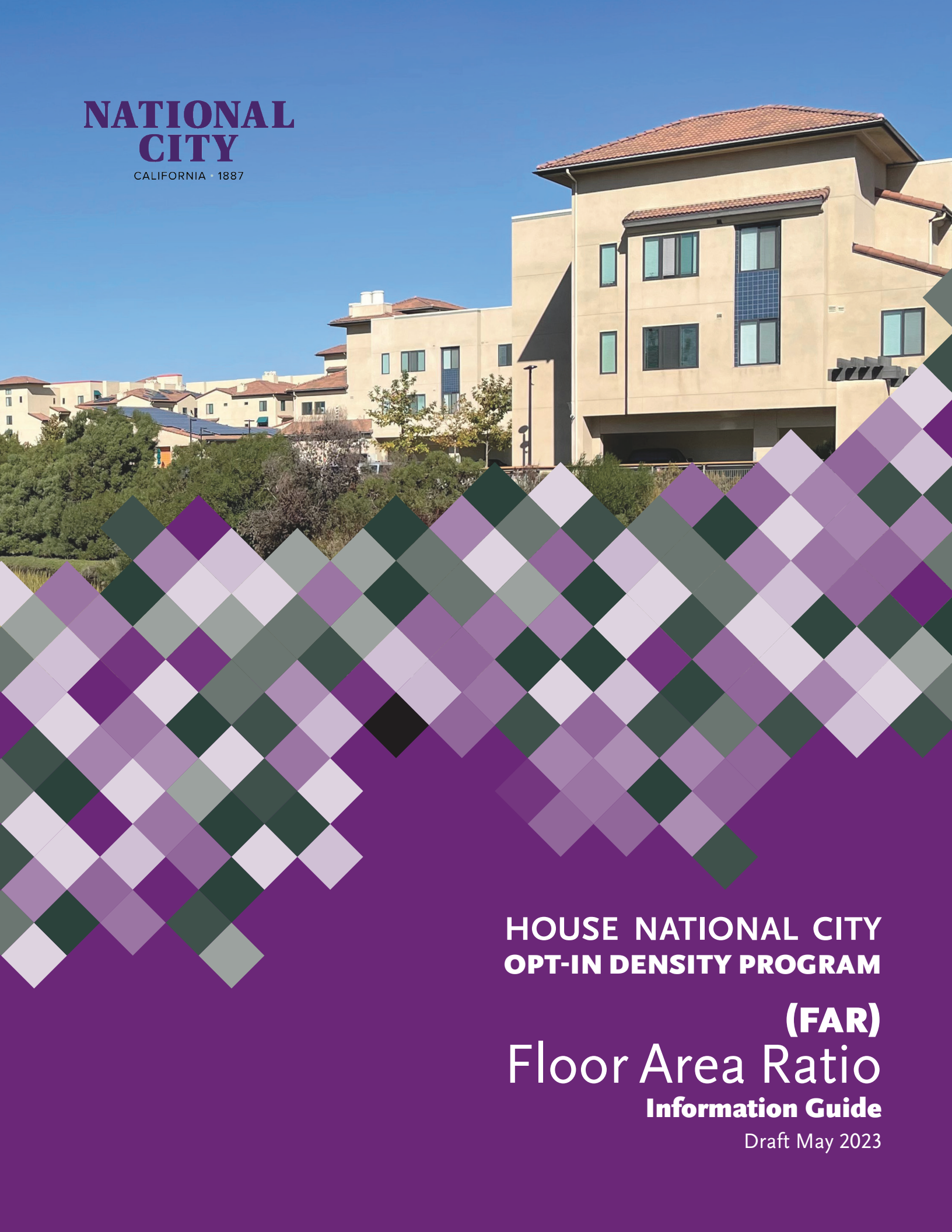


NATIONAL CITY

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**HOUSE NATIONAL CITY
OPT-IN DENSITY PROGRAM**

(FAR)
Floor Area Ratio
Information Guide

Draft May 2023

Contents

- What is House National City? 1
- What is Floor Area Ratio? 1
- Comparison of FAR Opt-In Program to Existing Dwelling Unit
per Acre Code Requirements 2
- Development Calculation Examples 2
 - 2.5 FAR 2
 - 4.0 FAR..... 3
- House National City Proposed Tiers Map..... 4
- For-Sale Housing..... 5



What is House National City?

House National City is a new program to incentivize affordable and mixed-income housing in strategic areas across the city. In exchange for affordable housing, qualifying projects receive a Floor Area Ratio (FAR) bonus.

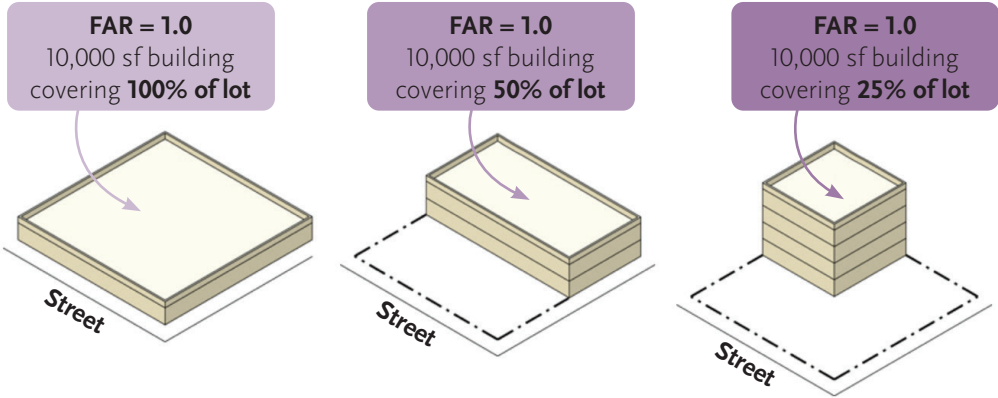
What is Floor Area Ratio?

Cities regulate future development in a variety of ways, including density and intensity. Density is calculated by dividing the total number of units by a project's acreage resulting in dwelling units per acre (du/ac). Another method of regulating density is FAR.

The floor area ratio (FAR) is the measurement of a building's floor area in relation to the size of the lot or parcel that the building is located on. FAR is expressed as a decimal number and is derived by dividing the total area of the building by the total area of the parcel.

$$\text{FAR} = \frac{\text{Building Area}}{\text{Lot Area}}$$

FAR helps regulate building bulk and mass. A higher FAR indicates greater building volume. FAR can be used with other development standards, such as building heights, lot coverage, and lot area to reflect the community's desired arrangement and form of development. FAR creates development flexibility for much needed housing units.



How will FAR be used for the House National City Program?

Projects that qualify under House National City will use this FAR calculation method for regulating development intensity instead of a dwelling unit per acre basis, which limits the number of new houses that can be built and creates a challenge to providing affordable housing. Allowable heights will be dictated by the maximum limits in National City's adopted zoning code.

Comparison of FAR Opt-In Program to Existing Dwelling Unit per Acre Code Requirements

The FAR calculation is based on two tiers that include three different levels of FAR intensity. Based on the location in National City, Tiers 1 and 2 include FARs of 2.5 and 4.0.

Development Calculation Examples

The following examples show how the new development calculation will work.

2.5 FAR

Tier 1 (2.5 FAR) will be focused on lots within the Westside Specific Plan where existing densities allow 24 dwelling units per acre and 45 dwelling units per acre based on the zone. The maximum FAR under the zoning code is 0.6 FAR.

For this tier, it will include the following zones:

- ★ MCR-1¹ zone which has a maximum height limit of 5 stories and 65 feet.
- ★ MCR-2¹ zone which has a maximum height limit of 5 stories and 65 feet.
- ★ RM-1² zone which has a maximum height limit of 4 stories and 45 feet.
- ★ Proposed Mixed-Use Transition (MXT) which would have a maximum height limit of 4 stories and 45 feet.
- ★ Proposed mixed-use overlay zone of 24 du/ac which would have a maximum height limit of 5 stories and 65 feet.

Development comparison for a 10,000 square foot lot or 0.23 acres

Under existing zoning on a 10,000 SF lot the following would be allowed:

Lot Area	Allowed Density	Maximum Number of Units
10,000 sf	24 du/ac	6 units
10,000 sf	45 du/ac	10 units

Under the proposed 2.5 FAR program:

- ★ On a 10,000 square foot lot, the maximum size of the building cannot exceed 25,000 square feet.³
- ★ If the average unit size is 800 square feet, the typical project could average 20 units.⁴

¹ The MCR-1 and MCR-2 zones provide an area within the Westside Specific Plan area for either commercial or multi-family residential development or a commercial and multi-family development constructed on a single parcel or as components of a single development on an assemblage of parcels.

² The RM-1 zone provides for low-rise, medium density multiple family residential areas and is a transitional zone between higher density residential uses and lesser intensity single-family areas.

³ This is derived by multiplying the lot size of 10,000 sf by 2.5 FAR which equals 25,000 sf and typically is built within a building that is 2 to 5 stories in height.

⁴ The project's area is reduced by 35% for non-habitable areas such as hallways, open space, etc, (maximum 16,250 sf).

AT A GLANCE



10,000 sf
lot size



2.5
FAR



25,000 sf
building size



2-5
stories

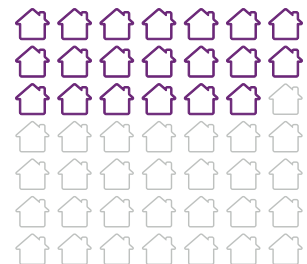


800 sf
unit size



35%
non-habitable areas

20
units



AT A GLANCE



10,000 sf
 lot size


4.0
 FAR

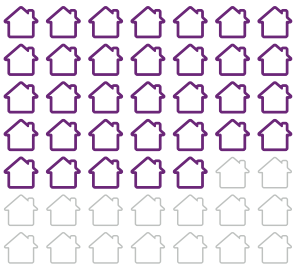

40,000 sf
 building size


3-5
 stories


800 sf
 unit size


35%
 non-habitable areas

33
units



4.0 FAR

This includes Tier 1 (4.0 FAR) and Tier 2 (4.0 FAR). Tier 1 (4.0 FAR) will be focused in the areas around 18th Street, Highland Avenue, Plaza Boulevard, 24th Street, Sweetwater Road, Plaza Bonita, and the Hospital Area, where existing densities allow up to 48 du/ac. Tier 2 (4.0 FAR) is focused in the areas around 8th Street, Highland Avenue, and Mile of Cars Way, where existing densities allow up to 48 du/ac and 75 du/ac based on the zone. The maximum FAR under the zoning code range from 1.0 FAR for single-use and 3.5 FAR for mixed-use.

For these tiers, the following zones will be included:

- ★ MXC-1⁵ zone which has a maximum height limit of 5 stories and 65 feet.
- ★ MXD-1⁶ zone which has a maximum height limit of 5 stories and 65 feet.
- ★ RM-2⁷ zone which has a maximum height limit of 6 stories and 65 feet.
- ★ RM-3⁸ zone which has a maximum height limit of 9 stories and 95 feet.
- ★ MXC-2⁹ and MXD-2¹⁰ zones which have a maximum height limit of 5 stories and 65 feet.

Development comparison for a 10,000 square foot lot or 0.23 acres

Under existing zoning on a 10,000 SF lot, the following would be allowed:

Lot Area	Allowed Density	Maximum Number of Units
10,000 sf	48 du/ac	11 units

Under the proposed 4.0 FAR program:

- ★ On a 10,000 square foot lot, the maximum size of the building cannot exceed 40,000 square feet.¹¹
- ★ If the average unit size is 800 square feet, the typical project could average 33 units.¹²

⁵ The MXC-1 zone supports the creation of mixed-use corridors at a scale compatible with adjacent single-family residential neighborhoods and creates a pedestrian-oriented development that enhances the quality of life within the corridor and for adjacent residential neighborhoods.

⁶ The MXD-1 zone supports the creation of mixed-use districts at a scale compatible with adjacent single-family residential neighborhoods. A mixture of land uses within the zone will support a neighborhood feel and increase the ability for workers and residents to walk to destinations.

⁷ The RM-2 zone provides for low- to mid-rise, high density (24 to 48 dwelling units per acre) multiple family residential.

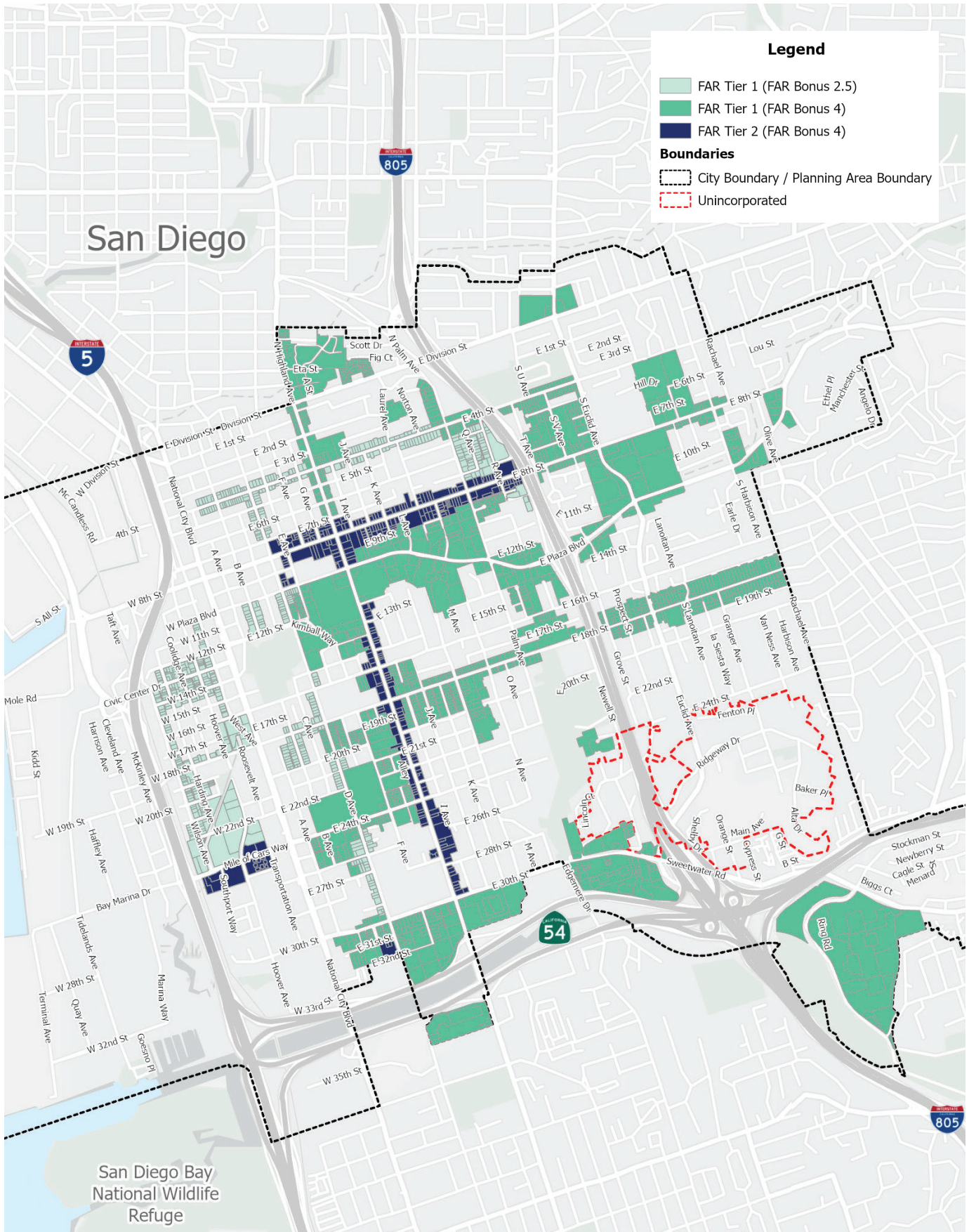
⁸ The purpose of the RM-3 zone is to provide for mid- to high-rise, very high density (49 to 75 dwelling units per acre) multiple family residential.

⁹ The MXC-2 zone supports the creation of mixed-use corridors that function as important activity centers within the community. Development in the zone is intended to create vibrant places at an urban scale.

¹⁰ The MXD-2 zone supports the creation of mixed-use districts that serve as primary activity centers within the city. These activity centers will function as twenty-four-hour neighborhoods for residents, workers, and visitors.

¹¹ This is derived by multiplying the lot size of 10,000 by 4.0 FAR which equals 40,000 and typically is built within a building that is 3 to 5 stories in height.

¹² The project's area is reduced by 35% for non-habitable areas such as hallways, open space, etc, (maximum 26,000 sf).



House National City Proposed Tiers Map

For-Sale Housing

During the December 8, 2021 Community Workshop, community members inquired about including incentives to promote for-sale housing as part of the House National City program. Typically, the decision whether to develop rental or for-sale housing is not included in this type of regulatory framework and other tools may be provided through the City’s Housing Authority to promote new for-sale housing development.

In order to respond to the community, as part of the House National City regulations, the State of California’s affordable housing density bonus incentives for for-sale housing have been included to provide information and a framework for potential for-sale housing developers.

The following is stipulated in State Government Code but is included in the House National City regulations listed below.

Affordable for sale units must be sold to the initial buyer at an affordable housing cost. Housing-related costs include mortgage loan payments, mortgage insurance payments, property taxes and assessments, homeowner association fees, reasonable utility allowance, insurance premiums, maintenance costs, and space rent.

Very low-income units	Housing costs may not exceed 30% to 50% of the area median income for a household size suitable for the unit
Lower-income units	Housing costs may not exceed 30% to 80% of the area median income for a household size suitable for the unit

Buyers must enter into an equity sharing agreement with the city or county unless the equity sharing requirements conflict with the requirements of another public funding source or law. The equity sharing agreement does not restrict the resale price but requires the original owner to pay the city or county a portion of any appreciation received on resale.

The city/county percentage of appreciation is the purchase price discount received by the original buyer, plus any down payment assistance provided by the city/county. (For example, if the original sales price is \$300,000, and the original fair market value is \$400,000, and there is no city/county down payment assistance, the city/county subsidy is \$100,000, and the city/county’s share of appreciation is 25%).

