



White Paper: Flexible Densities in Downtown

APRIL 2018

Introduction

California is amid a housing crisis. Communities throughout the State are challenged with accommodating their fair share of housing production, many of which are exploring innovative solutions to that challenge. The City of San Luis Obispo has a pivotal opportunity through its Zoning Regulations Update to increase the amount of housing in Downtown consistent with its land use policy objectives. The purpose of this paper is to describe options for providing greater flexibility in development standards to encourage increased housing density in Downtown. This paper begins by outlining key policies in the 2035 General Plan that lay the foundation for flexible densities in Downtown. Next, it describes several options for increasing density and land use flexibility, including examples from other municipalities. We conclude with recommendations for the City to consider during the Zoning Regulations Update.

2035 General Plan Land Use Element: Key Policies

California law requires that every city adopt a general plan “for the physical development of the city and any land outside its boundaries that bears relation to its planning” (California Government Code Section 65300, et. Sec.). A general plan serves as the jurisdiction’s “constitution” or “blueprint” for future decisions concerning a variety of issues including land use, health and safety, and resource conservation. The Land Use Element of the City’s General Plan includes the Land Use Diagram, as well as policies that directly shape land use decisions and the resulting physical form of the City.

The following summarizes key goals in the Land Use Element related to Downtown form:

1. Where appropriate, create compact, mixed-use neighborhoods that locate housing, jobs, recreation, and other daily needs close to one another, while protecting the quality of life in established neighborhoods.
2. Maintain a compact urban form.
3. Preserve the City’s heritage of historic buildings and places.

4. Provide a variety of business services and housing in Downtown.
5. Provide a safe and pleasant place to walk and ride a bicycle, for recreation and other daily activities.

Based on these goals, the Land Use Element includes the following policies related to Downtown form and density:

LU 2.12. Downtown Residential Development. The City shall adopt special development standards to guide addition of dwellings within Downtown residential areas to implement Policy 2.8. The following should be included when evaluating new standards for this area:

- A. Requirements that new dwellings on lots with existing houses be above or behind the existing houses, and that the added building area be modestly sized and of similar architecture in comparison with the principal residences on the site and in the surrounding area;
- B. Requiring new buildings to reflect the mass and spacing of existing, nearby buildings;
- C. Requiring special parking and coverage standards;
- D. Requiring minimum amounts of usable open space.

LU 2.15. Residential Densities

The City will evaluate alternatives to the current maximum number of dwelling units per acre (based on bedroom count) and height, parking, and setback standards, to regulate residential building intensity, and bulk and mass. Floor area limits will be considered.

LU 2.16. Use of Downtown Parking by Residents

The City shall evaluate the potential to use portions of City-owned parking lots and structures for residents' parking.

LU 4.28. Allowing Efficiency Units and Variable Density in Downtown

The City shall modify zoning regulations to allow efficiency units and variable density in the Downtown Core.

Potential Flexible Density Considerations

Communities similar in scale to San Luis Obispo are exploring options to provide greater flexibility for new residential development and encourage higher densities in core areas. This section outlines a range of options to increase flexibility in the Downtown density standards and provides examples of how other communities have addressed this challenge.

Using FAR to Control Intensity

Residential development largely is regulated by density, which is measured in dwelling units per acre (du/ac). Standards for building intensity for non-residential uses such as mixed-use, commercial, and industrial development are measured by floor area ratios. Floor area ratio (FAR) is the relationship between the total amount of usable floor area in a structure and the total area of the lot on which a structure is built. This ratio is determined by dividing the total floor area of a structure by the gross area of the lot. The higher ratio, the greater intensity of the development. In the case of mixed-use developments that include residential uses, density standards are typically applied to the residential component, while FAR standards are applied to the entire project.

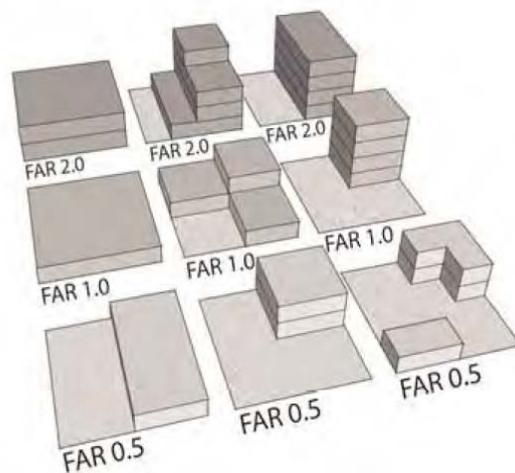


Figure 1: Illustration of Floor Area Ratio

In San Luis Obispo, FAR regulates the intensity of uses through a combination of height and lot coverage standards. Greater height limit, allowable lot coverage, or a combination of both, will result in increased intensity of the use. The existing maximum FAR in the C-D zone is 3.0 for structures up to 50 feet tall, 3.75 for structures over 50 feet tall, and 4.0 for structures over 50 feet tall that either include a transfer of development credits for open space or historic preservation, or if there is an approved density bonus for affordable housing. The FAR calculation, per the definition in Title 17, includes all above ground parking facilities in a structure. The existing height limit in the C-D zone is 50 feet, or up to 75 feet with approval of use permit from the Planning Commission contingent upon performance standards described in Section 17.42.020 of the Zoning Regulations. The maximum allowed lot coverage in the C-D zone is 100 percent.

Density Transfer

Zoning Regulations Section 17.16.010 allows projects in the Planned Development (PD) overlay zone to transfer density to another project in the PD overlay zone. The City could expand this approach to the C-D zone to allow Downtown projects that do not develop to maximum allowable density to transfer the remaining density potential to other Downtown projects. This could be particularly effective in the preservation of historic properties, whereby the development potential on a property could be transferred to any other property in Downtown in exchange for maintaining the low-intensity character of a historic property.

Modifying existing C-D regulations to permit density transfers is consistent with the General Plan Land Use Element, which promotes the transfer of development credits to projects in Downtown. Land Use

Element Policy 4.2.1: Existing and New Dwellings directs the City to allow projects to transfer density credits to other commercial core properties in Downtown, thereby resulting in higher residential densities than otherwise allowed.

Efficiency Units

In 2017 the State passed AB 352, Efficiency Units, as part of its Legislative Housing Package. The purpose of this law is to encourage the development of efficiency units and to prohibit communities from creating impediments to their development. Efficiency units, also known as micro units, are small, individual living spaces that typically consist of a single room within a multi-family structure. In many cases, these units lack a complete kitchen or bathroom facilities. For example, an efficiency unit may have a minifridge, microwave, and sink, but no stove or oven. They may also include shared bathroom facilities. Efficiency units are affordable by design and promote denser, more affordable housing. An example of how this has already been used is the Chinatown development.

San Luis Obispo, like many communities, is facing challenges associated with the housing shortage. A main contribution to the need for affordable housing is the shortage of housing for off-campus students attending California State University, San Luis Obispo. The student demographic generally does not require large housing units and can forego many of the amenities that other populations commonly desire. Many students and young adults entering the job market prefer to live in urban centers with proximity to shopping, dining, transportation, and recreation. Efficiency units are ideally suited for many in this population demographic.

Over the last two decades, the City has enhanced Downtown with a variety of mixed-use housing and commercial developments. Implementation of AB 352 can build upon the advancements in the urban core by increasing flexible density ranges and allowing a greater number of smaller (efficiency) units per acre, which creates denser infill projects. The existing maximum residential density for the C-D Zone is 36 units per acre. That density limit could be increased based on the percentage of efficiency units included in the project, allowing for an overall greater number and broader choice of housing units Downtown.

To fully comply with AB 352¹, the Zoning Regulations must allow efficiency units in residential zones that allow high-density housing within one-half mile of public transit or within one block of a car sharing service. Lastly, efficiency units must be allowed, without limit to number of units, in residential zones within one mile of the Cal Poly campus.

¹ In part, AB 352 says, “A city, county, or city and county shall not limit the number of efficiency units in an area zoned for residential use and located within one mile of a University of California or California State University campus.”



Figure 2: Examples of efficiency units

Parking Standards

Municipalities throughout the country are modernizing parking standards as travel habits shift away from single-occupant automobile travel toward alternative modes of transportation. Local governments are taking new approaches to determining parking demand, particularly in areas that are walkable and have excellent access to transit. Greater flexibility in parking requirements can reduce the amount of land that is allocated toward parking and increase the amount of land for active uses.

Unbundled Parking

“Unbundling” parking is the practice of selling or leasing parking spaces separate from the purchase or lease of the commercial or residential use. This allows base housing costs to be lowered and individuals who do not need parking the flexibility of paying less for their home. It also incentivizes individuals—where they have the option, to walk, bike, or use public transit for daily activities—to forego cars ownership.

The City of San Jose included unbundled parking as parking reduction incentive for multifamily residential projects in a Main Street District. San Jose Municipal Code Section 20.90.220 allows reduced parking requirements for multifamily residential projects in a pedestrian-oriented area if the project meets certain conditions, one of which includes unbundled parking. San Luis Obispo can apply a similar reduction incentive to residential developments in Downtown. While the Zoning Regulations allow the Director, based on making certain findings, to reduce the parking for residential development by either 10 percent or one space (see Section 17.60.016[H]), the City could implement additional provisions to allow or incentivize unbundled parking for residential projects in Downtown.

Reduce or Eliminate Parking Requirements

Reducing or eliminating parking in Downtown under certain conditions could lead to increase density and intensity by maximizing the amount of land devoted to residential or other active land uses. The City could allow a reduction or elimination of parking if a project meets certain criteria (e.g., proximity to transit, percentage of affordable units, etc.). The City currently allows parking reductions in C-D zone to “...provide flexibility in meeting parking requirements and rely on the consolidation of parking” (see Section 17.16.060). These provisions include reducing the parking requirement by one-half for residential, service, entertainment, and lodging uses including restaurants, bars, night clubs, theaters, auditoriums, hotels, bed and breakfast inns, and dwelling units (see Section 17.16.060[H][3]).

The City could reduce parking through the use of an overlay zone. For example, the City of Emeryville has applied parking reduction to areas located adjacent to transportation hubs by applying a Transit Hub (TH) overlay zone. Parking requirements can be reduced by up to 50 percent in the TH overlay zone. Emeryville also allows a further reduction to the parking requirements with the approval of a Conditional Use Permit based on the provision of “significant amenities to encourage transit use and increased pedestrian comfort.”

The City of Santa Monica and other communities limit the maximum number of parking spaces in projects to prevent excessive parking. The City could also consider this approach to further limit the amount of land devoted to parking and increase the efficient use of existing parking facilities

Alternative Parking Facilities

Over the last 20 years, the City has shifted away from reliance on surface parking lots in Downtown to support the development of more intensive, active uses. The City has embraced the movement toward alternative parking methods through the construction of several City-owned parking structures Downtown. This shift implements Goal 7.4 in the Downtown Concept Plan, which states that the City shall “Encourage the redevelopment of surface parking lots with more sustainable uses.” The City has also implemented several alternative parking standards, including the use of mechanical lifts in commercial and multifamily developments. The use of mechanical lifts promotes the consolidation of parking in more compact space to create more useable space for active uses. The existing Zoning Regulations do not permit mechanical lifts in the C-D zone as method of alternative parking. The City may want to consider revising standards to allow mechanical parking lifts in the C-D zone.

Finally, another approach, which tends to be the costliest, is to underground parking. Underground parking would allow for full use of the ground-level site for active uses. However, high groundwater levels in Downtown and the high cost of excavation may constrain this approach.

Figure 3: Example of an underground parking structure (left) and car stacker (right)



Considerations for Updating the Zoning Regulations

As the City considers options for flexible housing density, the following points may help inform the discussion:

- Incentivize the development of efficiency units in Downtown by increasing the maximum allowed number of dwelling units per acre or not applying any density restrictions to efficiency units or smaller units in general.
- Consider allowing density transfer to noncontiguous parcels in the C-D zone.
- Add maximum parking limits to eliminate excessive parking, but do not approve parking reductions in excess of the required parking.
- Allow the use of mechanical car lifts in the C-D zone.

Sources

California Legislative Information, Assembly Bill No. 352, accessed December 2017:

https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB352

City of Emeryville Municipal Code, accessed December 2017:

<http://www.codepublishing.com/CA/Emeryville/>

City of San Jose Municipal Code, accessed January 2018:

https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT20ZO

City of Santa Monica Municipal Code, accessed December 2017:

<http://www.qcode.us/codes/santamonica/>

International Code Council, 2015 International Building Code, accessed December 2017:

<https://codes.iccsafe.org/public/document/IBC2015>

Consultant for this White Paper

Mintier Harnish

1415 20th Street, Sacramento, CA 95811

(916) 446-0522

www.mintierharnish.com