

Small-lot Planning Study for the San Joaquin Valley



Webinar
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Planning Tomorrow Today®

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Agenda

- 1.Introduction and Purpose
 - 2.Existing Population and Household Trends
 - 3.Market Conditions and Financial Feasibility Analysis
 - 4.Advantages, Issues, and Opportunities
 - 5.Implementing Small-lot Housing Development in the Valley
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1. Introduction and Purpose

- **Funding:** State funded through SJV REAP.
- **Purpose:** Investigate the potential advantages and feasibility of expanded small-lot housing in the Valley.
- **Goals:**
 - Summarize housing needs and small-lot housing trends
 - Examine the market and financial feasibility of small-lot housing in the Valley
 - Provide information on implementation



Key Questions

The Study addresses the following key questions:

1. In the current single-family market, what is considered a small lot?
2. What is driving interest in reduced lot sizes?
3. Where has small-lot single-family development occurred in the San Joaquin Valley?
4. What are the constraints preventing developers from building small-lot single-family homes?
5. How can jurisdictions encourage small-lot single-family development in the San Joaquin Valley?

Stakeholder Interviews

Participant

Ashley Hedemann
Ron White
Carol Ornelas
Michael Prandini
John Beckman
Karl Schoettler
Matt Diaz
Chris Boyle
Cynthia Marsh
Bonique Emerson
Paul Bernal
Jeff Roberts

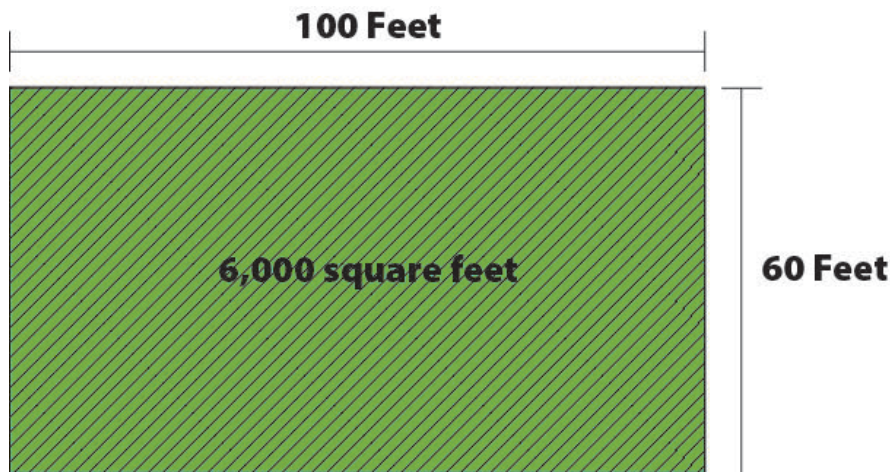
Organization

Habitat for Humanity, Madera and Fresno Counties
Habitat for Humanity, City of Bakersfield
Visionary Home Builders
BIA of Fresno and Madera
BIA of the Greater Valley
Collins and Schoettler Planning Consultants
City of Stockton
City of Bakersfield
City of Lodi
Precision Engineering
City of Visalia
Granville Homes

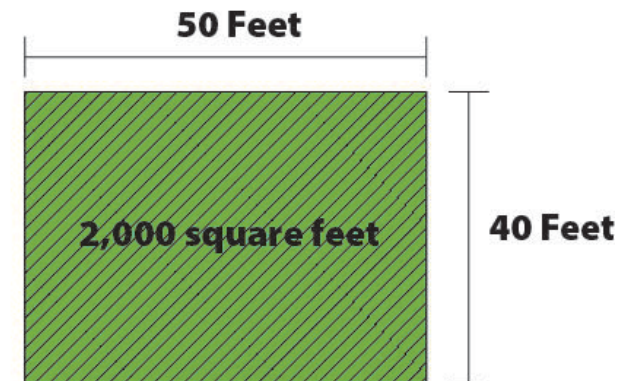


1. **In the current single-family market, what is considered a small lot?**

Traditionally:

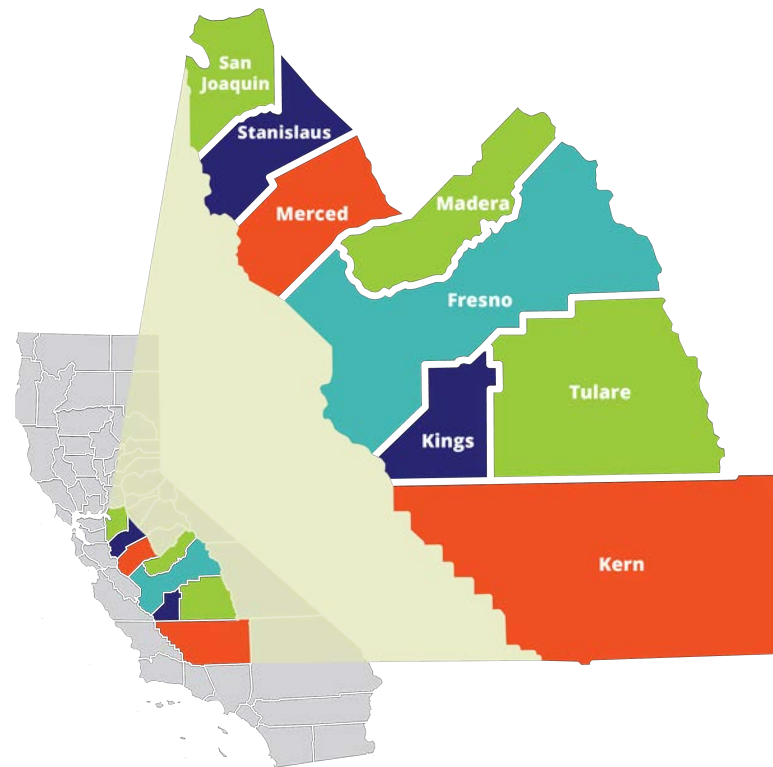


In 2024:



2. Existing Population and Housing Trends

- **Data sources:**
 - U.S. Census (2010 and 2020)
 - American Community Survey (ACS)
- **The data indicates:**
 - A clear need for more affordable housing
 - The growing gap between home prices and median income constrains homeownership
 - Renters are disproportionately impacted



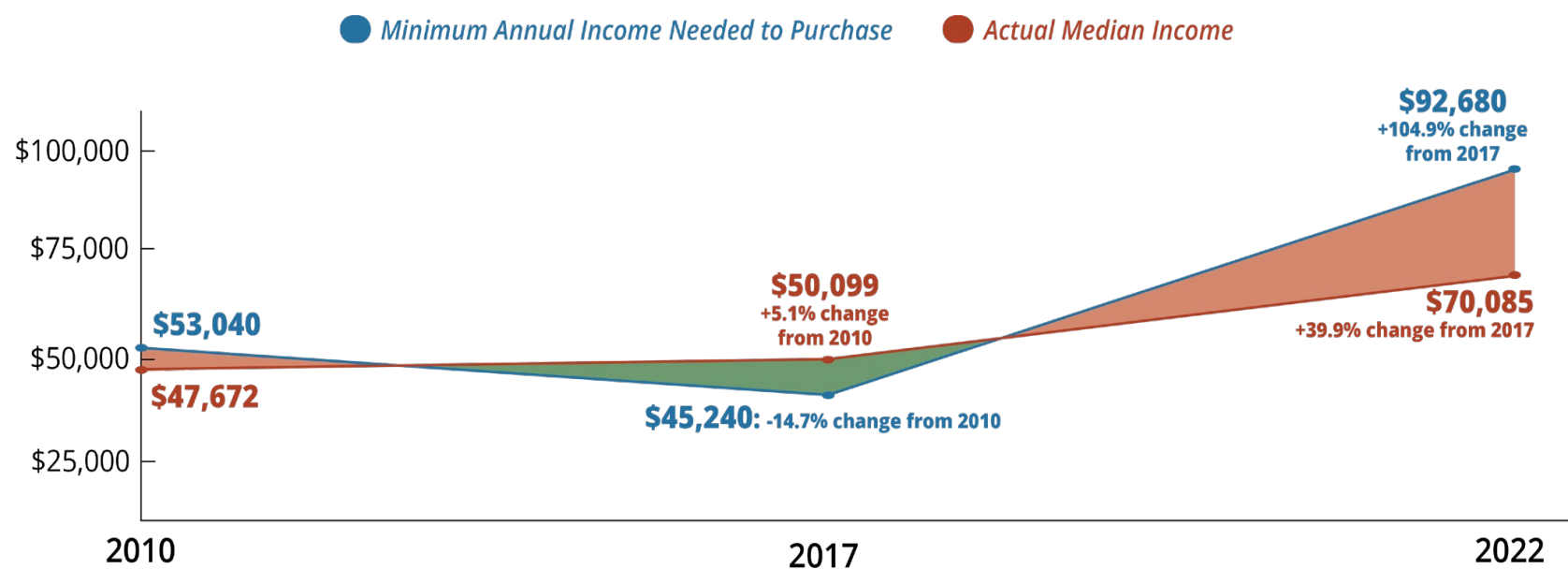
Summary of Existing Population Housing Trends

Key Takeaways

1. Population growth has increased demand
2. Supply is insufficient to meet housing needs
3. Cost of homeownership is increasing
4. Overcrowding and overpayment have increased in response to housing costs

Summary of Existing Population Housing Trends

Figure 2.3 Homeowner Affordability Gap (2010-2022)



Source: U.S. Census Bureau, 6-10 ACS (5-Year Estimate), 13-17 ACS (5-Year Estimate), 18-22 ACS (5-Year Estimate), Table B25077; Table S1901.

2. What is driving interest in reduced lot sizes?

Population growth

Increasing land and construction costs

High cost of homeownership

Popularity of single-family homes

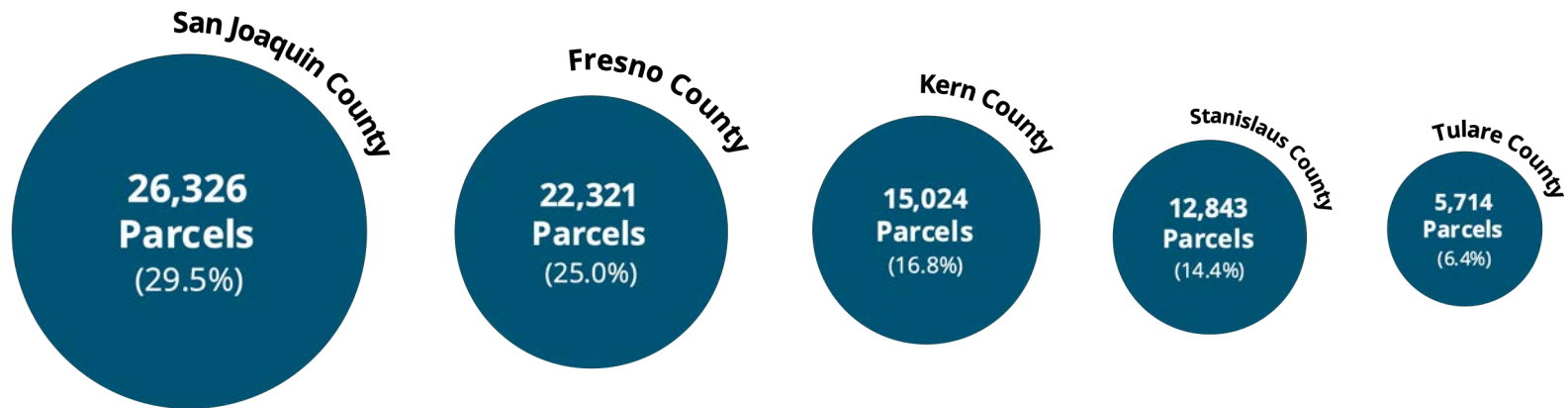
Benefits of homeownership

Increasing demand

Insufficient supply

3.

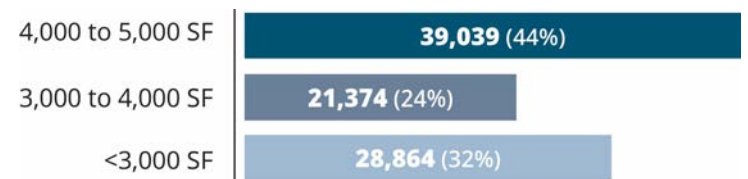
Where has small-lot single-family development occurred in the San Joaquin Valley?



Concentration of Small-lot Development Planning by City:

- | | |
|--------------------------------|-----------------------------|
| 1. Fresno - 15,488 parcels | 6. Tracy - 4,696 parcels |
| 2. Stockton - 12,354 parcels | 7. Visalia - 3,004 parcels |
| 3. Bakersfield - 7,751 parcels | 8. Lodi - 2,883 parcels |
| 4. Modesto - 7,583 parcels | 9. Merced - 2,862 parcels |
| 5. Clovis - 5,257 parcels | 10. Turlock - 2,284 parcels |

Figure 2.7 Number of Small-lot Parcels by Size



3. Market Conditions and Financial Feasibility Analysis

- **Market Conditions Overview:**

- Population growth and development costs contribute to rising home prices.
- The Valley has a market preference for single-family detached housing.
- Population and household growth is anticipated to be strong in the coming decades.



Potential Market Demand for Small-lot Units

- **Key Findings:**

- Valley-wide demand: 282,000 units between 2024-2044.
- Single-family detached housing demand: 205,600 units between 2024-2044.
- Small-lot single-family housing demand: 56,225 units between 2024-2044.
- Potential small-lot housing development is estimated to meet 16 percent of the Valley-wide RHNA allocation for moderate and above-moderate income units.

Projected Market Demand for Small-lot Units

Figure 3.1 Projected 20-Year Demand for Small-lot Units by County

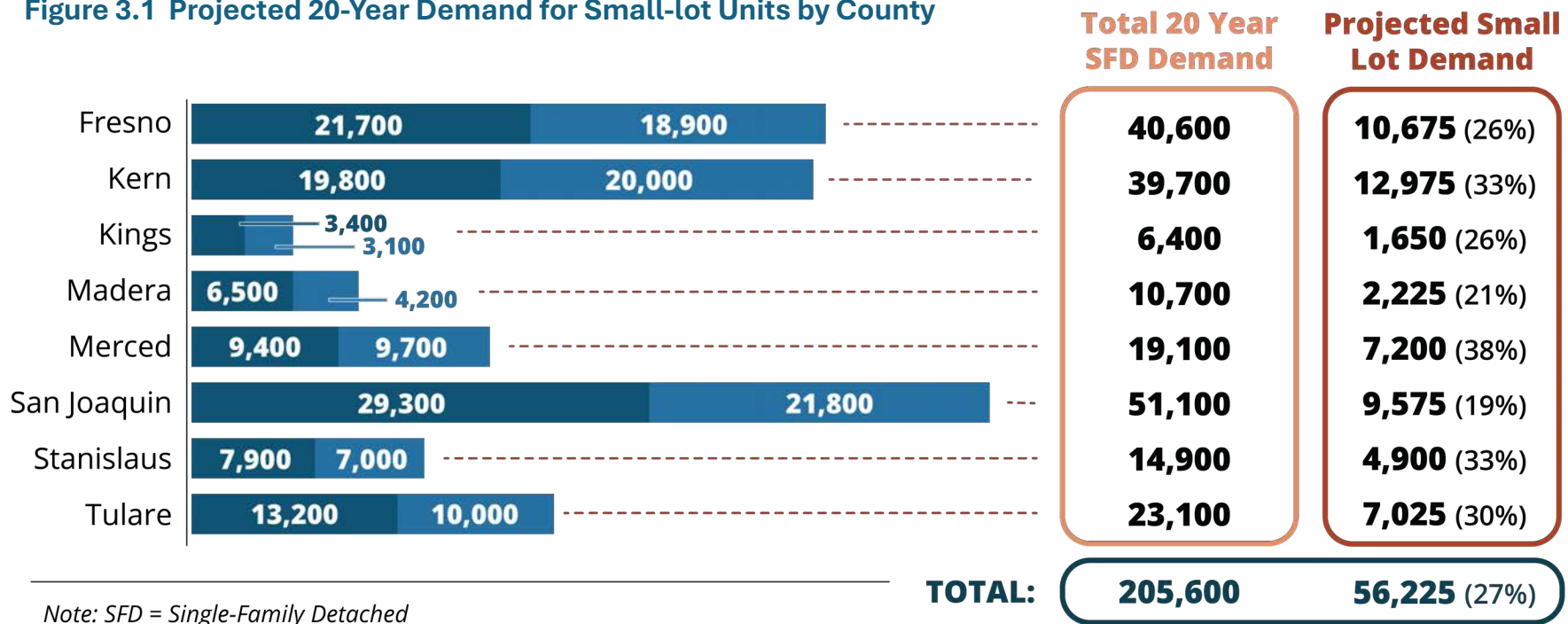


Chart Legend: 2024-2034 2034-2044

Small-lot Feasibility and Case Studies

Case Study #3: Elev8ions



City:
Madera, CA



Builder:
Woodside Homes



Stories:
2



Garage:
1 to 2 cars



**Lots at Project
Buildout:**
143

Elev8ions is a master-planned development located in Madera's Riverstone community. All the small-lot single-family homes in this development are two stories. Homeowners association fees are \$235 per month. There has been a total of 92 sales in the community between 2023 and 2024.

Project	Home Size		Lot Sizes	Prices		Sale Date
	Smallest	Largest		Lowest	Highest	
Elev8ions-Madera	1,227	1,652	-	\$350,000	\$423,232	-
Home example #1	1,412	-	2,000	\$370,000	-	May 2024
Home example #2	1,227	-	2,000	\$350,880	-	May 2024
Home example #3	1,652	-	2,000	\$406,780	-	December 2023

Source: The Motelson Dale Group, Inc.

- **Case Studies:**

- Six developments and 16 different homes in different regions of the Valley,
- Lot sizes range from 1,981 to 2,940 square feet.

- **Key Findings:**

- Small-lot single-family homes have appreciated at a similar rate to other housing types.
- Total cost for small-lot development is considerably less than traditionally sized lots.
- Small-lot development offers a comparable rate of return for builders compared to traditionally sized lots.

4. Advantages, Issues, and Opportunities

- **Advantages:** Assessment of the benefits associated with small-lot single-family development.
- **Issues:** Assessment of the challenges limiting residential development in the Valley.
- **Opportunities:** Assessment of both solutions to achieve and outcomes from small-lot development.

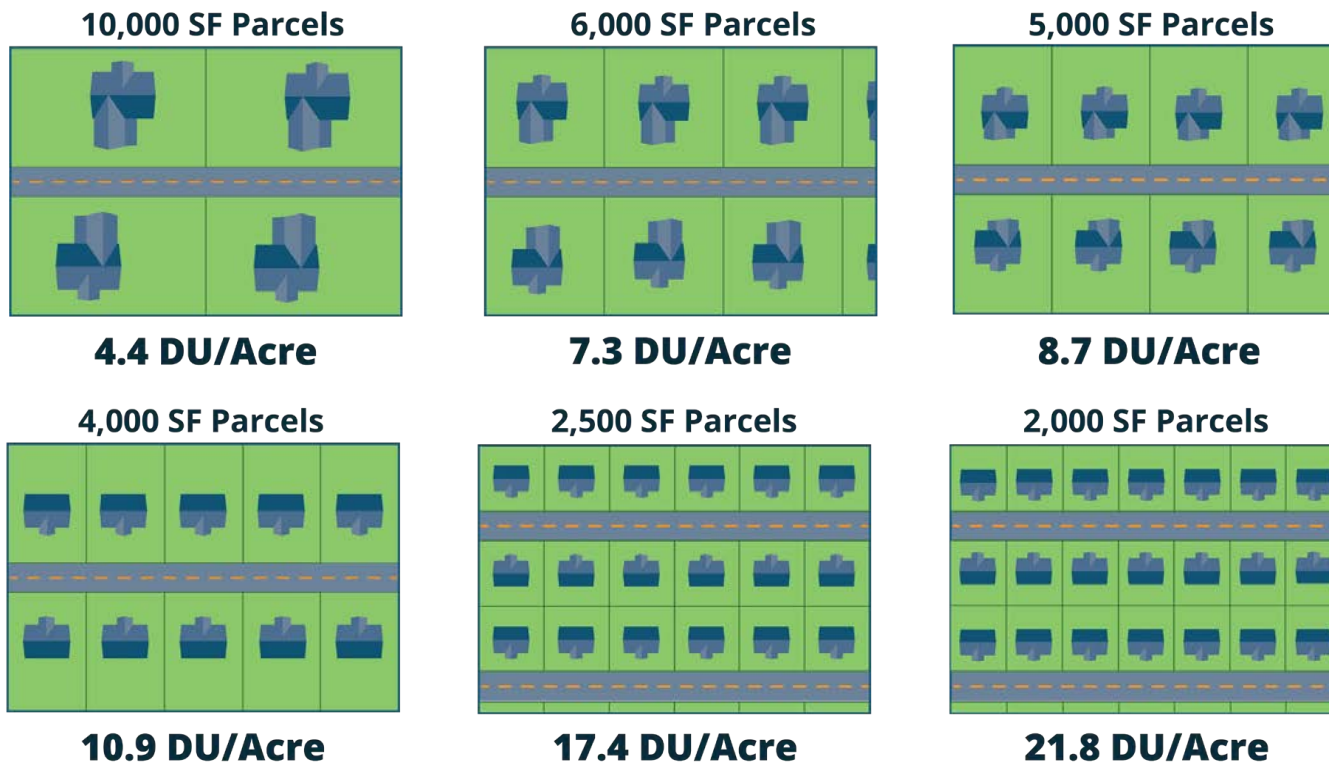
Analysis informed by stakeholder interviews



*Image credit:
Opticos Design,
Missing Middle Housing,
<https://missingmiddlehousing.com>*

Advantages | #1 Efficient Use of Land

Figure 4.1 Achievable Density by Single-Family Lot Size



4.

What are the constraints preventing developers from building small-lot single-family homes?

Land costs

Discretionary review

Subjective design guidelines

Perceived development risk

**NIMBY
opposition**

Traditional lot size and setback requirements

Parking and open space requirements

Opportunities

Small-lot development provides an opportunity to:

- Increase capacity and affordability in desirable low-density single-family zones and on in-fill parcels

Local jurisdictions have an opportunity to:

- Provide flexible or reduced development standards
 - Engage local and regional developers in the process!
- Prioritize infrastructure improvements that reduce off-site improvement costs
- Embrace SB 9 lot splits and pre-approved ADUs
 - Similar benefits: increased capacity, streamlined processing
- Identify publicly-owned surplus sites with potential for residential development

5. Implementing Small-lot Housing Development in the San Joaquin Valley

- **Steps for implementation:**
 1. Evaluate zoning code provisions.
 2. Identify opportunity areas and zones.
 3. Update land use policy and controls.
 4. Incentivize development.



5. Implementing Small-lot Housing Development in the San Joaquin Valley

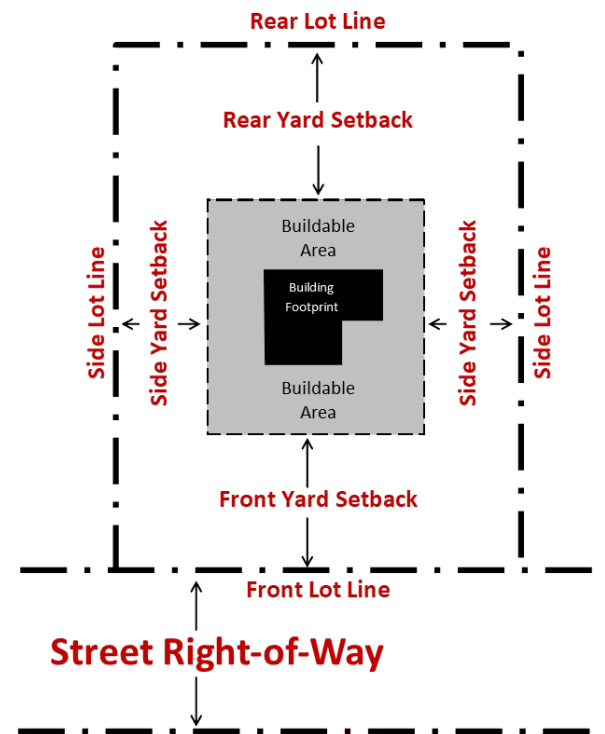
- **Example Development Standards**
 - Minimum lot size: 2,000 sf
 - Minimum lot width: 20 ft
 - Front setback: 10 ft
 - Rear setback: 10 ft
 - Side setbacks: four feet on one side
 - Parking Requirements: one space per unit with allowances for tandem parking
- **Sample Small-lot Subdivision Ordinance**



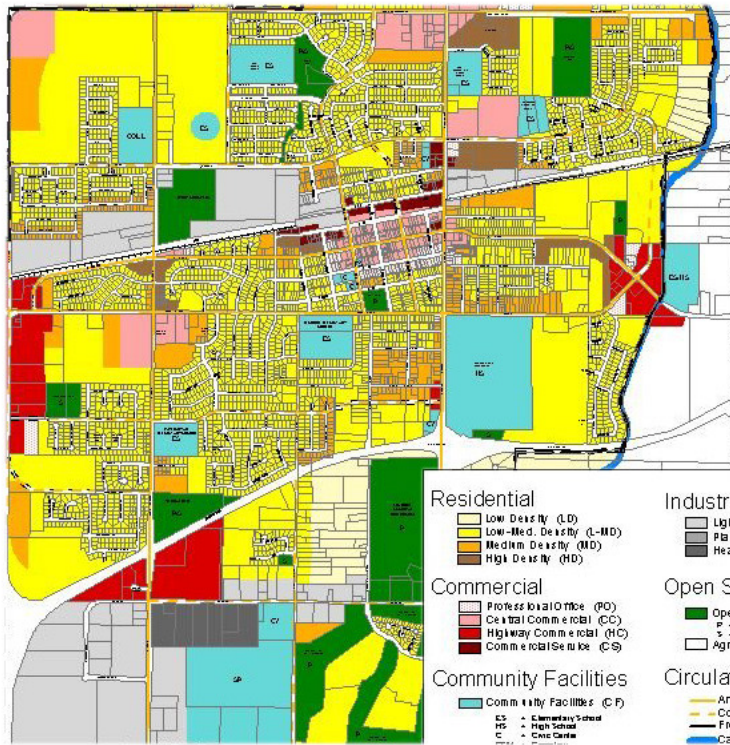
Step 1: Evaluate Zoning Code Provisions

- **Analyze:**

1. Lot size requirements.
2. Setback and yard standards
3. Parking ratios and design standards
4. Building height
5. Lot coverage



Step 1: Evaluate Zoning Code Provisions



Best Practices:

1. Zoning regulations audit
2. Subdivision regulations audit
3. Conduct locally specific community outreach
4. Review successful projects and ordinances

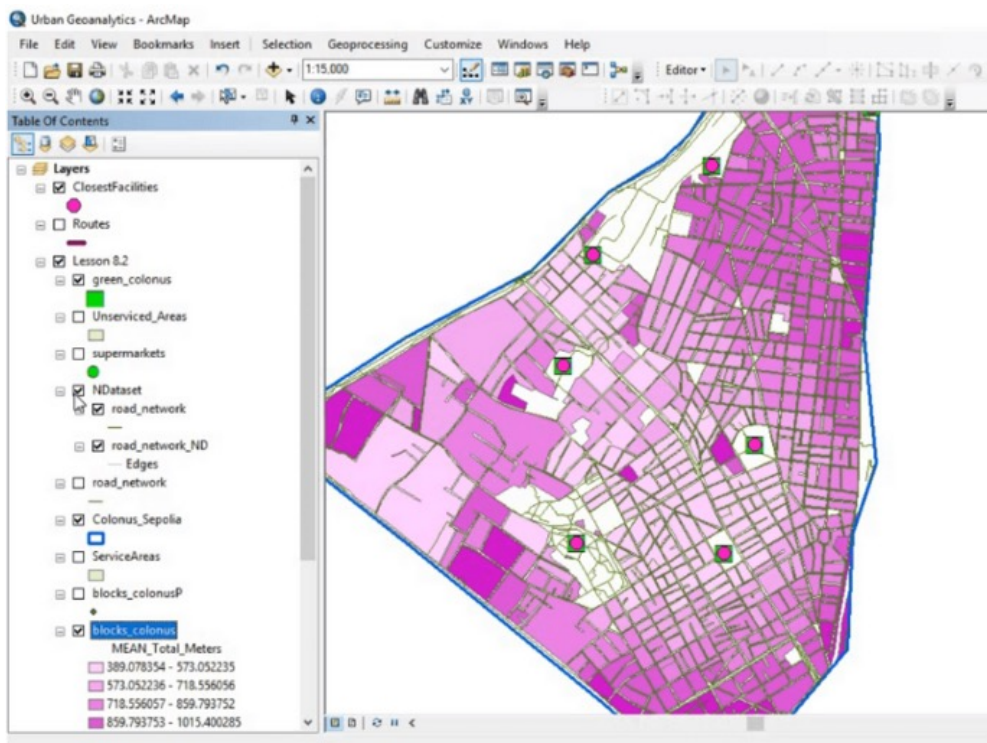
Step 2: Identify Opportunity Areas and Zones

Identify areas:

1. Proximity to transit services
2. Underused parcels
3. Existing low-density residential areas
4. Infrastructure capacity



Step 2: Identify Opportunity Areas and Zones



Best Practices:

1. GIS mapping and analysis
2. Work with local developers

Step 3: Update Land Use Policy and Controls

Update:

1. General plan
2. Specific plans
3. Development regulations
4. Policy makers



Step 3: Update Land Use Policy and Controls



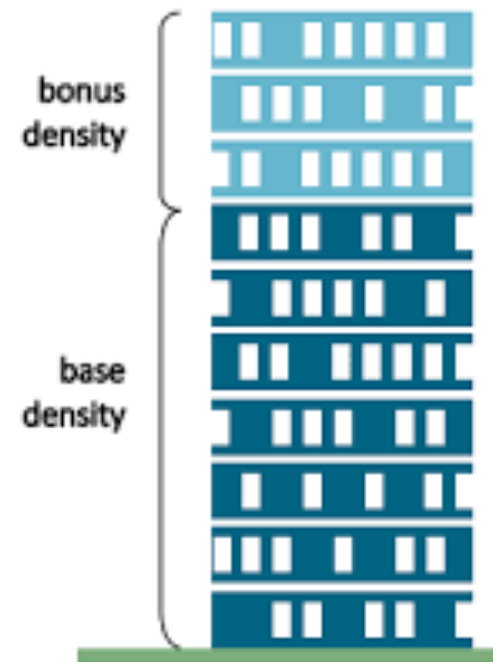
Best Practices:

- 1. Policy alignment:** Ensure land use policies align with regional housing needs and State mandates.
- 2. Stakeholder collaboration:** Work with stakeholders to develop policies that are feasible and beneficial.
- 3. Flexibility and innovation:** Incorporate innovative and flexible standards.

Step 4: Incentivize Development

Update:

1. Financial incentives
2. Density bonuses
3. Expedited review and permitting
4. Fee reductions and waivers



Step 4: Incentivize Development



Best Practices:

1. Balanced incentives
2. Targeted application
3. Monitoring and adjustment

Sample Small-Lot Ordinance

- Purpose and intent
- Applicability
- Application and project review procedures
- Development standards
- Access and maintenance
- Severability

A. Purpose and Intent

The purpose of this [Chapter/Section/Ordinance] is to encourage the development of small-lot single-family lots to increase affordable housing, diversify housing options, and efficiently use land within the [County/City/Title]. This [Chapter/Section/Ordinance] is intended to reduce barriers to homeownership, promote more inclusive neighborhoods, and support sustainable urban growth by allowing the construction of smaller, more affordable single-family homes on appropriately sized lots.

B. Where Allowed

Small-lot subdivisions are allowed in any zoning district that allows single-family or multi-family [specify applicable zoning districts here] residential development, subject to compliance with the standards established in this [Chapter/Section/Ordinance].

C. Optional/Not Mandatory

The provisions for small-lot subdivisions established in this [Chapter/Section/Ordinance] are an available option, not a mandatory requirement. Lots in the [reference applicable zoning districts here] may also be subdivided in compliance with the conventional subdivision regulations established in [cross-reference adopted subdivision ordinance/regulations here]. Conventional subdivisions, however, are not eligible for relaxed development standards established in this [Chapter/Section/Ordinance].

D. Application and Processing Procedures

- 1. Parcel or Subdivision Map Required.** Small-lot subdivisions require the approval of a tentative and final parcel or subdivision map in compliance with the California Subdivision Map Act and [cross-reference adopted subdivision ordinance/regulations here]. Proposed small-lot subdivisions shall be identified as such on the tentative map.
- 2. Pre-application Meeting.** Applicants are encouraged to schedule a pre-application meeting with the [Department/Division] to discuss the project, review requirements, and identify any potential issues before submitting a formal application.
- 3. Application and Submittal.** Applicants shall submit a complete application, along with all applicable materials, to the [Department/Division] in compliance with [cross-reference adopted subdivision submittal requirements here].
- 4. Public Notice and Hearing.** The [County/City] shall hold a public hearing for a small-lot subdivision in compliance with the [cross-reference subdivision ordinance/regulations here] and [cross-reference public hearing procedures]. In the event a public hearing is required, notice of the hearing shall be provided in compliance with [cross-reference public noticing procedures].
- 5. Decision of the appeal.** The decision of the applicable review authority shall be final unless otherwise appealed in compliance with [cross-reference appeal procedures here].

[cross-reference adopted design standards **if applicable**].

ance for all facilities used in common shall be on.

parcels subject to a reciprocal access and/or n that may be incorporated or unincorporated.

ect to a reciprocal access and/or maintenance requiring an association.

of and executed by all property owners, to landscaping, water treatment facilities, trash, s, meters, etc. Each owner and future property ment and shall be subject to a proportionate ce agreement shall be recorded as a Covenant omit a copy of this Agreement, once recorded, s.

to any person or circumstance is held invalid, application of such part or provision to other full force and effect. To this end, the provisions

5.

How can Jurisdictions encourage small-lot single-family development in the San Joaquin Valley?

Identify Opportunity Areas

Audit zoning code

Reduce minimum lot size, setback, and open space requirements

Simplify approval processes

Adopt incentives

Inform policy makers

Expedite review and permitting

Questions?

Small-lot Housing Study available at:

<https://sjvcogs.org/reap/>

Thank you for joining us!