



Senator Scott Wiener, 11th Senate District

Senate Bill 294 – Minimum Floor Area Ratio Requirements

SUMMARY

Senate Bill 294 amends SB 478 (Wiener, 2021), ensuring that multi-unit housing can be built in the areas zoned to do so. This bill does not change zoned density, but simply restricts an often-abused tool that some cities use to prevent construction of multi-unit buildings: floor area ratio (FAR). Floor area ratio, the ratio of a building's floor area to that of the entire parcel, is often manipulated and lowered by localities to undermine the capacity to build multi-unit housing. SB 478 sought to address this abuse by setting a minimum FAR of 1.0 for 3-7 unit projects, and a FAR of 1.25 for 8-10 units. While successful in accomplishing the goals for projects of 3-10 units, other jurisdictions have continued using FAR beyond 10 units as a restrictive measure. SB 294 will address this, removing the 10 unit cap of SB 478 and applying an increasing FAR standard determined by the quantity of units in a given project.

BACKGROUND

Existing housing element law requires local governments to plan and zone for housing through the Regional Housing Needs Allocation (RHNA) process. However, state law also allows them to set certain regulations that functionally prohibit the production of this much-needed housing. One of the common regulations utilized to stymie production is floor area ratio. The floor area ratio of a property is the total area of the floor space in a building, potentially over several floors or units, divided by the area of the entire lot. FAR restrictions control how large a building can be, based on how large the parcel of land is. For example, if a 2,000 square foot lot has a floor area ratio of 1.0, this means that a developer can build a one-story building over the entire lot, a two story building over half the lot and so on. An exceptionally low FAR can make it impossible to build multi-unit housing even if the land is zoned appropriately, and the RHNA process has determined a need for that type of housing in that locality.

FAR is just one restrictive component of zoning that can decrease the maximum allowable units built. In practice, a minimum FAR of 1.0 would not result in a one-story building covering an entire lot as other building

standards such as setbacks, parking minimums, and open space requirements must be taken into consideration. Because these added requirements further decrease the amount of buildable area, in reality, a property with an FAR of less than 1.0 will not cover the entire lot for a one-story building.

PROBLEM

California has descended into a suffocating housing crisis, which has led to mass migration out of the state, skyrocketing eviction rates, record levels of chronic homelessness, and a growing class of lower-income super commuters unable to afford or access housing within several hours of their jobs. Many local governments in California are motivated independently to increase density in neighborhoods, and others are required by state law to do so. However, due to the lack of adequate statewide standards and burdensome, outdated regulations, some California cities are able to avoid accountability and find loopholes to prevent denser housing from becoming a reality.

Recent changes to RHNA, which now require regional housing goals to account for unmet existing housing need, rather than projected need, have significantly increased the number of housing units that most local jurisdictions are required to produce.

However, without removing barriers to proper density, many of these targets will not be met, further exacerbating the crisis. Excessively small FARs were one tool in the belt of local jurisdictions looking to skirt the responsibility of building more housing. Although SB 478 handled this issue for 3 through 10 unit projects, the practice of utilizing restrictive FARs is still occurring for projects over 10 units.

SOLUTION

SB 294 ensures that areas already zoned to allow multi-unit housing are able to accommodate this type of housing, doing away with abusive requirements that make it effectively impossible to build anything other than large single-family homes. This legislation removes the 10 unit cap present in SB 478, and mandates a

minimum FAR of 2.5 for projects between 11 to 20 units, and an increasing tiered FAR for projects above that, determined by the quantity of units.

This bill does not require cities to undertake any rezoning, or change the current zoning on existing parcels. SB 294 also does not change other objective standards such as height, setbacks, or parking requirements.

SB 294 will be another step in the right direction towards ending exclusionary practices in California, and will be an effective tool to combat our housing shortage – reducing barriers to developing moderate-income housing, especially in urban areas. The bill will also provide cities the ability to better meet their housing goals legally required of them by the RHNA process. In doing so, SB 294 will help California build the denser, more affordable, missing middle housing it so desperately needs.

SUPPORT

- **Bay Area Council (sponsor)**
- **California YIMBY (sponsor)**

FOR MORE INFORMATION

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