

Bringing Back Main Street Roundtable Speaker Q&A Summary

Tuesday, July 28 | 10 a.m.–12:10 p.m. | Online

Jeri Mintzer Questions- Smart Growth America:

1. Has there been any results I guess, on how introducing the additional housing, ADU, or duplexes in existing neighborhoods on how this impacts the infrastructure? especially in older neighborhoods who may not have large enough lines to support the sudden addition of 17 ADUS within an existing neighborhood?

a. AI-Generated Summary of Jeri Mintzer's Verbal Response

- i. **Capacity Assessment:** Each community must evaluate its specific infrastructure capacity, though adding a small number of ADUs (e.g., 17 across 300 homes) typically adds only one or two people per unit, which has a minimal overall load impact compared to full-sized single-family households.
- ii. **Transportation System Relief:** ADUs in well-connected, walkable areas can actually reduce pressure on local transportation networks.
- iii. **Funding & Upgrades:** Methods exist to measure capacity, and funding for needed infrastructure upgrades doesn't rely solely on local municipal budgets—federal grants and external programs are often available to support housing-driven infrastructure investments.

b. Written Responses in Chat

- i. **Response (Kevin Shepherd):** One of the things we do when creating infill strategies for cities is to evaluate available capacity and then directing initial infill efforts into places that have capacity. That gets the process started and can start to bump revenues and build proof of concepts. From there, the next step is to run some numbers on the cost to upsize utilities and project what the value of infill/redevelopment would be, and find the spots where the ROI is high. At the same time, you have to work on slowing down spending on expanding infrastructure out on the edge of your city that exacerbates the resource gap and pulls demand out of your core.
- ii. **Response (Jeri Mintzer):** The costs x lot size and revenues (*mentioned during Kevin's presentation*) has great connectivity to the earlier questions about impacts on infrastructure — capacity is one question, but denser development is a much more efficient use of infrastructure
 1. **Response (Kevin Spepherd):** At some point, additional density will require larger water and sewer, but the additional revenue productivity can cover this cost. The inverse is often true for lower density, auto centric development.

2. Would enjoy hearing thoughts on how the increase in ride share options, including the growing robotaxi traffic is being discussed by the mixed-use community impacting parking methodology. - thanks!

a. AI-Generated Summary of Jeri Mintzer's Verbal Response

- i. **Uncertain Overall Impact:** Current rideshare technologies have not yet significantly altered overall parking policy or development math, as communities continue to build substantial parking.
- ii. **Concerns with Autonomous Vehicles:** Key concerns include whether circulating/idle autonomous vehicles will increase road congestion, parking demands, or emissions.

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- iii. **Better Parking Solutions:** Rather than relying on rigid parking minimums, communities should focus on smarter designs, such as placing parking behind buildings or utilizing shared parking models across businesses.
- 3. Do you think the housing crisis is sometimes overstated as primarily a zoning issue when other factors, such as construction costs, land availability, infrastructure capacity, financing, and labor costs, also play significant roles in housing production?
 - a. **AI-Generated Summary of Jeri Mintzer's Verbal Response**
 - i. **Interconnected Factors:** Zoning is not overstated because it directly influences and overlaps with all other cost drivers.
 - ii. **Land Constraints:** Historical zoning patterns consumed vast amounts of land for single-family developments, severely limiting available land today.
 - iii. **Missing Middle Costs:** While the construction industry excels at single-family homes and large apartment complexes, it lacks capacity and practice in building "missing middle" housing, raising costs.
 - iv. **Financing Hesitancy:** Banks and financial institutions are less comfortable financing non-standard middle housing types due to a lack of precedent, driving up development complexity.
- 4. Are all zoning incentives really sprawl-inducing, or does the outcome depend on how those incentives are structured and the region where they are implemented?
 - a. **AI-Generated Summary of Jeri Mintzer's Verbal Response**
 - i. **Long-Term Infrastructure Liabilities:** Historically, outward expansion places long-term maintenance costs perpetually on municipalities, while developers move on after initial construction.
 - ii. **Fiscal Sustainability:** Continually expanding infrastructure networks forces local taxes higher to cover long-term upkeep. Smart growth principles dictate that communities must address maintaining existing infrastructure rather than endlessly subsidizing new sprawling infrastructure they cannot afford to maintain 20 to 50 years down the line.

Kevin Shepherd Questions- Verdunity - Written Questions/Comments in Chat

- 1. Would having a pre-approved set of plans for infill development, or even accessory dwellings be an incentive if made available to developers? I have seen others use this method, but I never hear of its "success" do these pre-approved plans get utilized and does it actually help bridge the gap?
 - a. **Response (Jeri Mintzer):** I'm sure others have thoughts on this, but communities are starting to roll these out and are seeing timeline and cost reductions. Two examples are Seattle and South Bend
 - b. **Response (Kevin Shepherd):** Yes, these are a great tool in the toolbox to expedite approval and construction of missing middle type units. Building smaller buildings and smaller lots has a very lean margin for the builder/developer, so anything that can be done to reduce their costs (like saving on architectural design) is helpful. In my experience though, a city usually has to work through getting their zoning codes updated to allow infill development first, and then the pre-approved plans plug in.
 - c. **Response (Multiple):** Kalamazoo, Michigan, and Bryan, Texas, were also mentioned.

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2. Have y'all been able to advise cities in TX on financial incentives for developments before the city gives out an incentive? I.e., maybe the Walmart in the burbs shouldn't get a tax break vs an incremental infill project?
 - a. **Response (Kevin Shepherd):** Yes, we're helping several cities with this. In most cases, we have to work to explain the reason for the change first before elected officials and city leaders will be comfortable supporting the different development.

3. You mentioned relationships to convince people of change (eg pay more or development pattern) are important. Where would you start - civic clubs, or are there other groups that are good to start building relationships & trust? **(Asked to host via DM)**
 - a. **Response (Kevin Shepherd):** I think a lot of cities are struggling to make headway with infill development because they haven't effectively explained WHY a different approach is needed. Until people understand why the current approach is flawed (and especially that it's not financially sustainable without big tax/fee hikes), many will continue to fight to preserve status quo. This includes elected and appointed officials, and sometimes city staff. As far as doing this, my recommendation would be to focus on 4 levels and connect them together over time:
 - i. 1) **Conduct workshop(s) with council, P&Z and staff leadership** to get everyone aligned on the challenges (quantify the city's resource gap and housing affordability gaps) and talk through any questions, opposing views, etc. It's hard to build consensus, but what you're looking for is *consent*. You need everyone to understand the challenge, be able to share their thoughts, and then agree to support the majority's decision, even if they disagree with it personally. If a loud voice in the community resists change, you need everyone in city leadership to have the same talking points to respond. If Council wants to take the discussion to the community, that's totally fine, but there needs to be some education and dialogue internally first so the narrative can be focused. (These workshops and accompanying citywide analysis are a place Verdunity can help.
 - ii. 2) **The City should create an educational campaign** that shares information about their current fiscal health and affordability situation on a consistent, ongoing basis through a variety of media and approaches. Balance content that educates on the problem, explains the high-level options (raise taxes, cut services, or adjust development and infrastructure), and shares best practices or examples of potential solutions, of which infill development done with, by, and for the people already living there should be an option.
 - iii. 3) Find **champions within each neighborhood** who can localize the message and partner with them to host neighborhood town halls, coffee talks, etc. This could be short presentations at elementary PTA meetings, churches, HOAs, etc. The important part is for someone the neighborhood trusts to be able to deliver the same content being provided by the city in #1 but localize to why it matters for their specific neighborhood/neighbors.
 - iv. 4) Organize a **group of local entrepreneurs, small developers, flippers, entrepreneurial-minded builders and tradesmen/women (carpenters, plumbers, electricians, etc) and local investors** (wealthy boomers, local banks, chamber, EDC, etc) and start a 12-steps to Town Making group modeled after what Monte/NEVO is doing. This is intended to connect, teach, and support the ecosystem of people who will need to step up to build infill and retrofit projects that align with what the people in different parts of the city need and are willing to support.

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4. With small lots, does a municipality then have to have more public open space? To compensate for less personal property? **(Asked to host via DM)**
 - a. **Response (Kevin Shepherd):** Creation of public gathering spaces is a critical component of true neighborhoods. There's a great book on this subject by Eric Klinenberg called *Palaces for the People*. I don't think it's as much about the quantity of space as it is the quality and location. From an infrastructure perspective, locating areas for regional stormwater management and sometimes shared parking can be just as important as the public gathering aspect. In complete/walkable neighborhood design, the private yards and pools popular in suburban subdivisions are replaced with a combination of neighborhood gathering spaces that are a combination of public and private. I believe that most of these can be private – restaurants, bars, and coffee shops with indoor and outdoor seating, amenities that are managed by private owners (chicken & pickle, skateparks, etc). Some can be partnerships with churches, schools, and other philanthropic groups, and some can be neighborhood led and managed. One really important note about public parks and spaces - If the city is going to do public spaces, you need to make sure you have the \$ to maintain and operate them. There's a great book about financial sustainability in parks & rec by Jamie Sabbach called *The Bison Principle*.
5. Many Main Street programs report to City Manager and have fewer financial resources. Should consider aligning Main Street under local EDC that has much greater resources and capacity.
 - a. **Response (Kevin Shepherd):** Agree 100%. We're starting to see more of this happening in older communities entering redevelopment mode. In some cases, planning, Main St and EDC are all being combined.
6. Surely there is some empirical evidence showing that infill does not lower property values, correct? Just wondering how you calculate the tax revenue numbers.
 - a. **Response (Kevin Shepherd):** Oh yeah. This one drives me nuts. Infill does NOT lower property values. In fact, it tends to do the opposite. Incremental evolution of neighborhoods is critical to the long-term fiscal health of a city. What most people in SF suburbs think that keeping infill and redevelopment away will protect their values. It varies by neighborhood, but if you zoom out and look at a longer timeframe, you'll see the values of these properties will stagnate and start to decline if there is NOT reinvestment. And to build on this, if you look at the emerging trends with what people are looking for in their housing choices, there are going to be fewer people looking to buy in autocentric suburbs. I think this will also impact values and demand.
 - i. **Response (Malcolm):** Thanks! I suppose people are thinking infill is just a supply curve shift lowers property values, but not getting that the demand also shifts because its a more attractive community.

Justin Weiss- City of Fate - Written Questions/Comments in Chat

1. The City of Fate was one of Verdunity's early clients. Justin and Michael Kovacs (CM) embraced the fiscal message back in 2015 and they have used it consistently over the years to educate their Council(s) and residents, and build support for the investment in downtown and the projects Justin's showing. **(Kevin Shepherd)**
2. Does the City own the land that the commercial is on? Or the EDC does?

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- a. **Verbal Response (Yvonne Lame):** The city owns that land. The EDC helps with granting and for purchasing of other land that we're looking at right now. Currently, we have approved plans for a 12-townhome district that's a block away from our downtown. (She added that they city and EDC are working to cultivate residential amenities and near downtown, such as footpaths and bridges to downtown, a grocery store in downtown, restaurants, and training spaces.
3. I found that these "hub" uses tend to morph into other commercial uses because office is not in demand. Any comments on this? Also ran into problems with the International Commercial codes.
 - a. **Response (Yvonne Lane):** For Fate... the city has continued with the Shared offices using Justin's design. All of our businesses and individual users are resident users rather than corporate entities.

Donna Dow- City of Denison - Written Questions in Chat

1. How did you work with fire codes on the development of the 2nd story lofts?
 - a. Fire codes have a lot of intricacies. We just always have a conversation with our Fire Marshal to be sure of the requirements. Basically, anything over 2 units has to be sprinkled. Any loft has to have two exits (front and back). This has been a challenge as sometimes we have had to add a door on front, but we don't scrimp on fire safety. And we try to keep the building as historically accurate as possible.
2. I'm obsessed with that showcase video on Denison. Is that a public video? I'd love to share with our City.
 - a. The video shown is part of an application video. The full video can be found at https://youtu.be/nYiwfGrElc?si=7NxuVlwN8K10OC_k

More information is available at: h-gac.com/bringing-back-main-street