



Tools to Facilitate Housing Development

Moraga 2023-2031 Housing Element

Town Council and Planning Commission Study Session

May 4, 2022



Tonight's Meeting

Email comments to:

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1. Housing Element Context
2. Regulatory Constraints and Options
 - A. Parking
 - B. Density v FAR
 - C. Height
 - D. Inclusionary Zoning
 - E. Density Bonus
 - F. Density Transfer
3. Next Steps

Context

Comprehensive Advanced Planning Initiative Components

- 2023-2031 Housing Element (required by State law)
- Rezoning of key parcels
- Focused General Plan Update
 - Phase 1: Amendments for internal consistency with Housing Element, and to meet State Safety and Circulation Element mandates
 - Phase 2: Update of remainder of General Plan
- Bollinger Canyon Study Area Rezoning
- Program-level EIR covering actions listed above

Context

Community Engagement Update

- Resident Survey now closed
 - 1,008 responses
- Student Survey closes Friday May 6
 - 143 responses
- Balancing Act closes Friday May 6
 - 838 page views
 - 102 maps submitted

Constraints Analysis

Constraints are defined as “factors that impede the maintenance, improvement, or development of housing for all income levels”

Governmental Constraints

- General Plan
- Zoning
- Constraints for particular housing types
- Site improvement requirements
- Processing delays
- Unique local building code requirements
- Fees and developer exactions
- Local ordinances that impact development

Non-Governmental Constraints

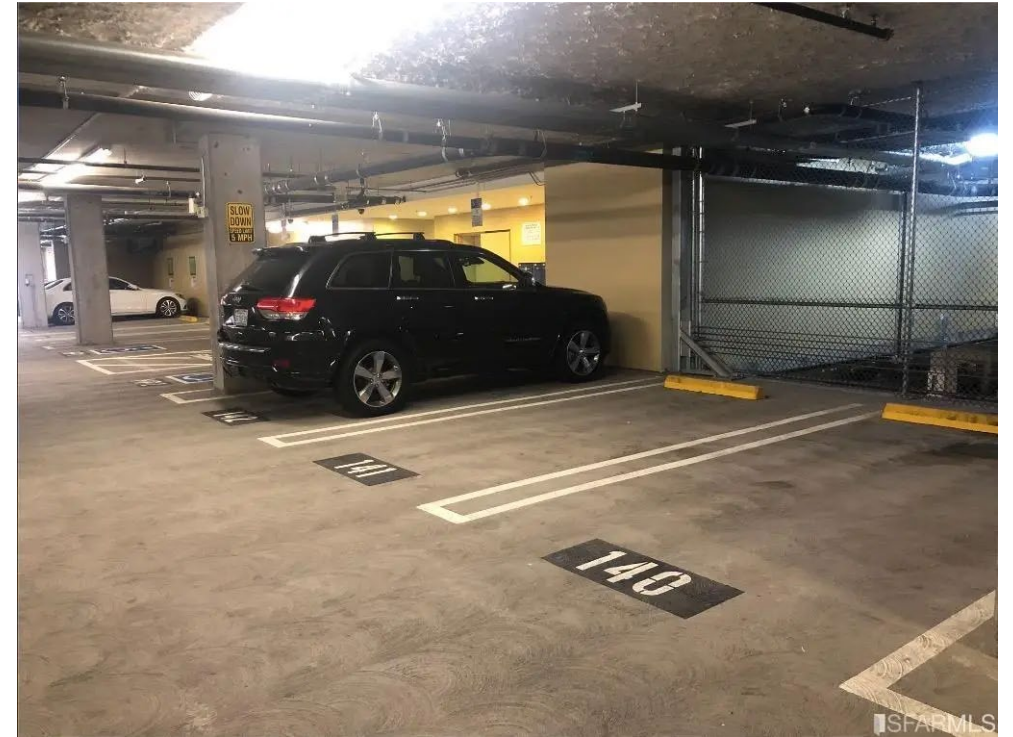
- Availability of financing (including tax credits)
- Price of land
- Cost of construction
- Requests to develop housing below allowable densities
- Projects approved but not built
- Infrastructure
- Community opposition

Parking

Parking was identified by developers as one of the two main obstacles to housing development.

Parking Costs:

- Range from \$25,000-\$50,000+
- \$33,359 median price per space (2021)
- Second highest cost in the country after NYC
- Important consideration in housing cost and feasibility



Moraga Parking Standards

- Moraga zoning requires 2 covered spaces per dwelling, regardless of unit type or number of bedrooms
- 0.5 space per unit also required for guest parking
- Planning Commission may allow reductions (with findings)
- State law pre-empts these standards for certain project types (ADUs, units in 100% affordable projects, units near transit, etc.)



Parking Requirements in Comparable Jurisdictions

Jurisdiction	Required Parking Spaces per Unit (Minimum)				Additional Required Guest Parking per Multi-Family Unit
	single family	studio apartment	1-bedroom apartment	2+ bedroom apartment	
Moraga	2.0	2.0(1.0 in R-20)	2.0(1.0 in R-20)	2.0	0.5
Orinda	4.0	1.0	1.5	2.0	0.25
Lafayette	2.0	1.0-1.2	1.0-1.2	1.2-1.5	0.20
Danville	2.0	1.0	1.5	2.0	0.25
Livermore	1.0-2.0	1.0	1.0-1.5	1.75-2.0	0.25
Los Gatos	2.0	1.5	1.5	1.5	1.0
Los Altos	2.0	1.5	2.0	2.0	0.25
Corte Madera	2.0-3.0	1.5	1.5	2.0	0.10
Mill Valley	2.0	2.0	2.0	2.0	0.25
Healdsburg	2.0	1.5-2.0	1.5-2.0	1.5-2.0	0.33
Santa Rosa	4.0	1.0	1.0	1.0	1.5

State Density Bonus: Parking

Density bonus projects are entitled to the following at their request:

Density Bonus Project Parking	
Studio	1 space
1 Bedroom	1 space
2 bedroom	1.5 spaces
3 bedroom	1.5 spaces
4 bedroom	2.5 spaces

And the following special allowances:

Density Bonus Project Parking	
11% very low or 20% low, within ½ mile of major transit	0.5 spaces
100% affordable, within ½ mile of major transit	0 spaces
Rental senior 100% affordable, within ½ mile of bus route	0 spaces
Rental special needs 100% affordable, ½ mile of bus route	0 spaces
Rental supportive housing, 100% affordable to low income	0 spaces

Common Parking Reduction Strategies

Transportation Demand Management Strategies:

- Inclusion of senior housing
- Inclusion of affordable housing
- Inclusion of student housing
- Bicycle facilities
- Pedestrian facilities
- Transit accessibility
- Unbundled parking
- Shared parking
- Carshare/bikeshare
- Employer-based strategies (shuttles, carpool, flexible work arrangements)

Parking Example

Type of Unit	Number of Units	Required Spaces/Unit	Required Spaces
Studio	8	1	8
One Bedroom	16	1	16
Two Bedroom	8	2	16
Three Bedroom	8	2	16
Guest Parking	40	.25	10
Subtotal			66

Implementation of TDM Strategies could reduce the required spaces, for example:

Car sharing 5% reduction

Bicycle facilities 5% reduction

Shared parking could further reduce the required number of spaces as the guest parking could be shared with commercial/office uses

Staff Recommendation

- Consider updating parking standards for studio, one-, and two-bedroom apartments
- Consider reduced guest parking requirement
- Consider standard allowances for parking reductions for TDM measures

Density or FAR?

Density-

- Density is the traditional standard used to determine the number of housing units allowed on a site
- Expressed as units per acre
- State requires sites for “lower income” households to be zoned for at least 20 units per acre

Floor Area Ratio (FAR)

- FAR is the ratio of building square feet to lot area
- FAR regulates square footage, not number of units
- FAR works best where residential and commercial uses are allowed on the same site (i.e., in mixed use areas)
- Some communities use FAR instead of density in mixed use areas

Comparison of Density and FAR

DENSITY



One acre at
24 units per acre



Yield: 24 units

FLOOR AREA RATIO



One acre at
FAR of 1.0



Yield: 43,560 square
feet of floor space

of units may vary

43,560 square feet of floor space
could be:

- 21 units at 2,000 sf each
- 43 units at 1,000 sf each
- 60 units at 700 sf each
- Or a mix of 10,000 sf of commercial uses, plus 33,000 sf of residential uses

Comparison of Density and FAR

	Pros	Cons
Density	<ul style="list-style-type: none">• Familiar and easily understood• Predictability (# of units is given)• Easy to determine density bonuses	<ul style="list-style-type: none">• Favors larger units• Limits unit count• Harder to achieve creative floor plans• Doesn't account for commercial square footage
Floor Area Ratio	<ul style="list-style-type: none">• More flexible• Accommodates mixed use (housing over retail, etc.)• Provides an incentive for smaller units	<ul style="list-style-type: none">• Less predictability (# units is unknown)• Difficult to calculate density bonuses• May be set too low to achieve desired outcomes• May lead to larger projects

Example of an FAR regulated project

- 600 Hartz Av – Danville (Faz Restaurant mixed use development)
- No density limit in zoning
- FAR is 0.96
 - Site is 51,940 square feet (1.2 ac)
 - Building is 49,909 square feet (excludes 31,000 SF of below grade parking)
 - Project has 2,700 SF of retail and 47,200 SF of residential which will be 33 units of housing: 5 units are below market rate (15%) and 28 units market rate units
- Equivalent density is 31 du/ac



Staff Recommendation

- Continue to use density in MCSP and Rheem areas
- Evaluate the potential to switch to FAR during the planning period (2023-2031) depending on outcomes

Maximum Building Height

Zone	Current Limit	Housing Allowed?	Proposed Limit
R-20 (MCSP)	45'	Yes	
MCSP Mixed Office-Residential	45'	Yes	
MCSP Mixed Retail-Residential	45'	Yes	
MCSP Commercial	35'	No	
Suburban Office (Rheem)	35'	Proposed	45'
Community Commercial (Rheem)	35'	No	
Limited Commercial (Rheem)	35'	No	
NEW- Mixed Use Commercial Retail (Rheem)		Yes	45'

Maximum Building Height

Examples from Lafayette



35 feet



45 feet



55 feet

Staff Recommendation

- Consider 45' in CC and SO (Rheem) zones for mixed use and multi-family projects to align with MCSP
- 35' would still apply to commercial uses
- If 35' is retained, consider 10' bonus for projects with affordable units

Inclusionary Zoning

- Requires a percentage of units in future residential developments to be affordable
- Common in California (170+ jurisdictions statewide)
 - *Nearby jurisdictions with inclusionary ordinances include Lafayette and Danville*



Inclusionary Zoning

Key Policy Considerations

- Percent of units to be dedicated as affordable
 - *High requirements can impact feasibility of new projects*
 - *Missed opportunity if requirements are too low*
 - *State may review rental requirements > 15% low income*
 - *Alignment with State Density Bonus*
- Depth of affordability
 - *Mix of income levels or single income level*
 - *Could target unmet RHNA needs*
- Applicability to different types of development



Inclusionary Zoning

Key Policy Considerations

- In-Lieu Fees & Other Alternatives
 - State law requires alternative compliance options
 - Most common alternative is in-lieu fees
 - Key in-lieu fee considerations include:
 - *Incentivizing fees or inclusionary units*
 - *Tradeoffs between inclusionary units and 100% affordable development*
 - *Timing & certainty of affordable unit construction*
 - *Flexibility in use of in-lieu fees*
 - *Periodic fee updates*
 - Other Alternatives: off-site construction, land donation, rehab of existing units



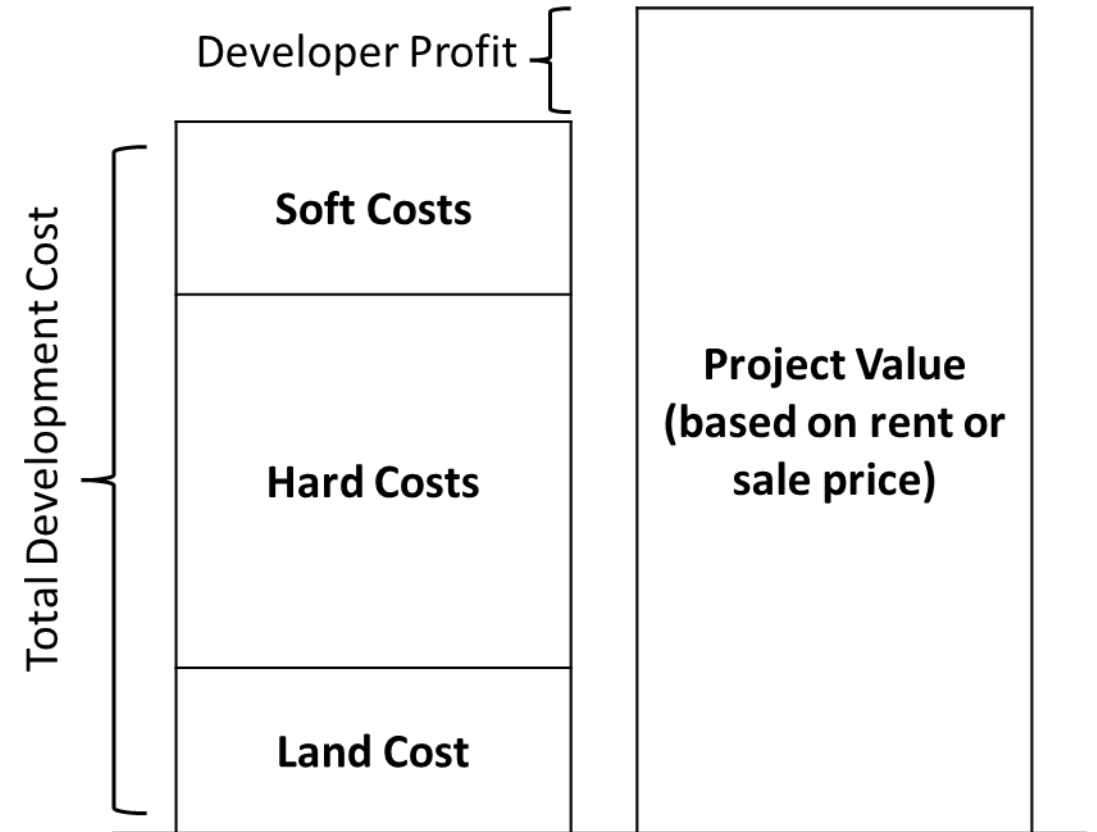
Inclusionary Zoning

Key Policy Considerations

- Project size thresholds
- Design of Inclusionary Units vs. Market-Rate Units
- Incentives for providing inclusionary units
 - *E.g., relaxed development standards, expedited processing, fee waivers*
 - *California Density Bonus provides incentives for qualifying projects*

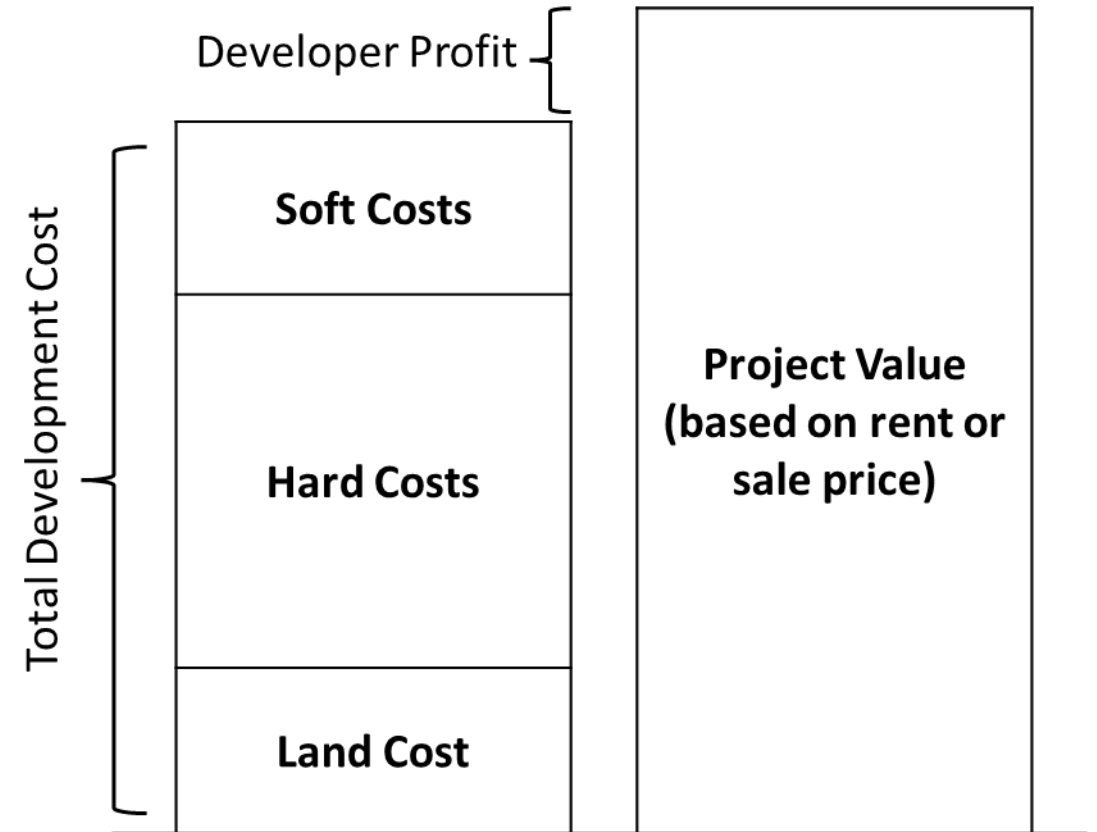
Inclusionary Zoning Economics

- Market-rate projects are considered financially feasible if:
 - Total Project Value
 - Total Development Cost
 - = Acceptable Profit Margin
- Developer's proforma will assess financial feasibility
- Value is based on the market
- Total development cost is based on the cost of soft costs, hard costs, and land



Inclusionary Zoning Economics

- Inclusionary ordinance affects project value
- Incentives can offset the effect of inclusionary requirements by impacting development costs, project value, or both
- Upzoning can also offset the effect of inclusionary requirements



Staff Recommendation

- Consider a 10-15% inclusionary zoning requirement
- Provide flexibility in how this requirement may be met

State Density Bonuses

- State law requires that projects with affordable units are eligible for “bonuses” (the right to build additional units)
- Bonuses are also available for senior housing and units for certain populations
- Amount of the bonus depends on the number of affordable units and level of affordability
- Developers may request concessions (relaxed standards) to make their projects more viable
- Some cities have adopted local bonuses

State Density Bonuses for selected project types

Project Type	Density Bonus
100% Affordable	80%
Senior Housing	20%
85% Market Rate 15% Very Low	50%
85% Market Rate 15% Low	27.5%
90% Market Rate 10% Low	20%
85% Market Rate for sale 15% Moderate for sale	10%

Density Bonus Chart

DENSITY BONUS CHART*

AFFORDABLE UNIT PERCENTAGE**	VERY LOW INCOME DENSITY BONUS	LOW INCOME DENSITY BONUS	MODERATE INCOME DENSITY BONUS***	LAND DONATION DENSITY BONUS	SENIOR****	FOSTER YOUTH/ DISABLED VETS/ HOMELESS	COLLEGE STUDENTS
5%	20%	-	-	-	20%	-	-
6%	22.5%	-	-	-	20%	-	-
7%	25%	-	-	-	20%	-	-
8%	27.5%	-	-	-	20%	-	-
9%	30%	-	-	-	20%	-	-
10%	32.5%	20%	5%	15%	20%	20%	-
11%	35%	21.5%	6%	16%	20%	20%	-
12%	38.75%	23%	7%	17%	20%	20%	-
13%	42.5%	24.5%	8%	18%	20%	20%	-
14%	46.25%	26%	9%	19%	20%	20%	-
15%	50%	27.5%	10%	20%	20%	20%	-
16%	50%	29%	11%	21%	20%	20%	-
17%	50%	30.5%	12%	22%	20%	20%	-
18%	50%	32%	13%	23%	20%	20%	-
19%	50%	33.5%	14%	24%	20%	20%	-
20%	50%	35%	15%	25%	20%	20%	35%
21%	50%	38.75%	16%	26%	20%	20%	35%
22%	50%	42.5%	17%	27%	20%	20%	35%
23%	50%	46.25%	18%	28%	20%	20%	35%
24%	50%	50%	19%	29%	20%	20%	35%
25%	50%	50%	20%	30%	20%	20%	35%
26%	50%	50%	21%	31%	20%	20%	35%
27%	50%	50%	22%	32%	20%	20%	35%
28%	50%	50%	23%	33%	20%	20%	35%
29%	50%	50%	24%	34%	20%	20%	35%
30%	50%	50%	25%	35%	20%	20%	35%
31%	50%	50%	26%	35%	20%	20%	35%
32%	50%	50%	27%	35%	20%	20%	35%
33%	50%	50%	28%	35%	20%	20%	35%
34%	50%	50%	29%	35%	20%	20%	35%

Density Bonuses:

*How does it work
with inclusionary
zoning?*

HYPOTHETICAL SCENARIO

In a community with a 15% inclusionary requirement (10% low and 5% very low)

- Developer owns 5-acre site
- Developer proposes 100 units
- 15 must be affordable (10 low, 5 very low)
- State law allows a 40% density bonus if developer provides the units on-site
- Developer can build 140 units—the “bonus” of 40 units can all be market rate
- Developers may request additional height, reduced parking, etc. to make project work

Staff Recommendation

- Continue allowing density bonuses, as required by State law
- Be mindful of potential impacts when considering inclusionary percentages

Density Transfers

(Transfer of Development Rights)

- Number of allowable units on a site may be “transferred” to another site
- Historically used to protect open space, historic resources, natural features
- Requires a “sending” site and a “receiving” site
- Chapter 8.104 (Moraga Municipal Code) allows density transfer, but only to residentially zoned property
- Transfers are typically initiated by property owner

Staff Recommendation

- Expand list of “**sending**” areas (zones from which development may be transferred) to include the new Rural Residential zone plus other parcels in very high fire hazard severity areas
- Expand list of “**receiving**” areas (zones to which development rights may be transferred) to include commercial zones, including those in which housing is not a permitted use
- Would create limited opportunity for housing in MCSP-CC, Ranch Overlay, and LC zoning districts

Topics for Discussion/Input

	Topic	Recommended Action
1	Parking	<ul style="list-style-type: none">• Consider reduced requirements for apartments (especially studios and one-bedrooms and guest parking)• Allow for parking reductions where TDM programs are implemented
2	Density v FAR	<ul style="list-style-type: none">• Continue using density—monitor development activity to evaluate potential for shift to FAR in future
3	Height	<ul style="list-style-type: none">• 45' for residential and mixed uses in Suburban Commercial and New Mixed Use Commercial Retail (Rheem Center)
4	Inclusionary Zoning	<ul style="list-style-type: none">• Adopt 10-15% requirement (details and mix TBD)
5	Density Bonus	<ul style="list-style-type: none">• Continue to implement State law
6	Density Transfer	<ul style="list-style-type: none">• Add RR and very high fire hazard zones as “sending” areas• Allow all commercial zones to be “receiving” areas



Tools to Facilitate Housing Development

Moraga 2023-2031 Housing Element

Thank You!

