Modesto Housing Plan

City of Modesto
Modesto, CA

Final Plan
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What's Inside?

What Is The Housing Plan?

A Roadmap to Identify Barriers and Increase Housing Choices in Modesto

The Plan is a focused document that explores ways to expand housing choice while responding to shifting household needs, growing demand for walkable neighborhoods, and the urgent need for attainable housing at different price points.

The Housing Plan provides planning and policy guidance to remove barriers and boost housing production. It will inform the City's long-term planning approach and housing policy in the General Plan and Housing Element.

An Effort to Provide Housing Choices for Everyone

Housing affordability and equitable housing access are top priorities of the City and the Housing Plan. In order to comprehensively address these issues, the Housing Plan will focus on how to increase housing production at all price points to enable housing opportunities for current and future residents of Modesto.

The Housing Plan is an opportunity for Modesto to expand housing choices and affordability for its current and future residents.

Housing Plan Organization

Part One
Analysis

Ch 1

Understand the issues related to housing in Modesto today, what housing choices currently exist and assess unmet housing needs.

Explore housing trends and market changes nationwide to understand implications for Modesto in the coming years.

Ch 2

Determine context types based upon citywide urban form analysis

Analyze lot sizes to understand typical repeating patterns

Identify housing types appropriate to each context type

Carry out "test fits" using prototypical building types for each context type, to support financial feasibility analysis

Ch 3

Conduct financial feasibility analysis of test fits to identify which building types would be economically viable in each context type

Ch 4

Test development capacity of representative "opportunity sites" with findings that can be extrapolated citywide

Part Two

Recommendations

Ch 5

Perform regulatory analysis of existing policies and standards to identify potential barriers to housing production and choice.

The analysis, derived from the findings from the test fits and opportunity sites testing, clearly identify gaps specific to Modesto's existing conditions and current regulations.

Ch 6

Housing policy recommendations set the framework to enable housing diversity and access, and enable Modesto to get a prohousing designation.

Ch 8

Model baseline and development scenarios to illustrate potential housing outcomes to help the City in decision-making.

Ch 7

Recommendations for zoning and entitlement provide the means to implement the housing policies and remove barriers.

What next?

The Housing Plan recommendations will be implemented through the Housing Element of the General Plan, and inform the City's zoning and policy decisions.

This chapter introduces key housing issues in Modesto.

CHAPTER

1

The Housing Issue

In this chapter

1.1 Housing in Modesto Today

Housing Demand

Modesto is experiencing a housing shortage as well as a lack of housing diversity, limiting housing choices for its residents. As a thriving Central Valley city in the Bay Area's orbit, Modesto feels regional growth pressures and is a desirable place to call home. Modesto boasts a high quality of life and, compared to other parts of the state, relatively low housing prices. Demand is increasing as costs in other metro areas (like the Bay Area and Sacramento) are becoming increasingly expensive.

The State of California has projected that **Modesto would need 11,248 new housing units by the year 2030** in order to keep up with housing demand and take on its proportional share to alleviate the statewide housing crisis.

For scale, in the 11 years between 2010 and 2021, Modesto has added only 1,956 units, representing a 2.5 percent increase in the total housing stock. Clearly, the demand is greatly outpacing the number of new units being constructed.

Market Conditions

Reflecting the housing demand, home values have been steadily rising since 2012, and fully recovered from the Great Recession in September 2021.

Housing costs in Modesto are significantly lower than in other parts of California. The **median home value in Modesto is $431,000**. Rental prices are approximately 75 percent of the statewide average and have been steadily rising around 8.5 percent per year since 2014.

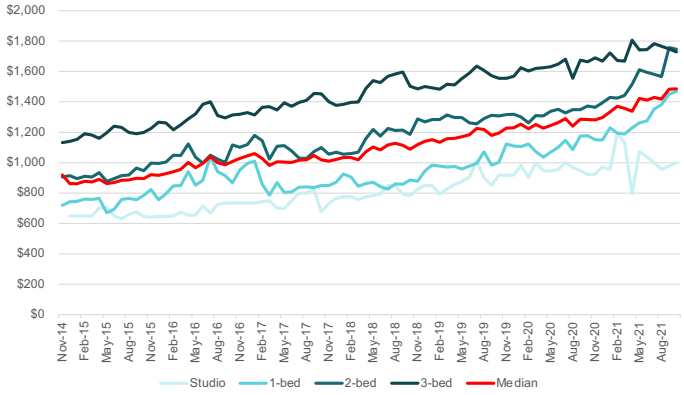
Below: Prevalent development patterns and housing types need to be rethought in order to meet Modesto's changing housing needs.

Housing Demand + Market Conditions

11,248
new units needed by 2030 in Modesto

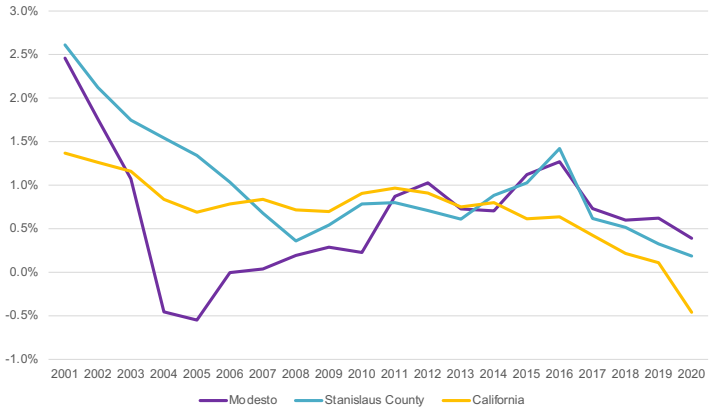
95%
of housing units in Modesto currently occupied (7% higher than national average)

Market Conditions: Median Rent



Median Rents in Modesto, CA (2014-2021)

Population Growth + Housing Trends



Population Growth (%) in Modesto, Stanislaus County, and California

1.2 The Need + Desire For More Housing Choices

Different demographics and households have different housing needs.

While no two households are alike, considering the unique needs of Modestans from all walks of life

will enable us to plan **housing for everyone.** The snapshots below illustrate a few of the unique housing needs of different household types and lifestyle preferences.

We are a multigenerational family.
We need room for three generations to live together. Grandma and grandpa need their own space to retreat, but still want to be steps away from their kids and grandkids and to be present in the family's daily life.

We are a family.
We need space for our kids to live and play, and we'd like a backyard. We'd love it if they could walk to school.

1.3 Housing Issues

1

Modestans' **housing needs are changing**, reflecting nationwide trends

2

Today's housing supply **lacks diversity**

3

Housing in Modesto is **growing less affordable**

Modestans' Housing Needs Are Changing

More than ever, households are **looking for new housing options** and are willing to **make tradeoffs to achieve their desired lifestyles.**

People are evaluating housing and lifestyle choices with questions like:

- What are my options if I want to continue living in my neighborhood but **no longer want or need my single-family home**?
- I want to **support my family by having them live with me**, what are my housing options?
- What **mobility options** will I have? Will I need to rely on a car to get everywhere?
- **What can I walk to?** Am I willing to live in a smaller unit in order to be within walking distance of amenities and services?
- **How sustainable** is this lifestyle choice?
- What are my choices **when I can no longer drive** and do not want to be isolated?

Modestans' Housing Needs Are Changing

Local Demographic Trends

Modesto's **population is expected to increase by 19 percent over the next 30 years**, from 219,500 in 2020 to 261,500 in 2050, according to the US Census Bureau. Its population will also continue becoming more diverse. The Latino population has increased from 24 to 41 percent from 2000 to 2020, and will be 45 of Modesto's population by 2050.

Modesto is projected to add 7,742 households over the next decade, and **18,000 households through 2050**. Modesto is also anticipated to add the highest number of jobs in the county, 24 percent over the next 30 years

Stanislaus County is expected to face similar demographic changes. Over 55 percent of its population in 2050 will be Latino. Its **population over 65 years will increase by 86 percent from 2020 to 2050**, and in 2050, will form 21 percent of the total population. The ratio of single-person households, currently 27 percent, is anticipated to increase. To meet its housing needs, Stanislaus County needs 2,500 new housing units per year for the next decade, with 1,500 new units annually for the following two decades.

Modesto: demographic and housing trends and projections

41%
of 2020 population is Latino

7,700
new households projected, 2020-30

60%
households in 2020 do not have children

19%
projected increase in population, 2020-50

3.0
average household size

Housing Needs Are Changing Nationwide

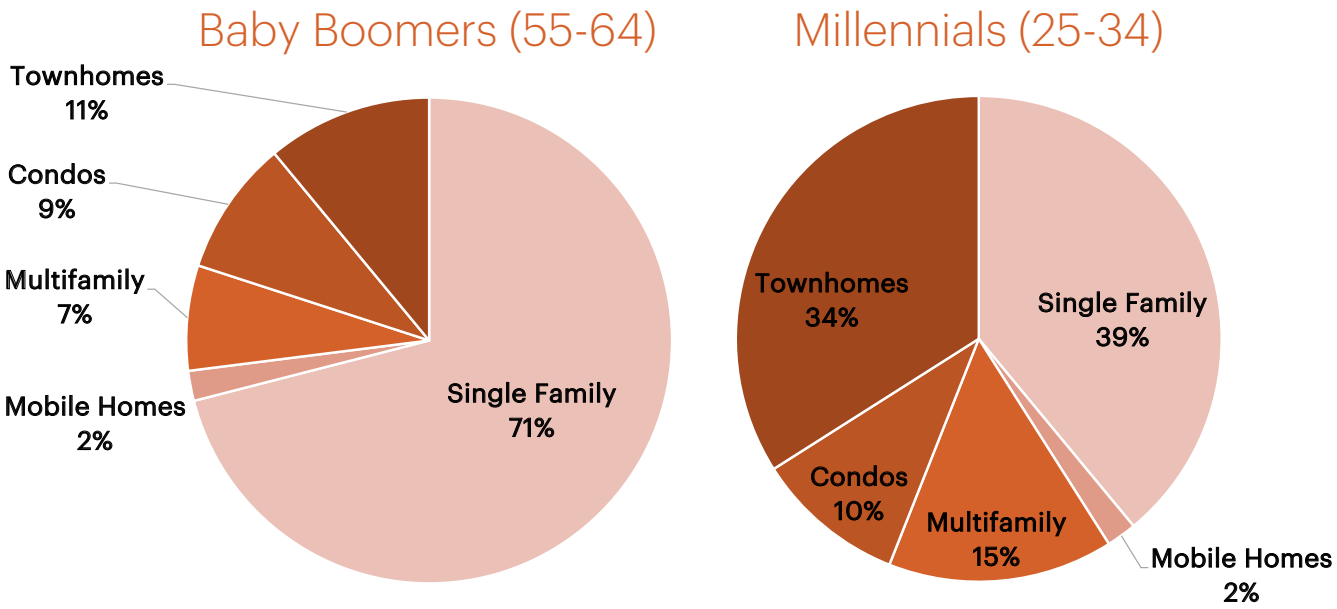
National Demographic Trends

The changes seen in Modesto's demographics are not unusual, and reflect national demographics trends and changing housing preferences. According to the US Census Bureau, 30 percent of all households today are single-person households, and this trend is anticipated to increase. **By 2025, 75 to 85 percent of US households will not have children**.

Americans are also aging. The ratio of the senior population has been increasing steadily, and **by 2050, one in every five Americans will be over 65 years of age**. Another key trend is that of ethnicity. By 2050, **29 percent of the population will be Latino**.

These key demographic shifts signal a pressing need to create more diverse housing types that better fit our changing lifestyles and housing needs. Recent surveys have revealed that a significant percentage of the population would prefer alternate housing types to the Single-Family home. To meet this demand will need a concerted effort by jurisdictions, financing institutions and the development community.

Growing demand for walkability and non-single-family housing choices



27% of Baby Boomers and 59% of Millenials are looking for new housing options such as Missing Middle types

Source: www.realtor.com

Today's Housing Supply Lacks Diversity

>70%

of Modesto's housing stock are single-family homes

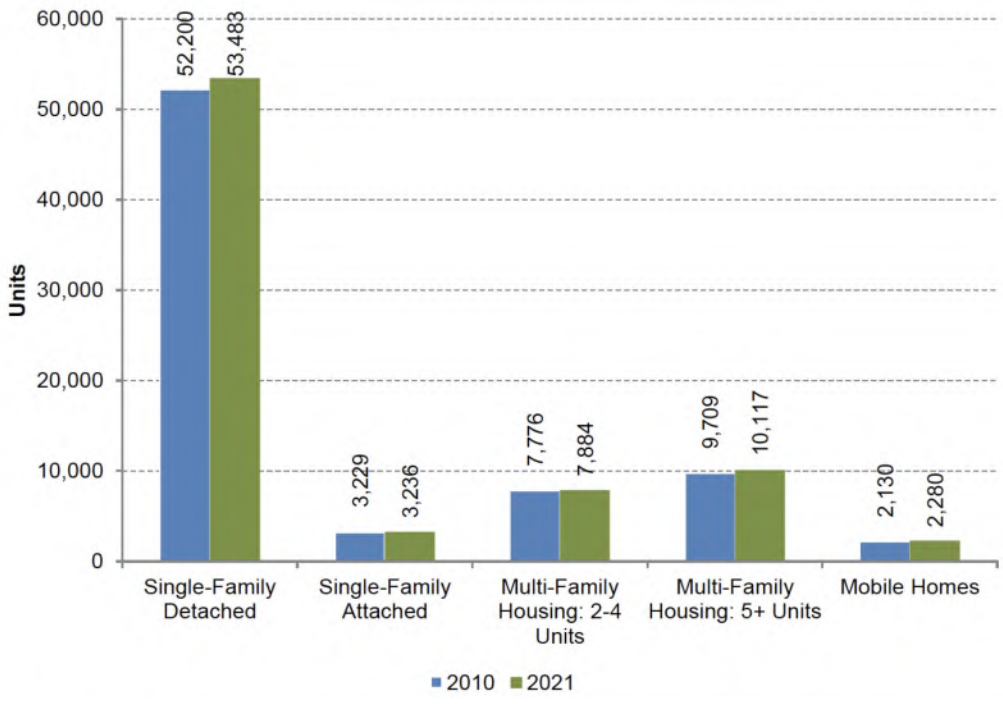
Single-Family Homes

In recent years, most housing produced in the region and across the state has consisted of Single-Family detached homes and, at the other end of the spectrum, large multi-unit buildings. However, what has been missing is small-scale multi-unit housing types, also known as Missing Middle Housing. These types, including Duplexes, Triplexes, Fourplexes, Townhomes, Cottage Courts, and Accessory Dwelling Units (ADUs), can provide more housing options across a wider range of incomes and tenure, from young households seeking their first home, to seniors looking to downsize and age-in-place.

The housing stock of Modesto in 2021 was made up of 69.5 percent Single-Family detached homes, 4.2 percent Single-Family attached homes, 10.2 percent multi-family homes with 2 to 4 units, 13.1 percent multi-family homes with 5 or more units, and 3 percent mobile homes. In Modesto, the housing type that experienced the most growth between 2010 and 2021 was Single-Family detached.

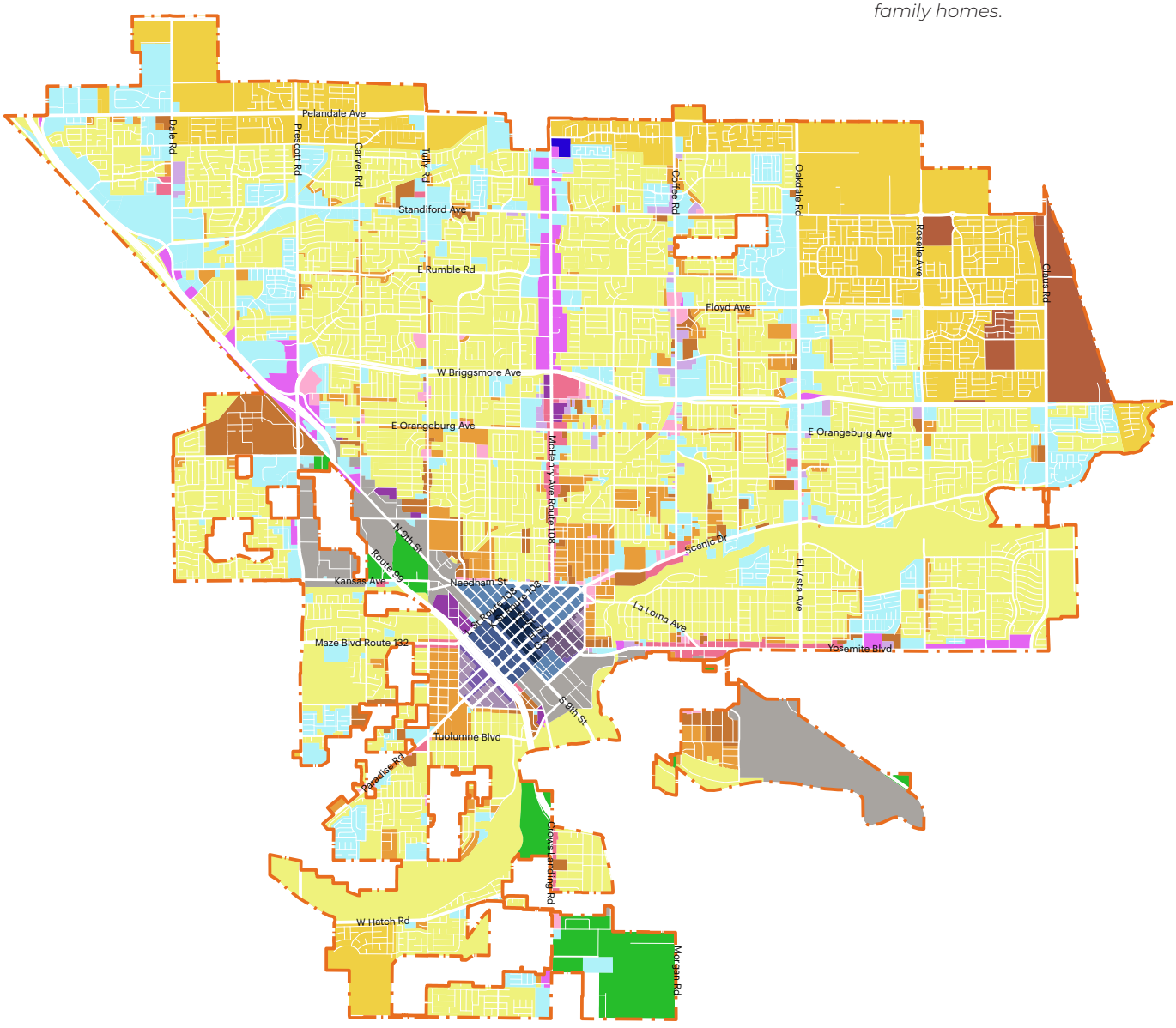
Single-Family Zoning

The predominant zoning district across Modesto is R-1, which allows detached single-family homes and accessory dwelling units. This limits other housing types and cannot provide for the diverse housing needs indicated by demographic trends.



Right: The range of housing types built in Modesto between 2010 - 2021. The largest category was of Single-Family detached homes.

Below: The light yellow color indicates R-1 zoning, which allows only detached single-family homes.



Legend

C-1	M-1	P-D	P-R-2	R-2	CD	MSD
C-2	M-2	P-M-1	P-R-3	R-3	TD	TND
C-3	P-C-2	P-O	P-SP	SP	UGD	
C-M	P-C-3	P-R-1	R-1	SP-H	END	

Housing in Modesto is Growing Less Affordable

The percentage of Modesto's population that is **"house burdened"** is increasing. This trend threatens Modesto's future and economy.

6.3%
increase in median rent from 2010-2019

11%
increase in home prices from 2020-2021

Housing Insecurity

The number of residents who own their homes compared to those who rent their homes can help identify the level of housing insecurity – ability for individuals to stay in their homes – in a city and region. Generally, renters may be displaced more quickly if prices increase. In Modesto there are a total of 72,332 occupied housing units, and fewer residents rent than own their homes (44.9 percent versus 55.1 percent). By comparison, 42.2 percent of households in Stanislaus County are renters, while 45.2 percent of California households rent their homes.

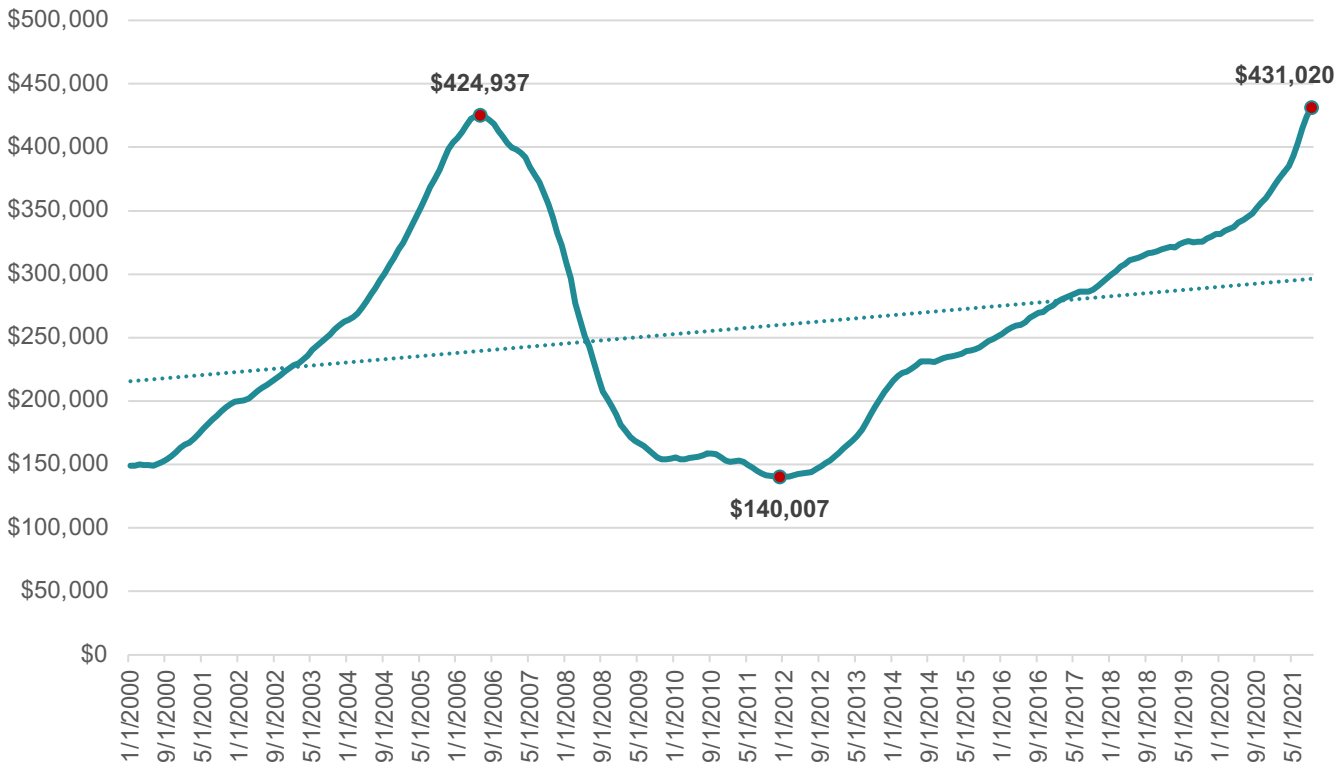
The Trends

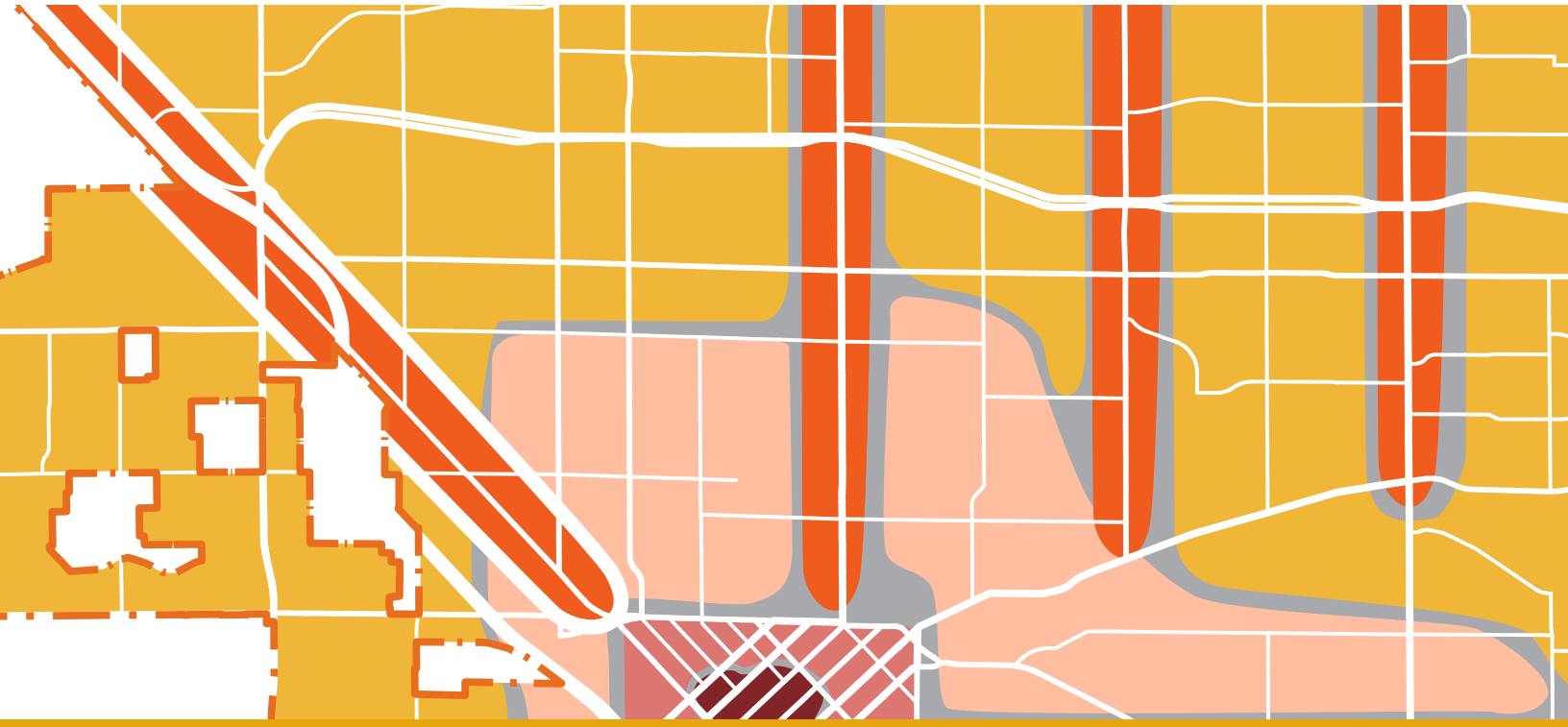
According to U.S. Census data, the **median rent increased by 6.3 percent in Modesto from 2010 to 2019**, from $1,173 to $1,286 per month. In Stanislaus County, the median rent has increased 3.6 percent, from $1,192 to $1,235. Median rent is lower in both absolute value and rate of growth compared to the state as a whole, with statewide median rents increasing 15.6 percent, from $1,409 to $1,629, in the same time period.

The median home value in Modesto is currently at $431,000, a new peak since the Great Recession. Home values have steadily increased since 2012, and in September 20212 overtook previous 2006 peak.

Between 2020-2021, **Modesto home prices increased by 11%**, the fourth-highest semi-annual increase among all US metro areas.

Median Home Value in Modesto, CA (2000-2021)





Now that we understand key housing issues, we will analyze different types of places in Modesto to understand the place-specific opportunities to deliver housing choices.

CHAPTER

2

Housing Opportunities

In this chapter

2.1 The Housing Types

Understanding housing types is a critical step in **enabling greater housing diversity and choice**.

Why Housing Types Matter

Residential buildings can be categorized into housing types according to their physical form. Detached houses, duplexes, townhouses, and courtyard buildings are all examples of housing types. Physical form - the shape and size of a building, and its placement on a lot - is an important consideration when establishing policies to deliver multi-unit housing in a way that expands housing options and also has a positive impact on the surrounding neighborhood.

Understanding Building Form

Buildings can be categorized into two groups: **house-scale buildings and block-scale buildings**. The types allowed within these categories should be determined on the basis of the existing neighborhood context and the intended physical character.

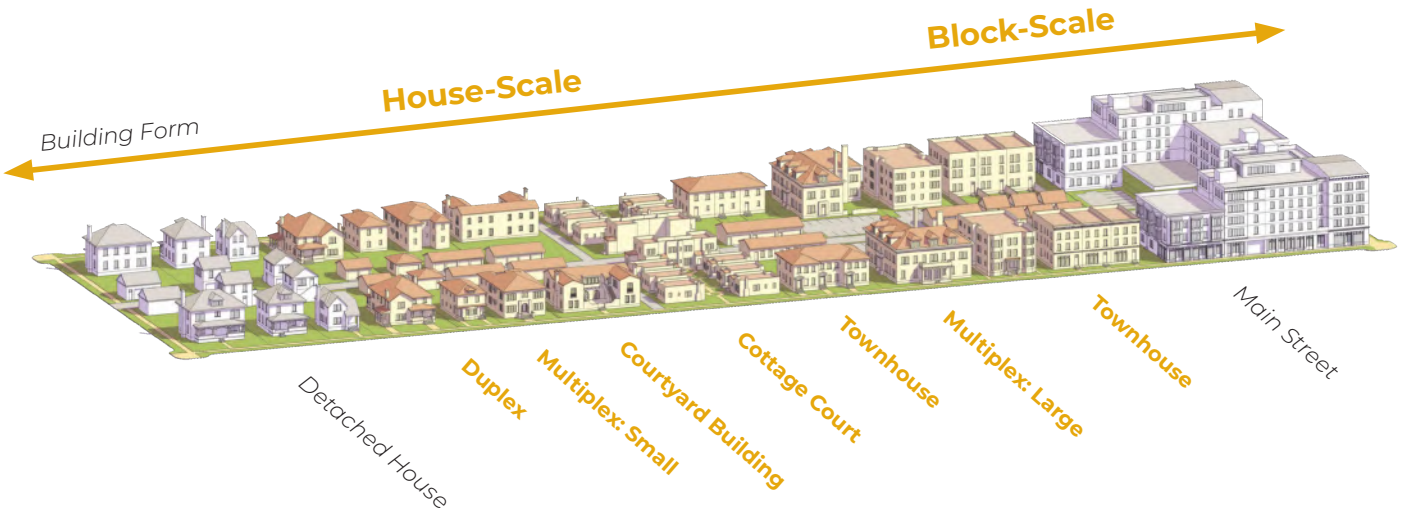
House-scale buildings are those that match the size of a typical house, in terms of form, height, building footprint, and architectural details.

House-scale buildings typically have a maximum height of 3 stories and can include Single-Family houses as well as many Missing Middle Housing types: Duplexes, Triplexes, Fourplexes, Small Multiplexes, Cottage Courts, and Courtyard Buildings.

Block-scale buildings are those that are individually as large as a block or most of a block; or, when arranged together along a street, appear as long as most or all of a block. Examples include Large Multiplexes, Townhomes, etc.

Housing Types As A Tool

Housing types are the increment of design and development. The analysis in this Housing Plan is intended to provide actionable outcomes, and housing types enable the Plan to produce findings that are accurate and applicable to actual sites. In contrast to applying generic density numbers to arrive at housing capacity, this Plan uses building types on typical existing lots so that the results are based on actual site conditions.



CLOSER LOOK

Missing Middle Housing Types

Missing Middle Housing is a range of building types that are house-scale buildings with multiple units in walkable neighborhoods. A few key features include:

- Smaller units to suit a variety of lifestyles
- Lower cost of construction per square foot
- Blend in well with single-family neighborhoods and transition areas

Adding to Housing Choice

Missing Middle types provide high-quality, marketable options between the scales of single-unit homes and mid-rise apartments. They are designed to meet the specific needs of shifting demographics and new market demands and are a key component in neighborhoods offering diverse housing choices. They are called "missing" because very few of these housing types have been built since the early 1940s due to regulatory constraints, the shift to auto-dependent patterns of development, and the incentivization of single-unit homeownership by the federal government. Before the 1940s, they were a natural part of the housing mix, helping to provide housing choices to people at different stages in their life and income levels. Communities and organizations, including AARP, are realizing that Missing Middle Housing is important in helping neighborhoods thrive while providing housing choices as people age; and can help them downsize and continue to live in their familiar surroundings.

A Walkable Context

A critical characteristic of the Missing Middle types is that they are most effective when located within a walkable context. Buyers or renters of these housing types are choosing to trade larger suburban housing for less space, less yard to maintain and proximity to services and amenities such as restaurants, markets, services, and employment.

Potential Future Housing Types in Modesto

These housing types can provide options for Modesto's current and future housing needs.

Why these?

These types are suitable for different contexts existing in Modesto and meet current market demands for housing choices.

Single-Family House

A small- to medium-sized detached structure on a medium-to-large sized lot that incorporates one unit. It is typically located within a primarily single-family residential neighborhood.

Carriage House

An accessory structure typically located at the rear of a building site that provides either a small residential unit, home office space, or other small commercial or service use, as allowed by the zone. The unit may be above a garage or at ground level.

Cottage Court

A group of small, detached structures, providing multiple units arranged to define a shared court that is typically perpendicular to the street. The shared court takes the place of a private rear yard and is an important community-enhancing element.

Townhouses

Two or more attached two- or three-story dwellings with zero side yard setbacks. Each dwelling is designed for use by a single family. This type is typically located within medium-density neighborhoods or in a location that transitions from a primarily single-family neighborhood into a neighborhood main street.

Duplex

A small- to medium-sized structure that consists of two dwelling units, one on top of the other or side-by-side, both of which face and are entered from the street. This type has the appearance of a medium to large single-family home and is appropriately scaled to fit within primarily single-family neighborhoods or medium-density neighborhoods.

Triplex/Fourplex

A medium structure that consists of three or four units. These can take various configurations. A typical triplex layout has three units stacked on top of one another. A fourplex typically has two units on the ground floor and two above with a shared entry.

Multiplex

A medium-sized building that consists of five to 18 side-by-side and/or stacked dwelling units, typically with one shared entry or individual entries along the front and sometimes along one or both sides.

Live/Work

A small- to medium-sized attached or detached structure consisting of one dwelling unit above or behind a flexible ground floor space for residential, service, or retail uses. Both the primary ground-floor flex space and the second unit are owned by one entity.

Courtyard Apartment

A medium- to large-sized multi-family structure containing six to twenty dwellings and arranged to share one or more common courtyards. The courtyard serves as a semi-public space, as its use is shared among units. Each unit may have its own individual entry, or up to three units may share a common entry.

Podium/Liner Building

A medium- to large-sized structure, typically attached, intended to provide a vertical mix of uses with ground-floor retail or service uses and upper-floor service or residential uses.

New Housing Configurations

Future planning and policy should enable **innovative housing configurations** that can help familiar buildings provide new housing options through retrofits or new uses.

Future-Proofing the Housing Stock

Complementing the housing types identified on the previous pages, the following innovative housing configurations should be considered, that add inherent flexibility to the way that buildings can provide housing units, helping to "future-proof" the existing housing stock. Examples include co-housing, senior housing, tiny homes, and others depicted here. These innovative housing configurations are not typically allowed by-right in many jurisdictions, and policy and code changes are recommended to enable these to be built.

Co-housing

1-2 story buildings with common spaces designed by the residents for communal use.

Co-living

3-4 story buildings with units that share a kitchen and other communal living spaces.

Tiny homes

Very small single-unit houses, often with lofted sleeping space; sometimes portable.

Multigenerational housing

Multiple housing units on a single lot that allow multiple generations to have both separate and shared living space.

Accessory Dwelling Units

Additional small units typically at the rear of the lot, either above a garage or at ground level.

Senior Housing

Apartment living with a built-in senior community and supportive amenities.

Micro-Units

Very small studio units (under 400 sf) in an apartment configuration.

2.2 Analyzing Physical Characteristics

Where matters as much as ***what type*** of housing.

Context Types

Modesto includes different kinds of places. Within Modesto, you can find a busy street lined with shops and restaurants; a quiet neighborhood of single-family homes; the active sidewalks of downtown; the compact tree-lined streets near the center of town; and an area with both active industrial uses and transitioning uses within former industrial buildings. These **different kinds of places are examples of context types**. Evaluating the context types present in Modesto and categorizing different areas of the city enables the following analysis to be sensitive to the unique needs and opportunities, as well as appropriate future vision, for different places within Modesto.

Context types were determined by a variety of **factors relating to physical form and character**, including:

- Existing building form
- Street and block pattern
- Lot sizes, widths and depths
- Connectivity and access
- Mobility options + transit
- Access to amenities

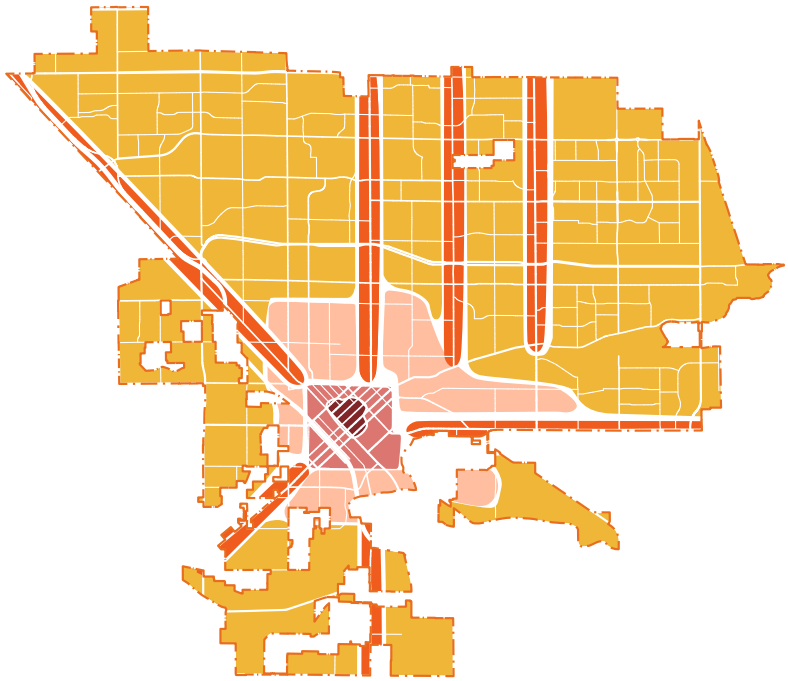
Lifestyle Choices

The diversity of context types within Modesto reflects the opportunity for a diversity of lifestyle choices and activities for the city's residents. As highlighted in Chapter One, families are evaluating housing and lifestyle choices as their needs change. The range, intensity, and character of housing will depend on its context; not all housing types can work in every context type. Understanding the context types within Modesto helps **identify the diversity of lifestyle options and housing choices currently available**, as well as what opportunities exist to build upon Modesto's unique character to **expand lifestyle and housing choices** where demand exists.

In order to meet the demand for Modestans' lifestyle preferences, Modesto needs to provide housing within the context types that accommodate those lifestyles. Preferences about housing types, levels of walkability, and accessibility of transit are just some of the factors that households consider when determining which context types suit their lifestyles.

Establishing Context Types

Modesto can be categorized into **five context types** based on **physical form and character.**



Downtown Core
Downtown hosts the core of civic activity and commercial amenities

Mixed-Use Corridor
Corridors are auto-oriented with public transit and commercial amenities

Downtown Transition
Blocks include housing and various amenities within walking distance of downtown

Downtown Adjacent
Neighborhoods are compact and within biking distance of downtown

Suburban Residential
Context is auto-oriented and includes primarily single-family houses

Downtown Core

Existing Opportunities Underutilized medium and large-sized lots

Desired Future Characteristics Compact housing options in large buildings near regional transit and downtown amenities

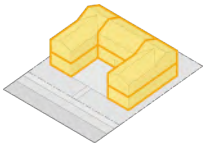
Housing: Apartments

Open Space: Shared rooftop space

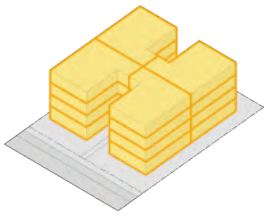
Mobility: Bike and walk to work

Amenities: Shopping, dining, and entertainment

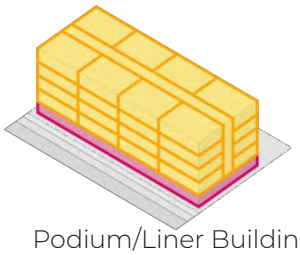
Housing Types That Fit This Context



Courtyard Apartment



Multiplex (Large)



Podium/Liner Building

What types of households will choose to live in this type of place?

I'm a single person. Downtown is a great place to meet people, and I live three blocks from the ACE line.

We are roommates. There are so many things to do in downtown, and it's even better having roommates to enjoy the action with!

We are a family. We choose to live a compact lifestyle and love hosting friends on our rooftop deck. We bike and walk everywhere.

We are a couple. We live in the center of the action. We can walk to our favorite plays, bars, and restaurants, and we love being plugged into DOMO events.

Mixed-Use Corridor

Existing Opportunities Underutilized medium and large-sized lots

Desired Future Characteristics Neighborhoods built in transit-supportive patterns with building types that incubate small businesses

Housing: Townhomes and apartments

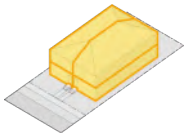
Open Space: Parks and greenways

Mobility: Some transit; will expand with future housing

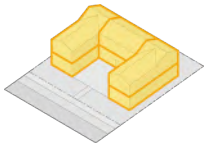
Amenities: Nearby shops, services, and amenities

Housing Types That Fit This Context

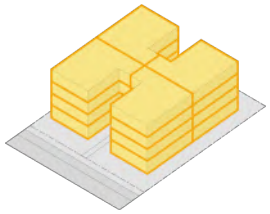
Townhouse



Fourplex



Courtyard Apartment



Multiplex (Large)

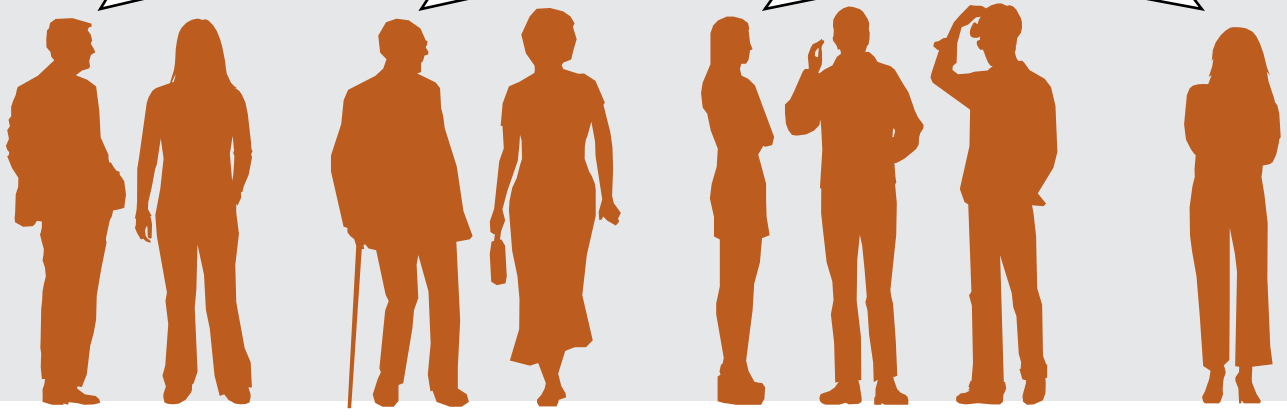
What types of households will choose to live in this type of place?

We are a couple. We love our condo and our easy commute to work - we walk one block to the bus stop that takes us downtown.

We are retirees. We enjoy the community at our senior housing facility and the convenience of the medical offices and grocery store nearby.

We are roommates. I enjoy living with friends with similar interests as me! Communiting to work is a breeze with a short walk and bus ride.

I'm a single person. I love living near my favorite coffee shop and gym, and my college campus is a bike ride away. My studio apartment is perfect for me as I build my savings.



Downtown Transition

Existing Opportunities Underutilized large lots

Desired Future Characteristics Neighborhoods with compact housing choices next to the downtown core

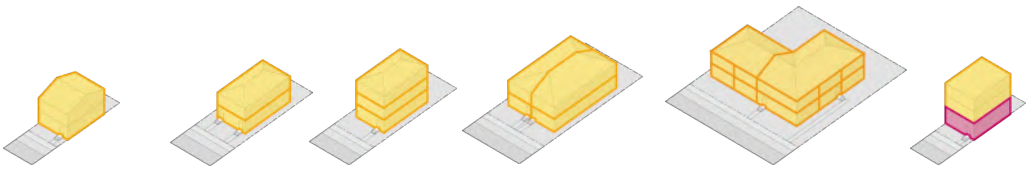
Housing:
Neighborhood feel

Open Space:
Small shared yards and parklets

Mobility:
Biking and walking

Amenities:
Community events like farmers markets

Housing Types That Fit This Context



Townhouse | Duplex | Triplex | Fourplex | Multiplex (Small) | Live/Work

What types of households will choose to live in this type of place?

We are a family. We have decided to live a more compact lifestyle. We can bike or walk almost everywhere we need to go.

We are a couple. We're choosing to live smaller and like being close to the action. We enjoy walking to the farmer's market on Saturday

I'm a single person. I love that I can bike to work every day. My studio apartment is perfect for me as I build my savings.

We are retirees. We downsized to a ground-floor unit where we can age in place. We're relieved that there's no more yard work!

Downtown Adjacent

Existing Opportunities Neighborhoods with limited housing diversity

Desired Future Characteristics Neighborhoods with expanded housing choices outside the hustle and bustle of downtown

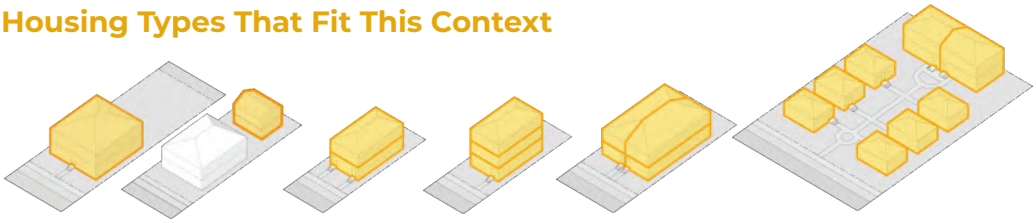
Housing: Neighborhood feel

Open Space: Parks and small yards

Mobility: Biking and transit options

Amenities: Nearby schools and parks

Housing Types That Fit This Context



Small House | Carriage House | Duplex | Triplex | Fourplex | Cottage Court

What types of households will choose to live in this type of place?

We are a family. I enjoy raising my kids in a quiet neighborhood where they can safely bike to school and to the park

We are a multigenerational family. We have room for three generations to live together. We love having our children grow up with their grandparents.

We are retirees. Our kids may be grown, but our neighborhood has many families and young adults so it still feels lively!

We are roommates. Biking to work and living with a few roommates is helping me save up for my own place downtown!

Suburban Residential

Existing Opportunities Single-family homes in auto-dependent areas

Desired Future Characteristics Minimal change via incremental expansion of housing choices

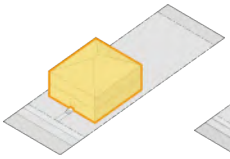
Housing:
Spacious homes

Open Space:
Backyards and parks

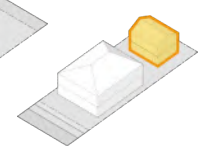
Mobility:
Quiet streets

Amenities:
Sports fields

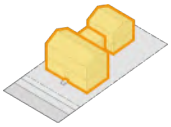
Housing Types That Fit This Context



Single-Family House



Carriage House



Multi-Generational House

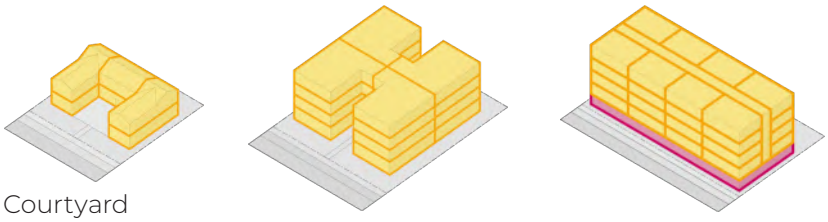
What types of households will choose to live in this type of place?

We are a family.
We love living near other families and our neighborhood elementary school. Having a backyard where our kids can play is important to us.

We are a multigenerational family. We have room for three generations to live together. We love having our children grow up with their grandparents, who moved into the ADU, while we live in the main house with the kids.

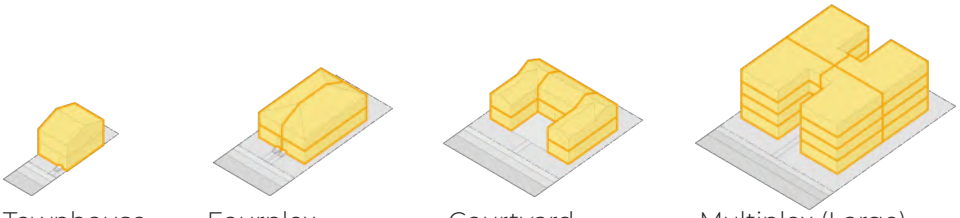
At-A-Glance Building Types by Context Type

Downtown Core



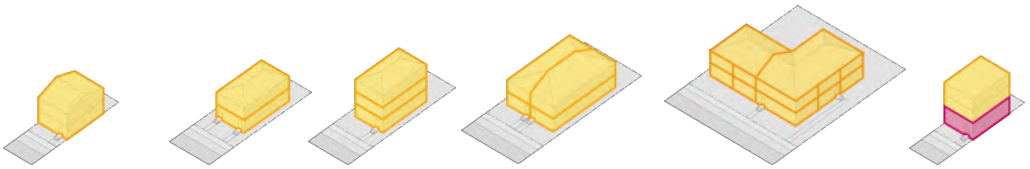
Courtyard Apartment
Multiplex (Large)
Podium/ Liner Building

Mixed-Use Corridor



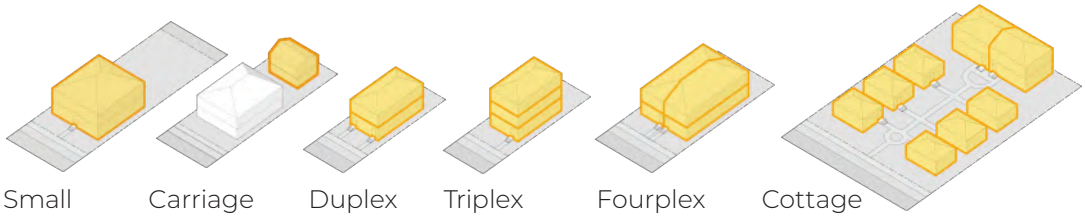
Townhouse
Fourplex
Courtyard Apartment
Multiplex (Large)

Downtown Transition



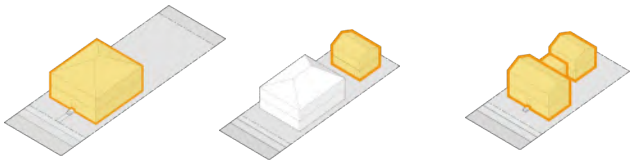
Townhouse
Duplex
Triplex
Fourplex
Multiplex (Small)
Live/Work

Downtown Adjacent



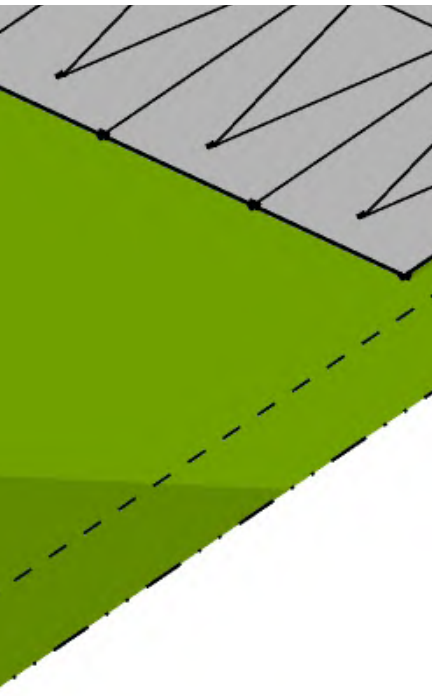
Small House
Carriage House
Duplex
Triplex
Fourplex
Cottage Court

Suburban Residential



Single-Family House
Carriage House
Multi-Generational House

Now that we've examined the existing context, let's develop and test lot and building prototypes for financial feasibility.



CHAPTER

3

Testing Potential Housing Solutions

In this chapter

3.1 Lot Size Analysis

Lot size categorization enables an understanding of **which housing types** can physically fit on existing lots in Modesto, **and where.**

Why Lot Sizes Matter

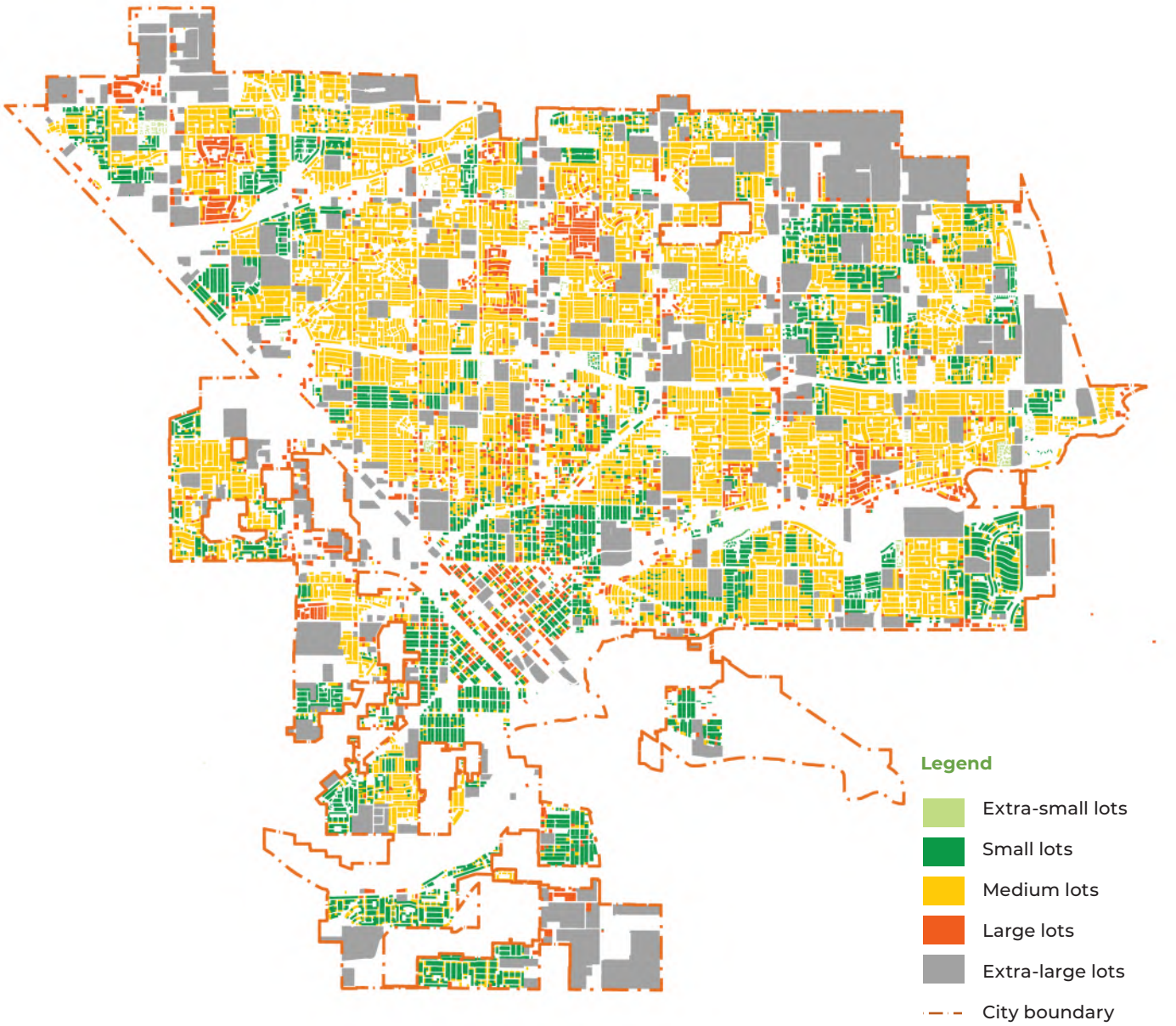
Lot width and depth are key lot characteristics that impact the building types that can fit on that particular lot, taking into consideration the building footprint, parking and regulatory requirements that apply. The lot width and depth analysis discussed in this section identified **five lot size categories** that correspond to a range of building types that can physically fit on those lots. From this palette of viable building types, the recommended types also take into consideration the underlying character of that context.

Determining Lot Size Categories

Lot size categories were determined through two types of analysis: citywide analysis of lot widths and depths, and dimensional analysis of housing types.

In the citywide analysis of lot widths and depths, the dimensions for all lots in the city were arranged in a matrix, grouped in five-foot increments, to reveal the most prevalent lot dimensions throughout the city.

Dimensional analyis of housing types enabled the creation of meaningful lot size categories. The building types identified for each context type were analyzed to determine the minimum and typical lot dimensions required. This analysis accounted for the typical physical form of the building, regulatory requirements like setbacks in each applicable zoning district, and relevant surrounding factors such as the presence or absence of alleys (lots with alleys do not need to accommodate a driveway, which impacts the lot width required to support a particular building type).



Lot Size Categories	Width Range	Depth Range	Single-Family	Duplex	Triplex	Fourplex	Multiplex	Townhouse	Live/Work	Cottage Court	Courtyard Apt	Podium Bldg	Ratio of Total
Extra-small	15-29 ft	<150 ft											2%
Small	30-59 ft	70-174 ft											32%
Medium	60-99 ft	90-174 ft											59%
Large	100-199 ft	100-249 ft											5%
Extra-Large	≥200 ft	≥200 ft											1%

Lot Categories Supportive of Housing Types

The relationship between the lot categories and the range of housing types that each category can support is shown in the table at left.

Note: Some outlier lots were excluded based on limitations of the analysis methodology.

Lot Sizes Vary By Context Type

Sorting Lot Sizes by Context Type

After completing citywide lot size analysis, these results were sorted to show lot sizes for each of the five context types. This step indicated which lot sizes were most prevalent in each context type and informed the selection of typical lot sizes for further test fit analysis.

For example, the matrix showed that **60 feet width by 100 feet deep is the most commonly occurring lot size within Modesto**, with 4,556 lots having this dimension. Further analysis sorting lot size categories by context type revealed that the vast majority of these lots (4,499 of the 4,556 citywide) were located in the Suburban Residential context type. As a result, this lot dimension was selected as a typical dimension for the Suburban Residential test fit, but was not used for test fits in other context types.

Identifying Typical Lots

The value of selecting representative lot sizes for test fits specific to each context type is that the results generated will be repeatable on other lots in that context type, and a single test fit result can be representative of a commonly-occurring condition.

Downtown Core

Lot size distribution:

- Extra-Small: 18 lots
- Small: 60 lots
- Medium: 40 lots
- Large: 66 lots
- Extra-Large: 6 lots

Mixed-Use Corridor

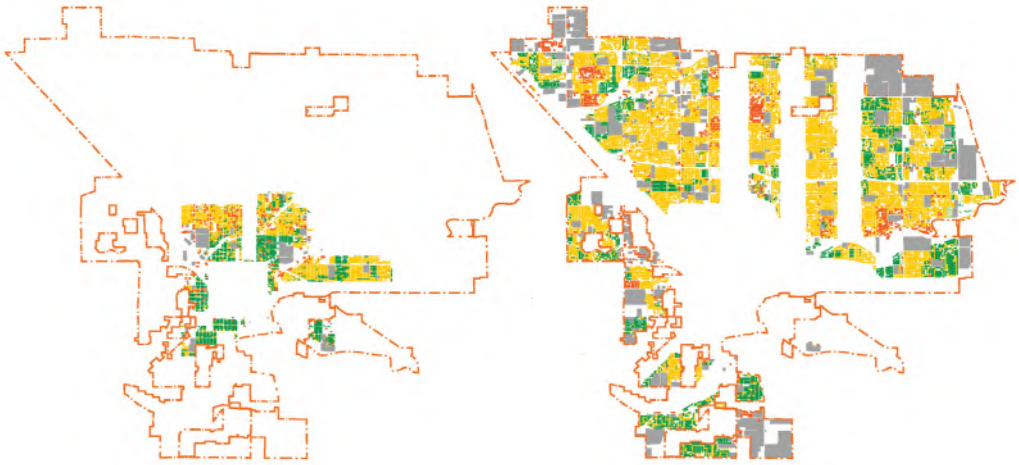
Lot size distribution:

- Extra-Small: 343 lots
- Small: 3.443 lots
- Medium: 4,727 lots
- Large: 608 lots
- Extra-Large: 210 lots

Downtown Transition

Lot size distribution:

- Extra-Small: 40 lots
- Small: 476 lots
- Medium: 121 lots
- Large: 179 lots
- Extra-Large: 13 lots



Downtown Adjacent

Lot size distribution:

- Extra-Small: 115 lots
- Small: 3,116 lots
- Medium: 3,186 lots
- Large: 329 lots
- Extra-Large: 43 lots

Suburban Residential

Lot size distribution:

- Extra-Small: 731 lots
- Small: 10,479 lots
- Medium: 23,197 lots
- Large: 1,404 lots
- Extra-Large: 405 lots

Note: Some outlier lots were excluded based on limitations of the analysis method.

3.2 Test Fits and Financial Feasibility Analysis

Performing "test fits" is an essential step to inform the **cost feasibility analysis** of new housing options, determine compatible physical form, and identify regulatory barriers to housing production.

Step 1: Test Fit Potential Build-Outs

The Purpose of Test Fits

Test fits involve the design testing of typical building prototypes on select lot configurations. Test fits are a critical step in understanding the following three aspects of housing viability:

- **Financial feasibility** of particular housing types within each context type, evaluated through a static developer pro forma.
- **Compatible physical form** with the existing surrounding context and desired neighborhood character.
- **Regulatory barriers** to developing particular housing types appropriate to each context type, depending on the zoning and regulatory requirements applicable for each context type.

Since specific building types have inherent minimum dimensions, lot testing reveals the impacts and limitations of lot width and lot depth toward building size and off-street parking. The test fit process seeks to **optimize the unit count and parking count for a given lot size, with respect to desired building form, while remaining financially feasible**. Since this involves using actual building types and site and parking layout, the results are more precise than numeric calculations based only on density or FAR.

Determining the Inputs

Test fits were performed for a selection of building types on typical lots in each context type. Lot sizes for each context type were selected according to the methodology presented in Section 3.3.

Building types were selected from a range of appropriate types identified for each context type, as discussed in Section 3.3.

Step 2: Test Financial Feasibility

Iterative Learning

The test fits consisted of two rounds of design and feasibility analysis. For each round, the development program achieved from the lot test was analyzed for financial feasibility by the team economist, following the steps outlined below.

Determine market rents for comparable projects

Determine capital costs of construction (hard and soft costs) using RS Means localized to Modesto figures

Carry out Residual Land Value analysis to determine the underlying land cost

Analyze proposed typologies using a static cash flow model considering comparable rents, cost of land and capital costs to determine project profitability

Test Fit Results Indicate Feasibility

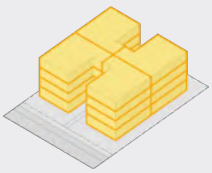
Prototypes of selected building types were tested on typical lot sizes for each context type. **Most, but not all, prototypes were financially feasible.**

See Section 3.3 for more detailed analysis of the outlined test fits

What was tested?

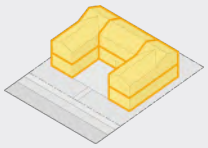
Downtown Core Housing Types Tested

Stacked Flats



- 16 units
- 50x140 ft lot
- **Feasible**

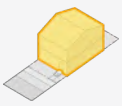
Courtyard Building



- 16 units
- 100x140 ft lot
- **Marginally feasible**

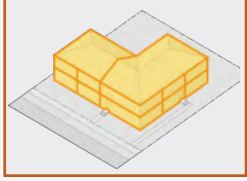
Mixed-Use Corridor Housing Types Tested

Townhouse



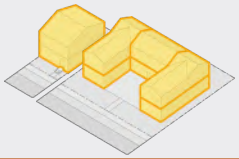
- 3 units
- 75x140 ft lot
- **Feasible**

Multiplex



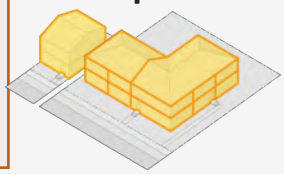
- 12 units
- 75x140 ft lot
- **Feasible**

Courtyard Bldgs + Townhouses



- 32 units
- 165x265 ft lot
- **Marginally feasible**

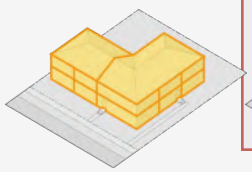
Multi-Block Development



- 202 units
- 620x650 ft lot
- **Not feasible**

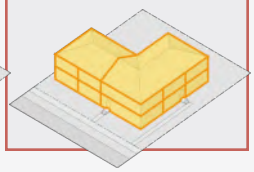
Downtown Transition Housing Types Tested

Multiplex w/ alley



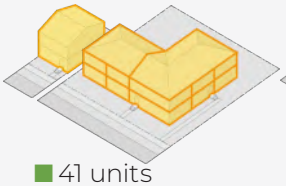
- 12 units
- 100x140 ft lot
- **Feasible**

Multiplex, no alley



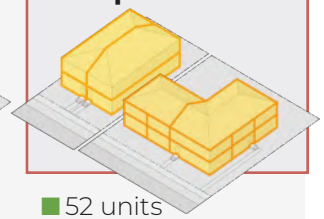
- 12 units
- 100x140 ft lot
- **Feasible**

Multiplex + Townhouses



- 41 units
- 400x140 ft
- **Feasible**

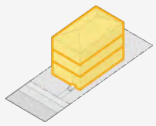
Multiplexes + Fourplexes



- 52 units
- 400x140 ft
- **Feasible**

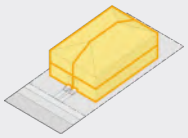
Downtown Adjacent Housing Types Tested

Triplex



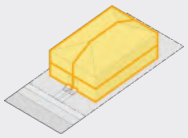
- 3 units
- 50x140 ft lot
- **Not feasible**

Fourplex



- 4 units
- 50x140 ft lot
- **Feasible**

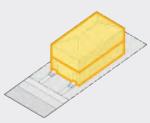
Fiveplex



- 5 units
- 50x140 ft lot
- **Feasible**

Suburban Residential Housing Types Tested

Duplex



- 2 units
- 60x100 ft lot
- **Feasible**

3.3 Detailed Examples of Test Fit Results

Details of select test fits are included in this section to illustrate the test fit process.

Assumptions Behind Each Test Fit

Each test fit combines several kinds of assumptions to produce a prototype. These assumptions are listed for example test fits on the following pages.

Assumptions about buildings include the following:

- Number of dwelling units per building
- Building height
- Building width and depth
- Density
- Floor area ratio (FAR)
- Number of parking spaces

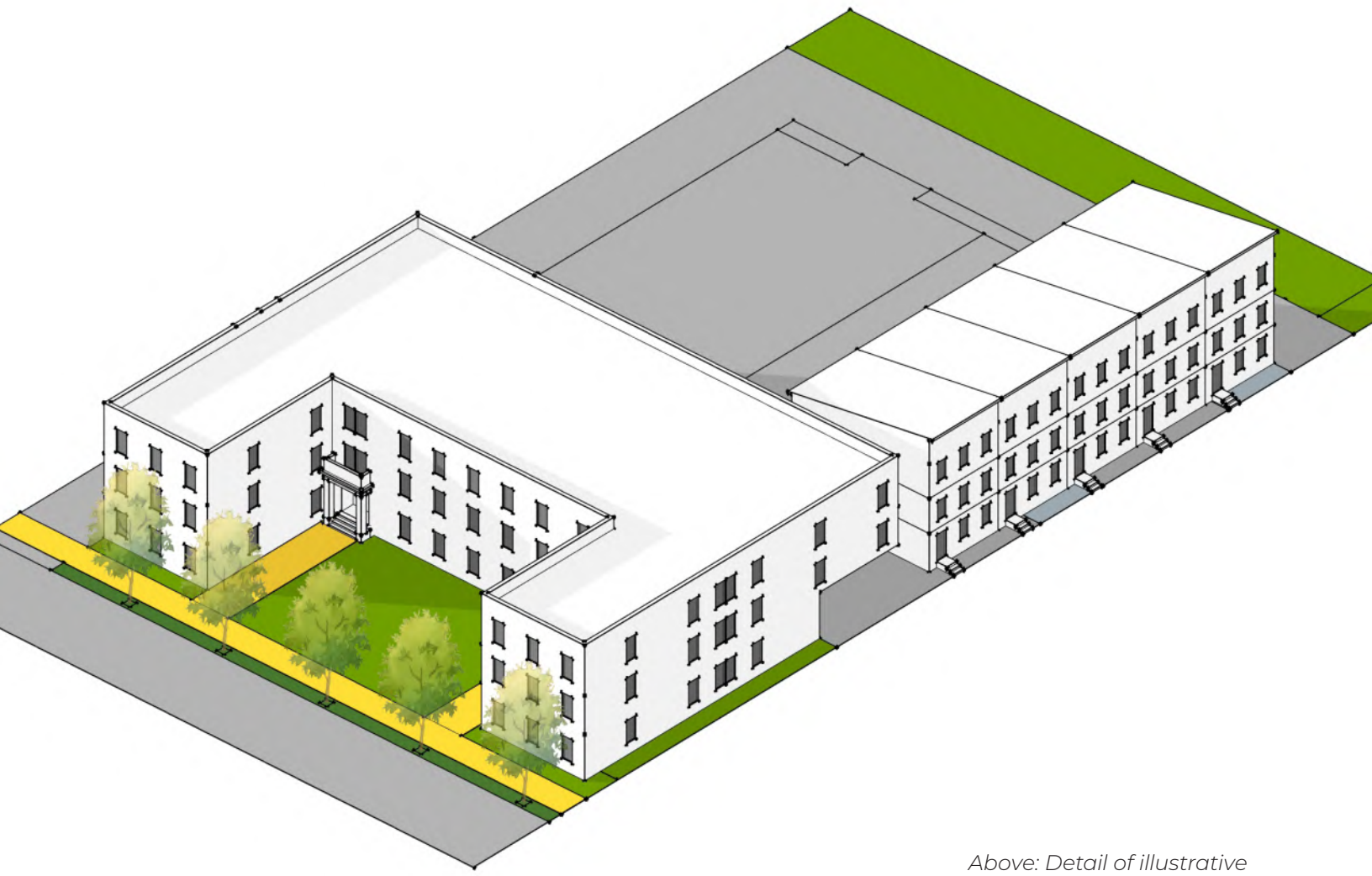
Assumptions about the lots on which the buildings are placed include the following:

- Lot width
- Lot depth
- Front and side setbacks
- Driveway width

These assumptions were used to calculate financial feasibility based on residual value to acquisition cost ratio.

Detailed Examples

In order to illustrate the test fit process, two prototypical examples for each context type are included on the following pages.

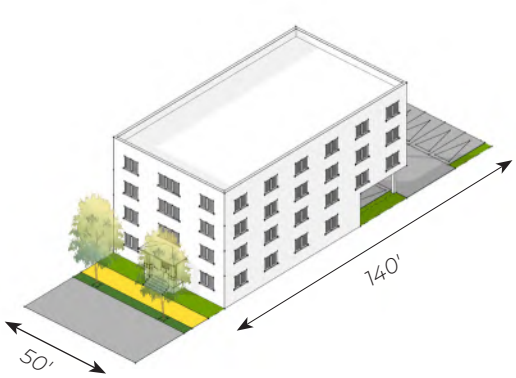


Above: Detail of illustrative model of an example test-fit

Example Test Fits in a Downtown Core Context

Stacked Flats

This test fit is assumed to be in an FBC zone. CD is shown for comparison as it is one of the most common of the FBC zones in this context.



This test used Stacked Flats to utilize the lot to its fullest potential. Since 50 feet is the most common lot width in this context, this scenario indicates a common infill option.

The financial model showed this prototype to be financially feasible. **As a result, this type could contribute to additional housing in Modesto if the existing standards are altered.**

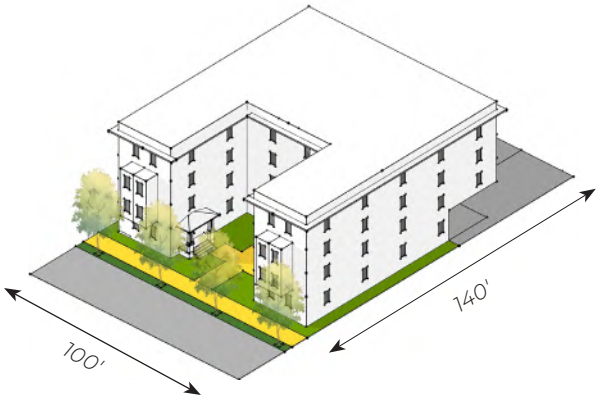
This test is noteworthy because of the limited height that results on this common lot size. **Although the CD standards have a height range of 3 to 15 stories, this model could only reach 4 stories with half the number of parking spaces required by current regualtions.**

Test Fit Buildout		
	Shown in Test Fit	**Existing CD Stds.**
# of Units (du)	16	-
Height (stories)	4	3-15
Bldg width (ft)	50	-
Bldg depth (ft)	90	-
Density (du/ac)	99.6	-
FAR	3.12	-
Parking (sp)	**8**	16
Front setback (ft)	8	5-8
Side setback (ft)	0	0 min.
Driveway width (ft)	-	-
Lot width (ft)	50	50 min.
Lot depth (ft)	140	-
Lot area (sq ft)	7,000	1,250 min.

Bold text indicates test fit standards that deviate from current standards.
"-" not regulated by current zoning standard

Feasibility	
Calculated based on residual value to acquisition cost ratio	
Result	**Feasible**

Courtyard Building



This test used a Courtyard Building to show a larger building appropriate for the Downtown Core context. This model follows all CD regulations, including the current parking regulations.

The financial model showed this prototype to be marginally financially feasible. **As a result, this type could contribute to additional housing in Modesto in some scenarios.**

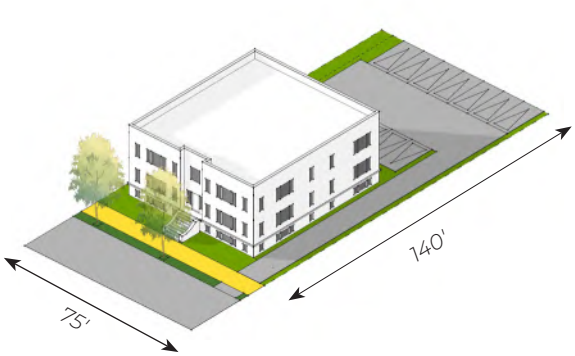
Test Fit Buildout		
	Shown in Test Fit	**Existing CD Stds.**
# of Units (du)	18	-
Height (stories)	4	3-15
Bldg width (ft)	90	-
Bldg depth (ft)	100	-
Density (du/ac)	56	-
FAR	1.95	-
Parking (sp)	18	18
Front setback (ft)	5	5-8
Side setback (ft)	5	0 min.
Driveway width (ft)	-	-
Lot width (ft)	100	50 min.
Lot depth (ft)	140	-
Lot area (sq ft)	14,000	1,250 min.
"-" not regulated by current zoning standard		
Feasibility		
Calculated based on residual value to acquisition cost ratio		
Result	**Marginally feasible**	

This test fit is assumed to be in an FBC zone. CD is shown for comparison as it is one of the most common of the FBC zones in this context.

Example Test Fits in a Mixed-Use Corridor Context

Multiplex

This test fit is assumed to be in a commercial zone, which requires residential uses to adhere to either R-2 or R-3 standards, depending on which more closely matches the density of the proposed development. In this case, R-3 standards are shown since the density of the test fit is closest to R-3.



This lot test used a Multiplex with 12 smaller units, with a building footprint similar to that of a medium-to-large Single-Family house. This building type was tested to illustrate how an appropriately scaled residential building could fit into the Mixed-Use Corridor context.

The financial model showed this prototype to be financially feasible. **As a result, this type could contribute to additional housing in Modesto if the existing standards are altered.**

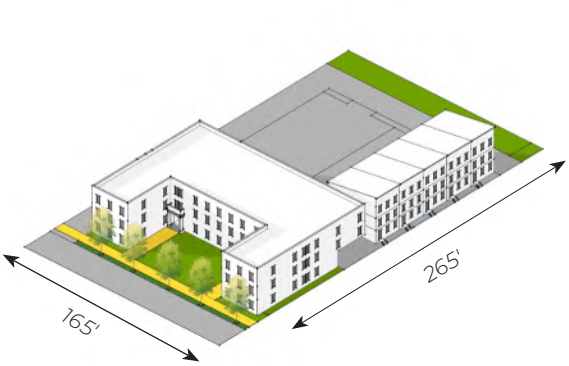
This test fit assumes the underlying zoning is a Commercial zone. Since residential development in Commercial zones requires a conditional use permit and must adhere to R-2 or R-3 development standards, the maximum allowed density, minimum parking, setbacks, and driveway width requirements pose barriers to this development.

Test Fit Buildout	Shown in Test Fit	Existing R-3 Stds.
# of Units (du)	12	-
Height (stories)	2.5	3 max.
Bldg width (ft)	56	-
Bldg depth (ft)	62	-
Density (du/ac)	**49.8**	29 max.
FAR	1.02	-
Parking (sp)	**12**	15 min.
Front setback (ft)	**10**	15 min.
Side setback (ft)	5	5-20 min.
Driveway width (ft)	**10**	12 min.
Lot width (ft)	75	60 min.
Lot depth (ft)	140	-
Lot area (sq ft)	10,500	6,000 min.

Bold text indicates test fit standards that deviate from current standards.
"-" not regulated by current zoning standard

Feasibility	
Calculated based on residual value to acquisition cost ratio	
Result	**Feasible**

Courtyard Bldg and Townhouses



This lot test used a combination of a Courtyard Building along the main street and Townhouses along the side street. This strategy allows for larger units in the Townhouses and smaller units in the Courtyard Building, with shared parking available in the rear for all units.

The financial model showed this prototype to be financially feasible. **As a result, this type could contribute to additional housing in Modesto if the existing standards are altered.**

This test fit assumes the underlying zoning is a Commercial zone. Since residential development in Commercial zones requires a conditional use permit and must adhere to R-2 or R-3 development standards, the maximum allowed density and setback requirements pose barriers to this development.

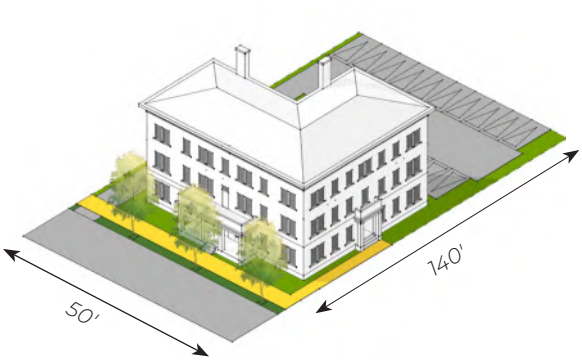
Test Fit Buildout		
	Shown in Test Fit	**Existing R-3 Stds.**
# of Units (du)	33	-
Height (stories)	3	3 max.
Courtyard WxD (ft)	140x100	-
Townhouse WxD (ft)	22x40	-
Density (du/ac)	**31.9**	29 max.
FAR	0.96	-
Parking (sp)	67	51 min.
Front setback (ft)	**5**	15 min.
Side setback (ft)	5	5-20 min.
Driveway width (ft)	20	12 min.
Lot width (ft)	165	60 min.
Lot depth (ft)	265	-
Lot area (sq ft)	43,725	6,000 min.
Bold text indicates test fit standards that deviate from current standards. "-" not regulated by current zoning standard		
Feasibility		
Calculated based on residual value to acquisition cost ratio		
Result	**Feasible**	

This test fit is assumed to be in a commercial zone, which requires residential uses to adhere to either R-2 or R-3 standards, depending on which more closely matches the density of the proposed development. In this case, R-3 standards are shown since the density of the test fit is closest to R-3.

Example Test Fits in a Downtown Transition Context

Multiplex

This test fit is assumed to be in an FBC zone. UGD is shown for comparison as it is one of the most common FBC zones in this context.



This test used a Multiplex to utilize the wider lot area more efficiently while remaining sensitive to the surrounding context. This Multiplex has 12 units with a building footprint similar to that of a large house. This building type was tested to illustrate how an appropriately scaled residential building could fit into the Downtown Transition context.

The financial model showed this prototype to be financially feasible. **As a result, this type could contribute to additional housing in Modesto if the existing standards are altered.**

The FBC zones largely permit this building type, with the primary barriers being the driveway width and maximum front setback.

Test Fit Buildout	Shown in Test Fit	Existing UGD Stds.
# of Units (du)	12	-
Height (stories)	3	3 max.
Bldg width (ft)	75	-
Bldg depth (ft)	65	-
Density (du/ac)	37.3	-
FAR	.79	-
Parking (sp)	18	12 min.
Front setback (ft)	**10**	5-8
Side setback (ft)	7	5-8
Driveway width (ft)	**10**	12 min.
Lot width (ft)	100	50-100
Lot depth (ft)	140	-
Lot area (sq ft)	14,000	-

Bold text indicates test fit standards that deviate from current standards.
"-" not regulated by current zoning standard

Feasibility	
Calculated based on residual value to acquisition cost ratio	
Result	**Feasible**

Multiplexes and Fourplexes

This test used Multiplexes and Fourplexes to model the build-out of an entire block in the Downtown Transition context. By utilizing a common parking lot in the rear accessed via alley, this scenario shows a context-sensitive infill option.

The financial model showed this prototype to be financially feasible. **As a result, this scenario could contribute to additional housing in Modesto if the existing standards are altered.**

The FBC zones largely permit this build-out scenario.

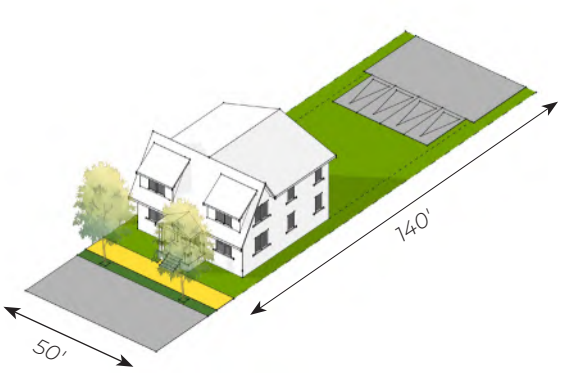
Test Fit Buildout		
	Shown in Test Fit	**Existing UGD Stds.**
# of Units (du)	48	-
Height (stories)	3	3 max.
Multiplex WxD (ft)	77x75	-
Fourplex WxD (ft)	40x44	-
Density (du/ac)	37.3	-
FAR	.83	-
Parking (sp)	62	48 min.
Front setback (ft)	**5-10**	5-8
Side setback (ft)	5	5-8
Driveway width (ft)	-	-
Lot width (ft)	400	-
Lot depth (ft)	140	-
Lot area (sq ft)	56,000	-
Bold text indicates test fit standards that deviate from current standards. "-" not regulated by current zoning standard		
Feasibility		
Calculated based on residual value to acquisition cost ratio		
Result	**Feasible**	

This test fit is assumed to be in an FBC zone. UGD is shown for comparison as it is one of the most common of the FBC zones in this context.

Example Test Fits in a Downtown Adjacent Context

Stacked Fourplex

This test fit is assumed to be in a residential zone. While R-1 is the most prevalent in this context, R-3 standards are shown since the test fit's resultant density is closer to R-3 than R-1.



This lot test used a typical stacked Fourplex building type with smaller individual units, and an overall building footprint that closely matches that of a medium-to-large Single-Family house. This type was selected for the Downtown Adjacent context because of its appropriate intensity for walkable neighborhoods near downtown.

The financial model showed this prototype to be financially feasible. **As a result, this type could contribute to additional housing in Modesto if the existing standards are altered.**

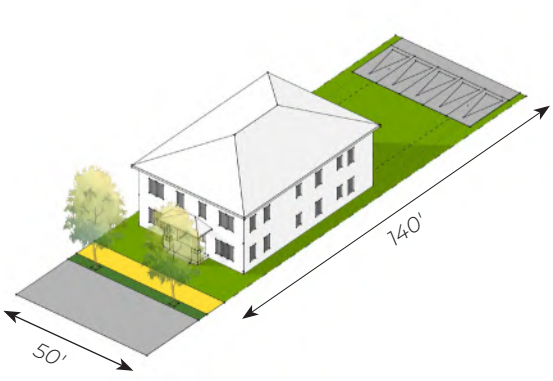
Although 50 feet is the most common lot width in the Downtown Adjacent context, the minimum lot width requirement is 60 feet. In addition to decreasing the minimum required lot width, setbacks, and parking ratio, further changes such as increasing the number of units on the lot or decreasing the parking ratios further could enable this scenario to be even more feasible and a viable infill option.

Test Fit Buildout		
	Shown in Test Fit	**Existing R-3 Stds.**
# of Units (du)	4	-
Height (stories)	2	3 max.
Bldg width (ft)	40	-
Bldg depth (ft)	40	-
Density (du/ac)	24.9	29 max.
FAR	.69	-
Parking (sp)	4	4 min.
Front setback (ft)	**10**	15 min.
Side setback (ft)	5	5-20 min.
Driveway width (ft)	-	12 min.
Lot width (ft)	**50**	60 min.
Lot depth (ft)	140	-
Lot area (sq ft)	7,000	6,000 min.

Bold text indicates test fit standards that deviate from current standards.
"-" not regulated by current zoning standard

Feasibility	
Calculated based on residual value to acquisition cost ratio; assuming return on investment 1% over capitalization rate	
Result	**Feasible**

Fiveplex



This lot test used a typical Fiveplex building type. A typical fiveplex has smaller individual units, with an overall building footprint that closely matches that of a medium-to-large Single-Family house. This type was selected for the Downtown Adjacent context because of its appropriate intensity for walkable neighborhoods near downtown.

The financial model showed this prototype to be financially feasible. **As a result, this type could contribute to additional housing in Modesto if the existing standards are altered.**

Although 50 feet is the most common lot width in the Downtown Adjacent context, the minimum lot width is 60 feet. In addition to decreasing the minimum required lot width, setbacks, and parking ratio, further changes such as increasing the number of units on the lot or decreasing the parking ratios further could enable this scenario to be even more feasible and a viable infill option.

Test Fit Buildout		
	Shown in Test Fit	**Existing R-3 Stds.**
# of Units (du)	4	-
Height (stories)	2	3 max.
Bldg width (ft)	40	-
Bldg depth (ft)	60	-
Density (du/ac)	**31.25**	29 max.
FAR	.69	-
Parking (sp)	**5**	7 min.
Front setback (ft)	**10**	15 min.
Side setback (ft)	5	5-20 min.
Driveway width (ft)	-	12 min.
Lot width (ft)	**50**	60 min.
Lot depth (ft)	140	-
Lot area (sq ft)	7,000	6,000 min.

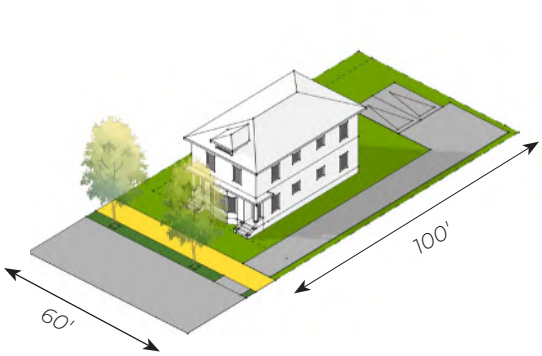
Bold text indicates test fit standards that deviate from current standards.
"-" not regulated by current zoning standard

Feasibility	
Calculated based on residual value to acquisition cost ratio; assuming return on investment 1% over capitalization rate	
Result	**Feasible**

This test fit is assumed to be in a residential zone. While R-1 is the most prevalent in this context, R-3 standards are shown since the test fit's resultant density is closer to R-3 than R-1.

Example Test Fits in a Suburban Residential Context

Stacked Duplex



This lot test used a typical stacked Duplex building type. A typical Duplex has smaller individual units, with an overall building footprint that closely matches that of a medium Single-Family house. This type was tested for the Suburban Residential context in order to best coordinate with the existing low-intensity built environment.

The financial model showed this prototype to be financially infeasible but with higher rents than currently seen in Modesto. **As a result, this type will make limited contribution to additional housing in Modesto.** The feasibility could increase if a Fourplex were to be built, but given the existing conditions of the Suburban Residential context, significant increases in intensity beyond Single-Family housing is unlikely.

Test Fit Buildout	Shown in Test Fit	Existing R-1 Stds.
# of Units (du)	**2**	1 max.[1]
Height (stories)	**2.5**	2 max.
Bldg width (ft)	24	-
Bldg depth (ft)	44	-
Density (du/ac)	14.5	-
FAR	.33	-
Parking (sp/du)	**2**	4 min.
Front setback (ft)	**12**	15 min.
Side setback (ft)	15	5-10 min.
Driveway width (ft)	**10**	12 min.
Lot width (ft)	60	50 min.
Lot depth (ft)	100	N/R
Lot area (sq ft)	6000	5,000 min.

Bold text indicates test fit standards that deviate from current standards.
"-" not regulated by current zoning standard
1. ADUs are permitted as a second dwelling unit.

Feasibility	
Calculated based on residual value to acquisition cost ratio; feasible assuming a 12% increase in rents over 2022 levels.	
Result	**Feasible**

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Now we're ready to apply the findings from feasibility analysis and regulatory analysis to real-world "opportunity sites".

CHAPTER

4

Opportunity Sites

In this chapter

4.1 Opportunity Site Analysis Overview

The Next Step After Test Fits

As described in the previous chapter, the "test fits" process tested building prototypes on commonly occurring lot sizes for financial feasibility. The test fit results provided an overview of **which housing types would be financially feasible on typical lots** within each context type.

Opportunity site testing takes the test fits analysis one step further. Armed with the understanding of the kinds of housing that are feasible and appropriate on prototypical lots, **opportunity site testing analyzes the housing capacity of actual sites throughout Modesto**. Because these sites are actual rather than idealized (as in the test fits), they present additional constraints to which the conceptual layouts must be responsive.

Beyond A Simple Capacity Study

Each opportunity site has a sample conceptual site design that not only fits the feasibility constraints discovered during test fits, but also is consistent with design principles that produce a sense of place. A simple capacity study might evaluate a site, determine which feasible housing type would yield the highest number of units, and repeat that same housing type in the most efficient configuration possible.

Below: An illustration of an opportunity site design, representing a hypothetical build-out to calculate potential new housing. Note that this is an illustrative rendering and does not represent any actual design proposal.

However, the opportunity site analysis approach goes a step beyond a simple capacity study, because the conceptual site designs **balance the need to maximize housing capacity with creating a desirable place to live**.

As an example of the contrast between these two approaches, a simple capacity study might assume that tuck-under townhouses (an efficient building type) cover an entire 10-acre site. While that would pack in a large number of housing units, it will not create any housing diversity or a sense of community. In contrast, the opportunity site sample plan may include townhouses, but would likely include other building types as well, and may provide a common open space (like a neighborhood park) to serve a site of this size. Because the sample designs plan for long-term value and livability, they may not always reach the theoretical maximum capacity of a site. However, they are more representative of a desirable development approach that creates a place where people want to live.

4.2 Opportunity Site Selection and Analysis

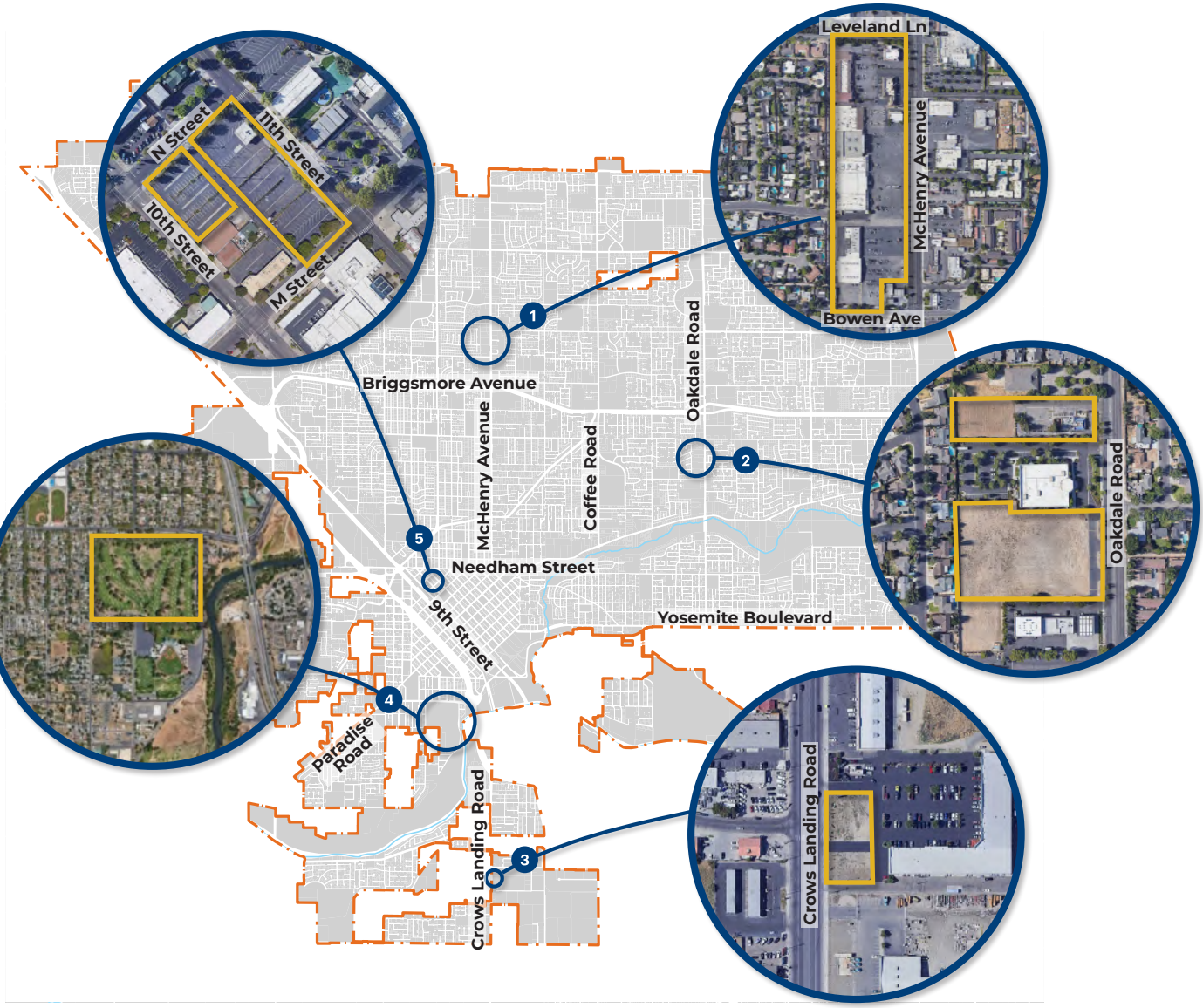
Criteria for Selection

After studying the housing capacity of prototypical individual lots, the team dove deeper by selecting a series of actual sites for further study. These sites were selected based upon:

- The site's **potential capacity** for new housing
- The **development configuration** required to optimize development potential and financial feasibility
- **Current conditions** on the site (e.g. underperforming uses, underutilized lots, vacant lots, etc.)
- **Repeatability of findings** across multiple sites (i.e. the availability of similar sites throughout Modesto)

Behind-the-Scenes Analysis

Before selecting any individual opportunity sites, the consultant team performed test fits of various building types on a wide range of typical lots found within each current residential zoning district and within each context type. The analysis focused on determining financial feasibility, evaluating current regulatory standards, and testing the housing capacity on typical lots citywide. These preliminary findings informed the selection of, and design approach to, the opportunity sites.



Selected Opportunity Sites

1. McHenry Avenue between Bowen Avenue and Leveland Lane
2. Oakdale Road near Orangeburg Avenue
3. Crows Landing Road Plaza outparcels
4. Municipal Golf Course
5. 1320 10th Street and 1325 11th Street

McHenry Avenue Opportunity Site

Opportunity Site Overview

Context type
Mixed-Use Corridor

Current site condition
Large-format retail in aging buildings with large, underutilized parking lots

Site dimensions
475 ft x 1320 ft

Why This Site

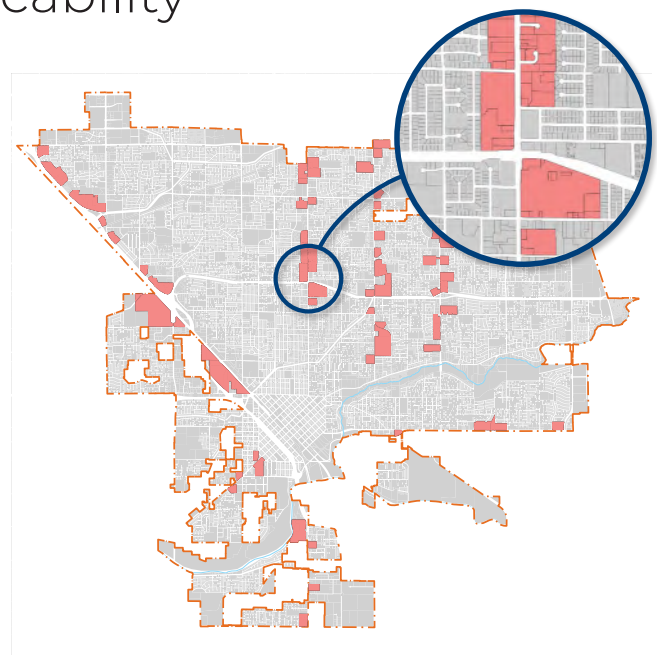
McHenry Avenue is a major corridor with bus transit and underutilized retail space, and has the potential to accommodate new housing. This site is an example of a deep and wide site along a commercial corridor. When sites are deeper than needed for any individual parcel for new housing, it provides the opportunity for a new network of streets and blocks providing new residential addresses off the corridor, internal to the block.

Citywide Applicability

Applicable to approximately

259 lots

This development approach is applicable to sites that are deep enough and wide enough to accommodate new streets and blocks, with a minimum depth of approximately 400 ft deep and 400 ft wide. Within the Mixed-Use Corridor context type, there are 259 lots that meet this criteria and are suitable for this development approach.



Illustrative Example Of Development Potential

Near-Term *Yield: 99 units*

- **A** Buildings face new street perpendicular to McHenry
- **B** New public green for neighborhood
- **C** Fourplexes and other Missing Middle Housing types could be built by individual developers
- **D** Live/Work buildings face McHenry providing opportunities for small and local businesses

Long-Term *Yield: 359 units*

- **E** Larger courtyard buildings front onto McHenry
- **F** Townhouses and fourplexes are shown facing new streets perpendicular to McHenry
- **G** Small public green

Key

Existing

Proposed

These renderings are illustrative only. They represent hypothetical build-outs used to calculate potential new housing and do not represent actual design intent.

McHenry Avenue Opportunity Site

Illustrative Rendering of Capacity Study

Existing Conditions

Above: Buildings lining the corridor

As a first step, courtyard apartments and live/work buildings line McHenry, while the existing parking lot and retail buildings remain in place. The live/work units depicted here provide small-scale commercial spaces that can help incubate local businesses.

Right: New addresses off the corridor

As a second step, a new street and block network replaces the surface parking lot and aging retail buildings. A new pair of one-way streets perpendicular to McHenry provide addresses that face a green space rather than facing directly onto McHenry. Fourplexes are depicted facing this green, while the rear street includes a mixture of fourplexes and townhouses.

This rendering is illustrative only. It represents hypothetical build-outs used to calculate potential new housing and does not represent actual design intent.

Crows Landing Road Opportunity Site

Opportunity Site Overview

Context type:
Mixed-Use Corridor

Current site condition
Two vacant parcels in front of a successful strip retail center

Site dimensions
75 ft wide x 1320 ft deep and 100 ft wide x 100 ft deep

Why This Site

Crows Landing Road is a corridor in an underserved area that includes underutilized and vacant lots. This site includes two vacant lots in front of a large retail center. It's a good example of an opportunity for a building-by-building development approach on shallow sites. The courtyard buildng type provides private space off of the corridor while the buildings still face the street.

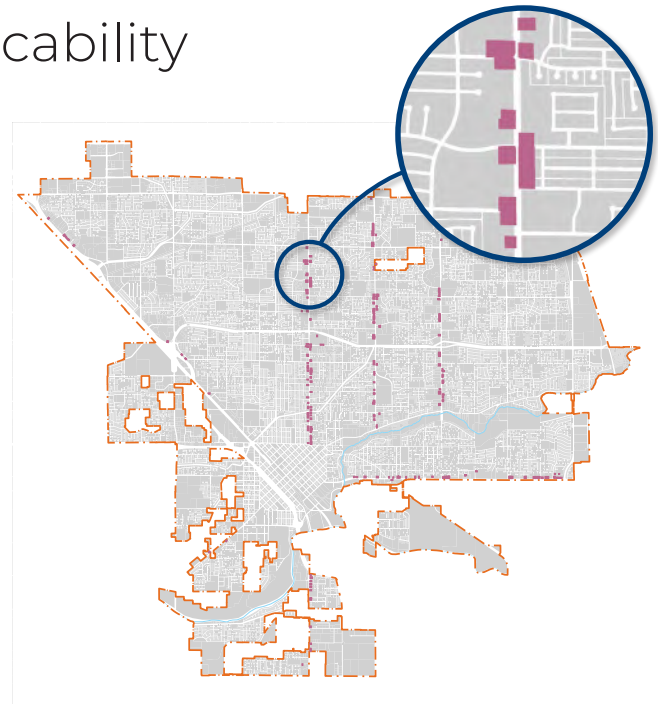
Citywide Applicability

Applicable to approximately

234 lots

This development approach is applicable to sites that are relatively shallow and facing a corridor, with depths of 100-200 ft and widths of 75-200 ft.

As shown in the map on the right, within the Mixed-Use Corridor context type, there are 234 lots that meet these criteria and are suitable for this development approach.



Illustrative Example Of Development Potential

Near-Term *Yield: 6 units*

- **A** New small courtyard building with 6 residential units facing Crows Landing Road
- **B** Existing retail

Long-Term *Yield: 14 units*

- **C** Additional courtyard building with 8 units facing Crows Landing Road
- **D** Existing retail remains behind new housing
- **E** Streetscape improvements along Crows Landing Road

Key

Existing

Proposed

These rendering are illustrative only. They represent hypothetical build-outs used to calculate potential new housing and do not represent actual design intent.

Crows Landing Road Opportunity Site

Illustrative Rendering of Capacity Study

Above and Right: Semi-private courtyards along a corridor

As a first step, a single L-shaped courtyard building is built on this shallow site. The courtyard building's shape enables the unit entries face the courtyard, rather than directly facing Crows Landing Road. The courtyard creates a buffer space between the bustle of the corridor and the private units.

As a second step, a second U-shaped courtyard building is added on the remainder of the site. This building gives a sense of enclosure to the L-shaped courtyard, and creates a second courtyard space of its own. These courtyard buildings have tuck-under parking accessed from an alley allocated on the site.

The existing retail buildings and parking lot remain behind the courtyard buildings. The rendering also depicts improvements to the right-of-way, including the addition of a separated bikeway, that helps buffer the residential units from the vehicular travel lanes.

This rendering is illustrative only. It represents hypothetical build-outs used to calculate potential new housing and does not represent actual design intent.

Oakdale Road Opportunity Site

Opportunity Site Overview

Context type
Mixed-Use Corridor

Current site condition
Two sites: one vacant, one partially vacant and partially occupied by drive-through restaurant

Site dimensions
340 ft wide x 500 ft deep; 135 ft wide x 500 ft deep

Why This Site

Oakdale Road is a lower-intensity corridor that includes some stretches of residential development and some stretches of commercial development. This location includes two narrow but deep sites, and is a good example of an opportunity for development oriented perpendicular to a corridor. Since the sites are not wide enough to accommodate a new block network, development is arranged around a single new street perpendicular to the corridor.

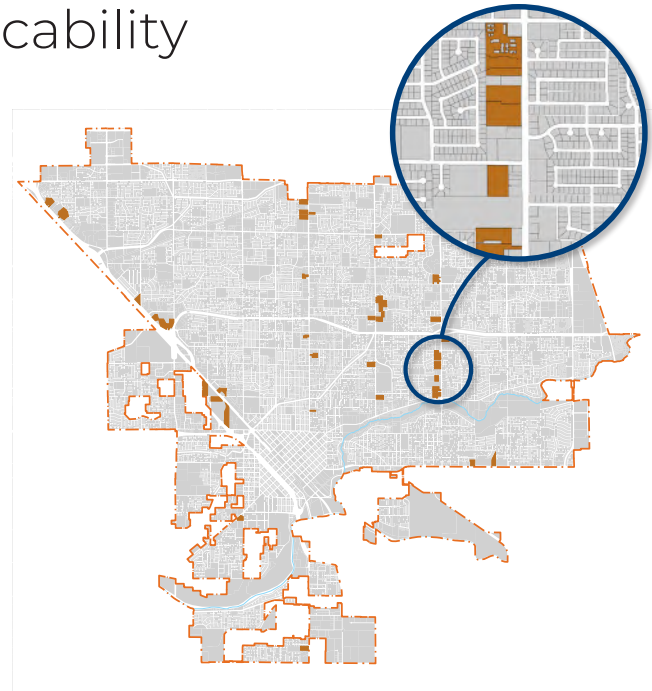
Citywide Applicability

Applicable to approximately

72 lots

This development approach is applicable to sites that are narrow and deep, approximately 150 ft to 350 ft wide and at least 400 ft deep.

As shown in the map on the right, within the Mixed-Use Corridor context type, there are 72 lots that meet this criteria and are suitable for this development approach.



Illustrative Example Of Development Potential

Near-Term *Yield: 58 units*

- **A** Fourplexes face onto Oakdale Road
- **B** New street perpendicular to corridor
- **C** Cottage courts, duplexes, and fourplexes face the new street
- **D** Alleys provide parking access
- **E** Two fourplexes on vacant site at the rear of the block

Long-Term *Yield: 68 units*

- **F** In the long term, additional development replaces an aging fast food building

Key

Existing

Proposed

These rendering are illustrative only. They represent hypothetical build-outs used to calculate potential new housing and do not represent actual design intent.

Municipal Golf Course Opportunity Site

Opportunity Site Overview

Context type
Downtown Adjacent

Current site condition
Unused golf course on City property

Site dimensions
1230 ft x 1600 ft (approximately 45 acres)

Why This Site

The Municipal Golf Course is located in the middle of a Downtown-adjacent neighborhood in West Modesto. The City is exploring future redevelopment ideas for this particular site, so it was chosen to study housing potential as an example of similar larger parcels across the city. The size of this site accommodates multiple neighborhood blocks, and is a good example of a development approach that includes creating new streets and blocks.

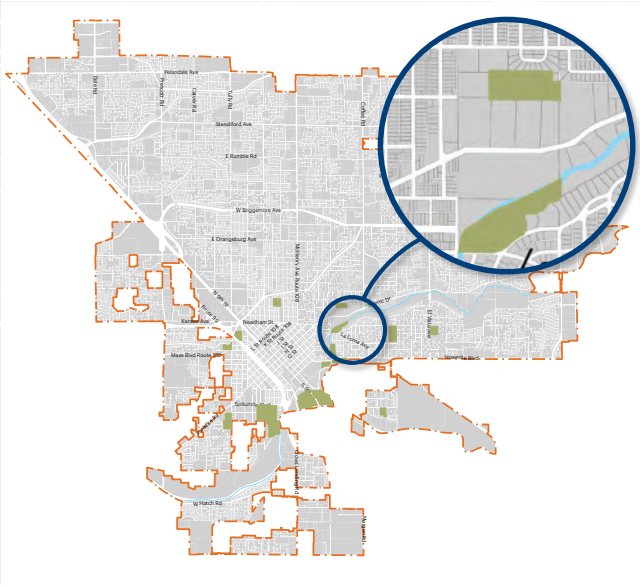
Citywide Applicability

Applicable to approximately

24 sites

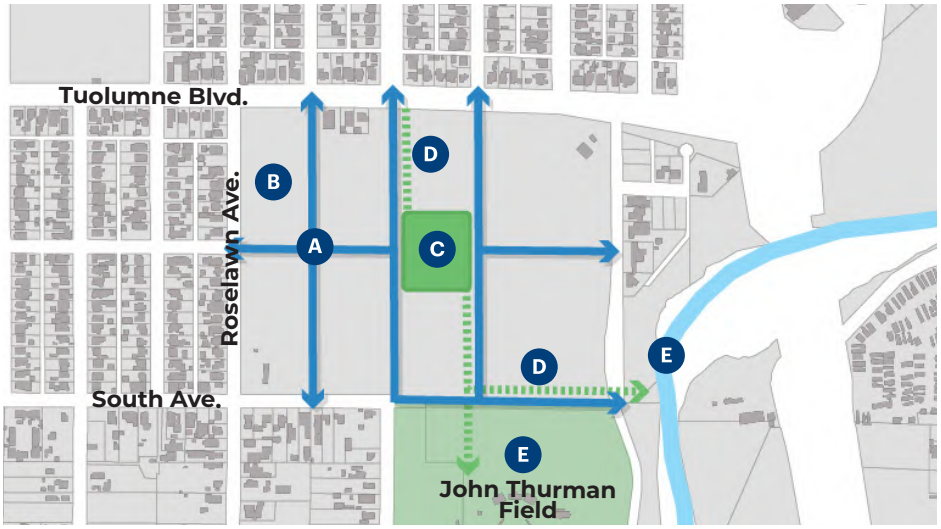
This development approach is applicable to sites of five or more acres.

As shown in the map on the right, in the Downtown Adjacent context type, there are 24 sites that meet this criteria and are suitable for this development approach.



Illustrative Example Of Development Potential

Schematic Block Layout



- **A** New streets and blocks matching surrounding neighborhood grid
- **B** Typical block used for housing capacity study
- **C** New park or civic space
- **D** Potential pedestrian-bike connections
- **E** Existing amenities

Long-Term *Yield: 579 units*

- **F** A typical block is illustrated here, consisting of a mix of housing types: Single Family houses, Duplexes, Cottage Courts, and Fourplexes

Key

Proposed

This rendering is illustrative only. It represents hypothetical build-outs used to calculate potential new housing and does not represent actual design intent.

10th Street/11th Street Opportunity Site

Opportunity Site Overview

Context type
Downtown Transition

Current site condition
Surface parking lot

Site dimensions
140 ft deep x 200 ft wide (along 10th Street) and 140 deep x 400 ft wide (along 11th Street)

Why This Site

Some sites at the edges of Downtown are vacant or underutilized. In some locations, lots have been, or could be, consolidated to enable a development approach that provides a mix of housing types along the street while pooling the parking for all units behind the buildings, in the middle of the block. This site includes lots owned by CrossPoint Community Church, an organization that has expressed interest in redeveloping some of its land for community-serving purposes. The site is an example of redevelopment that could occur at either a quarter-block or half-block scale when lots are consolidated.

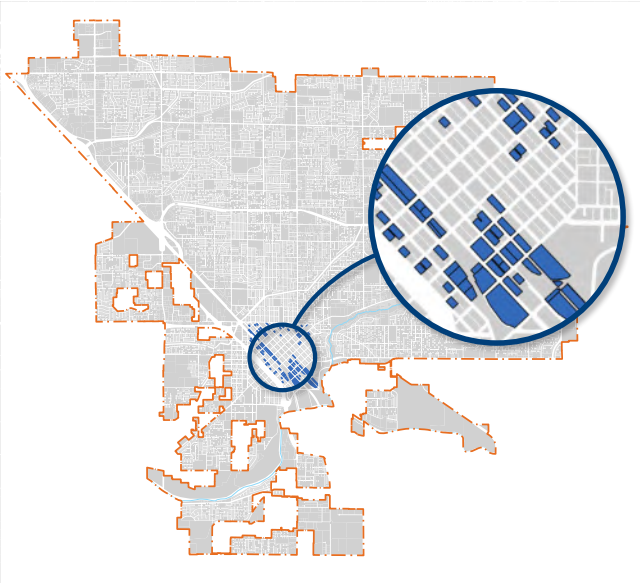
Applicable to approximately

82 lots

Citywide Applicability

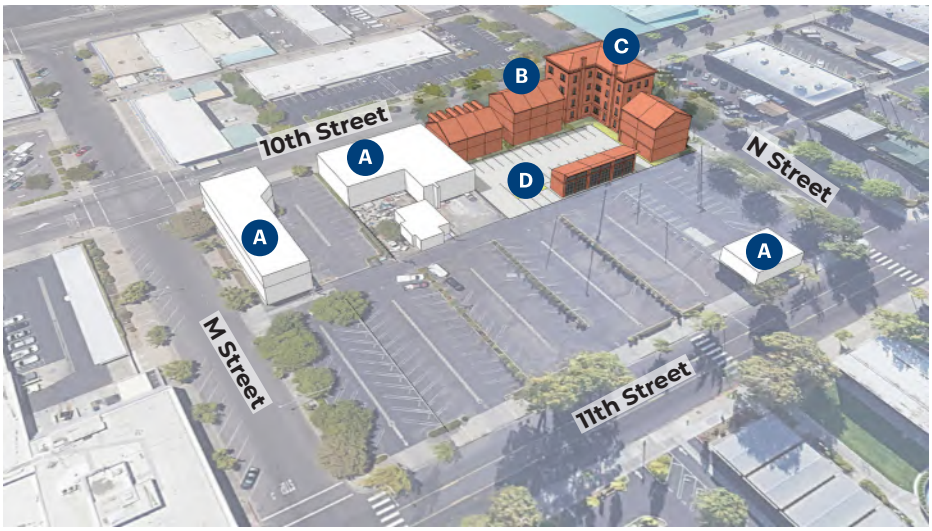
This development approach, with a mix of building types and pooled parking behind the buildings, is applicable to all lots at least 200' wide in the downtown grid.

As shown in the map on the right, within the Downtown Transition context type, there are 82 lots that meet this criteria and are suitable for this development approach.



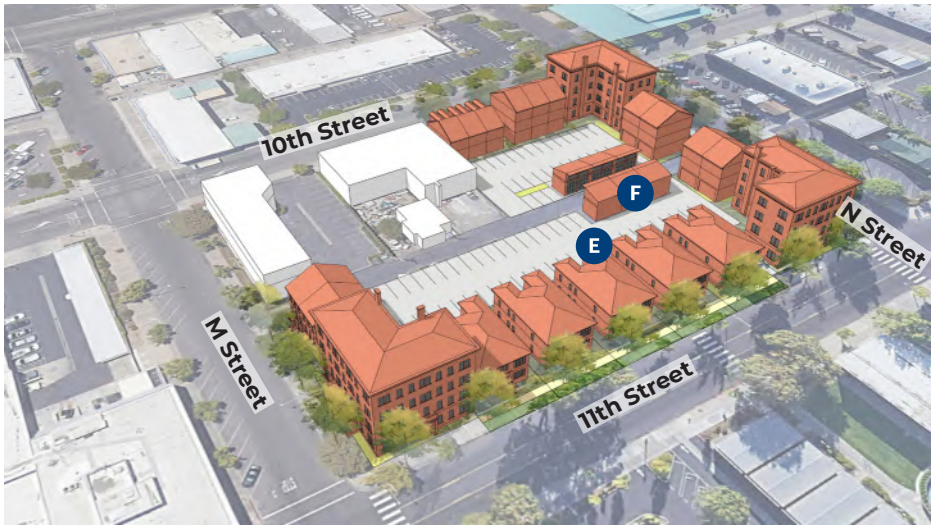
Illustrative Example Of Development Potential

Near-Term *Yield: 24 units*



- **A** Existing buildings
- **B** Townhouses up to three stories in height
- **C** Four story multiplex on the corner
- **D** Parking is located behind the buildings and accessed from the alley

Long-Term *Yield: 80 units*



- **E** An additional half block develops with taller buildings on the corners, fourplexes on 11th Street, and townhouses
- **F** Flexible maker spaces provide affordable work space and activate the alley. Accessory Dwelling Units (ADUs) could also be built as an alternative

Key

Existing

Proposed

These rendering are illustrative only. They represent hypothetical build-outs used to calculate potential new housing and do not represent actual design intent.

10th Street/11th Street Opportunity Site

Illustrative Rendering of Capacity Study

Existing Conditions

Above: Street presence in the Downtown Transition context type

As a first step, two runs of three townhouses replace part of the surface parking lot. Since these are shallow building types, some of the existing parking remains behind the buildings.

Right: Holding the corner with a taller building

As a second step, a taller four-story building is built on the corner of this block. The additional height helps to visually mark the corner and introduces diversity in the types of housing provided on this block.

This rendering is illustrative only. It represents hypothetical build-outs used to calculate potential new housing and does not represent actual design intent.

Downtown Master Plan Opportunity Sites

As part of the **2019 Downtown Modesto Master Plan**, four opportunity sites in Downtown Modesto underwent a community visioning process.

For additional detail on these opportunity sites, please see the Downtown Modesto Master Plan. Visit the City of Modesto's website and access the final plan document at https://www.modestogov.com/2404/Downtown-Master-Plan.

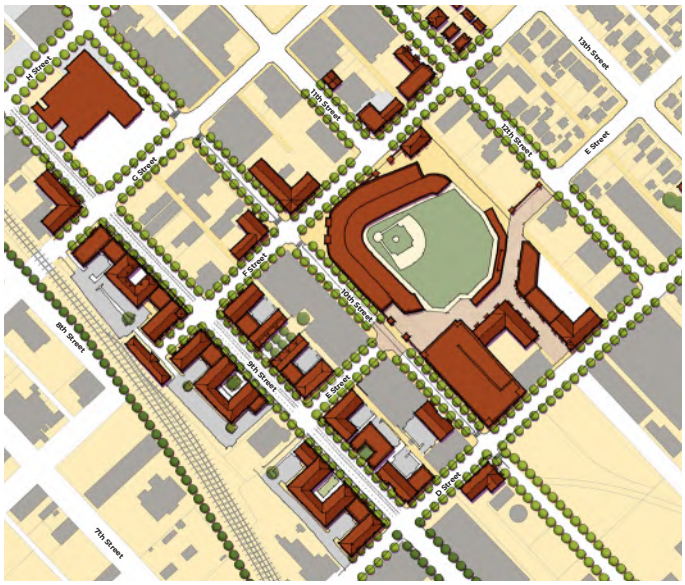
West Modesto Node Opportunity Site

Mixed-Use Corridor Context Type

Improved connections to the Transit Center and downtown open up the potential to redevelop several sites in West Modesto with residential and mixed-use buildings. Mixed-use buildings, particularly at street corners, can provide much-needed neighborhood-serving retail and amenities.

10th Street Node Opportunity Site

Downtown Transition Context Type



10th Street has always been an important corridor in downtown, and has the potential to develop a stronger identity as an entertainment or recreational corridor, providing different types of entertainment options at its J Street node, and at the proposed new node at F and D Streets.

Transit Center Area Opportunity Site

Downtown Core Context Type

The Transit Center area is one of the most significant of the recommended downtown projects. The vision is for this area to transform into a true mixed-use, transit-focused node offering housing, employment, shopping and entertainment options with convenient access to transit.

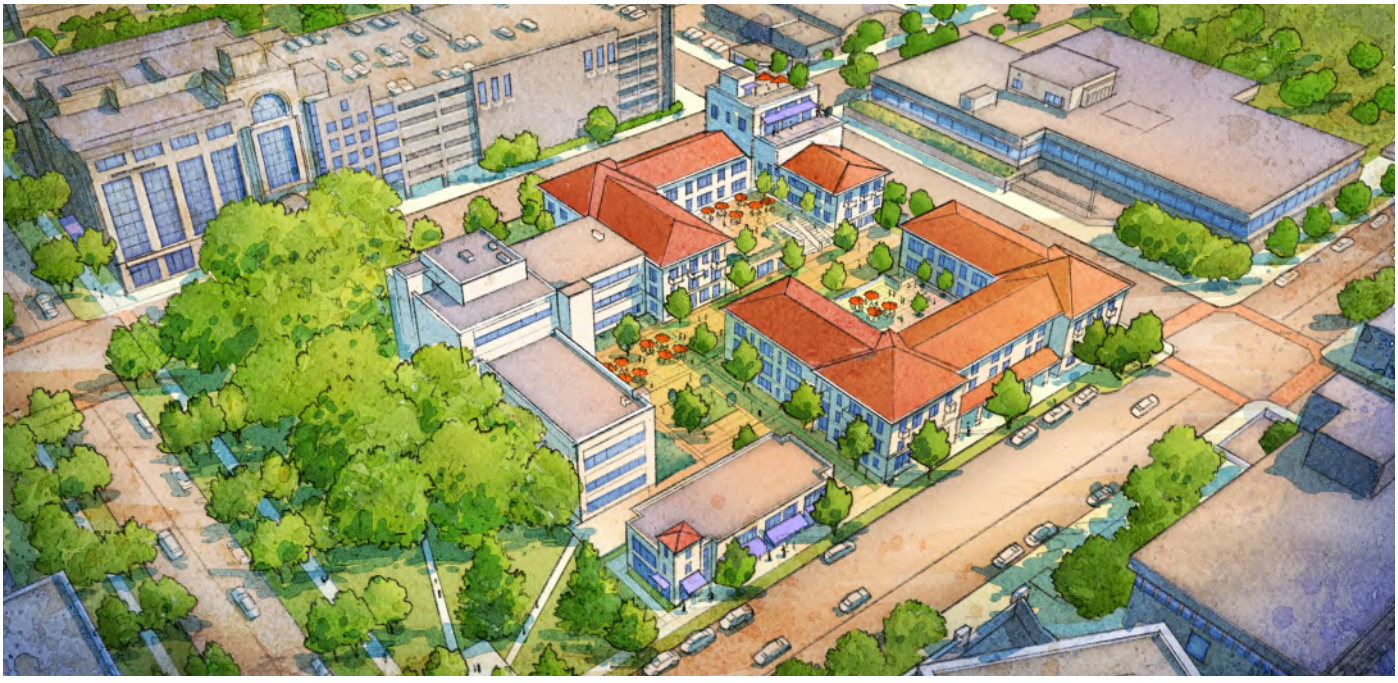
Downtown Master Plan Opportunity Sites

Old Courthouse Block Opportunity Site

Downtown Core Context Type

The Old Courthouse block is at a prime location along I Street, and it also has a valuable historic identity. The redevelopment of this block is a key catalyst project for downtown.

The design vision for this block is to retain the green spaces along I Street and portions of the Hall of Records building that have historic integrity, and redesign the southern half of the block with mixed- use buildings and new public space.



Summary Feasibility Assessment

As part of the Housing Plan, the Old Courthouse site was assessed for adaptive use. The Hall of Records building was found viable for reuse, with some required adaptations for use as a residential building. Proforma analysis was carried out for a mixed-use development program, with two adaptive use scenarios for the Hall of Records building. The assumptions and findings are summarized below.

Mixed-Use Development Program Assumptions:

Retail building

- 10,560 sq ft ground floor retail with 2,640 sq ft non-leasable space

Residential mixed-use buildings

- 19,800 sq ft ground floor retail
- 31,200 sq ft (89 spaces) of ground floor and underground parking
- 36 residential units on floors 2-3::
  - 7 studios (@ 700 sq ft)
  - 12 one-bedroom units (@ 900 sq ft)
  - 17 two-bedroom units (@ 1,200 sq ft)

Hall of Records building

Scenario 1: Adaptive use as residential mixed-use

- 20,100 sq ft ground floor civic
- 19 residential units on floors 2-4:
  - 2 studios (@ 700 sq ft)
  - 8 one-bedroom units (@ 900 sq ft)
  - 9 two-bedroom units (@ 1,200 sq ft)

Scenario 2: Adaptive use as office

- 39,685 sq ft office on floors 1-4

Findings

As is, neither scenario tested was found to be financially feasible, mainly due to the high cost of providing underground parking. Between the two scenarios, Scenario 2 (Hall of Records converted to office use) is more feasible than Scenario 1 (Hall of Records adapted as a residential mixed-use building).

Scenario 2 approaches greater feasibility if the costs for the parking are removed. Scenario 1 approaches feasibility if the costs associated with parking as well as the civic space are removed.

The current infeasibility of the scenarios can be addressed through the city's actions, if the city treats this as a pilot project to test market conditions, or attempts a development program with very low to no parking provided on-site.

4.3 Infrastructure Capacity of Opportunity Sites

A preliminary assessment of existing infrastructure capacity was carried out for the Opportunity Sites described in Section 4.2. The findings are described below, and overall capacity summarized in the table on the next page spread.

Water

In general, the Opportunity Sites are located in areas that are served by adequate water mains that seem to be capable of supporting development on those sites.

Sanitary Sewer

The detailed analysis of the sanitary sewer systems adjacent to most of these sites will need to be conducted to confirm that they can handle the additional wastewater from new development. The City will want to have any pipes smaller than 6-inches replaced, including alley sewers.

Storm Drain

The storm drain systems adjacent to the Opportunity Sites appear to be sized adequately; however, a detailed analysis of the existing systems will need to be done to confirm this assumption. An issue that the City identified is that many of the existing catch basins are undersized and become easily clogged, causing flooding during heavy storms. It is recommended that these structures are upsized when replaced. Plus, as mentioned in the previous section, all cross connections where the storm drain system is connected to the sanitary sewer system need to be eliminated. This tends to be an issue downtown and other older areas of Modesto. The City does require stormwater storage and treatment for new developments. The method of treatment and storage should be carefully considered in order to conserve developable space while keeping costs reasonable.

While these sites are located in positive drainage areas, meaning they are located within the City's current storm drain system, the lack of access to the public storm drain system could become a hindrance for development in other areas of Modesto. The SDMP estimates that 30% of the City is undeveloped and is currently served by rockwells. These undeveloped areas do not have access to the public storm drain system.

Natural Gas

The Opportunity Sites that have been identified have sufficient access to natural gas; however, developers will be required to confirm this with the local utility provider. Any upgrades to the existing system will be the financial responsibility of the developer.

Electricity

Developers will be required to consult with the appropriate electrical provider to determine if the current system available to the site is sufficient to power new development. Any upgrades to the existing system or installation of new power lines will be the financial responsibility of the developer. Where possible, electrical lines should be relocated or installed underground to enhance the aesthetics of a new project and protect against heavy winds.

Telephone

The Opportunity Sites that have been identified have sufficient access to telephone service; however, developers will be required to confirm this with the appropriate service providers. Upgrades to the existing system or the relocation of overhead lines underground can typically be accommodated and will be the financial responsibility of the developer.

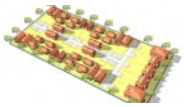
Cable TV

The Opportunity Sites that have been identified have sufficient access to cable television service from at least one of the providers. Placing overhead lines underground is typically recommended for aesthetic purposes and to protect against heavy winds. This can usually be accommodated by the service provider and will be the financial responsibility of the developer.

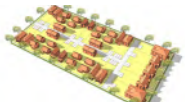
Summary of Infrastructure Capacity by Utility Type

Key

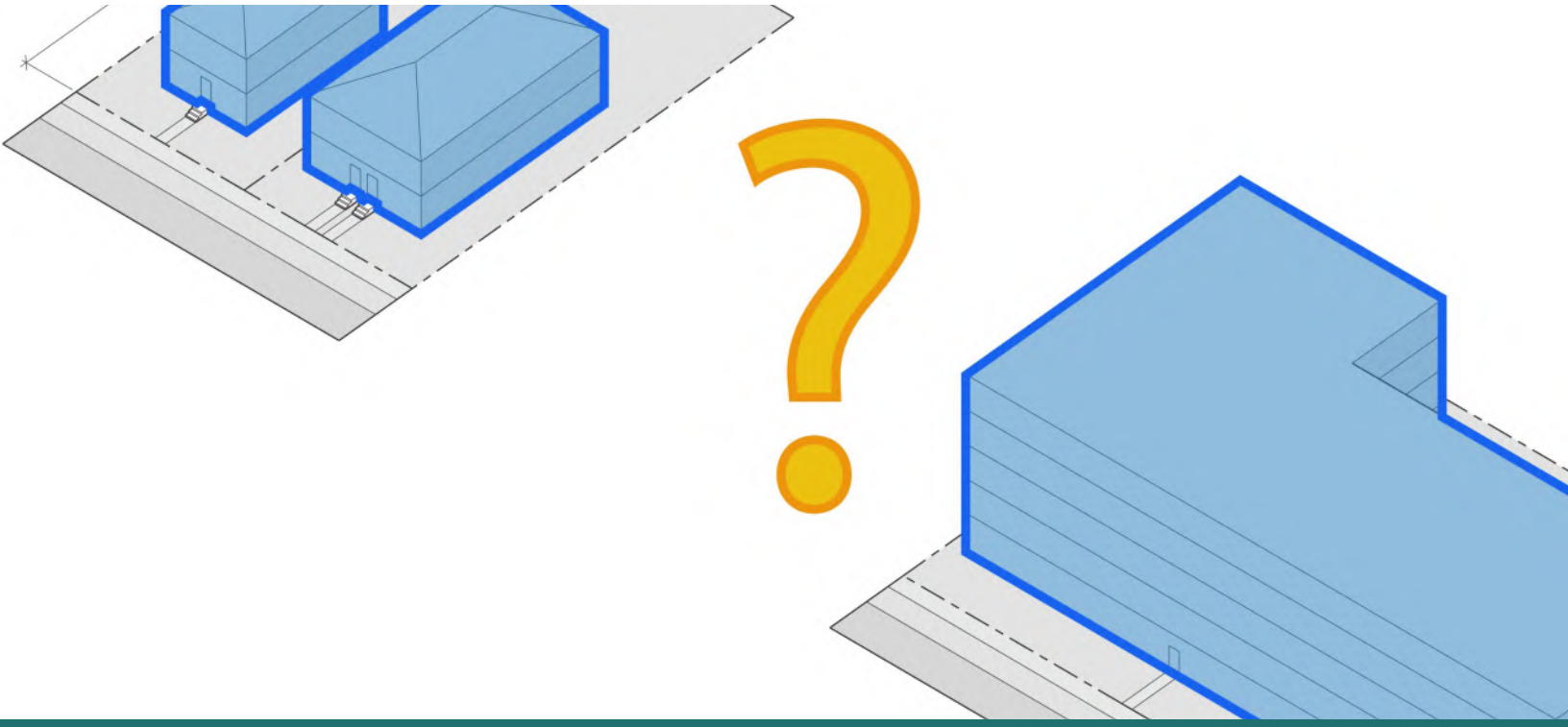
- Sufficient capacity exists or minimal updates needed
- ? Unknown whether sufficient capacity exists
- — Sufficient capacity does not exist without major upgrade

Existing Infrastructure Capacity				
Opportunity Sites		**Water**	**Storm Water**	**Sanitary Sewer**
McHenry Ave		✓	—	?
Crows Landing Road		✓	—	?
Oakwdale Road		✓	—	?
Municipal Golf Course		✓	—	?
10th Street/11th Street		✓	—	?
Transit Center Area		✓	—	?
Old Courthouse Block		✓	—	?

Note: Individual sites in the West Modesto node and 10th Street node were not assessed for infrastructure capacity as part of the Housing Plan.

Existing Infrastructure Capacity					
Opportunity Sites		**Telecommu-nications**	**Natural Gas**	**Electricity**	**Cable TV**
McHenry Ave		✓	✓	?	✓
Crows Landing Road		✓	✓	?	✓
Oakdale Road		✓	✓	?	✓
Municipal Golf Course		✓	✓	?	✓
10th Street/11th Street		✓	✓	?	✓
Transit Center Area		✓	✓	?	✓
Old Courthouse Block		✓	✓	?	✓

Note: Individual sites in the West Modesto node and 10th Street node were not assessed for infrastructure capacity as part of the Housing Plan.

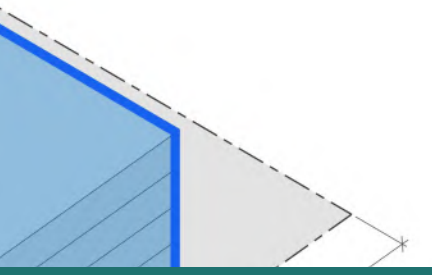


Next, let's review current regulations to understand what is preventing greater housing diversity in Modesto.

CHAPTER

5

Regulatory Barriers



In this chapter

5.1 Existing Local + State Policies

Laws and policies at both the local and state levels will play a role in Modesto **realizing its housing vision** for the 21st century.

How does the Regulatory System impact housing?

Modesto needs to provide more housing and more diverse types of housing to meet the housing needs of its residents. At the same time, Modestans want to maintain the unique community character and livability of their mid-size Central Valley city. How can both of these goals be achieved? Housing policies, if regulated carefully, **can promote more housing while maintaining the desired character of a community**. Analyzing local and state regulations is a critical first step.

State policies regulate housing with a focus on high-level policies and laws to meet long-term goals such as balanced growth and housing affordability. These policies and laws allocate housing state-wide across jurisdictions, taking into consideration size, population, and changing demographics. State laws often enable local jurisdictions to respond with local as well as supplementary policies to achieve state housing goals.

Local laws and policies determine the where and how of housing. These laws determine the building form (such as building coverage, height, etc.), the amount of parking on a property, and the number of dwelling units allowed in each building.

Current regulations are not creating the housing diversity needed to serve the current and future needs of Modesto. In order to meet these needs, it is important to understand which regulations work for a wider palette of housing types.

Local Policies to Enhance Housing Production

Modesto **can augment existing laws and policies** to address issues of housing shortage and affordability.

City of Modesto

Density Bonus

The City's **Density Bonus incentives** in the City Code of Ordinances is in accordance with state law. The Density Bonus allows a developer to build more units on a site than typically allowed, in exchange for the developer providing a percentage of those units as affordable.

Inclusionary Housing

The City **does not** currently have an inclusionary housing policy. This is a tool that would require developers to provide some affordable units when they build new multifamily housing in certain locations. Some cities have used this tool to ensure that affordable housing will be delivered at the same time and in the same locations as additional market rate housing.

State Policies Related to Housing

The State of California is addressing the housing crisis with **a multitude of laws and policies.**

State of California Laws

SB 330

(Housing Crisis Act)
Streamlines housing development process in urban areas by suspending restrictions and expediting permitting. This bill prevents downzoning, requires right of first refusal, limits the permitting process, and enforces objective standards.

SB 35

Streamlines ministerial approval for multi-family projects with an affordable housing percentage for jurisdictions that have not met their RHNA allocation. This bill requires objective design standards for qualifying projects, limits parking near transit, and limits the timeline for approval processes.

SB 8

Extends the Housing Crisis Act of 2019 through 2030. This bill is meant to increase housing production by accelerating the approval process for housing projects, limiting local governments' ability to downzone, limit fee increases on housing applications, and creating accountability provisions.

HAA

(Housing Acountability Act)
If an application meets certain criteria, the city council or planning commission must vote to approve the application and provide permits within 90-180 days. The city cannot propose modifications that would decrease the number of units.

SB 9

Property owners can split a single-family lot into two lots, with a minimum area of 1,200 sq ft each, and put two houses on each lot ministerially. This applies for all single-family residential parcels not within historic districts or other protected areas.

SB 10

Streamlines zoning process for new multifamily housing near transit or in urban infill areas for up to 10 units per parcel. If local governments choose to rezone for increased housing, these units are not subject to CEQA for upzoning.

State of California Regional Housing Needs Allocation (RHNA)

All cities in California share the task of providing housing. The State of California also sets a requirement for the number of new housing units each county (such as Stanislaus County) needs to provide by a certain date, and the counties decide how to divide that number among their cities (such as Modesto). These numbers are reviewed and updated every seven years.

Under the 6th Cycle of RHNA (2023-2031), Modesto is allocated the task of providing **11,248 new housing units in by 2031** in order to meet its proportional share of regional housing need. Of those units, **4,750 units need to be affordable** to either low-income or very-low income households, as defined by the state.

11,248
new housing units needed by 2031

Housing is a hot topic in the California state legislature. Above is an illustration of a housing-related California legislation in 2020 alone. The names of the bills are written on buildings, which are meant to illustrate the content of each bill.

Image credit: CC-BY Alfred Twu, mail@firstcultural.com with thanks to Roan Kattouw for research. More details at tinyurl.com/2020housingbills

Compliance with State Law

To enable housing diversity and streamline housing production, it will benefit Modesto to ensure that its Zoning Code is in compliance with state law. The following findings summarize parts that are not in compliance with state law or are inconsistent with HCD guidance.

Barriers for Housing in the City of Modesto	
Topic	**State Requirements**
Density Bonus Law (AB 1763, AB 2345)	Pursuant to Government Code Section 65916(j), the granting of a density bonus shall not require, "in and of itself," a zoning change, discretionary approval, etc.
	Pursuant to Government Code Section 65915(d), an applicant for a density bonus shall be granted the requested concession or incentive unless the City makes a written finding, based on substantial evidence, that these do not result in identifiable cost reductions to provide affordable housing; would have a specific, adverse impact on public health and safety; or would be contrary to state or federal law.
	Government Code Sections 65915(b) and (c) require density bonus units to be subject to a recorded affordability restriction of 55 years.
Emergency Shelters (Government Code 65580 et seq.)	As part of the state's Housing Element Law (Government Code 65580 et seq.), jurisdictions are required to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit.
Low Barrier Navigation Centers (part of AB 101, 2019) [Government Code Section 65660-65662]	Low barrier navigation centers (LBNCs) are required to be approved by right in areas zoned for mixed use and nonresidential zones permitting multifamily use.
Employee Housing Act [Health and Safety Code Sections 17000 et seq.]	Any employee housing providing accommodations for six or fewer employees shall be treated as a single-family structure and residential use. Any employee housing consisting of no more than 36 beds or 12 units or spaces designed for use by a single family or household shall be treated as an agricultural use.
Single-Room Occupancy (SRO) Units	Single-room occupancy (SRO) units are small (200-350 square feet) and provide a valuable source of affordable housing and can serve as an entry point into the housing market for people who have previously experienced homelessness.

Barriers for Housing in the City of Modesto (continued)
Findings
Section 10-8.102 (Statement of Authorization) requires senior housing projects granted a density bonus to be rezoned to Planned Development (P-D) zone.
Section 10-8.202 (Economic Feasibility) requires developers to show additional incentives are necessary to make a project economically feasible.
Section 10-8.301 (Term of Affordability) requires density bonus units to maintain their affordability level for a period of 30 years.
The Zoning Code currently permits one emergency shelter in the C-M, M-1, or M-2 zones (see Section 10-3.205 (Emergency Shelters)). Any additional emergency shelters shall be subject to the conditional use permit requirements in Section 10-3.101 (Land Use Table).
The Zoning Code does not contain existing provisions related to LBNCs.
The Zoning Code does not contain existing provisions related to employee housing.
The Zoning Code does not contain existing provisions related to SRO units.

5.2 Zoning Barriers to Housing Diversity

Understanding the existing zoning standards is key to assessing the **viability of the desired housing types** in each context of Modesto.

How do the Context Types of Modesto Influence the Regulatory Analysis?

As previously discussed in Chapter 2, five context types were identified in Modesto, each with their own distinct physical form and character. Each of these context types can support a range of housing types that are complementary to the existing built character, and can help expand housing choice. The housing types recommended for each context type have also been vetted for financial feasibility.

Since the goal of the Housing Plan is to promote greater housing diversity, the current zoning policies must be examined to ensure that they can enable the desired palette of housing types. Each housing type has a range of lot sizes, building heights, setbacks, and parking conditions in which they can fit.

By **comparing the minimum requirements of these housing types to what is allowed** by current regulations, the barriers to providing more housing options becomes clear. Recommended changes and refinements to the existing regulations will enable the desired outcomes for each context type.

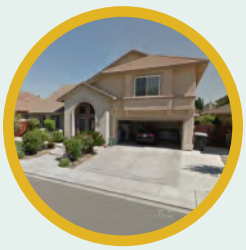
Below: Context types identified in Modesto. For more information, refer Chapter 2: Housing Opportunities

Downtown Core

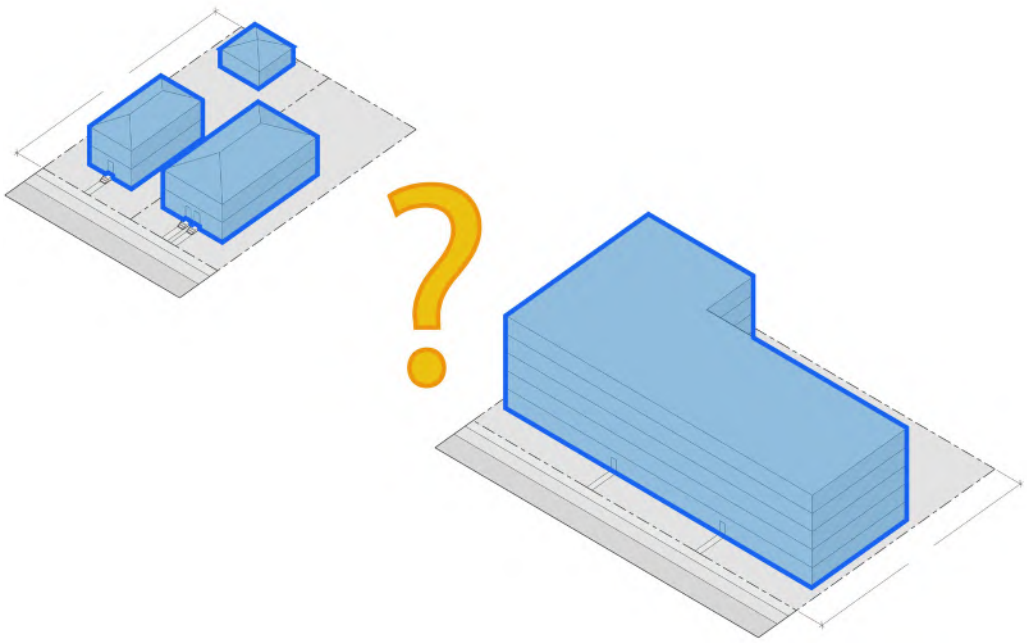
Mixed-Use Corridor

Downtown Transition

Downtown Adjacent



Suburban Residential



Which regulations can limit the housing types allowed in each zoning district?

Although Modesto's Code of Ordinances regulates many aspects of development, there are certain standards that are critical in enabling greater housing diversity. These critical standards within each zoning district in Modesto were analyzed to evaluate whether they could support the envisioned housing types for each Context Type. The critical standards are:

- **Minimum Lot Area**. The minimum size (in square feet) of a lot to support the desired range of housing types.
- **Minimum Lot Width**. The minimum width (in feet) required for a parcel in order to support the desired housing types, including the building and parking access.
- **Maximum Density**. A measurement of the number of dwellings within an area or required by a zone, typically given in dwelling units per acre.
- **Minimum Front and Side Setbacks**. The minimum distance a building must be set back from the front or side property lines of a lot.
- **Maximum Height**. The maximum allowed vertical dimension for a building, in feet or number of stories.
- **Housing Types**. Types of residential and/or mixed-use buildings allowed and their regulations.
- **Maximum Lot Coverage**. The maximum percentage of a parcel's area that can be occupied by the building footprint.
- **Required Open Space**. The minimum amount of open space, given in square feet, required per dwelling unit or land use.
- **Parking Spaces**. The minimum number of parking spaces required per dwelling unit or square feet of other use.
- **Minimum Driveway Width**. The minimum width required for a driveway for parking access.

The table on the next page summarizes the analysis for these regulatory barriers and the following pages provide further explanation.

Matrix of Barriers

This table reviews the zoning districts in Modesto where more housing is anticipated and summarizes the key barriers to increase housing diversity.

Key

- ● Standard is too high/ too large
- ● Standard is too low/ too small
- ● Standard is not needed
- ✓ Standard is not a barrier
- ? Lack of clarity poses a potential barrier
- \- Not applicable

- ○ Large circles/bold font represent the most critical standards which prevent or allow housing
- ○ Small circles represent secondary standards.

Summary of Regulatory Barriers for Housing in the City of Modesto

Development Standards

	Residential Zones			Commercial Zones
	R-1	R-2	R-3	P-O, C-1, C-2, C-3
Minimum Lot Area	●	●	●	*The commercial zones allow residential as a conditional use.* *All residential development within the commercial zones must adhere to the **R-2 or R-3 development standards**, depending on which zone's density range is closest to the density of the proposed development.*
Minimum Lot Width	●	●	●	
Maximum Density	-	●	●	
Minimum Front Setbacks	✓	✓	●	
Minimum Side Setbacks	✓	●	●	
Maximum Height	✓	✓	✓	
Permitted Housing Types	✓	✓[1]	✓[1]	
Housing Type Standards	-	-	-	
Maximum Lot Coverage	✓	✓	?	

Parking Standards

	Residential Zones			Commercial Zones
	R-1	R-2	R-3	P-O, C-1, C-2, C-3
Spaces required per unit	●	●	●	●
Minimum Driveway Width	●	●	●	●

1. Although multifamily housing is allowed, other regulations, such as density, make it unclear if multifamily development is possible.

Summary of Regulatory Barriers for Housing in the City of Modesto (continued)

Development Standards

	Downtown Form-Based Code Zones					
	CD	**TD**	**UGD**	**MSD**	**END**	**TND**
Minimum Lot Area	●	●	-	-	-	-
Minimum Lot Width	✓	✓	⬤	✓	⬤	✓
Maximum Density	-	-	-	-	-	●
Minimum Front Setbacks	✓	✓	✓	✓	•	✓
Minimum Side Setbacks	✓	✓	✓	✓	✓	✓
Maximum Height	⬤	⬤	✓	✓	✓	✓
Permitted Housing Types	?	?	•	✓	•	●
Housing Type Standards	**?**	**?**	**?**	**?**	**?**	**?**
Maximum Lot Coverage	-	-	-	-	-	-

Parking Standards

	Downtown Form-Based Code Zones					
	CD	**TD**	**UGD**	**MSD**	**END**	**TND**
Spaces required per unit	⬤	⬤	⬤	⬤	⬤	⬤
Minimum Driveway Width	⬤	⬤	⬤	⬤	⬤	⬤

Key

- ⬤ Standard is too high/ too large
- ● Standard is too low/ too small
- ● Standard is not needed
- ✓ Standard is not a barrier
- ? Lack of clarity poses a potential barrier
- - Not applicable

◯ Large circles/bold font represent the most critical standards which prevent or allow housing

○ Small circles represent secondary standards.

5.3 Key Barriers Explained

The following pages will describe the regulatory barriers to housing within three zoning groups.

Residential Zones

There are three residential zones in Modesto: R-1, R-2, and R-3. R-1 is primarily intended to generate single family houses, with the option of accessory dwelling units (ADUs). R-2 and R-3 are multi-family zones, with the potential to allow more housing options.

Zones:
R-1: Low Density Residential

R-2: Medium Density Residential

R-3: Medium-High Density Residential

Commercial Zones

Residential Development Standards
There are four commercial zones in Modesto: P-O, C-1, C-2, and C-3. Any residential development within the commercial zones requires a conditional use permit and must follow R-2 or R-3 standards, depending on which zones' density the proposed development coincides with.

This strategy prevents context-sensitive residential development from occuring in an otherwise commercial context.

Because the commercial zones currently rely on R-2 and R-3 regulations for all residential development, the following pages of analysis will not analyze the non-residential regulations of the commercial zones. Instead, refer to the analysis for R-2 and R-3.

Zones:
P-O: Professional Office

C-1: Neighborhood Commercial

C-2: General Commercial

C-3: Highway Commercial

Downtown FBC Zones

There are six form-based zones in Downtown: CD, TD, UGD, MSD, END, and TND. These form-based zones focus on mixed-use and range in intensity, from centers and high-intensity neighborhoods to low-intensity neighborhoods that are compatible with the traditional character of the area.

Zones:
CD: Central Downtown

TD: Transition Downtown

UGD: Urban General Downtown

MSD: Main Street Downtown

END: East Neighborhood Downtown

TND: Traditional Neighborhood Downtown

Key Barriers: Density Standards

✸ Density

Residential Zones
Density does not contribute to good form or building design. The current density ranges allowed in R-2 and R-3 (10.9 to 14.5 du/ac and 14.5 to 29 du/ac, respectively) are too low to allow many housing types including a range of Missing Middle types.

Downtown FBC Zones
TND is the only downtown zone with a maximum density regulation. Since this zone also regulates by building types, this standard is not needed. In fact, it may complicate things with the Duplex as an allowed type in the zone.

Key

✸ Critical regulation (potential barrier)

CLOSER LOOK

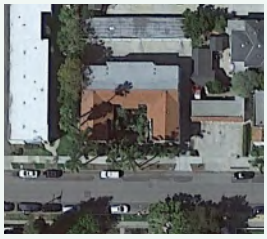
Why Density Can Have Unexpected Built Outcomes

While people commonly assume that density limits ensure that new projects will be compatible with the existing context, this may not actually be the case. Density is a simple calculation based on the lot size and number of units on it, and as shown in this example, buildings A and B can look very different but have nearly the same density.

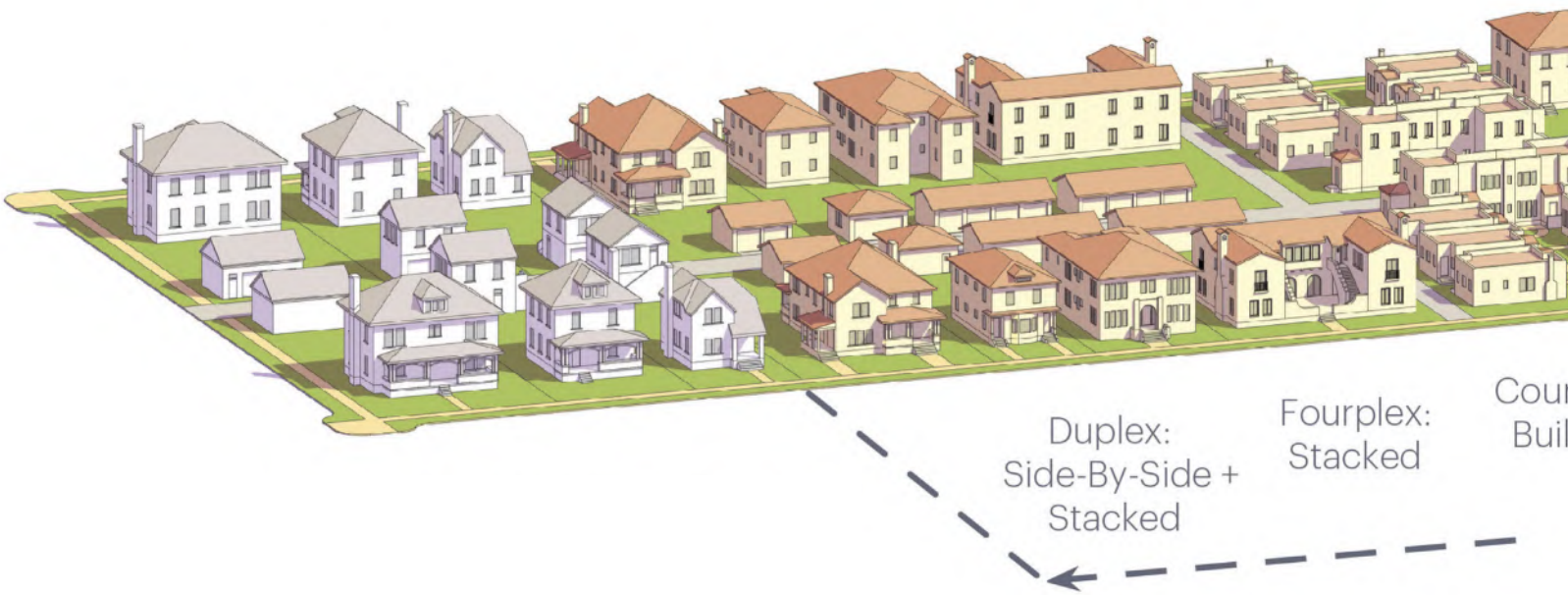
The number of dwelling units may have no correlation with the size of those units, their arrangement on the lot, or the form of the buildings within which they appear. There is a misconception that high density means big buildings, despite the fact that existing house-scale buildings achieve higher densities.

In order to achieve the benefits of increased housing choices - including attainability, support for neighborhood walkability, and compatibility with context - a thoughtful approach to regulating form, scale, and building types is most important.

Building A
Density: 30 du/ac.
Number of units: 60
Building footprint 175' x165', 3 Stories



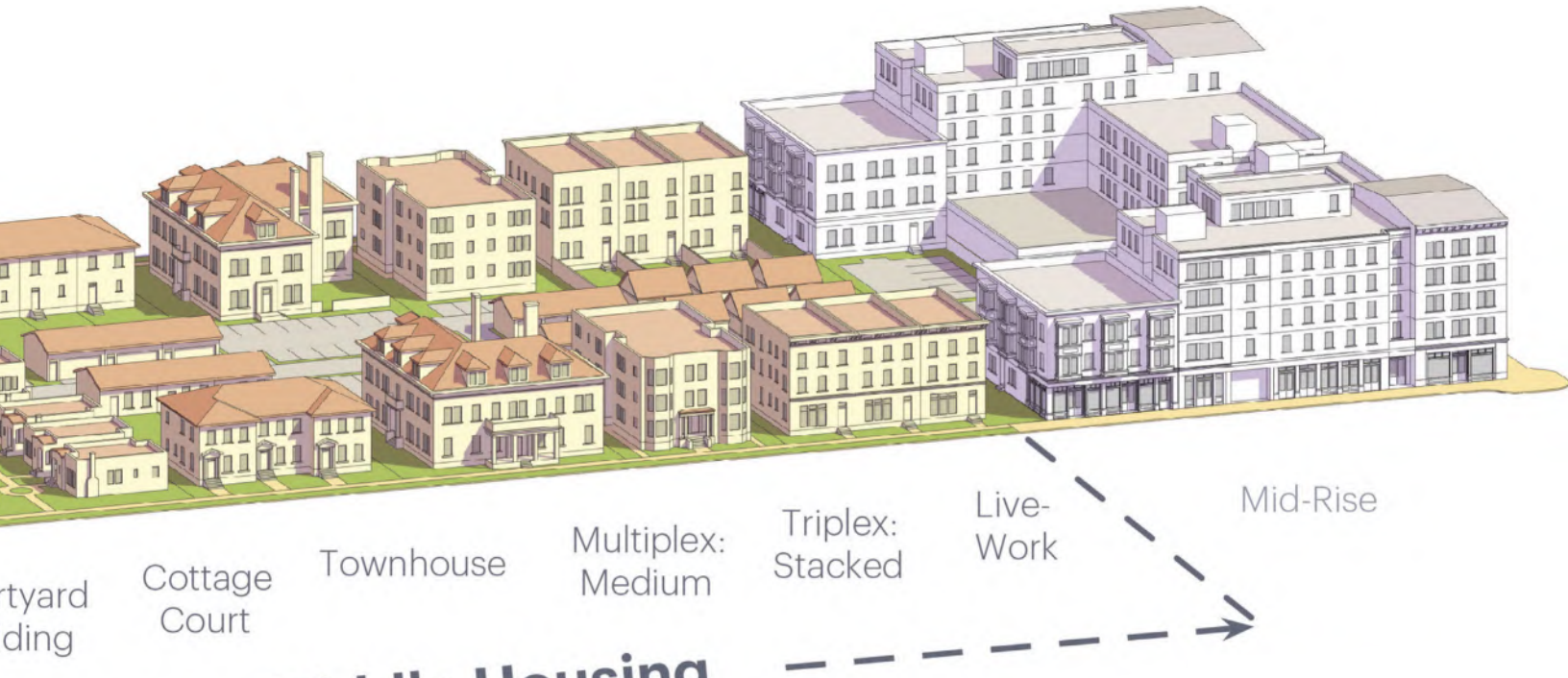
Building B
Density: 31.7 du/ac.
Number of units: 8
Building footprint 84'x32' (rear bar), 31'x25' (side bars)', 2 Stories



Zoning and Density Limits

	Detached Single-Family House	Duplex	Tri-/Fourplex	Courtyard Building
	up to 20 du/ac	8-25 du/ac	15-26 du/ac	24-46 du/ac
R-2 10.9 - 14.5 du/ac	✓	✓	✗	✗
R-3 14.5 - 29 du/ac	✓	✓	✓	✓
TND 21.8 du/ac max.	✓	✓	✓	✗

Note: R-2, R-3, and TND are the only zoning districts which regulate density.

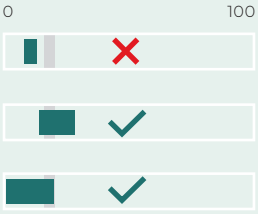


Key for Bar Graphs Below

- Density range of Housing Type
- Density range enabled by zoning district
- ✓ Housing Type enabled by zoning district
- ✗ Housing Type not enabled by zoning district

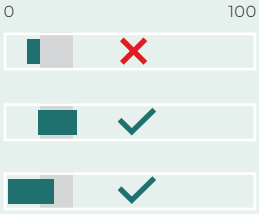
Cottage Court

18-22 du/ac



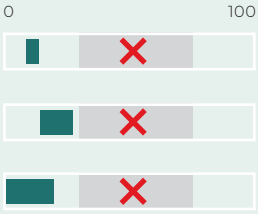
Townhouse

15-28 du/ac



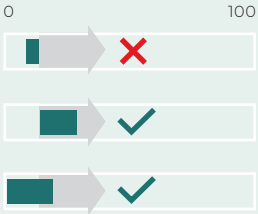
Multiplex

32-52 du/ac



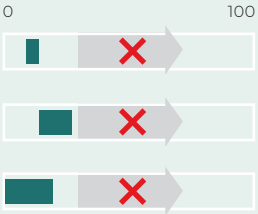
Main Street Building Small

15 du/ac and up



Main Street Building Large

35 du/ac and up



Key Barriers: Lot Size Standards

Key

- Typical lot width range of house-scale buildings
- MSD
- UGD
- END
- TND
- Other Zones
- Critical regulation (potential barrier)

Lot Area

Experience shows that lot "width" is a more effective regulation than lot area. This is primarily because a project can comply with the minimum lot area but still result in a building that could be too large for its context. In contrast, regulating by lot width enables building types to be coordinated with the context more appropriately.

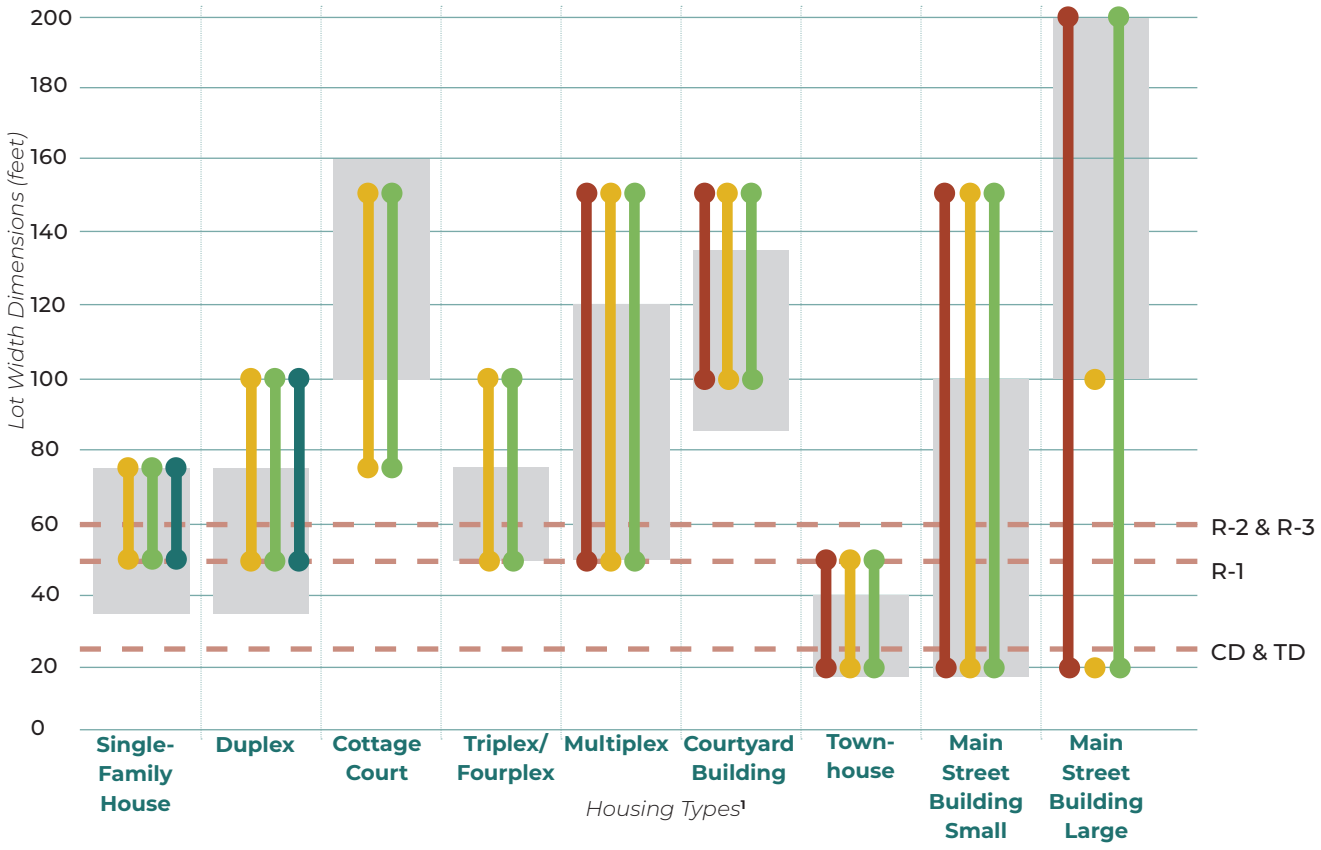
Lot Width

Residential Zones

Current minimums are too large for some development. The minimum lot widths range from 50 feet to 60 feet in the residential zones. This is problematic, especially in the Downtown Adjacent context, where the most common lot width is 50 feet.

Downtown FBC Zones

- CD, TD, and MSD zones: Minimum lot width regulations are appropriate.
- UGD, END, and TND zones: Current minimum lot widths are too big. Large ranges in allowed widths are not calibrated for house-scale versus block-scale buildings.



Key Barriers: Building Envelope Standards

Minimum Front Setbacks

Residential Zones

R-2 and R-3 have front setbacks of 15 feet. This standard is too large and makes no distinction in setbacks to respond or coordinate with the other standards made. Consequently, it may not provide the physical character intended.

Downtown FBC Zones

- CD, TD, UGD, MSD, and TND zones: The front setback standards are appropriate.
- END: There are so many frontage types and front setback ranges permitted that the resultant character can be too general.

✸ Minimum Side Setbacks

Residential Zones

R-2 and R-3 have overly restricted side setbacks for parcels adjacent to R-1. Considering that R-2 and R-3 have maximum heights that are moderate in scale, these side setbacks of 15 to 20 feet are unnecessarily large.

Downtown FBC Zones

All downtown form-based codes have appropriated regulated side setbacks to allow context-sensitive development.

Maximum Lot Coverage

Residential Zones

In the residential districts, R-1 and R-2 have reasonably proportioned maximum lot coverage standards, given the context and desired building form. However, the maximum lot coverage in R-3 may be too low for the existing lot sizes, especially in the Downtown Adjacent Context, and may not coincide with the setbacks, if the setbacks are reduced.

Downtown FBC Zones

The Downtown FBC zones do not regulate maximum lot coverage.

✸ Maximum Height

Residential Zones

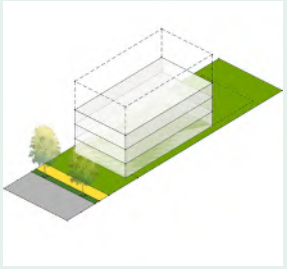
R-1, R-2, and R-3 have appropriately scaled height limits to enforce house-scale development.

Downtown FBC Zones

- UGD, MSD ,END, and TND zones: Maximum heights allowed are appropriate.
- CD and TD zones: Height ranges permitted (3 to 15 stories and 2 to 8 stories, respectively) are too broad to create cohesive results. Additionally, the upward limits of 15 and 8 stories are too high considering the existing lot sizes and minimum parking regulations. It is unlikely that the maximum heights could be achieved given these limitations; however, the perceived value created by the large upper height limits can prevent any development from occuring.

CLOSER LOOK

What is a Building Envelope?



A building envelope is the outermost defined limits of where a building can fit on a lot. Minimum setbacks and maximum lot primarily shape this, creating limits on where a building can be located.

Key

✸ Critical regulation (potential barrier)

Key Barriers: Allowed Housing Types

Cottage Court

Fourplex

Courtyard Apartment

Housing Types

Residential Zones

While R-2 and R-3 allow multifamily development, it is unclear if multifamily housing can be achieved considering the low density requirements.

Downtown FBC Zones

While the zone standards provide minimum lot widths and heights permitted for the building types allowed, the building types do not provide any numeric standards to achieve the desired form - additional massing and composition standards for each building type may help to better articulate the building form.

- CD and TD zones: The building types permitted are not clear.
- MSD, UGD and END zones: There are too many building types permitted and the intended form of each housing type is unclear. Allowing these many building types with different characteristics loses the desired physical character of the zone.
- TND: There are not enough building types allowed.

Key Barriers: Parking Standards

✸ Parking Spaces Required

Residential Zones

The minimum parking requirements for residential zones are generally too high.

Downtown FBC Zones

- CD and TD: The minimum parking requirements for these zones are generally too high.
- UGD, MSD, END, and TND: The minimum parking requirements are appropriate.

✸ Minimum Driveway Width

Residential Zones

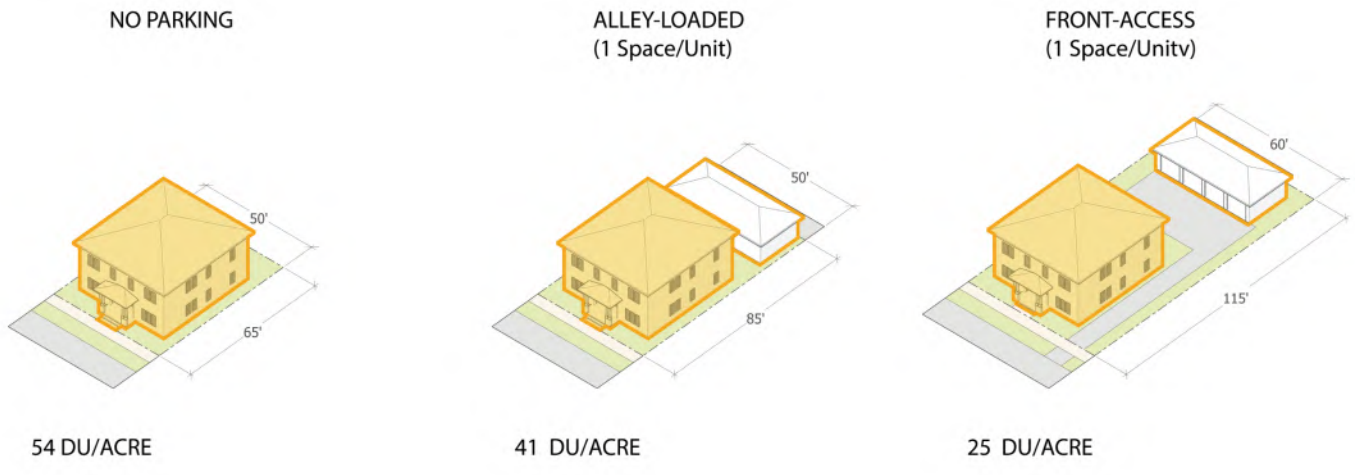
The minimum driveway width of 12 feet for one-way and 20 feet for two-way can prevent development on narrower parcels.

Downtown FBC Zones

The minimum driveway width of 12 feet for one-way and 20 feet for two-way can prevent development on narrower parcels.

Key

✸ Critical regulation (potential barrier)



Above: An illustration of the impact parking has on housing production. Requiring more parking, especially on lots without alley access, can limit the number of units that can accompanied, and thus the range of housing types that the lot can support.

Having concluded the analysis, we now look at policy recommendations to further Modesto's status as a pro-housing community.

CHAPTER

6 Housing Policy

In this chapter

6.1 Establishing a Housing Policy Framework

Policy plays a critical role in advancing housing affordability and choice, and help to underpin many inter-related decisions regarding development and infrastructure.

To be effective, housing policy must include strategies that are rooted in local concerns and issues, and thereby lead to actions that offer responsive solutions to community needs.

Critical steps in developing the framework include:

1. Identify Modesto's housing priorities
2. Analyze and evaluate strengths and gaps in current housing policy
3. Recommend strategies to address gaps, considering inherent trade-offs (such as balancing rental and for-sale housing) and customize policies for local priorities.
4. Identify funding sources and strategies to supplement federal grants with local revenues, make Modesto appealing to investors, and identify short-term and long-term implementation strategies.

The first three steps are adressed in this chapter. Step 4, while critical, is outside the scope of the Housing Plan and will be addressed in the Housing Element update.

CLOSER LOOK

The Role of Housing Policy

- Provide direction for other General Plan policies

- Guide and support future decisions regarding grant funding

- Promote the development of more affordable housing units

- Reduce barriers to access in opportunity areas

- Protect vulnerable populations from potential displacement

- Assist in the planning for balanced and orderly growth

Step 1. Identify Housing Priorities for Modesto

According to the goals of Modesto's General Plan, analysis conducted as part of the Housing Plan, as well as feedback from City staff and the Modesto community, the top housing priorities for Modesto are:

1. Address growing housing inequality by enabling **housing at all levels of affordability**
2. Serve Modesto's current and future housing needs by facilitating a **wider range of housing options**
3. Focus on equity by **balancing new housing production with improving existing** housing
4. Differentiate Modesto **as a unique place to live with housing choices and a walkable lifestyle** with access to amenities and services

Step 2. Evaluate Current Housing Policy

The Housing Plan assessed Modesto's current Housing Element's (2015-2023) goals and policies for alignment with the housing priorities identified in the Housing Plan.

Below is a summary list of the current goals, policies and programs. Areas for potential additions and improvement are indicated with callout bubbles. The status of each program is not known.

Housing Element (2015-2023) Summary of Goals, Policies and Programs	
Goal 1. Match housing supply with need	
Policy 1.1. Establish and/or support programs to supply below-market housing for extremely low-, very low-, low- and moderate-income households, as well as market-rate housing.	**Programs:** 1.1a. Community Housing Coalition 1.1b. Affordable housing resources 1.1c. Consolidated Plan 1.1d. Non-profit housing development corporations 1.1e. Land banking/ land trusts and identification of public surplus lands 1.1f Homebuyer assistance 1.1g. Rental assistance 1.1h. Relocation assistance 1.1i. Homeless continuum of care
Policy 1.2. Promote the development of affordable housing throughout the community, where appropriate and compatible with existing uses and facilitate the development of housing for the unmet needs of lower income special needs groups, including the disabled, elderly, homeless, and large families (five or more persons).	**Programs:** 1.2a. Transitional Housing Program 1.2b. Land assembly in existing neighborhoods
Policy 1.3. Assist homeowners to avoid foreclosures	**Program:** 1.3a. Foreclosure assistance
Goal 2. Maximise housing choice throughout the community	
Policy 2.1. Promote equal opportunity for all residents to live in housing of their choice by continuing to make a strong commitment to fair housing practices	**Programs:** 2.1a. Manufactured housing 2.1b. Handicapped accessible housing 2.1c. Fair housing services

Add tiny homes as temporary housing solutions.

Housing Element (2015-2023) Summary of Goals, Policies and Programs	
Policy 2.2. Facilitate the development of accessory units as an affordable housing alternative.	**Program:** 2.2a. Accessory/ second units
Policy 2.3. Facilitate the development of entry level housing as well as "step-up" housing and encourage a range of housing types to be constructed in subdivisions and large developments.	**Program:** 2.3a. Small lot development
Goal 3. Provide safe and decent housing	
Policy 3.1. Maintain the supply of safe, decent, and sound affordable housing through the conservation and rehabilitation of the City's existing housing stock, focus the use of City resources for housing rehabilitation and assisted housing for those neighborhoods and residents having the greatest need for housing assistance, and encourage the development and rehabilitation of housing that is accessible to persons with disabilities.	**Program:** 3.1a. Housing rehabilitation and improvement 3.1b. Energy conservation and efficiency 3.1c. Reasonable accommodation 3.1d. Ongoing coordination with Stanislaus County to address "islands"
Policy 3.2. Make a maximum effort to preserve units in assisted housing developments that are eligible to change to uses other than to lower income households due to terminations of subsidy contracts, mortgage prepayment, or expiration of use agreements.	**Program:** 3.2a. Preservation of units at risk
Goal 4. Ensure land use and zoning procedures accommodate housing	
Policy 4.1. Track changes in housing law to ensure that land use regulations are consistent with state and federal law. Maintain adequate supply of appropriately designated land for special needs housing, including seniors, disabled persons, large households, homeless and transitional persons. Review local regulations to accommodate projected housing demands.	**Program:** 4.1a. Zoning code amendments 4.1b. Suitable sites for lower-income housing 4.1c. Lot consolidation

Allow a wider range of housing types including Missing Middle Housing types.

Incentivize one-for-one replacement of affordable units.

Housing Element (2015-2023) Summary of Goals, Policies and Programs	
Policy 4.2. Maintain an up-to-date site inventory detailing the amount, type, and size of vacant and underutilized parcels, and assist developers in identifying land suitable for residential development.	**Program:** 4.2a. Residential sites inventory
Goal 5. Reduce governmental constraints	
Policy 5.1. Establish and maintain development standards that support housing production while protecting quality of life goals.	**Program:** 5.1a. Reduction of parking standards
Policy 5.2. Continue to provide financial incentives such as fee deferrals and exemptions for developments meeting the affordable and special housing needs of the community. Review the city's fee structure, including development fees, impact fees, and other municipal costs, periodically to ensure that they do not unduly constrain the production of housing, especially affordable housing.	**Program:** 5.2a. Multi-family developer incentive program
Policy 5.3. Continue to provide timely and coordinated processing of residential development projects to encourage housing production.	**Programs:** 5.3a. Streamlined application review and permit processing 5.3b. Administrative coordination 5.3c. Annual report of General Plan
Goal 6. Ensure adequate services to housing	
Policy 6.1. Promote coordination between infrastructure master plans, service area boundaries, and housing plans to ensure that adequate services are available to serve expected housing growth. Direct housing to areas where infrastructure and utilities can be provided commensurate with housing production.	**Program:** 6.1a. Urban growth policy update
Policy 6.2. Promote infill development as a method of ensuring maximum utilization of existing urban services.	**Programs:** 6.2a. Encourage infill development

Add programs to include ADU assistance, small-scale multi-family housing types, fast-track application review for selected Opportunity Sites

Housing Element (2015-2023) Summary of Goals, Policies and Programs	
Goal 7. Promote jobs-housing balance	
Policy 7.1. Encourage the development of workforce housing	**Program:** 7.1a. Coordination of housing and economic development efforts 7.1b. Affordable workforce housing

Allow a wider range of housing types including co-living options and multi-family types that are affordable by design

Step 3. Strategies to Support Housing Priorities

Strategy 1. Facilitate new housing through a data-driven, context-specific strategy that focuses on infill sites and repurposing of underutilized land

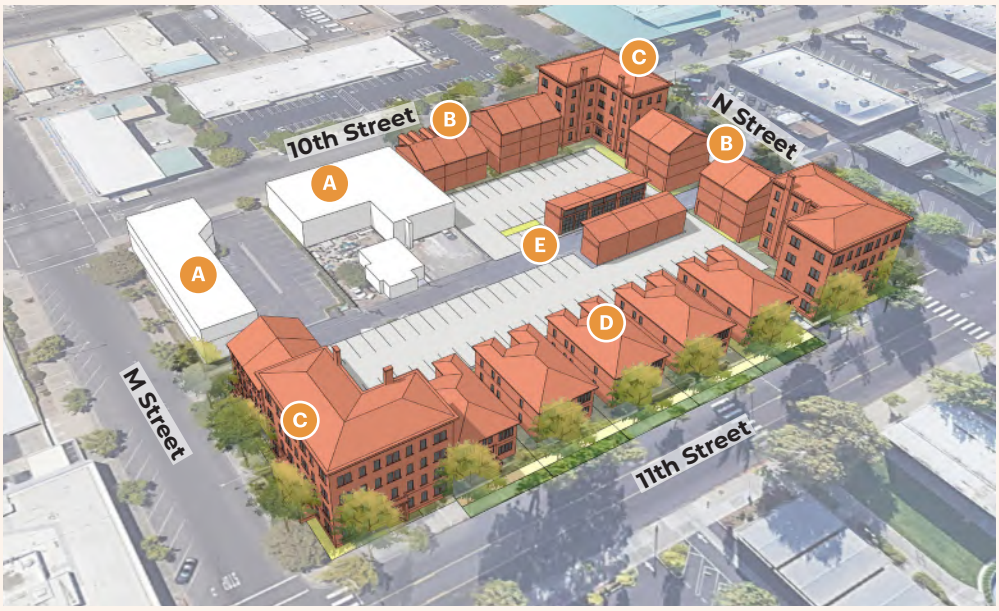
Suggested actions:

- **Citywide assessment to create a database of sites best suited for new housing** *[using the findings and methodology used in the Housing Plan]*
  - Assess recommended context types in terms of transportation access, infrastructure, existing uses and available services and amenities to determine areas that are "resource rich" and those that are "under-served".
  - Assess existing land uses citywide under current zoning to identify areas that are currently underutilized and/or underdeveloped; and consider allowing residential uses where currently disallowed.
  - Identify opportunity sites/ workforce housing zones/ housing sustainability districts citywide based on the above criteria and prioritize infrastructure and other upgrades to make these sites "development-ready". Establish Enhanced Infrastructure Financing Districts as needed.
  - Maintain and regularly update an inventory of vacant lots citywide.
  - Levy fines or other measures to discourage "property hold outs" and encourage redevelopment of vacant, tax-delinquent and/or abandoned properties.
  - Evaluate strategies such as land banking of vacant properties, foreclosure and disposition of tax-delinquent properties to manage underutilized property.
- **Develop a palette of housing types and development standards for each, calibrated to existing lot sizes and context types in the city**
  - Allow a wider range of housing types including Missing Middle types by-right in residential zones. Calibrate the recommended housing types in the Housing Plan to existing lot conditions and context to ensure feasibility.
  - Update existing development standards to allow the wider range of housing types while setting controls on building size, orientation and massing.
  - Analyze and right-size parking standards for Missing Middle and other small-scale multi-family housing types by context and available amenities and transportation options.

Illustrative example: Opportunity Site at 10th and 11th Street

Downtown Core context type | Potential yield 80 units

One of the Housing Plan opportunity sites is used to demonstrate how allowing a wider variety of building types, calibrated to context and with well-defined development standards, can promote better utilization of infill sites, and produce additional housing without disrupting existing built character. Variety in housing sizes and types will promote affordability and diversity of household types in the same neighborhood. Please note this rendering is illustrative only and represents a hypothetical build-out.



Key

Existing

Proposed

- **A** Existing commercial buildings remain, with alley-accessed parking in the block interior.
- **B** Two and three story Townhouses along 10th and N Streets line the block.
- **C** Taller buildings allowed at corners such as a four-story Multiplex shown here.
- **D** Bigger house-scaled buildings such as three-story Multiplexes line 11th Street.
- **E** In the block interior, flex spaces could be incorporated or even Accessory Dwelling Units (ADUs).

Strategy 2. Reduce development costs through a streamlined entitlement process and financing assistance

Suggested actions:

Streamline permitting, entitlement and environmental review

- Create objective design standards for housing and mixed-use building types by context and local priorities, to create more predictability for local developers.
- Analyze and right-size impact fee for different housing types, to incentivize construction of small-scale, multi-family homes.
- Evaluate existing processes to streamline entitlement for by-right housing types, and work with local institutions to enable financing for such projects.
- Allow and facilitate developers to submit concurrent project applications.
- Broaden items for ministerial review to expedite the approval process.

Provide assistance to strengthen the local development community

- Hold early assistance meetings with developers, and assign a point person to guide, troubleshoot and fast-track plan review from all relevant departments.
- Grow and strengthen partnerships with local development corporations and financial Institutions such as credit unions, etc. to leverage funding opportunities for Missing Middle and other small-scale, multi-family housing projects.
- Explore creating a City Housing Fund to provide financial assistance* to small-scale developers, first-time home-owners, owner-conversions, etc. funded through public and private investments, short-term rental fees, and linkage fees.
- Explore creating programs to assist with appraisal gap financing to spur redevelopment, funded by relevant grants including CDBG and HOME.
- Initiate pilot projects through public-private partnerships to demonstrate the viability of mixed-income and affordable housing projects and highlight the accelerated entitlement process to attract developers.
- Provide technical and funding assistance* to encourage local developers to consider innovative housing types in their projects, such as micro-units, co-living models, cottage courts and others.

* Typically, municipalities can provide financial assistance in the form of below-market rate financing, such as low to no-interest loans, loan guarantees, downpayment and security deposit assistance, etc.

- Provide technical and funding assistance* to support atypical housing solutions such as limited equity collectives, sweat equity, and other unconventional models to broaden housing access.

CLOSER LOOK

Appraisal Gap Financing

Source: www.localhousingsolutions.org

In many housing markets, the combined costs of purchasing and rehabilitating an older property may be greater than the resulting appraised value of the property, making financing nearly impossible to procure. This can lead to a cycle of deteriorating housing stock and disinvestment. Providing funding to close this "appraisal gap" can spur redevelopment and rehabilitation of older housing stock.

How can the jurisdiction help?

Financing. Provide grants or subsidies either directly or through non-profits to cover the "appraisal gap".

Regulate affordability. As a condition of gap financing, the jurisdiction can improve and maintain housing quality, market-affordable units, and potentially create dedicated affordable housing.

Limited Equity Cooperative [LEC]

Source: www.localhousingsolutions.org

An LEC is a homeownership model in which residents purchase a share in a development (rather than an individual unit) and commit to resell their share at a price determined by formula. When the LEC is created, initial affordability is typically achieved with some form of government assistance. The price restrictions built into the resale formula limit the equity that LEC residents can gain when they sell their ownership share; and this helps to maintain long-term affordability, especially in strengthening housing markets. While LECs are frequently found in multi-family buildings in urban areas, this tool can be used in Townhouses, Single-Family homes, etc.

How can the jurisdiction help?

Financing. Below-market financing in the form of a low- or no-interest loans, or construction subsidies.

Property tax abatement. Establish a special property tax classification for LECs to pay reduced property taxes.

Adopting right-of-first-refusal laws. Give tenant groups the opportunity to purchase if any owners stop participating in the LEC.

Technical assistance. Free or low-cost technical assistance to qualified non-profits creating LECs.

Strategy 3. Enable housing attainability for all, and protect existing residents from displacement

Suggested actions:

Promote affordable and mixed-income housing development through both market-rate and subsidy models

- Make surplus public land or properties available for mixed-income and (subsidized) affordable housing projects.
- Explore land banking and local transfer of development rights to create priority sites for mixed-income and affordable housing projects. Establish a land trust to place seized or otherwise publicly obtained property and make available for deed-restricted sale for affordable or below-market-rate housing.
- Update zoning to remove regulatory barriers such as minimum unit sizes, and allowing innovative housing types such as micro-units and co-housing in appropriate locations to create a wider range of units.
- Explore market implications of inclusionary housing requirements for specific cases such as large residential and mixed-use projects.
- Explore "local density bonus" programs with expedited permitting and assistance to provide a viable alternative to state density bonus programs for developers of affordable and mixed-income projects.
- Provide assistance to affordable housing and mixed-income developers such as backing loans to secure better interest rates.
- Build and maintain a directory of housing developers and make available to interested landowners.
- Encourage financial institutions to offer below-market loans to affordable housing and mixed-income housing projects to fulfill Community Reinvestment Act obligations.

Combine short-term and long-term strategies to expand housing access

- Consider allowing short-term housing solutions such as tiny home communities on public land or vacant parcels, with time limits.

- Establish "package incentives" (with term limits if needed) for mixed-income and affordable housing projects such as reduced impact fee, tax exemptions, etc. to encourage more market-rate developers to consider mixed-income projects.

Maintain existing and increase affordable housing stock

- Maintain and update a database of deed-restricted affordable units citywide and regularly audit such properties to ensure landlord compliance with all terms.
- Explore conversion of blighted properties into affordable housing development.
- Streamline one-for-one replacement of affordable units and maintain a database of acquisition opportunities for affordable housing developers.
- Establish affordability term limits beyond those mandated by state law.
- Require right of first refusal for all deed-based affordable housing.
- Catalog and promote housing preservation funding opportunities to all residents and landlords in neighborhoods with at-risk housing.
- Promote tenant-based voucher programs to landlords to expand provider lists and options for tenants, using incentives such as payment of security deposits.
- Evaluate appropriate amount of funds to dedicate to housing preservation from CBDG, HOME, and other funding sources.

CLOSER LOOK

Land Banking and Community Land Trusts (CLTs)

Source: www.localhousingsolutions.org

Land banks are public authorities or non-profit organizations created to acquire, hold, manage, and sometimes redevelop property in order to return these properties to productive use to create affordable housing or stabilize property values.

Community Land Trusts (CLTs) are non-profit or quasi-government organizations that create and maintain long-term affordable homeownership units. A CLT typically buys land (often subsidized) with or without buildings in a community. The sites may be grouped together or scattered, and can have Single-Family homes, multi-family buildings, or even individual units within a multi-family building. Typically residents are homeowners, but a CLT could also lease their land for affordable rental housing, depending on the project and community needs. To maintain affordable units in perpetuity, the CLT typically owns the land through a long-term lease. Resale and deed restrictions ensure affordability.

Create a citywide anti-displacement strategy focusing on at-risk neighborhoods

- Initiate a citywide displacement risk analysis to identify at-risk neighborhoods.
- Create dedicated funding for anti-displacement and for housing preservation from CBDG, HOME, and other funding sources.
- In at-risk neighborhoods, outreach to landlords to promote tenant-based voucher programs, and provide financial assistance such as payment of security deposits.
- Create and maintain a database of landlords accepting tenant-based vouchers and help match potential landlors and tenants.
- Outreach to residents to make them aware of housing rights, and provide resources and counseling for eviction, fair housing, relocation assistance, etc.
- Establish mandatory mediation and just-cause eviction protections and programs.

Strategy 4. Market Modesto as a unique housing destination

Suggested actions:

Outreach to the development community and market Modesto as a "development friendly" destination

- Create a dedicated team to outreach to a variety of developer entities to create awareness and promote Modesto, including both market-rate and affordable housing developers, small-scale and larger established builders and developers, as well as mixed-use and mixed-income project developers.
- Initiate pilot projects to demonstrate the viability of development, and streamlined entitlement.

Coordinate ongoing planning and placemaking activities to create a cohesive identity for Modesto

- Coordinate and prioritize improvement efforts citywide for effective placemaking, focusing on public realm, transportation and infrastructure improvements to create sites that are "development ready".

- Prioritize identified opportunity sites particularly in the Mixed Use Corridor context type for improvements and pilot projects.

Attract diverse households by marketing Modesto's unique history, neighborhoods and quality of life

- Initiate a robust publicity and marketing campaign aimed to create awareness of Modesto's unique quality of life, highlighting its diverse neighborhoods, festivals and community events, advantageous location, etc. and what differentiates it from nearby communities and makes it an appealing place to live.
- Target a wide variety of household types, including multi-generational families, downsizing seniors, young professionals and other groups studied in the Housing Plan; and actvely message how Modesto is enabling housing to support their current and future needs.
- Highlight steps being taken by the Modesto government to provide housing support and assistance for families at all income levels.

6.2 Prohousing Designation

The State of California's "Prohousing Designation" program allows a jurisdiction to be competitive in applying for grant funding for housing, community development and infrastructure programs.

Background

The Prohousing Designation program was established by the 2019-2020 Budget Act (AB 101), which tasked HCD with developing emergency regulations to address the state's housing crisis.

The resulting program was codified in Government Code Section 65589.9, with the explicit intent of providing incentives to jurisdictions in the form of additional points or other preferential scoring for competitive housing, community development, and infrastructure programs.

It is contingent on the adoption of a compliant General Plan Housing Element, that exceeds the minimum requirements outlined by the Housing and Community Development department (HCD) of the State of California.

Evaluation criteria and scoring

The evaluation process includes the following steps:

1. Submit a minimum of two enacted Prohousing policies for HCD's review.
2. Certify that each prohousing policy will be enacted within two years.
3. Demonstrate that prohousing policies will accelerate housing production.

The scoring includes several category areas such as zoning and land use, production timeframes, contruction and development costs; and financial subsidies.

- A minimum score of 30 points is needed to qualify.
- Additional points (enhanced scoring) can be gained by following specific policies and programs.

Examples of Policies + Programs

Prohousing policy examples

Below are examples of specific actions that Government Code Section 65589.9(f) defines as "prohousing"

- Local financial incentives for housing, including (but not limited to) establishing a local Housing Trust Fund.
- Reduced parking requirements for sites that are zoned for residential development.
- Adopting zoning that allows "by-right" residential and mixed-use development.
- Zoning more sites for residential development, or zoning sites at higher densities than required to accommodate the minimum existing Regional Housing Needs Allocation (RHNA) for the current housing element cycle.
- Reduction of permit processing time.
- Adoption of accessory dwelling unit ordinances or other mechanisms that reduce barriers for property owners to create accessory dwelling units beyond the requirements outlined in Section 65852.2.
- Creation of objective development standards.
- Reduction of development impact fees.
- Establishment of a Workforce Housing Opportunity Zone, as defined in Section 65620, or a Housing Sustainability District, as defined in Section 66200.
- Preservation of affordable housing units through the extension of existing project-based rental assistance covenants to avoid the displacement of affected tenants and a reduction in available affordable housing units.

CLOSER LOOK

Current programs recognizing Prohousing designation

AHSC. The Affordable Housing and Sustainable Communities Program (Public Resource Code Section 75200 et seq.)

TCC. The Transformative Climate Communities Program (Public Resources Code Section 75240 et seq.)

IIG. The Infill Incentive Grant Program (Health and Safety Code Section 53545.13)

TIRCP. The Transit and Intercity Rail Capital Program (Public Resources Code Section 75220 et seq.)

Implementing Legislation

The Prohousing Designation Program is implemented as part of HCD by Code of Regulations Title 25, Division 1, Chapter 6, Subchapter 6.6.

The key points of each subsection are described below.

Definitions of key terms

Below is a partial list of definitions from Section 6601 which illustrate the particular characteristics of the Prohousing Designation Program.

Acceleration of Housing Production

Promoting housing production by streamlining approval processes or timelines, reducing costs or financial barriers, or removing or mitigating regulatory barriers to development.

Relevant activities include, but are not limited to, incentive zoning and modification to development standards (i.e., allowing developers to build higher-density projects than would be permitted under existing zoning in exchange for providing features that are considered to be in the community's interest); increasing building heights and densities; zoning amendments to permit residential uses in non-residential zones; corridor planning; modifications to development standards; non-discretionary review; supportive financing strategies; sliding scale fee modifications; facilitating adequate infrastructure to support development; and approval streamlining.

Ministerial

A process for development approval involving no personal judgment by the public official as to the wisdom or manner of carrying out the project. The public official merely ensures that the proposed development meets all the "objective zoning standards," "objective subdivision standards," or "objective design review standards" in effect at the time that the application is submitted to the local government, but uses no special discretion or judgment in reaching a decision. A ministerial decision involves only the use of fixed standards or objective measurements, and the public official cannot use personal, subjective judgment in deciding whether or how the project should be carried out.

Objective Zoning/ Subdivision/ Design Review Standard

Standards that involve no personal or subjective judgment by a public official and that are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal.

Principles of Prohousing

The policies, concepts, and standards that direct HCD's review and consideration of a jurisdiction for a

Prohousing Designation include the following:

- The jurisdiction's actions to facilitate the planning, approval, or construction of a variety of housing types (e.g., increasing zoned capacity for supply, facilitating affordability for all income levels, removing regulatory barriers to development, and streamlining approval). Such action should be balanced by the jurisdiction's equal efforts to prevent displacement, preserve existing affordable housing, and establish tenant protections.
- The jurisdiction's accomplishment of integrated planning and development consistent with the state planning priorities set forth at Government Code section 65041.1 and/or the regional transportation plan adopted by the relevant transportation agency pursuant to Government Code sections 65080 and 65080.01. The Jurisdiction may accomplish this outcome through various actions, including, but not limited to, the facilitation of Location Efficient Communities that reduce auto dependence and VMT, and that are consistent with climate change priorities (e.g., climate change adaptation and hazard mitigation).
- The Jurisdiction's meaningful actions to foster inclusive and equitable communities with adequate, affordable, and accessible housing and transportation infrastructure pursuant to Government Code section 8899.50.
- The Jurisdiction's collaboration with public entities to align policies and programs, and with private entities to implement policies and to leverage funding and other resources.
- The Jurisdiction's compliance with established housing law and recent housing reform statutes (e.g., the Housing Accountability Act, the Streamlined Ministerial Approval Process (California Senate Bill 35 (2017)), and the Housing Crisis Act of 2019 (Stats. 2019, ch. 654).

Submittal and Application Review (Section 6603)

Below is a simplified description of the Prohousing Designation application review process.

1. Submit a complete and self-scored application to HCD at ProhousingPolicies@hcd.ca.gov.
2. Within 10 calendar days of receiving the application, HCD shall provide the applicant with a written acknowledge of receipt.
3. Within 60 calendar days of receipt, HCD shall complete its review and notify the applicant in writing of its final Prohousing Designation determination. HCD may request additional clarifying documentation and information from the applicant.
4. If approved, applicants will receive an official letter of designation from

HCD, which will be permanent unless revoked pursuant to Section 6607. Grounds for revocation include, but are not limited to, failure to stay in compliance with state housing law and/or failure to implement a proposed Prohousing Policy within the timeframe specific in the jurisdiction's application.

Application Threshold Criteria (Section 6604)

Threshold requirements for Prohousing Designation are as follows:

- Adoption of a compliant Housing Element at the time of application or prior to designation.
- Submission of a legally sufficient Annual Progress report at the time of application or prior to designation.
- Completion of any rezone program or zoning that is necessary to remain in compliance with Government Code Section 65583(c)(1) (i.e., actions to accommodate RHNA and a variety of housing types).
- Compliance with applicable state housing law, including but not limited to:

a. Housing Element Law (Article 10.6)

b. "No Net Loss" Law (Section 65863)

c. Housing Accountability Act (Section 65589.5)

d. State Density Bonus Law (Section 65915 et seq.

e. Laws relating to the imposition of school facilities fees or other requires (Section 65995 et seq.)

f. Least Cost Zoning Law (Section 65913.1)

g. Housing Crisis Act of 2019 (SB 330)

h. Antidiscrimination law (Section 65008).

- A valid Formal Resolution for the Prohousing Designation program, adopted by the applicant's governing body.

A jurisdiction's application for Prohousing Designation may be rejected or revoked for the following reasons:

a. Enacting laws, developing policies, or taking other actions that are reasonably likely to inhibit or constrain housing production, or that can be objectively show to have inhibited or constrained housing duction (e.g., local voter approval requirements related to housing production, downzoning, unduly restrictive zoning regulations/ standards).

b. Violating state housing laws listed above.

Designation Criteria Requirements (Section 6605)

The applicant must show that it has enacted or proposed Prohousing Policies by providing a concise, written description and by identifying or submitting documentary evidence. Proposed Prohousing Policies shall satisfy the following criteria:

1. Present at least two enacted Prohousing Policies for HCD review.

2. Certify that each proposed Prohousing Policy will be enacted within two years of the date of application.

3. Demonstrate that the proposed Prohousing Policies will contribute to the "acceleration of housing production" throughout their jurisdiction or within a smaller geographic unit.

Project-specific planning documents or approvals do not qualify as Prohousing Policies unless they result in benefits to the entire jurisdiction or benefits that extend beyond the project. However, HCD may consider Prohousing Policies that are integrated with other planning priorities, so long as they result in a net benefit or gain for the acceleration of housing production. This includes policies that are or will be carried out in partnership with other entities pursuant to legally binding agreements, subject to the same criteria.

Application Scoring (Section 6606)

In order to qualify for Prohousing Designation, jurisdictions must achieve a minimum of 30 points on the application, with a minimum of one point in each of the four scoring categories:

1. Favorable Zoning and Land Use

2. Accelerating Production Timeframes

3. Reducing Construction and Development Costs

4.Providing Financial Subsidies

Each item is awarded between one to three points. For a complete list of policies and their point values, see Section 6606(b). Examples include:

Favorable Zoning and Land Use

- Three points: Rezoning sufficient sites to accommodate 150% or more of regional housing needs by total or income category; accelerating production timeframes
- Two points: Documented practice of streamlining housing development; reducing construction and development costs
- One point: Pre-approved or prototype plans for Missing Middle Housing types; providing financial subsidies
- Two points: Establishment of a local housing trust fund.

Additionally, jurisdictions have the opportunity to gain additional points through "enhanced scoring." For a complete list of enhancement factors, see Section 6606(c). Examples include:

1. Rezoning and other policies that result in a net gain of housing capacity while concurrently mitigating development impacts on or from Environmentally Sensitive or Hazardous Areas.

2. Policies that target community and economic development investments to Low Resource and High Segregation and Poverty areas designated in the most recently updated TCAC/HCD Opportunity Maps and disadvantaged communities pursuant to SB 535 (2012).

3. Policies that use a multi-faceted strategy to promote multiple planning objectives (e.g., efficient land use, access to public transportation, affordable housing, climate change solutions, and/or hazard mitigation).

Applicants may use only one enhancement factor per Prohousing Policy, but may reuse an enhancement factor for multiple Prohousing Policies.

Prohousing Scoring Categories

How can Modesto get there?

The Housing Plan has actively considered the criteria discussed above in its recommendations to support Modesto in achieving the 30-point threshold described above. The recommendations integrate land use changes, housing policy and zoning and entitlement. The vision put forward by the Housing Plan and preliminary community feedback indicate that the implementation of prohousing policies is achievable.

The Housing Plan recommendations will guide updates to the General Plan and Housing Element, implementation tools to providing a pathwork to achieving a Prohousing designation.

The table below organizes the individual point categories of the Prohousing Application into general topics.

On the facing page, the "Favorable Zoning and Land Use" category is analyzed to demonstrate how the City could approach earning these points given ongoing policy considerations. Implementing all of the below policies would earn Modesto 12 points of the 30 points necessary to earn a Prohousing Designation.

General Topic	Applicable Scoring Categories
RHNA	**1A or 1C**
Missing Middle/Innovative Housing	**1B, 3D, 3G**
ADUs/JADUs	**1E, 2I, 3B, 4B**
By-Right/Ministerial Approval Processes	**1B, 2A, 2C**
Permit/Regulatory Streamlining	**2D, 2F, 2G, 2H, 2J**
Public Hearings	**2E, 2L**
Fee Reduction	**3A, 3C**
Pre-Approved/Prototype Plans	**3B, 3G**
Use of Local/Regional Public Resources	**3E, 4A, 4B, 4C, 4D, 4E, 4F, 4G**
Category 1: Favorable Zoning and Land Use	
Category 2: Acceleration of Housing Production Timeframes	
Category 3: Reduction of Construction and Development Costs	
Category 4: Providing Financial Subsidies	

Example scorecard for Modesto

- ☑ **Category 1A/1C.** Accommodate 125-149% ; or 150% and greater of current or draft RHNA by total or income category.
  [2-3 points]
- ☑ **Category 1B.** Permit Missing Middle Housing by-right in existing low-density, single-family residential zones.
  [3 points]
- ☑ **Category 1D.** Density bonus programs which exceed statutory requirements by 10% or more.
  [2 points]
- ☑ **Category 1F.** Reducing or eliminating parking requirements, adopting lower parking ratios, or adopting maximum parking requirements.
  [2 points]
- ☑ **Category 1G.** Zoning to allow for residential or mixed-uses in one or more non-residential zones.
  [1 point]
- ☑ **Category 1I.** Establishment of a Workforce Housing Opportunity Zone or Housing Sustainability District.
  [2 points]

= Total 12 points of required 30 points.

Pro-housing policies need to be reinforced by zoning updates and land use changes, discussed in this chapter.

CHAPTER

7

Zoning Recommendations

In this chapter

7.1 Commercial Zones in the Mixed-Use Corridor Context

Approach

Since Modesto's Housing Plan aims to increase the range of housing choices in key areas of the city, considering the commercial zones is critical. Modesto has four commercial zones: C-1, C-2, C-3, and P-O. These zones exist primarily within the Mixed-Use Corridor context type and feature many retail businesses and other commercial amenities, but also vacant lots and underutilized parking lots.

Although these zones allow residential as a conditional use, the zone standards are not fully supportive of housing. All four commercial zones rely on the R-2 and R-3 regulations for all residential buildings, which results in developments that are not compatible with the existing uses in the corridor in terms of allowed heights, setback requirements, and building massing. Mixed-use development is inherently different from residential or commercial development, and zone standards for these prime locations need to be updated to reflect this.

Consolidating Zones

The four commercial zones have many similar regulations. The size of the setbacks and maximum heights are nearly the same in three of them, with the only difference being the allowed uses. By consolidating zones and regulating the form and use with greater intention, the Mixed-Use Corridors can enable a mix of housing choices.

CLOSER LOOK

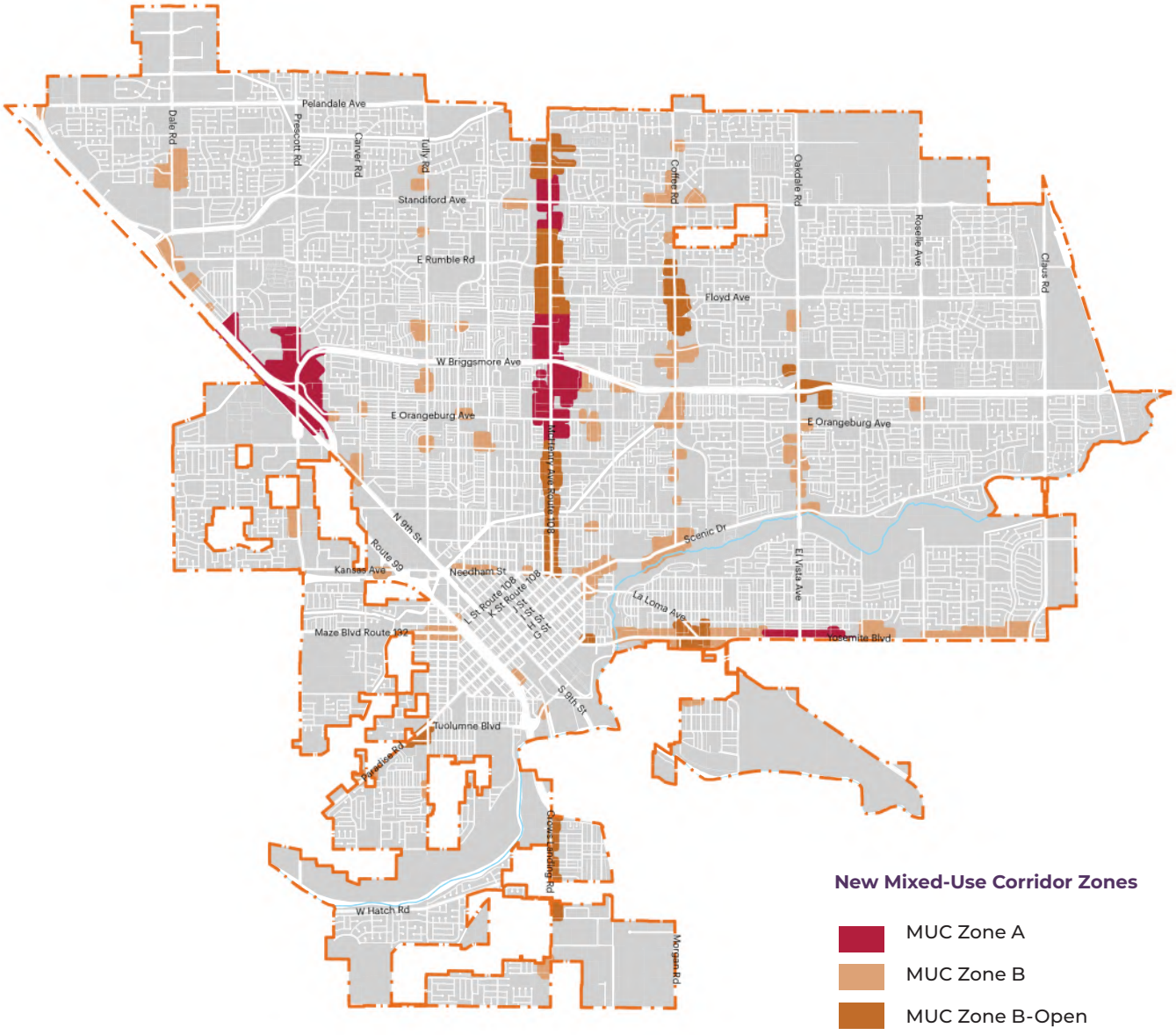
Senate Bill 330

Among other things, SB 330 prevents downzoning in local jurisdictions. This means that reducing allowed heights or densities in zoning could be against state law. However, SB 330 is not a concern for the recommendations to the commercial zones for several reasons:

- SB 330 only applies to zones in which residential is an allowable use. Residential is permitted only as a conditional use in all commercial zones.

- Residential in the commercial zones follow R2 and R3 regulations and thus can only be 2 or 3 stories in height.

With reference to the General Plan Land Uses, most parcels in the C-2 zone are Commercial Land Use (no residential). Some parcels are Mixed-Use, regulated by an average density of 14 du/ac; which is likely be exceeded, not reduced by the proposed changes to these areas.



Mixed-Use Corridor

The recommendations in this section are focused on the Mixed-Use Corridor context type for the parcels zoned as commercial, highlighted in the map above. The colors indicate two recommended Mixed-Use Corridor zones relating to the existing context and intensity of development and uses. The "Mixed-Use Corridor Zone B-Open" is a slight variation to the underlying B zone, recommended in strategic locations to allow more ground floor uses such as retail, while maintaining the same form and character as the base B zone.

Mixed Use Corridor Context

Existing Zone Standards: Residential

Existing commercial zones rely on R-2 and R-3 standards for all residential development. This means that the standards are not appropriately calibrated for the existing and desired context of the Mixed-Use Corridors. Regulations for commercial and residential developments are significantly different, creating inconsistent built results on the Mixed-Use Corridors.

This minimum lot width does not consider existing lot sizes, reducing the number of lots where development can happen.

The size and scale of buildings cannot effectively be regulated by density.

The larger setbacks in this range do not relate to the minimum lot width required and height or the desired built form.

Regulating by housing types; calibrated to existing lot sizes, can create greater predictability in built outcomes.

Existing Standards for Residential Uses within Commercial Zones		
	For Residential Development	
	R-2	R-3
Lot Size - Minimum Area	6000 sq ft	6000 sq ft
Lot Size - Minimum Width	60 ft	60 ft
Max Density	11-14.5 du/ac	14.6-29 du/ac
Min Setbacks - Front	15 ft	15 ft
Min Setbacks - Side	5-15 ft depending on adjacency and number of stories	5-20 ft depending on adjacency and number of stories
Max Height	30 ft (2 stories)	42 ft (3 stories)
Parking Min Requirements	1 sp for studio/1 bed; 2 sp for 2+ bed/single family	1 sp for studio/1 bed; 2 sp for 2+ bed/single family
Parking Location	5-20 ft from front and side of parcel depending on adjacency	5-20 ft from front and side of parcel depending on adjacency
Parking Min Driveway Width	12 ft	12 ft
Housing Types	Single-family housing, ADU, duplex	Unclear

Mixed Use Corridor Context

Existing Zone Standards: Commercial

Existing commercial zones have many similar regulations, making them unable to create predictable, desirable results. Consolidating zones with more deliberate regulations on building massing and building types can create more context-sensitive results.

Existing Standards for Commercial Uses within Commercial Zones				
	For Commercial Development			
	P-O	C-1	C-2	C-3
Lot Size - Minimum Area	Not regulated	Not regulated	Not regulated	Not regulated
Lot Size - Minimum Width	Not regulated	Not regulated	Not regulated	Not regulated
Max Density	Not regulated	Not regulated	Not regulated	Not regulated
Min Setbacks - Front	15 ft	0-10 ft	0-10 ft	15 ft
Min Setbacks - Side	5-20 ft depending on adjacency and number of stories	0-40 ft depending on adjacency and number of stories	0-50 ft depending on adjacency and number of stories	0-50 ft depending on adjacency and number of stories
Max Height	35 ft (2 stories)	35 ft (2 stories)	90 ft (8 stories)	45 ft (3 stories)
Parking Min Requirements	Retail: 1 space per 300 sq ft	Retail: 1 space per 300 sq ft	Retail: 1 space per 300 sq ft	Retail: 1 space per 300 sq ft
Parking Location	5-10 ft from front and side of parcel depending on adjacency	0-10 ft from front and side of parcel depending on adjacency	0-10 ft from front and side of parcel depending on adjacency	0-10 ft from front and side of parcel depending on adjacency
Parking Min Driveway Width	12 ft	12 ft	12 ft	12 ft
Housing Types	Unclear	Unclear	Unclear	Unclear

Setbacks and height limits should be considered together in order to create context-sensitive buildings.

Parking space requirements can signficantly decrease the amount of housing that can be built.

Existing driveway widths requirements increase the minimum required lot width for housing, limiting development opportunities for many existing lots.

Mixed Use Corridor Context

Recommended Mixed-Use Corridor Zones

By creating two Mixed-Use Corridor zones within the Mixed-Use Context type that respond to the existing lot conditions and context, the city of Modesto can create more housing options within its corridors.

Highlighted standards are elaborated in Chapter 8 of this document

Regulating by minimum lot widths, rather than lot areas, creates housing types more compatible with their context.

Given the more context-sensitive approach to height limits and the use of housing types, a reduction in setbacks is appropriate.

Creating standards and regulating by housing types allows for more predictable results and removes any need for density requirements.

Potential Mixed-Use Zones Regulations			
	Mixed-Use Corridor Zone A	**Mixed-Use Corridor Zone B**	**Mixed-Use Corridor Zone B- Open**
Lot Size - Minimum Area	Do not regulate	Do not regulate	Do not regulate
Lot Size - Minimum Width	Consider potential need for consolidation of lots, Design Site Size calibrated with applicable Building Types, Multiple Design Sites when larger than a typical design site to provide more design sites in compliance with zone standards, and Large Site Standards, when larger than a block to create a new street and block network.		
Max Density	Do not regulate	Do not regulate	Do not regulate
Min Setbacks - Front	Small setback	Small-to-medium setback	Small-to-medium setback
Min Setbacks - Side	Small-to-medium setback when adjacent to residential	Small-to-medium setback when adjacent to residential	Small-to-medium setback when adjacent to residential
Max Height	3 stories; 5 stories at key nodes of corridors	3 stories	3 stories
Parking Min Requirements	Varying standard explored in Scenario Modeling; refer Chapter 8		
Parking Location	Increase minimum setback to locate parking behind the building	Increase minimum setback to locate parking behind the building	Increase minimum setback to locate parking behind the building
Parking Min Driveway Width	8 ft*	8 ft*	8 ft*
Housing Types	Lined Building, Main Street Building, Multiplex, Courtyard	Multiplex, Courtyard, Townhouses	Multiplex, Courtyard, Townhouses, Main Street Building

*With exceptions for large projects

Mixed Use Corridor Context

Potential Outcomes

The graphic below illustrates how the recommended Mixed-Use Corridor zone standards could work together to create built outcomes that are more compatible with existing context and lot characteristics.

Potential buildout of an example Opportunity Site on McHenry Avenue

- **A** **Variety of residential building types** promote housing diversity and affordability. Taller, mixed-use buildings typically front major streets, with smaller-scale homes in the block interior.
- **B** **Commercial-Flex Live/Work spaces** primarily along the corridor to incubate small business and provide more viable sizes of commercial spaces.
- **C** **Small-to-medium building setbacks** allow for optimal use of the available site area to create an active, safe, pedestrian-friendly environment with small-scale neighborhood retail.
- **D** **Regulated heights** provide for more predictable and desirable built outcomes, with a gradual transition from the higher-intensity environment along the corridors, to the single-family neighborhoods in the interior.
- **E** **Large site standards** require new development for large infill sites such as this to include streets and community open space; thus ensuring that these sites will develop not as isolated pockets of housing within commercial areas but as well-connected, walkable, desirable neighborhoods.

Mixed Use Corridor Context

Recommendations: Lot Size

Based on the given context, it is recommended to regulate Lot Size Requirements by considering: 1) Width and Depth, 2) Multiple Design Sites, and 3) Large Site Standards.

Lot Width and Depth

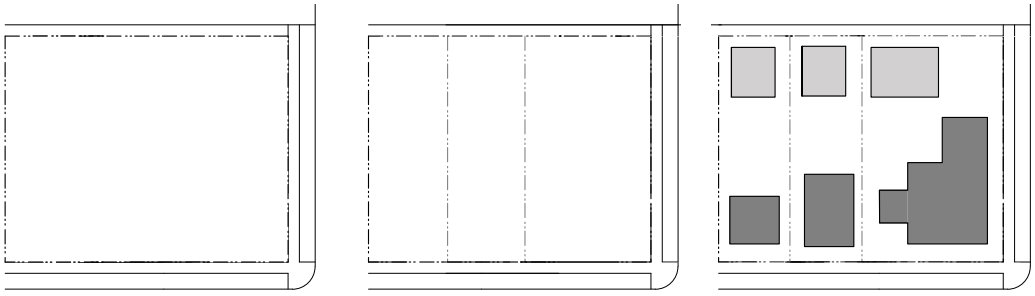
Regulating by lot area cannot accurately account for the building footprint and driveway dimensions of the different housing types intended for an area. Therefore, it is recommended to regulate by lot size categories instead, that consider lot width and lot depth. This will coordinate the variety of possible building types in each zone to enable development that is scaled appropriately for the given context. It is important, however, that the minimum lot size categories for different areas consider existing conditions in order to not exclude parcels from being developable. Current residential development lot width minimums prevent some of the most common lot sizes from being built upon, decreasing their potential for housing.

- It is recommended to set minimum and maximum lot dimensions in compliance with building types and zone standards. Consider how building placement is affected by setbacks and by the massing limitations regulated by building types. The maximum lot size dimensions should allow for the selected building type to provide the maximum number of units permitted in it along with parking standards.
- By considering lot size categories when making regulations, the standards can create greater predictability in the built form patterns that result. This approach should also consider that each lot can have only one building.

Lot Width and Depth

Large Sites and Multiple Design Sites

- If a lot is larger than the typical range of lot sizes for allowed building types, consider subdividing the lot into multiple design sites. Using this approach provides the opportunity for better utilization of the available lot area, and more primary buildings to be built. To create incentives for property owners to subdivide large lots into more usable smaller lots, standards for multiple design sites can be calibrated with the underlying zone and building standards, thus not requiring the subdivided lots to be recorded as new lots. Shared access may be allowed when this approach is used.



Existing Lot

Existing Lot with three proposed design sites

Existing Lot development with three primary buildings

Large Site Standards

- For lots larger than 3 acres and longer than 750 linear feet along a street, standards should require the creation of new streets and blocks to fit better into the existing context. This will avoid "superblock developments" that are typically inward-facing and do not support walkability, livability and safety.

Existing Large Lot

Existing Large Lot subdivided into four blocks with new streets and open space

Resulting development provides a variety of building types in a walkable neighborhood

Mixed Use Corridor Context

Recommendations: Building Envelope

Front Setbacks (A)

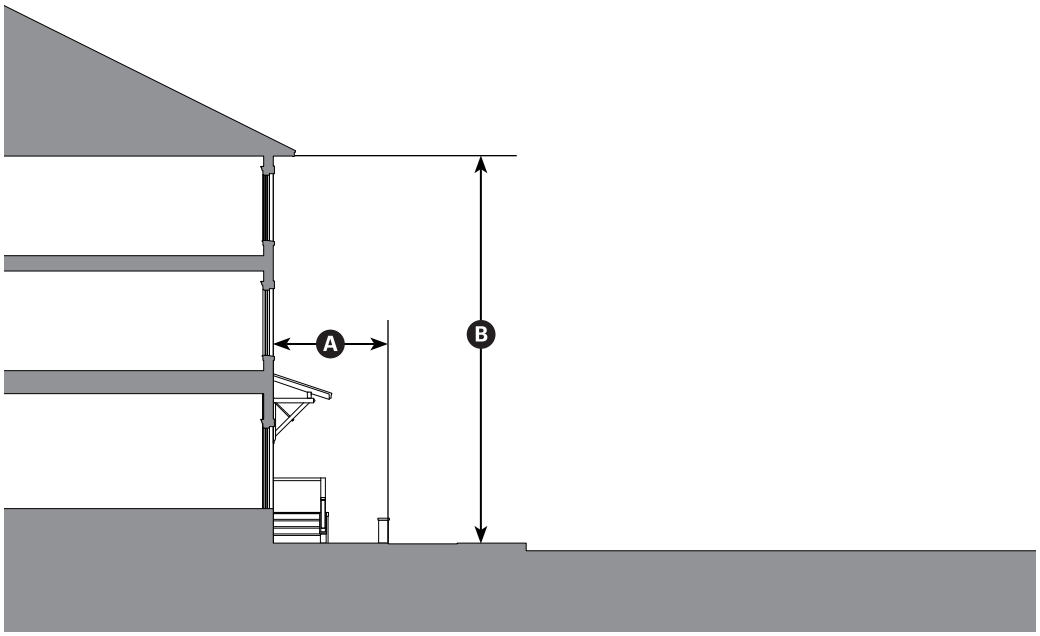
Existing front setbacks can be reduced slightly in order to create a more pedestrian-friendly environment along the corridor. Recommended ranges for front setbacks: 5 to 10 feet.

Side Setbacks

Current side setbacks for residential development increase with each story of a building when adjacent to residential. This strategy does not create the building form desired for the Mixed-Use Corridor zones, nor an efficient use of the building envelope. Similarly, the existing commercial side setbacks are too deep to create the desired experience along the corridor. Instead, regulating building massing by building type will create context-sensitive developments which add to a pleasant pedestrian experience.

Height (B)

Maximum heights within the Mixed-Use Corridor zones should consider setbacks as well as adjacencies. By using building types with small to moderate maximum heights near residential developments, and larger buildings with more intense uses near key commercial nodes, a more intentional built environment can be created that serves the needs of its residents.



Section Diagram of House-Scale building showing front setbacks and height

Mixed Use Corridor Context

Recommendations: Density + Housing Types

Density

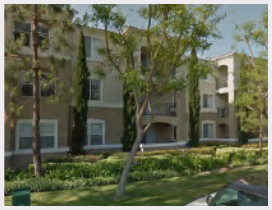
A common misconception is that lower densities mean smaller buildings and that higher densities mean larger buildings. However, density is a numerical approach based on the lot size, that does not regulate the size of buildings or how they relate to their surrounding contexts. A moderate-density building may still dwarf a house next to it, just as a high-density building may blend into the surrounding neighborhood as a house-scale building. The Mixed-Use Corridor zones should not use density as a standard, since this measurement cannot create predictable outcomes. Instead, a combination of housing types and building massing regulations can create more desirable results.

Housing Types

Regulating by housing types creates more predictability in form and scale, and context-sensitive development. The Mixed-Use Corridor zones can allow a range of different housing types that respond to existing contexts. For example, Mixed-Use Corridor Zone A, a more intense zone, could permit Lined Buildings, Main Street Buildings, Large Multiplexes, and Courtyard Buildings. Mixed-Use Corridor Zone B, a less intense zone, could permit smaller-scale buildings such as Small Multiplexes, Courtyard Buildings, and Townhouses.

Example of a two-story Courtyard Building with 90 du/ac

Density: A common misconception



Block-Scale Building 49 units; 30 du/ac. *Building 175' x165' ; 3 Stories*

House-Scale Building 8 units; 32 du/ac. *Building back bar 84 x 32, wings coming to street 31 x 25, courtyard 30 x 36 ; 2 Stories*

Mixed Use Corridor Context

Recommendations: Parking

Parking Space Requirements

Minimum requirements for parking space(s) per dwelling unit can play a large role in limiting development and feasibility if the standards are not properly calibrated for the context. Current standards for parking in the commercial zones is high, requiring larger lots for development. The cost of providing the required parking is a disincentive for many developers, and limits the redevelopment of many parcels.

- Consider reducing parking requirements to 1 space per dwelling unit and 1 space per 600 sq ft of commercial use.

Parking Location

- Although parking location does not directly impact the production of housing, regulating the location of parking is critical to creating the desired built environment along the corridors. It is recommended to require parking to be in the rear of the lot or at least behind a habitable ground floor whenever feasible, to encourage buildings closer to the sidewalk, which creates a more active, pedestrian-friendly, and safer environment.

Driveway Width

- Current minimum widths for one-way driveways are too high, limiting development on narrower lots without alleys. By decreasing the minimum driveway widths to 8 feet with 1 foot planting strips on either side (total 10 feet), the Mixed-Use Corridor zones would allow for more small-scale development.

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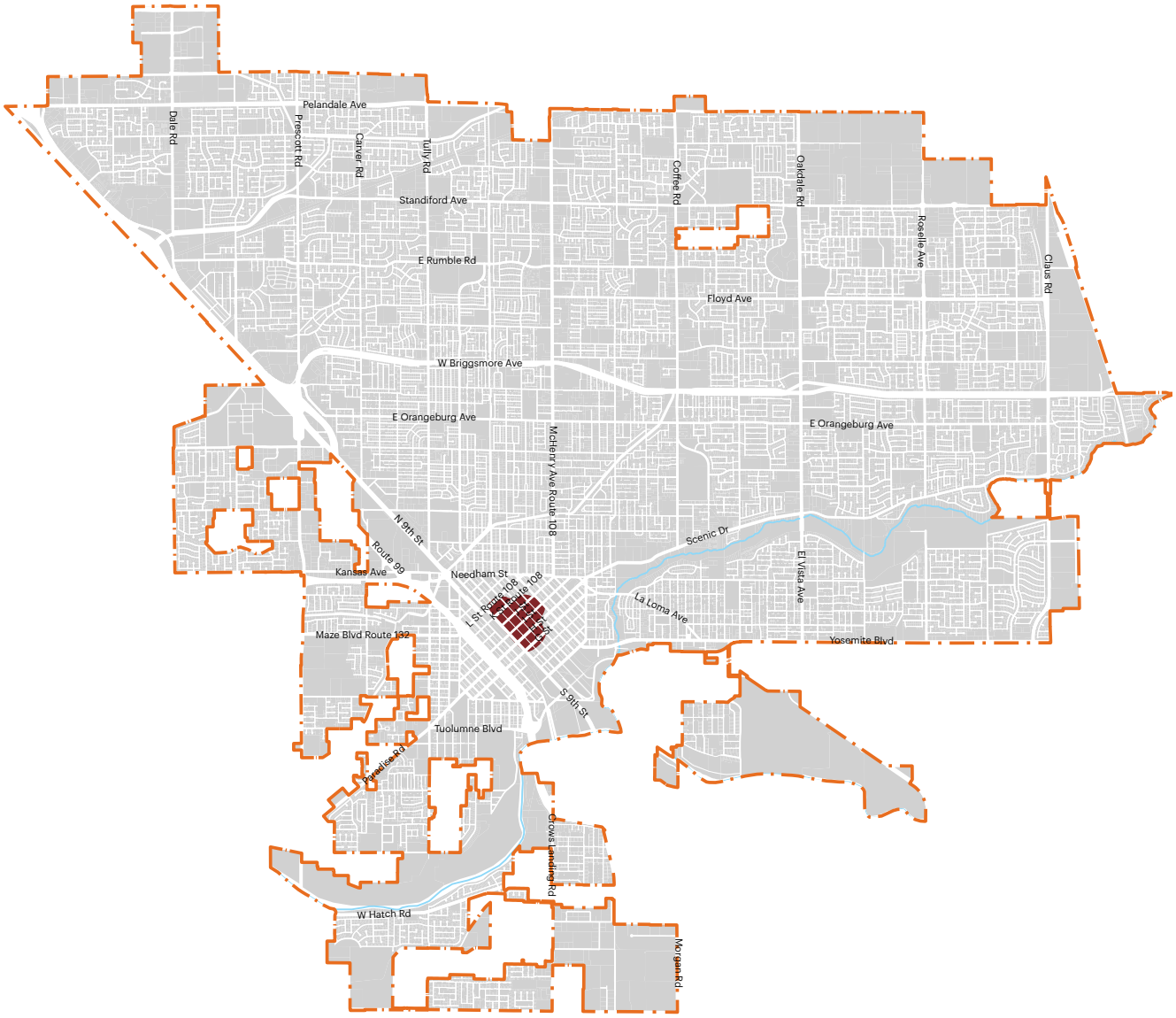
7.2 Form Based Code Zones in the Downtown Core Context

Approach

The Downtown Core is a context with great capacity for thoughtful increase in housing, given the walkable environment and access to amenities, further enhanced by the planned extension of the ACE Commuter Rail to Downtown Modesto, opening up opportunities for transit-oriented mixed-use development.

The Downtown Core is currently regulated by two Downtown Form-Based Code zones which include many important regulations to promote higher-intensity development in a walkable setting. However, a few of the regulations can be edited to produce more cohesive, predictable development that is aligned with market realities and current trends in the construction industry and housing market.



Downtown Core

The recommendations in this section are focused on the Downtown Core context type, for the Form-Based Code zoned parcels highlighted in the map above.

Downtown Core

Existing Zone Standards

Existing residential development in the Downtown Core must adhere to either CD or TD zone regulations. Although these are Form-Based Code zones, there are several standards which can be adjusted to enable more cohesive, intentional development.

Existing Standards for Residential Uses within the Downtown Core

	CD	TD
Lot Size - Minimum Area	1250 sf (interior parcel); 5000 sf (corner parcel)	1250 sf (interior parcel); 5000 sf (corner parcel)
Lot Size - Minimum Width	25 ft (interior parcel); 50 ft (corner parcel)	25 ft (interior parcel); 50 ft (corner parcel)
Max Density	Not regulated	Not regulated
Setbacks - Front	0 ft to 2 ft (Shopfront); 5 ft to 8 ft (Stoop)	0 ft to 2 ft (Shopfront); 5 ft to 8 ft (Stoop)
Setbacks - Side	0 ft max (interior); 22 ft max from alley (< 50 ft from Lettered Street); 90 ft max (> 50 ft from Lettered Street)	0 ft max (interior); 22 ft max from alley (< 50 ft from Lettered Street); 90 ft max (> 50 ft from Lettered Street)
Max Height	3 to 15 stories	2 to 8 stories
Parking Min Requirements	Ground Floor: 0 to 1 sp/du; Residential Floors 2-15: 1 sp/du min and max	Ground Floor Residential: 1 to 1.5 sp/du; Residential Floors 2-8: 1 to 1.5 sp/du
Parking Location	50 ft min setback from Numbered Street; 50 ft min (>22 ft from alley) or 0 ft min (<22 ft from alley) setback from Lettered street; 0 ft min (interior); 0 ft min (alley)	50 ft min setback from Numbered Street; 50 ft min (>22 ft from alley) or 0 ft min (<22 ft from alley) setback from Lettered street; 0 ft min (interior); 0 ft min (alley)
Parking Min Driveway Width	12 ft	12 ft
Housing Types	Unclear	Unclear

Large ranges in heights result in freezing development due to the perceived possibility for more intensity and development potential, even on smaller parcels, that may not be feasible in reality. For example, development on a lot only 50 feet wide can never meet the allowed height of 15 stories in practical terms and construction feasibility.

Downtown Core Context

Recommended Changes to Zone Standards

Recommended Standards for Residential Uses within the Downtown Core		
	CD	**TD**
Lot Size - Minimum Area	Consider removing requirement	Consider removing requirement
Lot Size - Minimum Width	No change	No change
Max Density	No change	No change
Setbacks - Front	No change	No change
Setbacks - Side	No change	No change
Max Height	Varying standard explored in Scenario Modeling; refer Chapter 8	
Parking Min Requirements	Varying standard explored in Scenario Modeling; refer Chapter 8	
Parking Location	No change	No change
Parking Min Driveway Width	8 ft	8 ft
Housing Types	Consider either stating the types allowed as in other zones or state that no types are needed with the given building form standards in the zone. If including building types, consider coordinating between the desired character of the zone, the typical lot sizes, and the heights allowed.	

Highlighted standards are elaborated in Chapter 8 of this document

Lower parking space requirements can signficiantly increase the amount of housing that can be built.

Given the building types of the other Downtown FBC zones, it is unclear which building types are permitted here.

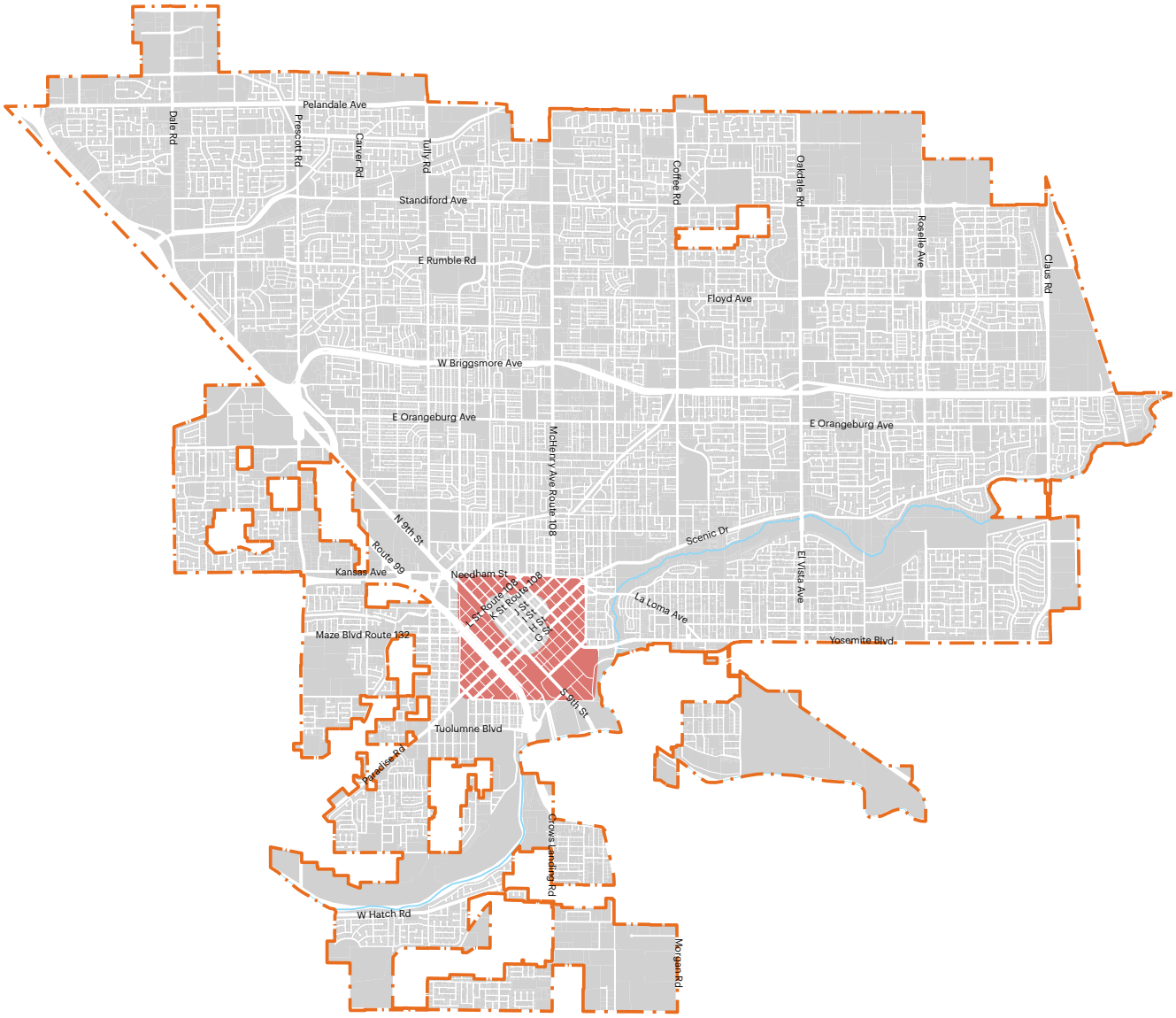
7.3 Form-Based Code zones in the Downtown Transition Context

Approach

The Downtown Transition is a context with a great capacity for a thoughtful increase in housing, given the access to amenities and walkable context. The Downtown Transition currently includes four Downtown Form-Based Code zones which can be edited to produce cohesive, walkable neighborhood development.

At a high level, the four zones within the Downtown Transition are very similar and too broad in their approach. The wide range of housing types permitted in several of the zones leads to incohesive built results; while the limited number of housing types permitted in others prevents much-needed housing from being built.

By identifying key nodes and contexts within the zoned areas and editing the existing zoning, Modesto can encourage the production of certain housing types to further the affordability and livability goals of the Housing Plan.



Downtown Transition

The recommendations in this section are focused on the Downtown Transition context type, for the Form-Based Code zoned parcels highlighted in the map above.

Downtown Transition Context

Existing Zone Standards

Existing standards in this context type adhere to four Form-Based Zones. While regulating with a Form-Based approach is useful for creating cohesive, walkable contexts, some standards could be edited to allow the intended built character.

Some existing lot width minimums are not accurately calibrated for each housing type allowed.

Minimum driveway widths require more lot width than necessary for each housing type, limiting development.

Existing Standards for Zones in the Downtown Transition

	UGD	MSD	END	TND
Lot Width (min to max)	20-150 ft by building type	20-200 ft by building type	20-200 ft by building type	50-100 ft by building type
Max Density	Not regulated	Not regulated	Not regulated	21.8 du/ac
Setbacks - Front (min to max)	0-8 ft by frontage type	0-8 ft by frontage type	0-25 ft by frontage type	15-25 ft by frontage type
Setbacks - Side (min)	0 ft	0 ft	5 ft	5-10 ft
Height (min to max)	1-5 stories by building type	1-3 stories by building type	1-3 stories by building type	1-2 stories by building type
Parking Min Requirements	1 space per dwelling unit	1 space per dwelling unit	1 space per dwelling unit	1 space per dwelling unit
Parking Location	2 ft front setback (35 ft when ground level)	35 ft front setback	35 ft front setback	35 ft front setback
Parking Min Driveway Width	12 ft	12 ft	12 ft	12 ft
Housing Types	Front Yard House, Du-Tri- Quadplex, Bungalow Court, Row House, Mansion Apartment, Courtyard, Stacked Flats, Live-Work, Commercial Block	Row House, Mansion Apartment, Courtyard, Live Work, Commercial Block	Front Yard House, Duplex, Tri- Quadplex, Bungalow Court, Row House, Mansion Apartment, Courtyard, Live Work, Commercial Block	Front Yard House, Duplex

Downtown Transition Context

Recommended Changes to Zone Standards

Recommended Standard Changes for Zones in the Downtown Transition				
	UGD	**MSD**	**END**	**TND**
Lot Width (min)	No change	No change	Du- Tri- Quadplex to 40 ft	Front Yard House to 25 ft; Du- Tri- Quadplex to 40 ft
Max Density	No change	No change	No change	Remove
Setbacks - Front	No change	No change	Consider an open sub-zone for commercial frontages	No change
Setbacks - Side	No change	No change	No change	No change
Height	No change	No change	No change	No change
Parking Min Requirements	Varying standard explored in Scenario Modeling; refer Chapter 8			
Parking Location	No change	No change	No change	No change
Parking Min Driveway Width	8 ft	8 ft	8 ft	18 ft
Housing Types	Varying standard explored in Scenario Modeling; refer Chapter 8			

Highlighted standards are elaborated in Chapter 8 of this document

The existing density requirement in this zone complicates other building type standards.

The housing types permitted in each zone should be more thoughtfully placed in order to create more cohesive built environments.

Downtown Transition Context

Recommendations: Lot Size

Key

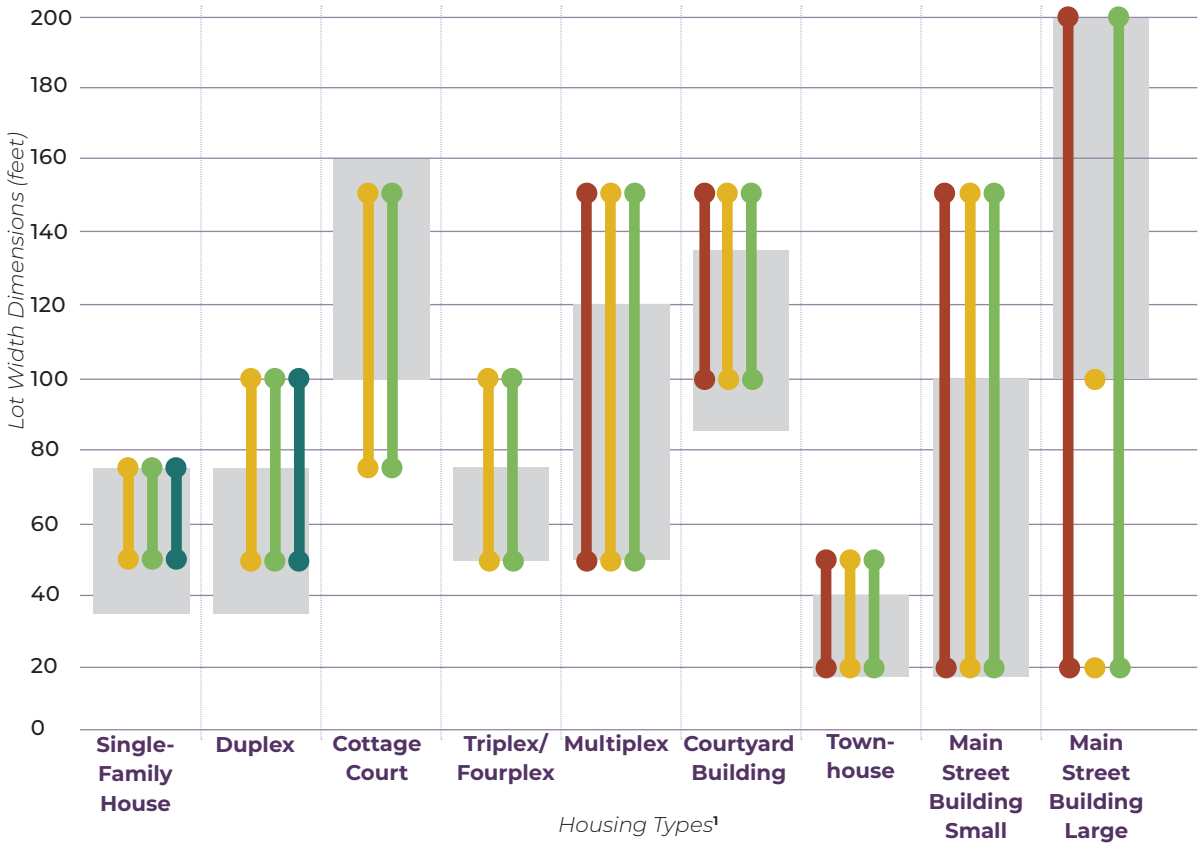
- Typical lot width range of house-scale buildings
- MSD
- UGD
- END
- TND

Lot Width

The zones within the Downtown Transition currently regulate by lot width, which allows for buildings better calibrated to the existing context than when regulated by lot area. However, a few of the minimum lot widths should be changed to permit additional housing types to be built on appropriately sized parcels.

In the END and TND zones, the Du-Tri- Quadplex should be altered to allow a minimum lot width of 40 feet. The Front Yard House in the TND zone should be permitted on a minimum lot width of 25 feet.

In the chart below, the grey rectangles represent the typical lot width ranges of housing types. The vertical bars superimposed on the rectangles depict the range of lot widths permitted for each housing type in each of the four zones within the Downtown Transition context. This diagram helps illustrate how some of the lot width regulations do not align with real housing type dimensions, thereby limiting development of these types. This diagram also highlights the range of housing types permitted in each zone (UGD and END both allow all nine housing types while TND allows only two).



Downtown Transition Context

Recommendations: Density + Housing Types

Density

Fortunately, most of the zones within the Downtown Transition do not use density as a regulation. However, the TND zone does, further complicating its use. TND should remove this regulation and rely on the Housing Types standards instead.

Housing Types

Regulating by housing types creates more predictability and context-sensitive development. However, allowing too many housing types can lead to unpredictability and an an incohesive built environment. The UGD, MSD, and END zones permit too many housing types and should instead be more intentional in the range of housing types permitted.

In comparison, the TND zone permits very few housing types, which limits the number of housing types that could capitalize on the existing amenitities and walkable context.

Currently, the housing types described in each zone only include design guidelines. Instead, using design standards is recommended that are more objective and lead to more certain buit outcomes.

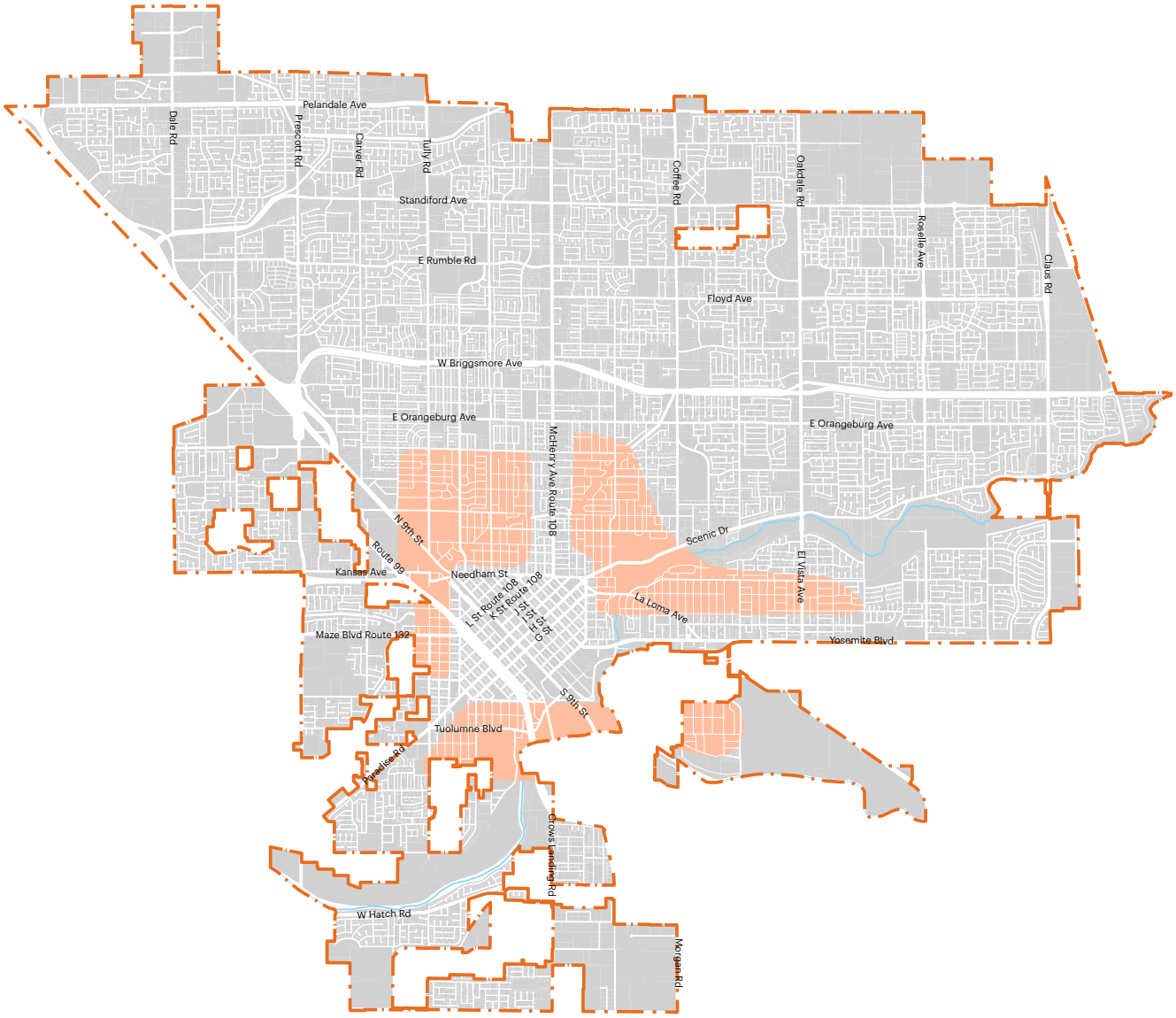
7.4 Residential Zones in the Downtown Adjacent Context

Approach

The Downtown Adjacent context currently has predominantly Single-Family housing. However, the block structure and proximity to the Downtown Transition makes it a walkable, desirable setting for focused intensity while maintaining the residential character of this context.

One possible strategy for the Downtown Adjacent includes a gentle increase in intensity with house-scale multifamily housing types such as duplexes, triplexes and fourplexes.

Example of Missing Middle Housing in a neighborhood in Hercules, CA, similar in scale and form to the recommended Downtown Adjacent neighborhood in Modesto.



Downtown Adjacent

The recommendations in this section are focused on the Downtown Adjacent context type, for the residential zoned parcels highlighted in the map above.

Downtown Adjacent Context

Existing Standards

Most residential development within the Downtown Adjacent must adhere to R-1, R-2, or R-3 zoning standards. However, several aspects of these standards are not adequately calibrated for the existing context and needs.

This minimum lot width does not consider existing lot sizes, reducing the number of lots where development can happen.

The size and scale of buildings cannot effectively be regulated by density.

The larger setbacks in the range do not align with allowed height or the desired built form.

Regulating by housing types can create greater predictability in the built results of a zone.

Existing Standards for Residential Uses within the Downtown Adjacent

	R-1	R-2	R-3
Lot Size - Minimum Area	5000 sq ft	6000 sq ft	6000 sq ft
Lot Size - Minimum Width	50 ft	60 ft	60 ft
Density	Not regulated	11 - 14.5 du/ac	14.6 - 29 du/ac
Min Setbacks - Front	15 ft	15 ft	15 ft
Min Setbacks - Side	5-10 ft depending on adjacency and number of stories	5-15 ft depending on adjacency and number of stories	5-30 ft depending on adjacency and number of stories
Max Height	30 ft (2 stories)	30 ft (2 stories)	42 ft (3 stories)
Parking Min Requirements	1 sp/du (1 bedroom multifamily unit); 2 sp/du (single family; 2+ bedrooms)		
Parking Location	setback 15 ft (side facing); 20 ft (front facing)	setback 15 ft (side facing); 20 ft (front facing)	setback 15 ft (side facing); 20 ft (front facing)
Parking Min Driveway Width	12 ft	12 ft	12 ft
Housing Types	Unclear	Unclear	Unclear

Downtown Adjacent Context

Recommended Changes to Zone Standards

Recommended Standards for Residential Uses within the Downtown Adjacent			
	R-1	**R-2**	**R-3**
Lot Size - Minimum Area	Consider removing regulation	Consider removing regulation	Consider removing regulation
Lot Size - Minimum Width	No change	Reduce to 50 ft	Reduce to 50 ft
Density	No change	Remove regulation	Remove regulation
Min Setbacks - Front	No change	Reduce to 10 ft	Reduce to 10 ft
Min Setbacks - Side	No change	Small to medium setbacks	Small to medium setbacks
Max Height	Varying standard explored in Scenario Modeling; refer chapter 8		
Parking Min Requirements	Varying standard explored in Scenario Modeling; refer chapter 8		
Parking Location	No change	No change	No change
Parking Min Driveway Width	8 ft	8 ft	8 ft
Housing Types	Varying standard explored in Scenario Modeling; refer chapter 8		

Highlighted standards are elaborated in Chapter 8 of this document

Setbacks and height limits should be considered together in order to create context-sensitive buildings.

Parking space requirements can signficiantly decrease the amount of housing that can be built.

Large driveway widths increases the minimum lot width that can accommodate housing, limiting development.

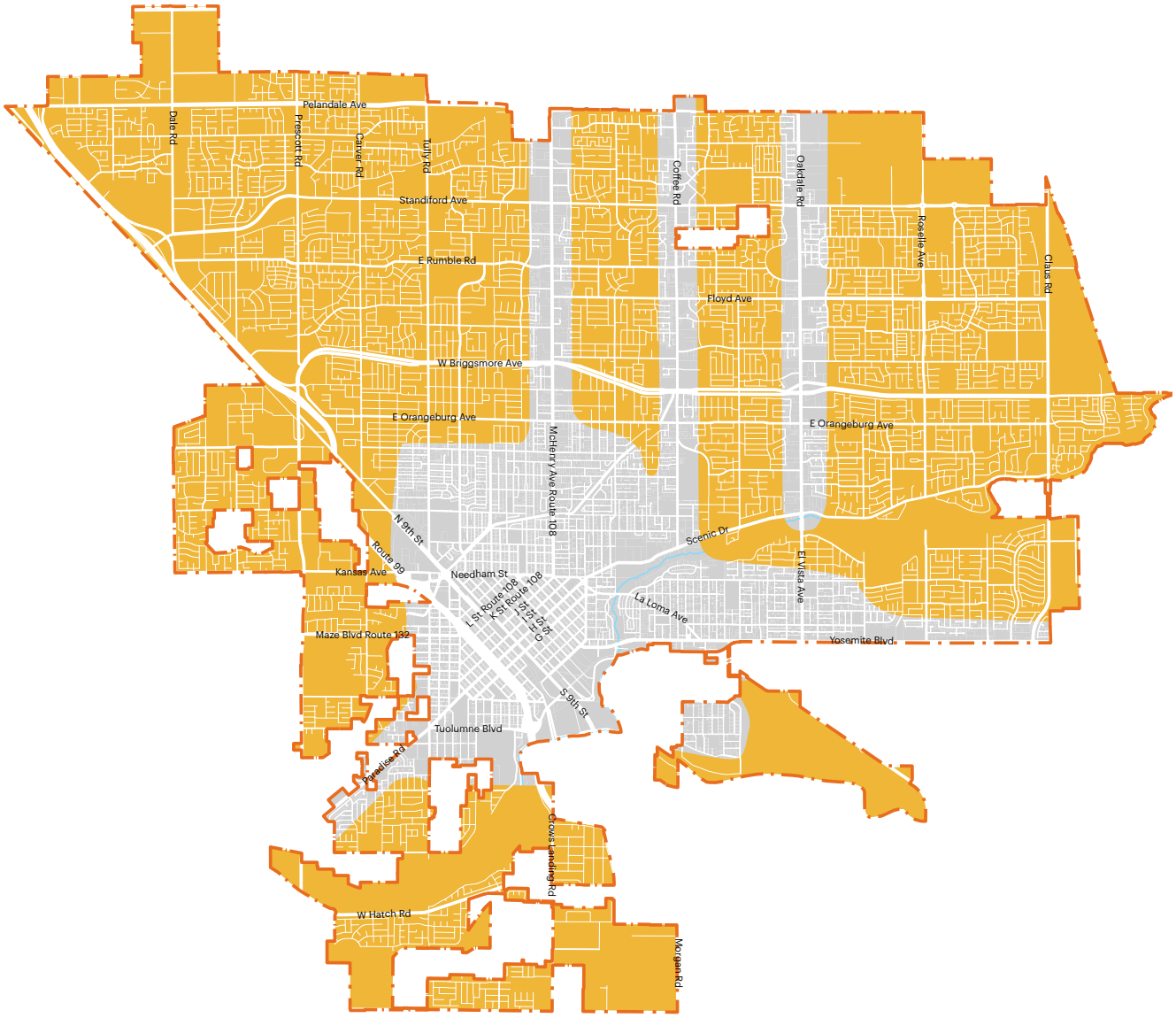
7.5 Residential Zones in the Suburban Residential Context

Approach

The Suburban Residential context largely includes Single-Family houses within an auto-centric block pattern. This means that there is little potential for these areas to transform into more walkable neighborhoods.

However, there is still potential for gentle intensification within the Suburban Residential context as a possible solution for Modesto's housing needs.

Example of Missing Middle Housing in Suburban Residential neighborhood (Oakland, California)



Suburban Residential

These recommendations in this section are focused on the Suburban Residential Context type, for the residentail zoned parcels highlighted in the map above.

Suburban Residential Context

Existing Standards

Most residential development within the Suburban Residential Context must adhere to R-1, R-2, or R-3 zoning standards. However, several aspects of these standards are not adequately calibrated for the existing context and needs.

This minimum lot width does not consider existing lot sizes, reducing the number of lots where development can happen.

The size and scale of buildings cannot effectively be regulated by density.

The larger setbacks in this range do not relate to the height or the desired built form.

Regulating by housing types can create greater predictability in the built results of a zone.

Existing Standards for Residential Uses within the Suburban Residential			
	R-1	**R-2**	**R-3**
Lot Size - Minimum Area	5000 sq ft	6000 sq ft	6000 sq ft
Lot Size - Minimum Width	50 ft	60 ft	60 ft
Density	Not regulated	11 - 14.5 du/ac	14.6 - 29 du/ac
Min Setbacks - Front	15 ft	15 ft	15 ft
Min Setbacks - Side	5-10 ft depending on adjacency and number of stories	5-15 ft depending on adjacency and number of stories	5-30 ft depending on adjacency and number of stories
Max Height	30 ft (2 stories)	30 ft (2 stories)	42 ft (3 stories)
Parking Min Requirements	1 sp/du (1 bedroom multifamily unit); 2 sp/du (single family; 2+ bedrooms)		
Parking Location	setback 15 ft (side facing); 20 ft (front facing)	setback 15 ft (side facing); 20 ft (front facing)	setback 15 ft (side facing); 20 ft (front facing)
Parking Min Driveway Width	12 ft	12 ft	12 ft
Housing Types	Unclear	Unclear	Unclear

Suburban Residential Context

Recommended Changes to Zone Standards

Recommendations for Residential Uses within the Suburban Residential			
	R-1	**R-2**	**R-3**
Lot Size - Minimum Area	Consider removing regulation	Consider removing regulation	Consider removing regulation
Lot Size - Minimum Width	50 ft	Reduce to 50 ft	Reduce to 50 ft
Density	Not regulated	Remove regulation	Remove regulation
Min Setbacks - Front	No change	No change	No change
Min Setbacks - Side	No change	Small to medium setbacks	Small to medium setbacks
Max Height	No change	No change	No change
Parking Min Requirements	Varying standard explored in Scenario Modeling; refer Chapter 8		
Parking Location	No change	No change	No change
Parking Min Driveway Width	8 ft	8 ft	8 ft
Housing Types	Varying standard explored in Scenario Modeling; refer Chapter 8		

Highlighted standards are elaborated in Chapter 8 of this document

Reducing minimum lot widths will allow for more development which fits its context.

Large driveway widths increases the minimum lot width that can accommodate housing, limiting development.

7.6 Recommendations for Compliance with State Law

To enable housing diversity and streamline housing production, it will benefit Modesto to ensure that its Zoning Code is in compliance with state law. The following findings summarize parts that are not in compliance with state law or are inconsistent with HCD guidance.

Barriers for Housing in the City of Modesto	
Topic	**State Requirements**
Density Bonus Law (AB 1763, AB 2345)	Pursuant to Government Code Section 65916(j), the granting of a density bonus shall not require, "in and of itself," a zoning change, discretionary approval, etc.
	Pursuant to Government Code Section 65915(d), an applicant for a density bonus shall be granted the requested concession or incentive unless the City makes a written finding, based on substantial evidence, that these do not result in identifiable cost reductions to provide affordable housing; would have a specific, adverse impact on public health and safety; or would be contrary to state or federal law.
	Government Code Sections 65915(b) and (c) require density bonus units to be subject to a recorded affordability restriction of 55 years.
Emergency Shelters (Government Code 65580 et seq.)	As part of the state's Housing Element Law (Government Code 65580 et seq.), jurisdictions are required to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit.
Low Barrier Navigation Centers (part of AB 101, 2019) [Government Code Section 65660-65662]	Low barrier navigation centers (LBNCs) are required to be approved by right in areas zoned for mixed use and nonresidential zones permitting multifamily use.
Employee Housing Act [Health and Safety Code Sections 17000 et seq.]	Any employee housing providing accommodations for six or fewer employees shall be treated as a single-family structure and residential use. Any employee housing consisting of no more than 36 beds or 12 units or spaces designed for use by a single family or household shall be treated as an agricultural use.
Single-Room Occupancy (SRO) Units	Single-room occupancy (SRO) units are small (200-350 square feet) and provide a valuable source of affordable housing and can serve as an entry point into the housing market for people who have previously experienced homelessness.

Barriers for Housing in the City of Modesto (continued)
Findings
Section 10-8.102 (Statement of Authorization) requires senior housing projects granted a density bonus to be rezoned to Planned Development (P-D) zone.
Section 10-8.202 (Economic Feasibility) requires developers to show additional incentives are necessary to make a project economically feasible.
Section 10-8.301 (Term of Affordability) requires density bonus units to maintain their affordability level for a period of 30 years.
The Zoning Code currently permits one emergency shelter in the C-M, M-1, or M-2 zones (see Section 10-3.205 (Emergency Shelters)). Any additional emergency shelters shall be subject to the conditional use permit requirements in Section 10-3.101 (Land Use Table).
The Zoning Code does not contain existing provisions related to LBNCs.
The Zoning Code does not contain existing provisions related to employee housing.
The Zoning Code does not contain existing provisions related to SRO units.

7.7 Entitlement Process Recommendations

Examining relevant legislation governing building permit approvals and timelines and reviewing the average processing times for common items in the City of Modesto helps highlight best practices for permit processing.

Relevant Legislation

Permit Streamlining Act

A lead agency has 30 days after an application is submitted to notify the applicant that it is complete, after which the lead agency must conduct its initial environmental study to decide if an Environmental Impact Report (EIR) or Negative Declaration (ND) is necessary. Negative Declarations must be adopted 180 days after the application is accepted as complete. 60 days after the adoption of a Negative Declaration the lead agency must approve, disapprove, or conditionally approve the development. This may be extended to 90 days with the applicant's consent.

An EIR must be certified within one year from the date the application is accepted as complete. Development projects must be approved, denied, or conditionally approved within 180 days from the date of EIR certification. Most projects are covered under the City's General Plan Program EIR and don't require an ND or EIR, which greatly streamlines the process.

Housing Accountability Act/Housing Crisis Act (SB 330)

This legislation amends the Permit Streamlining Act to boost housing production. It allows projects to submit a "preliminary application," a checklist which, when deemed submitted, locks in development requirements, standards, and fees. For projects with 150 or fewer units, the lead agency has 30 days for an initial compliance review after an application is deemed complete, and 60 days for larger projects. The law grants a period of 90 days to approve or disapprove a project from the time an EIR is certified. For affordable housing projects, if an EIR is required, the law requires a final decision within 60 days of EIR certification. No more than five hearings or meetings may be held before a decision is made.

Senate Bill 35

SB 35 pertains to California cities and counties where the production of new housing has not met the state-mandated Regional Housing Needs Allocation (RHNA) targets. Those jurisdictions must use a streamlined, ministerial review process for qualifying multifamily residential projects. This includes an initial eligibility review within 60 days for projects with 150 or fewer units and 90 days for larger projects. If eligible, a review must be completed within 90 days after an application is submitted for developments with less than 150 units and 180 days for larger projects. Qualifying projects are exempt from environmental review under CEQA.

Processing Times

Item:	Approximate Processing Time:
Variance	3 months
Tentative Subdivision Map	3 months
Tentative Parcel Map	3 months
2nd Story Review	15 days from approval that confirms compliance with Neighborhood Compatibility Guidelines
Conditional Use Permit	3 months

Note: Cities' processing times comply with mandated timeframes.

Best Practice Recommendations

Simplification
- Reduce application requirements
- Have pre-application consultations to uncover problems early when they are inexpensive to correct

Consolidation
- Create a central permit desk and consolidate all permit and approval applications in one form
- Break information silos by consolidating departments/divisions with overlapping functions
- Cross-train staff for reduced specialization
- Where possible, allow for a concurrent rather than sequential review

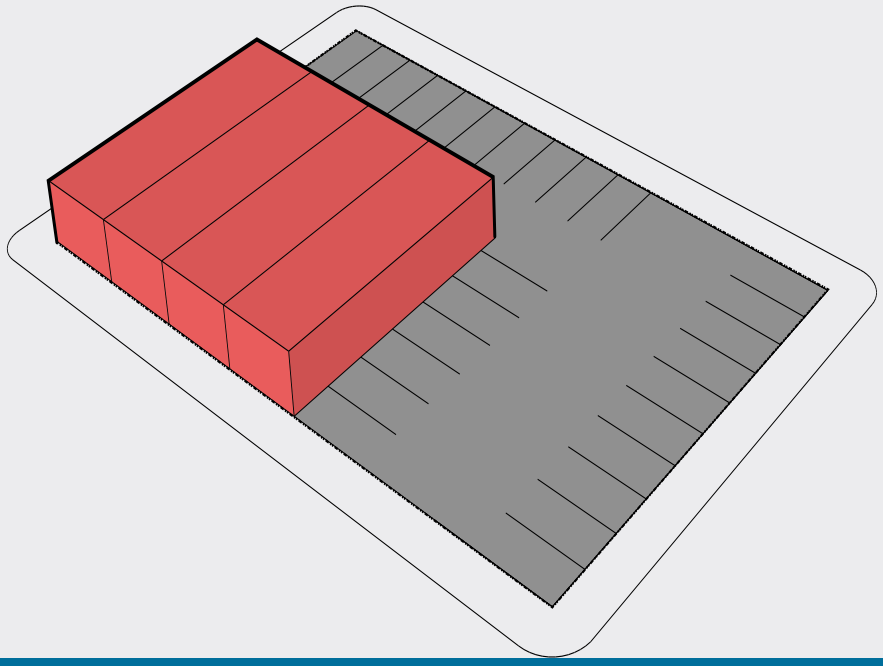
Clarification
- Help applicants get an overview of the process; list all necessary permits and approvals needed, direct applicants to existing checklists, provide meeting schedules for relevant boards, committees, and commissions, contact information, and FAQ
- Expand and improve public facing application instructions and guides
- Reach out and engage landowners to educate them about the process
- Help applicants understand the specific roles of staff, land use boards, and elected officials as well as each body's jurisdiction

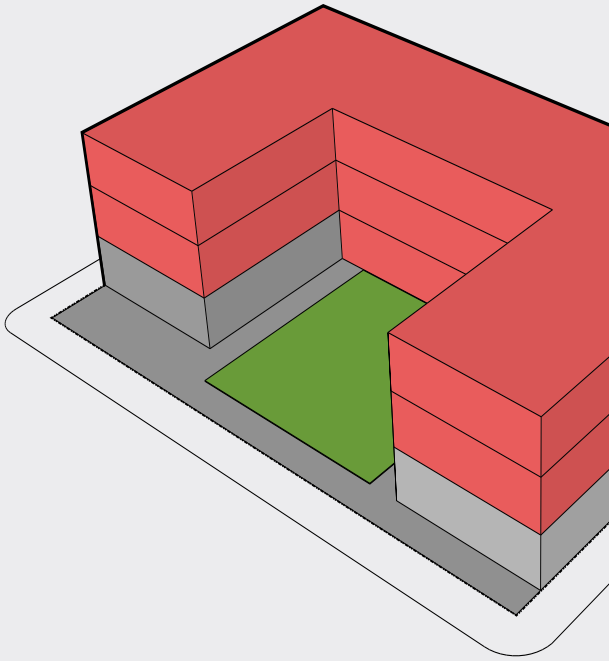
Utilize Technology
- Make sure all application materials and resources are available online
- Use online permitting and computerized tracking to streamline the process
- By taking advantage of data collection municipalities can better understand staff workload, bottlenecks, and development trends
- Establish mechanisms to allow applicants and the public to view daily inspection calendars and receive automatic notifications

Record Maintenance
- Keep a well-organized, efficient, and clear record-keeping system with specifications about how long information will be retained and in what format will help ensure a smooth process

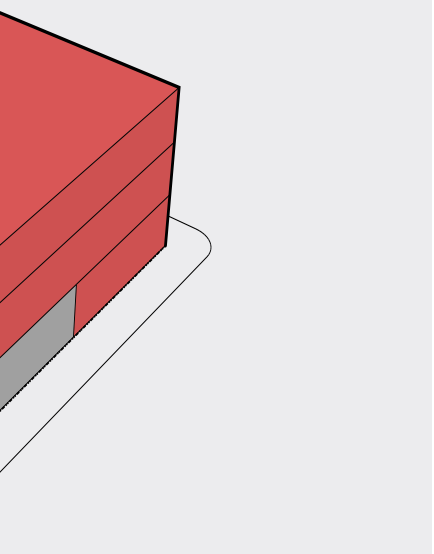
Develop a Fast-Track Process
- Develop a fast-track process for applicable projects

Training
- Help board members understand their function in the overall process and educate members on the rules for approvals and processes





Potential outcomes of the recommended policy and zoning changes are illustrated in this chapter.



CHAPTER

8

Illustrating Potential Outcomes

In this chapter

8.1 Measuring the Impact of Proposed Policies

Could proposed policies ***unlock more housing*** in Modesto?

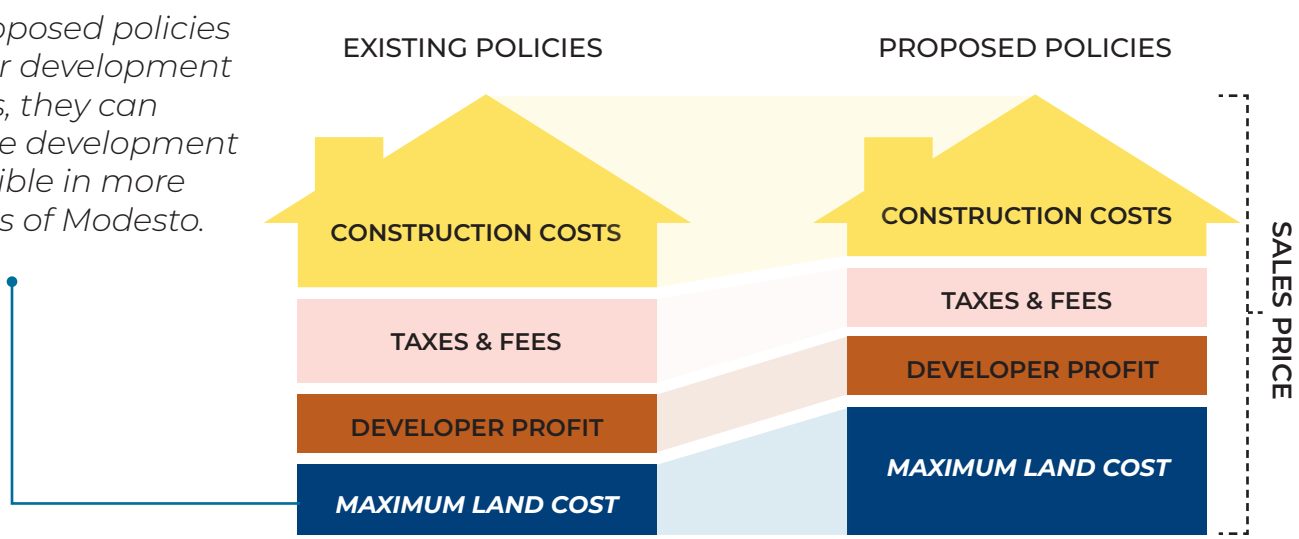
The Impact of Zoning

Modesto's zoning regulations define the **"what"** and **"where"** of real estate development. By regulating things like parking, allowed uses, and building heights, zoning defines **what** can be built. By mapping different zone districts across the city, zoning also decides **where** certain types of development are allowed. Could proposed changes to Modesto's zoning regulations enable new types of housing in more places throughout the City?

Residual Land Value (RLV)

To understand how much housing proposed changes could unlock, we used an economic model called a **residual land value** analysis, or **RLV**. RLV helps us understand the maximum land price a developer can afford based on fixed assumptions about construction costs, fees, taxes, and profit. If we know the maximum price a developer is willing to pay for land, we can estimate what kind of housing can be built in different locations across the city.

If proposed policies lower development costs, they can make development possible in more areas of Modesto.



Measuring Impacts With Policy Scenarios

Scenarios help us understand city-wide impacts of **proposed policy changes.**

Scenarios are packages of complimentary zoning regulation or map changes that represent a distinct policy direction. By running scenarios through a RLV analysis, we can better understand if a **new zone change or incentive is likely to provide more opportunities for housing**.

A range of potential zone and map changes were tested, grouped into three "policy scenarios". The results of these scenarios led to the development of six "key housing production strategies" that were shown by the RLV analysis to have significant impacts on Modesto's housing capacity.

Policy Scenario 1

"Neighborhood and Corridor Focus"

- Allow additional height and housing types in the Downtown Transition Context.
- Permit mixed use and residential development along major arterials.
- Allow more housing types in Downtown Adjacent context area.

Policy Scenario 2

"Enable Downtown Density"

- Allow additional height in the Downtown Transition context area.
- Reduce parking requirements in Downtown Core, Downtown Transition, and Mixed Use Corridor context areas.

Policy Scenario 3

"Gentle Density"

- Allow a greater variety of housing types in all context areas.
- Reduce parking requirements for Missing Middle Housing types.

Key Housing Production Strategies

Bring New Energy to Downtown

Strategically allowing new housing development opportunities in transition areas between Modesto's Downtown Core and established residential neighborhoods will add more options for living close to downtown and meeting demand from young professionals, families, and empty nesters in search of an urban neighborhood experience where they can be less dependent on driving.

Expand Housing Options In Established Neighborhoods

Providing more flexibility for property owners and housing developers in Modesto's established downtown-adjacent neighborhoods has the power to create more housing choices benefitting homeowners and renters seeking to live in these areas that are well served by amenities and services.

Expand Housing Options In Newer Neighborhoods

Providing more flexible options for property owners and housing developers in Modesto's newer neighborhoods creates additional opportunities for infill development that is less expensive to build, buy, and rent. It also provides choices for multigenerational living, downsizing, and aging in place that appeal to many of Modesto's growing demographics and their consumer preferences.

Transform Major Commercial Corridors Into Neighborhoods

Allowing housing along Modesto's commercial corridors creates new possibilities for developing mixed-use neighborhoods throughout the city and transforming Modesto's major streets. This transformation will unlock new and exciting opportunities to locate housing, jobs, shopping, and entertainment close to each other and to revitalize vacant and underused commercial areas in the process.

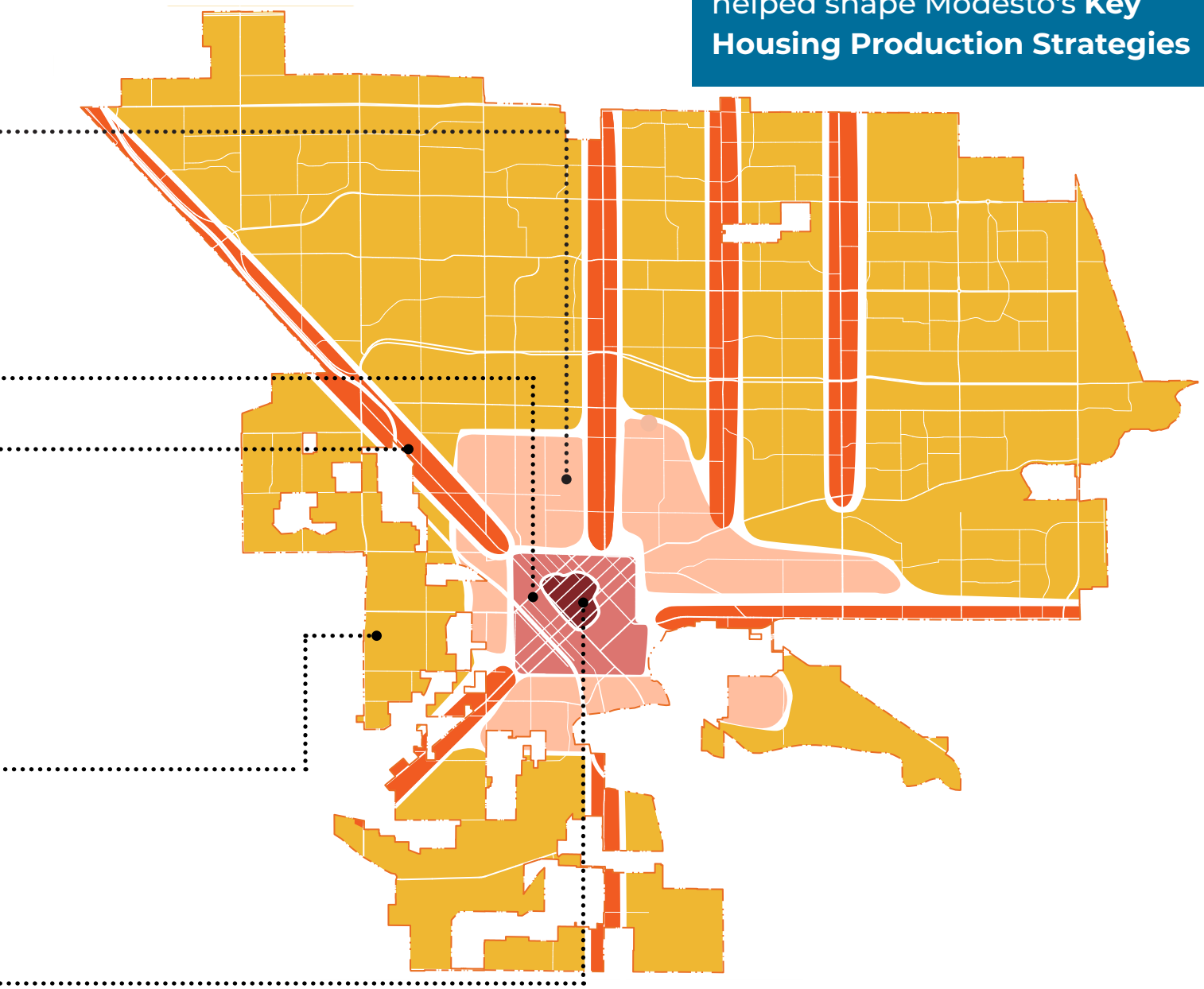
Make Housing Cheaper to Build

The price of housing is a direct reflection of land and development costs. Making housing cheaper to build by reducing up-front development costs passes on the benefits directly to the consumer in the form of reduced rent and sales prices.

Let the Downtown Core Reach its Full Potential

Tall buildings are already allowed in Modesto's Downtown Core, but they aren't financially feasible. Changing certain downtown zoning requirements, such as parking, could enable downtown Modesto to become what it was always envisioned to be: the heart of the city, where people work, play, and live in walkable areas with great access to desirable urban amenities.

Results of the Policy Scenarios helped shape Modesto's **Key Housing Production Strategies**



Downtown Core

Mixed-Use Corridor

Downtown Transition

Downtown Adjacent

Suburban Residential

Scenario 1 : "Neighborhood and Corridor Focus"

Scenario Summary

In Scenario 1 changes are focused in the neighborhoods around the Downtown Core. Additional height is allowed in the Downtown Transition context. New housing types become feasible in the Downtown Adjacent context, and housing development is allowed in the Mixed-Use Corridor context.

Policy Changes

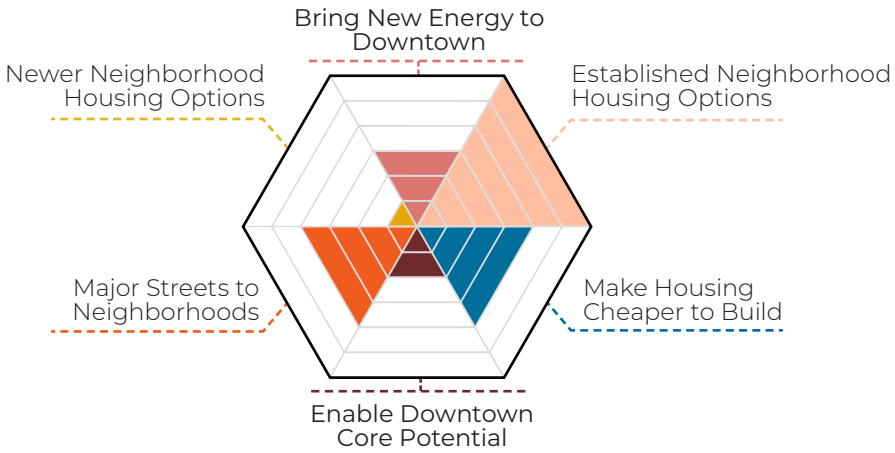
Building Heights

Housing Diversity

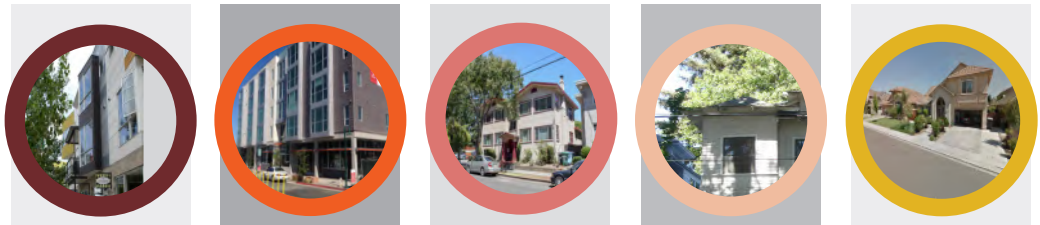
Parking Required

Policy changes in this scenario focus on allowing a broader range of housing types and increasing heights in Downtown.

Key Production Housing Strategies



Housing Capacity Impacts



Downtown Core	Mixed-Use Corridor	Downtown Transition	Downtown Adjacent	Suburban Residential
No Change	7,107 New Units	59 New Units	1,260 New Units	No Change

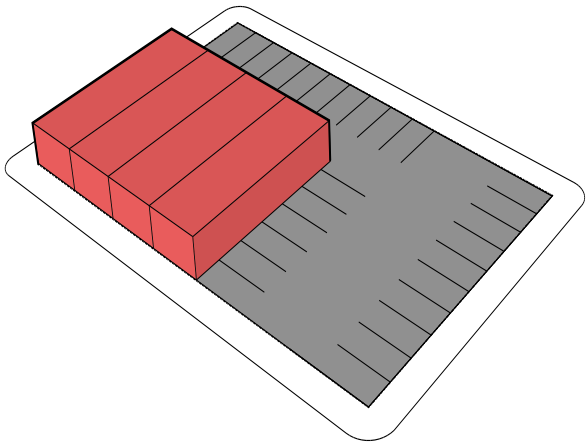
Scenario Policy Focus: Reducing parking requirements and allowing residential uses along major arterials on underutilized commercial land could be a big source of housing for Modesto.

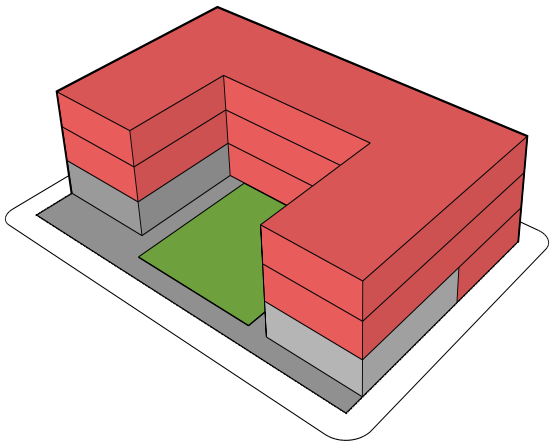
Existing Zoning Example:

- 1-story building allowed
- Housing not allowed

Policy Change Example:

- Housing allowed
- 1 Parking space required per unit





Building Characteristics	Existing Zoning	Example Changes	Percent Change
Lot Size	15,000	15,000	--
Lot Cost	$120,000	$120,000	--
Number of Units	0	30	--
Height	1 story	3 stories	+200%
Monthly Rent	N/A	$1,795	--
% Area Median Income (AMI)	N/A	112%	--
Parking Required (per Ksf)	3.3 / 1,000 Sqft	1 .5 / 1,000 Sqft	-54%
Total Parking Spaces	25	30	+20%
Annual Property Tax Revenue	$17,000	$80,000	+362%

54%

less parking required per sqft of building area combined with allowing residential uses in this example could enable 30 units on a formerly vacant commercial lot.

Scenario 2 : "Enable Downtown Density"

Scenario Summary

In Scenario 2, changes are focused in and around the Downtown Core. Additional height is allowed and development standards are relaxed in the Downtown Core and Downtown Transition contexts. Housing development is allowed in the Mixed-Use Corridor context.

Policy Changes

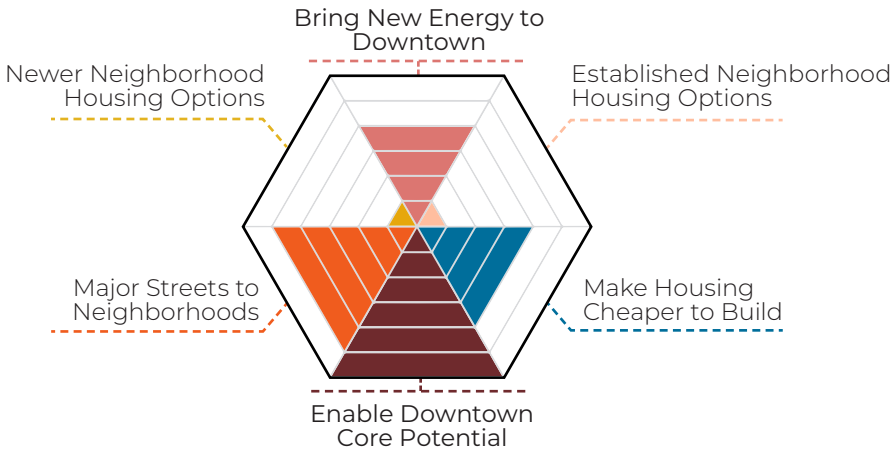
Building Heights

Housing Diversity

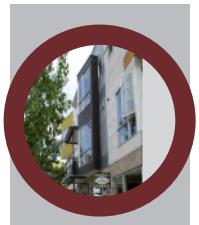
Parking Required

Policy changes in this scenario combine increased allowed building heights in Downtown with lower parking requirements.

Key Production Housing Strategies



Housing Capacity Impacts

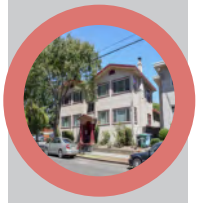


Downtown Core

784 New Units

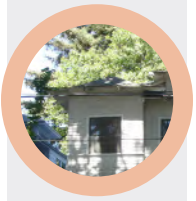
Mixed-Use Corridor

8,151 New Units



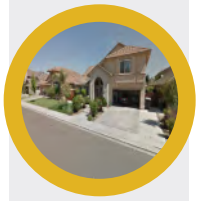
Downtown Transition

428 New Units



Downtown Adjacent

No Change



Suburban Residential

No Change

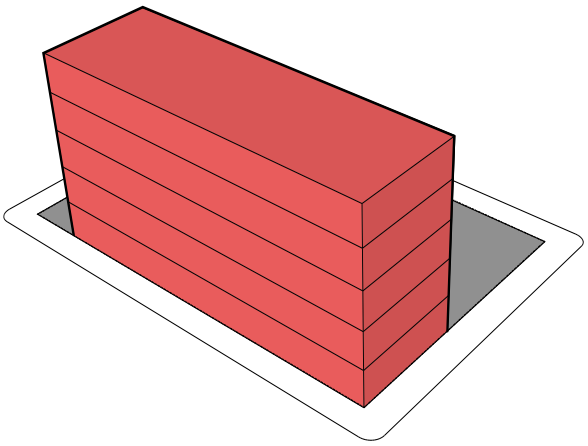
Scenario Policy Focus: Reducing parking requirements in the Downtown Core makes taller building more feasible, allowing downtown to reach its full potential.

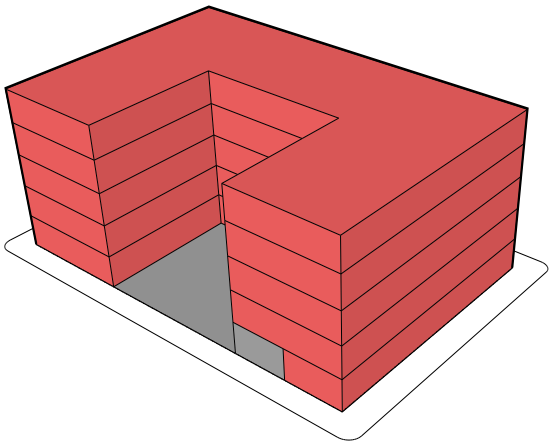
Existing Zoning Example:

- 5-story building allowed
- 1 parking space required per unit

Policy Change Example:

- 5-story building allowed (no change)
- 0.25 parking space required per unit





Building Characteristics	Existing Zoning	Example Changes	Percent Change
Lot Size	14,000	14,000	--
Lot Cost	$280,000	$280,000	--
Number of Units	29	60	+107%
Height	5 stories	5 stories	--
Monthly Rent	$1,774	$1,677	-5%
% Area Median Income (AMI)	110%	104%	-6%
Off-Street Parking Ratio	1	1	-75%
Total Parking Spaces	29	15	-48%

107% increase in units is achieved in this example by reducing parking requirements.

Scenario 3 : "Gentle Density"

Scenario Summary

In Scenario 3, changes are focused in and around established and newer residential neighborhoods. New housing types become feasible in Downtown Adjacent and Suburban Residential contexts, and housing development is allowed in the Mixed-Use Corridor context.

Policy Changes

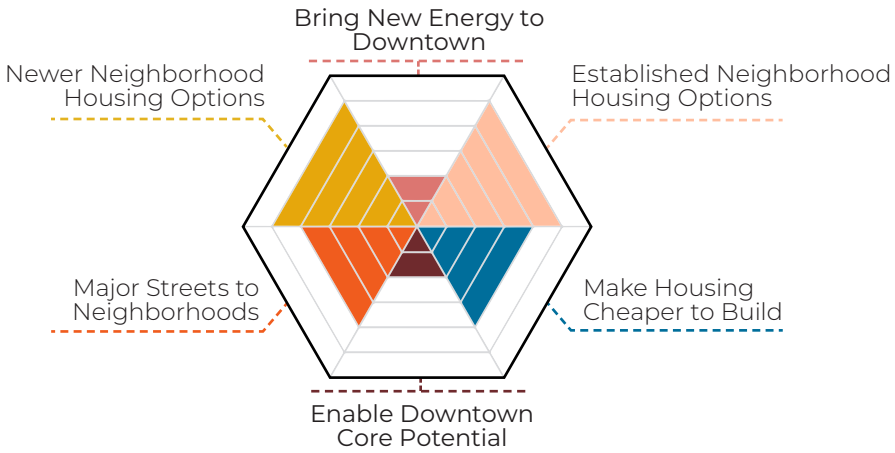
Building Heights

Housing Diversity

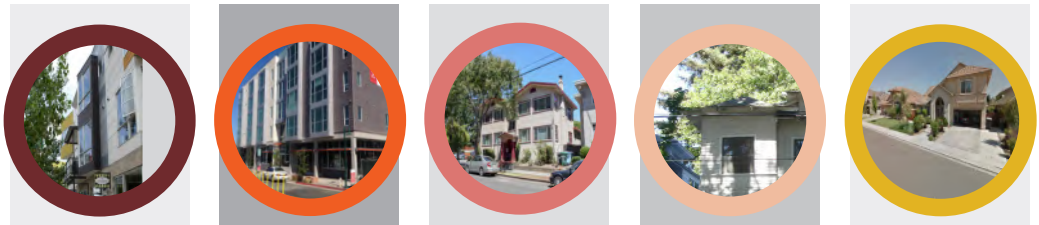
Parking Required

Policies in this scenario allow more housing types with lower parking requirements in most of Modesto's neighborhoods.

Key Production Housing Strategies



Housing Capacity Impacts



Downtown Core	Mixed-Use Corridor	Downtown Transition	Downtown Adjacent	Suburban Residential
No Change	7,163 New Units	No Change	1,260 New Units	2,597 New Units

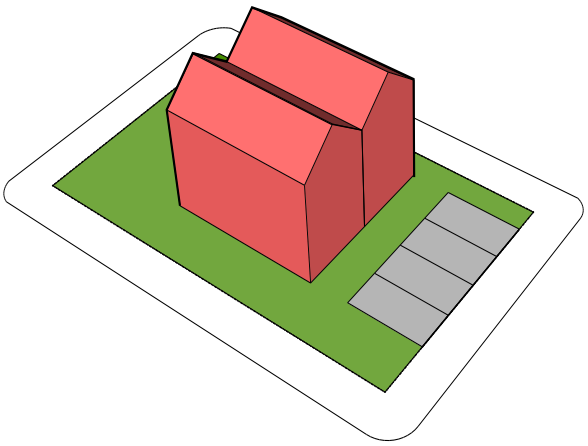
Scenario Policy Focus: Reducing parking requirements and allowing more housing types in the residential neigborhoods and along corridors is an effective way to encourage housing production.

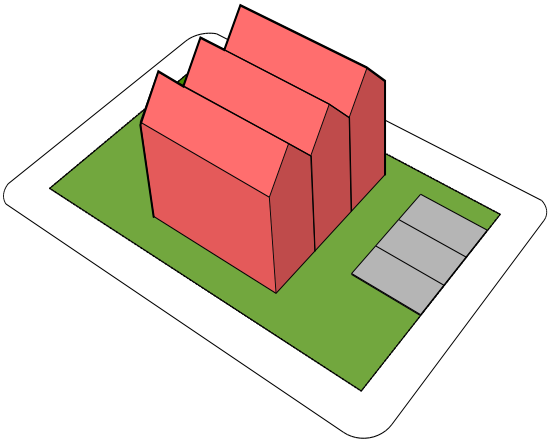
Existing Zoning Example:

- Duplex allowed
- 2 parking spaces required per unit

Policy Change Example:

- Triplex allowed
- 1 parking space required per unit





Building Characteristics	Existing Zoning	Example Changes	Percent Change
Lot Size	6,000	6,000	--
Lot Cost	$120,000	$120,000	--
Number of Units	2	3	+50%
Unit Size	1,800 sf	1,400 sf	-22%
Monthly Rent	$3,407	$2,272	-33%
% Area Median Income (AMI)	189%	$1,672	-63%
Off-Street Parking Ratio	2	1	-50%
Total Parking Spaces	4	3	-25%

33%

reduction in housing cost is achieved in this example by reducing parking and increasing the number of allowed housing units.

With consultants:

Lisa Wise Consulting
Cascadia Partners
Garavaglia Architecture
O'Dell Engineering