with vacant land area or which are currently developed with low-intensity apartments (e.g. four-plex) were assumed to have the potential to redevelop with apartments at a density of 30 units/acre. It was assumed that areas developed with single-family uses (three units or fewer) and areas with a mix of residential units (e.g. single-family adjacent to four-plexes) were unlikely to redevelop with apartments, so were assumed to have the potential to redevelop at a density of 15 units/acre. This density would not require demolishing existing single-family homes, but would include the construction of one or two additional units on the properties. Based on this analysis, this strategy has the potential to generate a *maximum* of 1,400 units. Staff expects the amount credited by HCD to be lower than this maximum.

Staff would propose to evaluate market data and trends and coordinate with small-scale developers to develop an estimate of units.

Figure 5: Potential Infill Intensification Opportunity Areas**Option 10: Missing Middle Zoning – units to be determined**

For decades, housing development in California and elsewhere has focused primarily on single-family homes or apartments, with very few attached mid-density projects (duplexes, bungalow courts, townhomes, etc). The term “missing middle housing” was coined to describe the lack of these housing options. The City’s R2 and R3 zones and both Medium and High Density Residential land use designations would accommodate these housing types, but very few examples of missing middle housing have been developed or proposed in the City. However, the California legislature and HCD have demonstrated significant interest in changing local land use regulations to allow multiple units within all residential zones, based on the premise that this type of housing is more likely to be built by individuals or small developers in infill areas. For this reason, staff has included missing middle zoning as an option for Council to consider.

This option would amend the Zoning Ordinance to eliminate the R1 zone and replace it with a new type of RS zone, with reduced setbacks, a minimum usable open space standard in lieu of a lot coverage standard, and multiple units per lot permitted. If Council is interested in pursuing this option, staff would develop proposed standards for this zone for Council review, including the maximum number of units Council would choose to allow. Alternatively, Council could adopt the new zone and only apply it to select infill areas, or adopt the new zone so that it is available to interested developers, but leave the City’s Zoning Map unchanged. City staff would need to prepare an inventory of all properties this would impact, and then work with HCD staff to develop an estimate of the number of units which could potentially be gained as a result of this change. This would likely be expressed as a percentage of the affected properties.

Option 11: Accessory Dwelling Units – units to be determined

State law has already relaxed standards and reduced fees for accessory dwelling units (ADUs) significantly. However, the City could relax standards and fees further, including developing language specifically addressing tiny homes (which are not on a permanent foundation). Staff has included this option because the

California legislature and HCD have demonstrated significant interest in ADUs. Staff coordinated with SACOG and several other jurisdictions on an effort to quantify the number of ADUs which could be credited based on existing regulations. Further coordination would be required to determine the additional increment of development which could be assumed if a more permissive policy were adopted. However, the City typically receives fewer than five permits for ADUs per year, so staff expects the number will be very low.