



2025 Blueprint Implementation Discussion: Housing Types

Receive and File

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Attachments: Yes

Referring Committee: Land Use & Natural Resources

Issue:

The purpose of this item is to continue to explore the factors influencing demand for various housing products within the SACOG region. This work is in response to board input to take a deeper look at housing product type preferences and how policies in the 2025 Blueprint can help implement the board adopted land use assumptions.

Request:

Receive & File

Recommendation for Board:

None; this is for information only. Staff received board feedback and discussion on a presentation from Cascadia Partners at the Land Use & Natural Resources (LUNR) Committee meeting.

Recommendation for Committee:

None; this is for information only.

Background:

Under state law SB375, SACOG is required to adopt a Sustainable Communities Strategy (SCS) as part of its long-range plan that, if implemented, aligns transportation, housing, and land use decisions toward achieving GHG emissions reduction targets set by the California Air Resources Board (CARB). As part of this effort, which we are calling the 2025 Blueprint, the plan must include a set of assumptions around the amount, location, and type of growth the region is planning for through 2050. In June, the SACOG Board adopted a set of land use assumptions for the 2025 Blueprint, described in more detail below. Now that the land use assumptions are adopted, the Board will begin to identify the policies, programs, and investments necessary to achieve the vision laid out in these assumptions. The adopted land use assumptions are ambitious and reflect a change from how the region has grown in the past.

Amount

In 2022, the board adopted an ambitious regional growth projection of nearly 600,000 people, 263,000 jobs, and 278,000 homes between 2020 and 2050. This growth projection assumes the region remains one of the fastest growing places in California in the coming decades. In fact, to achieve the growth

assumptions of the 2025 Blueprint, the region would need to produce roughly 9,000 homes annually and close to 10,000 a year between 2020 and 2035, which exceeds the region’s annual housing growth for much of the last 10 years. However, there are signs of optimism with both 2022 and 2023 completed housing permit totals exceeding this average.

Location

The land use assumptions direct growth towards existing communities, with 67 percent of new homes occurring in the combined areas of centers and corridors and established communities. While this is the exact share of growth that we have seen in these areas over the last 5-10 years, keeping this share as the region continues to grow and regional housing production scales up will take intentional action, particularly in the region’s centers and corridors where housing growth has been slower to take off.

The Blueprint assumptions also support a distribution of employment growth that calls for robust job growth outside of the traditional job centers of the region. They are ambitious in their share of jobs occurring in developing communities, which have historically seen significantly more housing than job growth.

Type

Finally, creating a more efficient and compact land use pattern comes with a shift in the types of housing we build. Specifically, this means building more attached housing and housing on smaller lots. To achieve the spatial distribution of new housing, the adopted land use assumptions include a housing product type split that continues an existing trend towards more attached and small lot single family housing types, which results in attached homes making up 36 percent of all homes in 2050 (see Table 1 below). To achieve this will mean that in the long term, roughly half of new housing built in the region between 2020 and 2050 is attached. While this is a break from historical trends, it is increasingly in line with the trajectory of very recent permitting trends, longstanding demographic shifts, affordability concerns, and shifts in product type preferences in the region. Further, this proportion of attached housing growth remains lower than the state average and still leaves room for significant growth in single family homes given that we’re planning for robust housing growth overall.

Table 1: Housing Product Type Split

	Rural Residential	Large Lot Single Family	Small Lot Single Family	Attached
Existing (2020)	8%	31%	29%	32%
Discussion Scenario 2050 End State	6%	29%	29%	36%

Discussion/Analysis:

With the land use assumptions now adopted, we will need to identify more specific policies, programs, and investments necessary to achieve these assumptions. While there will be many policies and implementation actions discussed between August and when the plan is adopted next year, this item is focused on the types of housing the region is planning for over the coming decades. It’s a conversation that started at the April 2023 Board meeting in Roseville, at which SACOG staff presented an evaluation of the land use assumptions in the Pathways scenario planning exercise. During this presentation, several board members expressed a desire to better understand underlying market demand for the different housing products and what was reasonable to assume in the 2025 Blueprint. Based on these conversations, SACOG brought on Cascadia Partners to study these trends and provide an analysis of how they are playing out in the SACOG region as well as in comparable mid-size regions across the country. Cascadia Partners presented initial findings from that trend and

comparative analysis at the March 2024, LUNR Committee meeting ([staff report here](#); [video link here](#)). Key takeaways from this presentation were that the SACOG region is lagging behind its peers and the rest of the country in producing attached housing products. That lack of production has had a profound impact on affordability, access to opportunity, and the regional economy at large. Attached housing products are in high demand today, and based on anticipated changes to household size, increasing affordability challenges, and demographic shifts, demand will likely continue to increase into the future. Nationally, builders are responding to these trends with smaller housing products and more attached housing. While the SACOG region is behind its peers, there is clear evidence that this trend towards smaller lot single family and attached housing is already underway in the SACOG region and, in specific submarkets, is starting to relieve pressure on the housing market. There are more attached housing products under construction today than there has been in decades and those products made up 46% of new permits compared to 20-25% in the 10 years after the Great Financial Crisis.

However, with interest rates and other headwinds set to stifle multifamily demand in the coming years, implementing both the land use assumptions and the triple bottom line goals of the Blueprint will require intentional actions to accelerate these trends.

Based on requests from the board to continue to bring the development community into the 2025 Blueprint planning process, SACOG worked with Cascadia to conduct a series of developer focus groups in May to better understand what factors influence attached housing production in the SACOG region and what potential solutions and policies to improve attached housing production could look like. Cascadia presented the findings of this work to the LUNR committee. Staff will use questions and feedback received at the LUNR committee to develop the 2025 Blueprint policies, programs, and investment strategy.

Fiscal Impact/Grant Information:

This analysis and consultant contract is a component of the 2025 Blueprint Plan Update. The Blueprint is funded by a combination of sources including Federal Metropolitan Planning funds, state Sustainable Communities Formula Program Funds, and Transportation Development Act-Local Transportation Funds. The Placer County Transportation Planning Agency and El Dorado County Transportation Commission also provide some funding to SACOG to support development of the Blueprint to assist with the planning activities, data development, and analysis that is necessary to ensure coordination and consistency between the regional plan and the county-level Regional Transportation Plans.

List of Attachments:

- 1) Consultant Housing Product Type Policy Recommendations for More Attached Housing
- 2) Presentation Slides to LUNR