

California Cities Rethink the Single-Family Neighborhood

KQED.org, by Erin Baldassari, February 16, 2021

More than a century ago, Berkeley pioneered rules prohibiting affordable, multifamily housing from certain areas, and with it, created a new class of neighborhoods reserved exclusively for single-family homes.

Now it's one of a handful of cities in the country, and the latest in California, to challenge those rules as it seeks to tackle its housing affordability crisis and address decades of racial segregation in housing.

But housing researchers and advocates for low-income residents warn that just allowing more housing in single-family neighborhoods is no panacea. To achieve truly inclusive communities, they say zoning changes have to be coupled with strong renter protections and increased funding for affordable housing.

Berkeley Vice Mayor Lori Droste introduced the legislation earlier this month to change the city's zoning rules, and make it easier to build fourplexes throughout the city.

The Sacramento City Council last month unanimously approved a draft plan to allow fourplexes throughout the city, becoming the first city in the state to begin the process of removing barriers to small, multifamily housing in all of its residential neighborhoods. Officials in San Francisco and San Jose are considering their own proposals.

But it could soon be a policy that touches the entire state. Senate Pro Tem Toni Atkins, D-San Diego, introduced a bill last year to allow up to two duplexes in most single-family neighborhoods. It passed both houses of the Legislature, but literally ran out of time before getting the final vote it needed to head to the governor's desk. It's back this year as Senate Bill 9.

"It signifies a significant shift from previous land use practices," said David Garcia, policy director for the Turner Center for Housing Innovation at UC Berkeley. "But it's not going to necessarily change the affordability issue overnight."

Droste said she felt morally compelled to do away with single-family zoning in Berkeley because of its racist origins. She represents the city's Elmwood neighborhood, which became the first neighborhood in the country, in 1916, to adopt single-family zoning. The rules prohibit property owners from building more than one home on one lot.

"It started out as explicit racist policies to keep Chinese laundromats and African American dance halls out of Berkeley," Droste told KQED. "And then later, it morphed into redlining."

A study from the UC Berkeley's Othering and Belonging Institute found that Berkeley has some of the most segregated neighborhoods in Alameda County today. The neighborhoods that first adopted single-family zoning in Berkeley are more than 75% white, while the county as a whole is a little more than 31% white.

"As you increase the percentage of single-families zoning, you really increase the percentage white, and the percentage Latinx or Black goes way down," said Steve Menendian, director of research at the Othering and Belonging Institute. "So, there is a really strong exclusionary effect by race that's clearly related to single-family zoning."

Researchers say the widespread use of single-family zoning has exacerbated California's housing shortage and contributed to skyrocketing rents and home prices by putting strict limits on what can be built.

In the Bay Area, 82% of all residential land is dedicated solely to single-family homes, leaving just 18% available for duplexes, fourplexes or apartment buildings, according to a survey by the Othring and Belonging Institute.

That's true not only in sprawling suburbs, but in big cities as well. In San Francisco, nearly three-quarters of the land is restricted to single-family homes and duplexes. Supervisor Rafael Mandelman said he's working on legislation to allow fourplexes on corner lots and within a half-mile from train stations, as a way to increase affordability in the wildly expensive city.

"We don't want everybody who works in a school or a shop or who cleans the floors of the hospital, the folks who serve the food in the restaurant ... to all have to be commuting hours to get to their jobs in San Francisco," Mandelman said. "And I think most San Franciscans recognize that that means having more housing."

But his colleague on the San Francisco Board of Supervisors, Dean Preston, disagrees. Preston said merely allowing developers to build more homes on each lot is no guarantee that the homes will actually be affordable to low-wage and blue collar workers.

"I think that's a fantasy," Preston said, adding it's government-subsidized affordable housing that's needed.

Preston, along with other advocates for low-income residents, fear private developers will look first to low-income communities, which have relatively lower property values, to convert single-family homes into fourplexes. And that could displace renters who would be unlikely to afford the new housing, said Tony Roshan Samara, program director of land use and housing for the social justice advocacy organization Urban Habitat.

"The default in this country is to go to market solutions," Samara said, "even though we have over 100 years of evidence that they don't work."

Morgan Tracy, a project manager for the city of Portland, Oregon, said the city looked at this question when it was considering its own policy to allow fourplexes on most lots throughout the city, which was adopted last August. It found that enacting the zoning change would lower the risk of displacement for low-income renters by up to 28%. In other words, it would help retain low-income residents.

Tracy said allowing more homes to be built on one lot reduces the number of single-family homes that have to be demolished to make room for more housing, and it increases the amount of options available to renters across the city.

A low-income renter who is displaced from a single-family home may not be able to afford one of the new units built in its stead, Tracy said. But they might be able to find affordable housing elsewhere within the city because there will be more homes available overall.

"The more units you allow, the fewer times you need redevelopment to occur," he said. "You're creating more units at different prices, and that has a cascading effect on the competition for other housing types."

Even if only a small fraction of the property owners in California converted their single-family homes into duplexes or fourplexes, it would vastly expand the amount of housing available, Garcia said.

"The sheer volume of land we have reserved for single-family homes means that we don't need to see too much of it actually turn into four units to actually realize a pretty significant impact on our housing supply," Garcia said.

Garcia co-authored a Turner Center study that found nearly 6 million properties would be able to take advantage of SB 9, which would allow for up to two duplexes on lots where only one home existed before.

If the bill becomes law and just 5% of those property owners converted their single-family homes into duplexes, it would result in nearly 600,000 homes. For context, California cities and counties issued nearly 111,000 residential building permits in 2019, according to the Legislative Analyst's Office.

But Tracy and other city officials who have considered such strategies said it takes years for these kinds of zoning changes to result in building enough housing necessary to actually bring down the cost of housing.

In Minneapolis, which approved a policy to allow triplexes across the city in the fall of 2019, there were 42 applications to convert single-family homes into duplexes or triplexes in 2020, said Paul Mogush, the city's manager of community planning. That's out of about 3,000 to 5,000 permits for all kinds of housing types, including apartments and single-family homes alike, that are approved in any given year.

"We expected this to be an incremental change," Mogush said.

In the meantime, Samara said there will still be pressure on low-income renters facing rising rents.

"The majority of those suffering from housing insecurity are renters," he said. "So you go there first and stabilize [renters]. That means renter protections: rent control, just cause for eviction protections, a right to organize, protection against landlord harassment, all that stuff."

That will help renters in the short term, Samara said, but those protections also have to be coupled with more funding from federal, state and local governments to increase the amount of subsidized affordable housing.

In Portland, the zoning change included an incentive intended to spur more affordable housing development. Builders have the option to add up to six housing units on a lot, if half are available to people who make 60% of the area median income or below. In 2020, that worked out to \$55,260 for a family of four.

While it's unlikely that for-profit developers would take advantage of that provision, Tracy said the city heard from a number of nonprofit affordable housing developers who said the policy would help them develop affordable housing in neighborhoods where they hadn't been able to do that before.

"We heard from our affordable housing providers saying, 'Hey, you know, this helps us stretch our dollars further, provide more units and more places and gives us a sort of leg up on trying to compete for different parcels out in the city,'" he said.

In Berkeley, the proposed legislation would consider allowing developers to build more units in exchange for providing affordable housing to people making 80% of the area median income or below. The legislation also calls for the city to conduct anti-displacement risk analysis before the zoning changes are adopted.

San Jose is considering a similar policy to include affordable housing as part of its strategy as well.

Grover Wehman-Brown, a spokesperson for East Bay Housing Organizations, said it's possible to allow more housing to be built while also strengthening tenant protections and advocating for more funding for affordable housing.

"We need to be able to do those things in tandem," Wehman-Brown said, adding that if that doesn't happen, "We'll get it wrong."