# New Haven at a Crossroads

Where do we go from here?

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Bethel, CT SmartCode Design, Market Square. ROA Design with DPZ Co-Design. Vlad Prosol, Del.

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# The Challenge Before Us Summary

### The Problem

New Haven sits on a silently ticking bomb brewing for decades that seems about to explode with unimaginable fury.

- Unsolvable \$66mm Debt and Unfunded Pension Liabilities, Which Rapidly Approach \$1 Billion. Past and Future Pension Recipients Can Expect Dry Ups.
- Lingering Racial Segregation Regulations in Face of New Civil Rights Proactivity.
- We've Hit CeilingTaxing Citizens.
- We've Hit Floor Cutting Services and Letting Public Servants Go.
- Debt and Bond Rating Rapidly Reach Shutdown as Source to Fill Gaps.
- With Surge of Backing for <u>Bill SB 1024</u>, Before Connecticut General Assembly, Passage Looks Better and Better. If Passed, Municipalities That Cling to Their Exclusionary Zoning, Even with Inclusionary Amendments, Expect Segregation Lawsuits.

### The Ask

- Grasp Awareness.
- Comprehend the Gravity of the Situation.
- Do Something About It.

#### The How

- Choose Between Parking and Pensions. You can't Have Both.
- Take Stock of Economically Unproductive Properties
- Jettison the Two Sources Shoving Us into Self-Destruction:
  - Out of Date Zoning Regulations. For the Most Part, Users and Defenders of Zoning Regulations are Innocent and Unaware of Racist Origins.
  - Car-Dependency Enable and Facilitate with Expediter Complete Neighborhoods with All One's Needs Within Easy Walking Distance, Including Jobs. Reduce Need for Car Trips.
- Release the Swarm

### The Quick Fix

- Adopt
  - Downloadable SmartCode.
  - Create SmartCode Regulating Plan Through Week-Long Facilitated Public Charrette.

#### The Demonstration Project

• TBT

The Booklet Expands on All These Points in Detail in the Pages That Follow

Joel Schiavone 100 York Street, #7-O New Haven, CT 06511

April 6, 2021

The Honorable Justin Elicker Mayor of the City of New Haven City Hall 165 Church Street New Haven, Connecticut 06511

#### Dear Mayor Elicker,

I know you have plenty of things on your mind now with COVID and financial distress. Certainly you deserve great applause for your COVID response. But as the COVID monster diminishes, I am hoping you'll soon have time to turn your attention to the development philosophy of our City.

The enclosed document, prepared by myself and four other New Haveners, outlines how we can eliminate enormous tax reductions for developers (while absorbing increased municipal expenditures for every new building, such as for police, fire, sanitation, schools, public works, municipal public servants, infrastructure, etc.) allowing us to create locally owned affordable neighborhoods where municipal expenses and revenues balance and City life thrives.

To accomplish this, a primary goal will be to eliminate New Haven's <u>exclusionary</u> Zoning, so called because it <u>segregates people of color away from whites</u>, and replace it with the <u>inclusionary</u> SmartCode. This will allow the City to eliminate complex regulations and size requirements, which more than double construction costs, out of reach for people of color. Elimination will enable all locals, regardless of color or wealth, to pursue fine-grained neighborhood development, intertwined with surrounding contexts, changing New Haven fabric to New Haven fabric by New Haveners.

By eliminating elaborate tax reduction subsidies so large development can increase profits, we can deputize home-grown local developers, builders, investors to construct enduring neighborhoods with affordable rent and ownership, respectable profit to small developers, and full taxation.

A win for the City and a win for our citizens.

For those with paper copies, here's link to view/download the electronic version, which allows you to access all the accessory links and provides you with the ability to share this information with others. Link to Booklet (if you're already on the electronic version, no need to click link):

#### https://www.dropbox.com/s/7gwtqqy38rfloy7/New\_Haven\_at\_a\_Crossroads.pdf?dl=0

We have put together background material for those who embrace a vision for our City. Packet contains:

- 1. (Page 7) A Background on the problem and its origination;
- 2. (Page 29) A more complete Position of our vision for the City;
- 3. (Page 37) So What Can We Do?

- 4. (Page 49) A Bibliography of resources one can access to further understand these concepts and their adaptation in US Cities and around the world;
- (Page 53) A Demonstration Example and Economic Pro Forma of <u>Lean Development</u> for a small economically unproductive parcel at 10 Wall Street to confirm the rewards, quality of life, tax revenues, number of units, jobs beyond project construction, self-sustaining amenities, and lower rents than the typical Real Estate Deal (see comparison page 65);
- 6. (Page 69) Supporting Articles from reputed publications to further support and authenticate the concept, the need, and the fact our proposal is part of a national movement.

This is the beginning of a conversation we hope to facilitate, with the goal of a better New Haven for a growing population of happy residents with minds set on making the world a better place to live. Let's work together to create genuine, sustainable neighborhoods that enhance our tax revenue and attract vital human energy to our City. This could be an invigorating time ahead with the promise of solving a host of problems.

Sincerely yours,

Joel Schiavone

#### What is Lean Urbanism?

- Lean Urbanism is small-scale, incremental community-building that requires fewer resources to incubate and mature.
- Lean Urbanism is Making Small Possible.
- Lean Urbanism is a movement of builders, planners, architects, developers, engineers, activists, nonprofits, municipalities, and entrepreneurs, working to lower the barriers to community-building, to make it easier to start businesses, and to provide more attainable housing and development.
- Lean Urbanism is open-access, allowing more people to participate in the building of their homes, businesses, and communities.
- Lean Urbanism is open-source, creating tools and techniques for all to use.
- Lean Urbanism is open-ended, focusing on incremental and ongoing improvement.
- The Project for Lean Urbanism will restore common sense to the processes of development, building, starting small businesses, community engagement, and acquiring the necessary skills.
- The Project will devise tools so that community-building takes less time, reduces the resources required for compliance, and frustrates fewer well-intentioned entrepreneurs, by providing ways to work around onerous financial, bureaucratic, and regulatory processes.
- The tools will be made freely available to governments and organizations seeking to get things done, to entrepreneurs without the knowhow to overcome hurdles, and to small developers and property owners who can build well in an economical, low-tech way.

The Project for Lean Urbanism is managed by the <u>Center for Applied Transect Studies</u>. The Project has received generous funding from the <u>John S. and James L. Knight Foundation</u> and the <u>Kresge Foundation</u>.

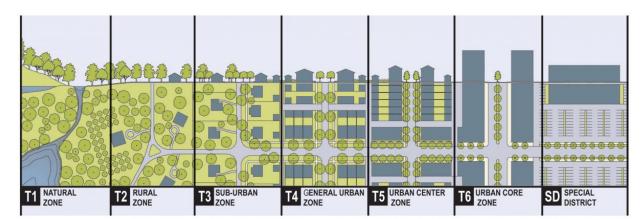
#### CONTACT THEM

#### What is the SmartCode?

- The SmartCode is a model transect-based planning and Zoning document based on environmental analysis. It addresses all scales of planning, from the region to the community to the block and building. The template is intended for local calibration to your town or neighborhood. As a **form-based code**, the SmartCode keeps settlements compact and rural lands open, literally reforming the sprawling patterns of separated-use Zoning.
- For more information on SmartCodes, visit the Center for Applied Transect Studies (CATS) here.

#### What is a Form-Base Code?

- A form-based code is a land development regulation that fosters predictable built results and a high-quality public realm by using physical form (rather than separation of uses) as the organizing principle for the code. A form-based code is a regulation, not a mere guideline, adopted into City, town, or county law. A form-based code offers a powerful alternative to conventional Zoning regulation.
- Form-based codes address the relationship between building facades and the public realm, the form and mass of buildings in relation to one another, and the scale and types of streets and blocks. The regulations and standards in form-based codes are presented in both words and clearly drawn diagrams and other visuals. They are keyed to a **regulating plan** that designates the appropriate form and scale (and therefore, character) of development, rather than only distinctions in land-use types.



• For more information on codes, visit the Form-Based Codes Institute's website here.

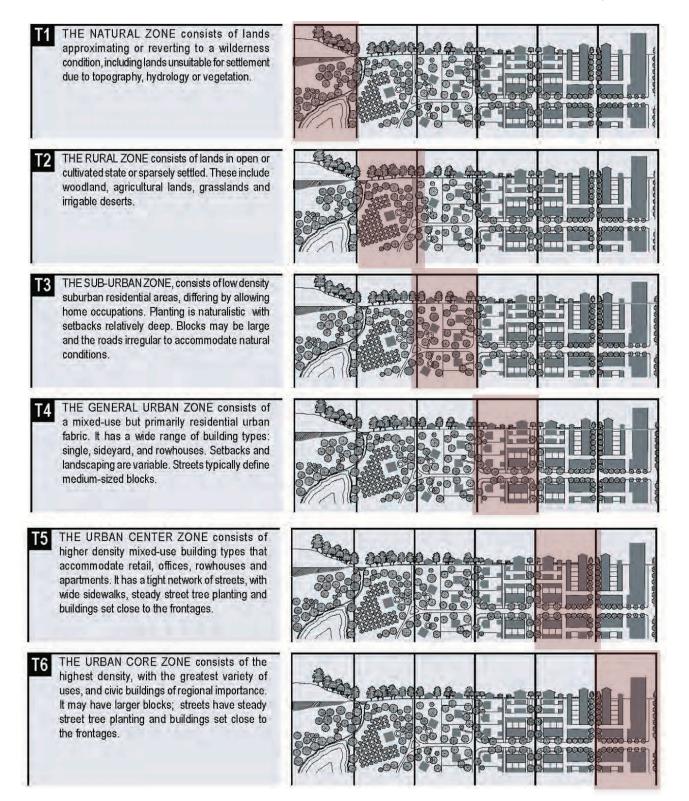
#### What is a Transect?

- Naturalists use a concept called the transect to describe the characteristics of ecosystems and the transition from one ecosystem to another. Andres Duany applied this concept to human settlements, and since about 2000 this idea has permeated the thinking of New Urbanists. The rural-to-urban Transect is divided into six zones: core (T6), center (T5), general urban (T4), sub-urban (T3), rural (T2), and natural (T1). The remaining category, Special District, applies to parts of the built environmental with specialty uses that do not fit into neighborhoods. Examples include power plants, airports, college campuses, and big-box power centers.
- The Transect is useful for designing and developing "immersive environments": urban places in which the whole is greater than the sum of its parts. "The Transect arranges in useful order the elements of urbanism by classifying them from rural to urban. Every urban element finds a place within its continuum. For example, a street is more urban than a road, a curb more urban than a swale, a brick

wall more urban than a wooden one, and an allee of trees more urban than a cluster. Even the character of streetlights can be assigned in the Transect according to the fabrication from cast iron (most urban), extruded pipe, or wood posts (most rural)."

• For more information on the transect, visit Center for Applied Transect Studies (CATS) website here.

### The SmartCode, Form-Base Code, and Transect Illustrative Graphic



New Haven at a Crossroads

# BACKGROUND

# NEW HAVEN AT A CROSSROADS BACKGROUND BY JOEL SCHIAVONE AND ROBERT ORR

Through <u>activating its economically unproductive land</u>, New Haven can become poised to solve its budget problems as well as create a viable, integrated, prosperous, and visionary new future for its citizens.

All problems listed below brewing for decades. Not fault of current administration. Yet here they are.

Almost half the States don't allow municipal bankruptcy. But, of those who do, about 7-9 municipalities file Chapter 9 bankruptcies every year. So far none in Connecticut, but several, including New Haven, wobble on the brink. It's no secret that, despite robust development of high rent big box apartment buildings, New Haven struggles beneath <u>unfunded pension liabilities</u>, which rapidly approach \$1b. Even reducing municipal services and human resources and boosting taxes hardly make a dent in the <u>\$66mm</u> in borrowings (debt). Jim Alexander outlines the debacle in his CT Mirror article, <u>New Haven — financially, a slowly sinking ship</u>.

But that's not the end of the struggles. The City's racial problems persist. Connecticut is one of the most segregated States in the Country. Segregation, economic struggles, poor health outcomes, and prevalence of chronic disease among non-white populations are striking. Among all residents, 26% live in poverty—more than double the state average of 11%. New Haven is ranked the <u>36th most dangerous</u> City in the country. Public housing gets failing marks in ramifications of its concentration of poverty and homogeneity of "unwanted" peoples. Parking lots and multistory garages pockmark the City, making a majority of City acreage economically unproductive. Residents on Court Street pay higher taxes per acre than residents on St. Ronan Street. A tax hike of 7% raises the current mill rate from 42.98 to 45.96. Pedestrian death rates on New Haven streets remain unacceptable. Public schools rank in the bottom 50% in the state. Cost of living is 23% higher than nation average: housing expenses are 35% higher, utility prices are 8% higher, transportation expenses like bus fares and gas prices are 6% higher, grocery prices are 28% higher. Connecticut ranks 7th from the bottom in substance abuse, and New Haven is the worst in the state. There are 28,4650 jobs in the City of 130,764 citizens. Described as a "town and gown" community, the local community (town) and the academic community (gown) hold sharply differing views about the City's interests. Due to high taxes and other problems itemized above, most municipal public servants live out of town.

Although 17 Fortune 500 companies locate in Connecticut, none are headquartered in New Haven. Yale is the largest employer with the second largest in service industries, mostly restaurants and evening attractions. Biotech start-ups rank amongst the top 10 in the country, but other innovation start-ups, manufacturing, and working class jobs ranks poorly. Although population declined 1960 to 2000, today New Haven's one of the fastest growing Cities in Connecticut. An <u>influx of immigrants spawned rapid growth</u> between 2000 and 2010, along with an increase in the Hispanic population. Meanwhile, outside Yale, New Haven's best and brightest, no matter the ethnic identity, find greener pastures elsewhere.

Surprisingly, like many Cities, New Haven's hoisted on its own petard. Most of the problems are self-imposed for decades. Moral imperatives leading to oppressive policies and **regulations**<sup>1</sup> hobble New Haven's success. Citizens simply adapt, rather than recognize the threat to their own survival, like the

<sup>&</sup>lt;sup>1</sup> Inexplicably, no one's done a cost/reward analysis of regulations. Regulations double the cost of construction, but what do they accomplish? No doubt a thorough scan would reveal that most regulations achieve no benefit. 10

proverbial frog in boiling water. It's time to step back to take measure, then apply steely-eyed common sense to address problems, lower costs, and include the less capitalized and racially excluded.

The purpose of this booklet is to shed light on common sense approaches, hidden beneath the fray of altercations, that can resolve budget problems, address affordability, segregation, employment, and create neighborhoods that attract enthusiastic and engaged people to our City. None of the approaches are new. All borrow from past common sense policies. Stepping into its sixth century in 2138, New Haven enjoys vitality, and has a lot to build on.

<u>Lean Urbanism</u> (affordable 30% AMI rents without subsidies) is the best tool to rebuild economic health, as well as numerous other, frankly, survival benefits jettisoned by our own doing. Details to follow.

But first, some background is necessary to illuminate where things stand and why. Added together, they spell why it's high time to consider alternatives — New Haven at a Crossroads.

#### **Financial Instability**

People blame New Haven's economic woes on non-profits, especially Yale. But look at the City itself. The City currently has 150 acres of obvious prime downtown real estate available for development – the Coliseum site, Church Street South, and the Mill River industrial area. But this is just the beginning of the story. The City owns more than 1,000 economically unproductive parcels scattered throughout the City, many frozen by non-conformance with Zoning or used for parking. In addition, more than double that number of privately owned economically unproductive parcels sit either vacant or paved over for parking. Chris McCahill, lead researcher on UConn parking research team, found that parking lots return somewhere between <u>83 percent and 95 percent less tax revenue per acre</u> than do occupied buildings. Counting municipal lots and structured parking, New Haven has ±20k off-street parking spaces. Not forgetting on-street parking, it's conceivable that more than 70% of New Haven's land is economically unproductive parking and vacant land from a property tax point of view.

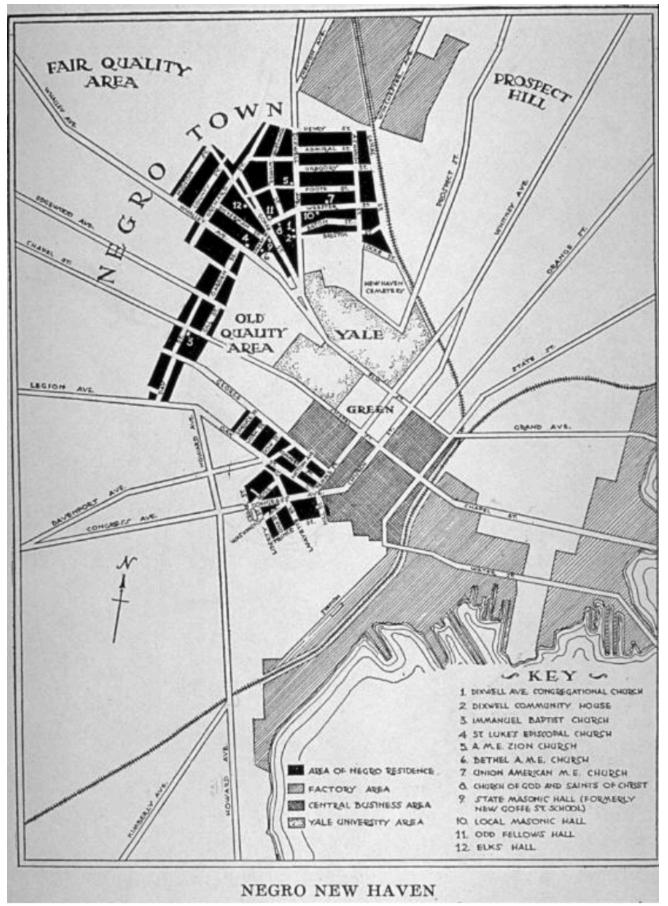
Downtown brims with nightlife, restaurants, and events. But municipal budget problems persist. Instead of fixing budget problems by raising mill rates and evaporating services, New Haven should consider how to activate all its economically unproductive land. In some regard that's happening with the big box developments but using misguided techniques, which fail to forecast benefit vs. harm.

What do we have to do to engage 21st Century approaches in New Haven? The only feasible way lies in the creation of a combination of results-driven complete neighborhoods and enough affordable density to support businesses that furnish the full complement of goods and services, including jobs, within easy walking distance. Car-dependency means driving to needs and contributing to Climate Change.

<u>Steve Mouzon</u> claims that New York and Paris have approximately the same population per acre, but Paris does it in 5 stories. How could New Haven become inspired by their example, perhaps in 4 stories? Density of Paris and NYC is ±82 people/acre. New Haven is ±10 people/acre.

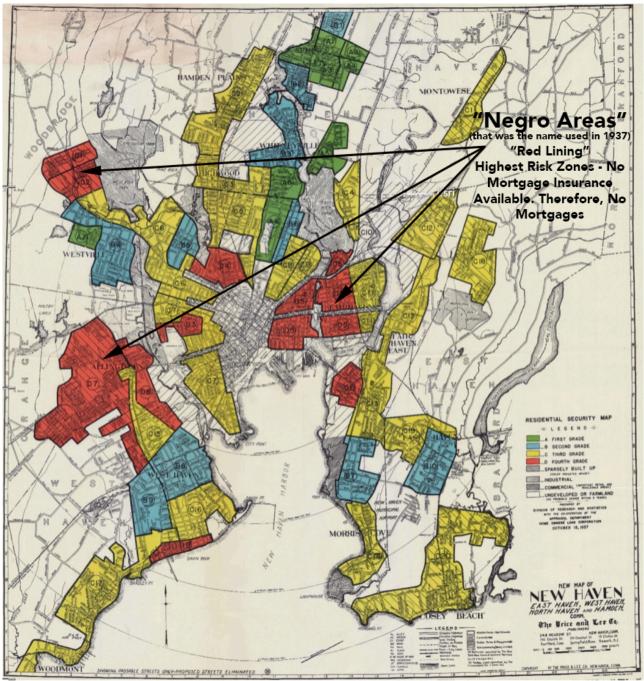
To facilitate this solution, we need two things: First, change our vision from Real Estate Deals to neighborhood place-making, the basis for every urban success throughout history. Second, revise Zoning and building codes to enable and incentivize neighborhood development, affordable construction, and affordable cost of living for residents — especially young residents grasping for the baton of municipal stewardship. This is the type of approach that can activate a significant proportion of the 70% economically unproductive land, no matter how small the parcel size.

By activating economically unproductive land resources, New Haven can repair budget problems, and repair long-standing prejudicial attitudes burned into New Haven fabric, still alive and accepted today.



1930 "Negro New Haven" Map

### **Roots of Exclusionary Zoning**



1937 Home Owners Loan Corporation (HOLC) Map

### Zoning

For the most part, users and defenders of New Haven's Zoning Code are innocent and unaware of its racist origins. Nonetheless, New Haven's Zoning Code presents the largest barrier to affordability. Not alone, most American Cities face the same problem because they follow the same Municode. However, the most progressive Cities dropped the Municode barrier in order to "legalize" affordability — should New Haven follow suit; the most successful vision-purposed Cities will be the ones from which to learn.

How did we get where we are with Zoning? After World War II concerns about African American migration into Cities was accompanied by a white flight to the suburbs. To entice whites (and their spending) back downtown, leadership located people of color away from areas they wanted reserved for whites namely downtowns. For some time the Homeowners Loan Corporation (HOLC) accomplished this by rating neighborhoods for 'risk' in determining mortgage insurance, and therefore mortgage, availability (see HOLC map above). Highest risk areas were colored red, referred to as redlining. The mortgage spigot turned off to red areas drove housing prices down. The result was that HOLC redlining shunted people of color away from higher priced mortgage insurance accessible zones, reserved for whites.

Eventually challenged in court for discrimination, the redlining practice was abandoned. But the segregation success of the zone mapping idea was quickly picked up by the emerging concept of "Zoning" — a kind of new and improved variation on the HOLC zones. Emboldened by the challenge to match accomplishments of redlining without court challenge, Zoning accomplished the task, camouflaged by seemingly inoffensive methods.

Though explored in a number of locations, Zoning as we know it was the brainchild of The Municipal Code Corporation, founded in 1951 in Tallahassee, FL. Founders George and Marian Langford saw how land use policies, inspired by HOLC redlining, could become more palatable and still prevent 'blight' from reestablishing where it had been demolished, or in new locations. Called a generic sounding 'Municode,' its <u>cleverness</u> was to use innocent seeming dimensional requirements and widely separated uses rather than discriminatory language of risk assessment to achieve segregation. More than 2,000 Cities snapped it up.

The way in which the Municode used dimensional and use standards, without raising the 'red line' of discrimination, was how the standards cleverly raised project costs beyond the reach of people of color. Requirements like "minimum lot size" and limits to single family homes (SFH) made small affordable lots and multifamily homes illegal (someone calculated that 90% of Paris would be illegal under the Municode). Zoning caused the rash in SFH construction, which exploded from urban cores into rural areas. Another unanticipated consequence is how dimensional requirements also segregate all people from one another. Diffused settlement and car-dependency made necessary by separated uses conspire to break down neighborhood cohesion and social integration. Zoning creates a nation of suspicious strangers.

Jamelle Bouie writes in the <u>New York Times</u>,

"One of the largest obstacles to building new affordable housing, or housing period, is the web of exclusionary restrictions and stringent requirements that add up to onerous burdens on new housing development... When cities force builders to go through a byzan-tine approval process for any new development, they raise the price of housing."

A coalition of 60 non-profits, <u>Desegregate Connecticut</u> in Hartford is in the midst of a desegregation campaign, by which it hopes to convince Cities like New Haven to rid themselves of racist Exclusionary Zoning. The group labors state-wide to exact land-use reforms to help reverse the <u>state's status</u> as one of the <u>most segregated</u> places in the country. Among reforms, they introduced Bill <u>SB 1024</u> before the Connecticut General Assembly. According to Sara Bronin, Founder and Lead Organizer of Desegregate CT, only <u>22% of Connecticut</u> is zoned to allow multifamily housing. Eight towns don't allow multifamily housing at all, and six others only allow about 2% or less of their land for multifamily housing.

Dice Oh, member of <u>People Friendly Stamford</u>, which is part of the <u>Desegregate Connecticut</u> coalition, writes in <u>The CT Mirror</u>:

... restrictive Zoning laws contribute to car-dependency and suburban sprawl. Mandating parking for every development and banning mixed-use buildings forces homes and businesses to be spread out from each other. This has numerous negative environmental and economic effects: our neighbor-hoods are unwalkable, cars are required for almost all trips, and we end up with more traffic deaths/ injuries, air pollution, and carbon emissions. Sprawl necessitates environmental destruction as more homes gobble up more land and suck up tax revenues as we must maintain services (roads, sewers, utilities) to these spread-out homes.

Jacqueline Rabe Thomas writes in The CT Mirror, Data suggests dozens of towns are violating <u>CT</u> <u>Supreme Court decision</u> on exclusionary Zoning — steps to prevent housing that's affordable are illegal. Hearst Connecticut Media's Editorial Board, operator of twenty-two newspapers, including the Connecticut Post, Greenwich Time, New Haven Register, The Darien Times, New Canaan Advertiser, and Westport News, just endorsed <u>SB 1024</u>. Support picks up every day. Lawsuits against resistant municipalities brew.

Even in Cities that allow multifamily, such as New Haven, one has to meet minimum lot size, and assemble more lots for construction costs to 'pencil out' with rent revenues. Profits improve with added lots because elimination of side yards between small lots allow large single buildings across multiple former lots, a process known as 'giganticism.' Basically, Exclusionary Zoning forces 'gigantic' projects.

#### Gigantism

Assembling whole blocks work best because building bulk qualifies for tax credits and healthy capital stacks. Giant size also guarantees clout in negotiating municipal giveaways (see page 65). To be fair to developers, Zoning and, frankly, the whole regulatory process, forces large scale 'gigantism' in development. Clearly, gigantism is out of reach to small local builders, much less people of color, no matter how capable.

Hank Dittmar writes about the destructive impact of a culture that packages everything in 'gigantism' in his book, <u>DIY City: The Collective Power of Small Actions</u>:

... recent years have seen a marked decline in small enterprise and small-scale development in both the United Kingdom and the United States. This shift appears to be driven by market consolidation, by the disproportionate burden of regulation on small-scale businesses, and by the tendency of government economic development professionals to seek to attract large employers or to enter into development agreements with large developers for large parcels. All of these combine such that the big get bigger and the small fade away.

The scale of the problem can be easily seen in both the United States and in Europe. According to the Kauffman Foundation, which tracks trends in entrepreneurship in the United States, the busi-

ness start-up rate today is half what it was in the 1980s, declining from 165 start-ups per 1,000 firms in 1977 to 85 per 1,000 firms in 2016.

The United States has seen a collapse of small building and retail, with the Institute for Local Self-Reliance finding that the number of small construction firms declined by 12,000 from 1997 and 2012, while the number official retailers dropped by 40 percent in the same period.

A similar trend has been seen in community banking, which historically has been the lender that has financed Main Street businesses and property development in the United States. Community banks are often called 'relationship banks,' as their smaller scale and higher capitalization allows them to focus on customer relationships and to lend capital based on intimate knowledge of both their customers and the local business climate. Historically, they have provided over half of small business loans and a large share of lending for local property development in the United States, particularly for housing. And the evidence is that their better local knowledge has resulted in lower default rates than real estate lending by the bigger institutions-a 3.47 percent default rate for community banks versus over 10 percent for large banks. Despite the advantages, however, recent years have seen a decline in community banking and a consequent decline in lending for small business and small development. This decline has been driven by a number of factors, including bank consolidation and mergers, and, ironically, the requirements of the DoddFrank bank legislation, enacted after the Great Recession ostensibly to deal with large bank conglomerates.

A 2015 study by the Harvard Kennedy School found that community banks' share of US banking assets and lending markets has fallen from over 40 percent in 1994 to around 20 percent today. Particularly troubling is community banks' declining market share in several key lending markets, their decline in small-business lending volume, and the disproportionate losses being realized particularly by small community banks. The Harvard study found that "larger banks are better suited to handle heightened regulatory burdens than are smaller banks, causing the average costs of community banks to be higher ...."

#### Lack of Affordability

Gigantism comes with a price. That price is overhead. Developers, Investors/Lenders, and Builders have to be large operations to do large projects, which require expensive administrative overhead, large machinery<sup>2</sup>, compliance with municipal agreements for unsustainable Union obligations<sup>3</sup>, a disputation of lawyers, and a chain of consultants to handle the complexities of large projects.

Some look to subsidies to cancel overhead. However, the baggage that comes with grants, tax credits, and subsidies make development more complicated and expensive, exacerbating overhead. Overzealous building codes can double the cost of building new buildings.

Other unacknowledged overhead includes carry cost of uncompensated amenities required to satisfy residents' reluctance to venture out — fitness, meeting/gathering, café, bar, shops, front desk, building

<sup>&</sup>lt;sup>2</sup> Boom lifts on site are usually the first indication of large machinery 'overhead' and giveaways that construction is not by a small local builder. A 40' boom lift is a \$25-75k ladder. Higher lift is \$100-200k. Rental is cheaper for 40' lift but can add up to \$8-12k/month.

<sup>&</sup>lt;sup>3</sup> Sir John Dalberg-Acton, 8th Baronet, known as Lord Acton (1834-1902) is perhaps best known for his remark, "Power tends to corrupt, and absolute power corrupts absolutely" Often omitted is his next sentence, "Great men are almost always bad men, even when they exercise influence and not authority, still more when you add the tendency or the certainty of corruption by authority."

operation services, concierge services, doorman, pool maintenance, etc., and structured parking and its maintenance and management.

Combined, overhead costs double the price/unit to \$200-300k/unit, plus on-going operation costs. Compare that to small builders with minimal overhead building small buildings. Their 'amenity package' is in the neighborhood, not in the economic pro forma for the building.

Doubling the price and on-going operation expenses doubles the rent required to produce enough profit to attract investment.

The resulting high rents are troubling to municipalities because of their obvious exclusion of most of the citizenry, more than just the lowest income. To remedy the situation, rather than address causes of unaf-fordability, municipalities simply require developers to provide certain percentages of Affordable Housing based on percentages of average medium income (AMI), known as Inclusionary Zoning overlays.

To qualify as (capital 'A') Affordable Housing, construction must meet HUD standards. HUD requires a long list of product testing and procedure protocols, right down to sewage treatment, waterlines, and energy sources, which, with the increased overhead for the development team to hire staff to oversee HUD standards, can double the cost/unit again. A colleague reports spending a career building Affordable Housing in California for ±\$900k/unit.

Since Inclusionary overlays mandate low-income residents, developers must include extensive security measures to make 'market rate' tenants feel safe. To some that may seem 'elitist' but to a developer seeking absorption, it's sound business. Suddenly, we have gated communities all over town — a separate "poor door<sup>4</sup>" gives direct access to Affordable Housing units and segregates the poor from the affluent.

#### Subsidizing Affordability

Focused on government giveaways, dried up, municipalities flounder for alternative giveaways, what they think is their only tool to get the Affordability they seek. No cash on hand, the only municipal giveaways they can muster to compensate outrageous costs outlined above, is to lower tax burdens (see page 60). Lowering future municipal revenues rarely raise eyebrows, blinded by the glitter of ribbon cuttings. For example, who would guess that 234 Church Street (the Gold Building) pays more taxes per acre than 360 State Street, despite being less than half the height and 38 years older<sup>5</sup>. In addition, municipal expenses for 360 State Street exceed those for 234 Church Street.

Municipalities, as well as the public, rarely consider the cost side. Costs increase with each new building, such as for increased first responder calls, increased new infrastructure and on-going maintenance, increased waste management (not including private hauling to sites where the expense of municipal waste processing takes over), increased personnel hires to meet compounded departmental needs, schools, teachers, etc. Consequently, lowering tax revenue from developers means raising tax revenue from everyone else in order to balance inflated budgets. In some cases, doing the math identifies de-

<sup>&</sup>lt;sup>4</sup> The "Poor Door" is an industry term, which refers to the door through which poor people who qualify for Affordable Housing enter the building and access their units. The "rich" and the "poor" are segregated.

<sup>&</sup>lt;sup>5</sup> 360 State Street cost \$200M to build but Vision Appraisal appraised it at \$70M, following negotiations between public servants and developer. Justification comes from good-feel charitable contributions to worthy building owner, an investment fund for union pensions.

velopment that is so cash negative (expenses are so much higher than revenues), the site does better as vacant land.

As result, New Haven's Mill Rate of 42.95 is more than 3 times the national average of 12.5 and almost 4 times more than Greenwich, CT's Mill Rate of 11.68. On the good side, it's practically 1/2 Hartford's Mill Rate of 74.29. Unfortunately, current trends forecast New Haven catching up with Hartford. Mill Rate is a a reverse indication of how well a City is managed — the higher the mill rate, the worse the management.

#### Social Integration

The concept of social integration refers to a situation where diverse individuals come together into a society. This doesn't mean in a forceful way. It means that people live in close enough proximity to one another that they naturally integrate with people in their surrounding context. Proximity and opportunities that foster joint activities are the backbone of social integration.

Social integration also refers to a process of getting to know people well enough that joint agreement on shared systems of meaning, culture, acceptance of diverse beliefs, and the like. This doesn't mean there aren't any differences, but that we kind of agree to live together and, at least to an extent, feel part of a larger community. Increased social integration helps reduce conflict in society, and it can help us feel more connected to our community. But throughout the US, social integration is dead.

When people do not live in close enough proximity to one another they do not socially integrate with other people. Lack of proximity and opportunities that foster joint activities are the backbone of social disorder. In fact, considerable misfortune tracks to social disorder. According to Professor Marc Dunkelman at Brown University, belligerence in schools, in places of public assembly, in indescribable acts of violence, such as the assault on the Capitol Building January 6, in road rage, and even in instability within our homes is caused by our living arrangement, not by hand guns and other lethal devices available to us through Second Amendment rights. According to Dunkelman, we live so far apart from one another, either physically or by something as simple as orientation of houses in a sub-division (garage in front, house in back), we've lost familiarity with our neighbors, or we have no neighbors at all. Most psychologists will confirm that isolation and loss of familiarity with a group, especially neighbors, spreads to suspicion and a winnowing trust of people in general. Loss of trust leads to anger. Anger leads to violence. Dunkelman traces what he calls the "middle-ring" process in his book, <u>The Vanishing Neighbor:</u> <u>The Transformation of American Community</u>. <u>The Washington Post</u> summarizes:

"He (Dunkelman) argues that one of the most significant changes in the United States in recent decades is the decay of "middle ring" relationships. Middle-ring includes people who are "not as close as kith or kin, but not as distant as a mere acquaintance."

"Middle-ring relationships characterized the inner actions in the "townships" that de Tocqueville lovingly described and that Dunkelman sees as the basis of our old-fashioned neighborhoods. These days, we spend less time with neighbors and more with groups closely tethered to our own interests — and, typically, to our own politics. By contrast, Dunkelman says, the "traditional" social architecture imbued Americans "with a certain familiarity with people from different walks of life" and allowed them to develop "a better understanding of where their acquaintances were coming from." We are not doing this very well now."

The cause of diffused living conditions, the dysfunction caused by isolation, and the death of social integration can be traced directly to Zoning. One can enact all the background checks and gun laws one wants but we still will be a nation of strangers. We still will be a nation of suspicion, distrust, anger, and violence. We still will see an average of <u>500 gun deaths per day</u>, accelerating every year as we become more and more isolated.

Zonings stipulations for spreading people further apart from one another, for separating people by color and income, and for separating uses so far that one cannot survive without a car undermines societal norms. In fact, the energy and technology that make car-dependency possible, are like performance enhancing drugs, which catapult the isolation tenets of Zoning into forms resembling algae blooms. Sprawl is the petri dish of violence.

#### Manufacturing Jobs

New Haven used to be one of the manufacturing giants of the country. Brownfields now replace the huge sites as the only memory of those days. As result, the number of non-farming unskilled working class jobs plummeted. Electric Boat and Sikorsky offer such jobs, but they require long commutes, eating into subsistence wages.

In the innovation sector, New Haven lags woefully behind much of the country. Granted, New Haven ranks high in bio-tech innovation (top 10), but embarrassingly low in other types of innovation (below top 200). As result, only 2% of Yale grads stay in New Haven compared to 30% of Harvard grads who stay in the Boston area. Lean Development (discussed below) can bring manufacturing and innovation back to New Haven and offer affordable rents without subsidies.

#### Gentrification

Much vitriol hurls at "gentrification," which is the process of driving out lower income residents with insensitive development aimed at well-healed "Gentry." Podium projects conceal gentrification within their walls. To ward off gentrification, some even go so far as to demand preservation of blight as guarantee. But are all neighborhood "improvements" the same?

Charleston, SC and Savannah, GA improve neighborhoods to resurrect poor and forgotten sections of their Cities. They have revolving fund programs that improve streets, blocks, and neighborhoods as part of "preservation" programs, without spending any money.

The <u>Historic Savannah Foundation (HSF)</u> has a pro-active program in which they:

- 1. Identify "blighted" historic properties in poor neighborhoods,
- 2. Buy them on the condition they are structurally sound and house no inhabitants,
- 3. Lead volunteer clean out weekends in which the houses are emptied of their garbage and cleaned,



1HJSF Before and After

- 4. Staff preservation architect creates scaled drawings of front elevations from measurements, historic records, or just imagining from context of streets if facades miss their former detail. The documents are attached to an easement holding the facades in perpetuity and requiring all future owners to repair/build, and maintain facades as drawn,
- 5. Advertise RFPs,
- 6. Sell property, not to lowest bidder necessarily, but to most promising buyer who will see the restoration through to completion,
- 7. Use sales revenue to purchase the next house.

Strategically, HSF selects houses at corners, then work to mid-block, which changes character of street, and influences owners of occupied buildings in between to resurrect their houses. HSF has restored more than 400 houses using this method, completely changing whole formerly neglected and "danger-ous" neighborhoods, eliminating crime, and creating desirable affordable places to live.

"Gentrification" has yet to raise its ugly head because the projects contribute to their neighborhoods. Most buyers are local and end up living in the house they resurrect. Neighbors love improvements to their neighborhoods, including the invitation to venture out and form social integration with neighbors, reduction in crime and drug abuse, and pride in ownership.

Gentrification makes no outreach or betterment of neighborhoods. By changing Zoning and engaging small development by locals (<u>Lean Development</u>), neighborhoods improve and establish themselves contributing to the pride of neighbors. How can New Haven do the same?

#### Climate.

Climate may seem a digression, but it's critical. After being ignored for decades, Climate Change begins to attract attention. Frigid winters bring speculation that Climate Change is a hoax. What such speculation misunderstands is the cause of the frigid winters. Warming at the poles ignites extreme alterations in the <u>Jet Stream</u>, like the snaking action of a garden hose turned on full blast</u>. The snaking Jet Stream funnels frigid air from the poles to temperate zones during the cold months and tropical air to the poles during the warm months. Besides extreme weather-related events caused by funneling, tropical air forced to the poles accelerates the warming factor, beyond warming caused by carbon emissions. Extreme events promise to become more severe, more widespread, and more frequent. If only we could stop driving, the number 1 contributor.

Greenhouse gases (GHG). Much attention directs toward GHG in the atmosphere. GHG emissions, such as carbon, methane, chlorofluorocarbons (CFC from spray cans), etc., rise to the upper atmosphere where they combine with other GHG to slowly "weave" a "blanket." As the "blanket" thickens, increasingly it traps heat like the covers on one's bed on cold winter nights. When there are too many covers, trouble happens. One sweats and loses sleep. The easy remedy is to remove layers of blankets until one reaches the comfort of a good night's sleep. One can't do that with the atmosphere. It takes 1,000 years for each "blanket" layer to dissipate. Meanwhile, instead of remedying, we pile on more blankets with every commute. Doesn't make sense, right?

During the Oct 22 presidential debate, Biden stated that Climate Change poses "an existential threat to humanity" and that in 8 to 10 years, the country will "pass the point of no return" — the "Tipping Point" of no return grips the scientific community but not the public.

Biden's prediction echoes that of scientists. Meanwhile, New Haven still rivets attention on parking — blind to the fact that cars are the number one source of GHG. Current virtue signaling only fortifies sui-20 cidal growth/consumption lifestyles. While distracted by parking and car-dependency, the clock ticks.

According to the <u>New York Times</u>, new climate targets, including the Green New Deal, submitted by countries to the <u>United Nations</u> would reduce emissions by less than 1 percent, <u>according to the latest</u> tally, made public recently by the world body.

The head of the United Nations climate agency, <u>Patricia Espinosa</u>, said the figures compiled by her office showed that "current levels of climate ambition are very far from putting us on a pathway that will meet our Paris Agreement goals." How can goals set by this booklet reverse self-destructive efforts?

#### Follow the Money

Exclusionary Zoning is bad for everyone, except for developer profits. Just as Sebastian Mallaby's book, <u>More Money than God</u>, describes predatory Hedge Funds, which identify opportunities where circumstance (often regulatory barriers) create scarcity in the face of overwhelming demand to reap high margins, seasoned developer teams scour the country to find Cities with high demand and circumstances (most often unsustainable debt, taxes, and Union obligations) that create scarcity. Inexperienced with the <u>high wire act of finance</u>, municipal officials, burdened by circumstances, desperate for Affordable Housing, and craving the get-reelected appearance of 'economic growth,' are no match for the highly refined negotiating skills of the deal making elite.

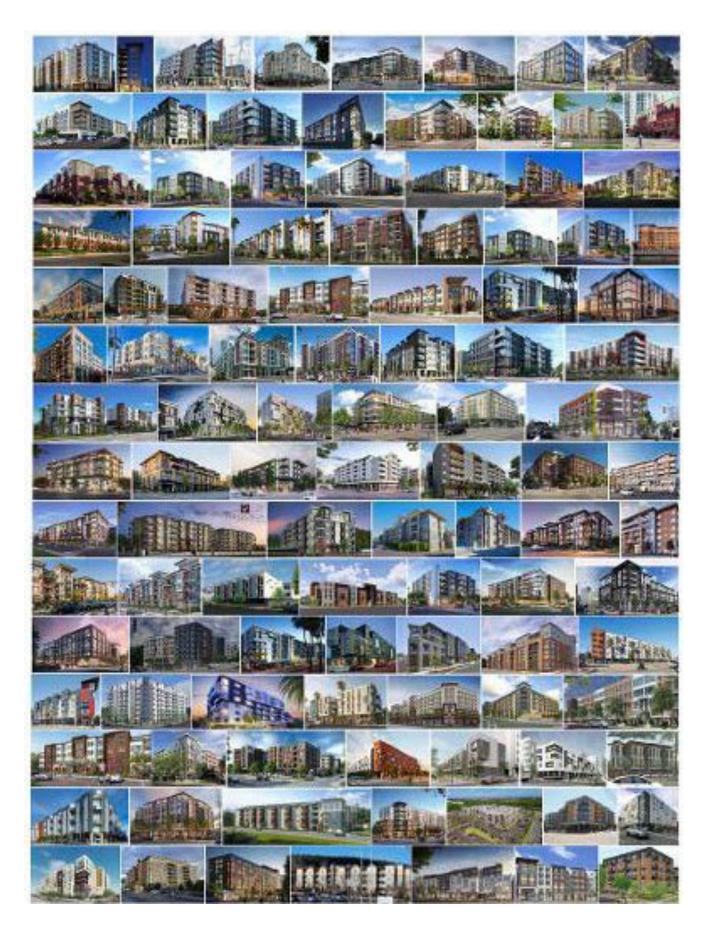
Those developers who partner with non-profits are eligible for additional tax-credits and grants. With practice one can acquire streamlined fluency accessing the panoply of obvious and less obvious government programs, thus seizing sizable benefits, both on the expense and revenue sides. Such benefits give developers freedom to push quantities of Affordable Housing. Elected officials take pity on their "struggles" to furnish Affordable Housing and reward "struggles" by eliminating all tax burden, heralded by taxpayers, never asking who pays for it. From the outstretched hand of pity, developers' disingenuous entreaties pile on more profit. Consequently, cash flow for Affordable Housing development exceeds that of conventional market development, such as for the tax-free Affordable Housing project recently approved for State St.

Beneath the cheer of public servants and taxpayers, tax-free Affordable Housing conceals the hobgoblin of developer profit, raised mill rates, and loss of municipal jobs.

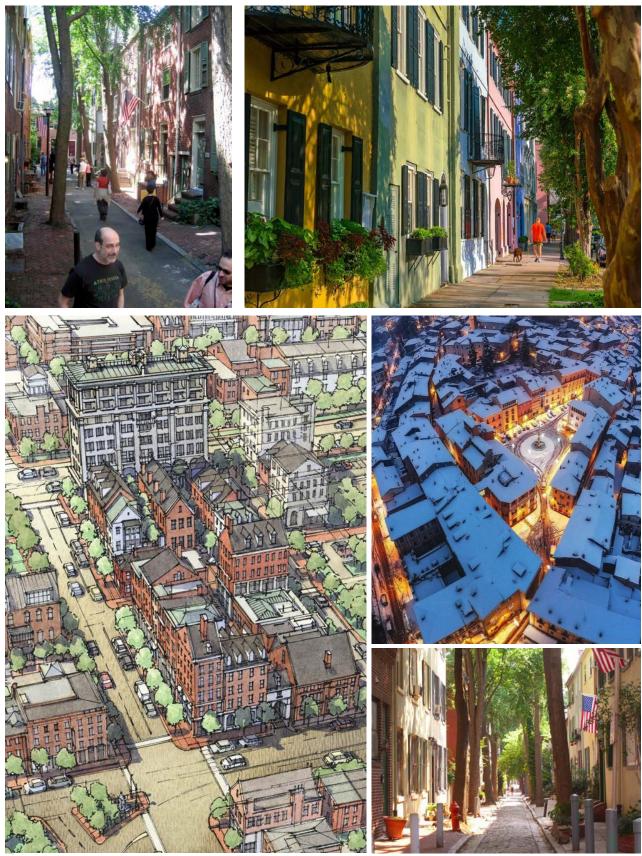
The unfair advantage of seasoned professionals hands high returns to development teams, with a sweet spot around 100% return on project cost at completion, when projects are sold into the investment market. Amongst a great variety of investment funds nationally, who buy relatively risk-free housing investments, are union pension funds, seen in the New Haven market.

What began as a simple method to segregate people of color away from areas reserved for white shopping, Zoning turned into a margin maker bonanza for Real Estate Deals. We citizens, the biggest fools, sit idly by as money flies out of town and our mill rates nudge ever upward.

At a crossroad now, it's time to change the chassis and make New Haven a desirable, prosperous, affordable, climate ameliorating, and beautiful City. In our position paper below, we summarize our position for moving forward. Please read on.



**Real Estate Deals** 



ROA Design for Causer Block, Portland, ME. David Carrico, Del.

# Neighborhood Place-Making



MILL RIVER ECONOMICALLY UNPRODUCTIVE LAND (100 ACRES)



MILL RIVER LEAN DEVELOPMENT PRODUCTIVE LAND (15,000 PEOPLE). ROA DESIGN



BEFORE



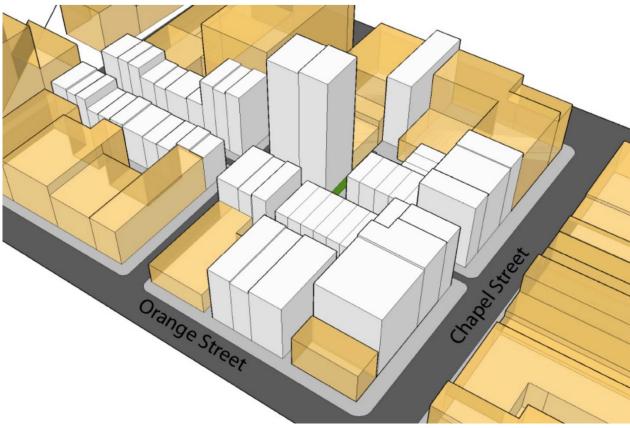


Mill River Illustrative Sketch. Intersection of Blatchley Avenue and River Street. ROA Design. Michael Morrissey, Del.

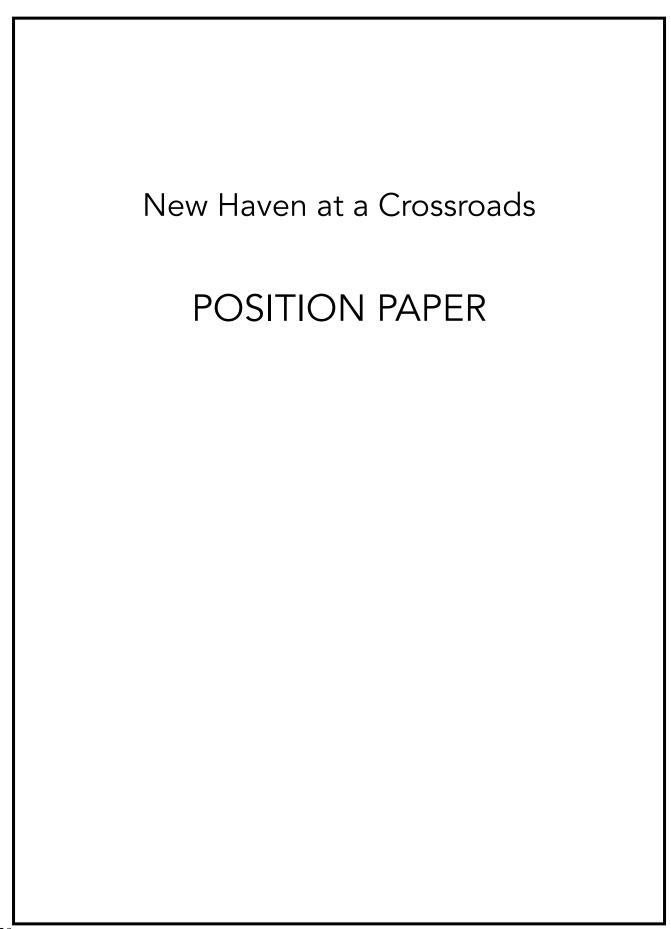
# Example of Re-platting for Lean Development.

How does one make land affordable? Make it smaller and less expensive. Re-plat large, especially municipally owned, parcels into small and affordable parcels, Small parcels attract multiple less capitalized small local developers, builders, investors, and people of color. Construction completed incrementally means that every building has its own character, reflecting the diversity of citizenry. Parcels are different sizes and costs to mix a diversity of income as well.

Example below of re-platting 6, many municipally owned, properties into 51 affordable properties. The appeal to tenants is affordable rent. The appeal to private property owners is the multiplier concept of many small parcels add up to more than one large parcel — the cost of small wedges of cheese adds up to double the cost of the wheel from which they were cut. "Margins" are higher on small even though the rents are small.



ROA Design for Small Scale (Lean) Development



## NEW HAVEN AT A CROSSROADS POSITION PAPER BY JOEL SCHIAVONE

#### Let's End Exclusionary Zoning

The news was startling. The New Haven Coliseum site, economically unproductive since 2007, is up for bids. Not only that but there are no bidders except for Norwalk based developer Spinnaker. I went from excitement to despair. Excitement that the City envisions a future beyond the tragic, all consuming, pandemic. Despair when I read the proposal details. Yet another of these bombshells from out-of-town developers.

This could be the dawn of a golden age. The 4.65-acre Coliseum site, the 13-acre Church Street South site, and the 100-acre Mill River peninsula are all up for development. Together these represent almost 120-acres of available land.

Finally, an opportunity to create a much more vital and dynamic New Haven built on good foundations laid the last forty years, expressed most vividly in robust nightlife.

As stated, I was disappointed when I heard the terms of the negotiation with Spinnaker. It's the same old Real Estate Deal: expensive apartments, massive buildings, extraordinary tax games to subsidize expensive '<u>Affordable Housing</u>,' and ill-sited retail — retail must be where the people are, not in isolated locations devoid of people where shop remains 'dark.' Frankly, the Spinnaker project in general meets no neighborhood characteristics<sup>6</sup>, just like the explosion of similar Real Estate Deals that pepper our City and most every City nationwide.

Not obvious to most people in New Haven, as far as I can tell, is that the business of developing in the most progressive Cities has been changing radically over the past few decades.

The least progressive Cities remain stuck with the concept of Cities desperately needing development financed with subsidies, which tap into government largesse. Those days are over. The Federal and State governments, previously flush with cash to support these efforts, no longer have funds to do so. Cities are left to figure out subsidies on their own. Those not flush with cash, like New Haven, and never challenging developers' desperate cries, believe their only recourse is tax giveaways. Not only do tax giveaways reduce municipal revenues, but every new building increases municipal expenses. Caught between a rock and a hard place, leadership believes they have only three unsavory solutions: increase debt, increase taxes, and/or lower or remove services. Municipal jobs are at stake. As public and private sectors cheer on development, especially if it includes Affordable Housing, none stops to wonder what sacrifices pay for it. Some actually believe it's a fair trade, such as one Alder who adamantly defended one such developer's right to a 74% tax giveaway. He insisted that taxing at the higher rate ordinary civilians pay represents <u>"cash taken straight from the retirements of hardworking middle class workers like you and l,"</u> written in boldface in his letter.

The most progressive Cities, faced with similar problems caused by 1950s Zoning and building regulations, such as exorbitant construction costs, large size of projects, complicated financing, and virtually everything connected with new projects, are opening doors to new approaches to become more inclu-

<sup>&</sup>lt;sup>6</sup> An authentic "neighborhood" is an organic mixture of uses where most everything one needs, including jobs/ innovation, robust social capital, food/beverage, domestic services, dining, pharmacy and medical needs, education, culture, parks, entertainment, and recreation to name a few are within easy walking distance. Of critical importance is that density has to be such that there are enough people to support a full complement of uses. 30

sive of small local developers, simple financing, and facilitating affordability without subsidies. But not New Haven.

Our Zoning remains the same 1950's Municode, later derided as <u>Exclusionary Zoning</u> (<u>https://ctmir-ror.org/category/ct-viewpoints/Zoning-the-cause-of-poverty-and-segregation/</u>) — so called because it made things expensive enough to exclude poor people, mostly black and brown people, from urban cores safe for whites and shopping. In other words, housing that's affordable is illegal under Exclusionary Zoning.

Our State is in the midst of a <u>Desegregate Connecticut</u> campaign, by which a consortium of dozens of non-profits hope to convince Cities like New Haven to rid themselves of racist Exclusionary Zoning.



Non-Profit Consortium that Makes up Desegregate Connecticut

The focus on deals and not on neighborhood-making means a home run for developers in terms of return, but these large edifices, added together, bring questionable value. Add up the additional municipal costs to service new development against the low tax settlements and giveaways (see page 60) and it's easy to see why New Haven's mill rate goes up and up, while services go down and down. In this booklet, we'll demonstrate a new way to balance the budget without changing anything but Zoning.

Because of its solid record of achievements in making downtown so vibrant over the past 25 years, this City no longer needs huge monetary enticements to attract Affordable Housing. Changing Zoning allows building housing that's affordable.

The easiest way to reverse embarrassing giveaways, to reverse segregation policies still with us, to erase isolation and distrust, to unleash the swarm, and to create a resilient, deficit-free, inclusionary, and affordable City is to change Zoning so it legalizes development that's compact and affordable, welcomes social integration, and enables vibrant mixed-use neighborhoods where enough people (density) support businesses that provide the full complement of goods and services, including jobs, within easy and appealing walking distance. This concept, known as The <u>15-Minute City</u>, is being explored globally (article attached below in Supporting Articles section).

The essence of all these new ideas is to create approaches which eliminate the sizable costs associated with worn out City mandates (AKA the Municode) at odds with Inclusionary Zoning.

So we return to the source of our concern about Neighborhood-Making vs. Real Estate Deals. With unanimous approval by the City Plan Commission, it may be too late to stop the exclusionary Coliseum Real Estate Deal.

Even though the City and local counsel for the developer are bound by law to defend prejudicial exclusionary Zoning, laws can change. Legalizing a neighborhood concept contrasts with current law by unleashing the importance of including all races and income brackets - middle, as well as high and low. Again, as described in my <u>New Haven Independent article</u>, the City must get beyond a mindset that is firmly rooted in the past and not in the future.

For New Haven's sake, let's please examine consequences before embracing any more Real Estate Deals coming down the pipeline. Create and expedite the necessary understandings and structural regulatory changes so that this City and its citizens understand the importance of complete neighborhoods and avoid the harm subsidized projects do. Let's get ourselves organized legally with experienced staff who can implement this strategy. When successfully completed, we will have almost doubled the size of our City with affordable living and all the pleasures of being within walking distance to all our needs.

We must build on what we already have, which are strong neighborhoods throughout most of downtown, terrific amenities, an incredible breadth of restaurants, and all sorts of recreational activities.

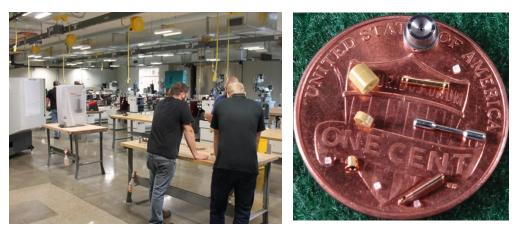
We must place all Real Estate Deals not yet broken ground on hold until we can legislate Zoning that's truly inclusionary with a SmartCode to enable and stimulate affordable development procedures, construction, building codes, developer requirements - in other words, until we deputize the swarm of small local people and bring New Haven into the 21st Century.

With true inclusionary Zoning as a baseline, we can then go out to bid and end up with affordable neighborhoods, developed and funded by local participants. Nothing complicated, just places where people of all shapes, sizes, and income brackets can live, work, and enjoy their friends and where 'amenity packages' are out on the street in complete neighborhoods and not behind gates.

The Mill River peninsula alone, with 100 mostly economically unproductive acres, is large enough for 15,000 people with affordable rent and more than \$50 million in annual property tax revenue using Lean strategies. Activating this one economically unproductive area could wipe out most of New Haven's budget deficit all by itself.

New Haven has all the makings of vitality beyond the reach of most Cities. If leadership can just realign its thinking from purging the past to envisioning the future, we can catch up fast.

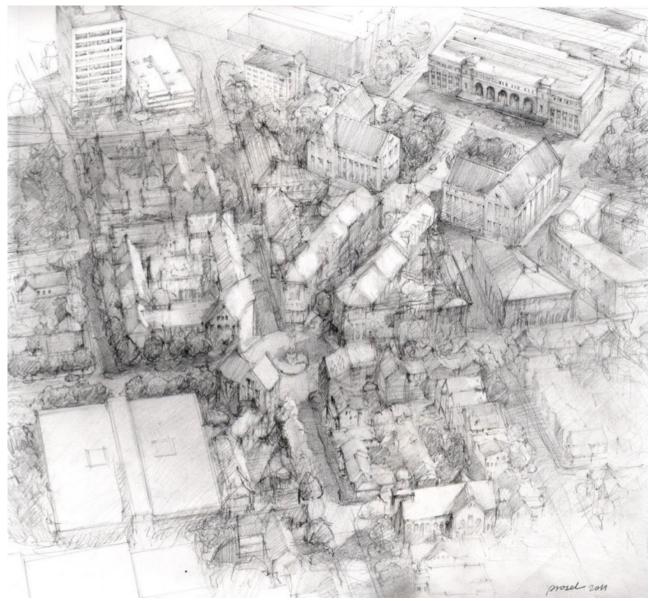
With enough <u>Lean Development</u> on economically unproductive land in the City, the boost in revenue will make mill rates tumble and provide affordable housing, not only for people here, but also for people who want to be here, adding hundreds of restaurants, bars, arts organizations, jobs in innovation/ start-ups and <u>Small & Micro Manufacturing</u>, and, in general, adding to the luster of New Haven as the best place to live in Connecticut and maybe even the Northeast. Why not the country?



Grand Rapids New Advanced Manufacturing Lab. The facility includes 3D printers and scanners, a CAD/CAM lab, plasma cutter, laser cutter, welding station, metrology equipment and prototyping tools.



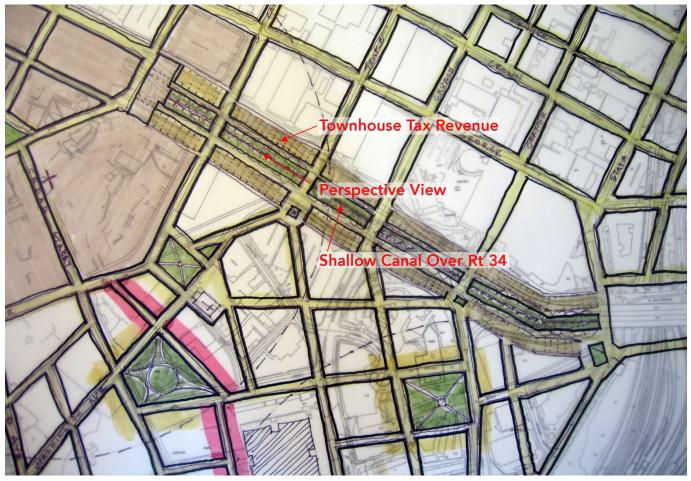
Small Scale (Lean) Development in Downtown Commercial Node. ROA with DPZ Co-Design. Vlad Prosol, Del.



ROA Redesign of Church Street South Project. Connects Union Station with Yale/New Haven Hospital Campus and Downtown. Vlad Prosol, Del.



ROA Perspective of Downtown Crossing. Shallow Canal Over Rt 34 Lined w/Tax-Paying Townhouses. Vlad Prosol, Del.



ROA Design Plan for Downtown Crossing. "Perspective View" Arrow Shows Shallow Canal (see above) Over Rt 34.

### New Haven at a Crossroads

## SO WHAT CAN WE DO?

### NEW HAVEN AT A CROSSROADS NEXT STEPS BY ROBERT ORR

### Let's Start Constructing the Chassis That Will Induce Creation of a "Shining City, Hid From No Man's Eyes"

### So What Can We do?

Unbeknownst to many, New Haven's Zoning maintains its promise to keep people of color and the poor "where they belong," which a surprising number still prefer, and to keep everyone isolated, which cultivates suspicion, distrust, anger, and, dare I say, violence, which is so common today we hardly notice it, save exceptional events. But at what cost? The fact that municipal leadership demands affordability and an end to social unrest on a chassis that prevents such actions from taking place makes the inescapable contradiction too obvious to ignore.

We propose simultaneous sorties aimed at doing what we need to do to give New Haven the future it deserves?

#### 1. Build on what we already have.

New Haven has strong neighborhoods throughout most of downtown, terrific amenities, an incredible breadth of restaurants, and all sorts of recreational activities. Engaging the reinvention of manufacturing, from smoke billowing brownfield-makers to small clean buildings the same scale as residential buildings, means we can return New Haven's enviable position as an important manufacturing center. But this time, we can bring manufacturing, innovation, and resilient jobs right into neighborhoods.

#### 2. End Exclusionary Zoning.

New Haven can eliminate Exclusionary Zoning with the click of a mouse, simply by visiting <u>SmartCode</u> <u>Central</u> (https://smartcodecentral.com). There, one can download a ready-made fully inclusionary Zoning Code for free, called The SmartCode. The SmartCode has been used and fine-tuned over 40 years in over 4,000 new towns and modified existing towns and Cities across the country and around the globe. The code is written in plain language. It's a solid tested document. With the SmartCode document, which is editable, one need only create a Regulating Plan, which assigns parts of the City to appropriate sections of the SmartCode. The Regulating Plan is furnished in a week-long facilitated public Charrette.

Hartford, Hamden, and Bethel are three municipalities to adopt the SmartCode right here in Connecticut. Hartford went so far as to eliminate all parking requirements to further enable affordability. Currently, Hartford legislators debate levying taxes on downtown parking to stimulate the walkability of downtown housing.

One can implement the SmartCode as is, or fine tune it to meet unique characteristics of local conditions. There are numerous consultants who can assist. There's really no excuse for not jettisoning prejudicial Exclusionary Zoning.

Alternatively, a halfway measure one can download is the <u>Handbook</u> for Improved Communities. It is the newest incremental code reform tool from CNU's Project for Code Reform and was written in part-

nership with AARP Livable Communities. It's not as comprehensive as the SmartCode, and won't solve New Haven's budget crisis, but it's a start.

The Handbook helps explain the options that communities might consider, in supporting small-scale, incremental policy changes that can be made without overhauling entire Zoning Codes and land use policies. The document focuses on Main Streets and the neighborhoods adjacent to Main Streets, so much of the City is left out.

### 3. End Racial Segregation.

Our Zoning remains the same 1950's Municode, later derided as <u>Exclusionary Zoning</u> — so called because it makes things expensive enough to exclude people of color in order to make downtowns safe for whites and shopping. In other words, housing that's affordable is illegal under Exclusionary Zoning. In addition, the low density mandated by minimum lot size creates fewer buildable properties, too few people to support a full complement of neighborhood businesses, social integration, and the need to pay higher taxes to make up for fewer taxpayers. Simple math.

See Background section above for full explanation of why and how the Municode is exclusionary.

Some think that Inclusionary Zoning will fix the affordability problem by just overlaying language onto Exclusionary Zoning to force developers to include Affordable Housing in their projects. But, left unaltered, the rigid Exclusionary Zoning chassis makes any attempts to merge the two like putting a C8 Corvette Stingray 490 HP engine on a Model T chassis. The unhappy liaison requires substantial subsidies for 'inclusion' to overcome segregationist foundations. One must change the chassis, not fiddle with the engine. Lean changes the chassis.

Shunning black and brown people is wasted capital, not to mention the additional services caused by shunning.



Coliseum Site Proposal — Real Estate Deal (shows little understanding of a complete neighborhood). Beinfield Architecture design.



Portland, ME Causer Block Proposal –Neighborhood Place-Making. ROA design. David Carrico, Del.

### 4. Build Social Integration.

Rebuild social integration. The most destructive outcome of diffused living conditions mandated by Zoning is isolation. Living further apart from one another and isolated in cars as our mode of travel cuts strings of attachment with other people. Rather than tinker with the "engine" with cleaner fuels, we need to change the "chassis" to one that induces social integration.

Instead of cars, the City should focus on social integration, discussed above. Also, from an environmental standpoint, social integration is the 'greenest' endeavor, outstripping all the 'reduce carbon' initiatives, because group-thinking widens 'green' vision to include alternatives, so far off the radar. For example, Paul Hawken's <u>Drawdown</u>, which was the product of group-thinking without bias or foregone conclusion by 230 research fellows from 22 countries using over 5,000 references, arrived at startling conclusions to address the climate crisis. One of the top conclusions they reach is educating girls globally to raise the importance of family planning to address the largest climate threat of all: population overshoot. Currently, global population approaches 8 billion. If everyone consumed at the rate of Americans, the planet could support only 2 billion. Granted, most countries don't consume at the U.S. rate, but added together, we still far exceed the planet's capacity. How to reduce population in balance with natural annual resource creation is a major dilemma, unfortunately eclipsed by attention on Climate Change. Recommendations of this booklet address population overshoot and climate change.

Distanced, former neighbors become strangers. Strangers raise suspicion. Suspicion leads to distrust. From there it's a slippery slope. <u>Sociologists</u> establish a link between isolation and the social unrest we've seen building for decades, culminating in the recent January 6 debacle. As result of Zoning, we are a nation of strangers. Lean can change that by bringing people closer together.

Susan Pinker writes in <u>The Village Effect</u>: How Face-to-Face Contact Can Make Us Healthier and Happier. If we want to turn back the plagues of isolation, we must live more compactly and create areas and activities, which stimulate the most social integration possible between 'strangers' outside their interest group. <u>Her TED talk</u>.

Psychologist Julianne Holt-Lunstad's decades long <u>study</u> reveals that social integration resulting from closing the gap between neighbors reestablishes trust and its cohorts: group-thinking to solve troubling crises, problem solving, better health, compassion for others, lifespan, prosperity, and happiness.

Create compact neighborhoods that maximize opportunities for people to interact with one another, to get to know one another, to accept differences, to find common norms, to kick-start group thinking, which can stimulate tremendous impact on addressing climate and laundry list of other dire calamities facing us today.

A big part of breeding social integration is **education**. Most education readies children for pigeon-hole lives of routines, which repeat day by day. How different the City would be if education taught children to be unique individuals contributing to society. That can happen seamlessly if education started by inculcating self-esteem (to present equal opportunity for all children, regardless of household circumstances), curiosity, and tenacity (gumption).

The <u>Outward Bound School</u>, begun in the UK during WWII, offers the most comprehensive tested methodologies for instilling self-esteem, curiosity, and tenacity (gumption) for children of all ages. Their 4-week course, which may offer ideas on what to adopt in our Public School system, leaves an indelible mark. This writer has personal experience. Their guiding motto: **To Serve, To Strive, and Not to Yield**, from <u>Ulysses</u> by Alfred, Lord Tennyson.

With self-esteem, curiosity, and tenacity (gumption) under their belts, the rest of the learning process assumes meaning, instead of oppressive trials through which to suffer. Armed with self-esteem, curiosity, and tenacity (gumption) children will engage their education with different eyes, and curricula will evolve to satisfy want. "Want" will steer maturing young adults toward social integration, as well as contribution.s to our City

Self Esteem, Curiosity, and tenacity (gumption) amongst young adults is key to fostering social integration.

Self-esteem, curiosity, and tenacity (gumption) also depend on parenting. NPR journalist Michaeleen Doucleff writes in her book, <u>Hunt, Gather, Parent: What Ancient Cultures Can Teach Us About the Lost</u> 40 <u>Art of Raising Happy, Helpful Little Humans</u>, "American child-rearing strategy comes away looking at best bizarre and at worst counterproductive<sup>7</sup>. American culture often has things backward when it comes to kids."

In an <u>Atlantic Magazine</u> interview, Doucleff arrives at this startling conclusion while traveling, with her 3year-old daughter, to meet and learn from parents in a Maya village on the Yucatán Peninsula in Mexico; in an Inuit town in a northern Canadian territory; and in a community of hunter-gatherers in Tanzania. During her outings, she witnesses well-adjusted, drama-free kids share generously with their siblings and do chores without being asked.

One of the craziest things we do is praise children constantly. When I was first working on the book, I recorded myself to see how frequently I praised my little girl, Rosy, and I noticed that I would exaggeratedly react to even her smallest accomplishments, like drawing a flower or writing a letter, with a comment like "Good job!" or "Wow! What a beautiful flower!"

This is insane if you look around the world and throughout human history. Everywhere I went, I don't know if I ever heard a parent praise a child. Yet these kids are incredibly self-sufficient, confident, and respectful—everything we want praise to do, these kids already have it, without the praise.

It's hard to cut back on praise, because it's so baked in, but later on, I decided to try. It's not that there's no feedback, but it's much gentler feedback—parents will smile or nod if a child is doing something they want. I started doing that, and Rosy's behavior really improved. A lot of the attention-seeking behavior went away.

The Inuit parents and elders I interviewed almost laughed when I said that. One woman said something like, "She's a kid—she doesn't know how to manipulate like that." Instead, what they told me is that young children are just these illogical, irrational beings who haven't matured enough and <u>haven't acquired understanding or reason yet</u>. So there's no reason to get upset or argue back—if you do, you're being just like the child.

I was with a group of about 15 to 20 adults and their kids. When I first got there, it was hard for me to tell which toddlers belonged to which moms and dads, because everyone was helping to take care of them. The children were comfortable with all these different women and men.

If you look in non-Western culture, and definitely in hunter-gatherer communities, there's <u>an enor-</u> <u>mous amount</u> of what's called "alloparenting." Allo- is derived from a Greek word meaning "other," so it just refers to caretakers in a child's life other than the mom or dad.

Other people are deeply involved in the child's upbringing. Sarah Blaffer Hardy, an anthropologist, has done some amazing research where she shows that young children are <u>basically designed to be</u> raised by a group of people, not just two—meaning mom or dad on their own do the work of several people. So of course we feel exhausted. It's to everyone's advantage to alloparent.

Divorced from community, we coddle and praise every little aspect of child development (heard recently about a child who receives \$1 every time she poops) to steer children toward winning awards. Children quickly learn how to manipulate their doting parents to win rewards.

<sup>&</sup>lt;sup>7</sup> Paul Tough unfolds a powerful, mind-changing inquiry in his book, <u>The Inequality Machine, How College Divides</u> <u>Us</u>. He reveals that the SAT system, used by most colleges in their admission processes, weeds out "financial aid kids" by making it mandatory to take expensive preparation courses and counseling in order to garner high SAT scores. Meaning, high scoring applicants are more likely to pay full tuition. Listen, <u>This American Life</u>.

It's no surprise that we've created a society of people who manipulate other people for their own reward. The equalizing familiarity of people in Lean Urbanism can remedy that.

### 5. Launch Lean Development.

Chief among affordability techniques is <u>Lean Development</u>. Lean Development is all around us. It's the way incremental building owner by building owner built neighborhoods before the advent of steel nonnatural materials, energy, technology, and regulations, which abandoned people-scale in favor of economic pro-forma of Real Estate Deals. Lean's main objective is to recover people-scale and neighborhood-making. Pilot projects are in Lafayette LA, Chattanooga TN, St. Paul MN, and Savannah GA.

With the SmartCode, one can enable and launch Lean Development. Lean Development basically provides a template for affordable compact construction on small lots. The credo of Lean Development: "Instead of building Affordable Housing, build housing that's affordable." Lean is comprehensible, accessible to all, and makes common sense. For example, if the small developer takes one of the units for him/herself, the building qualifies for a simple mortgage, no high margins attractive to investment banks involved. Quite simply, Lean construction techniques lead to affordability all by themselves, therefore mitigating the need for municipal giveaways (see page 60).

In addition, according to <u>Lean Logic Online</u>, the property of a small-scale, or subdivided, system does not need the <u>complication</u> of large-scale infrastructure.

Self-reliant community, being substantially free of the complications of the large-scale, has economies of reduced scale. The <u>holonic</u> form, consisting of many smaller parts interacting for a <u>common purpose</u>, means that there are lots of <u>edges</u> extending throughout the system. With this high edge-ratio, material needs can be exchanged, and the waste they produce can be recycled on the <u>proximity principle</u>—work is done close to where its output is wanted; <u>waste</u> is produced close to where it can be recycled.

An elegant <u>system</u> does need an infrastructure—an intermediate economy—but not on the giant scale (relative to its size) which <u>civic societies</u>, especially our own, must sustain at great cost <u>in energy, materials</u>, organization, labor and <u>capital</u>. A high proportion of a small-scale community's work consists of action from which it derives a direct benefit, as distinct from having first to meet indirect, intermediate needs—the <u>regrettable necessities</u> which it must endure simply to cope with the problems of large scale. It is not encumbered.

A <u>scale</u>-literate <u>community</u> makes modest, and realistic, demands on its <u>ecosystem</u>. There is no insatiable ambition which will take its environment, both near at hand and far away, into shock. And it has only a small <u>sorting</u> problem. It does not find itself with large accumulations of waste products, and of goods and people needing to be sorted. Detail comes to it naturally.

Elegance is therefore an idea with <u>leverage</u>: it goes to the heart of the subject, changing the way it is understood, and getting large results from accurate responses. It relies, not on visionary, large-scale ambition, but on the gentle nudges of f<u>eedback</u>.

According to <u>Kevin Klinkenberg</u>, there's a "swarm" of Lean local developers, builders, and lenders pounding on the door to take part in their Cities' recovery of neighborhoods. Beaten back by regulations and hostile public servants, they invariably find themselves defeated and disillusioned. Their valuable capital of ebullient energy departs for receptive locations elsewhere.

It's worth taking a look at the article: Lean Development Compared to Conventional Development.

Lean up the construction process itself. <u>Building an Affordable House</u>, by Fernando Pagés Ruiz, includes 10 chapters on secrets of saving money on single, as well as multi-family, construction. Small savings add up. Following Fernando's recommendations can cut construction cost by 1/3. Fernando is a Build-ing Code Official, so his recommendations observe requirements. His <u>talk</u>.

On the funding side, Kimble Grangle of Gorman & Company, explains how to negotiate complicated tax credits and other financing instruments to significantly cut out pocket costs in order to build housing that's affordable. Her <u>talk</u>.

Another Lean agenda is "Double Up." A surprising number of <u>unrelated people share apartments</u>. 32% of all people over 25 share apartments. The number goes up in urban settings. According to Zillow, 47.9% of people living in LA double up. 44.5% of people living in Miami double up. 42.5% of people living in New York double up. 39.7% of people living in San Diego double up. In other words, there is a huge market for whom no one provides ideal housing. According to my Gen Z daughter, 3-4 seems to be the maximum number with whom to cohabitate. The issue is squabbles over kitchen clean-up and whose food is whose. Everyone shares one bathroom just fine. Lean living has yet to be explored properly.

Lean double up also recycles for affordability. Thousands of bedrooms remain empty around the City. They can be recycled for affordable housing if the City offers incentives to homeowners to rent spare bedrooms. London is doing this with success by offering the incentive that deducts spare room rental income from property tax. The municipal loss in tax is much less than the municipal cost of Affordable Housing. Londoner Max Hutchinson's website, <u>SpareRoom — Find Home Together</u>, offers an example for New Haven to follow.

Of course, retrofitting buildings, which outlived their original use, to residential use is another Lean development, especially if developers create housing that's affordable. All these strategies can place less emphasis on the need for a car, especially if locations are prioritized.

The biggest Lean phenomena is bottom up activities launching no less than a <u>new world order</u> — decentralized financing (DeFi), the Exchange, and businesses on Industry 4.0 components (DeFi, Blockchain, and the Internet of Things (IoT) among them — if you don't know these terms, it's time to learn them! They're changing top-down vertical hierarchical structure to bottom-up horizontal egalitarian structure. To ignore them is to fall off the train steaming ahead to the future.

Horizontal group-thinking by thousands or millions would uncover untold unexplored and more effective approaches to address global warming and the myriad of ills that plague society. Just by narrowing the distance between neighbors and stimulating social integration, Lean builds a new chassis to better address societal problems. By its density and neighborhood-making precepts, Lean Development ignites social integration.

#### 6. Unleash the swarm.

Adopt Lean policies to allow the swarm of local Lean entities to break from their chains and activate economically unproductive land. Rather than continue the madness of subsidies, focus attention on tapping the sleeping resource of economically unproductive land with the hands of local people, sensitive to the needs of their City.

Loss of government subsidies makes Cities focus on alternative subsidies instead of solutions. Tragically, the only available local subsidy is tax relief, which is like eating one's insides out. Trapped in their focus, they're forced to construct complicated financial structures so as not to draw taxpayer ire, such as tax



ROA Design for Shartenberg Competition. Chapel Street Entrance to Interior Pedestrian Street. David Carrico, Del.



ROA Design for Shartenberg Competition. View Interior Block Pedestrian Street, David Carrico, Del.



ROA Design for Shartenberg Competition. Chapel Street at Corner of State Street View (After). David Carrico, Del.



Chapel Street at State Street View Looking West (Before)



ROA Design for Shartenberg Competition. Interior Courtyard. David Carrico, Del.

credits, abatements, low assessments (see page 60), and other quiet giveaways, to enable the Affordable Housing they so desperately seek.

Sadly, therein lies a tragic irony. By forfeiting tax revenue in the interest of Affordable Housing, the City becomes an unwitting co-conspirator in making New Haven unaffordable. Tax forfeitures nudge the foot onto the accelerator of increased mill rates and reduced services in order to make up for lost revenue needed to balance inflating budgets. The gap between affluent and poor widens, and the middle class gets shown the door. Lean fixes that.

### 7. Sunset Red Tape.

Inexplicably, no one has ever done a cost/reward analysis of regulations. Regulations double the cost of construction, but what do they accomplish? No doubt a thorough scan would reveal that most regulations achieve marginal to no safety improvements, or any number of other nonnegotiable stated imperatives.

Called a "lean scan," identify and eliminate all bureaucracy and red tape that create unnecessary barriers. For projects below a certain size, the City must remove all but the most critical regulations, especially those provisions that prevent small local entities from transforming economically unproductive land into tax producing complete neighborhoods with the least delay possible. In addition, the City must offer expediters (Sherpas) to assist the inexperienced with creating sustainable business plans, and to follow-up through their entire construction process to assist in an advisory capaCity as problems arise.

### 8. Launch jobs. Manufacturing and Innovation Start-Ups.

'Lean' is not restricted to development. A quick Google search unearths how 'Lean' infiltrates many sectors already, such as <u>small and micro manufacturing</u><sup>8</sup> and innovation (see Made in Place article attached at end amongst "Supporting Articles"). This year the <u>US dropped to #11</u> amongst countries with the most innovation.

The latest optimistic thinking in jobs nation-wide is that manufacturing and innovation need to be near each other to form feed-back loops that boost both. Richard Locke and Rachel Well-hausen's <u>Production in the Innovation Economy (PIE)</u> paints a picture of the near future in the most progressive Cities where innovation and entrepreneurship work hand-in-hand with production for healthy feed-back loops and for creating jobs for the high school educated. Jobs for the high school educated that pay \$90,000/year.

Production in the Innovation Economy (PIE) seeks to analyze how innovation moves to market. What role do production capabilities play in bringing the innovation to life? What kind of industrial ecosystem accelerates innovation and production? Does having manufacturing in proximity to innovation enhance the returns to the economy? Create more jobs and sustainable growth at home? These are the questions addressed in a three-year long research project carried out by teams of MIT faculty and students which resulted in two books, <u>Making in America: From Innovation to Market</u> and <u>Production in the Innovation Economy</u> ... <u>more</u>

One sees exciting ideas emerging in 'laboratories' like those at MIT in areas including energy, life sciences, transportation, environment, communication, construction, and security. To trans-

<sup>&</sup>lt;sup>8</sup> Small and micro-manufacturing include enterprises employing anywhere between a couple to 20-30 people making micro components to be assembled into larger products elsewhere, innovation labs, crypto start-ups, biotech, furniture, 3D printing products, clothing and fabrics, maker space, culinary arts, artisan workshops, etc. 46

form these technologies into strong flows of new products, services, and processes, we need innovation in systems of production different from old-style manufacturing. Those countries that build powerful links between research in the laboratory and new manufacturing are emerging as the ones that benefit the most from their innovative capabilities ... <u>more</u>

To learn more about the study, hear what researchers have to say ... more

Martin Schmidt testifies in front of the U.S. Senate Committee on Commerce, Science, and Transportation, November 13, "How to Strengthen U.S. Innovation and Manufacturing"

Prof. Schmidt's written testimony available here.

Suzanne Berger testifies in front of the U.S. Senate Committee on Banking, Housing, and Urban Affairs Dec. 11th, "Rebuilding American Manufacturing"

Prof. Berger's written testimony available <u>here</u>.

Lean Development is compatible with the cultivation of small manufacturing jobs, and innovation startups. In fact, lean facilities are so small they fit seamlessly within residential neighborhoods, making commutes a short walk to job sites instead of long drives to giant facilities.

Ilana Preuss of <u>Recast City</u> is launching a national campaign to bring the new, clean, and small scale of small and micro-manufacturing back downtown. In fact, she makes a convincing case that small and micro manufacturing may be the best catalyst to launch successful neighborhood making. She offers consultation services to Cities entertaining the idea.

### 9. Public Servant Training.

Immediately reboot public servant expertise. The City must master well-founded methods that create neighborhood development. The change in approach requires fluency in negotiations with developers to extract maximum benefits for the City, in knowledge of planning approaches that balance budgets, in achieving cost of living below the national average, and in knowledge of 'best practices' that value people and place-making over cars. There's a wealth of knowledgeable and experienced people around the country, skilled in principles espoused by this booklet, with whom one can populate strategic public servant positions to teach techniques to existing public servants.

### 10. Visioning.

The City must assemble a vision for how best to build strong, vibrant, complete neighborhoods on all the economically unproductive land. We need to flip the platform from risking the future to satisfy the present to one of investing in the present to benefit the future. In addition, we need to flip the towngown platform from altercation to cooperation in forging an achievable vision for the future.

The best common sense solution will be creating affordable neighborhoods with enough people (density) to fully support businesses that provide the full complement of goods and services, including jobs, (mini) healthcare, and schools, within easy walking distance. This is an international movement already afoot, including many US locations, called <u>The 15-Minute City</u>. Density is not necessarily tall buildings, remembering <u>Steve Mouzon's</u> aphorism that New York and Paris have approximately the same population per acre (±82/acre), but Paris does it in 5 stories. The fact the the 15-Minute City movement initiated in Paris, where one might imagine everything is within easy walking distance, is a telltale sign of how far Cities, like New Haven, have to go. All ventures start with one step forward. There's no time like the present to take our first step.

### New Haven at a Crossroads

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### New Haven at a Crossroads

# HYPOTHETICAL SAMPLE FOR LEAN DEVELOPMENT AND ECONOMIC PRO FORMA

Regulations that allow Lean Development open doors to small local developers, builders, and lenders. However, 'opening doors' is not charity or an entitlement program costing taxpayers. Rather, it's quite the opposite. Lean yields higher taxes per acre, more units per acre, and lower rents than conventional projects 'dropped' from out of town. In addition, Lean offers healthy returns for local lean development teams — more money generated for City (without subsidies), more NOI for teams, and more affordable rents/sales for residents, attracting more people emerging into adulthood to live in, to support, and to contribute to vitality of downtown New Haven. All money stays in the City and supports local business.

Below is hypothetical example to prove the case. Using random 1.07-acre City owned parking lot at 10 Wall Street (previously offered by City 2013), we include a Lean design for 169 dwelling units (DU)/acre (181 total) (remember Paris and NYC densities are ±82 people/acre, including parks, streets/boulevards, non-residential, etc.), 7 shops/eateries/acre. 2 small/micro manufacturing/acre, 4 crypto start-ups/acre, and a public park on three streets. \$650k taxes/acre. Parking available directly across State Street.

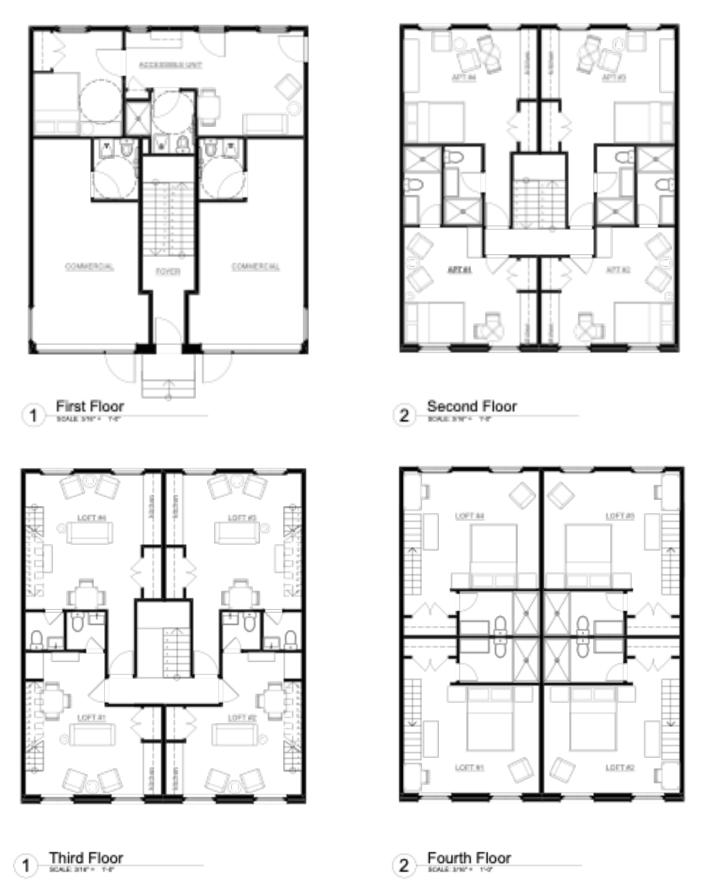
Current parking, if full, furnishes \$146k/acre, less \$36k operating/maintenance = \$110k/acre/year.

Should project proceed, assumed single developer will build as a demonstration project. Future examples will be pre-platted with small affordable parcels under a masterplan, each owned and developed by small local developers, builders, lenders. The demonstration project will provide visualization and lower risk for concept.

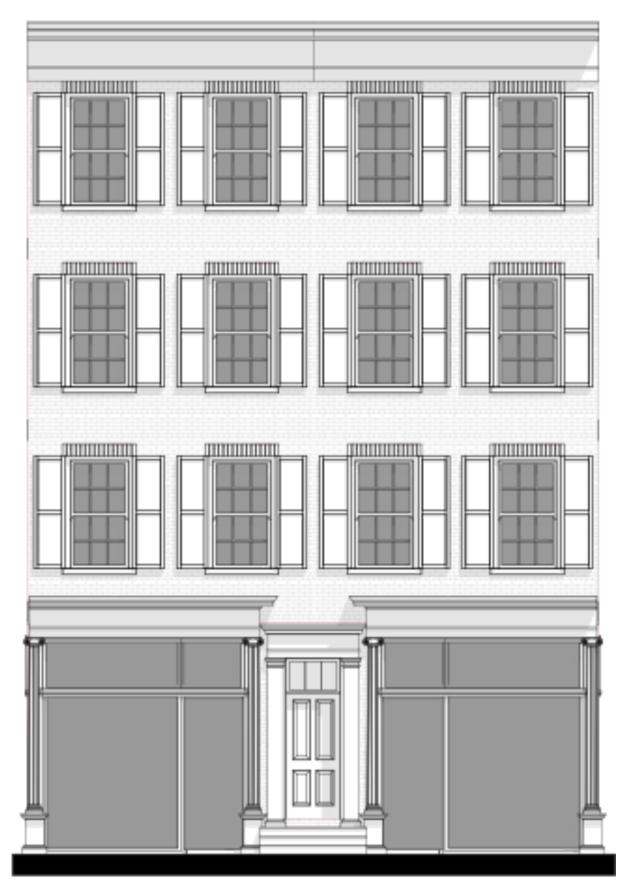




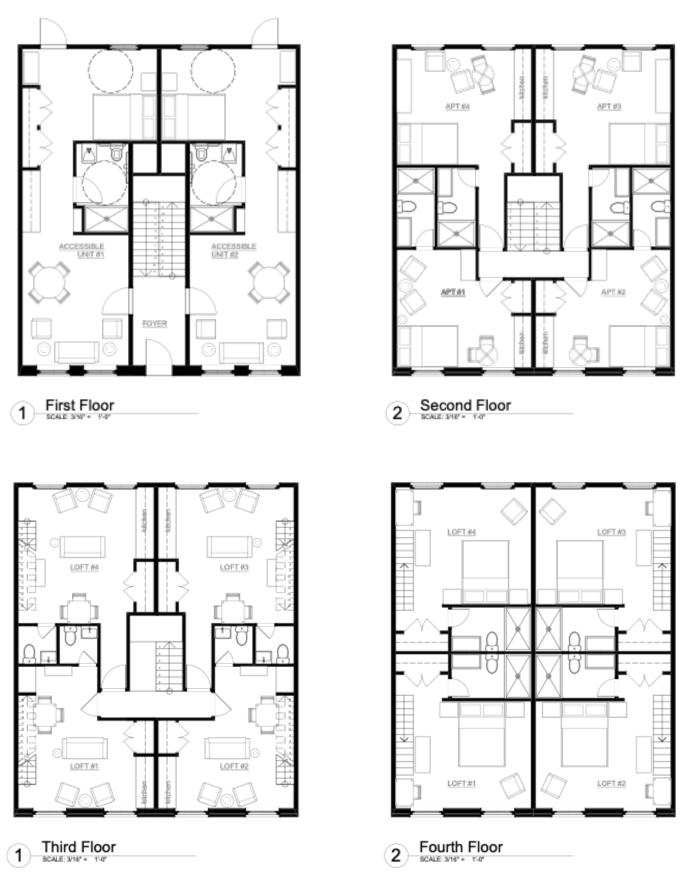
ROA Design for Lean Development.



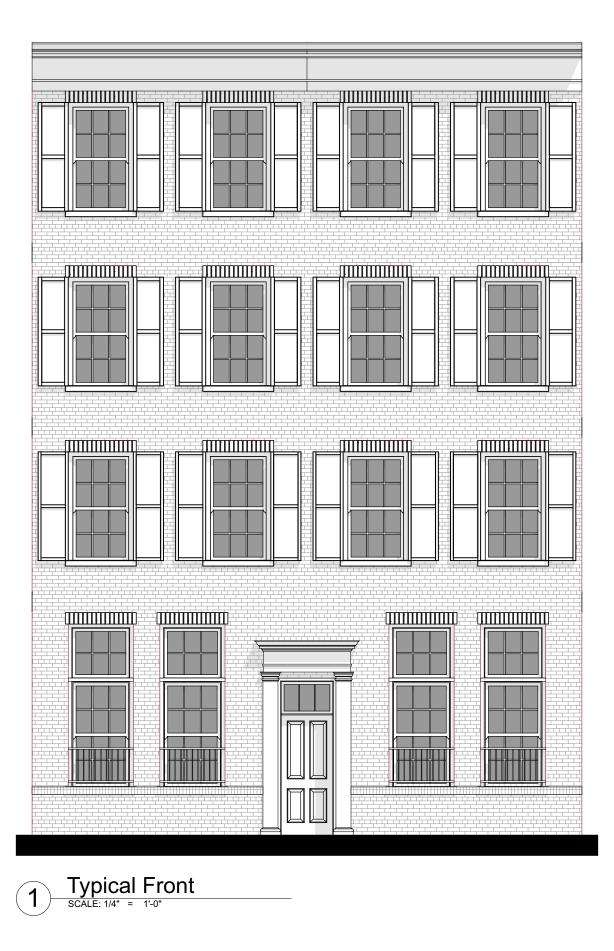
ROA Design for 1st-4th Floor Mixed Use Building – 2 Commercial Spaces, 9 Dwelling Unit, Lean Development



ROA Design for Street Elevation, Mixed Use Building – 2 Commercial Spaces, 9 Dwelling Units, Lean Development



ROA Design for 1st-4th Floor Residential Building – 10 Dwelling Unit, Lean Development





Illustrative Image of Typical Row Houses. Painted Stucco.



Typical Residential Street



What look like white lines on site plan are narrow footpaths that wind through the neighborhood

site Data		Sm	Pack Building ( all & Micro Man s Above. Be	ufacturing with	h 4 Innovation/ 30X50	
Site Area				1.07 Acres		46,609 SF
Appraisal Assessment				88,100 Vision / 6,670 Vision /		
Site Agisition Cost Development Data			\$63	38,100 Proper	ty Cost	
Unit Mix						
	<u>QTY</u>	<u>SF</u>	<u>Tot SF</u>	<u>Rent</u>	<u>Tot/Mo</u>	<u>Rent, PSF</u>
Studio	72	304	21,888	700	50,400	2.303
1 Bedroom	109	608	66,272	1,000	109,000	1.645
Shop/Eaterie Space	7	304	2,128	760	5,320	2.500
Micro Manufacturing Space	2	1,216	2,432	1,925	3,850	1.583
Innovation Space	4	608	2,432	963	3,852	1.584
	- 194	-	- 95,152	-	- 172,422	<b>1.812</b> avg
Sources of Funds				Per Ur	nit	Total
Mortgage Financing			68%		9,345	15,392,836
Equity/Cash			13%		5,339	2,975,688
	CDBG or Equ	iv	19%		2,000	4,268,000
Total Sources			100%		5,683	22,636,524
Uses of Funds				<u>Per Ur</u>		<u>Total</u>
Construction (inc'l bond & permits)					8,627	17,193,571
Construction Conting	gency		5%	Inc'l	D C D 7	-
Hard Costs, Total				88	8,627	17,193,571
A&E				2	4,431	859,679
Civil & Survey					232	45,000
, ,						-

	Environmental		62	12,000
	Legal		387	75,000
	Title & Recording		1,108	214,920
	Lender Costs & Financing Fees		601	116,525
	Development/Zoning/Use Cons	ultant	335	65,000
	3rd Party Supervision		62	12,000
	Construction-period interest		2,698	523,356
	Reserves & Escrows (Ins, Taxes,	R/R's)	1,249	242,329
	Insurance		1,108	214,920
	Developer Fee	7.60%	8,863	1,719,357
	Interim Taxes		325	62,965
	Interim Utilities		129	25,000
	Impact Fees		2,000	388,000
	Soft Contingency	5%	1,179	228,803
	Soft Costs, Total	-	24,767	4,804,853
	Site (Acquisition)	_	3,289	638,100
	Total Development Costs/Uses (	TDC)	116,683	22,636,524
	· · · · · ·	· · ·	,	, ,
Income			<u>PFY 1</u>	<u> PFY 2</u>
	Gross Potential Rent (GPI)		2,069,064	2,131,136
	Loss to Lease	1.00%	(20,691)	(21,311)
	Vacancy	8.00%	(165,525)	(170,491)
	Concessions	1.00%	(20,691)	(21,311)
	Model or Staff Unit(s)		-	_
	Other Income	Fees, Etc	-	-
	Other Income	Parking	_	_
	Commercial Income	6,992 sf	162,000	166,860
	Utilities Reimbursement(s)	0,001 0,		-
	Effective Gross Income	10,434	2,024,158	2,084,882
		10,434	2,024,130	2,004,002
Expense				
-	Salary & Payroll	1,000	194,000	199,820
	Apartment Turnover	-	-	-
	Maintenance G&L	200	38,800	39,964
	Advertising	50	9,700	9,991
	-			
	Management Fee	3.00%	60,725	62,546

Administrative	200	38,800	39,964
Amenities	-	-	-
Contract Services	200	38,800	39,964
Utilities (Incl. Trash)	200	38,800	39,964
Grounds & Snow	150	29,100	29,973
Property Taxes	1,298	251,858	347,652
Insurance	350	67,900	69,937
Total Operating Expenses	3,648	768,483	879,775
Net Operating Income	6,473	1,255,675	1,205,107
Expense Ratio	62.03%		
Reserves	275	53,350	-

	<b>Escalators</b>							
	Income		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Expense		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
		Construction		_	_			
Pro Forma Year		Period	1	2	3	4	5	6
Income		506,039	2,084,882	2,084,882	2,147,429	2,211,852	2,278,207	2,346,553
Expense		96,060	791,538	1,227,427	1,264,250	1,302,177	1,341,243	1,381,480
Net Operating Income (NOI)		409,979	1,293,345	857,455	883,179	909,674	936,965	965,074
Reserves/other	\$275.00	-	53,350	53,350	53,350	53,350	53,350	53,350
Debt Service, Other	1.00%	-	42,680	42,680	42,680	42,680	42,680	42,680
Debt Service, Mort		-	577,231	577,231	577,231	577,231	577,231	863,348
		-	673,261	673,261	673,261	673,261	673,261	959,378
Net Cash Flow	-	409,979	620,083	184,194	209,918	236,413	263,703	5,696
DSCR			2.24	1.49	1.53	1.58	1.62	1.12
Cash Return (before sale)		13.78%	20.84%	6.19%	7.05%	7.94%	8.86%	0.19%
r	()							
Invest	(2,975,688)							
Gross Sale 5.25%								18,382,354
Cost of Sale 2.00%								(367,647)
Retire Debt								(15,392,836)
Net Proceeds								2,621,871
Cash Flow		409,979	620,083	184,194	209,918	236,413	263,703	5,696
Deal Cash Flow	(2,975,688)	409,979	620,083	184,194	209,918	236,413	263,703	2,627,567
						L	IRR	8.71%



10 Wall Street \$23M Appraisal \$650K taxes/acre 169 DU/acre 1245 Chapel St. \$20M Appraisal \$189K taxes/acre 135 DU/Acre

### Why does lean construction cost less?

- Buildings are small enough that "two men/women and a truck" style operations can develop them and build them.
- If builder takes one unit in the building for him/herself, the project qualifies for a simple residential mortgage at lower cost.
- Small entities carry little to no overhead, which can cut costs in half. Avoiding overhead and cost of HUD requirements cuts project in half again.
- By using hundreds of trade secrets "hiding" in the codes, one can create high-value and low-cost techniques. Aimed at small builders, <u>Building an Affordable House</u>, by Fernando Pagés Ruiz, can lower costs by as much as 1/3. For example, one of his secrets: a square building is much less expensive than a rectangular building because of minimized surface area. Small savings add up. Following Fernando's recommendations can cut construction cost by 1/3. Fernando is a Building Code Official, so his recommendations observe requirements. His talk.
- Under IBC 2015 (still in use in New Haven until next year), the third floor can have a connected floor above it, essentially creating a 4-story building. Technically, a three story building, there's no requirement for two means of egress or an elevator, which lowers cost.
- All units on ground floor, or at least one unit, must be ADA compliant. Small units on the floors above lower cost.
- Small net to gross. By placing stair to minimize landings to reach all units per floor lowers cost no long hallways and other economically unproductive space.
- Ganging buildings together in row house configurations means that only two sides require windows, finishes, etc. saving cost.
- Small size lends itself to less expensive construction techniques, such as prefabricated construction and modular components. GreenStaxx (GSX) is a Cambridge based design company focused on applying the principles of mass production, standardization and repetition to the modular de-

sign-build process. They provide a patented system based on a digital library of pre-designed and pre-engineered components that can be assembled like Lego blocks.

- No interior amenities lowers cost. Amenities are in surrounding neighborhood.
- On the funding side, Kimble Grangle of Gorman & Company, explains how to negotiate complicated tax credits and other financing instruments to significantly cut out of pocket costs in order to build housing that's affordable. Her <u>talk</u>.
- All the lowering cost techniques outlined above, and many others, creates housing that's affordable and rents that attract people of moderate means, including young adults.

### Comparison Conventional Development vs. "Lean" Development

-	Typical Deveopment "Lean" Develop			
Development Costs - What's different?				
Site-to-Unit cost	High		Low	
Large Contractors	Yes		No	
Small Local Contractors	No		Yes	
Elevator(s)	Yes		No	
Old Code (more requirements)	Yes		No	
Smart Code (fewer requirements)	No		Yes	
Development Funding Requirements	Complex		Simple	
HUD/State/LIHTC Reporting Requirements during development	Yes		No	
Common Space & Amenities	More		Less	
Larger Units (2,3,4 bedroom)	Yes		Maybe	
Smaller units (studios, 1 bedroom)	No		Yes	
Operations - What's different?				
Operating Expenses	Very High		Very Low	
Debt Load	Complex		Low	
Tax Abatement Required	Yes		No	
Rent Subsidy Required	Yes		No	

By Eric Polinsky, Principal & Founder at Aurelius LLC

Polinsky states that, using the proposed rents for studio and 1-bedroom units (\$700 & \$1,000), the Wall Street project would be at 30-50% AMI affordability; households that earn around \$30k annually.

Fair Market Rents (FMR) are generally the max HUD pays (say under a voucher or project-based contract), but the 80% AMI rent shows the market is actually much higher.

2020 Rent Data	from HUD					
	FMR's	Median	<u>25%</u>	<u>50%</u>	<u>60%</u>	80%
Studio/Eff	1,042	1,136	449	898	1,078	1,438
I Bedroom	1,162	1,272	481	962	1,155	1,540
2 Bedroom	1,407	1,549	577	1,155	1,386	1,848
3 Bedroom	1,775	1,931	667	1,334	1,601	2,135

Compare AMI/Rent tally with rents in the economic pro-forma above.

FMR rate applies to South Britain, CT, Bethany, CT, Beacon Falls, CT, Northford, CT, Middlebury, CT, North Branford, CT, Prospect, CT, Woodbridge, CT, Oxford, CT, Orange, CT and other cities within the region.

Compared to the rest of Connecticut, the New Haven-Meriden FMR area is more expensive than 69% of the state.

Household Income Limits					
4-person AMI	91,200				
		<u>25%</u>	<u>50%</u>	<u>60%</u>	<u>80%</u>
1 Person		17,975	35,950	43,140	57,520
2 Person		20,525	41,050	49,260	65,680
3 Person		23,100	46,200	55,440	73,920
4 Person		25,650	51,300	61,560	82,080

### New Haven at a Crossroads

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CT VIEWPOINTS -- opinions from around Connecticut

# Small development — the key to solving New Haven's budget woes

#### CT VIEWPOINTS | by ROBERT ORR | MAY 19, 2020 | VIEW AS "CLEAN READ"

Small development offers the best promise to repair New Haven's budget woes — and quickly. It has the potential to raise revenues beyond just erasing budget problems and could lead to dropping tax rates.

Small development, if implemented properly, would mobilize hundreds of untapped small local developers, builders, and finance, keeping money in New Haven. Its affordability would draw a host of motivated young people down-town, launching a "start-up City" and recovering New Haven's deserved global recognition as an innovative and thriving City.

Here are two examples in Boston's North End and Beacon Hill. The images depict residential and commercial/ mixed-use. There currently is no intimate small development in New Haven.



In Boston's case, there is so much intimate small development filling what could have been economically unproductive land that Bostonians pay 20% the taxes New Haven residents pay for the same value property.

Tax-wise, New Haven is a tiny village supporting a large City. Currently, 70-80% of New Haven is economically unproductive land, including overly wide streets, surface lots, off-street parking, parking garages and economically unproductive lots. These make up the majority of land that produces no or very little tax revenue. Accommodating cars is extremely expensive, and we all pay whether we own a car or not. Before cars, percentages were reversed: only 20-30% of old Cities were economically unproductive. The six-acre example below illustrates how a different perspective can explode tax rolls and social vibrancy. Just by narrowing State Street and dividing economically unproductive land to small parcels, the City gains \$4.6 million in taxes and 1,800 dwelling units.



Before: Divided State Street "highway" and vacant land.

After: 2 rows across pedestrian street. ½ 1st floor facing State is commercial.

Why is small development so necessary? Beyond the heroics of balancing New Haven's \$569 million general fund budget crippled by the pandemic, the City hangs precariously beneath a debt of \$1.4 billion: \$760 million in unfunded liabilities (such as for pensions) and \$651 million in outstanding bonds. Bankruptcy offers the quickest fix, but small development promises the quickest recovery. Many hands make light work.

To illustrate small development's remarkable capabilities, it's compelling to compare a typical big box housing development at 1245 Chapel to a four-story small development proposal for a 0.45-acre site at 352 Whalley:

Using a tax/acre figure produces a fair apples-to-apples comparison. It is calculated by multiplying the property assessment by the mill rate (42.98 in 2019), then dividing that number by the property's acreage, producing a property taxes/acre number.

Another confirmation of the power of small comes from expense/revenue (cash-flow) studies by Joe Minicozzi of <u>Urban3</u>. He extrapolates hard data of what Cities receive in taxes and spend in services, such as infrastructure, street cleaning/repair, trash collection, education, first responders, recreation, running of government, etc. The result is "cash-flow" (positive or negative) for every property.

Urban3's hard-data analysis reveals that small, even poor, parcels are more cash positive than large, even affluent, parcels. Urban3's 3-D cash-flow model for Lafayette, LA (see illustration) reveals cash-flow positive (green, the higher the better), and cash-flow negative (red, the higher the worse.) Bulky red are big box stores such as Walmart, Home Depot, etc. are cash dumps that exceed salary and pension obligations. Additional cash-flow problems fester with big box housing developments. An analysis by architect and urban advocate Jonathan Hopkins shows the money from these developments bleeding out of town. All parties involved with a big box project's development are typically from out of town.



10 Wall Street \$23M Appraisal \$650K taxes/acre 169 DU/acre 1245 Chapel St. \$20M Appraisal \$189K taxes/acre 135 DU/Acre

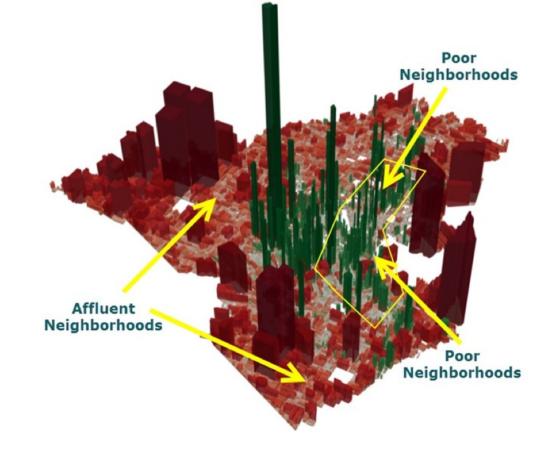
Approximately two-thirds of New Haven's 4,000 municipal union employees live outside New Haven. Closer to three-quarters of higher paid employees, like police, firefighters, teachers, and administrators live outside New Haven. Same goes for retirees. Despite healthy union-negotiated terms, employees can't afford to live in the City. The developer's money and most New Haven payroll goes to benefit other towns.

Hopkins's point is that despite a multi-million-dollar housing project "expanding the grand list," practically none of it directly benefits New Haven's residents or, at a minimum, serves very well to help retire debt and lower mill rates, much less raise New Haven to global prominence. The proof's in the pudding. The flood of recent big box housing projects has yet to reverse the City's decline.

Small beats large in other ways:

- Lower costs associated with small parcel and building footprints engage small local entities, including landowners, developers, builders, and lenders. It keeps money and jobs in the City.
- Small Development can be financed with simple mortgages from local banks. Foreign venture capital is not required.
- Small Development savings translates into affordable rents. Even with affordable rents, low expenses yield profit margins that outperform large developments.

So far, small development wins in every category over big box development. But there's a problem. The nationally crafted Zoning Code, the Municode, used by most Cities, including New Haven, makes small development "illegal." Regulations for minimum lot size, maximum coverage, minimum set back lines, maximum dwelling units, minimum dwelling unit size, off street parking, etc., do not allow for the intimate congregation of dwelling units we saw in the State Street or Boston examples.



An example of Urban3 3-D analysis.

The City's insistence on market-driven rather than vision-based planning also dissuades small development. Without identifying small development "neighborhoods," the isolation of scattered sites in incompatible locations leaves it vulnerable to the same NIMBY opposition as big box projects, but without their deep pockets to pay for a defense.

The framers of City policy must recognize that <u>exclusionary Zoning</u> is de facto vision-based planning. The car-dependency, lack of economic viability, under-utilization of valuable land, continued segregation, and lack of <u>clustering</u> of companies in a particular field — a phenomenon identified by the Harvard Business Review as the new foundation of prosperity — are all outcomes of exclusionary Zoning.

The framers also must recognize that Zoning based on vision (what one wants instead of what one doesn't want), including public and professional participation, clarifies expectations and wins buy-in from neighborhoods, otherwise threatened by the uncertainty of market-driven development. From the developer's point of view, a vision-based code and citizen-embraced sensible regulating plan amounts to pre-approval. Conforming proposals save time and money and avoid lawsuits; translate: affordable rents.

If you want to change development patterns, you have to change the framework that creates the development patterns.

Luckily creation of an alternative framework has been around 35 years, with more than 4,000 implementations. There's a rich resource of legally vetted and instituted codes with visible results.

Called the SmartCode, there are free downloads at <u>SmartCode Central</u>. The SmartCode framework calibrates according to appropriate density, from raw no-density nature to high density center City. Germain to this article, it includes small development, affordability, tiny houses, etc.

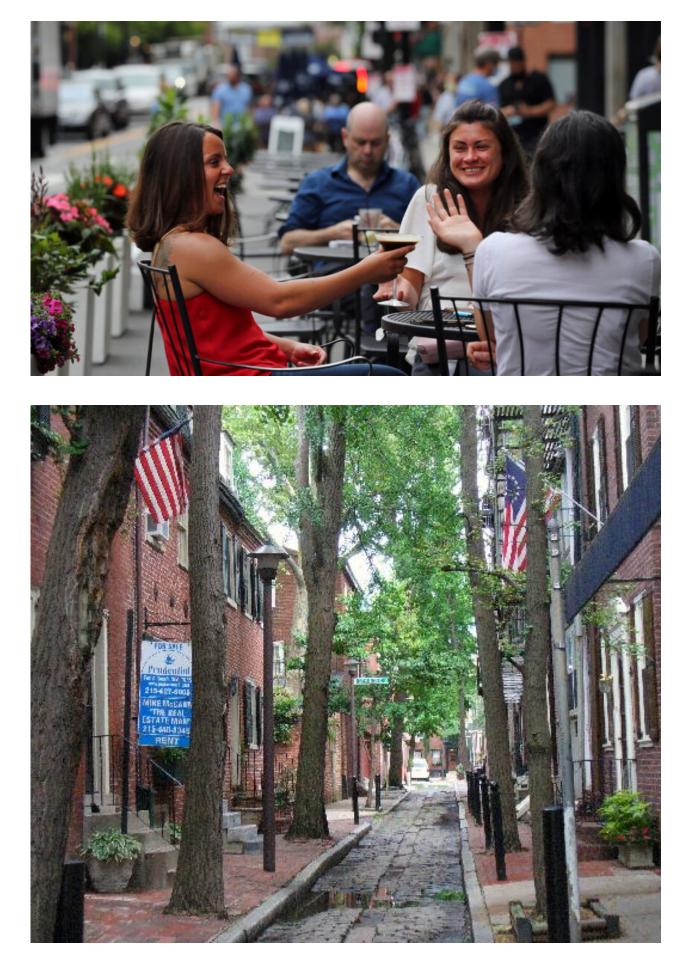
The SmartCode needs only a regulating plan to identify where regulations apply. Experienced consultants create a publicly facilitated and approved regulating plan on site in a week, with a full report in a month or two, ready for

government approval. Project approval can be speedier, since government takes part in the intensive week-long framework formation process.

Finally, rigorous analysis of burdensome approval processes identifies egregious sticking points to correct in order to attract and expedite small development — to deputize local entrepreneurs' involvement with the betterment of their own City, and to make New Haven an affordable and dynamic start-up destination with high retention of the best and brightest spilling out of institutions of higher learning here in our own midst.Read: Kevin Klinkenberg on the value and importance of small urban lots.

Robert Orr is the owner of <u>Robert Orr and Associates</u>, an architectural and town-planning firm based in New Haven.







## **Unleash the Swarm**

Author's Note: This piece is indebted to <u>Kevin Klinkenberg</u> for the phrase and concept of a "swarm" of small-scale developers.

Readers: How many of you personally know a developer?

Let's phrase that differently. How many of you personally know someone who has put an addition on their home? Installed a second bathroom? Built a garage or shed, or maybe even added an accessory dwelling unit? These people are developers, in a sense. Technically, land development has a pretty simple definition: activity that increases the value of a property by building something on it. It doesn't have to mean starting from a blank slate.

And it doesn't mean you're the one with all the carpentry, masonry, plumbing, or electrical expertise. The developer is really the project manager, the one who has the vision and then *hires* all of those people and oversees them. I'm not being as pedantic as it seems. My point is that there is a whole spectrum of activities involved in the physical development of Cities, and at the simplest end of that spectrum is the rehabilitation, modification, and expansion of existing buildings. Historically, in fact, <u>that was a really important way that Cities grew</u>. And we've kind of gotten away from it to our own detriment.

The vast majority of us today experience the built environment as consumers. The product was made and sold to us by someone else. That would be surprising to people in most of human history, who were also the producers. <u>Barn raisings</u> were big events in farm communities; homeowners put a second story on their own home when they had kids and needed more space; you almost certainly knew the person building on the vacant lot at the corner of your street, because they lived in the neighborhood. In the modern world, development, like so many other areas of traditional life, has been profes-



Collage of incremental development projects.

sionalized and siloed. We've made it a very specialized skill set that most of us no longer involve ourselves with. We've outsourced the job of creating our Cities to Developers with a capital D. And we're often not happy with the results!

There are good reasons to have a class of professionals who really know the ins and outs of building, of course. Just as most of us find it good that we don't all have to be expert car mechanics, but can simply take our car to one for repairs as needed. Buildings have higher safety and quality standards than used to exist, and freeing up what wasn't necessarily time people of the past chose to spend. (While a lot of very old buildings are extremely robust, the ones you see standing today are a skewed sample that excludes all the ones that have already fallen apart or been demolished for good reason!)

But what if we had a class of semi-amateur developers 10 or 100 times larger than it is today? That would still mean that the vast majority of people aren't doing development themselves. But it would mean the potential for 10 to 100 times more small projects that are neighborhood-enriching and fill gaps: the vacant lot infill project, the <u>historic building renovation</u>, the duplex or fourplex conversion, the corner store or <u>ACU</u>, and so on.

How many people do you know who have *considered* doing a neighborhood development project. "What if I were the one who bought that vacant lot? What if...?" I guarantee it's a lot more people than will go through with it, because the prospect is daunting. What would it mean for our neighborhoods if more of them felt equipped and empowered to pursue those dreams?

### It can be done. And it can scale.





Sears / Roebuck bungalow catalog page from the 1920s

Chicago added a million people between 1850 and 1890, and another two million by 1930. How did 19th century Cities grow in the staggeringly fast way they did without a huge class of professional developers, architects, planners, etc? The answer is amateur developers.

Read: Incremental doesn't mean slow.

The Boston triple-decker is a beloved housing type in New England because of its early (small-d) democratic appeal. For its owners, many of them working-class immigrants, it was a path into the middle class: you could own the building, live in one unit, and rent out the other two. The many thousands of these built in the late 19th and early 20th century were largely not built by professional developers, but by casual investors, factory and mill owners, and smalltime carpenters.

.In the early 20th century, this "swarm" of amateur developers met modern technology in the form of the Craftsman catalog phenomenon. You could mail-order an entire house, and all of the building materials and instructions would be shipped to you. The labor was on you, and probably meant your cousins and neighbors. Craftsman bungalows became the essential building block of the streetcar suburbs, and they still dominate some tremendously beloved neighborhoods today. (Though our historical memory of how those places were seen at the time is highly selective.) What might the modern version of the Craftsman phenomenon look like? I'm not the best one to speculate, but we have more modular and pre-fab construction techniques available to us today than a century ago. We have companies like **Dweller** or **Maxable** that help homeowners develop accessory dwelling units by taking over the parts of the job they don't feel equipped to do. These are models that could expand and evolve, if there were a bigger market for them.

Even as late as the 1960s, incremental development was still thickening up the urban fabric in places that weren't in outright decline by then. A 1964 book called *The Low-Rise Speculative Apartment* by Wallace Smith describes this phenomenon as it appeared in Oakland, California (I learned of it from <u>this excellent thread by Twitter user</u> <u>TribTowerViews</u>). Small-time developers in the 1960s built

hundreds of small apartment buildings on scattered lots around Oakland, many of them replacing older single-fami-

ly homes. At least 1/3 of these developers appeared to have no real-estate industry ties, and by and large these projects did not involve the practices—such as land assembly—typical of corporate developers who build at larger scales.



## What killed the swarm?

A wave of downZonings in the 1960s and 1970s banned this practice in many American Cities—a regulatory trend only now beginning to be reversed in places such as Minneapolis, Portland, and Sacramento.

But Zoning aside, the <u>general decline of Cities</u> in the postwar era no doubt had the biggest role in killing amateur incremental development. With virtually no market in the shrinking Cities of the East and Midwest in the 1950s through 1970s, a generation's worth of experience and institutional knowledge of how to do urban infill development was lost. At the same time, you could argue there's some causality in the other direction too: we <u>subsidized industrial-scale, hyper-efficient</u> <u>suburban development</u> to a degree that it sucked up all the market demand and crowded out the inefficient (from a narrow, profit maximizing standpoint) work that small operators might be doing.

A little inefficiency is our best friend here: we'd have more resilient Cities if our Cities had more developers. Not a little more but 100 times more.

## Bring back the swarm.

Unleashing the swarm is key to a more resilient urban future in a number of aspects:

#### Unleash the swarm to alleviate housing shortages.

A major cause of housing problems in high-cost Cities is the reliance on a small number of huge development projects to meet demand. This has bred a culture in which <u>individual projects become lengthy</u>, <u>high-stakes negotiations</u> with the local government. This dynamic turbocharges <u>Not in My Backyard sentiment</u> and other sources of local opposition, and the resulting <u>delay imposes real costs</u> that raise the price of housing.

If we get a "swarm" of incremental development projects of the type envisioned by initiatives like Portland's <u>Residential Infill Project</u>, it will be in large part because such development is occurring as of right—no public hearing, no byzantine permitting process.

Read: Nolan Gray on as-of-right development.

Read: Daniel Herriges on what happens when a few companies dominate the housing market.

#### Unleash the swarm to spread investment to less-hot markets.

Big developers go where the biggest money is. The result is a Trickle vs. Fire Hose effect: a handful of hot neighborhoods are flooded with investment, while many more languish. The incremental developer's calculus is different. In a somewhat cooler market, you might have a neighborhood people love and care about and want to see advance to the next level, where there simply aren't any \$20 million development opportunities—but there are a ton of \$500,000 development opportunities. Or \$100,000 opportunities, like the renovation of an old house. Read: "The Trickle or the Fire Hose."

Read: "Gentrification and Cataclysmic Money."

Unleash the swarm to revitalize neighborhoods without gentrifying them.

Incremental development is a crucial way to align a neighborhood's growth with the interests of the people who actually live there, because incremental developers operate close to the ground. They know the people around, they know highly-specific local needs, and in many cases they live in the neighborhood themselves.

Watch or listen: Derek Avery interview on revitalization without gentrification.

Read: Joel Dixon on using development to rebuild wealth for the people who live in a neighborhood.

#### Unleash the swarm to achieve a fine grain and a human scale.

Increasing the number of decision-makers in our Cities and neighborhoods has a myriad of benefits. With largescale development, the decisions that shape our places are in very few hands, and any mistakes those developers make are magnified.

Read: Daniel Herriges on Cities shaped by many hands.

Read: Kevin Klinkenberg on the value and importance of small urban lots.

Become part of the swarm.



ROA Design for Walkable TOD Around Existing West Haven Train Station with DPZ CoDesign. Vlad Prosol, Del.



#### CT VIEWPOINTS -- opinions from around Connecticut

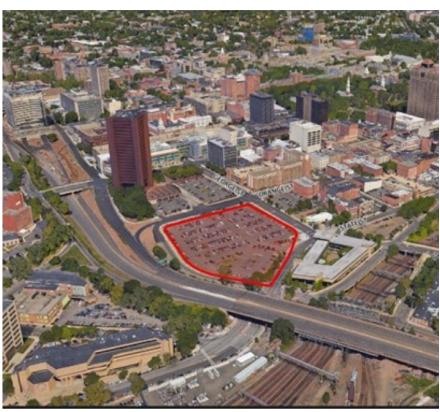
## New Haven coliseum site needs a neighborhood

CT VIEWPOINTS by ROBERT ORR AND MARK VAN ALLEN | OCTOBER 30, 2020 | VIEW AS "CLEAN READ"

Strategically, the Coliseum site in New Haven may be the most important land in the City. With concurrent efforts to erase the gash of Route 34, cutting the City in half, the Coliseum site carries the potential to ignite whole new neighborhoods infilling to downtown, to the train station, to the Hill and hospital/research campus, and to Wooster Square. It's the hub of a potentially dynamic wheel. The future core of a new New Haven, coincidentally in the same location as the original core.

Currently, affordable housing controversy bogs down the application for development. On one side of the issue is the waterfall of high-end apartment buildings rising around the City, which testify to the City's popularity for people with discretionary resources. On the other side is the tremendous lack of housing for those who can't afford it.

The developer stands in the middle holding a pro forma spreadsheet that must be checked off in order for investors to back the project. So far, the



The New Haven coliseum site.

numbers don't add up. Regulations make affordable units expensive to build and low rents for qualified tenants don't cover costs.

It used to be that federal, state, and local subsidies filled the gap. But the spigot to those resources dried up. Without subsidies to offer, the conundrum forces the City to consider what some might call drastic measures in forfeiting tax revenue and other measures in order to gain the housing they seek for the lowest-income households.

Within the conundrum lies an ironic tragedy. By forfeiting tax revenue in the interest of affordable housing, the City becomes an unwitting co-conspirator in the explosion of high-end housing. The forfeiture places the foot on the accelerator of increased tax rate and reduced services in order to make up for lost revenue in balancing budgets. The gap between rich and poor widens, and the middle class gets shown the door.

Whereas affordable housing is a vital concern, one needs to be careful not to throw out the baby with the bathwater (the scourge of pushing people into homelessness). We must never abandon the quest to create housing for all, but the "baby" is a left-out group in this quest, in fact an entire left-out generation craving middleclass lifestyles. To some, they may seem unworthy of sympathy. After all they're most widely known as the "entitlement generation."



Anne Helen Petersen clears up the "unworthy" in her book, <u>Can't Even</u>: How the Millennials Became the Burnout Generation. Petersen takes pains to settle the longstanding myth that Millennials are the "entitled" generation. Nothing can be further from the truth.

In point of fact, millennials (of all races, creeds, and colors) are the first generation whose childhoods were relegated to resume building rather than unstructured play, to confusing competition with their peers rather than happy bonding, to insurmountable student debt, and to instability. In our easy denigration, none of us see that their lives are an eternal crapshoot, that their economic position is no different than the City's lowest income. Plus, they get no notice or respect.

They bounce around between multiple jobs that never last more than a year or two. Multiple jobs never pay enough for food, housing, and student debt payments, which clings

to them like stink on a monkey. A vicious cycle. No wonder they live in their parents' basements, the millennial homeless shelters.

Petersen paints a picture of her generation as a group of people running their fastest on an exhausting marathon and every time they get to within sight of the finish line, it mysteriously moves seven miles further ahead.

They are burned out and angry — angry at their instability, especially as it compares to previous generations' stability, promised them by all the decades of resume building: life-long jobs, home ownership, comfortable retirements.

Instead of building affordable housing, why not build housing that's affordable. These missing middle people deserve to be included in a Coliseum neighborhood development: affordable rents, jobs in creative enterprise, and the ability to bond with new friends in a public domain that invites the City in.

They deserve a real neighborhood. And a real life.

Already finding footing in the surrounding area are the first signs of a tech district and micro manufacturing. Innovation and micro-manufacturing are the type of jobs that provide stability to motivated underserved millennials.

Rather than tall expensive apartment buildings cut off from the public by doormen with awkward accommodation of rich and poor, the underserved, including millennials, need affordable walk-up buildings in dense formations that define a public realm where bonding with a diversity of new friends can form, and innovative ideas can take seed.

Benefits for developers and their investors are in the fact that such approach proves to be considerably less expensive, even though it increases the dwelling units (DU) per acre and tax revenues to the City over tall spread apart developments with high rents. The approach is Lean Development, click on link for explanation:

#### Lean development explained

Using lean development, the 4.65-acre coliseum site holds 1,000 dwelling units (all affordable) in 100 small buildings, 1,900 residents, 14 shops and eateries, and five micro-manufacturing facilities. It is a complete neighborhood with all basic needs within easy walking distance. The preliminary rough sketch below shows 3-5 story buildings on three skinny streets over parking for more than 600 cars, depending on water table level.

Developed as a neighborhood project, it will attract all segments of society, but especially those in the missing middle Millennial Generation, crying out for stability and the chance to perform. It's about time we tap into their incredible resources and wasted talents. Making downtowns better places to live for all is the most sustainable endeavor imaginable at this uncertain point in history.

Robert Orr is a national award-winning architect, urban planner, and one of the originators of New Urbanism. Mark Van Allen has been involved in entrepreneurship, real estate, and technology transfer efforts throughout Connecticut including financial and operating positions in investor-owned partnerships and companies in the U.S. and China.



Coliseum Project Illustrative Image of Street View



Downtown Crossing. ROA Design. Vlad Prosol, Del.



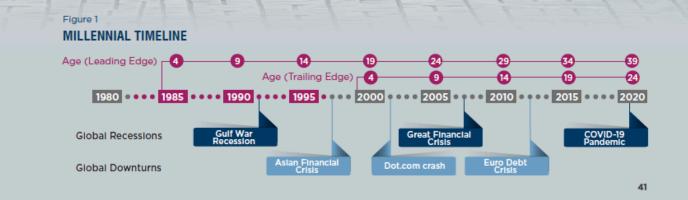
Congress Avenue Toward Downtown Crossing. ROA Design. Vlad Prosol, Del.

## Millennials and COVID-19: The unlucky generation

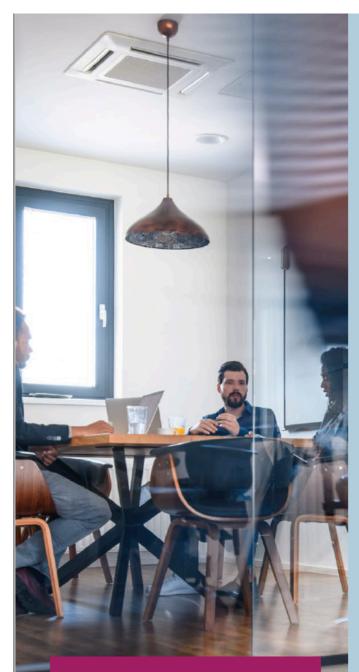


DR. DOMINIC BROWN Global Head of Demographic Insights dominic. brown@cushwake.com

Millennials, those born from 1981 to 1996, have been given many monikers in their comparatively short lives, one of them being "the unlucky generation." Having attended school during the Dot.com crash, they came of age during the Great Financial Crisis (GFC), and now find themselves enduring the worst recession in a century at a time when they are trying to build their careers, as well as focus on their personal lives (Figure 1).



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#### A NOTE ON THE DATA

Analysis of Millennials' experiences in working from home has been drawn from Cushman & Wakefield's bespoke workplace strategy tool Experience per Square Foot™ (XSF). The survey was conducted from April to June 2020 and contains more than 2.4 million data points from more than 52,000 respondents from all over the world. Within this, Millennials comprised 21,000 respondents, or 40 percent of the sample. More information on the survey is available <u>here</u>.

#### WAGE SCARS TO CUT DEEPER

Looking back to the GFC, the leading edge of the Millennial cohort was just graduating and ready to embark on their careers. It's tough enough securing a first job during a recession, something that Generation Z (born 1997-2012) are currently finding out, but the effects go well beyond the ability to secure a job. Extensive historical analysis has shown that the impacts are more enduring than a rise in unemployment and persist well after economic recovery through a process known as "wage scarring." More recent analysis in this genre shows that Millennials experienced the largest earnings loss, of up to 13 percent, and took the longest to recover<sup>1</sup>. The lower rate of pay has a greater bearing at the start of your career due to compounding, requiring above-average wage growth in order to overcome the negative effects.

Fast forward to 2020 and the trailing edge of the Millennial cohort, at 24 years of age, are similarly facing economic difficulties at the start of their career. Studies have shown that Millennials are more likely to have been laid-off, furloughed or taken a pay cut<sup>2</sup>. Combine this with student debts<sup>3</sup>, other personal loans and potentially a mortgage, and it means Millennials are far more likely to come out of the pandemic in a more precarious financial position than older generations. Expect their spending potential to be reined in for years to come.

#### ACUTE CHALLENGES WORKING REMOTELY

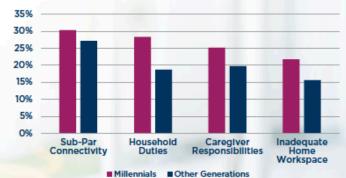
Not only has the pandemic wrought economic consequences, but it has also dramatically and likely enduringly, altered how and where people work. As workplaces have temporarily shuttered across the world, many have equated the period of enforced working from home (WFH) as a move to greater flexibility, but this is not the case. Rather, one dominant work location (the office) has been replaced with another (the home). It is not so much "working **from** home" but "working **at** home." This has presented challenges to all, but most acutely to Millennials.

At the headline level, the Millennial experience is very similar to that of other generations. The ability to collaborate and focus is high, but has come at the expense of personal connection to colleagues, connection to company culture and the ability to learn.<sup>4</sup> Scratching beneath the surface, though, we see that Millennials are feeling these challenges disproportionately.

- 1 K Rinz (2019) "Did Timing Matter? Life Cycle Differences in Effects of Exposure to the Great Recession"
- Why the Covid-19 economy is particularly devastating to millennials
  https://www.pewsocialtrends.org/2014/03/07/millennials-inadulthood/#fn-18663-9
- 4 Cushman & Wakefield (2020) "The Future of Workplace"

42 THE EDGE

Figure 2 PERCENT OF RESPONDENTS REPORTING A CHALLENGE





#### THE ABILITY TO FOCUS IS A CHALLENGE

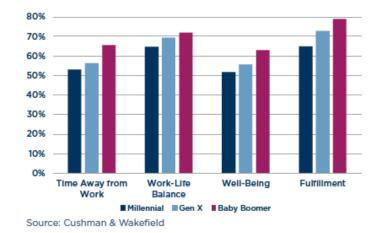
While 71 percent of Millennials said they could focus when they need to be productive, this was lower than other generations, which averaged 77 percent. Unpacking this across other variables, we see the founding reasons why this is so.

Millennials, along with their younger counterparts Generation Z, were much more likely than older generations to experience difficulties in the WFH environment with nearly 70 percent reporting a challenge. While sub-par connectivity was problematic for all, Millennials have had to cope with the additional triple-whammy of household duties (28 percent), caregiver responsibilities (25 percent) and inadequate home workspace (22 percent)—ranking in the top two generations to report each challenge (Figure 2).

5 <u>https://www.oecd.org/els/soc/SF 2 3 Age mothers</u> <u>childbirth.pdf</u> Millennials were much more likely to report a lack of space for focused work and the ability to minimize distractions-both of which were 11 percentage points below the average of other generations. This no doubt reflects their stage in the lifecycle. Older Millennials are having to simultaneously juggle work and parental duties-the average age at birth of first child across the Organization for Economic Cooperation and Development (OECD) countries is almost 30 years of age.<sup>5</sup> Combining this with their dwelling types, which are more likely to be smaller units/apartments, it is not surprising that their ability to focus is comparatively lower. And it's not much better for the other end of the Millennial cohort who are predominantly still living with their parents.

Interestingly, the divide between generations is most acute in the Americas and least in Asia Pacific. The nature of higher-density living across major Asian cities means that these challenges are felt across all generations and not just Millennials.

#### Figure 3 WELLBEING DIFFERENCES ACROSS GENERATIONS





#### A FUTURE BASED ON FLEXIBILITY, LOYALTY AND INCLUSION

While the above paints a comparatively bleak picture of the Millennial experience so far during COVID-19, there are reasons for optimism and lessons for current and future employers. The crux is that despite the unprecedented nature of the current economic environment, Millennials remain more committed than ever to their core beliefs.

The fact that they have been so deeply affected by the pandemic has served to reinforce their views on diversity, inclusion and equity<sup>6</sup>. The downturn has forced them to focus much more on their longerterm financial future, as well as being more sympathetic to the needs of others.

They also remain deeply committed to their desire for greater flexibility at work. While enforced working from home hasn't given them the flexibility they have desired so far, it has proven that they can be trusted to work remotely and that the job still gets done.

Finally, the pace of change in society has shown Millennials what can be done when governments and private enterprise come together to achieve a common goal. As such the pandemic, rather than dampen their views, has reinforced that rapid change is achievable and now not only do they want to play their part from the front, but also expect everyone to keep up.

Millennials have been more adversely affected by the pandemic than other generations and because of this they will become an even more powerful change agent. The key now is for employers to harness that drive and help Millennials propel themselves out of this recession. Doing so will reap benefits well beyond the near term.

<sup>6</sup> Deloitte (2020) "Global Millennial Survey 2020: Resilient generations hold the key to creating a better normal"

# Made in PLACE

## Small-scale manufacturing and neighborhood revitalization



#### Introduction

Throughout the 19th century, small-scale manufacturing grew in Cities, towns and villages all around the United States. For these businesses, location and resources mattered: power sources, natural resources, and access to markets and people. These local assets created a manufacturing environment that was human in scale and integrated into the fabric of their communities.

In the 20th century manufacturing transformed into a predominantly large-scale enterprise and moved out of neighborhoods and downtowns. Large-scale manufacturing became an incompatible use for neighborhoods and downtown areas due to its large physical scale, noise, significant freight requirements, and pollution. These factors ensured manufacturing's separation from neighborhoods and commercial centers into standalone facilities or industrial parks. This change also created high barriers to entry in the manufacturing sector because production only occurred in high-cost, large scale plants and produced thousands of units at a time.

Now, recent technological and economic shifts—such as access to online marketplaces, the ability to process sales on mobile devices, and affordable access to tools for smaller production runs—have lowered those barriers. These trends are changing what is possible in manufacturing and point the 21st century economy back to this new old trend: small-scale manufacturing.

This new face of manufacturing allows many more people to produce and sell their own goods: costs of production are lower, tools are more accessible, space needs are smaller, production runs can be small and on-demand, and sales can start overnight. And similar to 19th century manufacturing, these entrepreneurs often benefit from being embedded in downtowns and neighborhood centers—and these areas also stand to benefit greatly from their presence there. Production is compatible with neighborhood uses, is interesting to see, and fits into small spaces. For communities, this presents a dual opportunity to simultaneously grow this business sector and contribute to neighborhood revitalization efforts.

Many local economic development strategies include support for growing and launching small businesses such as retail shops and professional services. However, small-scale manufacturing is often overlooked by local economic development practitioners—but can be an important piece of any economic development strategy and downtown redevelopment initiative. Similarly, the typical practice of mixed-use development includes retail, office, and residential to promote downtown revitalization, but rarely considers small pro-

duction businesses as a complementary use. Plans often expel industrial uses outside of downtowns to suburban auto-oriented industrial parks.

But there are examples from around the country that are now turning this notion on its head, demonstrating that manufacturing businesses are not only thriving as a result of being on main street and in mixeduse districts, but are contributing to the character, appeal, and success of walkable neighborhoods.

### How do small-scale manufacturing, downtowns and neighborhood centers support each other?

Small-scale manufacturing is emerging as an innovative strategy in today's neighborhood revitalization and economic development toolbox. And, these same businesses are finding that these locations can help them thrive. How are small-scale manufacturers and makers fitting into these spaces, and how can these same areas be fertile locations to grow the sector and reap economic benefits?

Communities that locate these manufacturers within existing downtowns or walkable retail areas benefit in many ways.

First, small-scale manufacturers can draw foot traffic and help to fill retail spaces that are difficult to lease or are economically unproductive. The entrepreneurs that start these businesses quite often become powerful brand ambassadors for their Cities and towns, highlighting the innovation and benefit of local production. The small scale-manufacturing sector is integral in building the small business community. Furthermore the sector provides an inclusive pathway and an opportunity for jobs for individuals that may have difficulty finding them in other sectors.

#### The benefits of small-scale manufacturing in neighborhood centers

Advancements in industrial technologies make small-scale manufacturing a strong alternative use in mixeduse corridors and centers. Small-scale manufacturers are cleaner and quieter, and more compact compared to traditional heavy manufacturing and thus can physically fit and be good neighbors. The small manufacturers benefit from existing infrastructure investments, access to retail customers, and proximity to transit, retail, housing, and a robust diversity of businesses and workers. For instance, a small manufacturer who fills a economically unproductive storefront both attracts neighborhood residents to walk by and see production, and benefits from any existing foot traffic from other retailers or local transit stops. Additionally, manufacturing businesses benefit from being near each other. Small manufacturing business owners can help build a steadier supply of skilled labor, attract more competing suppliers, and encourage knowledge spillover between firms. This critical mass can only be achieved by allowing firms to locate in close proximi-

#### Small-scale manufacturing is an

umbrella term that refers to all types of small businesses that produce tangible goods. This includes textiles, hardware, woodworking, metalworking, and 3D- printing. It also includes hardware prototyping, consumer product design and prototyping, breweries and distilleries, and local food production and packaging. The businesses may be consumer-facing or provide products to other businesses and often have 1-30 employees.

#### (Source: Recast City)

#### ty of one another, and near existing housing and commercial centers.

Small-scale manufacturers are also drawn to strong, dynamic places. These businesses often market and brand themselves by using the City, town, neighborhood, or even the building where they produce. Small- scale manufacturers, like many entrepreneurs, increasingly want to be in downtown or comparable areas

to attract talent. They value quality of place as a critical factor when choosing their location.<sup>1</sup> The places they locate are not accidental—they identify strongly with the communities in which they work, sometimes developing locally made brand platforms such as Made In Baltimore and Cincinnati Made, becoming strong ambassadors for a place. Conversely a community's own brand can benefit when the City or community is associated with a cool, innovative, or original brand and product.

#### Creating a foothold for future growth

Communities around the country are changing Zoning and City policies to accommodate these businesses downtown and in commercial centers because they are not only employers, they are destinations in themselves. Small-scale manufacturers can be among the first businesses in target areas for redevelopment before it's feasible for traditional retail to survive. Many of these businesses have more diverse revenue sources than traditional retailers—including online sales, business to business, or specialty orders. While most of these businesses are not necessarily dependent on foot traffic to be financially feasible, they can serve to

help draw people to an area. Some small-scale manufacturers, like breweries, can also serve as stand-alone destinations, drawing an experience-oriented crowd.

Small-scale manufacturers create a unique amenity that can attract people to a new place. In addition to retail, restaurants, and cultural venues, small-scale manufacturers can give residents and visitors new reasons to come spend time in a neighborhood. As local products such as food, wood products, and textiles are made in core neighborhoods for the first time in decades, these businesses are destinations for customers to see firsthand where their products come from and add to the connection with customers that is already driving the buy local movement.

#### Providing another attractive option to fill retail space

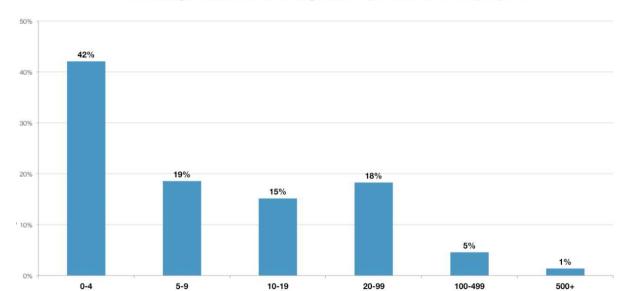
Many Cities encourage ground-floor retail through Zoning to support active street frontages and promote human- scale urban design. Yet there is not always adequate demand from existing retailers or service businesses to support ground floor retail, especially in the initial years of lease up in new development. National changes in retail trends are exacerbating retail vacancies. Taken as a whole, the U.S. has more square feet of retail than demand. Traditional retailers closed hundreds of stores in the last few years, and analysts believe more will do the same over the next decade. Meanwhile, online retailers like Amazon and other e-commerce platforms show no signs of slowing down.

This changing retail landscape represents an opportunity for small-scale manufacturing to fill the gap in mixed-use districts and neighborhood main streets. Small-scale manufacturers are a different tenant type than traditional retailers or service providers, as hybrid businesses that can simultaneously be producers and main street retailers. They can thrive in locations that are not prime retail frontage, shapes, or sizes. A business may sell wholesale online, but can draw attention on a block through a formerly economically unproductive store

that now shows machinery and people at work. A collection of businesses can help to attract other retail investment in an area that has been neglected. In some cases, these businesses become an experience and destination of their own, anchoring the block or development.

#### Growing small-scale manufacturing creates a resilient small business environment

Small business is key to not just local economic success, but national prosperity, accounting for two out of three net new jobs created in the U.S. Supporting a diverse variety of small businesses, across industry sectors, creates jobs for a diverse range of skill sets and wages, and helps buffer local economies from dramatic fluctuations in any one individual industry. Additionally, small businesses tend to keep money with-in local economies longer: local businesses reinvest nearly 50 percent of their revenue in the local community, versus about 14 percent reinvested from large chains. Strategies that seek to grow local economies from within by nurturing local businesses, often referred to as economic gardening, support local entrepreneurs to create companies and bring new jobs and businesses to a region. Nationally, strong regional economies are correlated with having many small businesses rather than a few large ones.<sup>6</sup> Small-scale manufacturing businesses are a key piece of building the local small businesses in the U.S. had fewer than 20 employees in 2014, as illustrated in the graphic below. Communities will benefit from strategies that include these small manufacturing businesses in local small business programming and placement efforts.



#### Percentage of manufacturing firms by number of employees

#### Building a more inclusive business community

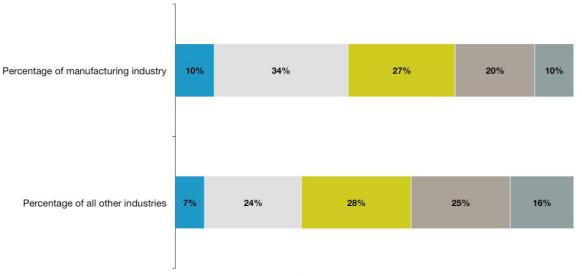
In addition to diversifying a local business ecosystem, small-scale manufacturing firms have the added benefit of expanding economic opportunity to a diverse range of residents. As a sector, small-scale manufacturing represents a diverse demographic population. Data show that small-scale manufacturing entrepreneurs come from a range of ethnic and racial backgrounds and include men and women. For example, on Etsy, one of the largest platforms for makers and micro-manufacturers, 87 percent of sellers are women. Additionally, there is a growing trend of entrepreneurialism in immigrant communities: 28.5 percent of new entrepreneurs in 2014 were immigrants, up from

13.3 percent in 1999.

Yet the outreach and assistance offered by local government often miss many of these businesspeople. Additionally, the lack of access to capital sources is a major barrier to minority entrepreneurs. Local governments are recognizing the importance of bringing resources and assistance to underrepresented entrepreneurs from diverse cultural and demographic backgrounds, who may not know about programs, points-ofcontact in local government or existing capital programs for small business. With continued public sector support and strong public-private partnerships, small-scale manufacturing can continue to serve as an entry point to capitalize on skills in the community and empower residents to turn their skills into a business. Job accessibility

Small-scale manufacturers also provide jobs with economic mobility across a variety of education levels. On the whole, the manufacturing industry employs an outsized share of workers without a college education. Such jobs are accessible to workers who are unable to access, or choose not to pursue, higher education. In addition, research from the Brookings Institution shows that advanced industries (which is inclusive of small- scale manufacturing) pay more than retail at every education level. In particular, for individuals without a college degree, manufacturing jobs pay higher wages than other industries when compared to retail, casino, call center or other service jobs. At the same time, new training programs are helping to build the pipeline

of skilled employees who can jump into this field with exposure to different types of small and scalable production tools. With targeted support, the sector can help interrupt the cycle of poverty many families and communities face. A national survey of kitchen incubators, for example, revealed that a significant percentage of their tenants are women (61 percent), an ethnic or racial minority (32 percent), and/or come from low-income backgrounds (28 percent). Even when facilities do not intentionally seek to build wealth in lower-income communities, they often do so de facto.



#### Percentage of educational attainment, by industry

None - 11th grade High school graduate Some college Bachelor's degree Advanced degree What kind of spaces does small-scale manufacturing need?

Small manufacturing integrates well with existing community development, but also has some needs specific to its sector. Economic development staff will need to understand who these businesses are within the local community in order to support their space and growth needs.

Most small-scale manufacturers fall into one of three categories:

#### Artisan industry

A business using small tools, light machinery, and hand tools. These businesses are most often consumer-facing and sell through a variety of channels, including online, at craft fairs or pop-up markets, and/or in a small storefront.

#### Small production

These businesses might provide contract production services to other designers and producers alongside production of their own items. These businesses may or may not be interested

in scaling from this size. These businesses produce goods for both consumers and other businesses and may sell direct to consumers and/or

#### wholesale. Small production and scaling

A scalable business with ownership that wants to grow. These businesses often work in textiles, hardware, or food/ beverage, with some or all production on site. Some of these businesses may have a dispersed production model and use multiple contract manufacturers for specialized items.

Each category of businesses is often left out of local economic development strategies. These businesses hire locally, purchase supplies locally, and their owners or employees generally live within the community. While their space needs vary depending on product and business model, they all benefit from being closer to existing neighborhood centers and main streets. Additionally, some of the infrastructure small-scale manufacturers need fit well into community redevelopment projects.

Many local economic development departments provide services to help find space, address moving costs, and sometimes defray the first few months of rent or a major capital improvement for new local businesses to help get settled. Local government staff, chambers of commerce and community development corporations may serve this role. Each should consider how different spaces may be well suited for small-scale manufacturing businesses, and mesh this sector's needs into existing planning and economic development efforts: Small storefronts for retail and production space

#### Some consumer-facing producers lease small workshops where the business can sell products and also do production on site. Many of these micro-retailers produce high value items with small equipment and choose to locate within neighborhoods. These businesses complement other storefront uses such as retailonly shops and restaurants, add vibrancy to the street front as people can walk by and watch products being made, and fill economically unproductive spaces in commercial corridors.

Example: The Art Walk in Washington, D.C. leases micro-retail spaces to local artisan industries. The 400-800 square feet spaces provide a low-cost option for businesses that want a storefront for both production and retail. The development includes apartments above the micro-retail, on a pedestrian walkway to a subway station. Businesses, such as textile producer Stitch & Rivet, can grow from smaller units to larger ones as their staff and production needs grow, all while adding energy and foot traffic to the area. Shared kitchen

Shared commercial-grade kitchens, or kitchen incubators, rent shared-use food processing and storage space to multiple food production tenants. These tenants are in the food processing, catering, wholesale or food retail sector. Shared kitchens allow food production businesses (like food trucks, small- scale catering businesses, or pop-up eateries) to launch with lower risk, and can significantly reduce the barrier to entry for low-income business owners. Expensive food production equipment and facilities are owned and maintained by the kitchen operator (for- profit and non-profit) and producers pay a fee to use the facilities.

These facilities allow food producers to avoid the heavy costs of a brick and mortar location, to scale up, and also to comply with health department regulations. Over 50 percent of kitchen incubators are less than 5,000 square feet. Some kitchen incubators also offer assistance with business planning, marketing, and licensing. Many are mission- driven NGOs that promote business ownership in low-income populations. Example: The Common Wealth Kitchen Incubator in Youngstown, Ohio grew out of a local community development corporation that previously focused on housing. The kitchen incubator is a non-profit and offers hourly leasing for tenants interested in using food processing and storage equipment. The facility also has a specialty thermal canning system that attracts users from around the country. The incubator is located in a 1930's building on a historic corridor within a residential neighborhood. The facility is clean and quiet and is a good neighbor to the apartments on the second floor of the building and the residential neighborhood around it.

#### Industrial co-work buildings

Some multi-tenant industrial buildings provide workspace to small producers of varying size on a monthly or annual lease basis. Unlike usual shared-office or co-work models, these spaces are zoned to allow production uses. Such buildings are a key part of the local infrastructure for small producers. By offering builtout and safe space with flexible lease terms, tenants can expand their space along with the growth of their business. Industrial coworking spaces offer unique amenities like loading docks, freight elevators, and high ceilings to support small-scale manufacturing. They may also include shared conference rooms, office suites, and other business services specific to production-based businesses. They are often located near residential areas, on commercial corridors, or in transition areas between residential and heavier industrial uses.

Example: The Western Ave Lofts and Studios in Lowell, Massachusetts used an artist district Zoning overlay to accommodate live-work space for over 300 small-scale manufacturers and artists in a historic fabric mill building. The mill has five floors of flexible use space where jewelry makers, textile production, soap makers, a local brewery/tap room and a mix of other businesses produce goods. This built-out space is essential for the City to retain these businesses and jobs within the community.

#### Makerspaces

Makerspaces offer a range of production and fabrication tools to work in wood, metal, textiles, electronics, 3D printing, and more for a membership or class fee. Makerspaces may focus on attracting the existing hobbyists in a community, provide tools and space for workforce training, or grow in response to a burgeoning artisan business community that needs access to more tools at a lower cost. Business models vary greatly in size and user type. Some makerspaces are large, for-profit ventures and others are community-based and fit into libraries and community centers. Users of makerspaces could be complete beginners to 3D printing, and others might be professional woodworkers who are looking to grow their business. In many cases, a makerspace can become a neighborhood focal point and community gathering space for youth and adults.

Example: Knox Makers, in Knoxville, Tennessee is a non-profit makerspace that provides equipment and tools to members for a small fee. It provides tools to work with wood, metal, electronics, 3D printing, textiles, leather and laser cutting to its members. The space also hosts discussions and events on maker techniques and technology. Its goal is to be a community gathering place for engineers, entrepreneurs and hobbyists.

#### Incubator or co-op for industry-specific businesses

Some small-scale manufacturers graduate from a makerspace or a startup program and need a specialized place to produce a product at larger quantity. Accelerators and incubators are a key piece of the infrastructure to support them. They may offer production advice and business counseling in a specialized sector, similar to other incubators.

They may also provide access to industrial-grade production equipment that allows these businesses to scale more rapidly and stay local. These facilities help to lower the cost and risk to scale and offer expertise to increase the likelihood of success.

Example: Peabody Heights Brewery in Baltimore, Maryland is a facility that works with independently owned brewers to help them brew, bottle, label, and scale up their business. Brewers may have outgrown their garages or other smaller scale brewing facilities. The co-op has a master brewer with experience in large- scale brewing operations. The facility, a former soda bottling plant, has industrial grade equipment, delivery service, and charges contract brewers a fee per barrel of beer they produce. While the 50,000 square

foot facility is the size of a standard industrial production facility, it fits well into the neighborhood and features a taproom that hosts events for neighbors and visitors.

#### Mixed-use production space

Small-scale manufacturing businesses often scale from micro-retail or coworking space to their own facilities. Such businesses often mix well with other uses such as educational institutions and offices or serve as a strong neighbor in retail districts. Businesses assume their own risk to lease space, renovate and operate as they grow.

Example: Shinola in Detroit, Michigan is housed in the same building as the College for Creative Studies. The design work, watch and watchband fabrication, and headquarters all operate in this shared use building. Shinola's work is complementary to the College's and they partner on student design workshops. The business helps bring more jobs to the neighborhood while also supporting the neighboring educational institutions.



A grooup touring the watch-making floor at Shinola in Detroit, located in the same building as the College for Creative Studies. Flickr photo by the Center for Positive Organizations. https://www.flickr.com/photos/positiveorgs/22911094602/



#### Case study - Knoxville, Tennessee

The Mayor's Maker Council was formed in 2016, designed to develop a shared vision for the region's diverse maker commuity; raise awareness of Knoxville's local maker movement and associated micro-economies; promote local goods and services; and address government policies and regulatory issues that impact maker businesses. The 15 members of the Maker Council are appointed by the Mayor, and represent maker businesses, developers, and community non-profits in the City. The Mayor sends a representative to all Council meetings, and the Council hosts an annual Maker City Summit to connect with maker business owners and support their work. The City partners with the Knoxville Entrepreneur Center and the Knoxville Urban League to create a one-stop shop of resources for small manufacturing business owners, startup trainings, a local Maker City brand, and to work together to connect with minority and women-owned businesses.



Spaces set aside for particular areas of focus in the Knox Makers space in Knoxville, TN.

Case study - Lowell, Massachusetts

While local banks are often interested in funding local small businesses, they are not always able to do so. The City of Lowell, MA brought several local banks together to create the Lowell Development & Financial Corporation (LDFC). The structure of the LDFC allows local banks to reduce their risk by pooling funds to support local businesses, including small-scale manufacturers. Companies are only considered for LDFC funding once they graduate from the University of Massachusetts Lowell's iHUB accelerator or the EforAll small business training program in order to provide the banks with a vetted pool of businesses. **Case study –Production, Distribution, and Repair zone allows new office construction in underutilized industrial lots** when new light industrial is built as well. The City developed this policy to address the lack of light industrial properties left in the City and created a financial incentive for developers to add to the building stock. The first project using this Zoning is 100 Hooper, a partnership between private developer Urban Green Devco and SF-Made's non-profit real estate development arm, PlaceMade.

#### Conclusion

Small-scale manufacturing has emerged as a way to tie opportunity to place and can fill a key missing piece in local economic development.

Every place has its own history of skills and capaCity. Understanding how to build on that legacy, while keeping up with a dynamic labor market and a changing built environment, are critical challenges facing communities in the 21st century. The tools in this paper represent a range of solutions to better integrate small-scale manufacturing into existing economic growth and revitalization efforts. Communities of diverse sizes, industries, and market conditions can find success by aligning manufacturing with neighborhood revitalization—but regardless of context, these efforts will be more successful if they include an explicit and deliberate focus on including and harnessing the talents of all their residents including communities of color and different ethniCities who may not be connected to traditional economic development infrastructure.

Finally, while this paper is intended to provide guidelines for local action, the small-scale manufacturing sector continues to grow. New practices will continue to emerge that can be added to the local toolbox. In the meantime, communities in the vanguard need to establish a framework that connects manufacturing opportunities with other local goals and priorities. They will also benefit from collecting data to measure performance, where possible, to empower their efforts. Continued action can support an environment conducive to a healthy, independent local manufacturing community.



COVID-19	MONEY	ELECTION 2020	POLITICS	EDUCATION	HEALTH	JUSTICE	MORE	OPINION	DONATE	

CT VIEWPOINTS -- opinions from around Connecticut

### Zoning: The cause of poverty and segregation

CT VIEWPOINTS :: by ROBERT ORR JUNE 16, 2020 VIEW AS "CLEAN READ"



New Haven, and most Connecticut Cities, have a self-inflicted problem: concentrated poverty. Concentrated poverty comes with lack of quality schools, job opportunities, safe streets, and access to quality healthcare.

Many studies now indicate that the largest cause for concentrated poverty derives from zoning codes.

Zoning Codes are a 20th century phenomenon, launched to settle disputes between neighbors. Zoning is not like building codes, seated in life safety. It is a matter of opinion. In a sense, one might think of Zoning as NIMBY law.

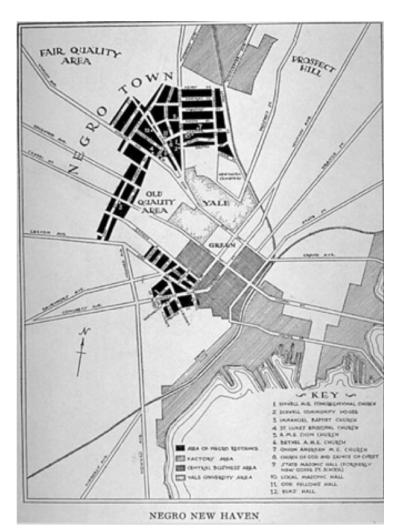
The heavy march of returning WWII vets brought with them a new type of enterprise starved for validation. Adversaries and allies alike reported that American success was due to <u>material superiority</u>, and not combat prowess, which helped establish a new standard of "gigantism." Gigantism needs validation. Zoning's ability to align opinion did that.

"Urban Renewal" may be the most astonishing gigantism project ever concocted. Without a moment's hesitation, hundreds of years of cultural development embodied in great American Cities fell under the wrecking ball to make way for the new.



Osaka, Japan, following WWII bombing and Detroit following urban renewal.

It's no accident that the two identical scorched-earth conditions (WWII and Urban Renewal), a mere decade apart, are the work of the same people, the Greatest Generation. Material superiority flattened mountains, filled gaping valleys, and relocated watercourses to make way for the new: extravagant highway systems, chain stores, mega-malls, big box, and endless sub-divisions swallowing hallowed American frontier. Material superiority launched a new gi-gantic corporate structure based on consumption, waste, and debt.



1930 map of New Haven, prototype for HOLC map a few years later.

Consumption, waste, and debt bulldozed "blight," a magically distasteful word to encompass poor and "colored" neighborhoods, the termed used for them back then. Blight removal's clever appeal aimed to beckon "white" monied urban dwellers fleeing to the suburbs back to "safe" shopping downtown, transforming Cities from cultural centers into consumption centers.

In order to keep consumption safe and permanent, administrators counted on explicit language in The Home Owners' Loan Corporation (HOLC) ordinances, baked into FDR's popular New Deal. Intended to relieve the worst effects of the Great Depression with government-backed mortgages, HOLC rated areas according to mortgage risk. Areas tagged as highest risk (red) were ineligible for government-backing. They contained the poor and minorities, carved out of the New Deal. New Haven Urban Renewal displaced <u>60,000 poor and</u> <u>black people</u>, herding them into the red areas of concentrated poverty and into inhuman public housing projects — storage units, really.

Red areas became so locked in by Roosevelt's system that they remain areas of concentrated poverty to this day. The failure to make home ownership attainable by black families deprived them of the ability to build generational wealth through equity, consigning each generation to years of paying away their wealth in the form of rent.

Following many failed challenges, redlining finally was struck down in the 70s as unconstitutional by court rulings. Even still, the Federal Housing Ad-

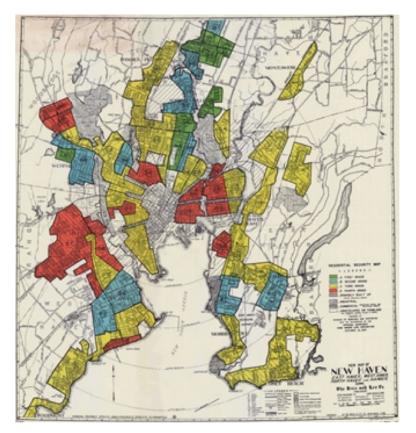
ministration (FHA) continued the racial covenants after the court ruling, until they too were forced to change guidelines from "race" to "class," which made no difference.

None of this would have been possible without massive federal assistance for demolitions, for building schools and infrastructure to support new sub-divisions, and for relocations and building public housing for the thousands left homeless. No one thought ahead to a federal spigot run dry, unveiling mountains of tax revenue dumped in landfills.

Data collected by the Center for Neighborhood Technology (CNT) reveals that redlining continues today in how municipalities distribute spending for water, sewer, stormwater, gas, electriCity, roads, transit, telecommunications, and essential services such as fire, school, and police.

In order to move forward with safe shopping, unsullied by the wrong people, something had to replace the courts' claw-back of risk-assessment.

The rescue fell on unlikely shoulders, George and Marian Langford. Schooled under General Patton in the gigantism adventure of WWII, Langford set about earning his law degree from UVA. Spending summers in the Charlottesville law firm of Michie Company, he learned the foundations of codes and ordinances. Law degree in hand, he founded



HOLC map of government-backed mortgage risk for New Haven. Red designates no government backing or "redlining."

the Municipal Code Corporation publishing company in Tallahassee (1951). With eyes on the nation, he and Marian launched what would become a gigantic Zoning enterprise adopted by more than 2,000 municipalities.

In the shadow of mounting challenges to redlining, the Langfords saw opportunity to achieve redlining goals through codes. Codes can be cold, almost boring, numbers and dimensions. Properly formatted, they can achieve segregation results without inflammatory language. For example, consider the clever separated use sections. Putting distance between uses mandates car ownership. Since car ownership is expensive, the clause excludes the poor and "colored" without ever saying so.

The Langfords' unwitting genius was to offer "clean up" services to municipalities' existing ordinances rather than uproot entire systems to start over from scratch. Even though that was what they achieved, hungry municipalities saw only expedited assurance of safe shopping.

The Langfords pointed out inconsistencies with statutes and case law, made recommendations, and then codified and re-codified with town attorneys. When language was approved, they filtered it through indexers, editors, and proof-

readers, then republished it with their own inhouse printing services. Faster than Willie Wonka, they churned out Golden Tickets in a powerful new Municode — named for its abbreviation of the Municipal Code Corporation, and for its suggestion of universal application by any municipality.

The Langfords' first stop was Tallahassee. When the mayor of Tallahassee saw the potential, he called the mayor of Jacksonville, who then called the mayor of Miami. Soon attention jumped state Lines to include Cities cross country. By 2010 most every U.S. City, including New Haven, uses Municode.

The secret sauce to excluding poor and minorities was a tangle of dimensions with legal sounding names, such as minimum lot size, maximum lot coverage, setbacks, off street parking, minimum dwelling unit size, and maximum

number of units. Innocent enough, they actually prevented small buildings and apartments that might be affordable to the poor, leaving them consigned to the red areas of concentrated poverty.

The Langfords' second unwitting genius was to code everything to accommodate the automobile, which made their services even more indispensable for safe shopping.

The Municode's widespread application explains the similarities reflected in American suburbia and downtowns. Unfortunately, it also explains the problems arising therefrom. Besides segregation, no one thought to investigate economic consequences.

If anyone had bothered, they would have realized that the Municode may be the biggest of all hobblers of municipal prosperity. For example, maximum lot coverage takes 70% of taxable land off the tax rolls right off the bat. The economically unproductive land represents a "Zoning tax," since it forces property owners to pay



George and Marian Langford, founder and partners of the Municipal Code Corporation.

more tax per building square footage in order to meet municipal expenses.

Minimum lot size causes non-conforming parcels to remain economically unproductive. Besides privately-owned parcels, the City of New Haven owns more than a thousand of them. Acres of land that could bring in tax revenue, sit idle.

Automobile accommodation reduces tax rolls further. Accommodation leaves Cities with only 20-30% taxable fertility, sending mill rates in the Cities paying least attention through the roof. Most tragically, the personal travel mode is so baked into the system that it's all but impossible to disentangle, despite its exorbitant cost to taxpayers in infrastructure upkeep and in lost tax revenue.

Basically, the entire country was duped into self-inflicting racism, social instability, unaffordability, car-dependency, and municipal bankruptcy by a sweet couple in Tallahassee who don't even rate a listing in Wikipedia.

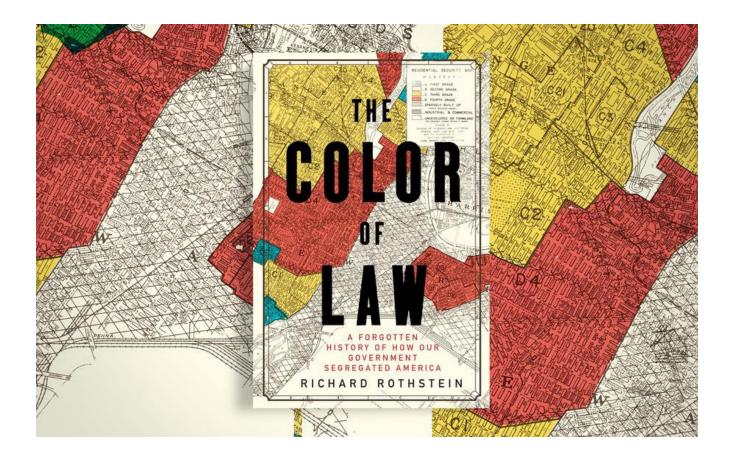
Dan Bertolet writes in Sightline, <u>Exclusionary Zoning Robs Our Cities Of Their Best Qualities</u>. "Exclusionary Zoning was a defining feature of America's exodus to suburbia, where Zoning permitted only single-family homes on large lots as a thinly veiled means to keep out poor people and people of color. But over the past two decades, as the demographic tide shifts back toward Cities, an analogous story of exclusion unfolds."

- 1. Tight regulations radically inflate housing costs. "Because regulations limit housing supply, they drive up the price of housing, current homeowners tend to benefit while renters and new homeowners are harmed. This burden falls disproportionately on poor households" (Bertolet calls "driving up the price" a "Zoning tax, " raising the value of properties by as much as 50%").
- 2. Housing restrictions segregate neighborhoods by class. "The segregation of the rich results in hoarding of resources, amenities, and political power. The segregation of the poor creates neighborhoods besieged by crime and severely limits life chances in schooling, employment, health, and mobility.
- 3. Low density thwarts upward mobility, as observed by University of Utah professor Reid Ewing. Higher density/acre development, such as Beacon Hill, is the type of development that exclusionary Zoning prevents. The direct effect of compactness is attributed to better job accessibility. "As compactness doubles, the likelihood of upward mobility increases by about 41%."
- 4. Restrictive Zoning keeps good schools out of reach of those who most need them. "Eliminating exclusionary Zoning in a metro area would, by reducing its housing cost gap, close its school test-score gap."
- 5. Housing supply restrictions price people out of their neighborhoods. "Increasing supply, even at market rates, reduces housing costs for low-income households and, consequently, helps to mitigate displacement, belying the boogieman of gentrification. Regulatory barriers to higher supply also hinder the development of subsidized housing."
- 6. Exclusionary Zoning increases homelessness. "The data reveals striking relationships between the degree of homelessness and the stringency of local housing market regulation."
- 7. Housing restrictions make everyone poorer. "Lowering regulatory constraints in New York, San Francisco, and San Jose to the level of the median City would expand their work force and increase U.S. GDP by 9.5 percent."
- 8. Exclusionary regulations on housing widen income inequality. "Across the vast majority of land we've made it illegal to build rowhouses or small apartment buildings. And so the land's value only increases, the rents going to its owners accumulate, and workers lose out. Rising rents are among the main causes of income inequality in the US."

It's time to change from the gigantism of "material superiority," still flying up in Cities, to the human scale of "prowess." Zoning that welcomes <u>small development</u> can undo the ills of exclusion. It can help make homes affordable, neighborhoods integrated, good schools accessible, opportunity-rich neighborhoods available to less privileged, homelessness less common, income disparities smaller, prosperity more shared, and everyone richer in the qualities of community and vibrancy that really define a City.

Robert Orr is the owner of <u>Robert Orr and Associates</u>, an architectural and town-planning firm based in New Haven.

## **DESEGREGATE** CONNECTICUT





## Connecticut must reform its exclusionary Zoning laws

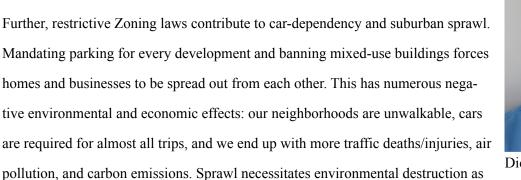
By Dice Oh

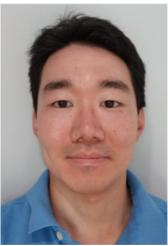


Connecticut likes to think of itself as a progressive state that values equal opportunity for all. But the ugly reality is that Connecticut is one of the most unequal states in the country, with high levels of racial and socioeconomic segregation. While there are many causes behind this, a huge part of these inequities stems from exclusionary Zoning laws: a hyperlocal land use regime designed to prevent new housing development, exclude newcomers, and create a scarcity of homes. These laws enrich incumbent property owners and preserve their exclusive access to schools and other amenities, at the expense of all other residents. These Zoning laws are said to "preserve neighborhood character" or prevent nuisances, but they have their roots in exclusion. The historical origins of Zoning across the U.S. show that many original restrictions on residential development were driven by a desire by wealthy white property owners to prevent Black people or Chinese or Jewish immigrants from living near them, whether this came in the form of density limits, apartment bans, or limits on unrelated people living together. Today in Connecticut, excessive restrictions on land use, such as single-family Zoning (aka multifamily housing bans), minimum lot sizes, setback requirements, height limits, and parking requirements serve to artificially drive up the cost of housing. These restrictions make new housing development either outright illegal or prohibitively expensive, ensuring that wealthy communities can exclude many who can't afford a large single-family detached home with a yard. If denser living arrangements were allowed (e.g., fourplexes or apartments), multiple families of lesser means could effectively pool their resources to afford living on a plot of land that could otherwise house only one family.

Connecticut's refusal to allow needed housing development is particularly unfortunate, as Fairfield County in particular benefits from proximity and rail access to the massive job market in New York City. It is a travesty that we have Metro-North stations, subsidized by state and federal dollars, that feed directly to Manhattan and yet have only parking lots and single-family mansions next to them. This inefficient land use deprives many thousands of people

of the opportunity to live in transit-rich, job-adjacent areas, and contributes to an aging, declining population and a weak local economy, as young people choose to move elsewhere with lower costs of living.





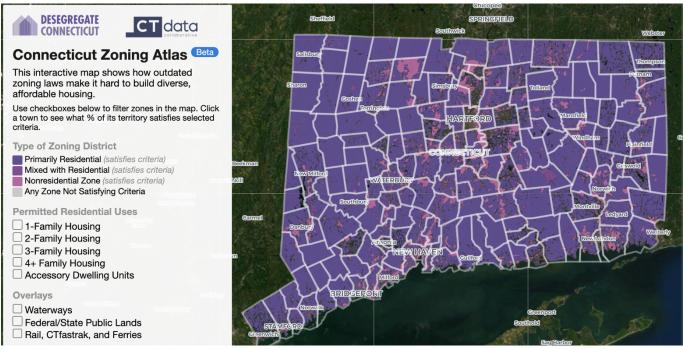
Dice Oh

more homes gobble up more land, and suck up tax revenues as we must maintain services (roads, sewers, utilities) to these spread-out homes.

If Connecticut wants to be a vibrant, growing, economically and environmentally sustainable state that people want to move to, we must reform both state and local Zoning laws to make our housing more affordable, our Cities more livable, and reduce car dependency. This means ending bans on multifamily housing in residential areas, eliminating mandatory parking requirements, allowing ADUs (accessory dwelling units) and other homes by-right (meaning you don't have to have a public hearing just to build a backyard cottage). Areas within walking/biking distance of transit stops should also allow significantly denser mixed-use development by-right with no parking minimums, to encourage the creation of walkable/bikeable neighborhoods and car-free households.

All residents — owners and renters alike — would benefit from more transit-oriented walkable neighborhoods, through more pleasant streetscapes, higher tax revenues from more efficient development, a more vibrant economy, and a younger workforce. Connecticut's Cities and suburbs have significant economic and social potential if we make it easier and more affordable for more people to live here. Other states and Cities all across the country are moving in this direction to promote equal opportunity, housing affordability, and environmental sustainability, and we should not be left behind.

Dice Oh is a resident of Stamford and a member of <u>People Friendly Stamford</u>, a local community organization devoted to making walking and biking easier, safer, and more accessible for all. People Friendly Stamford is a member of the <u>Desegregate Connecticut</u> coalition, devoted to promoting inclusion in Connecticut land use.



Connecticut Zoning. 72% Limited to Single Family Homes (SFH). 22% Allows Varying Degrees of Multifamily

In Rebecca Augur's, CT's American Planning Association President, most <u>recent op-ed</u>, smart planning revolves around walkable communities, public transit, and innovative housing like ADUs. Desegregate CT's <u>Zoning Atlas</u> can be used to connect the dots between smart planning and how our towns currently zone. With this knowledge we can consider the impacts of restrictive Zoning laws and limited housing diversity on Connecticut's economic and social future.

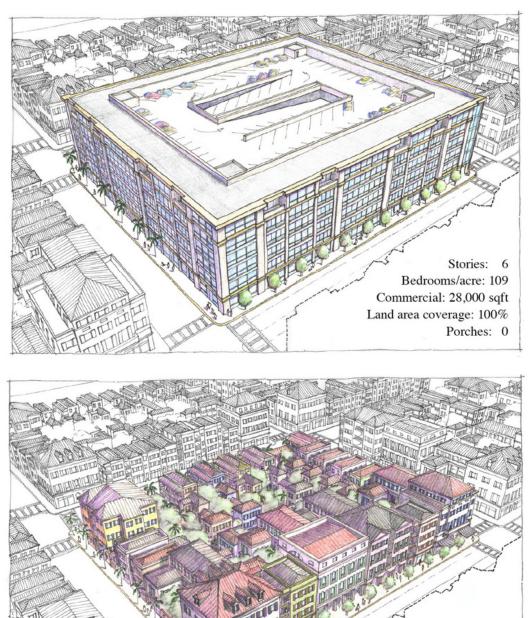


King Street, Charleston, SC



#### HOME RETHINKING PRESERVATION SUSTAINABLE COMMUNITIES SIGN THE VISIONI CASE STUDY READINGS CONTACT GUIDING GROWTH IN CHARLESTON'S HISTORIC DISTRICT

A Case Study prepared by Bevan & Liberatos.



Stories: 2-4 Bedrooms/acre: 108 Commercial: 28,000 sqft Land area coverage: 62% Porches: 68

Charleston's compact, charming neighborhoods have a unique urban and architectural character that is so successful and so much in demand, people pay top dollar to live there. One way to relieve the rising prices is to provide new development. But new development should follow Charleston's authentic urban and architectural patterns.

Instead of building Anyplace USA, Charleston should be building more of Charleston. Her classic 2-3 story buildings and intimate streets can accommodate the same number of apartments and living units of high-rise (6-story), wide-street developments, but building in Charleston's traditional pattern offers far more advantages than the non-Charleston building types. The lower scale would be more commercially viable in the long term. It is more environmentally sustainable. It is diverse, local, and aesthetically beautiful. It would provide a more diverse housing stock for a wider range of incomes, a wider diversity of commercial space, and create more local jobs in the building trades.

The most charming places in peninsular Charleston are also the most compact. It is not the proposed densities of new projects that are incompatible with the neighborhoods, it is their proposed FORM. There is room in Charleston for more development, but only if it is in keeping with Charleston's DNA.

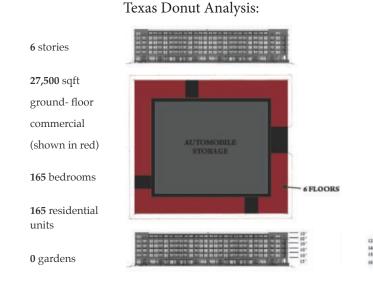
This study asks, instead of a neighborhood of Texas-donuts, what if Charleston-style urbanism and buildings were built in some of these proposed new developments?



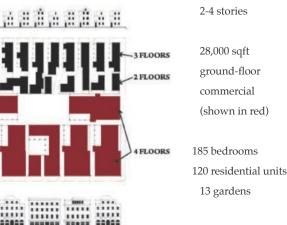
This is a typical Charleston sized block but built with a non-Charleston building type currently being proposed in town. It is 6 stories. It wraps a parking garage. There are only windows on the street-side of the building. It covers every inch of the block.



This is a typical Charleston block. It has the same number of units as the Texas Donut, but with porches, gardens... etc... Buildings are 2, 3 and 4 stories, and there are a wide variety of building types. Buildings cover only 68% of the block leaving the rest open for light, air, gardens, trees and breezes.



Charleston Block Analysis:



68 porches

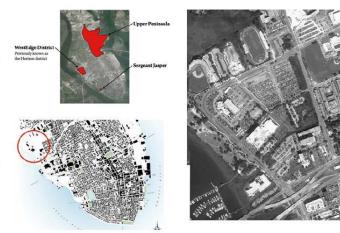
#### **Texas Donut**

#### - CASE STUDY -

#### The WestEdge Project on Lockwood Boulevard

The WestEdge project is one place in Charleston's Historic District where Texas Donuts are being proposed.

Situated along the shore of the Ashley River, the proposed new WestEdge project is one of three major developments currently being planned for peninsular Charleston, by the City of Charleston and a private foundation. The site is a enormous half-mile wide. It runs from Brittlebank Park to the Westside neighborhood at Haygood St., and from Fishburne St. to the Crosstown Expressway (Spring St./Hwy 17). Previously a city dump, this long-neglected site is the same size as the original walled city of Charleston - a 10-minute walk end-to-end. But this large parcel will not be developed with the small blocks and fine grain development that Charleston has grown up with over 350 years.



#### Current WestEdge proposal:

#### Charleston-style proposal:

-Wide streets with limited connectivity

-Car-centric planning, including 6 new parking garages

-Cuts off adjacent Westside neighborhood from waterfront

-Block-sized buildings -Climatically inappropriate, disposable buildings

-No local ownership opportunities -Culvert and fill Gadsen's Creek





-Network of diverse, interconnected streets

-Multi-modal transit opportunities

-Connects adjacent neighborhood to waterfront

-Flexible and adaptable buildings

-Climatically appropriate, maintainable, repairable, durable buildings

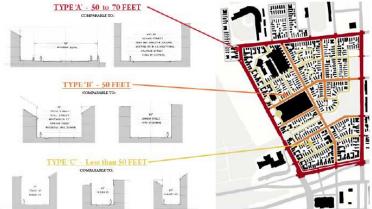
-Promotes sustainable local economies

-Utilize Gadsen's Creek as amenity

#### - CASE STUDY ANALYSIS -

#### The Benefits of Charleston's Intimate Streets:

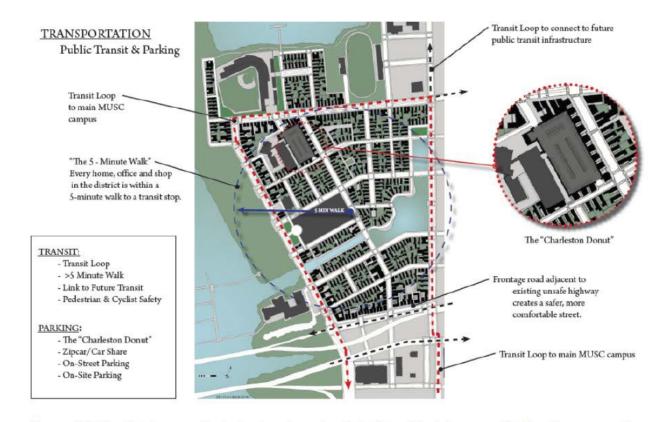
Congestion and traffic cannot be reduced by making streets wider, but it can be mitigated by providing numerous and varied alternative routes, Dead-end, Lshaped, and too-wide streets make congestion worse, and are unsafe for pedestrians and cyclists. The gridded streets of Charleston's historic district are sufficiently wide for modern use, and have numerous advantages over wider ones. New streets in the historic district should follow the Charleston model, not the suburban models proposed in the WestEdge Project.



"There needs to be an understanding that the more parking that gets built, the more congestion will be created."

- Gabe Klien, Transportation and Mobility Study for the City of Charleston

By creating a streets and sidewalks that are safe for pedestrians and comfortable for cyclists, many trips can be made without a car. Multi-modal transit includes walking, biking, driving, and buses or trams linked to regional train stations and airports. When systems are well-designed, many trips are easier, quicker, and more convenient by public transit than in a personal car. This also makes living in Charleston more affordable than living in suburbia. Charleston's urbanism, which provides parking not just on the street, but also between buildings, accommodates more parking than most other types of urbanism. Limiting parking encourages tourists and commuters to use public transportation, taxis and other options.



The current WestEdge Project proposes wide streets and monotonous, long blocks. This would make for an uncomfortable and dangerous experience for pedestrians and drivers alike. The lack of connections would further disconnect the Westside neighborhood from the waterfront. The proposal plans to construct 6 new parking garages. Parking garages are expensive to build - so expensive that Charleston has created a TIF District (Tax Incremental Financing) to finance for them. At 1,200 spaces per garage, the infrastructure just for these garages this amounts to more than \$36 million in public funds. These are funds that, if Charleston were taking the longterm view, could be put toward public transportation like streetcars





# Making a Waterway an Asset:

One of the last remaining salvageable tidal creeks on the Peninsula, Gasden's Creek has long been neglected. Rather than rehabilitate the valuable wetlands, the current WestEdge proposal is to put the creek into a culvert and build on top of it. Charleston Waterkeeper, Delete Apathy, and other community members are fighting to preserve the creek. By maintaining the creek, the community would be enhanced in three distinct ways: 1) it would provide a Colonial Lake-like recreational amenity, 2) it would mitigate flooding, and 3) it would help filter water runoff before it gets to the Ashley River.

**Existing Conditions:** 

WestEdge Proposal:

# Charleston-style Proposal:







# **On Building Sustainably:**

Charleston's architecture has a modest window-to-wall ratio, not because it couldn't be otherwise, but because in this climate it makes sense. Glass building facades, like the ones proposed for the WestEdge district, are climatically inappropriate for the hot, humid, subtropical Lowcountry and are inefficient both from an operational and and embodied energy standpoint. There are also many other sustainable solutions found in Charleston's older buildings - thermal mass, shading porches and loggias, water-shedding moldings, pitched roofs, openable windows, protecting shutters - that should be utilized to reduce demand on mechanical heating and cooling systems and to prolong the lives of buildings. Curtain wall construction - be it wrapped with a Modernist or Traditional styled "skin" - condemns a building to a mere 30-40 year lifespan. This not only fills our landfills with unnecessary waste (hundreds of millions of tons of building waste are sent to our landfills every year), it also robs us of the opportunity to physically link generations through a shared architecture, and fails to provide communities with a sense of rootedness and connection to place. (For more on this, see Our Disposable Architecture .)



More at: www.westedgecharleston.com/

# Small Buildings are Highly Adaptable:

Small buildings are more adaptable for reuse as requirements change over time. Flexible building stock are essential for encouraging small businesses, local start-ups, and an entrepreneurial spirit in a community. Below are two examples of tech companies - one small, one large - that operate out of buildings built in the 1800's in Charleston's historic district.



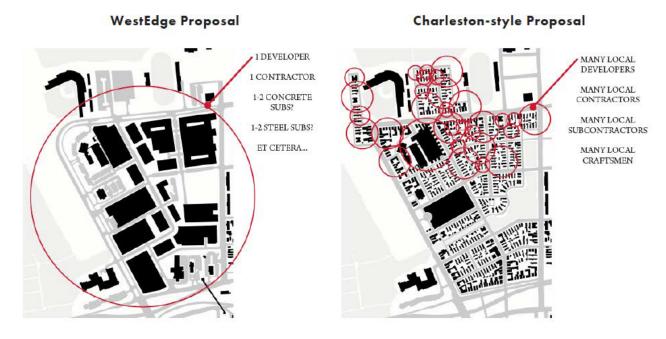
DISTILL UNION - TECH ACCESSORY DESIGNERS BUILDING BORN IN THE 19TH CENTURY



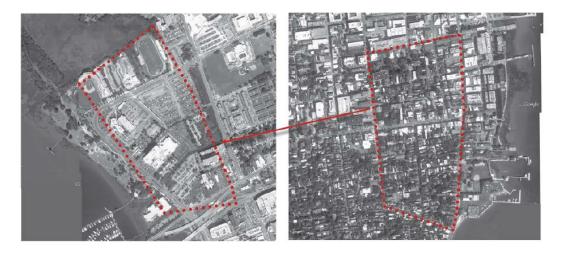
PEOPLE MATTER - COMPUTER SOFTWARE DEVELOPERS BUILDING BORN IN THE 19TH CENTURY

## Benefits to the Local Economy:

It is easy to get excited about the prospect of the financial infusion that new development promises, but what if the financial benefit could be even greater, and more long-lasting? There are a few ways to assess the financial flow of a new development, first is the question of where and how the profit from construction is dispersed. Will the money invested remain to cycle in the local economy? Will the building program strengthen the local building trades, will there be work for the contractors and handymen whose kids attend the nearby school? How much is the city investing in the infrastructure for the project, and will there be a return on that investment? Then, when the construction project is through, who will own the buildings? Will rents be paid locally? Will there be opportunities for low-income home ownership? Will the new neighborhood give a boost to the local school, or drain resources from it? Will the new buildings house local businesses? How will those businesses invest in the local community? New plans for development should be judged by how well these questions are answered.



## More Efficient Land-use:



The value of the properties in Charleston's historic district outpaces others in the area considerably. WestEdge development is about the same size as the original walled city, about 50 or 60 acres. Today, that area is thriving and is home to about 720 residences - which includes houses, rowhouses, stacked condo apartments, duplexes and triplexes, apartment buildings, carriage houses and other outbuildings. Commercial spaces if about 789,000 sq ft - food stores, 3 inns, 5 banks, 11 restaurants, 26 art galleries, and various other small businesses, and great civic and institutional buildings - city hall, 6 museums, 5 churches, 6 cemeteries, 2 arts theaters, and a 450-student school). This diversity in such a compact area creates not only a charming and livable neighborhood, it provides significant revenue to the city. Since the value per acre is higher, the taxes paid per acre are higher, and yet the infrastructure and services required are lower. The efficient planning of the area requires fewer miles of roadway, water and sewage lines per person, while trash and recycling services are vastly more efficient, and therefore cost-effective, than more widely dispersed (off-peninsula) areas of the city.

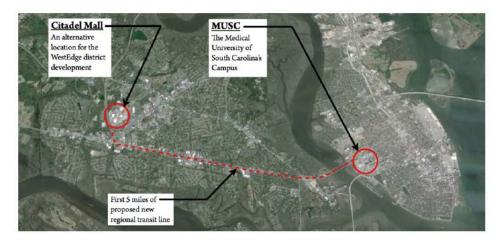
#### Stemming the Tide of Gentrification:

The demand for the charm of Charleston-style urbanism is growing, but the supply is not. Long-time residents are finding it unaffordable to live in the place they know as home. Cities change, and there is little one can do to stop gentrification trends, but the simple act of making more of what is in demand may be enough to take pressure off of existing neighborhoods and communities. The only viable solution to relieve the demand for Charleston is to make more of Charleston.

Historic Districts are sometimes accused of being the generator of gentrification because low-income residents cannot afford to upkeep their home to the standards of a board of architecture review - this argument is based on a valid point: there may be cheaper alternatives than proper care of an historic house or building. However, the solution isn't to lower the standards, but to bolster the local building economy by promoting participation in it, by supporting local craftsmen, and by finding financial support for neighbors who need it.



## **Charleston's DNA and Regional Planning:**



The Texas-donut is not a bad building type, per se. This type was conceived as a means to help revitalize struggling midwestern downtowns by housing people who want to move back to the city in the absence of public transportation. But Charleston's historic district isn't dead or dying - it's thriving! So much so that it is becoming unaffordable. But that doesn't mean there might not be other places in the city that would benefit from such an injection of density. Citadel Mall, built in 1981 and recently foreclosed, is preparing redevelopment plans as part of the city's West Ashley Strategic Plan. Near the intersection of I-17 and I-526, about 5 1/2 miles from downtown Charleston, it is an excellent place for a mixed-use town center. MUSC's peninsular campus could be connected to new medical offices by a public transit line.

# Examples of similar projects elsewhere:

## A TOWN EXTENSION

Poundbury, England, 1993 - PRESENT.





Solutions like this case study are not just hypothetical: new developments that follow local patterns of architecture and urbanism are being built all around the world with great success. Below are images from four recent projects: Baker Street in London; Cayala adjacent to Guatemala City; a project outside of Paris; and Poundbury, an extension to the town of Dorchester, England. The main criticism these projects receive is that - because they are in such high demand - even if their prices begin low, they quickly become too expensive for the great diversity needed for a sustainable city. The only solution to that problem is to build more like them.

# MIXED USE, URBAN INFILL DEVELOPMENT

Outside Paris, France, 2002.



### - CASE STUDY CONCLUSION -

#### Charleston-style Urbanism, A Model for Sustainable Growth

Charleston is home to one of architecture's unique contributions: the Charleston single-house. What is less known is that Charleston is also home to one of urbanism's unique contributions: side-yard urbanism. Although this type of urbanism works well with single-houses, it is not dependent on them, and it is used throughout Charleston even where there are no single-houses. It is characterized by clearly defined public streets and squares, deep lots, and the locating of the buildings, which are kept narrow to catch the breeze, on the side of the lot, creating gaps between buildings on successive lots. It is an ingenious solution to achieving an urban level of density that is yet livable in a hot, humid, sub-tropical climate. Charleston's blocks are highly permeable, diverse, and granular.

Compared to the globally ubiquitous Texas-donut, Charleston's own local style of urbanism is more...

#### DIVERSE

The Texas-donut offers only one type of housing and one type of retail, resulting in an area of

monoculture. Charleston's urbanism is defined by a diversity of building types in varying sizes that are flexible, adaptable, and able to respond to changing markets. Charleston's urbanism accommodates single-family homes, duplexes, tenements, apartment houses, offices, inns, hotels, shops, corner stores, grocers, restaurants, bars, cafes, schools, churches, libraries, and institutions that enrich the urban experience and provide a diversity of job opportunities for a diverse citizenry. The best way to achieve this is through incremental development.



## LIVABLE

Charleston has a hot, humid, sub-tropical climate. Urbanism that accommodates shading porches and

loggias, gardens, and courts, is more livable than urbanism that fills in the entire block. Charleston's urban character is defined by blocks that are highly permeable. This allows buildings to take advantage of breezes and rooms to have windows on multiple exposures. While dense, Charleston's urbanism balances first-rate private space with a first-rate public realm in the form of clearly defined streets, many of which are veritable linear parks.

#### WALKABLE

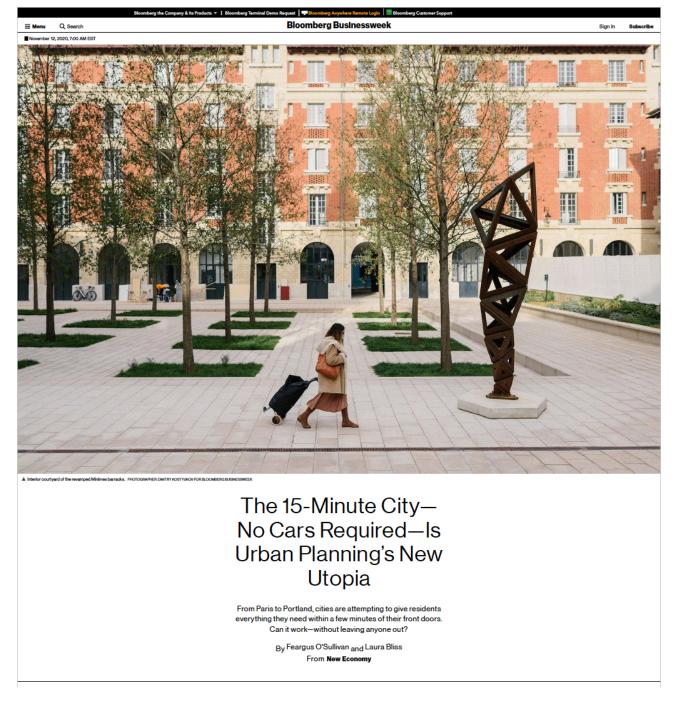
Charleston-style urbanism is characterized by an interconnected network of varied street-types which reduces congestion, increases safety, and provides a structure for multi-modal transit. It has also been mixed-use since 1670, and the infrastructure to get everything one needs for daily life within walking distance is there. Charleston's urbanism is characterized by narrow fronts, which puts more people onto the street than do block-sized buildings with entrances from behind.

## SUSTAINABLE

Local patterns of urbanism and architecture contain within them a wealth of information on climatically-appropriate design and construction. Charleston-style urbanism responds to the conditions of the site, incorporating both old solutions, and recent lessons on building in balance with nature. The Texas-donut model varies very little from place to place, or even from its north face to its south.

#### VALUABLE

By investing in the infrastructure that makes new development possible, the city and its citizens have a financial stake in the long-term value of new developments. The return on investment for Charleston-style urbanism is greater, and longer-lasting, than urban patterns based on short-term profit models.



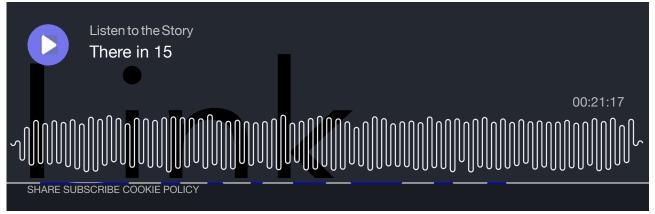
The Minimes barracks in Paris don't look like the future of Cities. A staid brick-and-limestone complex established in 1925 along a backstreet in the Marais district, it's the sort of structure you pass without a second glance in a place as photogenic as Paris.

A closer look at its courtyard, however, reveals a striking transformation. The barracks' former parking lot has become a public garden planted with saplings. The surrounding buildings have been converted to 70 unusually attractive public housing apartments, at a cost of €12.3 million (\$14.5 million). Elsewhere in the revamped complex are offices, a day-care facility, artisan workshops, a clinic, and a cafe staffed by people with autism.

The green, mixed-use, community-friendly approach extends to the streets beyond. Five minutes down the road, he vast Place de la Bastille has been renovated as part of a City-

funded 30 million revamp of seven major squares. No longer a roaring island of traffic, it's now dedicated mainly to pedestrians, with rows of trees where asphalt once lay. A stream

of bikes runs through the square along a freshly repaved, protected "coronapiste"-one of the bike freeways introduced to make cycling across Greater Paris easier during the coronavirus pandemic. City Hall has since announced that the lanes will be permanent, backed



by 300 million in ongoing funding from the region and top-ups from municipalities and the French government.

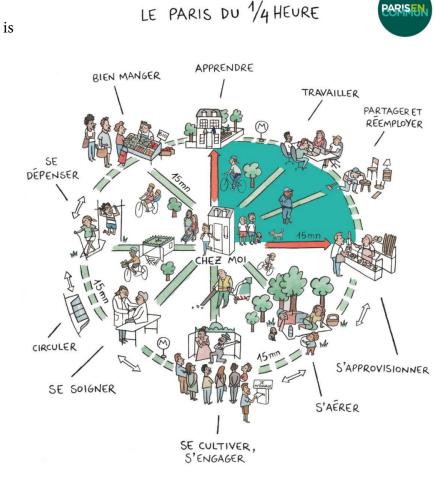
Taken together, the new trees and cycleways, community facilities and social housing, homes and workplaces all reflect a potentially transformative vision for urban planners: the 15-minute City. "The 15-minute City represents the possibility of a decentralized City," says Carlos Moreno, a scientific director and professor specializing in complex systems and innovation at University of Paris 1. "At its heart is the concept of mixing urban social functions to create a vibrant vicinity"- replicated, like fractals, across an entire urban expanse.

Named Paris Mayor Anne Hidalgo's special envoy for smart Cities, Moreno has become a kind of deputy philosopher at City Hall as it endeavors to turn the French capital into what he calls a "City of proximities." His 15-minute concept was His 15-minute concept was developed primarily to reduce urban carbon emissions, reimagining our towns not as divided into discrete zones for living, working, and entertainment, but as mosaics of neighborhoods in which almost all residents' needs can be met within 15 minutes of their homes on foot, by bike, or on public transit. As workplaces, stores, and homes are brought into closer proximity, street space previously dedicated to cars is freed up, eliminating pollution and making way for gardens, bike lanes, and sports and leisure facilities. All of this allows residents to bring their daily activities out of their homes (which in Paris tend to be small) and into welcoming, safe streets and squares.

Similar ideas have been around for a long time, including in Paris itself. Walkable neighborhoods and villages were the norm long before automobiles and Zoning Codes spread out and divided up Cities in the 20th century. Yet the 15-minute City represents a major departure from the recent past, and in a growing number of other Cities it's become a powerful brand for planners and politicians desperate to sell residents on a carbon-lite existence. Leaders in Barcelona, Detroit, London, Melbourne, Milan, and Portland, Ore., are all working toward similar visions. They've been further emboldened by the pandemic, with global mayors touting the model in a July report from the C40 Cities Climate Leadership Group as central to their recovery road maps.

With Climate Change, Covid-19, and political upheaval all challenging the ideals of globalism, the hope is to refashion Cities as places primarily for people to walk, bike, and linger in, rather than commute to. The 15-minute City calls for a return to a more local and somewhat slower way of life, where commuting time is instead invested in richer relationships with what's nearby. "These crises show us the possibility for rediscovering proximity," Moreno says. "Because we now have the possibility to stay closer to home, people have rediscovered useful time—another pace for living."

It's a utopian vision in an era of deep social distress—but one that might, if carried out piecemeal, without an eye to equality, exacerbate existing inequities. Skeptics also wonder



whether a City that's no longer organized around getting to work really a City at all.

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Dreams of breaking down the segmented urban planning that dominated the 20th century—with industry on the outskirts, residential areas ringing the City, commerce in the core, and auto networks connecting long distances—of course aren't new. Urban thinkers have been advocating for the preservation or return of walkable, socially mixed neighborhoods at least since the 1961 publication of Jane Jacobs's paean to Manhattan's Greenwich Village in The Death and Life of Great American Cities.

This advocacy has slowly filtered into mainstream planning orthodoxy. Copenhagen pedestrianized its main shopping street in 1962, the first of many densely built European Cities to take this approach in their downtown cores. In the U.S., the so- called New Urbanism of the 1980s and '90s created a planning template (first fully realized in Seaside, Fla.) that saw a preference for row houses and apartments over detached houses, as well as for walkable, tree-lined streets and a careful dispersal of schools, stores, and parks to reduce the need to drive. Since the turn of the millennium, rising concerns over air pollution and Climate Change have led to further innovations, such as the congestion charge London introduced in 2003 for cars driving into the center and massive expansions of public transit networks in Cities from Moscow to Medellín. The 15-minute City concept draws all these trends into an intuitive rubric that ordinary residents can test against their own experiences. It's also served as a response to pressures wrought by property speculation and rising tourism, which have pushed up rents and driven residents and businesses out of some long-standing communities. The 15-minute City seeks to protect the vitality that made diverse, locally oriented neighborhoods attractive in the first place.

Paris has been moving in this direction for some time. Under the mayorship of the Socialist Party's Hidalgo, who was first elected in March 2014, the City introduced bans on the most polluting motor vehicles, transformed busy roads flanking the Seine into a linear park, and, in a bid to maintain socially mixed communities, expanded the City's network of public housing into wealthier areas. It wasn't until 2020, however, that Hidalgo grouped these efforts together under the umbrella of the 15-minute City, plucking the term from the academic realm and giving it new political urgency.

During her reelection campaign, she teamed with the concept's originator, Moreno, a former robotics specialist who'd realized that his primary interest was the environment in which robots functioned. Hidalgo had already laid much of the political groundwork for Moreno's blueprint in her first term; now she could link all those bike paths and car lane closures with a vision that matched the vibrancy and convenience of a metropolis with the ease and greenery of a village.

Since winning reelection in June, she's doubled down, appointing a Commissioner for the 15-Minute City, Carine Rolland. A Socialist Party councillor who'd previously served in a culture-oriented role in the 18th arrondissement, Rolland also became Paris's culture

commissioner. "It's true that Paris is already a 15-minute City to an extent," she says, "but not at the same level in all neighborhoods and not to all sections of the public." There's much to be done in the working-class districts on Paris's eastern edge and in many quarters close to the Boulevard Périphérique beltway, for example. In areas like these, social housing towers frequently predominate, and grocery stores and community facilities such as sports centers and clinics are sparse. This has particularly acute consequences for older people and those with limited mobility, Rolland points out.

Closer to Paris's heart, she says, are areas "characterized by what we call 'mono-activity'—a single commercial activity occupying a whole street." These are notably around the eastern section of the City's inner ring of boulevards, which are dominated by offices and small shops, leaving streets that are lively on workdays to become quiet and uninviting on evenings and weekends.

Rolland's job as 15-minute-City commissioner entails coordinating related efforts by different departments. In September, for example, 10 Parisian school grounds reopened as green "oasis yards," bringing the total to 41 since the initiative began in 2018. Each has been planted with trees and remodeled with soft, rain-absorbent surfaces that will help battle the summer heat. The yards are left available after school for use as public gardens or sports grounds, and they open onto revamped "school streets" where cars are banned or severely limited and where trees and benches have been added. Transformations like these, Rolland explains, involve bringing together departments responsible for education, sports, roads, and parks, as well as local business and community organizations.

Paris is far from alone in attempting this sort of transformation. London's new "Mini- Hollands" import Dutch planning ideas that seek to reduce or block car access to neighborhood shopping hubs. Barcelona has been turning 400-by-400-meter chunks of road in areas dominated by apartment towers into mostly car-free "superblocks." Madrid has declared plans to copy that approach, in keeping with its goal to be a "City of 15 minutes" as it recovers from the pandemic. Milan has said the same, with hopes to turn Covid-19 bike lanes and sidewalks permanent as its economy restabilizes. But turning the 15-minute City into a truly global movement will require a big battle over a core urban tension: the primacy of the car.

It's one thing to turn a Paris or a Barcelona—Cities that were almost completely shaped before the automobile was invented—into a neighborhood-centric utopia. Transforming them is rather like giving a supermodel a makeover. The challenge is far greater in the kinds of younger, sprawling Cities found in North America or Australia, where cars remain the dominant form of transit.

Some are trying. Since 2017, Melbourne has been working on a long-term planning blueprint centered on the "20-minute neighbourhood." But while the City's aspirations are similar to Paris's, the issues involved in implementing them could scarcely be more different, especially in areas beyond the already densifying core and inner suburbs. "Some middle suburbs are well-served by public transport and are starting to experience densification, but others aren't on the bandwagon," explains Roz Hansen, an urbanist who oversaw the preparation of Melbourne's blueprint. "Meanwhile, the outer suburbs are still at very low densities, partly because of poor public-transport connections."

The City has tried to improve transportation and job options in the outer suburbs, which are marked by single family homes. Some of the middle suburbs have hosted pilot projects where new mixed commercial-residential developments are being encouraged and streets are being remodeled to increase cycling space and improve walkability. But to create and connect true 20-minute neighborhoods, investment in public transit will be key. "The bureaucrats kept thinking, 'Oh, this is also about getting in your car for a 20- minute trip,' but it's got nothing to do with the car," Hansen says. "The 20-minute neighborhood is about active modes of transport and increasing an area's catchment of accessibility. If you're walking, 1 to 2 kilometers [1.2 miles] is your catchment. If you're cycling, it could be up to 5 to 7 kilometers. With public transport, it can be 10 to 15 kilometers."

U.S. Cities holding similarly optimistic blueprints are also struggling to strike a balance between vision and reality. In 2016, Detroit Mayor Mike Duggan laid out a plan to turn high density corridors outside the central business district in his sprawling, 140-squaremile City into 20-minute neighborhoods. Its leading edge thus far is a \$17 million pedestrian upgrade in the Livernois-McNichols area, 9 miles northeast of downtown. The project concluded in early 2020 with an emphasis on narrower streets, wider sidewalks for cafe seating, and new lighting. Residents and business owners have been largely pleased with the improvements; a walk to the supermarket is now a much more pleasant ambition.

But that basic urban function is out of reach for the vast majority of the City. An estimated 30,000 citizens lack access to a full-service grocery store, according to a 2017 report by the Detroit Food Policy Council. Katy Trudeau, the City's deputy director of planning and development, says it wasn't long ago that many people had to travel to the suburbs for shopping and other errands. That's improved overall, and nine other districts have been targeted for upgrades along the lines of the one in Livernois- McNichols. Yet chronic fiscal problems and large swaths of blighted structures left economically unproductive as the City's population declined have made rapid transformation implausible.

So far, most of Detroit's achievements under the 20-minute rubric have been modest, including moves toward a comprehensive transportation plan and ongoing investments in lighting and resurfacing. Trudeau also points to a new \$50 million public-private affordable housing fund, which seeks to help low-income residents stay in place as property values rise in redeveloping neighborhoods. "These things might seem really basic in Paris, but here we've suffered so much in the form of population loss and financial uncertainty in the form of bankruptcy," she says. "We have to balance these concentrated strategies with Citywide strategies that help everyone with their quality of life." The 20-minute label has served mainly as useful shorthand to communicate the City's goals with residents and investors. Trudeau hopes initiatives such as the housing fund will ensure that it includes a diverse cross section of the population.

Detroit's plans were partly inspired by Portland, Ore., which is celebrated in urbanist circles as a model of U.S. City planning. Portland has the highest rate of bike commuting of any major American metro, a tight boundary that defines how much it can sprawl, and forward-thinking policies aimed at spurring dense, lower-cost housing production. "We're often mixed up with Paris," jokes Chris Warner, director of the Portland Bureau of Transportation (PBOT).

Yet even there, it will take years to achieve the level of compactness that makes for a "complete neighborhood," as the City's 2013 plan phrased its goal. About three- quarters of Portland's residential land is occupied primarily by single family homes, and more than half of its population commutes by car. A recent Brookings Institution report that studied local travel behaviors found that among six U.S. metropolitan areas, Portland had the shortest average trip distance for people traveling to work, shopping, and errands. But that distance was still 6.2 miles, hardly a 15-minute walk or bike ride to the dentist or laundromat. To combat this, PBOT is spending most of its \$150 million capital-improvement budget on bike and walking infrastructure inside complete neighborhoods, and on transit to connect them.

Adie Tomer, a fellow at Brookings' Metropolitan Policy Program and co-author of the report, says the 15-minute concept falls flat in America because "people in the U.S. already live in a 15-minute City, it's just that they're covering vast distances in a car." Planners concerned with urban livability and rising carbon emissions might do well to focus on distance rather than time, he says. He suggests that the "3- mile City" might resonate better. However the concept is cast, Art Pearce, PBOT's manager of policy planning and projects, sees signs that Portlanders are keeping their travel closer to home as the pandemic changes the way they relate to their surroundings. "We're seeing a lot of people adjusting their behaviors to focus more on their communities," he says. "That produces an opportunity to strengthen those ties as people return to a more normal life.

One thing would-be 15-minute Cities everywhere will have to reckon with is social equity—and affordable housing in particular, as Detroit's Trudeau points out. Many neighborhood services rely on lower-income workers who often make long commutes, and a 15minute City isn't really one if only the well-off can stay put. To that end, Paris aspires to have 30% of its housing stock in the public domain by 2030, and it's been increasing the share even in richer districts despite resistance from well- heeled neighbors. "It is completely part of Anne Hidalgo's program to resist real estate pressure, to maintain public housing, and to diversify the housing offer for the middle class," says Rolland, the 15minute-City commissioner.

Such measures can, to a degree, counterbalance Paris's trends toward high rents and social polarization. But in a City where property prices rose even during the pandemic, they're unlikely to prevail completely. And other goals of the 15-minute City, such as greening

and pedestrianizing the heart of Paris, risk alienating lower-income suburban commuters. This accusation was leveled against Hidalgo's administration in 2016, after it introduced changes to the Seine's lower quayside that eliminated a key route for car commuters. Valérie Pécresse, president of the regional council for Île-de- France, which encompasses Paris's suburbs, accused Hidalgo of acting in an "egotistical manner" by pushing through road closures, noting that "some people don't have any solution other than driving into Paris for work, because they don't have the means to live there." Others have pointed out a related concern: that, by prioritizing local infrastructure, governments will overlook badly needed regional investments, such as in transit systems for more distant commuters.

Moreno recognizes that large segments of the population might never enjoy the slowerpaced, localized life he envisions. "Of course we need to adapt this concept for different realities," he says. "Not all people have the possibility of having jobs within 15 minutes."



ROA Design Proposal for TOD Mixed-Use Instead of Garages at Union Station. Vlad Prosol, Del.

But he emphasizes that many people's circumstances could be profoundly changed something he believes we're already seeing because of the pandemic's canceled commutes. In his view, centralized corporate offices are a thing of the past; telework and constellations of coworking hubs are the future.

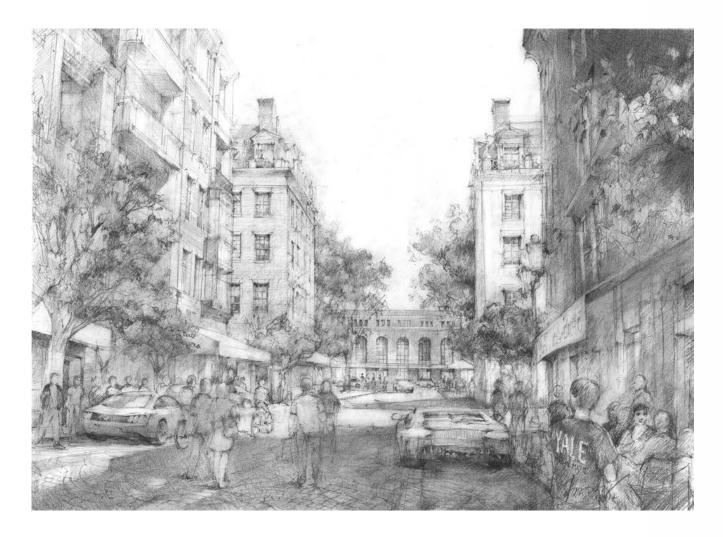
The 15-minute City could also be seen as what writer Dan Hill identified as a form of "post-traumatic urbanism"—a way to recover from the onslaughts of such things as property speculation, overtourism, and now the pandemic. Already it's become clear in Paris, Rolland says, that the City needs a more localized medical network, "so people don't feel they have to go straight to the emergency room."

Following the unending traumas of 2020, there's an appealing nostalgia to a renewed emphasis on neighborhoods, even if it addresses only some of the City's modern challenges.

This, too, Moreno acknowledges, pointing yet again to his idea's recuperative possibilities above all. "The 15-minute City is a journey, a guideline, a possibility for transforming the paradigm for how we live over the next many decades," he says. "Before, people were los-ing useful time. With the 15-minute City, we want them to regain it."



Hanover Street, "15-Minute-City" Magnet of Boston North End



Multi-Player Lean Development Terminating on New Haven Union Station. ROA Design. Vlad Prosol, Del.

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