Subject: Interim Floor Area Ratio Ordinance (FAR) for Single-Family Homes

CEQA: Exempt per CEQA Guidelines
§15061 (b) (3)

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Reason for the public hearing: In response to concerns about single-family home projects and neighborhood compatibility, the City Council directed staff to study immediate, short-term, and long-term tools for residential development projects. An interim Floor Area Ratio (FAR) Ordinance can be a short-term tool while the long-term single-family residential design guidelines are developed. Planning Commission recommendation is required for all amendments to the Zoning Ordinance.

Planning staff presented a soft-cap/threshold FAR to the Planning Commission on May 21, 2019, and was directed to provide additional data as well as analysis on hard-cap FAR options.

Key Considerations: Existing lot size and home size data and hard-cap FAR options

Public Notice: On May 10, 2019, notice of the first public hearing was published on the City’s website, published in the San Mateo Daily Journal, posted on Redwood City Voice, and shared with all interested parties. The Planning Commission continued the public hearing to June 18, 2019 and an additional notice was posted on the City’s website and social media outlets. The City has received written comment on this topic which is attached to this staff report.

Staff Recommendation:

✓ Adopt Resolution No. 19-08 recommending that the City Council approve an FAR hard-cap option for single-family homes as part of adding Article 48 (Interim Floor Area Ratio), and amending various additional Articles of the Zoning Ordinance.
BACKGROUND
The City Council directed staff to prepare an Interim Floor Area Ratio (FAR) Ordinance for single-family homes in Redwood City. On May 21, 2019, the Planning Commission (PC) reviewed a draft Interim Floor Area Ratio Ordinance proposal that would establish a FAR threshold of 0.50. Projects that were under 0.50 would be reviewed by the Zoning Administrator at a staff level, while larger projects would be reviewed by the Planning Commission and be subject to an additional set of findings. The PC continued the discussion, and directed staff to provide additional data and analysis including:

- Lot and home size information for single-family home parcels in Redwood City
- Architectural permit data by neighborhood
- Hard-cap and sliding scale FAR scenarios
- Flexibility for unique lots
- Codifying guiding principles
- Effective date of FAR Ordinance
- Evaluating past Architectural Permit applications with different FAR scenarios
- Information on past appeals

ANALYSIS
Staff previously provided analysis for Architectural Permits (AP) submitted from the beginning of 2017 to the end of 2018. That data is available in the May 21, 2019 staff report. The following information responds to the Planning Commission’s request for additional data and hard-cap options.

Additional Data

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Projects</th>
<th>Average Lot Size</th>
<th>Average Home Size</th>
<th>Average FAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redwood Oaks</td>
<td>8</td>
<td>5,759 sq. ft.</td>
<td>3,160 sq. ft.</td>
<td>0.56</td>
</tr>
<tr>
<td>Stambaugh-Heller</td>
<td>3</td>
<td>3,133 sq. ft.</td>
<td>1,442 sq. ft.</td>
<td>0.56</td>
</tr>
<tr>
<td>Friendly Acres</td>
<td>2</td>
<td>6,250 sq. ft.</td>
<td>3,329 sq. ft.</td>
<td>0.54</td>
</tr>
<tr>
<td>Redwood Village</td>
<td>1</td>
<td>6,100 sq. ft.</td>
<td>3,221 sq. ft.</td>
<td>0.53</td>
</tr>
<tr>
<td>Roosevelt</td>
<td>8</td>
<td>6,059 sq. ft.</td>
<td>2,975 sq. ft.</td>
<td>0.52</td>
</tr>
<tr>
<td>Redwood Shores</td>
<td>7</td>
<td>6,415 sq. ft.</td>
<td>3,107 sq. ft.</td>
<td>0.49</td>
</tr>
<tr>
<td>Woodside Plaza</td>
<td>6</td>
<td>7,498 sq. ft.</td>
<td>3,502 sq. ft.</td>
<td>0.47</td>
</tr>
<tr>
<td>Palm</td>
<td>1</td>
<td>6,550 sq. ft.</td>
<td>2,955 sq. ft.</td>
<td>0.45</td>
</tr>
<tr>
<td>Eagle Hill</td>
<td>9</td>
<td>6,753 sq. ft.</td>
<td>2,917 sq. ft.</td>
<td>0.44</td>
</tr>
<tr>
<td>Edgewood Park</td>
<td>6</td>
<td>9,285 sq. ft.</td>
<td>3,443 sq. ft.</td>
<td>0.43</td>
</tr>
<tr>
<td>Central</td>
<td>5</td>
<td>4,976 sq. ft.</td>
<td>2,070 sq. ft.</td>
<td>0.42</td>
</tr>
<tr>
<td>Mt. Carmel</td>
<td>21</td>
<td>7,035 sq. ft.</td>
<td>2,931 sq. ft.</td>
<td>0.42</td>
</tr>
<tr>
<td>Canyon</td>
<td>5</td>
<td>9,210 sq. ft.</td>
<td>3,692 sq. ft.</td>
<td>0.40</td>
</tr>
<tr>
<td>Centennial</td>
<td>2</td>
<td>5,058 sq. ft.</td>
<td>2,005 sq. ft.</td>
<td>0.40</td>
</tr>
<tr>
<td>Farm Hill</td>
<td>14</td>
<td>13,051 sq. ft.</td>
<td>3,589 sq. ft.</td>
<td>0.32</td>
</tr>
<tr>
<td><strong>ALL PROJECTS</strong></td>
<td><strong>98</strong></td>
<td><strong>6,687 sq. ft.</strong></td>
<td><strong>2,956 sq. ft.</strong></td>
<td><strong>0.46</strong></td>
</tr>
</tbody>
</table>

*Sorted by highest FAR to lowest*
Table 1 categorizes the previously presented AP data from 2017-2018 by neighborhood. In total, there were 98 projects with an average FAR range of 0.32 at the lowest to 0.56 at the highest. Table 1 also shows the strong relationship between lot size and FAR. While the approved homes in the Farm Hill neighborhood had the lowest average FAR, the average home size was over 600 sq. ft. more than average home size in rest of the city. Similarly in Stambaugh-Heller, the average FAR was tied for highest but the average home size was less than half of the average. The Mt. Carmel neighborhood had the most number of APs in the last two years, however the average home size was close to the average for the rest of the City and its average FAR was below average compared to the rest of the City.

In addition, Table 1 also provides the average lot size for the projects in the last two years at approximately 6,687 sq. ft. and the average house size which was slightly below 3,000 sq. ft. The square footage in this calculation includes attached garages, the first floor, and the second floor while excluding detached structures and basements. The intent is to focus on portions of the residential structure that contribute to massing as it’s viewed from the street. Detached structures are typically located towards the rear of lots and do not visually impact the neighborhood streetscape. Similarly, basements are below grade and do not contribute to the perception of size.
Table 2 provides average lot size information for single-family homes by neighborhood. The lot size information was obtained from Redwood City’s GIS parcel data in June 2019 and is categorized by average, median, and mode. Table 2 also compiled the lot size information for the entire City which shows that average, median, and mode for single-family home lots are in the 6,000 – 7,000 sq. ft. range. The lot size information also showed that approximately 21% of single-family lots in Redwood City are under 5,000 sq. ft., while 9% are over 10,000 sq. ft. The majority of single-family home properties are between 5,000 sq. ft. and 10,000 sq. ft., however the data would indicate that 21% of lots are under 5,000 sq. ft. and flexibility in any FAR standard could be helpful to assist already constrained smaller lots.
Table 3 shows the existing home sizes in Redwood City by neighborhood through average FAR and average home size. The square footage data was obtained from the San Mateo County Assessor’s office, and is approximately two years old. The square footage information typically does not include garages which the City would count toward FAR if it is an attached garage. The data is mainly used by the County for tax purposes, and may not be completely accurate. Staff has encountered validity issues in the past, however this is the most up to date, comprehensive City-wide data available at this moment.

The data above also indicates that 83% of City’s single-family homes are under a 0.40 FAR while 86% of homes are less than a 0.45 FAR. Average home size in Redwood City is also approximately 1,600 sq. ft.

**FAR Calculation**

Before discussing different FAR options, staff recommends including exceptions to what’s included in the calculation of floor area. These exceptions are consistent to the recommendations presented at the May 21, 2019 Planning Commission meeting:

- Basements that are fully below grade
- Detached structures including Accessory Dwelling Units (ADUs)
- Architectural features as described in Article 32.3 E (e.g. bay windows, unenclosed decks, balconies, etc.)

Basements and detached structures do not contribute to the massing from the streetscape. Detached structures are typically located in the rear of the lot, while basements that are fully below grade are also not visible so neither would visually impact the neighborhood streetscape or contribute to the perception of size. In addition, if exempted from FAR, detached garages would be incentivized to promote
neighborhood compatibility and ADUs for additional housing units. The same would be true of architectural features, which should be encouraged as part of the design of a home for architectural interest, articulation, and neighborhood compatibility.

**Hard-Cap Options**
At the May 21, 2019 PC meeting, staff presented a FAR threshold or “soft-cap” approach where projects that exceed 0.50 would require PC review and be subject to additional findings. The PC requested that staff provide additional analysis on a hard-cap FAR options including a sliding scale FAR based on lot size. A hard-cap FAR would set a maximum ratio or home size based on lot size which could not be exceeded through any process.

Staff is presenting for PC consideration three different options for a hard-cap FAR. All of the following options present a maximum for home size, however there are multiple ways that a hard-cap can be utilized:

- **Option 1**: Hard-cap FAR of 0.45 for all single-family homes in Redwood City.
- **Option 2**: Sliding scale FAR based on lot area with highest FAR for smaller lots, and smallest FAR for larger lots.

<table>
<thead>
<tr>
<th>Lot Size</th>
<th>Max. FAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5,000 sq. ft.</td>
<td>0.55</td>
</tr>
<tr>
<td>5,000 – 5,999 sq. ft.</td>
<td>0.50</td>
</tr>
<tr>
<td>6,000 – 7,500 sq. ft.</td>
<td>0.45</td>
</tr>
<tr>
<td>7,501 – 10,000 sq. ft.</td>
<td>0.40</td>
</tr>
<tr>
<td>Greater than 10,000 sq. ft.</td>
<td>0.35</td>
</tr>
</tbody>
</table>

- **Option 3**: Maximum 3,000 sq. ft. home size, or 0.40 of lot size whichever is greater.

Table 4 shows the maximum home sizes that would be allowed utilizing each option, and Figure 2 visualizes each scenario.

**While 3,000 sq. ft. is the maximum allowed, other development standards and lot constraints including lot coverage, lot width, setbacks, second story setbacks, etc. would also limit home size.**
• **Option 1: Hard-cap of 0.45** - Staff considered both a hard-cap ratio of 0.40 and a 0.45 FAR, and chose 0.45 in the example presented above. Lot coverage is currently regulated with a maximum of 0.40 allowed in three of the six residential zoning districts, and 0.60 in the other two residential zoning districts. For that reason, 0.40 could be considered too low. An existing home that is at 0.40 lot coverage would have no ability to expand either on the ground floor or a second story. In addition, the 0.45 FAR would be consistent with the average FAR for projects within the last two years reflecting current trends as shown in Table 1. A hard-cap of 0.45 would also create fewer non-conforming structures in the City, as discussed in the next paragraph and in the Hard-cap FAR Tradeoffs section.

There are additional considerations for a hard-cap FAR standard. The AP data from the last two years indicates that over 61% of projects were over 0.40 FAR, while 46% of the projects in the last 2 years would have been over a 0.45 FAR. Those projects would not have been approved with a hard-cap FAR in place, and the significant majority (97%) of these projects did not have neighborhood opposition nor concerns over size or compatibility that were reported to the City through an appeal. In addition, a hard-cap approach with one ratio for the entire City is not flexible, does not account for unique lots, and would severely restrict a smaller lot from doing an addition or new home. The hard-cap could also make existing homes non-conforming including 17% (approximately 2,245 homes) with a hard-cap 0.40 FAR, and 14% (approximately 1,804) of homes...
would become non-conforming with a hard-cap of 0.45. A non-conforming structure would have no ability to add even a small addition.

- **Option 2: Sliding scale hard-cap FAR based on lot area** – This approach is based on lot area, and provides some flexibility for unique situations and smaller lots. A higher FAR would be allowed for smaller lots and as lot size increases, the maximum FAR decreases accordingly. The ranges provided for Option 2 reflect that the majority of lots are in the 5,000-10,000 sq. ft. range with maximum FARs between 0.40 and 0.50. A sliding scale hard-cap FAR would provide lots within 5,000 – 10,000 sq. ft. range to have homes close to the 3,000 sq. ft. trend shown in Table 1.

While smaller lots may have the highest FAR, these lots would still be limited by their lot width, setbacks, lot coverage, and second story setbacks and may not be able to achieve the maximum sq. ft. allowances. The sliding scale approach does have drawbacks, mainly that the cut-offs for different percentages could be perceived as arbitrary and that it creates situations where a lot at 4,999 sq. ft. would be able to have a larger home than a lot that is 5,000 sq. ft. (example shown in Table 4).

- **Option 3 – Maximum home size of 3,000 sq. ft. or 0.40, whichever is greater** – This hard-cap approach utilizes both a maximum house size of 3,000 sq. ft. and a 0.40 ratio, whichever is larger. This approach utilizes a maximum of 3,000 sq. ft. to reflect current trends of average house size shown in Table 1. It provides both flexibility for smaller lots and larger lots. In many cases, smaller lots would not be able to meet the maximum home size allowances due to constraints with lot width, setbacks, lot coverage, and second story setbacks, however allowing up to 3,000 sq. ft. would provide the ability to achieve reasonable size homes for otherwise constrained lots. For a larger lot, the 0.40 ratio would be utilized starting for lots greater than around 8,000 sq. ft. and would help provide flexibility to develop a larger home on a larger lot where it may be appropriate.

**Hard-cap FAR Tradeoffs**

There are tradeoffs for each option. Hard caps create clear expectations for applicants and neighbors, and reduce additional City review process associated with a soft cap approach. However, it is a fairly blunt instrument to impose on a City made up of a wide variety of neighborhood types and lot sizes. For example, hard cap FARs would have disproportionately large impacts on Redwood Shores and Palm, as those neighborhoods are already built with some of the higher FARs in the City. Few homes in Redwood Shores would be able to do any addition with a 40% hard cap. Canyon and Edgewood would be least affected due to the already large lot sizes.

Overall, the existing square footage data indicates that approximately 2,245 homes could become non-conforming with a hard-cap 0.40 FAR, and approximately 1,804 homes could become non-conforming with a hard-cap of 0.45. Non-conforming structures would not have any ability to do any project even for small additions like a bathroom, extending a bedroom, or extending a kitchen. Many homeowners with growing families have been able to do small additions, to address their family’s needs. With a hard cap, there would be no flexibility for even minor additions that pose no impact to neighborhood compatibility.
The Planning Commission may be interested in allowing small additions exceeding these FARs to address the lack of flexibility. This strategy would be considered a soft cap approach. Exceptions could be carved out for additions of a limited size, or percentage of the home. However, staff has noted that this could encourage homeowners to build a larger house in “phases”, with the original size meeting the hard cap, and then an additional room or two added six months or a year after the initial approval. There would also need to be some consideration about whether this addition could be allowed on the second floor. So, while a soft cap with exceptions could be a method of adding flexibility, it also adds some implementation challenges that would eliminate the benefit of clarity that a hard cap provides.

Date Effective
As proposed, the effective date of the Interim FAR Ordinance would be 30 days after the City Council adopts the Ordinance. The City can only apply those rules that exist at the time a project is considered by the approval body. It is not possible to apply these regulations retroactively from Council adoption and ordinance effectiveness.

Guiding Principles
The Planning Commission suggested that the guiding principles on neighborhood compatibility be codified. These principles were adopted by the City Council and provide direction and clarity on Architectural Permit Finding C which is already codified in Article 45 of the Zoning Ordinance. Staff has been applying these principals to residential developments since adoption and found that they provide a good tool for communicating how the City evaluates neighborhood compatibility to make the required findings. Staff is not recommending that the Guiding Principles be codified at this time. There will be an opportunity to provide design clarity considerations including utilizing language from the guiding principles in the Residential Design Guidelines.

Appeal Process
The Planning Commission also requested information on appeals, such as cost, process, and public input on this process. In the last five years, the City has received three appeals for single-family home projects. Two of the appeals occurred in the Mt. Carmel neighborhood for new two-story homes. The PC upheld the appeal in both cases and overturned the Zoning Administrator approval of the projects. The third appeal occurred in the Farm Hill neighborhood due to view impact concerns on a sloping lot for a second story addition. The PC denied the appeal and upheld the approval in this instance. In addition to the referenced appeals, the PC also recently reviewed and denied a new two-story home in the Mt. Carmel neighborhood. This project was brought to the PC because of the historical component of the existing home.

The City’s appeal fee is relative to project fees. For applications fees that are less than $4,500, the appeal fee is $640. For projects that are $4,500 or more, the appeal fee is $2,668. For an AP application, the appeal fee would be $640. The appeal fees were updated and approved by the City Council as part of an overall fee update for the Community Development Department, Fire Department, and Police Department on May 8, 2017. The updated fees were analyzed, and based on the amount of staff time required to process the requests. Appeal fees are heavily subsidized for AP appeals as the amount of staff time that is required to process is significantly more than the flat fee.

The amount of feedback City staff has received on the appeal fee and process isn’t quantifiable, however there have been complaints that the fee is too high, that the option to appeal was not known, and that the entitlement and appeal process was too lengthy. For APs, staff requires that the applicant notify
immediately adjacent neighbors, neighbors across the street, and neighbors that are behind the property. Effective immediately, staff will send a copy of the Zoning Administrator’s decision, including instructions for filing an appeal to the immediately adjacent neighbors in order to improve awareness of the decision and appeal process.

NEXT STEPS
Upon recommendation from the Planning Commission, the City Council will conduct a public hearing to consider and potentially adopt the Interim FAR Ordinance, tentatively scheduled for July 22, 2019.

ENVIRONMENTAL REVIEW
The proposed Interim Floor Area Ratio Ordinance is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines 15061 (b) (3). This activity is covered by the common sense exemption that CEQA only applies to projects which have the potential for causing significant effect on the environment and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. It can be seen with certainty that this project does not have the potential to create a significant impact. Topics evaluated by CEQA include: Aesthetics, Agricultural and Forestry Resources, Air Quality, and Greenhouse Gas Emissions, Biological, Cultural and Mineral Resources, Geology, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise, Population and Housing, Public Services and Recreation, Transportation and Traffic, and Utilities and Service Systems. The project is an ordinance that will only add an additional objective standard for reviewing single-family homes. Single-family homes are permitted uses in Residential Zoning Districts within Redwood City, and would still be subject to an Architectural Permit application that would have its own CEQA review as part of the project.

ALTERNATIVES

- Alternative 1: The Planning Commission may modify any of the hard-cap FAR options presented in this staff report.

- Alternative 2: The Planning Commission may modify or adopt Staff’s recommended soft-cap threshold approach described in Resolution No. 19-07 (Attachment 2) that was presented on May 21, 2019.

- Alternative 3: The Planning Commission may recommend that the City does not move forward with an Interim FAR Ordinance and that the current objective development standards, AP Findings, and the Guiding Principles for Neighborhood Compatibility are adequate.

ATTACHMENTS
1. Resolution No. 19-08 with hard-cap FAR options
2. Resolution No. 19-07 with original soft-cap recommendation
3. Public Comment
4. Architectural Permit data from 2017-2018
LINKS TO RELATED DOCUMENTS
1. Staff Report of May 21, 2019

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