



Work Session 3 / September 4, 2025

Strategies for Middle Housing Types

Missing Middle Housing Work Group

Santa Clara County Planning Collaborative
21 Elements



Who's in the room?

Please type your name, jurisdiction
and title in the chat



Missing Middle Work Group Session #3 Agenda

- 12:00 pm* Welcome & Work Group Overview
- 12:05 pm* Regional Tools & Lessons
- 12:25 pm* Developer Panel
- 1:20 pm* Input: Potential Tools for Middle Income Housing
- 1:30 pm* Close



This Work Group Will Help You:

- **Better understand the economics** of middle housing types as well as middle-income housing
- **Better understand state laws** and how they can help you achieve middle housing and middle-income goals
- **Craft regulations, incentives and programs to:**
 - Facilitate more diverse housing options in existing neighborhoods that “fit” better with their context
 - Encourage more small, for-sale condos and townhomes that are middle income-*attainable* (and maybe affordable) as well as more family-sized rentals that are middle-income affordable
- **Facilitate better community conversations** about the missing middle



Look-Ahead

04.10 What Is “the Missing Middle”?

06.12 The Middle Housing Market

09.04 Strategies for Middle Housing Types

10.09 Strategies for Middle Income

12.11 Building a Local Strategy



Regional Tools & Lessons



ABAG Missing Middle Regional Work Group

2021/2022

- Community Planning Collaborative
- ECONorthwest
- Opticos Design

ABAG Missing Middle Regional Work Group

2021/2022

- Six work sessions
- Explicit focus on missing middle housing types
- Key resources can be found on the ABAG website and (easier) 21 Elements website
 - *In upper left menu, go to “Housing Topics” and then “Missing Middle Housing”*

ABAG Missing Middle Regional Work Group

2021/2022

Key Resources *(in addition to session recordings and slide decks)*

- **Middle Housing Market Report**
- **Zoning for Missing Middle Housing Guidebook**
- **Making Middle Housing Affordable Guidebook**
- **Missing Middle Interactive Tool**
- **Communications Tools: Missing Middle Mythbusters, photo resources, case studies**

Bay Area Middle Housing Market Report

ECONorthwest for ABAG,
2021

*From 2021, but still
worth a read!*

- Development trends
- Resident trends
- Market conditions
- Factors that influence middle housing dvlpmt.
- Case studies

Section 1. Middle Housing Development Trends

Middle housing is “missing” in all but a few urban areas because past development patterns and regulations in most areas have favored detached single-family housing or larger multifamily development.

This section provides a high-level overview of middle housing stock and historical production across the region.

Data Note:

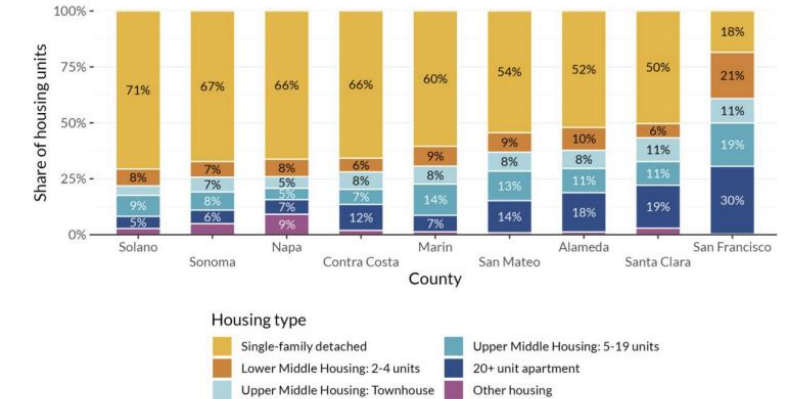
Data in this section comes from the U.S. Census Bureau—specifically, 2019 American Community Survey (ACS) 1-year sample data from the Public Use Micro Data Sample (PUMS) and permit data aggregated by the U.S. Department of Housing and Urban Development (HUD). While definitions of middle housing can vary, ECONorthwest’s analysis of Census data uses “attached units” and buildings having “2-4 units” and “5-19 units” as the best available proxy for middle housing within that data set. HUD’s permit data does not include a category for 1-unit attached housing permits and groups all buildings with 5+ units together, which results in discrepancies between the permit data and PUMS.

Existing Middle Housing Stock

As shown in Figure 2, middle housing—combining “lower” and “upper” scales—makes up about 18% to 28% of the housing stock for most ABAG counties, except for San Francisco County, where 51% of units are middle housing.

Figure 2. Housing Units by Housing Type and County

Source: ECONorthwest, using ACS PUMS 2019 1-year estimates



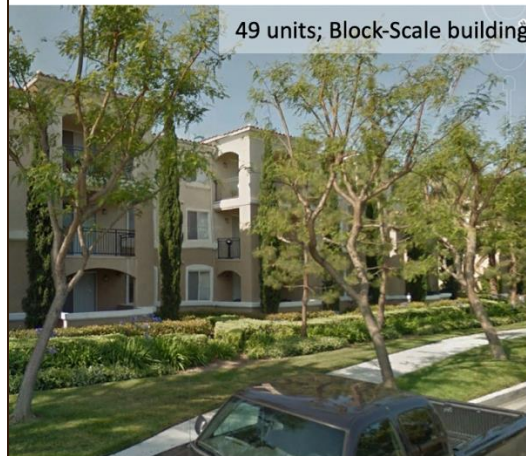
Note: Other housing includes mobile homes, RVs, boats, etc., but does not include group quarters.

Zoning for Missing Middle Housing Guidebook

Opticos Design
for ABAG, 2021

- Selecting middle housing types that best serve your community
- Where middle housing can work
- Addressing policy and regulatory barriers (best practices)
- Implementation + Resources

Barrier 1: Max residential density becomes the focus, but does not contribute to predictability of the built form



Density = **30** units per acre



29 units per acre

Tips:

Density is an unpredictable factor that depends on several variables.

For example, the two photos are completely different in height, width, scale, and total dwellings. Yet, their density is nearly the same.

If necessary to include the residential density in your regulations, first identify the types of outcomes on the actual sizes of lots where those outcomes are expected. Then calculate the "density yield" and use that number, or range.

The numerical density should reflect your community's desired outcomes and form instead of driving and limiting them. For example, if the community sees the 30 per acre example and decides "nothing over 25", they leave out options such as the 5-unit building on the right.

Making Middle Housing Affordable Guidebook

ECONorthwest for ABAG,
2021

- Strategies for making middle housing affordable to middle and lower incomes
- Covers code incentives, financial incentives, funding, and land
- Examples of local programs

Mixed-Income Housing by Private Developers - Land Trust

Cully Green Cluster Housing

- Location: Portland, OR
- Type: Affordable homeownership
- Size:
 - 22 units – duplexes and townhomes
 - 800 – 1,500 sq. ft. units
 - 3 affordable CLT units
 - Voluntary IZ
- Status: Under construction
- Income Range: 80% - 120% AMI
- Developer: Orange Splot, LLC
- Subsidy: property tax exemption, impact fee waiver, density bonus.



The site plan includes a preserved grove of trees, a common building with shared kitchen and laundry facilities, a guesthouse, community garden, picnic area, and children's play area.
Image credit: Orange Splot, LLC

Missing Middle Interactive Tool

ECONorthwest for ABAG,
2022

Password: MiddleInteractive

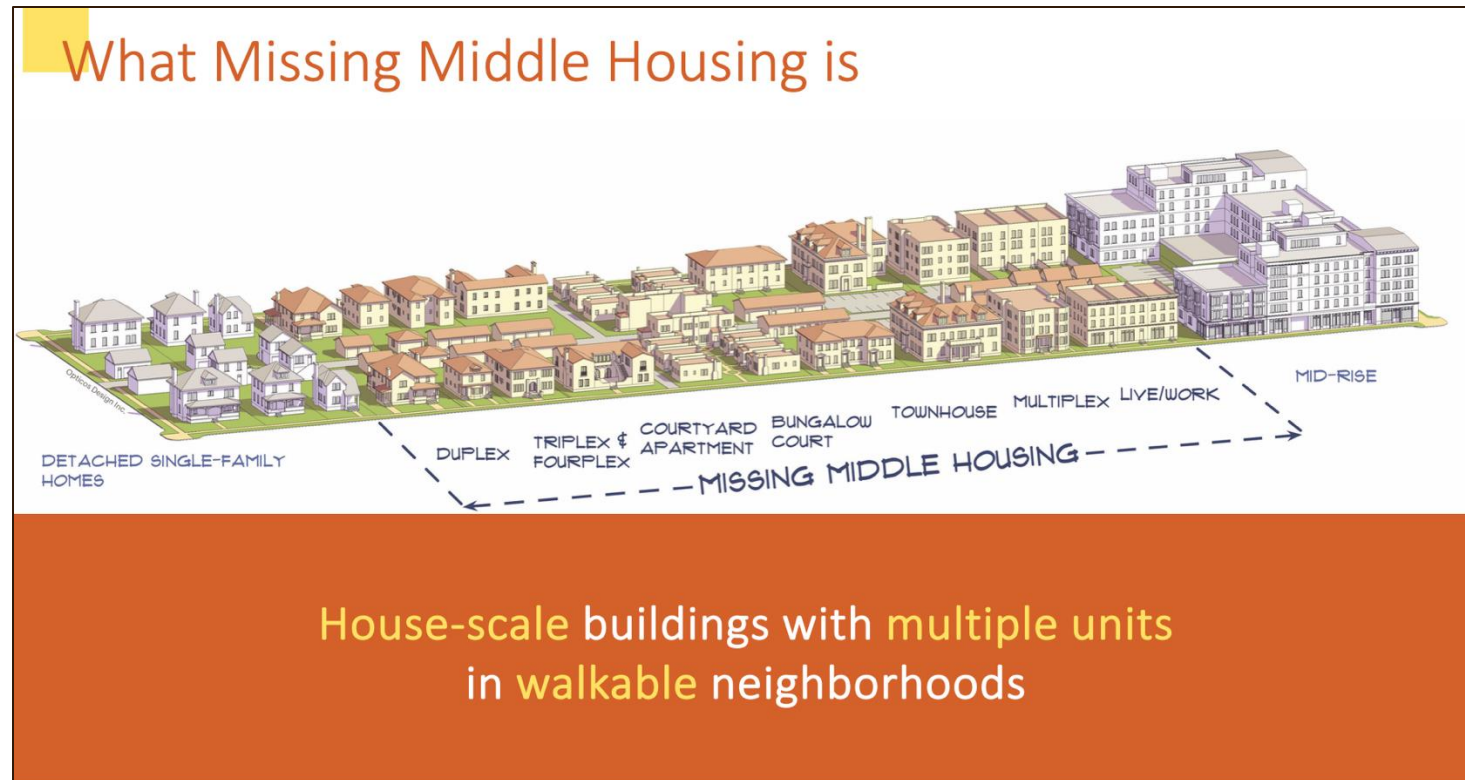
Test how changes in requirements affect middle housing:

- Likely pricing (for rent or for sale)
- Impacts on physical form needs with changes in parking and site size reqs.
- Impacts on financial feasibility with changes in rent/price, impact fees, etc.
- *Uses 5+ year old data, but still a valuable tool to understand the impact of different program options*

“What is Middle Housing” Template Slide Deck

CPC for ABAG, 2021

- Template slide deck
- For engagement with residents and elected officials
- Overview of missing middle housing, examples, policy factors.



Middle Housing Mythbusters

CPC and ECONorthwest for ABAG, 2022

- To support engagement with residents and elected officials
- Ideas on how to respond to common concerns (presented as 13 “myths”)



Property Values

Adding duplexes, triplexes, and other Middle Housing will decrease neighboring property values.

House-scale Middle Housing can be designed to look much like a single-family home. People may not even realize that there are multiple units. Oftentimes, if the development looks like a house, buyers will act like it's a house. Even if the Middle Housing doesn't look exactly like a single-family home, if well designed, new construction can add value to the adjacent areas by demonstrating demand for housing in the area and increasing investment in the area.



Renters are less invested in their neighborhoods and landlords don't take good care of the property.

Both Middle Housing and single family can be owner-occupied or rentals. Some renter households do need to move frequently and may not have deep connections to a particular neighborhood, but others stay in one place for many years and are as much a part of their community as other long-term residents. There are some property owners who do not or cannot take good care of their properties (whether they live in them or not), in which case code enforcement is the appropriate response, but new development generally does not need a lot of maintenance while the building is new.



Displacement Impacts

Redeveloping older single family homes with Middle Housing will cause displacement.

Displacement risk can be real, but it can also be used by wealthy homeowners as a cover for other underlying concerns. Think about who is really at risk, and whether that's who is expressing the concern.

- **Homeowners are protected from market-driven displacement.** If Middle Housing increases property values, Proposition 13 means that property taxes will still only increase by two percent per year as long as the homeowner owns that home,² which protects homeowners from displacement. While predatory home buying offers can be a concern, homeowners get to choose whether to redevelop and/or sell their properties.
- **Renters in apartments are less likely to be affected.** There is little precedent for larger apartment buildings being redeveloped, as Middle Housing is unlikely to generate sufficient financial returns to justify redeveloping an apartment complex. While there is a perception that new construction can cause rents to increase for existing nearby rental housing, adding more housing (particularly rental housing) in a desirable area can actually reduce upward pressure on rents for existing units.

Some Key Takeaways from the Work Group

ECONorthwest for ABAG,
2022

Zoned densities are often too low to achieve desired outcomes.

Need to pay close attention to zoning standards (setbacks, open space requirements, lot size limits, parking...).

Rental housing and for-sale housing perform differently in terms of economics (as well as community support).

For for-sale types, consider not just affordability but also *attainability* (people spending more than 30% of income on housing).

Some Key Takeaways from the Work Group

ECONorthwest for ABAG,
2022

There is tension between “making it fit” and “making it feasible.”

There is sometimes magical thinking about zoning (zone it and they will come).

Middle housing types need to be:

- **Possible:** Physically possible
- **Profitable:** The financials need to work
- **Probable:** As easy (or easier) to permit, build, finance, and rent/sell as other options, with equal or greater ROI

Developer Panel

Jia Li, AlphaX Re Capital - jjiali@alphainbay.com

Adam Mayberry, Mayberry Workshop - adam@mayberryworkshop.com

James Sullivan - jsullivansld@yahoo.com

Facilitated by Kristy Wang, Community Planning Collaborative



Input: Potential Tools for Middle Income Housing

Email us your feedback!

Abbie Tuning - tuning@planningcollaborative.com



Potential Tools for Middle Income Housing

- Pros and cons of each approach
- Examples from CA & US cities, counties, and states
- Capacity and funding needs
- Lessons learned from local staff



Potential Tools to Analyze

Financing Programs

- Funding for development projects
- Homeownership Assistance

Planning & Zoning Levers

- Inclusionary Zoning
- Zoning Incentives (density bonus, etc.)
- Zoning Changes (encouraging typologies)

- What's missing?
- What looks helpful or unhelpful?
- Case study suggestions?

Email us your feedback!
tuning@planningcollaborative.com

Tax Levers

- Joint Powers Authorities
- Property Tax Exemptions

Non-Traditional Project Types

- Employment Specific Housing
- Alternative Ownership Structures
- ADUs & Condoization



Potential Deep Dive Analysis

- Deep dive into alternative ownership structures and successes with leveraging other tools
- Guidance on how to build inclusionary zoning programs that work for middle income homeownership
- Feasibility analysis of stacked flats
- Economics of ADU condoization

- What is your jurisdiction most interested in?
- What seems best positioned for feasibility?
- Other ideas?

Email us your feedback!
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