

WEBVTT

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00:00:02.850 --> 00:00:04.980

Alex Steinberger: Alright, so.

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00:00:06.330 --> 00:00:14.250

Alex Steinberger: The task in question in this project that cascadia partners is responsible for his task eight scenario modeling.

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00:00:14.820 --> 00:00:26.820

Alex Steinberger: And scenario modeling is going to provide the city and the entire team with a lot of really helpful insights into the zoning and policy recommendations that come out of this plan and how they may.

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00:00:27.420 --> 00:00:39.300

Alex Steinberger: benefit the general plan and the housing element and also they may also inform changes to general plan land use designations and potentially even changes to zoning down the road.

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00:00:40.170 --> 00:00:52.710

Alex Steinberger: So the focus of today's webinar is first to understand the economics, it has a production how certain tools can be used to increase housing production remove barriers to housing production.

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00:00:53.340 --> 00:01:03.720

Alex Steinberger: and also how the scenario modeling task that cascadia partners is responsible for will help the city understand the size of the impact of certain proposed policies.

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00:01:07.410 --> 00:01:21.270

Alex Steinberger: So what is scenario modeling well, it can mean a lot of things, but the way that we approach it at cascadia partners is we use our expertise as economists and real estate developers to take a developer's point of view.

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00:01:21.750 --> 00:01:36.720

Alex Steinberger: and see how existing and proposed regulations can impact development feasibility at both the specific site level and also how changes at the site level can impact housing production potential city wide.

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00:01:39.060 --> 00:01:49.320

Alex Steinberger: But before we get into exactly how that's done, I want to talk a

little bit about the broader housing market in Modesto and some of the things we're seeing to set the stage for this analysis.

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00:01:50.580 --> 00:01:57.780

Alex Steinberger: So first off I'm sure no one in this call would be surprised when I say that the nation is in the housing crisis.

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00:01:58.230 --> 00:02:07.890

Alex Steinberger: And what this map shows is in every county in the United States, the percentage of households that pay more than 30% of their income on housing.

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00:02:08.640 --> 00:02:15.210

Alex Steinberger: And that's a measure of what's often called housing costs burden and you can see in the hues of Orange and red.

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00:02:15.840 --> 00:02:24.390

Alex Steinberger: Where more people are paying more than they should for housing and you can see it's really concentrated on the coasts and on the west coast.

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00:02:24.870 --> 00:02:41.070

Alex Steinberger: It's really California that's the epicenter of this housing crisis and the central Valley, is a big part of that and Stanislaus County is no exception, so there's a lot of people in this part of the country who are spending more than they should on housing today.

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00:02:42.930 --> 00:02:58.590

Alex Steinberger: So in Modesto how does that manifest itself well what we see today is that the median home price for a home in Modesto is about 430 \$1,000 which is more than peak before the last recession.

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00:02:59.370 --> 00:03:07.080

Alex Steinberger: And in the last couple of years we've seen an 11% price increase which is actually the fourth highest increase in the nation.

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00:03:08.160 --> 00:03:24.300

Alex Steinberger: Compared to other metros so the trajectory of housing cost increases in Modesto is it's actually quite steep and that's concerning statistic, because if that continues, then the affordability the relative affordability that people enjoy in Modesto could disappear in the near future.

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00:03:26.160 --> 00:03:35.250

Alex Steinberger: On the rental side rental rates in Modesto are about 75% of the statewide average but that isn't necessarily going to be the case forever.

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00:03:35.820 --> 00:03:44.220

Alex Steinberger: And, especially if we look back a few years, we can see that there's been an 8.5% average annual increase in rents since 2014.

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00:03:44.850 --> 00:03:57.630

Alex Steinberger: So that's pretty that's pretty pretty swift rise in rents and it's resulted in rents today that are just below 1500 dollars a month, which is a pretty high high rent for for most folks who are living with so.

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00:04:00.270 --> 00:04:06.090

Alex Steinberger: So what does this all mean for Modesto housing market is it a healthy housing market and what does that even mean.

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00:04:06.930 --> 00:04:23.790

Alex Steinberger: Well, the Department of Housing and Community Development HCG provides some benchmarks for this and here we're comparing a healthy housing market is defined by HUD to some similar statistics and Stanislaus County and what we're seeing is that, with regard to available, they can see.

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00:04:25.860 --> 00:04:32.880

Alex Steinberger: Each CD thinks that you should have no less than 5% they can see that's what a healthy more housing housing market would have.

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00:04:33.450 --> 00:04:38.970

Alex Steinberger: Stanislaus County only has about 1.6% of its its housing units vacant currently.

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00:04:39.930 --> 00:04:53.790

Alex Steinberger: In terms of overcrowding, which is when you have more than one person per room, on average, within a housing unit HUD things you should have less than 1% of your your households in that condition, but in Stanislaus County it's about 7%.

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00:04:55.110 --> 00:05:00.150

Alex Steinberger: And then, in terms of cost burden which is that same thing we showed in that map of the entire United States.

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00:05:00.960 --> 00:05:09.420

Alex Steinberger: hdd thinks that healthy housing market should have less than 10% of its households paying more than 30% of their income for housing.

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00:05:09.990 --> 00:05:20.820

Alex Steinberger: But stanislaus county it's more than a third of households so quite quite a high number all across the board there, and there are definitely some issues that we're hoping that the housing plan help resolve.

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00:05:22.290 --> 00:05:30.420

Alex Steinberger: So what, what do you think's behind this what actually might be causing some of these these housing issues that we're seeing in modesto and stanislaus county.

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00:05:31.650 --> 00:05:41.700

Alex Steinberger: But one of the things that you may hear from time to time, is that there isn't enough housing supply and healthy housing market typically has about six months of for sale housing supply.

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00:05:43.020 --> 00:05:55.710

Alex Steinberger: In stanislaus county over the last year, the average has been only about two weeks of supply, so there is not enough housing coming on the market to satisfy even a fraction of the demand for for sale housing.

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00:05:57.540 --> 00:06:06.630

Alex Steinberger: And that's partially because there isn't hasn't been enough housing built in the recent past, to even meet the demand for new households.

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00:06:06.960 --> 00:06:16.800

Alex Steinberger: Coming to the region, let alone those who are paying too much for housing, those who are overcrowded in housing what this map shows is kind of zoomed into Central California.

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00:06:17.670 --> 00:06:29.520

Alex Steinberger: By county the number of housing units built relative to the number of households that moved to each county and in stanislaus county between 2010 and 2016.

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00:06:30.300 --> 00:06:38.820

Alex Steinberger: We built only about point two, eight housing units for every household that moved to the region, so we were under producing by almost a factor for.

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00:06:39.630 --> 00:06:48.810

Alex Steinberger: With regard to the population growth that was happening and so that's really constrained supply and increased prices as a result.

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00:06:49.530 --> 00:06:58.260

Alex Steinberger: And that's really ECON 101 right we've all heard this supply and demand, if you have a decrease in supply you're going to have an increase in demand.

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00:06:58.680 --> 00:07:08.670

Alex Steinberger: which results in an increase in prices, so this chart here, which shows supply and housing price nationwide shows this very clearly.

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00:07:09.180 --> 00:07:24.690

Alex Steinberger: Starting around 2012 or 2013 right after the last recession supply really took a nosedive and as a result, prices increased dramatically so that that's happening nationwide but, of course, as, as we all know, it's happening here in the central valley as well.

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00:07:27.360 --> 00:07:33.150

Alex Steinberger: Another reason why we are seeing such rapid price increases his construction costs.

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00:07:33.900 --> 00:07:46.380

Alex Steinberger: You may have heard of this as well, especially recently with inflation as high as it is this chart shows increases in construction costs from January 2019 to may 2021.

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00:07:46.770 --> 00:07:54.300

Alex Steinberger: So we're not even capturing that most recent spike and inflation that's probably causing quite a bit more increasing construction costs.

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00:07:54.900 --> 00:08:06.000

Alex Steinberger: But point is that, as construction costs increase which includes the cost of raw materials, like steel lumber roofing materials all that stuff plus Labor.

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00:08:06.570 --> 00:08:15.570

Alex Steinberger: As those things increase it becomes harder and harder for developers to make reasonable return on their on their investment when they're building new house.

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00:08:18.360 --> 00:08:21.570

Alex Steinberger: So what can the city of Modesto do.

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00:08:22.950 --> 00:08:29.460

Alex Steinberger: Generally, and also within the Modesto housing plan to try to try to counteract these things that we're seeing.

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00:08:30.600 --> 00:08:39.480

Alex Steinberger: Well, what we like to think about with regard to housing production is that when the market for housing is strong, which it is in Modesto.

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00:08:40.140 --> 00:08:54.690

Alex Steinberger: And when policy and regulations, like zoning are appropriately fine tuned for that market and when a land is available and structured capacity is there generally housing gets built.

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00:08:56.430 --> 00:09:08.010

Alex Steinberger: Now the city does not have any control over the market right, but it does have some control over the availability of land through land that it may own. Orlando that it may own.

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00:09:09.030 --> 00:09:17.280

Alex Steinberger: And it also has some control over the capacity of infrastructure by potentially prioritizing certain, for instance sewer and water projects.

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00:09:18.510 --> 00:09:27.120

Alex Steinberger: But the probably the place where the housing plan has the most bearing is in policy and regulatory stuff. So these are things like.

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00:09:27.720 --> 00:09:38.160

Alex Steinberger: parking policy zoning incentives, these are the best tools that the city has within the housing plan to improve the situation for housing production.

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00:09:39.090 --> 00:09:47.070

Alex Steinberger: And the housing plan is just one tool among many. The city is going to use to try to tackle this this housing crisis that it's currently ends.

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00:09:49.020 --> 00:09:55.500

Alex Steinberger: So what sorts of strategies can we employ to move the Needle, on

housing production.

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00:09:57.480 --> 00:10:11.880

Alex Steinberger: So as part of the housing plan we're going to be looking at a range of different possibilities those have not yet been defined and as Steve mentioned at the beginning of the presentation those will be defined as part of the next workshop, or at least those discussions will again.

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00:10:12.960 --> 00:10:19.680

Alex Steinberger: But a lot of the things we're going to be looking at are going to be related to zoning and incentive related strategies.

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00:10:21.600 --> 00:10:31.830

Alex Steinberger: And the main metric that we are going to use to try to figure out if policies that we're proposing are going to have an impact or not is financial feasibility.

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00:10:33.420 --> 00:10:46.110

Alex Steinberger: And the way a developer measures financial feasibility is generally their return on investment, which basically means after they pay for all of their raw materials, their labor the taxes that keys.

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00:10:47.160 --> 00:10:53.850

Alex Steinberger: Are they able to sell or rent the project and make enough money to make it all worth their while.

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00:10:54.720 --> 00:11:02.520

Alex Steinberger: And if that's not happening in the market rates is all over it's probably going to walk away project, and so what this graphic shows is that.

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00:11:03.180 --> 00:11:12.150

Alex Steinberger: You know, an existing condition, where you are not achieving or target rate of return there is what we like to call a feasibility gap.

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00:11:12.600 --> 00:11:20.340

Alex Steinberger: So it's the difference between what a developer's able to get as a return and what they want to get as a return or need to get as a return on investment.

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00:11:21.330 --> 00:11:31.350

Alex Steinberger: And there are many ways that city can actually play an active role

in closing that feasibility gap, some of those things are, as we discussed previously changes to zoning.

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00:11:32.160 --> 00:11:43.320

Alex Steinberger: Potentially discounts to land that is publicly owned development incentives and even streamlining of permitting processes can help close the feasibility gap.

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00:11:44.340 --> 00:11:51.780

Alex Steinberger: In the next few slides we're going to provide a few examples of some of these things just to show you how they can have an impact on feasibility.

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00:11:52.140 --> 00:11:59.640

Alex Steinberger: But again, this is not an exhaustive list, and the actual strategies that are considered as part of the housing plan are going to talk about in the next workshop.

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00:12:01.350 --> 00:12:12.960

Alex Steinberger: So how can streamline permitting encourage housing production well when permitting is uncertain or takes a long time developers see that as risk and cost.

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00:12:13.800 --> 00:12:22.020

Alex Steinberger: risk, in that it makes their project less certain to go through or potentially could involve revisions to their projects and cost for that very same reason.

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00:12:22.500 --> 00:12:37.410

Alex Steinberger: They have to go back and revise something or delay, they can lose money in the process so by having streamlined permitting for certain types of projects, you can actually reduce costs and risk for developers and thereby make housing more feasible.

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00:12:40.020 --> 00:12:48.270

Alex Steinberger: Incentives or another way to encourage housing production, there are many different kinds of incentives, these can be things like reductions to fees.

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00:12:48.900 --> 00:12:59.490

Alex Steinberger: Tax abatements or even increases in the amount of buildable area of a project so increases in height or Florida area ratio or the number of units that you can build.

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00:13:00.300 --> 00:13:08.820

Alex Steinberger: In this example from sacramento we see how reductions in impact fees which are the fees that are charged to development.

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00:13:09.660 --> 00:13:23.550

Alex Steinberger: When it incurs costs to the sewer and water system those fees are reduced, it can increase the return on investment for a nonprofit developers so that's one example of how incentives can encourage housing production.

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00:13:25.290 --> 00:13:38.370

Alex Steinberger: Another potential strategy is get the right down or reduction in cost of publicly on land, this is sometimes called a Public Private Partnership or p3 for short.

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00:13:38.820 --> 00:13:49.950

Alex Steinberger: And the way this increases housing production is that the city can reduce the cost to a developer for land that's a pretty substantial piece of their overall developer pro forma.

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00:13:50.790 --> 00:13:56.640

Alex Steinberger: And if they do that they can also encourage the developer, to provide things like more affordable housing.

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00:13:57.180 --> 00:14:09.300

Alex Steinberger: or public amenities, like a like clauses or even community services like clinics so it's a way to not only increase housing production but also get more public benefit, out of a project.

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00:14:11.460 --> 00:14:20.370

Alex Steinberger: there's a whole bunch of different zone changes that can also be considered as a way to increase housing production here, just a few examples, this one related to parking.

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00:14:21.090 --> 00:14:30.750

Alex Steinberger: parking is kind of a double whammy for a developer, because it not only costs money to build and generally isn't charged for by a developer.

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00:14:31.500 --> 00:14:43.290

Alex Steinberger: But it also competes with the leasable area of building on a site for space, if I have to build a bunch of parking as to make my building smaller, which means I have less space that I can lease out and make money.

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00:14:44.490 --> 00:14:53.640

Alex Steinberger: And also, I have to build all that parking which cost me additional money, so these two charts show how, on the one hand parking can be passed on to the.

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00:14:54.210 --> 00:15:07.800

Alex Steinberger: end user, the resident increase the cost of housing, but also how parking can reduce the developers profit if they have to provide too much of it so part reducing parking requirements is one way that we can encourage housing production.

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00:15:09.540 --> 00:15:17.220

Alex Steinberger: Another potential type of code change that can encourage housing production is reduction setbacks setbacks are.

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00:15:18.540 --> 00:15:23.430

Alex Steinberger: Are the things in a code that define how far away from the last line of building has to be built.

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00:15:24.150 --> 00:15:31.170

Alex Steinberger: And in this example for also from from sacramento we see that the setbacks, and this is own require the building to be.

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00:15:32.100 --> 00:15:40.680

Alex Steinberger: At least 25 feet from the front of a lot, which means the building us to be rather small, which means it can contest to contain less units, which means the.

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00:15:41.130 --> 00:15:58.020

Alex Steinberger: developer makes less profit but by reducing the setbacks you the bigger building, you can put the parking on a more advantageous configuration on the site and the developer gets a higher return, and it also results in more affordable housing by design.

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00:16:00.720 --> 00:16:06.990

Alex Steinberger: Those are just a couple of examples there's no one strategy there's no silver bullet that just solves all your housing problems.

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00:16:07.500 --> 00:16:12.060

Alex Steinberger: Obviously, and they're going to be many other things discussed as

part of this project.

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00:16:12.750 --> 00:16:25.110

Alex Steinberger: These These could include things like exclusionary zoning or density bonuses or transfers of development rights list goes on point is, many of those things are going to be discussed in workshop number three.

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00:16:26.100 --> 00:16:32.220

Alex Steinberger: But what we'll talk about next is how we are going to actually measure how effective each of these strategies might be.

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00:16:34.320 --> 00:16:44.070

Alex Steinberger: So we do that through the design testing process and design testing process has three steps, the first step is test fits So these are physical.

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00:16:45.000 --> 00:16:52.140

Alex Steinberger: fits of different development standards on a specific site trying to test out what can be built if we change zoning regulations.

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00:16:53.040 --> 00:17:02.040

Alex Steinberger: And then we take those proposed changes and we plug them into a developer's pro forma, which is essentially a way that a developer figures out if a project is feasible.

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00:17:03.090 --> 00:17:18.750

Alex Steinberger: And finally, we scale that all up to the city wide level, to see if we made this change across the entire city or in specific zones, what would that mean for the amount of housing that could be produced is it actually going to make a big enough difference to make it worth our while.

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00:17:20.400 --> 00:17:24.540

Alex Steinberger: So test fits are going to be led by optical design and Lisa was consulting.

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00:17:25.620 --> 00:17:37.440

Alex Steinberger: They will use their architecture magic to look at individual sites test out different changes to zoning regulations and see what sorts of new building types that might enable.

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00:17:38.940 --> 00:17:43.260

Alex Steinberger: And then we're going to take that information and plug it into our

developers performance.

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00:17:43.770 --> 00:17:54.600

Alex Steinberger: and actually see what it does to the the return on investment that a developer might get out of that project, so we look at it from this market based developer perspective.

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00:17:55.200 --> 00:18:11.640

Alex Steinberger: Obviously we don't just care about the developers return, we also care that these changes are making housing more affordable by design, so the developers passing less costs on to the owner or the renter and housing, even at market rate is getting more affordable that's the goal.

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00:18:14.700 --> 00:18:25.230

Alex Steinberger: And then, how do we take that and scale it up to the city wide level we use type of analysis, called the residual land value analysis and what that means is that.

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00:18:26.040 --> 00:18:35.280

Alex Steinberger: You can think of a developer's pro forma as having several different supplements, they have to account for their cost of construction their fees or taxes.

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00:18:35.760 --> 00:18:47.940

Alex Steinberger: They have to break off a chunk of all of that that they want to be their profit their desired profits and what that leads as as a leftover kind of a thing that we solve for is the cost of land.

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00:18:49.200 --> 00:18:58.260

Alex Steinberger: So if we change a development standard, for instance, it might change the cost of construction or the amount of profit, they might receive and will also change the.

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00:18:58.860 --> 00:19:06.210

Alex Steinberger: Maximum cost of land that they're willing to pay and that creates new opportunities for housing, a new parts of the city eventually where.

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00:19:06.840 --> 00:19:21.330

Alex Steinberger: land was too expensive for, but now has become achievable because we've changed some sort of developed standard so that allows us to see on the site by site basis across city how policy changes can impact overall housing production.

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00:19:22.530 --> 00:19:29.520

Alex Steinberger: So you know, in a general sense, what we're doing is we're we're figuring out which levers which policy levers, we can pull.

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00:19:29.910 --> 00:19:41.820

Alex Steinberger: And what the impact of each policy lever moving will be at the city wide scale so we're going to look at things like development regulations and potentially streamlining and incentives to see what the impact might be.

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00:19:43.560 --> 00:19:53.430

Alex Steinberger: And will actually be able to quantify both under existing conditions existing zoning how much housing, we think might be built within the next few years.

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00:19:54.030 --> 00:20:01.320

Alex Steinberger: And then, if we pull on one of those policy levers how that might change the amount of housing that could be built in the next few years.

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00:20:02.340 --> 00:20:15.150

Alex Steinberger: And and that'll be an exciting thing exciting part of the project that won't actually start until we get some policy ideas which you all stakeholders say staff participants in the workshop we're going to help generate.

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00:20:16.200 --> 00:20:17.700

Alex Steinberger: In a little little while here.

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00:20:19.140 --> 00:20:27.930

Alex Steinberger: So in summation there are many strategies that are going to be looked at as part of this project to try to close the feasibility gap.

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00:20:29.160 --> 00:20:36.720

Alex Steinberger: Our job is to analyze each of those policies at the site level and then scale that up to the city wide level to see.

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00:20:37.080 --> 00:20:52.500

Alex Steinberger: Are we moving the needle are we actually creating substantial increases to housing supply as part of the as a result of these policies and then and how much how much housing production may they actually encourage in the future.

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00:20:54.300 --> 00:21:01.920

Alex Steinberger: So with that I will open it up to questions if there are any can feel free to type them into the chat.

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00:21:02.400 --> 00:21:14.700

Alex Steinberger: or just unmute yourself, and let me know if you have a question and we also have Natalia here from opposite coasts, who can help us answer any questions that kind of go beyond cascadia is part of the project.

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00:21:33.420 --> 00:21:37.230

Alex Steinberger: Anyone from the city have anything to to add to that.

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00:21:38.550 --> 00:21:40.920

Alex Steinberger: Steve or others.

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00:21:44.250 --> 00:21:50.310

Steve Mitchell: You know not right now Alex Thank you very much for that presentation this is really just kind of laying the groundwork.

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00:21:50.730 --> 00:22:01.020

Steve Mitchell: As I said, for our next workshop where we're really going to start diving into some of these techniques that can be used to make housing more affordable, but.

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00:22:01.860 --> 00:22:06.030

Steve Mitchell: The purpose of tonight was really just to kind of give you all kind of an understanding.

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00:22:06.450 --> 00:22:18.420

Steve Mitchell: of how we're going to do that and kind of laying out some of the factors that we're going to be looking at and then you know Alex and his team is going to be are going to be measuring the impact of some of those changes so.

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00:22:19.650 --> 00:22:28.680

Steve Mitchell: You know, appreciate everyone participating tonight again if you have any questions feel free basket city staff asked him for.

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00:22:29.910 --> 00:22:34.650

Steve Mitchell: Articles or Alex and Okay, I think we have one question here.

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00:22:36.690 --> 00:22:46.920

Alex Steinberger: yeah thanks for that um so Matthew asks what parking and setback requirements, does the city require right now for development and why.

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00:22:48.450 --> 00:23:02.250

Alex Steinberger: bike i'll just respond to a little bit of that, but I think that's going to be probably a complicated answer, but at a basic level it's going to vary zone by zone every zone is going to have different requirements.

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00:23:03.780 --> 00:23:09.420

Alex Steinberger: And, as with regards to why I think i'll let Steve answer that piece of it.

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00:23:09.840 --> 00:23:14.520

Steve Mitchell: Sure sure, so you know, yes, as Alex indicated it does vary by zone.

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00:23:15.150 --> 00:23:23.010

Steve Mitchell: So you know in our single families zones which are most of our neighborhoods we have relatively large setbacks, you know as you go into any of our.

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00:23:23.370 --> 00:23:32.730

Steve Mitchell: residential neighborhoods you'll see that the houses are set back from the street generally quite a ways they usually have large very arts, they have side yards.

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00:23:33.210 --> 00:23:43.140

Steve Mitchell: That has kind of been the Community feel that modesto has traditionally wanted for its neighborhoods but, as you get into some of our higher density zones those standards start changing a bit.

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00:23:43.590 --> 00:23:54.660

Steve Mitchell: And when you get into our downtown you'll notice it's quite a bit different we have we have very we have much lowers setbacks, and so the buildings tend to be much closer to the street.

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00:23:55.200 --> 00:24:08.610

Steve Mitchell: go right up to the property line in many cases it's really just a different feel and the zoning zoning regulations are varied because of that just the different type of field, so to speak, that you want, in a neighborhood.

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00:24:09.420 --> 00:24:18.720

Steve Mitchell: Also, to maintain maybe perhaps more compatibility, you know people

in a single family neighborhoods generally have a you know, an expectation that there will have some privacy.

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00:24:19.110 --> 00:24:24.780

Steve Mitchell: And they'll have kind of their own opens by private open space guards to to enjoy.

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00:24:25.710 --> 00:24:31.320

Steve Mitchell: In you know downtown setting, you know that that expectation might be a little different people.

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00:24:31.740 --> 00:24:45.720

Steve Mitchell: Maybe are looking for a more urban type of experience, where you don't have so much large open space on your individual lots so just kind of in a nutshell that's kind of why our zoning regulations are where they are.

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00:24:47.880 --> 00:24:55.380

Mitali Ganguly: yeah and if I could just join and sorry this is mythology from articles as Alex mentioned, we have been working on.

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00:24:55.830 --> 00:25:06.540

Mitali Ganguly: testing out different building types, how they work on different typical lot sizes that are existing city wide and which of these test fits or resulting feasible.

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00:25:07.140 --> 00:25:16.500

Mitali Ganguly: Like outcomes or not, so we have been doing a lot of that background work and that has also led to some preliminary recommendations for where we can potentially.

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00:25:16.830 --> 00:25:28.170

Mitali Ganguly: Look at parking and other building setbacks and other standards with an effort to try and allow a wider array of housing types to fit on existing lots so that has been part of.

143

00:25:28.470 --> 00:25:34.770

Mitali Ganguly: Both our work and we have been in discussions with the city and as both Stephen Alex mentioned, this will form.

144

00:25:35.430 --> 00:25:41.460

Mitali Ganguly: Some of the main content of workshop three which we're hoping to

schedule either like in March or April.

145

00:25:41.850 --> 00:25:51.240

Mitali Ganguly: And more information on that will be forthcoming as well, but I just wanted to add in that these are some of the critical building standards that we have been testing and looking at.

146

00:25:51.540 --> 00:25:58.020

Mitali Ganguly: With an effort to try and improve on the existing condition to allow a wider variety of housing types to be possible.

147

00:26:00.630 --> 00:26:02.430

Steve Mitchell: Now so see we have our.

148

00:26:04.020 --> 00:26:06.300

Steve Mitchell: next question to think of some Teresa jenna.

149

00:26:07.350 --> 00:26:07.830

Steve Mitchell: and

150

00:26:09.120 --> 00:26:12.300

Steve Mitchell: Perhaps you can take your metallic can take that one.

151

00:26:13.140 --> 00:26:17.400

Alex Steinberger: yeah I think that's a good segue from from mentalities previous answer.

152

00:26:18.750 --> 00:26:25.380

Alex Steinberger: So Theresa asks, in your research will you be evaluating concept of micro arms tiny on communities, not just affordable housing.

153

00:26:26.130 --> 00:26:42.030

Alex Steinberger: We can certainly evaluate the feasibility of those types of projects, but whether or not they will be part of the discussion, I think, is really up to the discussions that happen in the next workshop but matala can add to that if you think there's anything more to add.

154

00:26:42.990 --> 00:26:51.060

Mitali Ganguly: yeah thanks Alex that kind of covers it, but you know i'd like to add to the point that, in many cases, we might need to consider if.

155

00:26:51.450 --> 00:26:59.610

Mitali Ganguly: There are benefits or not of requiring minimum unit sizes, because often what we're trying to do is to look at the maximum.

156

00:27:00.000 --> 00:27:10.830

Mitali Ganguly: Building envelope, you know by different areas within the city different context within the city to try and shape what volume, you know is ideal and which is compatible with what's already existing there.

157

00:27:11.340 --> 00:27:20.010

Mitali Ganguly: So, innovate it's a way of looking at accommodating more housing, but without drastically changing what is already existing you know, so that we don't kind of.

158

00:27:20.640 --> 00:27:28.440

Mitali Ganguly: Create very incompatible relationships between the existing development and the new development but, that being said, one way of.

159

00:27:29.100 --> 00:27:37.830

Mitali Ganguly: Like in some focus areas where we think that the amenities are existing already, we can potentially look at not requiring minimum unit sizes.

160

00:27:38.070 --> 00:27:53.550

Mitali Ganguly: So that automatically enables more micro units, or like just a larger number of units to be built without creating a much larger built in footprint So these are again some of the ideas and strategies that we will be discussing in the next workshop and trying to get feedback.

161

00:27:56.610 --> 00:28:10.560

leroyegenberger: leroy from modesto regarding building height, is there a restriction on the number of stories that can be built on know that would involve a cost factor, too, but is there a restriction.

162

00:28:12.810 --> 00:28:20.970

Alex Steinberger: Thanks leroy I see you, I see that question in the chat I want to make sure that Teresa gets hers answered since she's a one ahead of you.

163

00:28:22.800 --> 00:28:28.650

Alex Steinberger: Teresa you asked are you looking at the interface between public transit and land use and housing.

164

00:28:30.150 --> 00:28:46.140

Alex Steinberger: I imagine that, as these policy proposals are being put together as they take shape that transit access will be a major component of why certain zone changes are proposed in certain locations, but mythology can.

165

00:28:46.350 --> 00:28:47.580

Alex Steinberger: instill in from there.

166

00:28:48.330 --> 00:28:52.590

Mitali Ganguly: yeah thanks Alex and yesterday so absolutely the have been considering.

167

00:28:53.100 --> 00:29:04.080

Mitali Ganguly: Like just the location of you know, like different lots within the city so, to take one step back, one of the initial tasks that we presented in the second workshop, you know this was in December and.

168

00:29:04.530 --> 00:29:12.780

Mitali Ganguly: Again, the recording as well as the presentation, the slides of that workshop are also available on the housing plan that site, if you just want to go and refer to that.

169

00:29:13.200 --> 00:29:23.160

Mitali Ganguly: But, in a nutshell, in that workshop we had presented our work on analyzing the entire city and trying to identify different types of areas within the city.

170

00:29:23.520 --> 00:29:34.920

Mitali Ganguly: and by that I mean different contexts, such as mixed use corridors, the core of downtown than the rest of downtown downtown adjacent areas, and then the predominantly visiting neighborhoods.

171

00:29:35.280 --> 00:29:42.000

Mitali Ganguly: So the reason behind you know even going ahead and trying to map out these different types of existing contacts was because.

172

00:29:42.330 --> 00:29:51.780

Mitali Ganguly: In each of these different contexts types, there is a difference in the existing land uses the kind of new land users that can be added proximity to transit.

173

00:29:52.140 --> 00:29:58.800

Mitali Ganguly: Also, access to other kinds of amenities, you know, etc, so definitely This is like creating the connection between transit.

174

00:29:59.520 --> 00:30:09.720

Mitali Ganguly: And just in general transportation access the street pattern and existing land users is definitely something that is almost fundamental to what we are going to be recommending, for example, we can.

175

00:30:10.140 --> 00:30:20.010

Mitali Ganguly: We can recommend that they would be a lower parking ratio required, you know for for lots and for areas which are very close to existing transit nodes.

176

00:30:20.370 --> 00:30:31.950

Mitali Ganguly: But we that would not be a sensible strategy in an area where you don't even have like regular bus access so definitely we are considering this, and this would factor into the recommendations that will come up with in the next workshop.

177

00:30:35.220 --> 00:30:47.010

Alex Steinberger: Thanks Vitaly so The next question is from leroy euro you asks how does building height factor into to building and into construction and also.

178

00:30:47.430 --> 00:30:54.810

Alex Steinberger: What are the, what are the height maximums I believe that's what you were asking when you when you chimed in so let me know if I missed anything there but.

179

00:30:55.200 --> 00:31:03.480

Alex Steinberger: This man so with regard to how it factors into the economics of building i'm not sure that's what you were asking but i'll respond to that.

180

00:31:04.890 --> 00:31:16.650

Alex Steinberger: There are different construction types that kick in when you get to certain height levels so when you're usually below five stories, you can do, mostly wood frame construction.

181

00:31:17.430 --> 00:31:24.030

Alex Steinberger: Sometimes, with a concrete podium once you get above that then you're getting into steel frame construction which is much more expensive.

182

00:31:24.420 --> 00:31:35.250

Alex Steinberger: So there are some some things that kick in at certain height levels that totally changed the way of building needs to be built and make costs potentially go up quite a bit.

183

00:31:36.540 --> 00:31:47.280

Alex Steinberger: But the other thing to note there is that just by increasing allowable height it doesn't necessarily make a project more feasible because a developer needs.

184

00:31:47.760 --> 00:31:54.900

Alex Steinberger: More than just height yeah if you increase height, you also potentially need to increase the amount of units that they can build.

185

00:31:55.140 --> 00:32:02.310

Alex Steinberger: And also potentially increase or decrease the amount of parking they need to provide per unit or per square foot of commercial area.

186

00:32:02.670 --> 00:32:10.200

Alex Steinberger: Because otherwise is the building gets bigger you run out of space on the site you can't provide parking a surface parking lot anymore.

187

00:32:10.800 --> 00:32:24.720

Alex Steinberger: Once you have to go underground or inside the building things get much more expensive but that's all stuff that we're going to be testing with with our real estate pro forma as we look at some of these potential policy options.

188

00:32:25.800 --> 00:32:39.840

Alex Steinberger: With regard to what the standards are now again they're going to vary from zone to zone height limitations are probably most important right now in the downtown zones less so in the residential zones.

189

00:32:40.980 --> 00:32:55.230

Alex Steinberger: The primary regulator in those residential zones is going to be lot size units per acre but in the downtown zones height is going to be a bigger deal in terms of regulating the form of buildings.

190

00:32:56.340 --> 00:33:02.130

Alex Steinberger: Is there anything else in aside from what i've already answered that you'd like to ask.

191

00:33:02.640 --> 00:33:04.830

Ieroyegenberger: Thank you very much thank you.

192

00:33:05.550 --> 00:33:05.940

Okay.

193

00:33:07.290 --> 00:33:16.890

Alex Steinberger: Great next question is from Hannah Brady she asked if affordable housing as part of the equation for evaluating the effectiveness of these levels.

194

00:33:17.160 --> 00:33:25.920

Alex Steinberger: What metrics are you using for affordable, is that in concert with the availability availability of subsidies in our cities county or not necessarily.

195

00:33:27.240 --> 00:33:39.810

Alex Steinberger: So the metric that we would use to gauge affordability what's typically done is you measure it relative to what's called area median income or sometimes median family income.

196

00:33:40.620 --> 00:33:54.840

Alex Steinberger: And these are county level numbers, so there are calibrated to stanislaus county there, they are managed and updated every year by the Department of housing.

197

00:33:55.350 --> 00:34:05.640

Alex Steinberger: and urban development flood and so we'll use those numbers to figure out if a potential home price or rental price.

198

00:34:06.450 --> 00:34:20.730

Alex Steinberger: is affordable to someone who makes 100% of area median income, for instance, or 80% or 60% just to gauge how affordable the housing that particular policy enables could be.

199

00:34:22.350 --> 00:34:27.540

Alex Steinberger: So feel free to chime in if either in the chat if there's anything in my response that I missed.

200

00:34:32.640 --> 00:34:40.950

Mitali Ganguly: Alex i'd also like to just add in that, in terms of are we looking

as a housing plan looking only towards increasing.

201

00:34:41.850 --> 00:34:51.450

Mitali Ganguly: affordable housing no not so I mean not the way it is defined by the state were looking to boost housing production at all levels of affordability.

202

00:34:51.810 --> 00:35:04.560

Mitali Ganguly: And i'm sure the city can also chime in on that so in in a way, this would include also what is typically called affordable housing because availability of like you know kind of state help in constructing these housing and also other such.

203

00:35:05.670 --> 00:35:15.270

Mitali Ganguly: grants and funding but also affordability by design, so what that means is by looking at existing regulations and seeing how again to move the needle.

204

00:35:15.630 --> 00:35:18.720

Mitali Ganguly: To just allow a broader spectrum of housing types to be built.

205

00:35:19.290 --> 00:35:29.250

Mitali Ganguly: helps in just making housing more affordable, or at least in expanding the housing choices that people have in modesto so that also increases affordability, not just as the strict.

206

00:35:29.910 --> 00:35:39.630

Mitali Ganguly: You know the terminology, the way affordable housing this used but at all different levels of area median income, so that was also one of the chief objectives of the housing plan.

207

00:35:40.140 --> 00:35:48.570

Mitali Ganguly: And someone from the city i'm sure can also chime in on how much of the plan would be focusing on just strictly affordable housing the the the state defines it.

208

00:35:49.680 --> 00:36:06.750

Steve Mitchell: yeah I think the primary focus of the plan Italia, as you mentioned, is not so much on the government subsidized affordable housing like people tend to think of that it's more on market rate housing and the idea that, how can the desk to.

209

00:36:07.860 --> 00:36:18.180

Steve Mitchell: make some changes to increase housing, as you know, Alex talked about the loss of supply and demand, if you increase the amount of housing available.

210

00:36:18.660 --> 00:36:31.590

Steve Mitchell: You can start to lower the cost if you can also make some changes that make that housing more affordable to construct, you can lower the cost of housing so that's kind of the focus on just.

211

00:36:32.130 --> 00:36:40.680

Steve Mitchell: Being able to provide more housing in modesto help to lower the cost of that housing, but not specifically to address.

212

00:36:41.130 --> 00:36:54.270

Steve Mitchell: The very low income of you know, government subsidized affordable housing, the city has a number of programs for that type of housing this housing plan is not specifically geared towards that.

213

00:37:02.580 --> 00:37:13.110

Alex Steinberger: Alright, well, it looks like that is all those are all the questions that we received in the chat now if one last opportunity for anyone to chime in or.

214

00:37:14.280 --> 00:37:15.660

Alex Steinberger: message us in the chat.

215

00:37:22.110 --> 00:37:22.650

Alex Steinberger: Okay.

216

00:37:24.360 --> 00:37:29.670

Alex Steinberger: So, in terms of next steps metallica did you want to give this.

217

00:37:30.690 --> 00:37:32.640

Alex Steinberger: This slide or did you want me to do this.

218

00:37:34.590 --> 00:37:41.820

Mitali Ganguly: I mean, I guess you can just kind of walk through it, but in general the Abbey had scheduled a total of.

219

00:37:42.180 --> 00:37:50.730

Mitali Ganguly: Four workshops for this project, and two of them has happened already looking forward to workshop three, which we hope to schedule in mid March.

220

00:37:51.120 --> 00:37:55.170

Mitali Ganguly: And the exact dates will be decided fairly soon, if not match it will be in April.

221

00:37:55.620 --> 00:38:05.730

Mitali Ganguly: And then the last workshop will be in May, so workshop three as we've been discussing, which is the upcoming workshop will deal with the preliminary zoning and policy.

222

00:38:06.030 --> 00:38:12.720

Mitali Ganguly: recommendations that would be included in the housing plan so we don't want to just put these recommendations directly in the housing plan document.

223

00:38:12.990 --> 00:38:18.780

Mitali Ganguly: We want to get feedback on those we want to see what the reaction is to many of these and that'll also help us in determining.

224

00:38:19.140 --> 00:38:23.850

Mitali Ganguly: You know, just like how to kind of just how much are we pushing the needle and what feels comfortable.

225

00:38:24.630 --> 00:38:34.740

Mitali Ganguly: To all of you, and then in the last workshop, we would be coming and presenting the plan document, so this document is essentially a set of analysis.

226

00:38:35.490 --> 00:38:43.620

Mitali Ganguly: As well as the scenario planning that Alex talked about, and it also includes the policy and zoning recommendations, so this entire document is supposed to be.

227

00:38:44.280 --> 00:38:54.180

Mitali Ganguly: Like something that influences and is used as a point of reference for the city to proceed to actually implementing these changes, through changes to the zoning code.

228

00:38:54.600 --> 00:39:07.830

Mitali Ganguly: or through updating the housing element of the general plan so that is kind of the longer path for what happens after the housing ban, but the hope to

see you at workshop three, in which we discuss this morning and policy recommendations.

229

00:39:11.130 --> 00:39:18.330

Mitali Ganguly: And I also just want to give a plug for this last slide that many of you may be looking at, there is a website that you can access.

230

00:39:19.110 --> 00:39:23.730

Mitali Ganguly: which has all the previous information that's been presented as part of the housing plan so.

231

00:39:24.150 --> 00:39:33.840

Mitali Ganguly: If you are late in kind of getting to know about the project and you just want to get caught up all the key information and the materials that have been presented are available on the website.

232

00:39:34.260 --> 00:39:41.910

Mitali Ganguly: You can also go in and subscribe to the website so, then you would be aware of all upcoming milestones and any other future workshops that might be.

233

00:39:43.020 --> 00:39:51.090

Mitali Ganguly: My beginning plan, and I also just want to say that the chief point of contact from the city is Cindy and her information is also included on this website.

234

00:39:56.130 --> 00:39:56.910

Alex Steinberger: Great.

235

00:39:58.830 --> 00:40:13.320

Alex Steinberger: Thank you so much for all of your time tonight, I really appreciate your questions and as until I said, you can visit the website, if you have any any other interest in the project, and we hope to see you at the next workshop have a great night everyone.

236

00:40:13.950 --> 00:40:14.520

Ieroyegenberger: Thank you.

237

00:40:15.270 --> 00:40:15.630

Thank you.

238

00:40:17.070 --> 00:40:17.610
Alex Steinberger: Take care.