



ROADMAP HOME 2030

Roadmap Home 2030 Proposal: Allow Mixed-Income and Affordable Housing in Resource-Rich Areas

Roadmap Home 2030 is a comprehensive state policy platform for ending homelessness, creating needed affordable homes, stabilizing low-income renters, and closing racial equity gaps in housing within a decade. View the full Roadmap at www.roadmaphome2030.org.

This document provides policy specifications and a summary of the approach used to estimate impact for Roadmap proposal C1, which is to allow height and density increases for mixed-income and affordable housing in resource-rich neighborhoods where local rules do not currently permit it. Mapcraft, Inc. completed this impact analysis and ECO Northwest created the story map and interactive map and charts on the webpage www.chpc.net/zoningreform.

Description of policy

Rationale:

One strategy for addressing California's legacy of exclusionary and racially discriminatory zoning and producing needed affordable and market-rate homes is up-zoning—allowing height and density increases for mixed-income and affordable housing where local zoning rules do not currently permit it. Up-zoning should occur in resource-rich neighborhoods whose characteristics are associated with positive outcomes for families and children, and where employment and commuting patterns suggest more housing could shorten commutes. However, up-zoning should not occur in communities of color experiencing displacement and gentrification pressure, very high fire hazard areas, or environmentally sensitive areas, preserved open space, or agricultural land.

Description:

Allow increases in height and density, and reduce parking requirements, for affordable and mixed-income developments in resource-rich neighborhoods. Policy details and eligibility requirements for this proposal—the "Roadmap Bonus," for short—are included below:



Eligibility

Census tract eligibility for the Roadmap Bonus are defined by the Mapping Opportunity CA project, with additional criteria based on the Urban Displacement Project's Sensitive Communities geographies and the TCAC/HCD Opportunity Map—and additional geographic criteria.¹ Specifically:

- Tracts defined by Mapping Opportunity CA as “high-opportunity + jobs-rich, long in-commutes, and/or jobs-housing mismatch”:
 - If tract is not a Sensitive Community: Eligible for Roadmap Bonus
 - If tract is a Sensitive Community:
 - If tract is designated in the TCAC/HCD Opportunity Map as “Highest Resource”: Eligible for Roadmap Bonus
 - All other TCAC designations: Not eligible for Roadmap Bonus
- In detailed modeling regions (see “Approach to estimating impact” below), the following parcels were excluded from Roadmap Bonus eligibility:
 - Sites in very high hazard fire areas as defined by CalFire, both local and state responsibility
 - Sites with recent rental units or known Ellis Act actions
 - Sites where industrial uses are conditionally allowed or permitted

For modeling purposes, the policy was not evaluated on parcels in State of California protected areas, designated as prime or state agricultural land, outside Census-designated urbanized areas, or deemed undevelopable based on historic designation, public use, or other qualification determined by regional agencies.

Requirements of housing developments receiving the Roadmap Bonus

- Eligible projects must provide more homes than were demolished (similar to 2020's Senate Bill 330).
- Eligible projects with more than 10 units must provide 20 percent of homes as deed-restricted homes affordable for 55 years, as described in Table 1.
 - Projects can opt to provide higher percentages at lower income targets as long as they meet the total percentages required by the policy.
 - In cases where local inclusionary policies are present, the project must meet the higher proportion of total affordable homes required by either policy AND must fulfill the highest percentage requirements at the deepest affordability targets first (this specification matches 2020's Assembly Bill 1279).

¹ Websites for each of these resources: Mapping Opportunity CA: <https://mappingopportunityca.org/>; Sensitive Communities: <https://www.sensitivecommunities.org/>; and TCAC Opportunity Map: <https://www.treasurer.ca.gov/ctcac/opportunity.asp>.



Table 1: Roadmap Bonus Inclusionary Housing Requirements

Policy Requirement	Percent of units in building	
	Rental	Ownership
ELI Units	5%	0%
VLI Units	5%	10%
LI Units	10%	10%
Total Inclusionary Set Aside	20%	20%

Note: All percentages are multiplied by the total number of units in the development and rounded to the nearest whole unit to determine the number of affordable units. In addition, all affordable units were assumed to be of equal sizes, mixes, and quality as market rate units and distributed throughout developments.

- Eligible projects with 10 or fewer units must pay a fee to the county or city.
 - Fees will be applied to all units in the project.
 - The fee for each unit will equal 20 percent of the difference between the market value of the unit and the value had the unit been affordable to a low-income household. We assume that these fees could buy down comparable market-rate units to be affordable to low-income households, yielding incremental affordable units from the inclusionary requirements.

Benefits of the Roadmap bonus for housing developments

- Eligible housing projects are granted unlimited density, including elimination of unit per acre, lot size, unit per lot, FAR, and other maximums on the intensity of housing land uses.
- In transit-served areas, as defined by 2020’s SB50 (15-minute bus headways during peak), eligible projects are limited in height to 80 percent over currently allowed heights up to 85 feet tall (typically seven stories) if current height limits are lower than 85 feet.
- Outside of transit-served areas, eligible projects are limited in height to 50 percent over currently allowed heights up to 55 feet tall (typically five stories) if current height limits are lower than 55 feet.
- Eligible projects cannot be required to provide more than 0.5 parking stalls per home, and eligible projects in transit-served areas cannot be required to provide residential parking.

Table 2: Summary of Roadmap Bonus Incentives

	Transit Areas	Non-Transit Areas
Height	80% increase over existing limit, up to 85 feet total	50% increase over existing limit, up to 55 feet total
Required Parking	0 stalls	0.5 stalls/unit
FAR	unlimited	unlimited
Units per acre	unlimited	unlimited
Units per lot	unlimited	unlimited

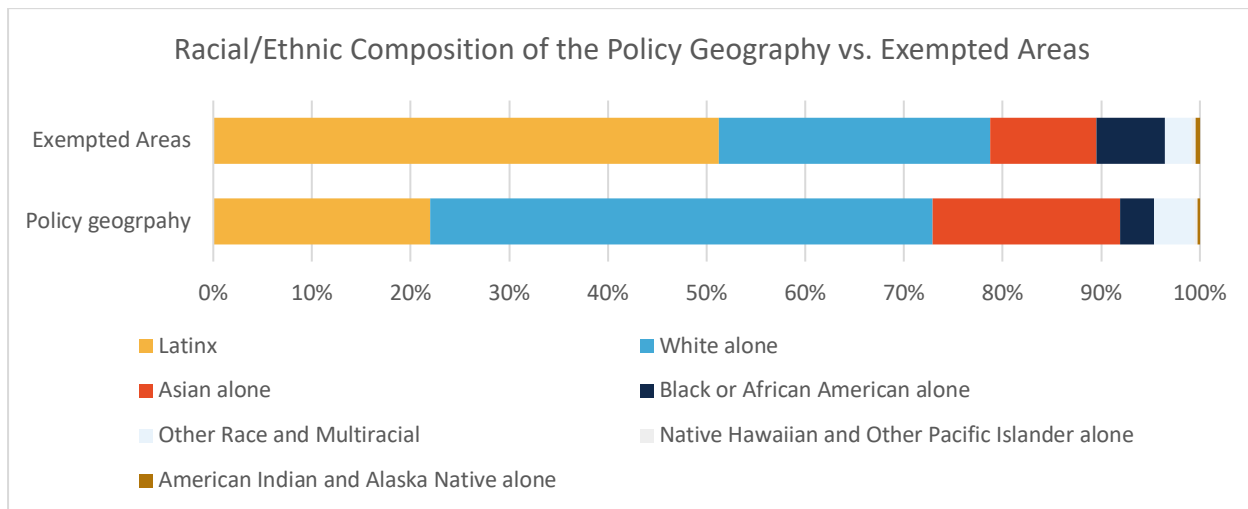


Development fees	<i>No change under Roadmap Bonus</i>	<i>No change under Roadmap Bonus</i>
Other development controls (e.g., setbacks, minimum lot size)	<i>No change under Roadmap Bonus</i>	<i>No change under Roadmap Bonus</i>

Racial equity

Lower incomes, lower rates of homeownership, and higher rates of housing cost burden among Californians of color, particularly Black and Latinx Californians, means they are more likely to benefit from policies that lead to creation of deed-restricted affordable housing and affordable homeownership opportunities. These policies help protect residents from involuntary displacement and unaffordable rent increases, create wealth building opportunities for low-income families, and help reduce racial/ethnic disparities in housing outcomes. In addition, separate Roadmap proposals to regionalize waitlists for deed-restricted affordable homes (proposal E10) and prioritize access to affordable homes for residents of low-income neighborhoods (proposal E7) would combine with this proposal to ensure equitable access to affordable homes created through this proposal.²

Analysis completed by ECO Northwest using 2019 data from the American Community Survey also shows the Roadmap Bonus would be allowed in resource-rich areas that are predominantly non-Hispanic white while exempting areas with higher shares of Black and Latinx residents. Statewide results of this analysis are shown below:



² For more information on these proposals, visit www.roadmaphome2030.org.



Approach to estimating impact

MapCraft, Inc. evaluated the potential impact of the Roadmap Bonus on housing production. A summary of Mapcraft's approach is provided below.

For this policy evaluation, MapCraft used information and financial analysis used by real estate professionals to analyze how the proposed Roadmap Bonus policy would affect housing production. MapCraft applied pro forma financial calculations for an array of development options on each parcel in the nine-county Bay Area, the six-county SCAG region, and San Diego County, totaling more than seven million parcels. This geography accounts for 75 percent of the state's current housing stock and 81 percent of tracts eligible for the Roadmap Bonus.

Each pro forma tested on a parcel reflected a building form that conformed to land use policies (based on local zoning policies gathered by regional agencies), the cost of different construction components (based on RS Means and other sources), local market demand (based on CoStar and other data providers), recent inclusionary housing policies (based on UC Berkeley's Urban Displacement Project and other sources), and existing land uses on the parcel (based on tax assessor, regional government, and third-party data). The potential impacts on real estate development under the Roadmap Bonus were determined by assessing the financial feasibility of different development options on a site under various policy specifications.

To estimate how many market-rate and affordable homes might actually be built under the Roadmap Bonus, MapCraft calculated the ratio between market feasible capacity under recent policies (pre-Roadmap) and historic production for each census tract where parcel-level results were available. MapCraft then applied the pre-Roadmap capacity-production ratio to the post-Roadmap market-feasible capacity to understand how much production might be expected. For example, if the Roadmap bonus would increase market-feasible capacity by 400 percent in a census tract that has historically produced 10 homes per year, MapCraft estimated that 40 homes could have been produced under the Roadmap Bonus policy, a net increase of 30 homes per year.

However, nearly 20 percent of census tracts eligible for the Roadmap Bonus are located outside the regions for which MapCraft had detailed parcel and zoning data. To estimate production in these areas and arrive at a statewide estimate of Roadmap Bonus production, MapCraft used the results from the detailed parcel analysis to extrapolate results for the remainder of the state, applying the capacity-production ratios from places with detailed results to historic housing production in similar places outside of the detailed study areas.

To do so, MapCraft used a typology approach to categorize all Roadmap Bonus-eligible census tracts into groups of similar tracts (place types). The proposed Roadmap Bonus would loosen zoning restrictions but not affect existing use or underlying market feasibility, so MapCraft focused on tract-level approximations of density of existing use (homes per acre) and market feasibility (maximum land budget for new missing middle and multifamily development) as categorization factors. Combining three groupings of these two variables resulted in a tract typology with nine place types. Detailed results existed for at least 65 percent of the eligible statewide tracts (and as many as 98 percent of tracts) in each place type, which allowed detailed results to be extrapolated to the small portion of tracts outside of the detailed study area.

Because the Roadmap Bonus provides additional upzones to transit-served areas, this ratio was calculated twice for each place type: once for parcels in transit areas, and once for parcels outside transit areas. Then, the appropriate ratios were applied to each tract outside the detailed analysis areas based on the share of transit-served land area in each tract.



Aside from the Roadmap Bonus policy specification, MapCraft applied several more detailed assumptions. For example, the policy was not evaluated on parcels that are State of California protected areas, designated as prime or state ag land, outside Census-designated urbanized areas, or deemed undevelopable based on historic designation, public use, or other qualification determined by regional agencies.

To model the inclusionary requirements in the policy, MapCraft applied percentage-based affordability requirements to buildings and rounded up to the nearest whole number to determine the number of affordable homes in each household income category. In addition, affordable homes were assumed to be of equal sizes, mixes, and quality as market-rate homes and distributed throughout developments. For any fees paid by projects with 10 or fewer homes, it was assumed that the fees could buy down comparable nearby market-rate homes to be affordable to low-income households. This approach yielded incremental low-income affordable homes that were included in the results.

Quantification outputs

- 13,800 affordable homes annually or 138,000 over ten years
- 46,500 market-rate homes annually or 465,000 over ten years
- 380,000 people served per year (affordable homes only)

