



# **Missing Middle Update**

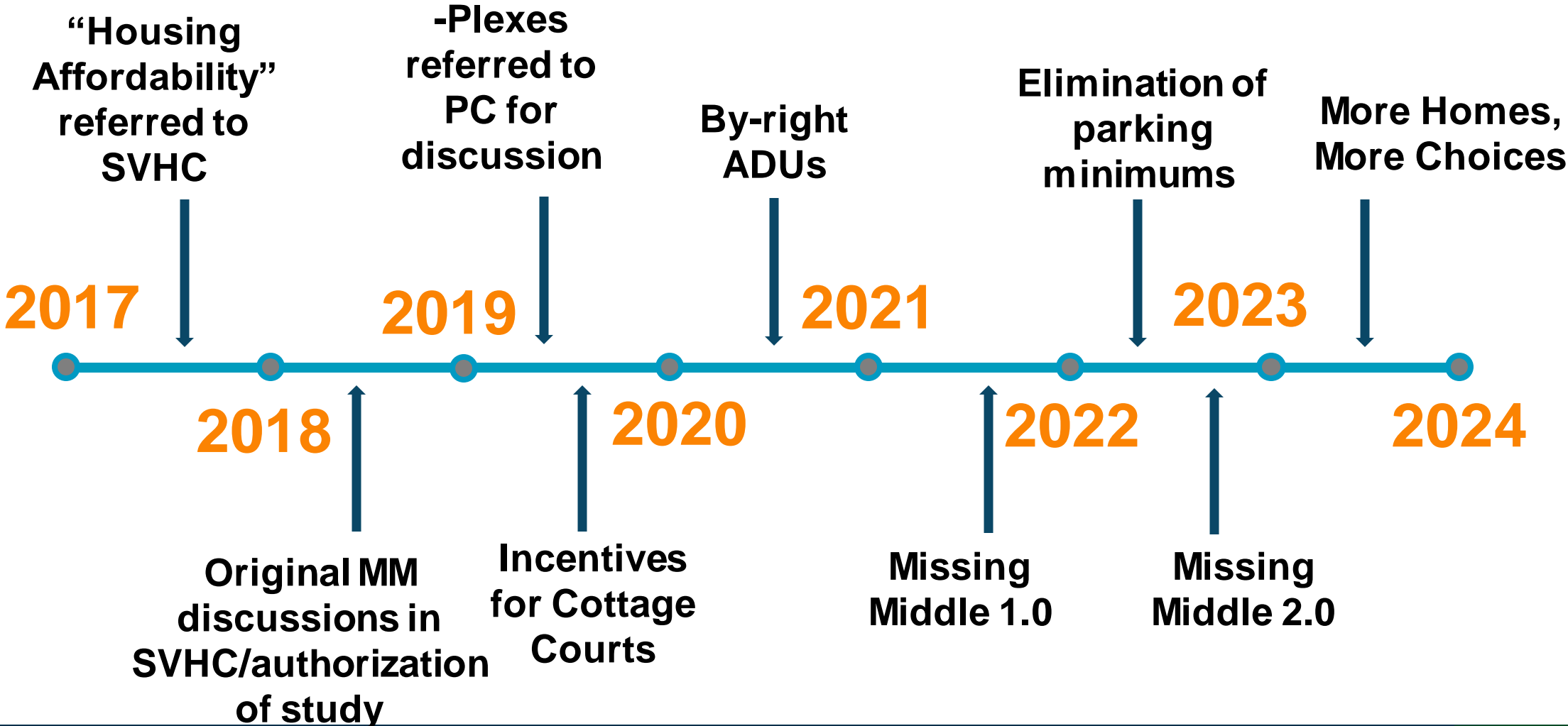
## **Uptake, Utilization & Policy Considerations**

**June 18, 2024**

# Overview

- Background on MM Text Changes
- Summary of MM activity
- Community Feedback and Next Steps

# Raleigh Zoning Reform Timeline



1. Min. Site and Lot Width Standards

2. Accessory Dwelling Units

3. Attached Houses (Duplexes)

4. Two Unit Townhouses

5. Flag Lots

6. Density Changes

7. Townhouses in R-6

8. Small Apts in R-10

9. Tiny Houses

10. Compact & Conservation Dev.

11. Freq. Transit Dev.

“

**SINGLE FAMILY HOME**

I've got a growing family; we need a place we can grow into.



“

I love my house, it gives me the space and privacy I need. I'm never moving.



**DUPLEX**

“

We're roommates looking for an affordable place we can share near school.



**APARTMENT**

“

I'm ready to downsize. I need a low maintenance place where I can walk.



**ACCESSORY DWELLING UNIT**

“

I'm a single young professional looking for my first house!



**STARTER HOME**

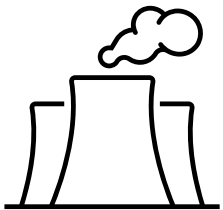


# Average Annual Energy Usage by Housing Type

Detached House



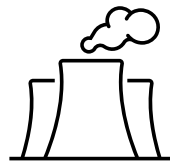
82.7 BTU



Townhouse



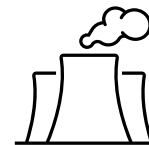
56.5 BTU



Fourplex



42.1 BTU



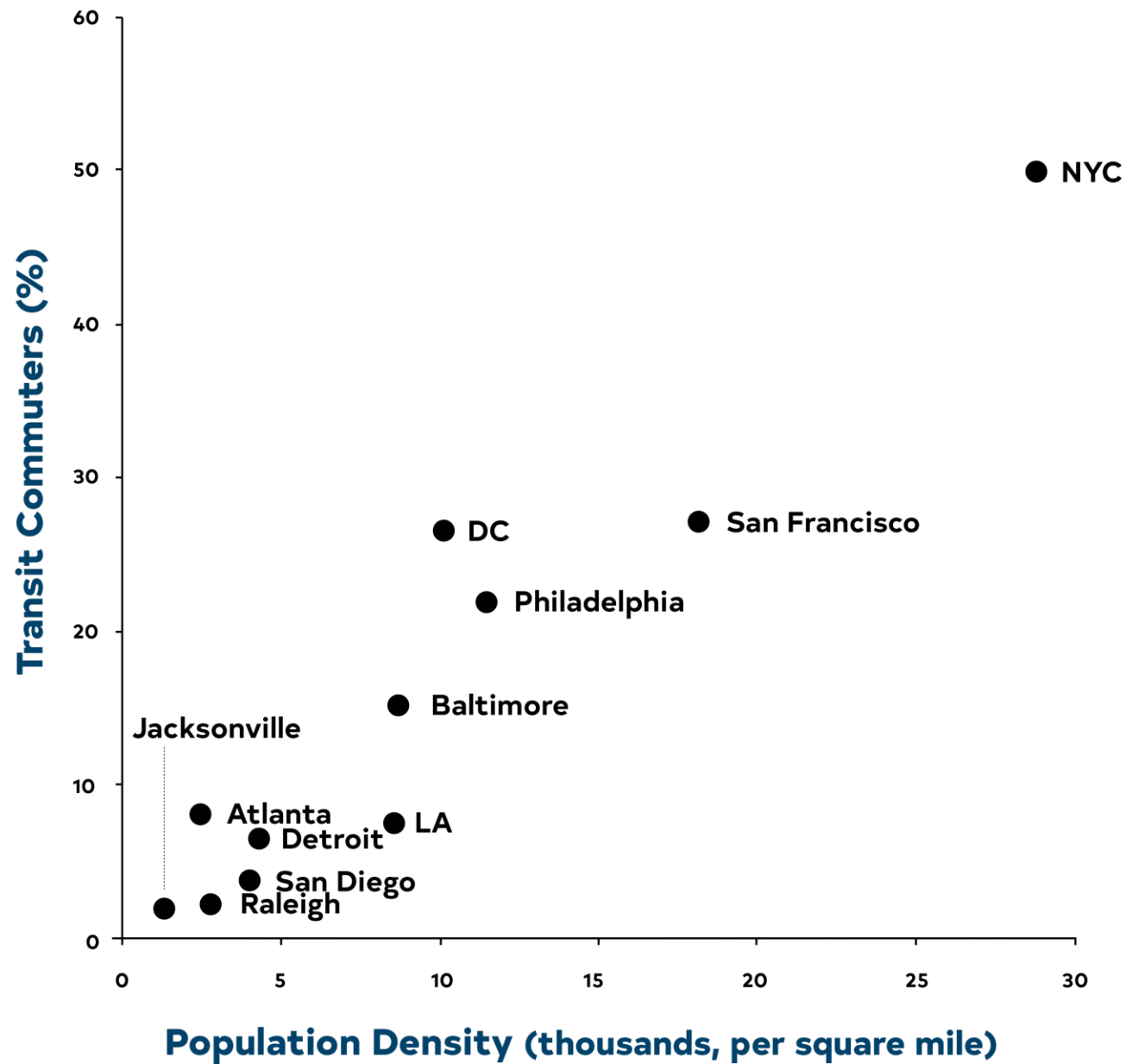
Apartment



34.0 BTU

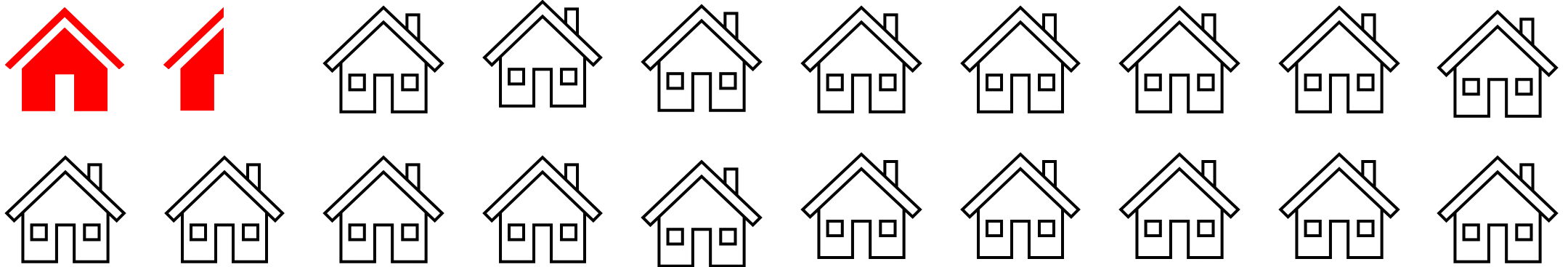


(BTU = British Thermal Units)



# Scarcity of committed affordable housing

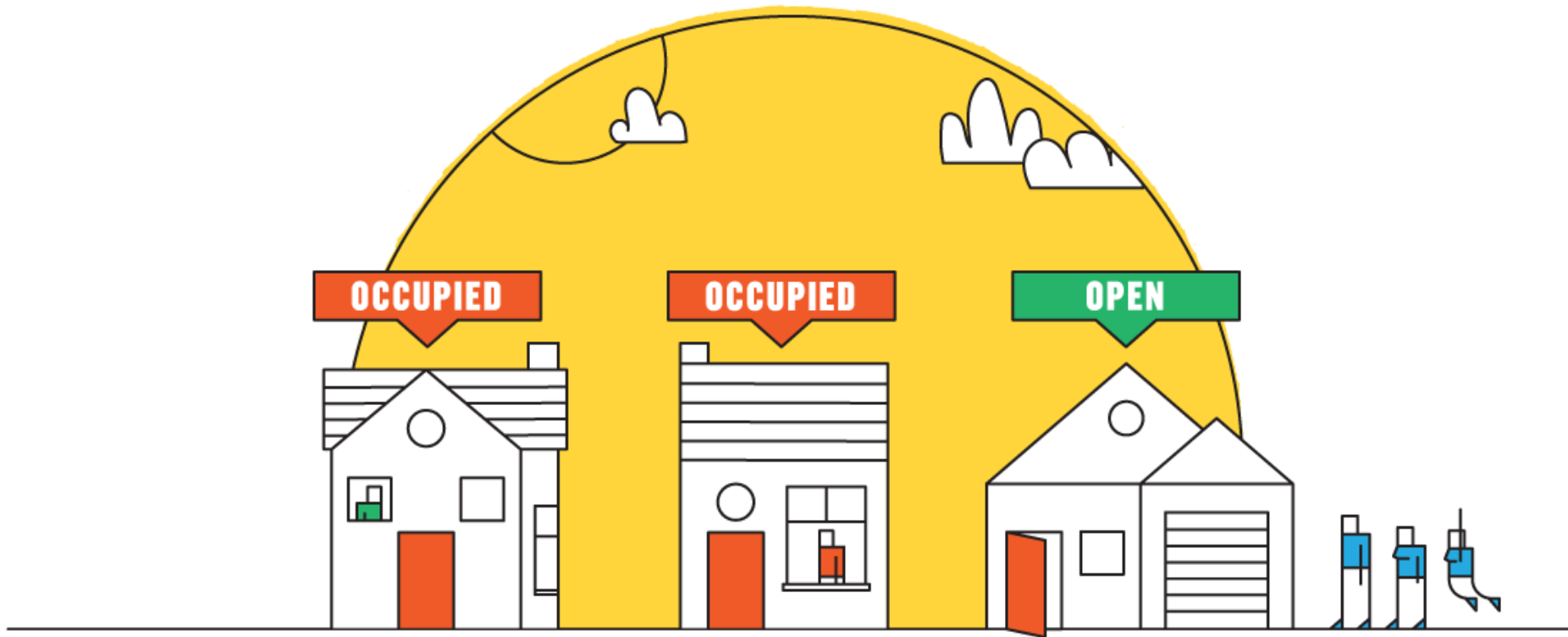
Only **8%** of housing units produced in the last seven years were legally-binding “Affordable” units





# More Housing is Part of the Solution

More homes to go around means more of us, from all backgrounds and incomes, can stay and thrive in the city we love.



# Case Study: Minneapolis

- **Eliminated minimum parking requirements for new developments.**
- **Encouraged apartment development on commercial corridors.**
- **Established building height minimums in high-density zones.**
- **Permitted duplex and triplex construction on all residential lots.**

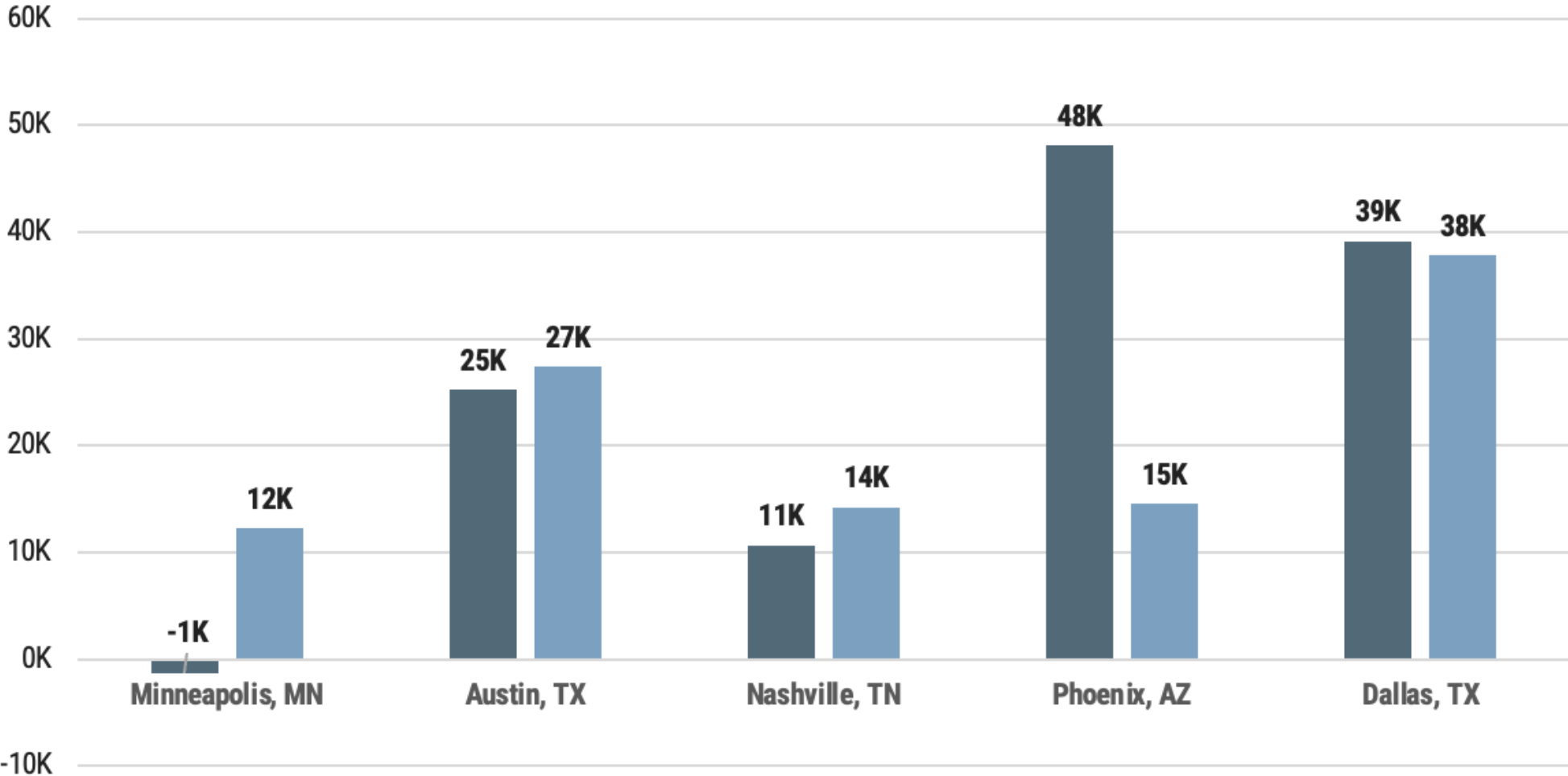
<https://www.pewtrusts.org/en/research-and-analysis/articles/2024/01/04/minneapolis-land-use-reforms-offer-a-blueprint-for-housing-affordability>

# Resilient Development: Minneapolis' Building Boom Persists Amidst Population Decline

■ Population Change (Jun 2022 - Jun 2023) ■ MF Supply Forecast (Jun 2023 - Jun 2024)


■ Pop. Change 2022-23


■ MF Supply Forecast, 2023-23



# Rent Growth Proves Much Slower Than Nation in Jurisdictions That Have Allowed More Housing

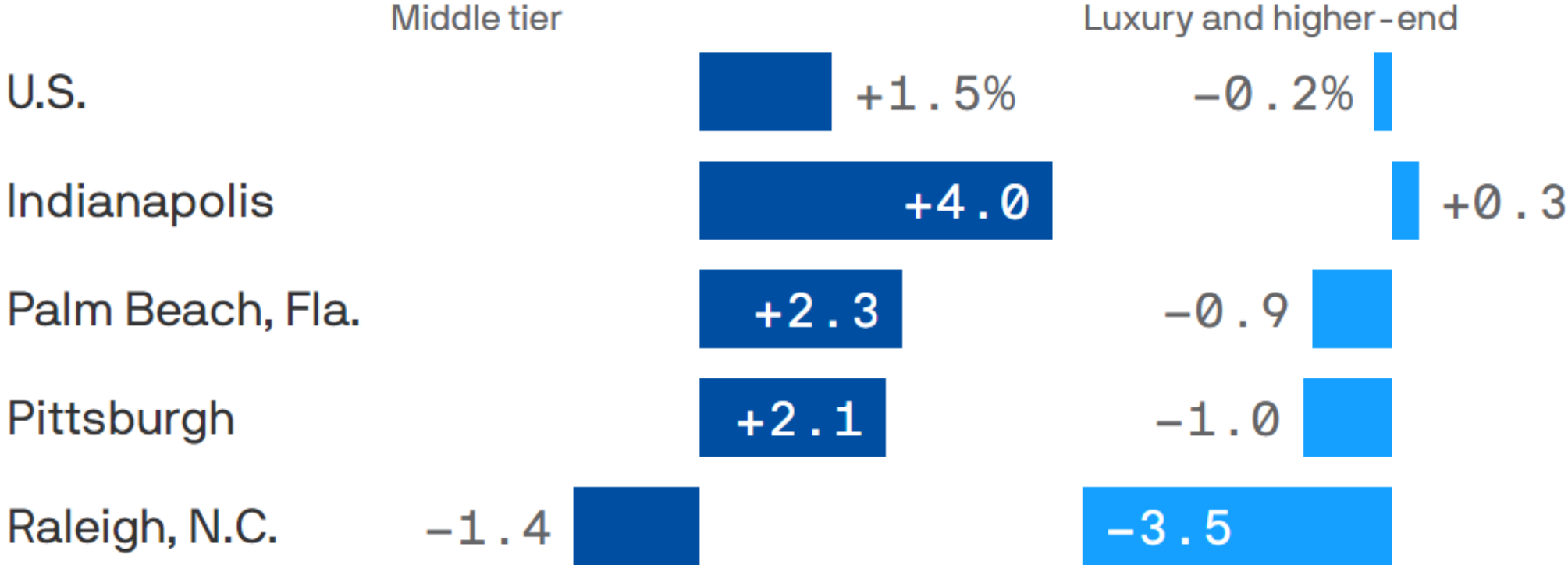
Percentage change in homes, 2017-21, and median rent estimates, February 2017-February 2023

 Increase in homes, 2017-21

 Rent growth, 2017-23



# Change in asking rent by apartment type, Q4 2022 to Q4 2023



Data: CoStar; Note: CoStar rates multi-family buildings on architectural design, structure, amenities, site and certifications; Chart: Alice Feng/ Axios

# MM Metrics Webpage

May 2024



## Missing Middle Metrics

UPDATED: SEP 13, 2023

Jump To:

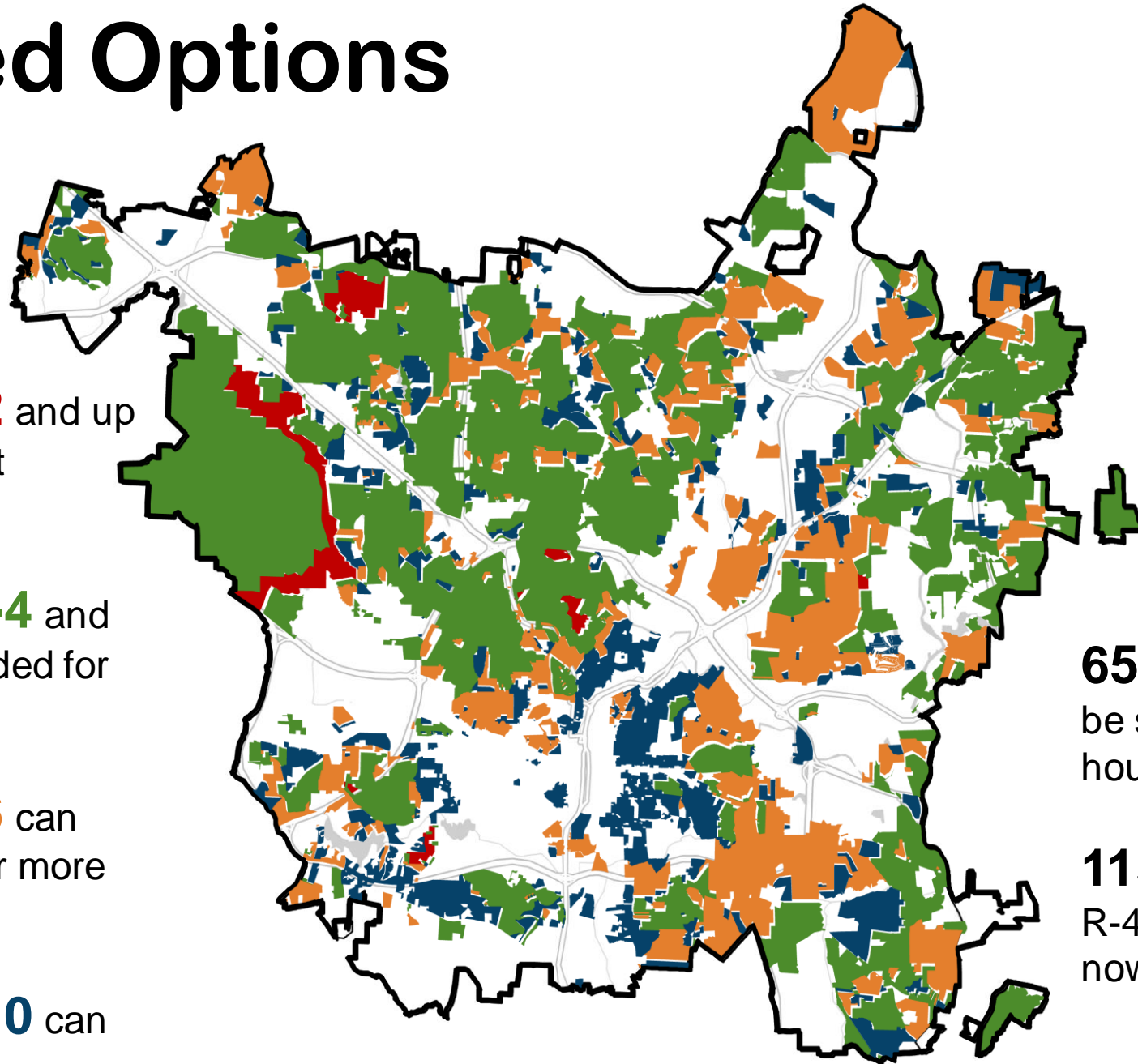
- AUGUST 2023 →
- JULY 2023 →
- JUNE 2023 →
- MAY 2023 →
- APRIL 2023 →
- MARCH 2023 →
- FEBRUARY 2023 →
- JANUARY 2023 →
- DECEMBER 2022 →
- NOVEMBER 2022 →
- AUGUST 2021 - OCTOBER 2022 →

*Note: Missing Middle data tracking includes running month-to-month totals going back to October 2022.*

Missing Middle Housing Type	Submitted Applications (Approval sought from the City and must be granted if all UDO requirements are met includes those in review and those permitted)	Permitted (Under Construction or eligible to be Under Construction)	Completed (occupied or eligible to be occupied)
Land Subdivision	54 MM Subs	28 MM Subs	24 built MM lots
ADU	189 units	56 units	98 units
Townhouse	111 units	85	24

Source: <https://raleighnc.gov/planning/services/preliminary-subdivision-plans/missing-middle-metrics> 6/18/24

# Expanded Options



**1,099** parcels in **R-2** and up can now have Two-Unit Townhouses

**25,226** parcels in **R-4** and up can now be subdivided for flag lots

**6,877** parcels in **R-6** can now accommodate 3 or more townhouses

**5,163** parcels in **R-10** can now have Apartments

**65,835** parcels can now be subdivided for tiny houses

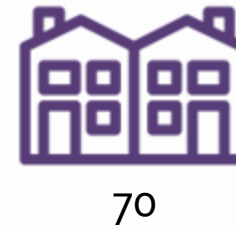
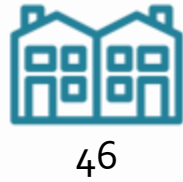
**115,677** parcels in R-2, R-4, R-6, and R-10 can now have Attached Houses

# Permit Applications (in Units)

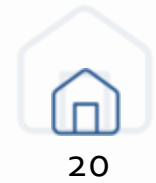
## Townhouse



## Duplex



## ADU



2019

2020

2021

2022

2023

2024

MM1  
AUG 21

MM2  
AUG 22

to June and  
projected to EOY



# Total MM Dwelling Unit Count by Review Status

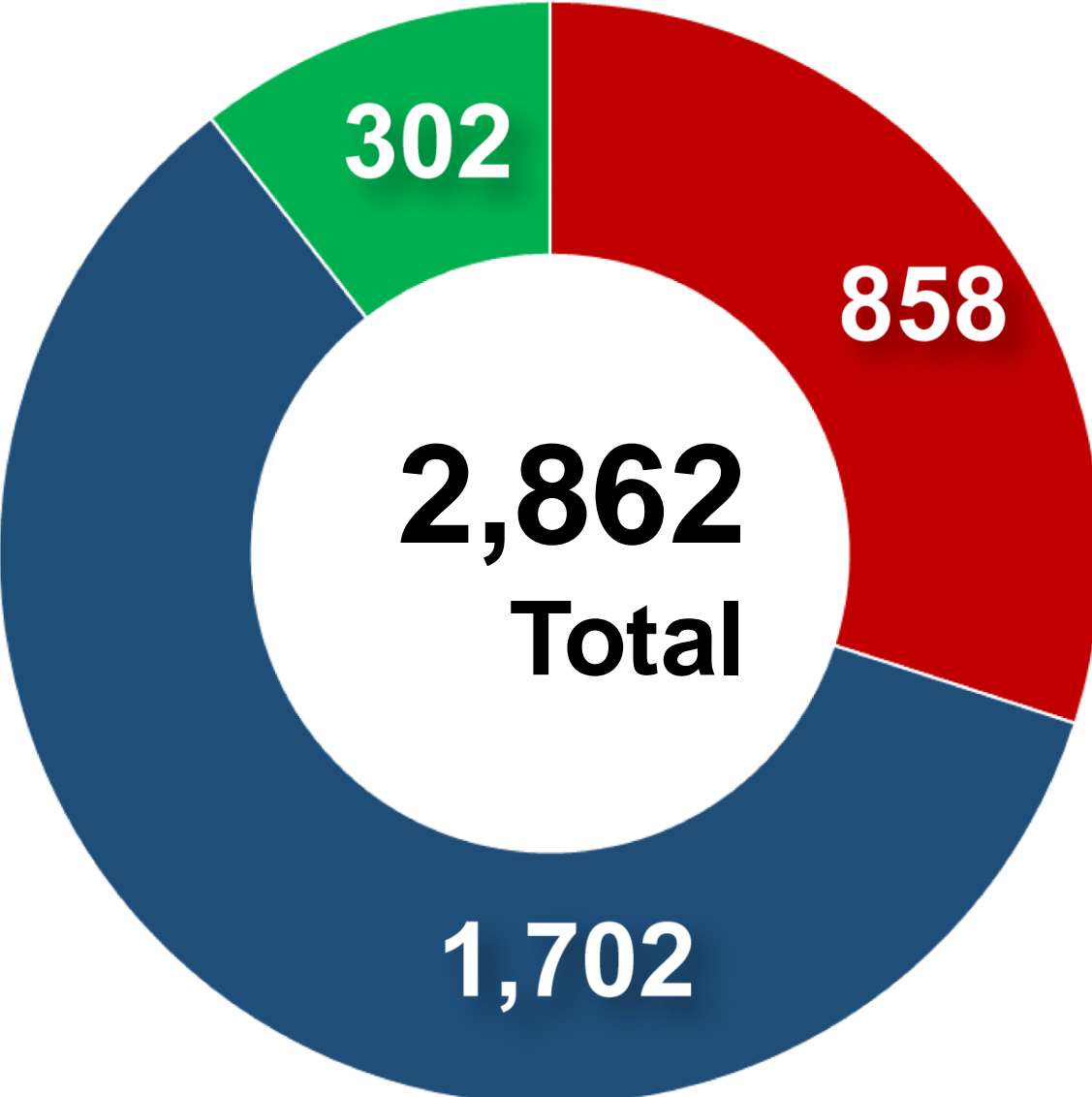
Dwelling Units associated w/  
Completed Building Permits  
(ADUs & Duplexes):

 Complete: **302** DUs

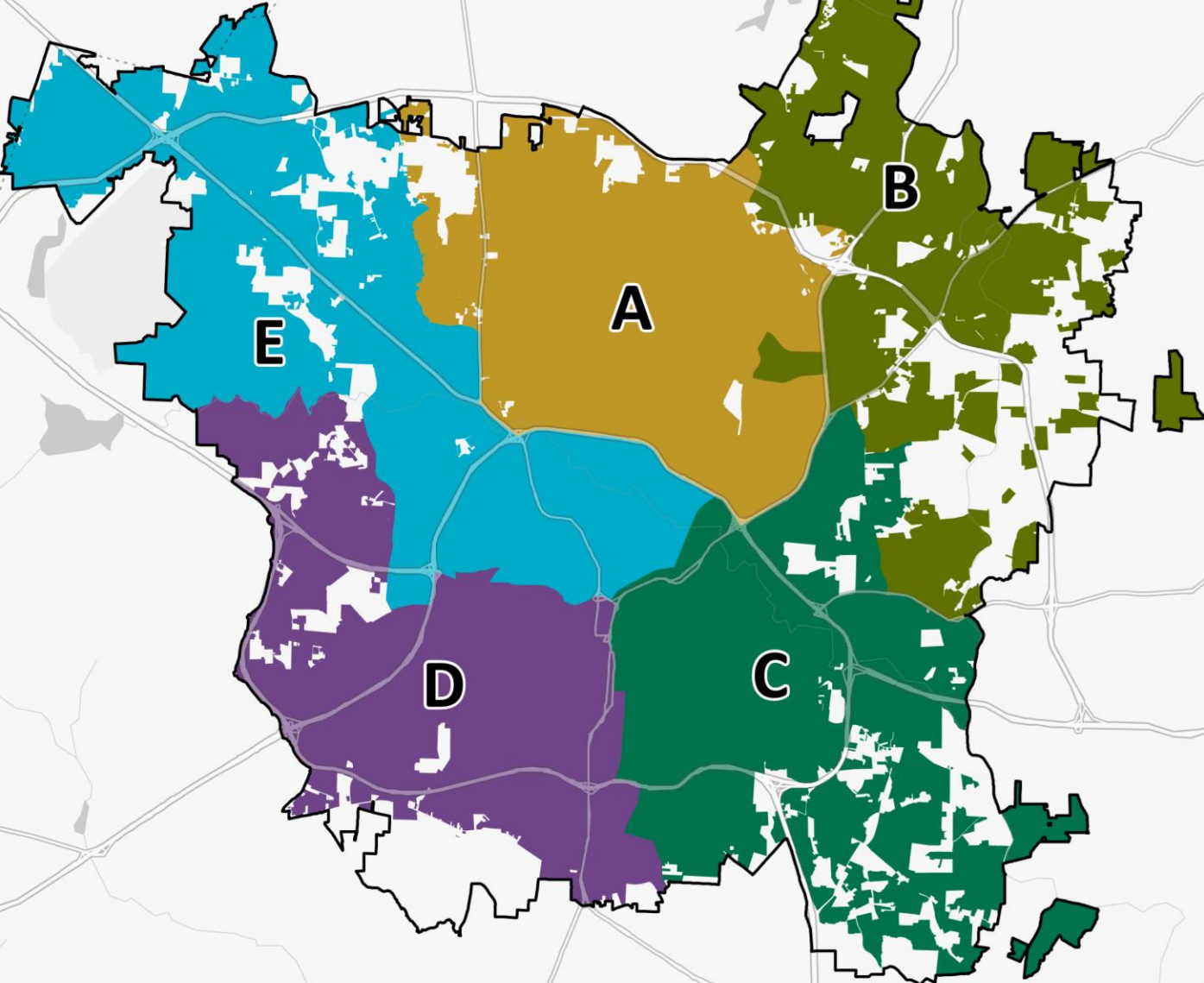
Dwelling Units associated w/  
Development Plans:

 In Review: **858** DUs

 Approved: **1,702** DUs



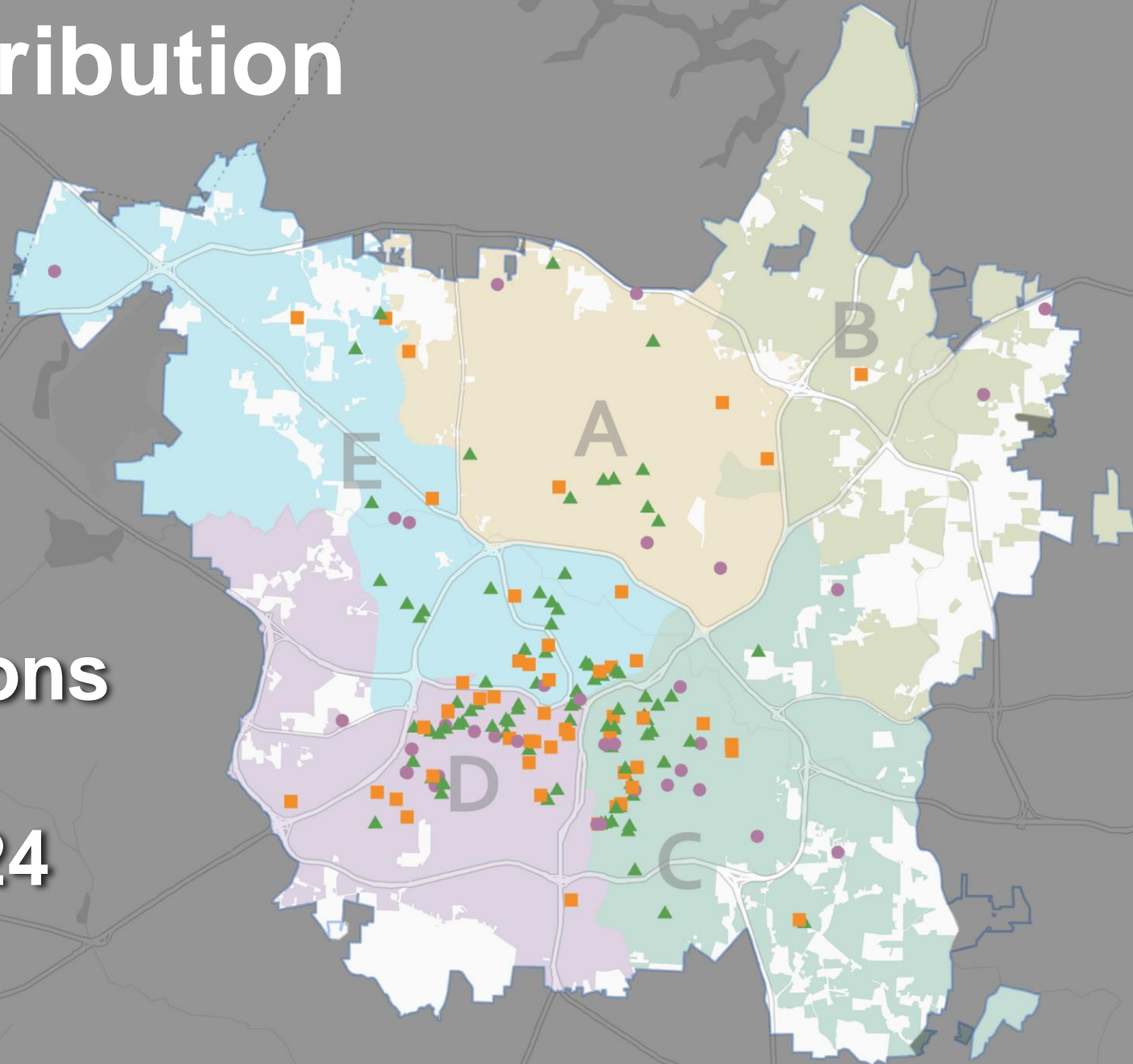
# Raleigh Council Districts





# ADU Distribution

194  
Applications  
as of  
6/11/2024



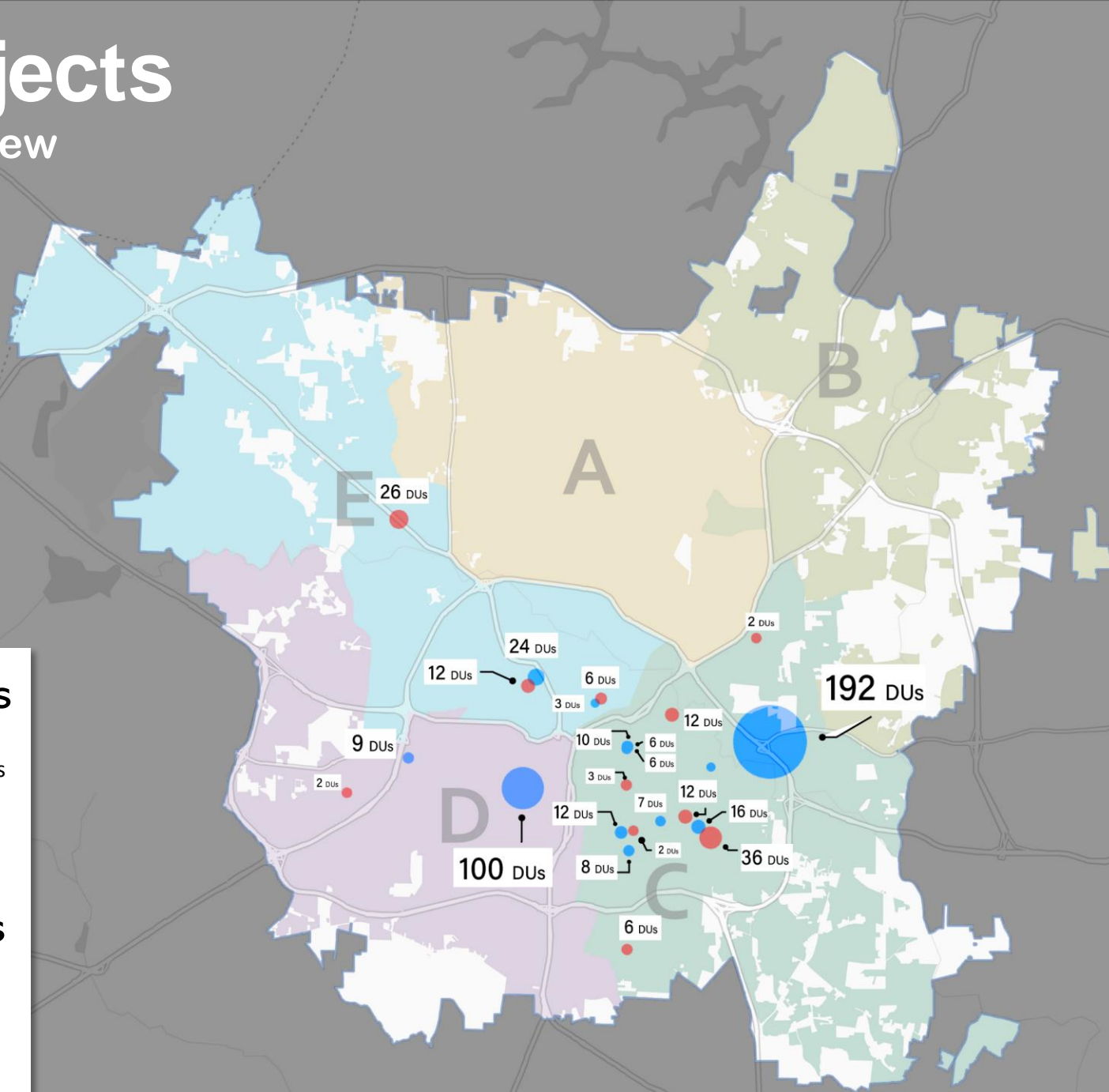
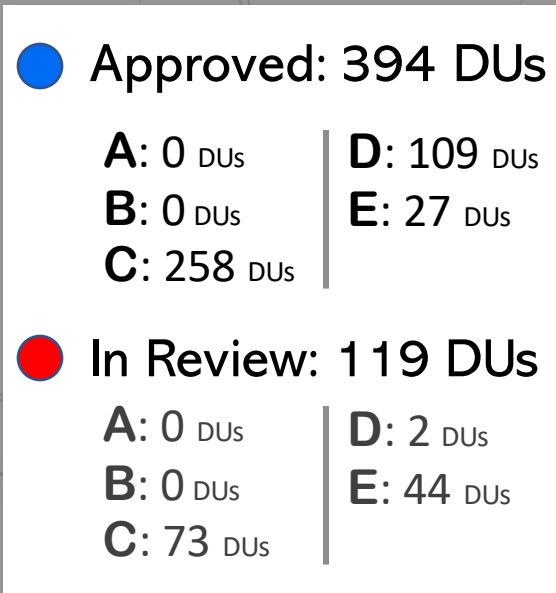
## ADU Permits

- Issued: 151
- In Review: 43
- Complete: 98

# FTDO Projects

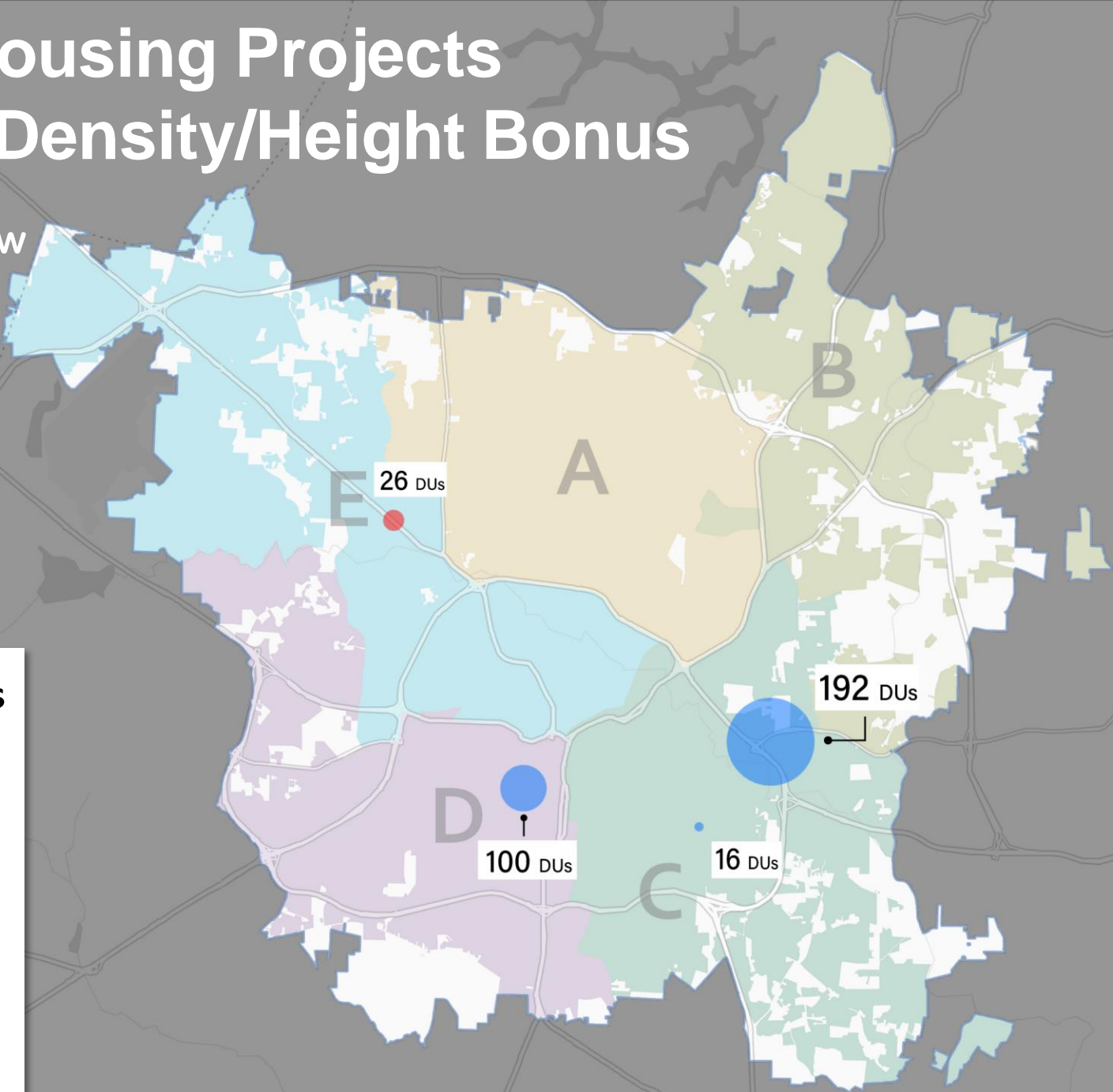
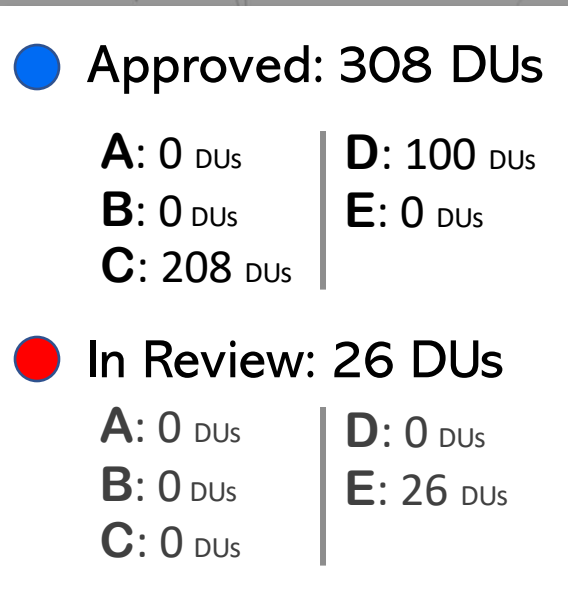
Approved or In Review

(through June 11)



# Affordable Housing Projects using FTDO Density/Height Bonus

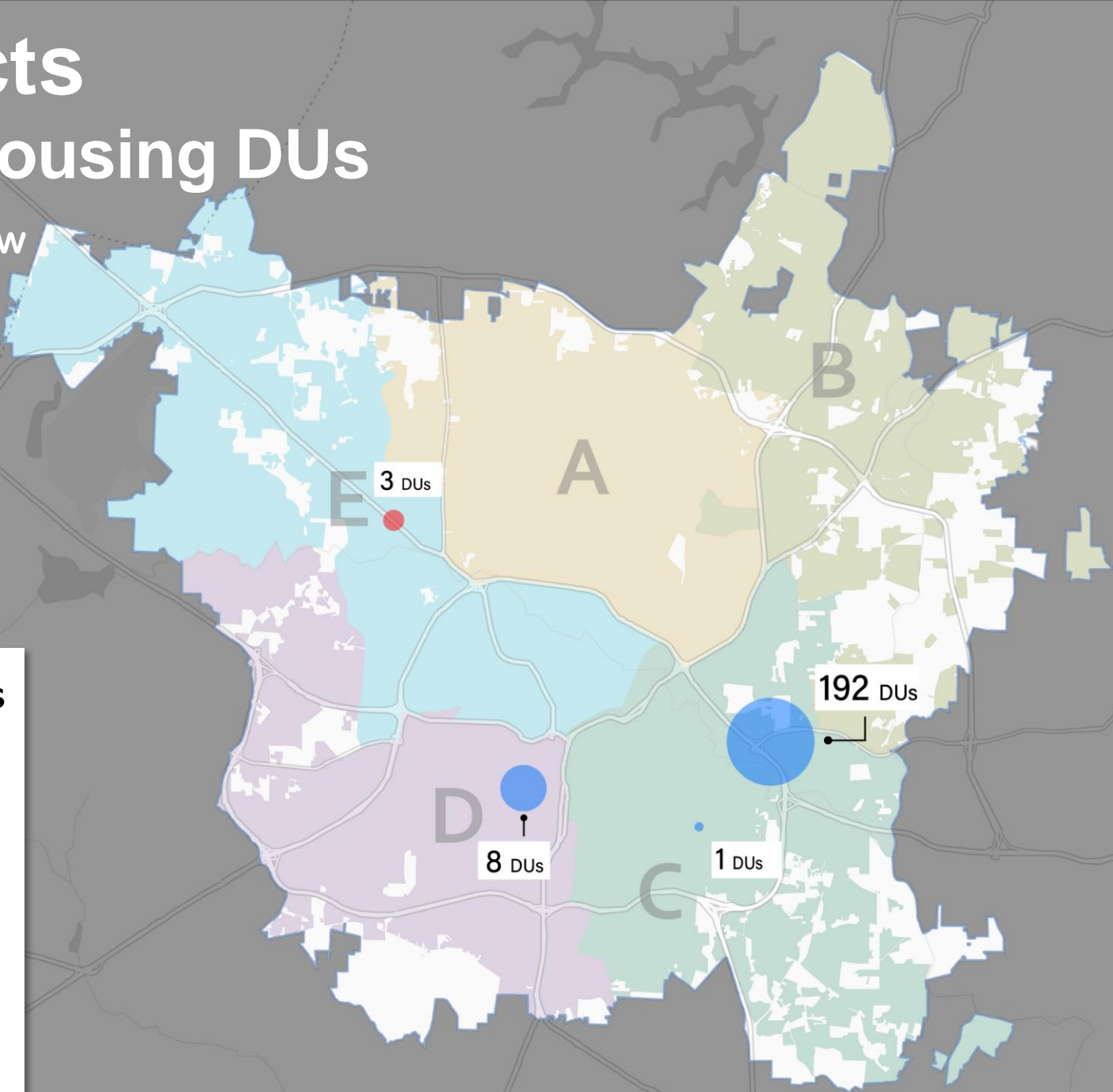
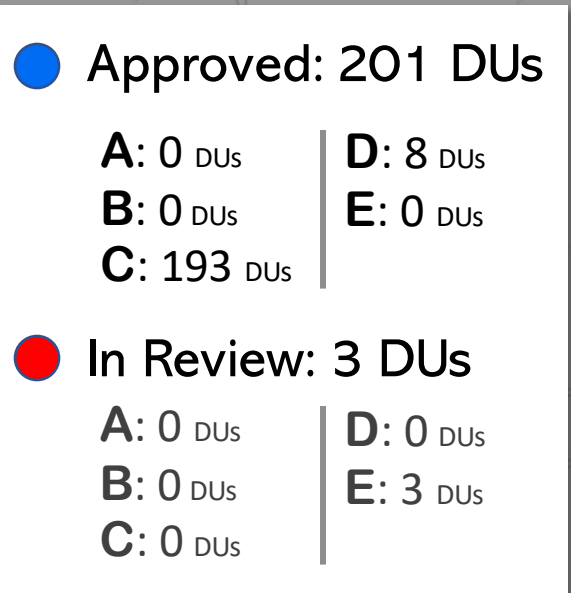
Approved or In Review  
(through June 11)

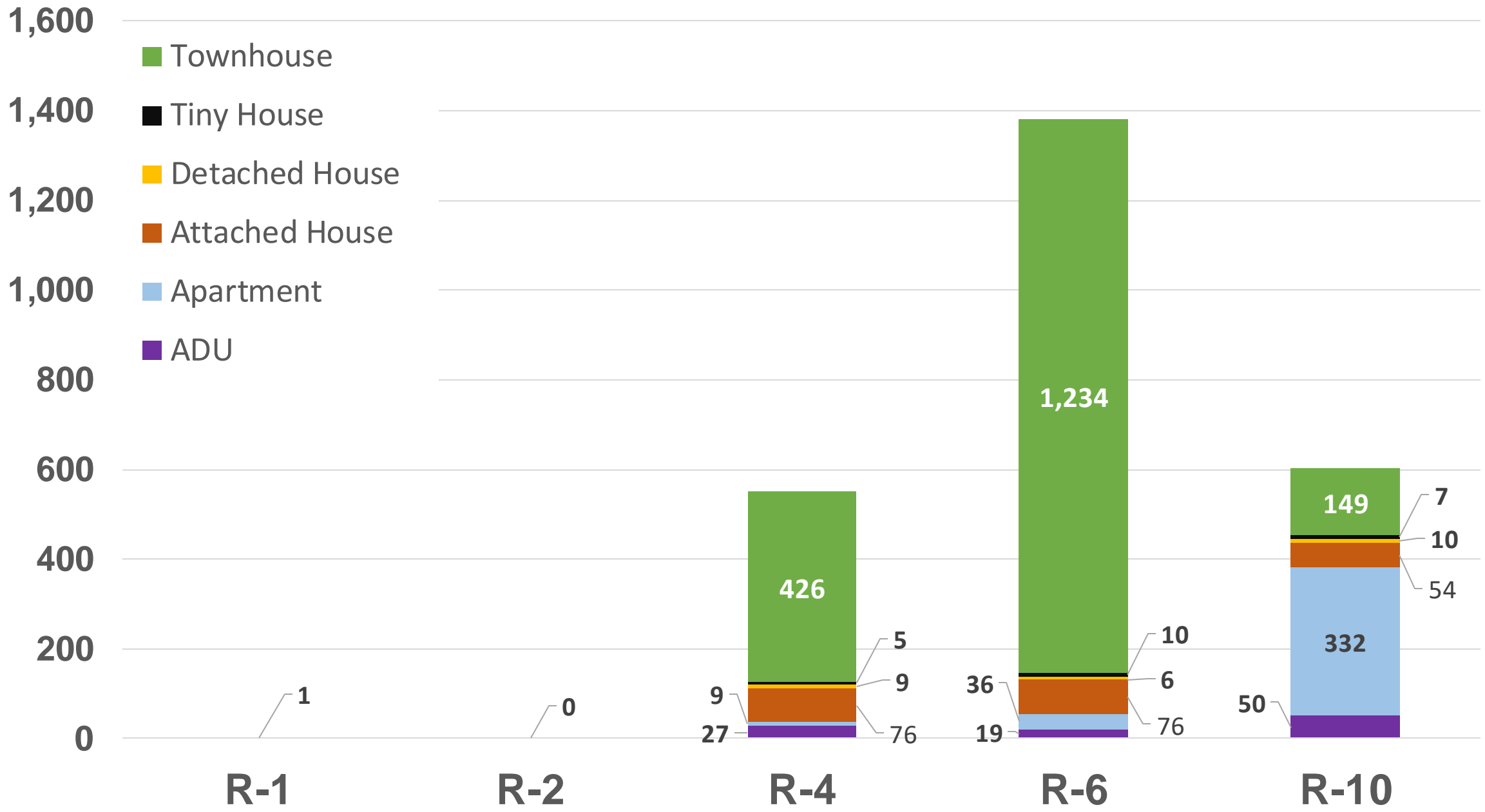


# MM Projects

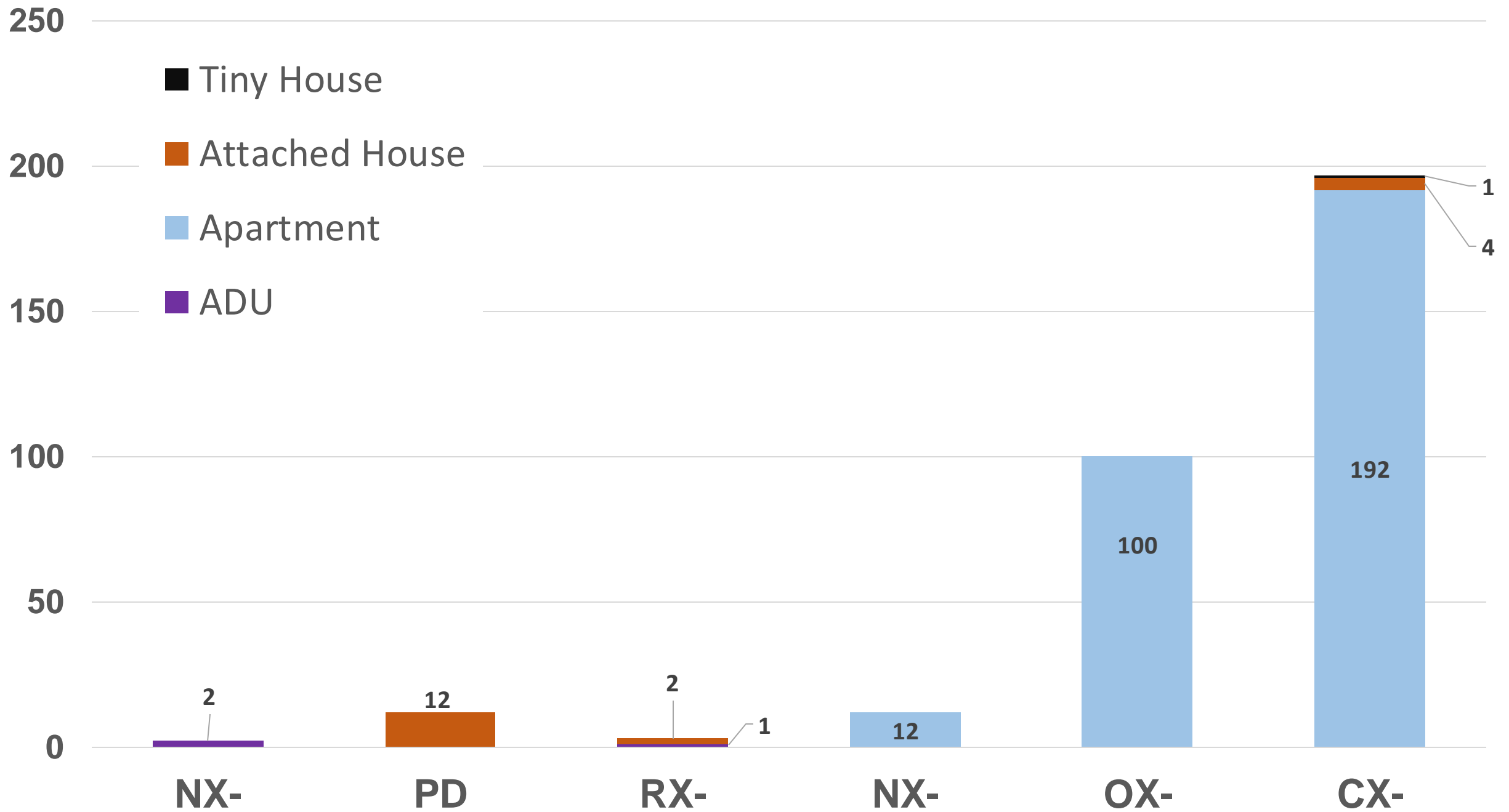
## Affordable Housing DUs

Approved or In Review  
(through June 11)









# Uptake Summary

- Approximately 2,004 units approved or permitted
  - Most of any US city that has undertaken zoning reform
- Majority in SE and NE Raleigh where demand for new housing is high and land costs are lower
  - More meaningful impact on affordability in these areas
- FTDO includes 203 affordable units (60% AMI for 30 years or better)
  - More than any other bonus program in the State (by far)

# Environment



# Affordability



# Neighborhood Character



# Infrastructure



# Community Engagement



## Public Meeting

**AUGUST 24 AT 6:00 PM**

1<sup>st</sup> floor Urban Design Center  
One Exchange Plaza, Raleigh NC, 27601  
**Rezoning city-owned properties**

225 E. Darr St.	627 E. Martin St.	224 S. Woodworth St.	337 E. Martin St.
226 E. Martin St.	210 S. Woodworth St.	226 S. Woodworth St.	318 E. Martin St.
228 E. Martin St.	214 S. Woodworth St.	228 S. Woodworth St.	223 E. Martin St.
230 E. Martin St.	216 S. Woodworth St.	230 S. Woodworth St.	225 E. Martin St.

Applicant Email: [matthew.klem@raleighnc.gov](mailto:matthew.klem@raleighnc.gov)  
Applicant Phone: (919) 996-4637

**CHANGES ARE COMING  
TO YOUR COMMUNITY**

Want to know more?

# Short-Term Policy Focus Areas



**Character  
impact of some  
missing middle  
types on existing  
neighborhoods.**



**Opportunities to  
incentivize tree  
preservation  
and planting  
with missing  
middle projects.**