

C2 - R-2 zoned parcels, potential increase

Study area defined. The study area is comprised of the University Park #2 through 4 subdivisions, and the “Old North” and “Old East” neighborhood areas (Attachment 1). The University Park #2-4 subdivisions are approximately bounded by Antioch Drive on the north, Miller Drive on the east, West Eighth Street on the south, and Oak Avenue on the west. “Old North” is generally bounded by Seventh Street on the North, G Street on the east, Fifth Street on the south, and B Street on the west. “Old East” is generally bounded by Yale Drive on the North, L Street on the east, Second Street on the south, and H Street on the west.

Rationale for choosing the study area. The purpose in looking at the R-2 districts is to determine if additional potential exists for additional residential units. All R-2 zoned properties are permitted to have up to two dwelling units. In order to make a determination of potential, an R-2 zoned lot must either be vacant or contain only one dwelling unit. Staff looked at all of the current R-2 zoned districts for either vacancy or the potential to build another primary dwelling unit. Of all the R-2 districts, the three chosen had the highest rates of R-2 zoned properties currently utilizing a single family residential use. Therefore these areas have the greatest potential for additional development under the existing zoning and General Plan Land Use designation. Other areas reviewed were nearly all in duplex use (that is, fully utilizing their potential under R-2 zoning for two dwelling units per lot). No other factors were considered in selecting the study areas.

Projection. It is important to understand that this study only considers second primary dwelling units and not second accessory dwelling units. Because all additions in R-2 zones require discretionary review, any second accessory dwelling units have been projected in the previous worksheet D-1.

Under existing zoning and General Plan land use designation there are 296 residential lots within the study area. Of these lots there are 225 lots that are able to add a second primary unit. Please note that the apartment sites in the “Old East” neighborhood have been removed from the lots for the purposes of the calculating a projection. Based on this statistic, it follows that a total of 225 units could potentially be built within existing underutilized R-2 zoned neighborhoods. However, when the financial feasibility, developer and owner interest, and historical trends are taken into consideration, staff finds that an estimate of 10 units through 2013 is a reasonable projection.

Basis.

Financial feasibility: Second primary dwelling units are a way for owners to gain a second independent unit on their property, usually costing about \$200,000 to in excess of \$250,000 per unit. Although constructing a second primary dwelling unit is often more affordable than purchasing a second house, it is still a large investment for most households. Commercial loans provided by a private lender may be with a higher interest rate than households can afford, but perhaps these costs can be outweighed by the income that can be generated with a second primary dwelling unit.

Developer/owner interest: Financial feasibility and opportunity indicate that property owners have been able to afford a second primary dwelling units, but less so than second accessory dwelling units. Property owners may determine that preserving open space or adding floor area to the existing primary dwelling unit would be preferable than creating second primary dwelling units. Second primary dwelling units typically occupy existing open space or floor area of the existing primary dwelling unit.

Historical trends: Staff established a time period of January 2000 to June of 2007, to gather historical data for the study areas. As noted above, staff did not include in the historical record the second accessory dwelling units constructed in

these areas during the time period specified. Staff found that for the three study areas, only 10 additional second primary dwelling units were constructed during this time frame. We note that the Housing Element update covers a time period of 7.5 years (January 2006 to June 2013). The historical data collected was for the 7.5 year period from January 2000 to June 2007.

Staff assumptions.

No additional incentives or changes in zoning to facilitate greater interest in building second accessory dwelling units or second primary dwelling units, then there is no greater likelihood of more units being constructed than what has been constructed historically.

Committee member notes/comments.

Attachment 1

