

WEBVTT

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00:00:05.430 --> 00:00:09.620

Jackson Nutt-Beers / SPUR (They/Them): Hey, everybody, welcome! We will be starting momentarily.

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00:00:21.800 --> 00:00:32.000

Jackson Nutt-Beers / SPUR (They/Them): Okay, that was a good time. It's any. Hello, everyone. My name is Jackson up here, and I am one of Spurs public programming associates. Thank you so much for joining us for this digital discourse today.

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00:00:32.000 --> 00:00:48.180

Jackson Nutt-Beers / SPUR (They/Them): Many of you here today are spur members. So thank you so much for your support. If you're not a member, I encourage you to join the sports, for as ongoing work and using education, policy, analysis, and advocacy to make our cities and region more prosperous, sustainable, and equitable places to live. You'll find

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00:00:48.210 --> 00:01:11.630

Jackson Nutt-Beers / SPUR (They/Them): your financial support and enables us to continue our work, including the hosting of programs like today's you'll find more information about membership online@spurred.org slash. Join our next digital discourse is scheduled for tomorrow at 1230 Pm. And it's titled roadways for people. Come here, Lenn Peterson, talk about the lessons she learned while playing an instrumental role in the largest transportation bill in Oregon's history

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00:01:11.630 --> 00:01:24.920

Jackson Nutt-Beers / SPUR (They/Them): and the ways in which a community solutions approach to transportation, engineering and planning addresses, the transportation needs of historically marginalized community members. Today's digital discourse is unlocking the potential of missing metal housing.

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00:01:25.010 --> 00:01:43.970

Jackson Nutt-Beers / SPUR (They/Them): small scale housing, such as a to use and apartment buildings with 10 or fewer units have a largely been prohibited in the United States. Recent changes to laws in California, and other jurisdictions have begun to acknowledge the importance of such housing and addressing the housing crisis. However, even with zoning changes, significant financing, and permitting

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00:01:43.970 --> 00:01:47.690

Jackson Nutt-Beers / SPUR (They/Them): other barriers to construction of missing middle housing from May.

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00:01:48.210 --> 00:02:02.810

Jackson Nutt-Beers / SPUR (They/Them): Today we'll explore a recent report from the Turner Center for housing innovation that looks at the steps California will need to take to reduce these barriers. We are joined by a fantastic panel today up versus David Garcia. David is the policy director at the Turner Center.

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Jackson Nutt-Beers / SPUR (They/Them): He, Lisa Centers policy engagement with local State and Federal stakeholders and legislators. Next up we have Jim Hyde. Jim is an infill developer and strategic real estate adviser. He found that Craft DNA in 2,017 a Real Estate Development Company focused on incremental development and intentional place building

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00:02:20.620 --> 00:02:31.950

Jackson Nutt-Beers / SPUR (They/Them): awesome successor to his consultancy. Urban Green. This new book, building small a handbook for real estate entrepreneurs, civic leaders, and great communities, was published by Uli in 2,021

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00:02:32.940 --> 00:02:44.570

Jackson Nutt-Beers / SPUR (They/Them): next up we have Karen, Broleick, Karen is co-founder and President at optico design and architecture and urban design, firm specializing in sustainable walkable, rollable and equitable communities

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00:02:44.570 --> 00:02:58.970

Jackson Nutt-Beers / SPUR (They/Them): as the chief architects of the missing middle housing movement. Karen and her firm design enable and educate about missing middle housing as both critical elements of walkable communities, and an effective tool to address the needs for housing, choice and a portability.

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00:02:59.400 --> 00:03:08.660

Jackson Nutt-Beers / SPUR (They/Them): Karen also Co-wrote. The book form based codes and is leading, is is a leading innovator and educator in reform in the United States and abroad.

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00:03:08.700 --> 00:03:25.100

Jackson Nutt-Beers / SPUR (They/Them): and today's forum will be moderated by spur. Senior adviser, Sarah Karlinski, a Sarison expert in housing and landy's. Policy. She has led the

publication of numerous spur policy reports on topics ranging from housing, affordability in the Bay area to disaster, resilience to a sort preservation

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00:03:25.100 --> 00:03:39.870

Jackson Nutt-Beers / SPUR (They/Them): prior to joining Spur Sarah developed affordable housing throughout the bay area with mid-min housing, and I also like to play that Sarah did release her premiere policy brief losing ground earlier this week, so check that out@spread.org slash losing ground.

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00:03:39.870 --> 00:03:56.360

Jackson Nutt-Beers / SPUR (They/Them): Lastly, we want this to be an interactive conversation and plan on spending as much time as possible, engaging with you all, so I encourage you to use the chat box to share your thoughts with each other and the speakers, and I encourage you to submit any questions that you may have by using the Q. A. Panel, it should appear as a button at the bottom of your screen.

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00:03:56.760 --> 00:04:08.280

Jackson Nutt-Beers / SPUR (They/Them): or at the top of your screen if you're using a mobile app. But the next few days we'll be sharing a copy of the recording transcript and chat with everyone who registered that, David, I will turn it over to you to get started.

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00:04:10.920 --> 00:04:12.120

David Garcia / Turner Center for Housing Innovation: Thanks, Jackson.

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00:04:12.160 --> 00:04:21.680

David Garcia / Turner Center for Housing Innovation: and thank you to our friends at Spur for having this conversation. I'm gonna go ahead and share my screen. I'll be walking through some slides.

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00:04:27.400 --> 00:04:39.770

David Garcia / Turner Center for Housing Innovation: So before I jump in I just want to say thank you to my fellow panelists, Jim and Karen, who are kind of on the ground doing this stuff in real time. We really

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00:04:39.770 --> 00:04:54.740

David Garcia / Turner Center for Housing Innovation: rely on our partnerships with with folks like Karen and Jim to really understand the topics that we are examining, I feel somewhat under qualified to present this being the only panelists here who hasn't literally written a book on

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00:04:54.740 --> 00:05:07.330

David Garcia / Turner Center for Housing Innovation: small scale and fill development. But I will. I will do my best, but really quickly. We had a report that we released late last year that looked at you know what is the potential of missing middle housing.

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00:05:07.340 --> 00:05:24.400

David Garcia / Turner Center for Housing Innovation: and how can we unlock more of it? I think that the term missing middle is throwing around a lot, and I think usually in a positive sense, a lot of thanks to Karen and Opticos and everything they have done to popularize the term

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00:05:24.400 --> 00:05:30.920

David Garcia / Turner Center for Housing Innovation: and the building typology itself so. But before I jump in, do you want to?

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David Garcia / Turner Center for Housing Innovation: It's gonna walk through a high level. What we mean when we talk about missing middle housing, and these are just some examples of what I consider

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00:05:41.320 --> 00:05:56.700

David Garcia / Turner Center for Housing Innovation: to be missing middle housing. The things that are, are largely what we see in our neighborhoods today, particularly in older communities. Right? So these are post war or pre war construction things like duplexes.

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00:05:56.700 --> 00:06:13.680

David Garcia / Turner Center for Housing Innovation: 4 plexes, small apartment buildings, and things like cottage clusters that you see here in the top right now. These are housing types that were pretty prevalent back in the day, and we refer to them as missing, because in

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00:06:13.680 --> 00:06:33.030

David Garcia / Turner Center for Housing Innovation: pretty much most neighborhoods throughout the country this type of development has been illegal. It is not allowed per base zoning, and in many cases the examples you see here are in communities where you wouldn't be allowed to build the same thing today. So there, there's something called existing nonconforming.

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00:06:34.510 --> 00:06:52.860

David Garcia / Turner Center for Housing Innovation: A good example of this I like to point to is where I live in Alameda, in the East Bay. We have a lot of fairly small lots that have cottage clusters. So basically rows of homes facing each other with a shared courtyard

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David Garcia / Turner Center for Housing Innovation: that can have maybe 4 to 6 homes on a single lot. They fitted really well. They look nice, but based on the city's zoning. Most of that stuff can't be, can't be replicated today. So that's why we refer to it as missing.

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00:07:07.370 --> 00:07:26.510

David Garcia / Turner Center for Housing Innovation: and you know, I want to point out that this. The emergence of missing middle is kind of a nationwide phenomenon. I think a lot of us think about it in the California context, particularly with legislation that has been passed recently like cynical 9, like what the city of San Francisco and Oakland and Berkeley

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00:07:26.510 --> 00:07:31.710

David Garcia / Turner Center for Housing Innovation: have begun to analyze and implement their housing plans.

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David Garcia / Turner Center for Housing Innovation: But there's been a lot of other movement throughout the country, right? So we have had. I think, the most famous examples are what the cities, Portland and the State of Oregon have done, and the city of Minneapolis, when it comes to.

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00:07:44.440 --> 00:07:45.240

David Garcia / Turner Center for Housing Innovation: and then

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00:07:45.660 --> 00:07:49.140

David Garcia / Turner Center for Housing Innovation: freeing up more space to allow for things like

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00:07:49.220 --> 00:07:57.040

David Garcia / Turner Center for Housing Innovation: duplexes and triplexes. But there is also movement in some unlikely places. For example, the state of Montana

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David Garcia / Turner Center for Housing Innovation: as a bill that actually came out of the the Governor. There's housing task force that would allow for more small smaller scale development to take hold. Similar bills have been introduced in States as varied as Arizona, Maryland, Virginia.

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David Garcia / Turner Center for Housing Innovation: New York, New Hampshire. And so this is very clearly

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00:08:18.590 --> 00:08:26.300

David Garcia / Turner Center for Housing Innovation: trending towards doing more zoning reform around missing middle. And this is, I think we'll we'll see more and more of it

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David Garcia / Turner Center for Housing Innovation: as the

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00:08:27.940 --> 00:08:34.419

David Garcia / Turner Center for Housing Innovation: as, as as the time it goes by. so really quickly. Part of the report looked at. What are the benefits

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00:08:34.419 --> 00:08:54.970

David Garcia / Turner Center for Housing Innovation: of missing middle housing, and i'll quickly run through them here. I mean, you can reference them in more detail in the report, but really they make more efficient use of existing land. In most cases at least 3 quarters of land in in cities today are reserved just for single family homes. And so, if we can allow more reasonably sized projects to be built in these places.

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00:08:54.970 --> 00:09:03.530

David Garcia / Turner Center for Housing Innovation: we can help address housing shortages by by virtue of opening up more, more more land for for more housing.

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00:09:03.550 --> 00:09:13.620

David Garcia / Turner Center for Housing Innovation: It can also help us meet our environmental goals. We've observed that missing middle housing is generally done in an infill context in lower Vmt areas. And so there's tremendous

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David Garcia / Turner Center for Housing Innovation: environmental implications for for that.

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David Garcia / Turner Center for Housing Innovation: And then we also observed in in the literature that in many cases

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00:09:21.560 --> 00:09:33.150

David Garcia / Turner Center for Housing Innovation: missing little housing can be built more affordably than a comparable single family homes or larger scale multi-family new construction in in the same areas.

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00:09:33.150 --> 00:09:51.450

David Garcia / Turner Center for Housing Innovation: This is for a number of reasons. The first is that missing little housing can be built without expensive components, like like the tall steel structures, or below great parking or parking podiums, or things like that which can typically drive cost in more dense projects.

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00:09:51.650 --> 00:10:03.940

David Garcia / Turner Center for Housing Innovation: but also they can be built more affordably for the end users simply because they are. They are smaller in size and typical single family homes, and we've observed over the last several decades a trend of homes becoming bigger.

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David Garcia / Turner Center for Housing Innovation: not smaller, which at the end of the day increases the overall purchase price. So by allowing more smaller scale housing to be built, you can create some more, we like to say, more attainable housing, not necessarily deed, or should to affordable housing, but housing that can be offered at less than than comparable. Let's say single family homes in in the same neighborhood.

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00:10:23.790 --> 00:10:36.460

David Garcia / Turner Center for Housing Innovation: So the research question we had for this work was really around. You know. What can policymakers do to catalyze more of this housing typology beyond just changing the base zoning. I think

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00:10:36.720 --> 00:10:45.260

David Garcia / Turner Center for Housing Innovation: we all see the headlines about. You know certain cities quotes, ending single family zoning, which I don't like to characterize it that way. But I think

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David Garcia / Turner Center for Housing Innovation: we gravitate towards those headlines in those policy choices, because there is oftentimes the most politically difficult, and it is the most visible change that a city or state can make is to change that base level zoning. But we wanted to know what else needs to happen on the regulatory front.

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David Garcia / Turner Center for Housing Innovation: to to actually make these base levels running changes result in more missing middle housing construction. And so that was

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David Garcia / Turner Center for Housing Innovation: the question that we pose to ourselves. So we embarked on this research last year, and to answer that question, we convened a series of roundtable conversation with folks who are actually trying to build this up today in places that have both enacted pretty comprehensive zoning reforms and places that have not

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00:11:32.130 --> 00:11:44.760

David Garcia / Turner Center for Housing Innovation: So what barriers are they running into on the ground to try and be to try and build successful projects? And what could be done to to scale this model beyond just what we see today.

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00:11:45.170 --> 00:11:53.510

David Garcia / Turner Center for Housing Innovation: And so I'm going to walk through the findings up really quickly of this, and then we can get into more detail in the conversation.

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David Garcia / Turner Center for Housing Innovation: But it it it maybe it comes to no as a surprise, but we found that changing the zoning just on its own is not really enough to facilitate much meaningful housing when when we're talking about missing middle. So, for example.

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00:12:11.180 --> 00:12:14.320

by just changing basic zoning to say, Well.

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00:12:14.610 --> 00:12:25.620

David Garcia / Turner Center for Housing Innovation: you used to be able to only build one unit. Now you can build 3 or 4 that does not take into account the various other requirements that these have in place that can dictate the size

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00:12:25.620 --> 00:12:42.020

David Garcia / Turner Center for Housing Innovation: and the shape of the housing that can be built on site. And so, while you may be able to build more units. The structure itself may be limited to a really really small units, or rendered infeasible because of things like setback type, requirements and whatnot.

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00:12:43.170 --> 00:12:48.880

David Garcia / Turner Center for Housing Innovation: What we observed, and what we heard in our Round Table is that this is kind of what's happening in Minneapolis.

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00:12:48.880 --> 00:13:12.840

David Garcia / Turner Center for Housing Innovation: where they did make a policy change to allow up to 3 units on new homes there, but they didn't make subsequent changes to zoning or lot coverage that could facilitate buildings that could hold 3 3 units. And so we were told by folks doing development in Minneapolis. If there actually is not that much interest in building triplexes right now, because those rules didn't really change.

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David Garcia / Turner Center for Housing Innovation: Contrast that to what we've seen in Portland, Portland, Oregon.

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David Garcia / Turner Center for Housing Innovation: where they have something called the residential control program. And there's this

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David Garcia / Turner Center for Housing Innovation: illustration you see on the right is is indicative of how they were actually quite thoughtful and thorough in the way that they implemented.

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David Garcia / Turner Center for Housing Innovation: They're missing middle legislation in that you can grow the size of the permitted structure with every unit that that you add. And so there's a series of different ways in which developers can actually try and get the geometry on a parcel to work, to to build these kinds of projects. And so we

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David Garcia / Turner Center for Housing Innovation: observed that that was a some something of a best practice that more cities should should do when they're thinking through these kinds of changes.

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00:13:55.700 --> 00:14:00.500

David Garcia / Turner Center for Housing Innovation: We also heard that, you know, allowing things like duplexes and triplexes

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David Garcia / Turner Center for Housing Innovation: may not be enough to actually get projects to financial feasibility, particularly in areas where you have really high land costs like in California. So building up to 2 or 3 units may not actually pencil out.

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00:14:13.930 --> 00:14:27.320

David Garcia / Turner Center for Housing Innovation: In many cases cities may consider going to 6 or 8, or even 10 units in some areas per parcel to actually see more projects work from a financial perspective. And then, lastly, we heard that

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David Garcia / Turner Center for Housing Innovation: there is a lack of clarity on things that are not always in the purview of the city themselves. So utility rules can be quite complicated, depending on jurisdiction depending on the municipal municipal utility district.

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David Garcia / Turner Center for Housing Innovation: and that can impact the choices that developers end up making subdivision rules can be quite complicated as well, and many times those rules were written for for dictating development on large suburban scale. 1,000 home type projects that doesn't really work. When you think about building, you know 5 to 10 homes on a lot. And so we heard

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00:15:04.020 --> 00:15:10.000

David Garcia / Turner Center for Housing Innovation: from developers that this is something that should be addressed through the regulatory reform.

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David Garcia / Turner Center for Housing Innovation: We also heard. You know that there's a lot of opportunities when it comes to missing middle housing and some of the reforms that we have seen in some places in that a lot of builders who are interested in this they're not large scale multi-family developers. They are

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David Garcia / Turner Center for Housing Innovation: more likely to be local stakeholders kind of tangentially related to the development process. So architects or Gc's who today are building, you know, home additions or doing remodels. They are, the more they are the most likely

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00:15:43.490 --> 00:15:51.270

David Garcia / Turner Center for Housing Innovation: to jump up into housing development through missing middle reforms, and

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00:15:51.650 --> 00:16:05.230

David Garcia / Turner Center for Housing Innovation: and we're more likely to to to need a bit more intentional support from the cities in order to be successful. And so we also heard that places where missing Middle Head is is doing well.

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David Garcia / Turner Center for Housing Innovation: They are generally supported by staff, who are clearly empowered by by their elected officials. Who who would like to see this as a policy goal?

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David Garcia / Turner Center for Housing Innovation: And so, when when when developer pointed out, like every city has arcane bureaucracy that they have to work through. The difference in some cities is that the planners are, or more empowered to cut through that quicker than than in typical places. And so that was really one of the keys that we took away from that

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David Garcia / Turner Center for Housing Innovation: and one last note about

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David Garcia / Turner Center for Housing Innovation: the actual way that these projects are financed. They they are not financed. The way that traditional housing development is financed through kind of institutional forms of debt and equity. These are again smaller scale builders who don't have access to this. Let's say that the global pool of capital, like a large scale developer, would. And so they're more likely to rely on

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00:16:57.010 --> 00:17:11.520

David Garcia / Turner Center for Housing Innovation: local individuals, local credit unions, and others who are perhaps willing to take slightly lower returns because they're a bit more mission driven, and that they would like to see these kinds of projects happen in in their communities. And so

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00:17:11.770 --> 00:17:18.869

David Garcia / Turner Center for Housing Innovation: because there's a key distinction between missing middle developers and those who are larger in scale.

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00:17:20.700 --> 00:17:33.460

David Garcia / Turner Center for Housing Innovation: So, lastly, you, we had a series of recommendations in this report, so walk through them quickly. Here. You know the first is, you know, we we have some success that we could draw on, at least in California. That can be

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00:17:33.560 --> 00:17:48.790

David Garcia / Turner Center for Housing Innovation: that that we can apply to more missing middle housing typologies, for example, what we've seen with accessory dwelling units a, to use has been hugely successful, but it took several rounds of legislation in order to see the success that we see today.

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00:17:48.790 --> 00:17:56.510

David Garcia / Turner Center for Housing Innovation: So creating more prescriptive standards to ensure things like cynical line, work a little better. What would be really key.

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00:17:56.720 --> 00:18:15.550

David Garcia / Turner Center for Housing Innovation: and then also exploring reforms just outside of land use regulations. We heard that there are a lot of kind of quarks in building code that can make going from, let's say, 2 units to 3 units actually quite expensive. And so examining things like, let's say single staircase reform

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00:18:16.660 --> 00:18:34.340

David Garcia / Turner Center for Housing Innovation: would would would actually go along ways to making projects a little bit more feasible, and then also revisiting utility requirements. Things like limiting impact fees like we do for a to use. You know we we could explore that for for missing middle housing typologies as well.

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00:18:34.600 --> 00:18:47.550

David Garcia / Turner Center for Housing Innovation: But really, you know, to to me at the end of the day. I think what we really need, at least on the policy is just more education on what missing middle really is, and how facilitating missing middle can actually help us

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00:18:47.550 --> 00:19:01.740

David Garcia / Turner Center for Housing Innovation: reach our local and community housing, goals and plans. And so what you see here is actually just released. Last week Aar P. Put together a model statewide ordinance for

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David Garcia / Turner Center for Housing Innovation: our State legislation. That that takes kind of all the best practices we've seen around missing middle housing reforms and and puts it into a a needs to kind of educational tool for policymakers to to really understand what we're talking about here. So this is just 1 one example of what I think is a really helpful educational tool to help folks understand what this stuff is, because when you point out that you know.

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00:19:25.980 --> 00:19:42.540

David Garcia / Turner Center for Housing Innovation: these are the kinds of homes that were legal 50 60 years ago, and that when you walk down a neighborhood, and you think this is a very charming place, you don't even really think about whether this is a one unit parcel or a 5 unit. Parcel it all just fits together well. And so, really having that understanding

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00:19:42.540 --> 00:19:50.950

David Garcia / Turner Center for Housing Innovation: to me goes the longest way, and getting policymakers to understand the the the need to help catalyze this, and greater amounts that we see today.

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00:19:51.440 --> 00:20:10.860

David Garcia / Turner Center for Housing Innovation: So i'm gonna stop there. We'll go ahead and stop sharing my screen, handed back over to Sarah for the conversation, but also happy to answer any questions through through the chat as well. So so thanks again, spur for having this conversation, thanks to all the other panelists as well for not just being here today, but also hoping

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00:20:10.860 --> 00:20:19.870

David Garcia / Turner Center for Housing Innovation: with helping us do this kind of work and making sure that it is relevant to what we're actually seeing on the ground. So but yeah, i'll head back over to Sarah. Thank you.

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00:20:19.980 --> 00:20:35.140

Sarah Karlinsky: Great. Thank you so much, David. That's super interesting, and I would encourage you to drop the report in the chat so that everyone can have a chance to read those really really good report. So my first question I wanna

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00:20:35.400 --> 00:20:51.220

Sarah Karlinsky: give to to Karen and and thank you again all so much for being here. I'm really excited for the conversation at Karen. You You created the concept of missing Middle, and I've been working in this space for a very long time. At At this point

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00:20:51.220 --> 00:21:03.920

Sarah Karlinsky: I was wondering if you could just kind of give us a historic context of how things have changed since you started during this doing this work. And what do you see getting better, and where there, where's their room for improvements. Still.

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Karen Parolek / Opticos Design: thanks, Sarah, and thanks, David. That was a great presentation. Thanks for sharing all that research. Well, yeah, I mean, we've been doing this. We created the concept missing about housing back in 2,010. So it's been 13 years of advocacy on this and I mean it's really because it's

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00:21:20.840 --> 00:21:35.430

Karen Parolek / Opticos Design: It's it's gone from us, being voices in the dark about how these types were really critical to our walkable neighborhoods to being a movement, I mean, we're seeing all organizations like both of yours, you know, really diving into why these housing types

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00:21:35.430 --> 00:21:49.530

Karen Parolek / Opticos Design: are important, and how to get them built. So that's been a a huge change and really exciting and seeing legislation. We always mentioned the legislation in Nebraska. If Nebraska is talking about missing middle housing, you know, you know, we we got we got. We're on to something.

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00:21:49.540 --> 00:22:02.690

Karen Parolek / Opticos Design: so it's really it's really great, because you know it's hard. It's really hard, and we work across the country, and it's hard to find anywhere anymore. That's not actually talking about missing middle housing. Unfortunately, because the housing

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00:22:02.690 --> 00:22:20.650

Karen Parolek / Opticos Design: attainability crisis has reached every corner of the United States. It's no longer we, you know it's no longer just California and the big cities. It is reaching small and rural towns, so unfortunately that's why. But it is being talked about everywhere. And so that's really wonderful

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00:22:20.900 --> 00:22:36.640

Karen Parolek / Opticos Design: to see, you know, and seeing organizations like a arp becoming champions that aren't even in the housing space, but they are livable, commute both as part of their livable communities and as part of housing attainability and a portability. You universities are teaching it so I mean it's just been huge to see that change.

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00:22:36.640 --> 00:23:00.470

Karen Parolek / Opticos Design: You know the struggles are some of what David was mentioning. It's Still, really, you know, there's a lot to this. Our Our whole housing, industrial complex has gotten, you know, Everything is lined up for detached single family homes, townhouses, and big apartment buildings, and all of the things that go with it, you know. As David mentioned the financing, the building codes, the fire codes, everything has lined up behind those 3 building types for the past.

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00:23:00.620 --> 00:23:18.000

Karen Parolek / Opticos Design: you know, 50 to 75 years. And so there's still a lot that that people are discovering that needs to happen, and and a lot of planners and zoning code writers still really Don't understand even just the building types. Things like that for units on a lot does not make a fourplex

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00:23:18.190 --> 00:23:32.480

Karen Parolek / Opticos Design: right. And so a 4 flex is different than for stopped town host houses going deep into the lot, and what that means for for making places, and making walkable places, and making sustainable places and making livable places.

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00:23:32.480 --> 00:23:51.620

Karen Parolek / Opticos Design: So I think there's still more to understand. There, you know, the Turner centers report has been really wonderful additional information about kind of all of the different changes that are need just from zoning and coding and planning. But I think there is David mentioned right at the end. Still a lot of space for more understanding about.

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00:23:51.620 --> 00:23:56.510

Karen Parolek / Opticos Design: You know what it is we're talking about when we talk about these types and and how they actually work

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00:23:56.550 --> 00:23:59.250

Karen Parolek / Opticos Design: to make good places and multiple places.

112

00:24:00.050 --> 00:24:06.470

Sarah Karlinsky: That's super interesting. Can you Just you just said something I'd I'd love for you just to explain a little bit further. You you said that

113

00:24:06.480 --> 00:24:10.000

Sarah Karlinsky: 4 units on a lot is not a fourplex make.

114

00:24:10.200 --> 00:24:20.070

Sarah Karlinsky: Can you explain that a little bit more. I'm: I'm: just yeah, absolutely. I mean, part of you know what David talked about earlier is when you walk around some of these historic neighborhoods.

115

00:24:20.070 --> 00:24:36.690

Karen Parolek / Opticos Design: You walk around the buildings, and you can't tell. In fact, we've had, you know, walking tours with professional planners who have said, oh, this is a single family neighborhood, and we said, No, actually, that's a fourplex right there, and that's the duplex right there, and you can't tell when you walk around, because the buildings look the same from the outside. They're essentially the same height, same with.

116

00:24:36.690 --> 00:25:01.770

Karen Parolek / Opticos Design: you know, maybe a little deeper, but you can't see that as a pedestrian or or a cyclist walking around the neighborhood, riding on the neighborhood, and that's part of what makes them, you know work really well. To create strong communities is, is actually how the form of the building works within the within the neighborhood, how the building fronts, you know it's a front porch. So as you're walking down the sidewalk, there's a small front yard and a small front porch, or maybe there's a stoop depending on how Urban or borough the neighborhood is.

117

00:25:01.770 --> 00:25:11.930

and that's really critical to making the place a pedestrian friendly environment, which is part of what makes it more sustainable, because people will then choose to walk and bike like those the way buildings

118

00:25:12.060 --> 00:25:22.150

Karen Parolek / Opticos Design: buildings work to create our public space. You know they really talk about private buildings as the walls of our public spaces, and that's how, when we zone places, we should be zoning

119

00:25:22.150 --> 00:25:37.910

Karen Parolek / Opticos Design: the rules about public building, about private buildings, and how private buildings shape our public space, and that's really, I think people miss that even in the transportation sector people miss how important place is into encouraging people to walk and bike, you know, place and safety and

120

00:25:37.910 --> 00:25:56.260

Karen Parolek / Opticos Design: things like that. So so when you're designing a fourplex, you know, you design a fourplex that actually has a front porch, or it has a front stoop, and it has a front door to it, and it looks like it could be a detached single family home. That's very different than what we're seeing in many places where people are actually taking.

121

00:25:56.260 --> 00:26:06.990

Karen Parolek / Opticos Design: you know. If you imagine 4 townhouses, if you go and you look along a street, and there's 4 townhouses lined up in one building, and they're taking those and they're turning it sideways and shoving it down into the lot

122

00:26:06.990 --> 00:26:31.550

Karen Parolek / Opticos Design: right and so that doesn't have a front door that faces the street. It makes for a big, bulky building right on the edge of the street. You know that sh that shaping the street it makes for really dark spaces and the back in at interior of a lot. And we're having some cases here in Berkeley, where there are actually multiple lots now that are doing that, and those buildings at the those units at the back are going to end up being very dark, dingy spaces by the time the block gets built out that way

123

00:26:31.550 --> 00:26:35.900

there's lots of there's lots of different impacts that that kind of sign can have.

124

00:26:36.030 --> 00:26:55.810

Karen Parolek / Opticos Design: and and paying attention to that, you know the zoning. As David mentioned, the zoning is not just the number of units it's also the you know the the height and the width and the depth of the buildings, and the open space, and all these other things that make our places great. And I think I think that's been missing a lot in the conversation in just allowing for units on a lot

125

00:26:57.000 --> 00:27:09.940

Sarah Karlinsky: Great super interesting. I'm sure we'll come back to that. And thanks to all of you for putting questions in the in the Q. A. We will definitely be getting to those. So we really appreciate all those great questions.

126

00:27:10.100 --> 00:27:32.750

Sarah Karlinsky: My next question is to Jim and Jim I'm. Sure, as you know, the report touches on the fact that more than zoning changes are needed to actually build missing middle housing. So we need funding. We need builders specialize in this type of housing. Can you describe more from your perspective about what you see these types of needs being.

127

00:27:33.900 --> 00:27:50.980

Jim Heid, FASLA: Yeah, I I'd love to and and thanks again for the opportunity. And, Karen, that was a great description. I love that that that compare and contrast a lot of ideas there. I'm gonna stay with my video off because i'm on my phone. Now, I've lost the power where we are. So in the of

128

00:27:50.980 --> 00:28:07.590

Jim Heid, FASLA: Murphy's law. So hopefully this will go fine, and I do if you don't mind that we just pull up the slides, because there, there, I did have a couple of things here to talk about, and and, as you know, just as quick context, so my background and exposure to this is I run a program

129

00:28:07.980 --> 00:28:22.240

Jim Heid, FASLA: for small emerging developers. I saw somebody that's a question about the role of this is potential for small developers and empowering developers of color program called the small Scale Developers Forum. And so there's a lot of us that are working in this space

130

00:28:22.280 --> 00:28:28.940

Jim Heid, FASLA: and trying to figure out how to, I think, realize the potential in it. And I I put this in here because I think

131

00:28:29.060 --> 00:28:46.720

Jim Heid, FASLA: the assumption most people see when they talk about missing middle housing and get really excited about it is that we're you know we'll change the codes, and we'll have these empowered citizens. They can now in field and intensify kind of neighborhoods that have some fallow lots or just aren't, very robust.

132

00:28:46.720 --> 00:28:57.930

Jim Heid, FASLA: which, in you know broader sense, would democratize real estate ownership, distribute well and same time solve the housing crisis. So kind of the trifecta of outcomes and get the next slide, Jackson.

133

00:28:58.030 --> 00:29:10.540

Jim Heid, FASLA: And I think the way this is this is playing out, is there's actually what I'm seeing is there's 3 different realities. The first one is you've got merchant builders that I think are using. And you know we're doing really good product.

134

00:29:10.570 --> 00:29:20.060

Jim Heid, FASLA: but it's typically larger contiguous sites or green field, missing middle housing neighborhoods which is great because it's bringing the product

135

00:29:20.130 --> 00:29:25.460

Jim Heid, FASLA: it's proving the validity of the product. But it's not really incremental outcome go to the next slide

136

00:29:27.140 --> 00:29:35.100

Jim Heid, FASLA: is, which is, I think, the hope that it was. You know you'd have some homeowners that might take advantage of this, and I think they could benefit from these, but they really

137

00:29:35.170 --> 00:29:50.770

Jim Heid, FASLA: they probably only have the capacity to do one and be done, and so go to the next slide is really the kind. The punchline and my focus, which has been the small scale. Developers, I think, are the greatest opportunity to take the missing middle housing at infill to scale.

138

00:29:51.000 --> 00:30:03.320

Jim Heid, FASLA: but it's as your question. Sarah is like. you know, the current cost time and exit Barriers really make scaling it very, very difficult. So if you go to the next slide i'll talk a little bit about this, and I think the first thing that

139

00:30:03.710 --> 00:30:08.160

Jim Heid, FASLA: people forget about when you're talking about implementing a developing

140

00:30:08.260 --> 00:30:16.930

Jim Heid, FASLA: missing middle housing is there? There's a very early decision that has to be made in this I building this to rent, or am I building this for sale? And I think the

141

00:30:17.120 --> 00:30:33.550

Jim Heid, FASLA: the desire is that a lot of this is going to be for sale, because it's going to give people of a more moderate income. The ability to own something the in their neighborhoods. But that's inordinately expensive. So yeah, this is great. This is actually a fourplex. Hopefully, it meets your

142

00:30:33.880 --> 00:30:52.150

Jim Heid, FASLA: approval, Karen. This is a Sam Day's work in Oklahoma City. Really beautiful little infill unit, but you know it's, and you'd mentioned a couple of these, David, You know the financing is not, you know. Just go to the back and get a loan. It's extraordinary complex, and you're dealing with it at 3 different levels. The pre development costs construction cost, and then permanent financing.

143

00:30:52.420 --> 00:30:57.580

Jim Heid, FASLA: How are you going to manage this? Are you going to manage it individually, or are you going to hire property manager?

144

00:30:57.640 --> 00:31:15.240

Jim Heid, FASLA: I think there's a lot of I was going through now. There's a regulation at least in California, where certain number, if you have 3 or more units, all of the townhouses have to be Ada accessible. But if you have the bedrooms upstairs, it's like, Well, what's the benefit of that? Then that has some real implications, both.

145

00:31:15.240 --> 00:31:26.040

Jim Heid, FASLA: I think, to how the buildings address the street, but also additional costs. And then the other thing is especially, you know, looking at some of the builder's remedies out comes to the affordable housing qualification.

146

00:31:26.090 --> 00:31:35.040

Jim Heid, FASLA: And so, if I do, a 5 flex and one of those units has to be affordable, am I going to be the one that has to annually audit and manage those people? So

147

00:31:35.330 --> 00:31:37.060

Jim Heid, FASLA: they manage their income.

148

00:31:37.200 --> 00:31:57.140

Jim Heid, FASLA: and it's one of these things. If we're getting more housing units. This is one of these we're layering on those portable housing. Requirements really necessary. Go to the next one, which is really the for sale conversation, which again, I think, is where everybody was hoping that we might get some subtraction. And this is again inordinately complex. The financing is difficult.

149

00:31:57.200 --> 00:32:07.760

Jim Heid, FASLA: We can talk about the subdivision map Back, Sarah. I know that's next. And this is a project that I did here in Heelsburg with the opticose help little cottage court 12 units

150

00:32:07.760 --> 00:32:23.490

Jim Heid, FASLA: first. First time that I've done this, and inordinately complex, I mean just for 12 units to go through the process of going through the department of real estate, the cost to process it set up the all the white paper, the pink paper, the yellow paper. Get all this report. Be able to sell it.

151

00:32:23.900 --> 00:32:38.650

Jim Heid, FASLA: and then having to set up an nature a. And if you do a multiplex, it's more complicated, because now you've kind of minimized those. You have an H. OA, and all the things that go along with that and the monies that you have to put up to secure that and a small developer. I've got to put up 6 months worth of deuce.

152

00:32:38.870 --> 00:32:52.380

Jim Heid, FASLA: And then the last thing is the defect, liability loft, and it and that risk tail that it creates again for small developers. If i'm a big developer, I have all of those pretty well built into my operating costs.

153

00:32:52.380 --> 00:33:02.980

Jim Heid, FASLA: but if I was a small developer, working in a neighborhood on a one off. These are, you know, inordinately time consuming and expensive. So again, I think the last slide is kind of the punchline here.

154

00:33:04.470 --> 00:33:05.220

Jim Heid, FASLA: So

155

00:33:05.680 --> 00:33:11.800

Jim Heid, FASLA: you know, we we've got the code revisions, and it's it's. It is really great to see what has happened in in, you know.

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00:33:11.980 --> 00:33:29.620

Jim Heid, FASLA: Rapid, I mean. I'm just shocked at how quickly all of this is happening. So it it is really great to see the movement there, but it is the top of the list. And then there's a you know, a longer list. After that that goes on, of the things that need to be done. You know special financing products that need to be done. I think there needs to be a

157

00:33:30.430 --> 00:33:36.820

Jim Heid, FASLA: whether it's ministerial or just a more streamlined process for small projects. I think there was a question here about

158

00:33:37.170 --> 00:33:54.830

Jim Heid, FASLA: the communities on board. You know what areas communities need. The most support from planners, I think, and to Karen's point earlier the ability to really understand good design that meets the street without having to go through the design review process at a planning commission and all that is really critical this time consuming. It's constantly

159

00:33:56.410 --> 00:34:03.200

Jim Heid, FASLA: right sizing an impact fees. And as David said at the beginning, a lot of the fees are set up to kind of

160

00:34:04.410 --> 00:34:15.920

Jim Heid, FASLA: exact as much as possible from the big development projects, but they've never really been right size of the small development projects that probably have less impact because they're within the community, not the way that something on the edges is.

161

00:34:17.210 --> 00:34:18.710

Jim Heid, FASLA: And then the

162

00:34:18.730 --> 00:34:35.679

Jim Heid, FASLA: the processes for department of real Estate and Homeowners Association, and the last one is corralling the Defect Liability laws. It's just that that is, I mean, that is endemic in a lot of places. Now, it used to be a California kind of phenomenon. Now most every place I work and go. It is really

163

00:34:35.679 --> 00:34:45.639

Jim Heid, FASLA: curtailing the ability to build condominiums, and people just don't want to do it, or you add, in significant amount of cost to the unit because of the insurance policies.

164

00:34:45.980 --> 00:34:49.670

Jim Heid, FASLA: So i'll stop there. And hopefully that

165

00:34:50.120 --> 00:35:08.330

Sarah Karlinsky: Yeah, that really did. Thank you so much. And I'm: sure we're gonna first of all, in the questions that people are asking, we're definitely going to get into some of those those details, and and that was just super helpful. And thank you for continuing to be with us, even though you're on your phone, and I really appreciate it.

166

00:35:08.520 --> 00:35:21.980

Sarah Karlinsky: I'm gonna go back to Karen for a moment, and I know we've been talking a bunch about the kind of different aspects that are needed kind of beyond zoning and and planning code changes to make these work. But

167

00:35:21.980 --> 00:35:34.860

Sarah Karlinsky: actually, do you want to bring us back to zoning and planning for a moment and ask you the question, you know. Is there anything else that needs zoom doing on zoning and and planning changes in State of California to help facilitate this type of housing.

168

00:35:35.710 --> 00:35:56.510

Karen Parolek / Opticos Design: So yeah, I mean, there's there is more to be done. Then I think it has to do with this idea of You know even what David was talking about in Minneapolis to difference between just allowing more units and actually having a a streamlined, objective design standard process. And so, you know, I know we're working in a a bunch of places on creating objective design standards, and

169

00:35:56.590 --> 00:36:02.120

Karen Parolek / Opticos Design: and in doing that, as Jim mentioned, creating objective sign standards that actually

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00:36:02.460 --> 00:36:06.630

create good environments for people to live in. And so how do we regulate?

171

00:36:06.820 --> 00:36:18.970

Karen Parolek / Opticos Design: You know the basics of design, having how the building fronts the street in a way that's objective and not discretionary, and can avoid the discretionary review

process, but can actually get something that community is going to be excited to have in their community.

172

00:36:19.060 --> 00:36:32.710

Karen Parolek / Opticos Design: So you know, there is re looking at all of the all of the zoning standards, not just number of units, you know. Things like getting rid of dense density never should. Density is an output. It is not it? Is it? A. You know.

173

00:36:32.740 --> 00:36:42.150

Karen Parolek / Opticos Design: units per acre, not a like units per lot, you know. And the idea that we're using density at all in our zoning code and thinking about.

174

00:36:42.190 --> 00:36:49.610

Karen Parolek / Opticos Design: You know what Portland did. David mentioned Portland's work which is really interesting, but the the idea of you know.

175

00:36:49.830 --> 00:37:16.170

Karen Parolek / Opticos Design: thinking about the number of units in the building, and so allowing more units for building. But but we don't want to put a cap. We're seeing some some places put a cap on that number of units, and putting a cap on the unit, just disincentivize the smaller units in the same way that density does. And really, as long as we're as long as we're regulating the form of the building to make sure the building doesn't get too big, the number of units shouldn't be an issue, and we shouldn't be capping it. It's it's just another version of density. So that's one.

176

00:37:16.170 --> 00:37:25.890

Karen Parolek / Opticos Design: I think, limiting the size. How are you gonna look at this? But limiting the size of the building, if it's only going to be one unit, because if you allow bigger buildings

177

00:37:25.890 --> 00:37:44.300

Karen Parolek / Opticos Design: that enable 4 plexes, and somebody comes in and just builds a big Mac mansion, you know that's not going to serve the community, and so like what Portland has done is it actually allows a little bit more, a little bit more little bit larger building, if you allow more units, and if you look at the size of houses these days, you know my house is only 1,100 square feet as a detached single family home.

178

00:37:44.300 --> 00:37:59.760

Karen Parolek / Opticos Design: you know. So these ideas that we already have 3,000 square feet for for single units. This is a bit much. And so thinking about allowing a little bit more space, but still keeping within that missing little housing size when you allow more units.

179

00:37:59.780 --> 00:38:02.020

A

180

00:38:02.190 --> 00:38:18.260

Karen Parolek / Opticos Design: Jim mentioned one of the other ones, and I think David did, too. But allowing more units under the international residential code. This idea that after one or 2 units you jump from the International Residential Code to the International Building Code is a huge barrier. And so we've been working with places like the City County, Memphis, Tennessee.

181

00:38:18.260 --> 00:38:34.930

Karen Parolek / Opticos Design: and they've just changed it. The city allows now up to 4 units under the International residential code. The State is now suing the city, because the State says that's a state decision, but it's become very important for those small developers that Jim's talking about, to be able to build 4 plexes under the International Residential Code.

182

00:38:34.930 --> 00:38:46.920

Karen Parolek / Opticos Design: and Jim mentioned the other ones the the defect liability. One was the other one that I wanted to mention. That's a that's a big deal, especially if we want to look at ownership opportunities for people to be able to buy in at a lower price point.

183

00:38:46.920 --> 00:39:00.510

Karen Parolek / Opticos Design: and then and then, lastly, this idea of the slot home, when I was talking about the 4 townhouses turned on its side. We call it a slot home, and they're They're really a problem. If you go to places like Denver when they read it their zoning.

184

00:39:00.510 --> 00:39:17.700

Karen Parolek / Opticos Design: they had some political issues and couldn't change that. And now it's a city full of slot homes, and it really is kind of it's. It's the cities are allowing too much, and it's now missing the missing middle scale. It's jumping up from the small scale to the big scale with their zoning changes that they're making. So they do need to be a little careful about that.

185

00:39:18.920 --> 00:39:45.110

Sarah Karlinsky: And of course I could talk for days about this. But i'll be there. Oh, yeah, I have like a 1,000 questions. I just wanna I want to make sure we leave leave time for the other one.

So, Jim, maybe just just briefly. You know you talked a little bit about the subdivision map act as being enormous barrier, and I know that's a wonky in the weeds point. But I I just was wondering, because it's coming up a lot in different sort of legislative conversations. Could you talk just?

186

00:39:45.110 --> 00:39:51.750

Sarah Karlinsky: I just briefly explain what the subdivision map act is, and why it's a barrier to doing this type of housing.

187

00:39:52.700 --> 00:40:01.890

Jim Heid, FASLA: Yeah. Well, i'm not sure I can explain it. But I think you know what I experience, and it is wonky, and it's it's basically when you go to subdivide a lot. It's what

188

00:40:02.150 --> 00:40:12.620

Jim Heid, FASLA: it's the I guess, enabling legislation that sets the the code in place, and it's known very well by the surveyors and the engineers. So

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00:40:12.630 --> 00:40:18.520

Jim Heid, FASLA: on my smaller project, which was lots. But it would apply if you were doing multiplexes as well.

190

00:40:18.840 --> 00:40:36.330

Jim Heid, FASLA: It really gives. It opens the door with the cities which are often strapped for infrastructure issues to start exacting a lot of things. And when again, when you're doing a big project, you're doing 60 homes. You have to do all the frontage improvements to underground the power lines. Things like that.

191

00:40:36.400 --> 00:40:50.630

Jim Heid, FASLA: you know you have you? You can amortize that over 40 or 50 units. I had 8 units, and I had \$320,000 an underground in costs, because I had 300 feet of frontage that I had to bury, and so it's it's that

192

00:40:51.550 --> 00:40:57.050

Jim Heid, FASLA: opportunity and opening for additional costs that

193

00:40:57.090 --> 00:41:00.720

Jim Heid, FASLA: a smaller project again, which is probably having lower impact.

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00:41:00.790 --> 00:41:06.740

Jim Heid, FASLA: But it's being ushered in by codes that were written to, I think.

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00:41:06.860 --> 00:41:11.280

Jim Heid, FASLA: harvest funds from larger projects. So it really does penalize and

196

00:41:11.310 --> 00:41:26.810

Jim Heid, FASLA: add to the cost of the individual units to the point that sometimes you're no longer, and I started out with hopefully a missing middle, not only product but missing middle income. We far out script that by the time we were done getting built, just because of the all of the add on. So it came through the approval process.

197

00:41:28.080 --> 00:41:46.760

Sarah Karlinsky: Okay, Thank you. Thanks for sharing that. All right. I'm gonna I have a couple of more questions, but I actually want to go to the Q. A. From audience members, and i'll kind of toggle back and forth. So this first question, Karen, I think i'm gonna pose to you. And it comes from Schuler, who asks basically states

198

00:41:46.760 --> 00:42:04.260

Sarah Karlinsky: that Oakland's housing element proposes that housing with a 100% affordable rents at moderate levels can have 2 additional stories, unlimited density, 70% lock coverage reduced. Reduce setbacks and no parking requirements almost anywhere in the city.

199

00:42:04.470 --> 00:42:05.470

Jim Heid, FASLA: Yeah.

200

00:42:05.990 --> 00:42:24.300

Sarah Karlinsky: Jim, did you want to speak to that?

201

00:42:24.300 --> 00:42:32.730

Sarah Karlinsky: So is this the regulatory transition that we need for middle income housing, or you know, what are your thoughts about that. This?

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00:42:32.880 --> 00:42:56.270

Karen Parolek / Opticos Design: Yeah, I You know it's. It is probably what's needed in Oakland. And here's the reality is we've worked in so many cities looking at this, and every city is different. You know land costs are different. Construction costs are different. Labor costs are

different. So in a place we we worked and did a study for San Jose. So I think Oakland is probably fairly similar. My guess is probably you know it's

203

00:42:56.270 --> 00:43:14.790

Karen Parolek / Opticos Design: the the land cost the construction costs. Labor costs here in the barrier are so high that we are probably going to have to give a lot of space for people to be able to to make the numbers work, and and until you sit down and run the performance, which is what we did in San Jose. What we're, what we're doing is, we're working with economists

204

00:43:14.790 --> 00:43:22.540

Karen Parolek / Opticos Design: and actually running those numbers, and you can't know until you run the numbers. But my, my gut is based on what we've seen that probably is necessary in Oakland.

205

00:43:22.540 --> 00:43:43.090

I do want to be careful, though, that that is not necessarily true across even the State of California, much much less across the state of the country, You know, when we work in places like Memphis, and we work even right now we're doing a ha housing study for both Sacramento and Modesto. Every city is different, and so I do want to caution people you. You can't guess at this. You have to look at the numbers you have to put all of those things in

206

00:43:43.090 --> 00:43:57.100

Karen Parolek / Opticos Design: and look at the zoning changes you're thinking and look at the regulatory changes you're thinking of and and run some performance, and there's no way there's no short short, you know, shortcut on this. So but but yes, my my guess is what based on what I know.

207

00:43:57.100 --> 00:44:07.440

Karen Parolek / Opticos Design: It certainly is going to be a great test for it. Whether or not you need to go quite that far. It's hard to know. But my my guide is but yes, in Oakland. I think it's going to be a great opportunity in Oakland.

208

00:44:08.210 --> 00:44:08.920

Sarah Karlinsky: Great.

209

00:44:09.090 --> 00:44:22.210

Sarah Karlinsky: Okay, I'm gonna move on to Justin's question. And I, David, i'm gonna pose this to you first. Has analysis gone into what passive strategies may be easier to implement in missing middle housing typologies.

210

00:44:22.210 --> 00:44:33.690

Sarah Karlinsky: for example, cross ventilation and additional light exposures, and how those approaches to create more sustainable, better quality departments and housing unit types. And actually now that I read this fully. I'm going to

211

00:44:33.690 --> 00:44:46.930

David Garcia / Turner Center for Housing Innovation: give it to Jim to answer, because it's more architectural Unless, David, do you want to jump in on that first or

212

00:44:47.090 --> 00:44:49.200

Sarah Karlinsky: great. Okay, Jim, you want to take that

213

00:44:50.270 --> 00:45:10.210

Jim Heid, FASLA: sure, and I and I think the short answer is, Yes, I think there's a lot more opportunities. And the the thing that I would point to if people Aren't, familiar with the builders zoning holiday builders remedy competition that in the law and passive house just did so. These are a series of like, I think. Actually your you.

214

00:45:10.210 --> 00:45:32.730

Jim Heid, FASLA: Karen. You had some people from your group submit something. Didn't you to that. It was just a great portfolio of small infill missing middle projects that were built to kind of attain a passive house standards, and designed to obtain. Pass about standards. So you can see how a lot of those things are employed at that smaller scale missing that will scale so.

215

00:45:33.140 --> 00:45:49.290

Karen Parolek / Opticos Design: And i'm gonna i'm gonna jump in there, too. You know, these types used to be available in the Sears catalog, and when they were available in the Sears catalogue h back systems were not common, you know. And so actually, if you actually, if you go back and look at how these types were built. To begin with.

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00:45:49.290 --> 00:46:08.690

Karen Parolek / Opticos Design: there's often passive strategies already in them. If you look at the vernacular architecture and the way that they were built, and that's a lot of what we've done in studying even what we're putting in our zoning codes is. Go back and look at those things. So I think the original versions of them all had that built in, and there's some great models that we can that we can learn from, and we are learning from and moving forward

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00:46:09.840 --> 00:46:10.530

Sarah Karlinsky: great.

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00:46:11.120 --> 00:46:28.060

Sarah Karlinsky: So next cut question comes from Ben, and it's kind of around financing for for these types of missing middle projects. And he's wondering about the relationship between the regional banks recently have been in the news for

219

00:46:28.060 --> 00:46:48.650

Sarah Karlinsky: failing and having many problems is this: do you think that that is going to lead to tightening credit conditions or or other challenges for financing these types of projects. And even if if not, where do you see the the funding for doing these types of deals coming from? So, David, I am going to pose that one to you.

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00:46:48.650 --> 00:46:53.250

David Garcia / Turner Center for Housing Innovation: sure, without getting into all the details about Seb, and

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00:46:53.290 --> 00:47:04.660

David Garcia / Turner Center for Housing Innovation: different diversification of their deposits and everything. I think the answer is generally most likely. Yes; but I would say that this has already been an issue with

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00:47:04.680 --> 00:47:06.870

David Garcia / Turner Center for Housing Innovation: tightening to finance.

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00:47:06.890 --> 00:47:20.690

David Garcia / Turner Center for Housing Innovation: They have likely lower alone to cost requirements, and so they can't borrow as much, and they don't have access to larger forms of institutional capital.

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00:47:20.690 --> 00:47:28.420

David Garcia / Turner Center for Housing Innovation: like traditional developers would have. They? They're not accessing a a a pension fund, or a refund, or anything like that. So I think.

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00:47:28.420 --> 00:47:44.960

David Garcia / Turner Center for Housing Innovation: regardless of what we're seeing in the market today, which is, I think, not positive. These forms of these forms of development

oftentimes struggle to access those traditional forms. And so, as a result, you as a developer, you oftentimes

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00:47:44.960 --> 00:47:49.160

David Garcia / Turner Center for Housing Innovation: looking for more local forms. Whether that is

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00:47:49.530 --> 00:48:09.760

David Garcia / Turner Center for Housing Innovation: a a local fund that is, again a little bit more, maybe mission oriented, and want to take slightly lower, irr because they understand the need in that specific community, or it's just the network of individuals that that developer knows that can contribute to to to their equity. I mean a lot of times. These are not sophisticated.

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00:48:09.760 --> 00:48:20.580

David Garcia / Turner Center for Housing Innovation: at least in terms of you know, at least compared to to to larger larger financing projects. And so there's yeah that that it it takes a lot of

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00:48:20.580 --> 00:48:41.920

David Garcia / Turner Center for Housing Innovation: kind of piecemealing to get these projects together in in some of the work. We've done a lot of the missing mobile developers end up being end up themselves. Being a a part of the projects in different ways like they maybe they are all. They only have their brokers license, so they can also save some costs by being their own realtor. Maybe you have a They have their own

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00:48:41.920 --> 00:48:48.180

David Garcia / Turner Center for Housing Innovation: general Contractor Company, and so they can save a bit on on that front. And so it's it's

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00:48:48.270 --> 00:48:56.390

David Garcia / Turner Center for Housing Innovation: every every project and every developer. I've spoken to pieces of these things together differently, and and you know you, you might look at them.

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00:48:56.420 --> 00:49:03.640

David Garcia / Turner Center for Housing Innovation: perform a for a missing middle project, and they would look very different than a pro forma, for you know, on a 200 unit multi-family building

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00:49:05.290 --> 00:49:20.550

Jim Heid, FASLA: Sarah. If I could just add something to that, because I think it's it's it's not the product that's challenging it, financing for it's typically the people that are doing it because they're an experience. And and you I mean you can get a loan if you have a balance sheet and you have a good track record.

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00:49:20.550 --> 00:49:39.300

Jim Heid, FASLA: The problem is that most people that are doing this and are interested in this are, you know, people like the group that I work with is small developers, and they're just getting started. So it's. you know it's it's a little bit of both, but I wouldn't necessarily say it's all about the product. It's. How do you get that experience and that capability

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00:49:39.350 --> 00:49:43.740

Jim Heid, FASLA: to be able to get the bank comfort that you can actually execute. And then that's the main thing

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00:49:45.540 --> 00:49:48.630

Sarah Karlinsky: great. Thank you for that distinction. That was super helpful.

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00:49:48.850 --> 00:50:03.950

Sarah Karlinsky: Karen. This next one is for you, and it's from John. So you talked a little bit about this already when you talked about the how you bump up from the residential code to the International Building Code. When you go from, I think it was, you said, 2 to 3 units.

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00:50:03.950 --> 00:50:21.680

Sarah Karlinsky: So you gave one example of a city. I can't remember if it was okay. Good. I remember correctly. That's trying to do this. It. Can you talk a little bit? Are there other places trying to do this is anywhere in California. Looking at this. Is there some way of addressing this in the California context?

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00:50:22.100 --> 00:50:41.280

Karen Parolek / Opticos Design: I don't know we Typically, this is set up by the State. So I have not heard that California is looking at this. It's a newer issue that's come up, as you know now that the zoning is finally changed, and people are actually trying to build it. Now we're getting to the barriers and building it. And so this is a newer issue that's just coming to our attention, Probably since about 2,019.

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00:50:41.280 --> 00:50:56.400

Karen Parolek / Opticos Design: I don't actually know of any other offhand I could ask. You know the other folks here. I don't know of any others offhand, but I do know it's been identified as a state issue, and we've been starting to talk about kind of which States might be amenable to changing that.

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00:50:56.400 --> 00:51:06.670

Karen Parolek / Opticos Design: And it's it's an issue not only because of the construction costs of building, you know things, putting things like sprinklers in things like the single stair Jim mentioned.

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00:51:06.670 --> 00:51:19.830

Karen Parolek / Opticos Design: and those sorts of things, but it's also even having your construction costs. Go up because you have to hire a construction team that understands how to build to that level. So actually your cost for your construction labor goes up

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00:51:19.830 --> 00:51:30.360

Karen Parolek / Opticos Design: because you're having to hire more knowledgeable Ibc construction teams. And so there it's it's, it increases, cost in a couple of different ways. And so, but as far as I.

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00:51:30.430 --> 00:51:43.810

Karen Parolek / Opticos Design: I know. The only one I know of that I've heard mentioned is Memphis, because they're trying to do it at the City County level to Combine City County, and so they're large enough to try to fight the State on it, and but I know it. It brought it up in Indiana State of Indiana.

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00:51:44.060 --> 00:51:49.510

Karen Parolek / Opticos Design: But I don't. I don't know that I've heard otherwise. Where where else they've They're actually trying to get it changed.

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00:51:50.620 --> 00:51:54.760

Sarah Karlinsky: Okay, David, or Jim, do you. Have you heard of other places? No.

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00:51:54.930 --> 00:51:55.540

okay.

248

00:51:56.240 --> 00:52:13.460

Sarah Karlinsky: All right, David. This next one's for you and Sudik Shia asks about kind of the relationship like, Has anybody studied who is living in missing middle housing, looking at demographics, race, and ethnicity.

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00:52:13.460 --> 00:52:19.510

Sarah Karlinsky: And so that's kind of one question. And it was just like the couple with a a that I had around.

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00:52:19.650 --> 00:52:32.590

Sarah Karlinsky: you know. Sometimes we get asked, You know, okay, these these missing middle housing types are affordable. But who are they actually affordable to and like, how do you think about the affordability component? So I guess both looking at kind of.

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00:52:32.590 --> 00:52:41.830

Sarah Karlinsky: you know, or does this help address racial inequity in some way. And then also, how do we think about the affordability piece?

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00:52:42.810 --> 00:52:58.110

David Garcia / Turner Center for Housing Innovation: So good? Question? The short answer is, we don't have great insights into the characteristics of residents of missing mental housing. We can. We can make some inferences based on census data. They have a category for 2 to 4 units.

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00:52:58.110 --> 00:53:03.880

David Garcia / Turner Center for Housing Innovation: But you know that's that's not necessarily counting like the new construction in in 2 to 4 units, and so we can't always

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00:53:03.880 --> 00:53:20.430

David Garcia / Turner Center for Housing Innovation: piece that together. The best evidence that we have is with AD use. Karen Chapel, my colleague at at Uc. Berkeley. She's done some great work with surveys of owners of a. To to understand the the characteristics of the folks who who live in them.

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00:53:20.590 --> 00:53:26.670

David Garcia / Turner Center for Housing Innovation: And so what we see overwhelmingly is that they are put on the market. I think

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00:53:26.690 --> 00:53:33.570

David Garcia / Turner Center for Housing Innovation: something like 3 quarters of eighty-s, which I think are kind of like a subset of missing middle. Generally speaking.

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00:53:33.570 --> 00:53:52.930

David Garcia / Turner Center for Housing Innovation: they they are on the market, and they are at least at or or rented at affordable rates when they are in the market, and then a big chunk of that remaining 25. Those are actually rented at no cost to people who have relationships with the occupant of the primary structure. So the caregivers

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00:53:52.990 --> 00:54:01.340

David Garcia / Turner Center for Housing Innovation: kids over from college, a grandparents things like that, but it doesn't necessarily translate to, I think, the the specific question.

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00:54:01.600 --> 00:54:18.860

David Garcia / Turner Center for Housing Innovation: But but, Sarah, to to your your additional question on affordability, what we have seen in some of the financial analysis done in a couple of different cities is that you know, all being equal, these units should be

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00:54:19.140 --> 00:54:22.820

David Garcia / Turner Center for Housing Innovation: more attainable than comparable, say single family home

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00:54:22.920 --> 00:54:26.960

David Garcia / Turner Center for Housing Innovation: next door depending on the neighborhood. So there

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00:54:27.260 --> 00:54:45.470

David Garcia / Turner Center for Housing Innovation: there was an analysis done in San Jose when they were considering their their missing middle opportunity housing, ordinance, and what they had found was that it was likely that 4 to 6 units were likely to be affordable to

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00:54:45.470 --> 00:54:57.200

David Garcia / Turner Center for Housing Innovation: those making between 80 and 120% of area meeting income, and if they were allowing even more units to say 6 to 10 units on those parcels. They could even reach further down that affordability spectrum. So so not

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00:54:57.200 --> 00:55:19.060

David Garcia / Turner Center for Housing Innovation: traditional d restricted, affordable, but definitely more attainable than what we're used to the California Community builders also had a report last year that looked at this exact question in the Bay area and examined what they, what they would expect. The price points to be for missing middle housing created in the region there, and they found that those rates were largely

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00:55:19.060 --> 00:55:24.910

David Garcia / Turner Center for Housing Innovation: more affordable than comparable other types of new construction. So

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00:55:25.270 --> 00:55:42.100

David Garcia / Turner Center for Housing Innovation: so, so everything we we have seen so far points to the these have the potential to be more or again, like I say, attainable by May, basically by virtue of simply being smaller, right, like appointed to some statistics earlier, about how the the size of the to a typical

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00:55:42.100 --> 00:56:01.500

David Garcia / Turner Center for Housing Innovation: new, newly built single family home keeps going up in the United States. And so, just by virtue of size, you know, these homes are oftentimes financially out of reach for many buyers, and so by simply creating smaller type of start at home. So we used to build a lot more of you can get that kind of middle income.

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00:56:01.500 --> 00:56:19.300

David Garcia / Turner Center for Housing Innovation: part of the market a lot better than we're doing today. Certainly not all the way down to the the low and very low levels. I think we still need traditional forms of affordable housing finance to build those. But this se middle housing can be a strategy to provide more opportunities in that middle income band.

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00:56:20.000 --> 00:56:40.800

Karen Parolek / Opticos Design: And can I just add something really quick to that? You know. Historically, these types have been used. In fact, in Chicago the the duplexes are known as the working men's Palace. They were used by essentially the children of immigrants. The first generation that we're able to buy, and this is how they were able to buy into the market, was being able to to to live in one unit and rent the other unit.

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00:56:40.800 --> 00:56:48.720

Karen Parolek / Opticos Design: and so that's been a part of the immigrant history of our country. It's also part of the redlining history. You know, Redlining. What happened is the

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00:56:48.720 --> 00:57:17.850

Karen Parolek / Opticos Design: you know that we which most of us know who are on this call is that the the When neighborhoods were red lines, they created other areas that were detached single family only, which created white flight. But those areas that were red line. They never changed the zoning. And that's where, historically, the missing little housing types are. So Michelle Obama grew up in a duplex that her aunt owned. She talks about it in her book, and her parents rented the upstairs unit, and then eventually her parents inherited the house, and she and and President Obama before his president. Barack moved in

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00:57:17.890 --> 00:57:22.580

Karen Parolek / Opticos Design: to the second unit. So, and and it also speaks to the last part I wanted to mention, which is

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00:57:22.610 --> 00:57:39.190

Karen Parolek / Opticos Design: the multi-generational living, which is much more a multicultural way of living, and and there are lots of different cultures that live with multi generations. And this type of housing is is wonderfully appropriate for multiple multiple generations, living in the same same building. So lots of opportunities there.

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00:57:39.980 --> 00:57:52.470

Sarah Karlinsky: I'm glad you brought up Chicago. My My grandparents emigrated from like Russia, slash Poland, and ended up building my grandfather's, a carpenter and built

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00:57:52.470 --> 00:58:04.530

Sarah Karlinsky: a 3 unit building in Chicago and that kind of North North Side and lived in one. Yeah. Oh, that's great. We'll have you write a blog post about it. Yeah, really interesting.

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00:58:04.530 --> 00:58:16.840

Sarah Karlinsky: Okay. So we're right at time. So my last question to the panel is just people want to learn more about your work or follow you. Where's the best way for them to do that, and i'll just start with Karen.

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00:58:17.410 --> 00:58:35.840

Karen Parolek / Opticos Design: sure. Well, we have 2 websites missing middle housing.com is all things missing little housing, and you can get our book there, and some exciting new things coming up in the next couple of months. So stay tuned there and then our website optical design.com. You can sign up for our Newsletter, and we'll post blogs. And then, of course, our book, the single housing.

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00:58:36.360 --> 00:58:37.730

Sarah Karlinsky: Great David.

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00:58:38.170 --> 00:58:55.850

David Garcia / Turner Center for Housing Innovation: Yeah, you can follow us@turnercenter.berkeley.edu, sign up for for Newsletter and all all of our staff contact information is there. So if you have any questions that are specific to to me or any one of our our research team members, you, you can do that on the website

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00:58:56.540 --> 00:58:58.100

Sarah Karlinsky: awesome. And then Jim.

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00:58:58.880 --> 00:59:13.070

Jim Heid, FASLA: thanks for the Psa, Sara. So it's jim@jayhide.comistheemailgetquestionsjayhide.com is the website. You can get my book building small, which is the larger comment about that.

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00:59:13.070 --> 00:59:25.990

Jim Heid, FASLA: And if you're interested in the subject, the small scale developer Forum will be doing to this year. First ones in June, in Philadelphia will actually be looking at a lot of really interesting info housing that's going on there as well as

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00:59:26.010 --> 00:59:37.590

Jim Heid, FASLA: a fascinating emerging developer program that they're doing through a a nonprofit, and then the second one is in Savannah. So you can see all of those. Get all that information on that website so

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00:59:38.210 --> 00:59:48.120

Sarah Karlinsky: wonderful. Thank you so much. It was such a pleasure to be speaking with you today, and, thanks to everybody for your great questions. We'll see you next time.