



5 SMALL HOUSING LESSONS

Jim Heid *FASLA*,
Founder CRAFT DnA

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ULI HOUSING BY THE BAY
April 29, 2025

Small Beginnings



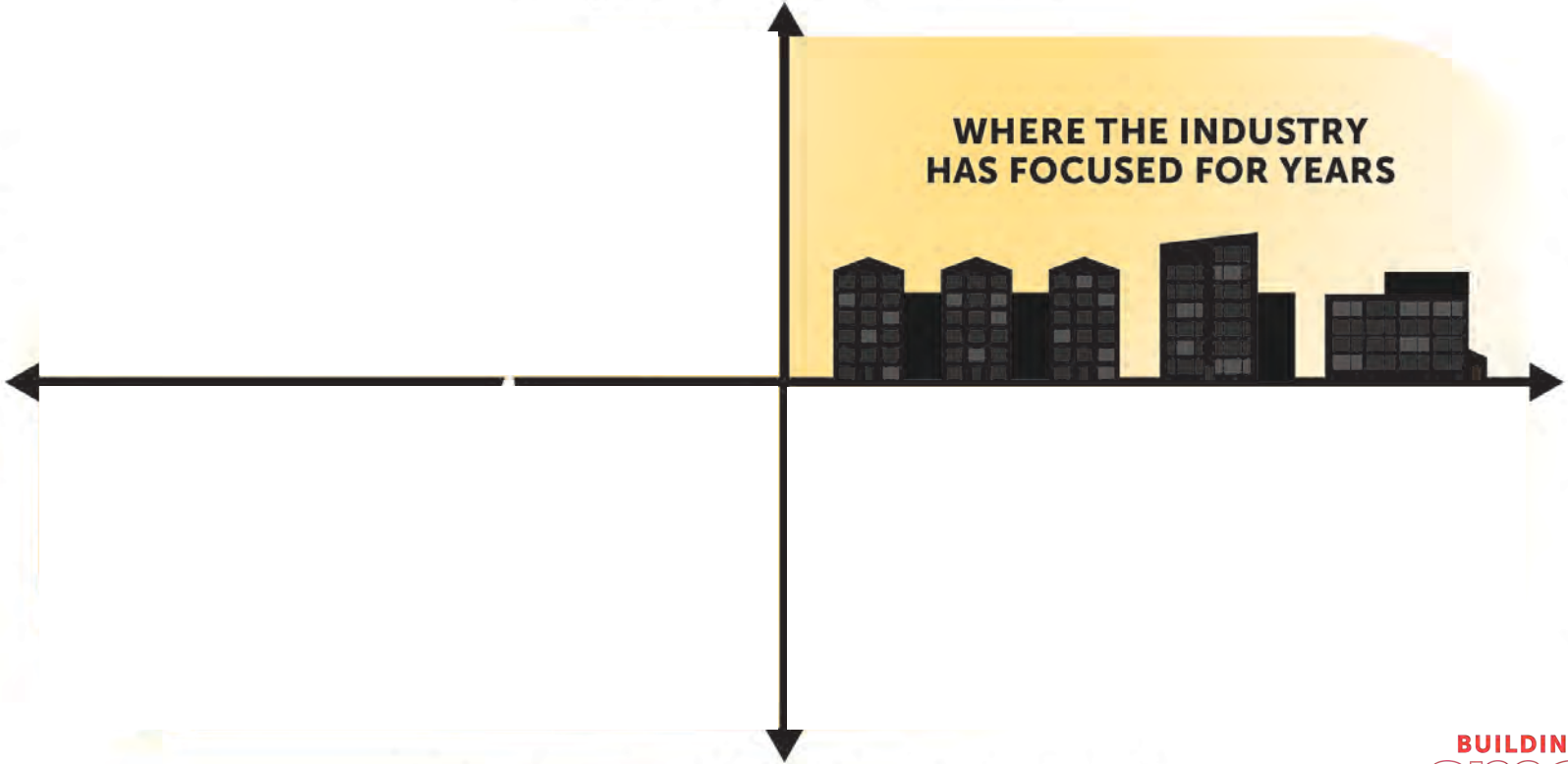
SUMMERLIN, Las Vegas NV



Corporate + Institutional

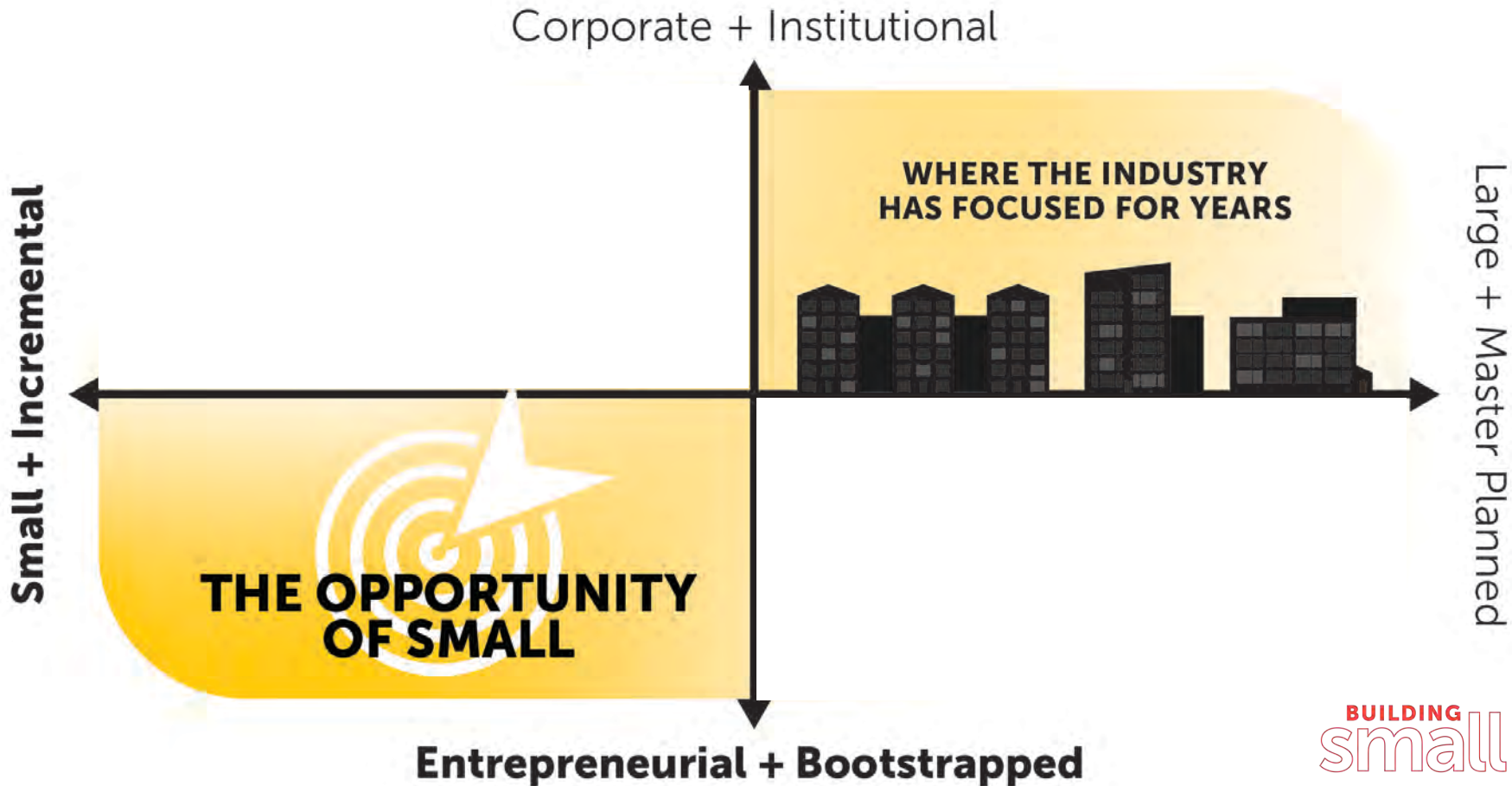
**WHERE THE INDUSTRY
HAS FOCUSED FOR YEARS**

Large + Master Planned





THE LITTLE HOUSE, Healdsburg, CA
Image: CRAFT DnA



12 years, 22 cities, 250 projects





BUILDING small

A TOOLKIT
FOR REAL ESTATE
ENTREPRENEURS,
CIVIC LEADERS,
AND GREAT
COMMUNITIES

Urban Land
Institute



JIM HEID

	FOR THE DEVELOPER AND ENTREPRENEUR	FOR CIVIC LEADERS, AGENCY STAFF, AND INTERESTED CITIZENS
what & why	What defines <i>small</i>? Why is it important for communities?	
	<ul style="list-style-type: none"> ➤ Why <i>small</i> is a meaningful career path ➤ Why <i>small</i> builds stronger places, neighborhoods, and long-term value ➤ How <i>small</i> brands and differentiates bigger projects 	<ul style="list-style-type: none"> ➤ Why <i>small</i> should be a key element of your economic development strategy ➤ How policy and planning decisions encourage—or preclude—<i>small</i>
how	What makes <i>small</i> different from <i>big</i> to develop?	
	<ul style="list-style-type: none"> ➤ Finding sites and testing feasibility ➤ Legal tools to protect yourself ➤ Uses that work in <i>small</i> ➤ Financing approaches ➤ Construction, design, market assessment, and approvals 	<ul style="list-style-type: none"> ➤ How to become better partners to small developers, if that is what you want ➤ The challenge of financing <i>small</i> and how communities can help ➤ Added costs and risks that misaligned approval processes create for <i>small</i>
who	What lessons have been learned from real projects and people building <i>small</i>?	
	<ul style="list-style-type: none"> ➤ How successful small developers build their firms ➤ Executing small projects: vision to opening ➤ Lessons learned from operating mixed-use small projects ➤ Creative financing strategies from real projects 	<ul style="list-style-type: none"> ➤ How agencies changed their regulatory culture to encourage <i>small</i> ➤ How nonprofits can also be successful small developers ➤ How <i>small</i> is used by a state agency to help transform economically challenged communities



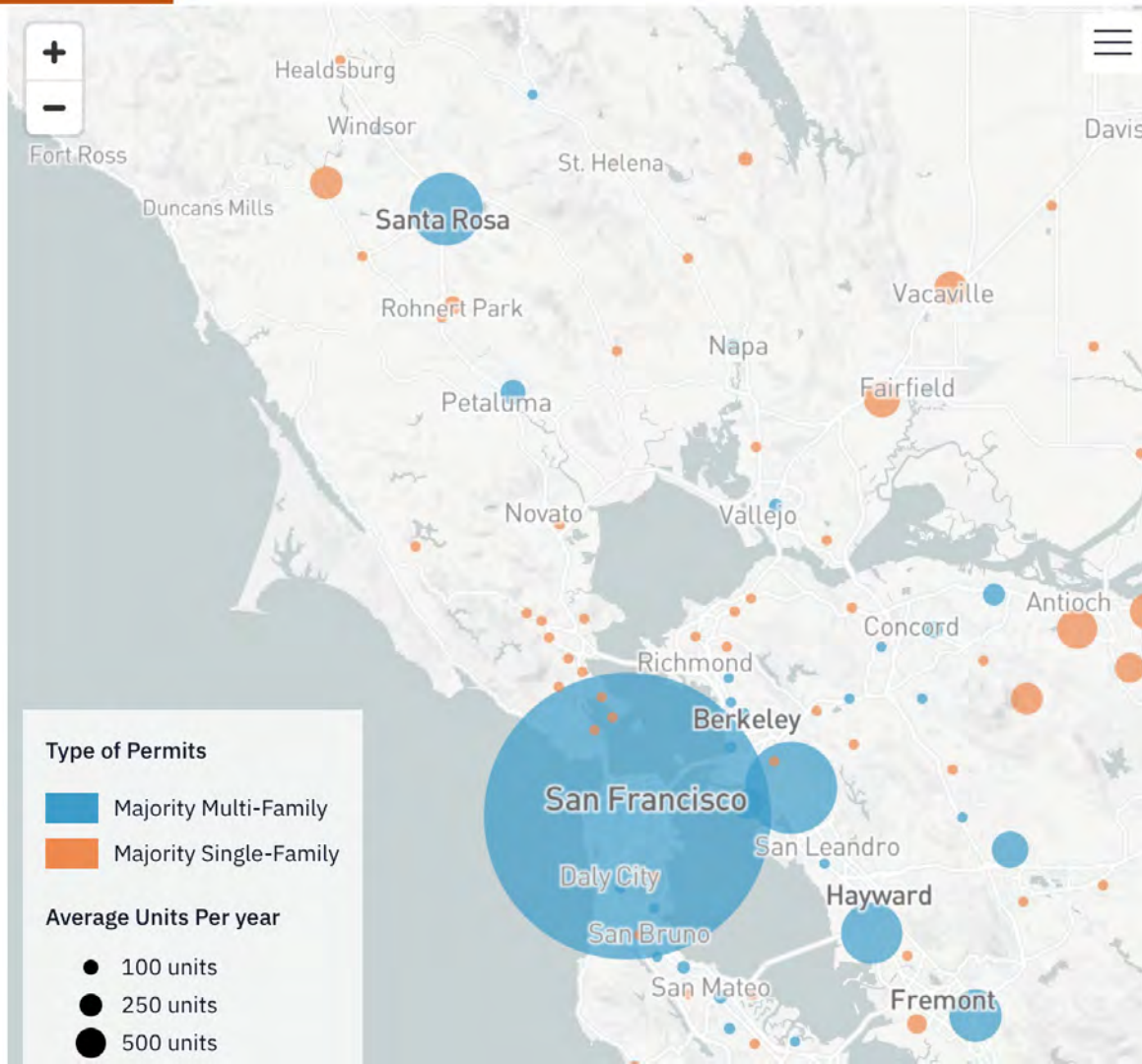
PART

the
what
and
why
of ***small***

5

**SMALL
LESSONS**

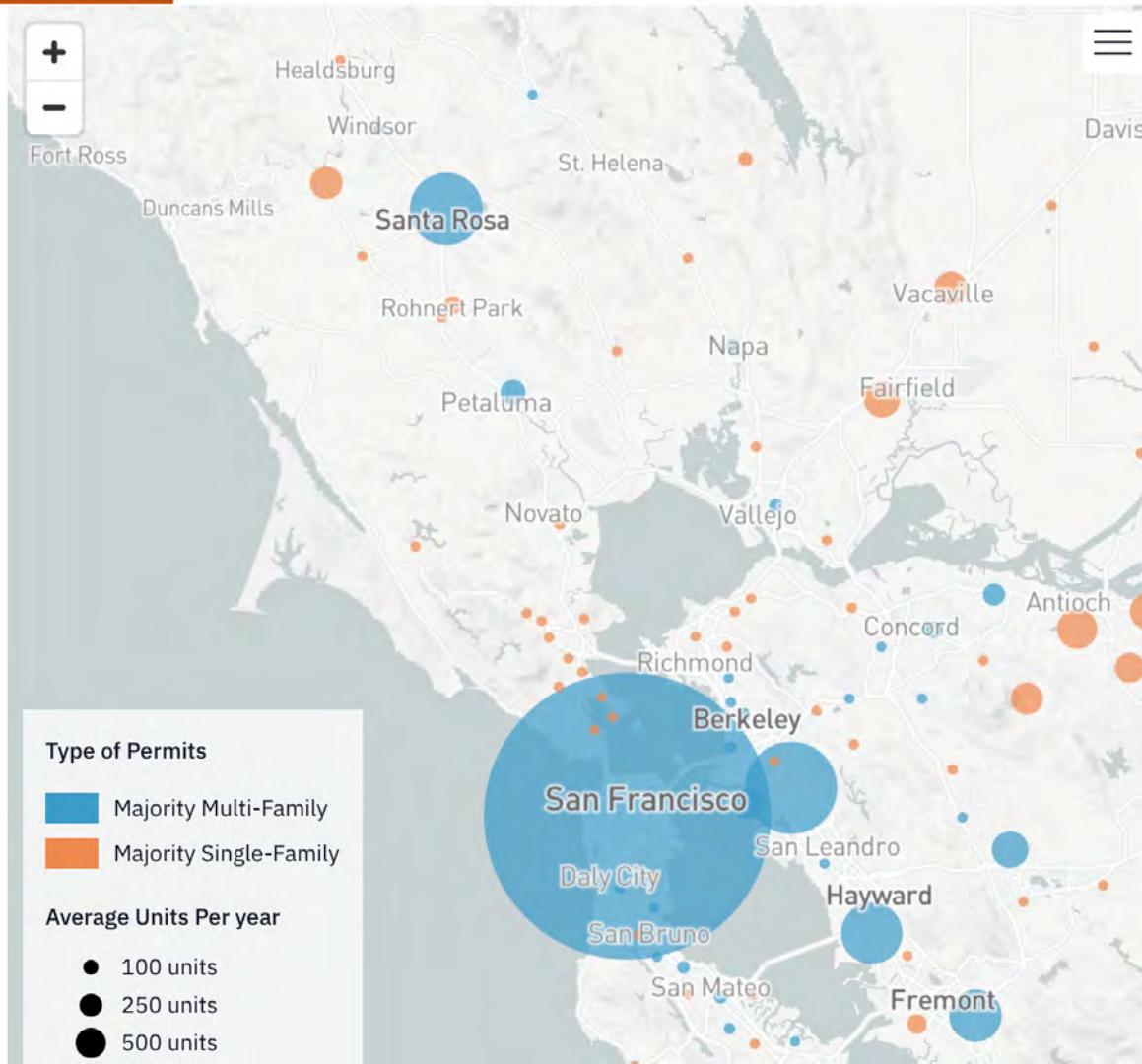
**HBTB must be
'more than
core'.**



San Francisco

- Most Units
- Most MF
- Most Talent

<https://vitalsigns.mtc.ca.gov/indicators/housing-permits>

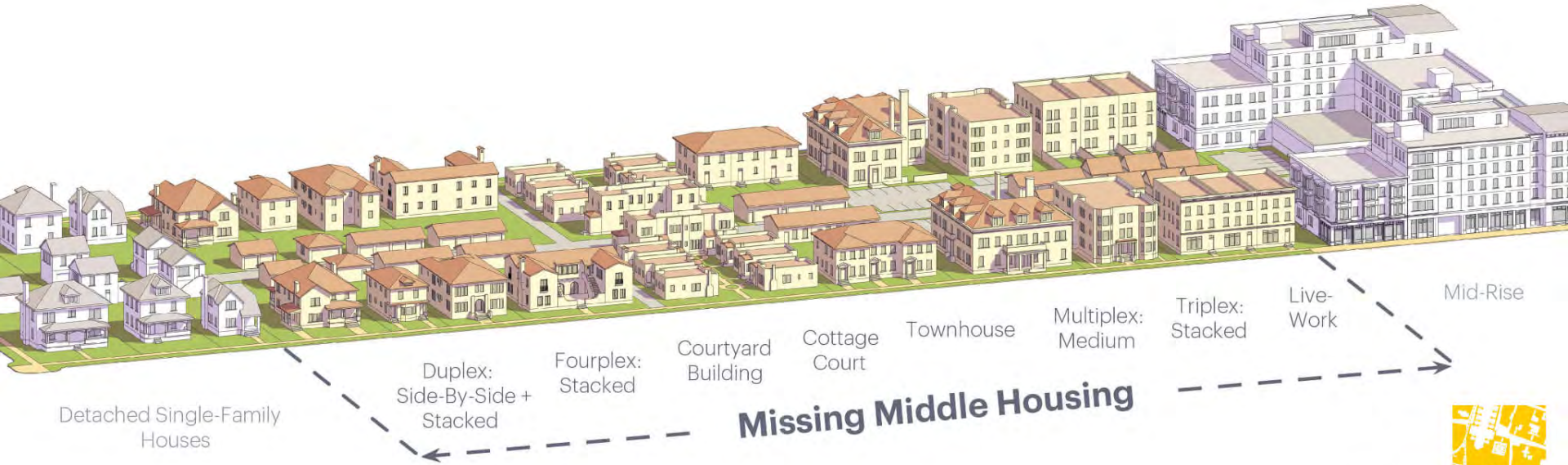


San Francisco

- Most Units
- Most MF
- Most Talent

..but what about
the edges?

The MMH Thesis



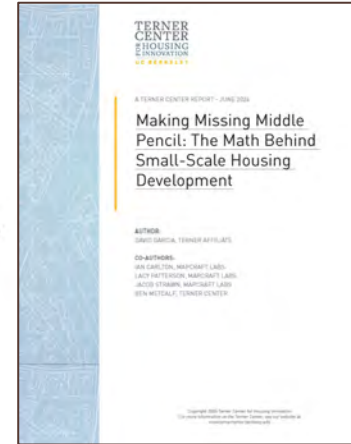
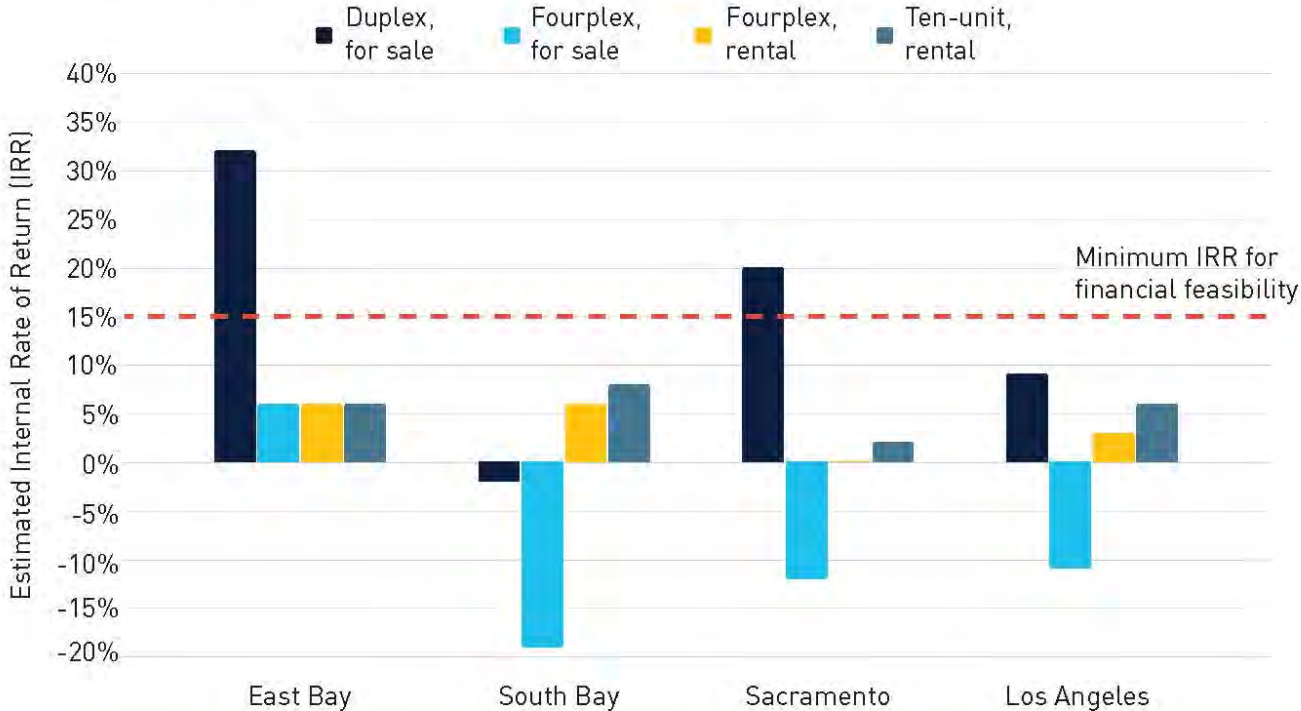
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BUILDING
small

The MMH Reality

Figure 1. Missing Middle Prototype Pro Formas IRR



Remaining Checklist

- ✓ Zoning Changes
 - Right-size application and impact fees
 - Ministerial approval for small projects
 - Reduced Inclusionary Housing on Small
 - Subdivision Map Act
 - Single egress code revisions
 - More creative utility solutions
 - Streamlined DRE and HOA process
 - Corral Defect Liability Laws
 - Financing products specific to MMH
 -and more

**Stop Making
the Process the
Product.**

**The Conversation
Cannot Start with
Your Project.**

What do we need?

SINGLE-FAMILY HOMES

"The American Dream"

IDEAL FOR:
Families



HOUSE SIZE
1,800 - 3,500 square feet

HEALDSBURG EXAMPL
Everywhere

PREDOMINANT TENURE
Ownership

PARKING
Garage, front or rear loaded

DEVELOPMENT SIZE
1 unit

SITE SIZE
6,000 SF +

AMENITIES
Private backyard, garage

CONSIDERATIONS/BARRIERS

- Development Fees
- Availability of new lots



COTTAGE COURTS

"The not-so-large house in a garden"

IDEAL FOR:
Independent seniors, young working couples,
single parents, single seniors



HOUSE SIZE
1,100 - 1,800 square feet

SITE SIZE
1-2+ acres

PREDOMINANT TENURE
Ownership

HEALDSBURG EXAMPLES
None

DEVELOPMENT SIZE
6-18 units

PARKING
Gang garage or rear loaded

AMENITIES
Shared green court, shared gardens, car share

CONSIDERATIONS/BARRIERS

- Typically requires:
- Reduced parking ratios,
 - Decoupling parking from unit
 - Different requirements for lot frontage reduced yard setbacks
 - Lotted or held as condominium site regimen?
 - Neighborhood resistance



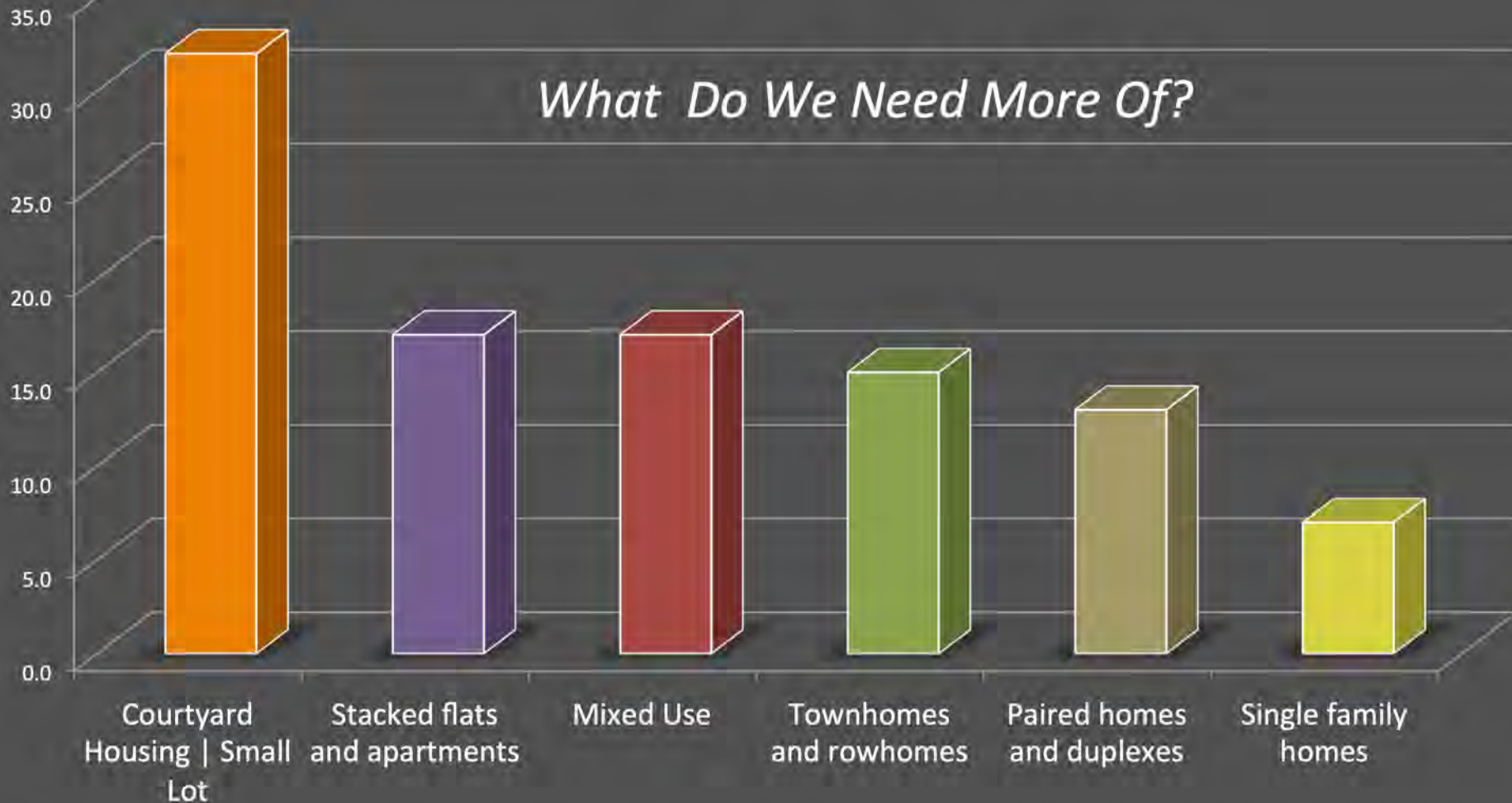
GARDEN APTS/STACKED FLATS

"The Flexible Lifestyle Option"

IDEAL FOR:
Retirees, young professionals, relocating people



What Do We Need More Of?





OPTION A: MIXED PRODUCT COMMONS



PRICE RANGE	Cottages	\$550K - \$700k
	Townhomes	\$500K - \$650k
	One Bedroom Apts	\$1500 per month
	Efficiency Apts	\$1000 per month
PROCESS	GP Re-designation OF 125 Kennedy to HR CEQA RMP Rezoning of both parcels Subdivision process	
AFFORDABLE HOUSING	2 Rental Apartments	Very Low, Low
	1 For Sale Townhome	Moderate
RIVERBANK ENHANCEMENT	Invasive removal Native landscape restoration Education and interpretation Stewardship program funded by HOA	

OPTION B: THE COTTAGE COURT



PRICE RANGE	Cottages	\$650K - \$800k
	Townhomes	\$600K - \$700k
	ADU'S	\$200K
PROCESS	RMP Rezoning of both parcels CEQA Subdivision process	
AFFORDABLE HOUSING	TBD	
RIVERBANK ENHANCEMENT	Invasive removal (potential) Native landscape installation	

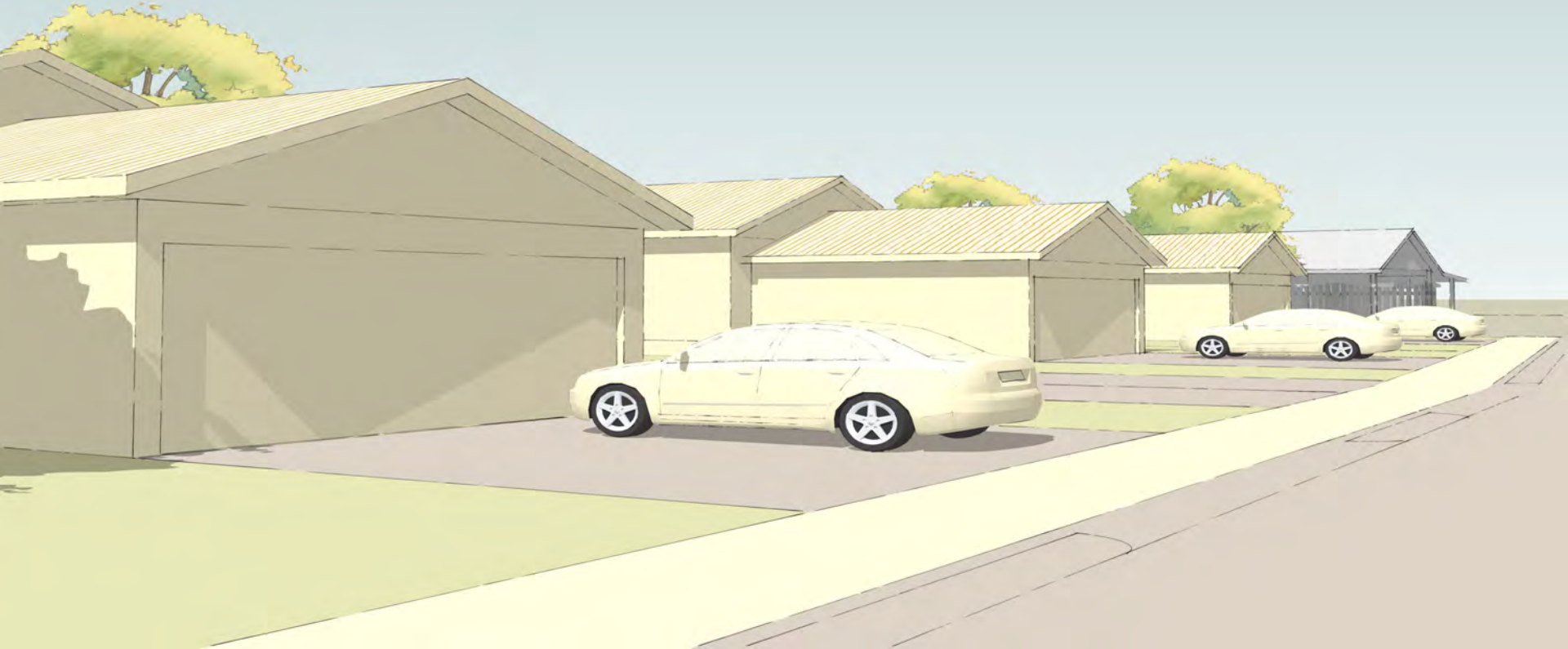
OPTION C: HOMES ON THE GREEN



PRICE RANGE	Single Family Homes	\$800-900k
PROCESS	Subdivision process	
AFFORDABLE HOUSING	PILO	
RIVERBANK ENHANCEMENT	None	

Form Matters (not Lot Size or Shape)

Kennedy Lane: BAU plan



Kennedy Lane: Proposed Plan







- Each garage had to be on each lot
- Minimum lot dimensions – 50 x 90 and 6,000 SF
- Front and rear yard setbacks = 20' min
- Side yard setback = 5' min
- 35% maximum lot coverage



- The 'money lot'
- All other sales before that go to pay debt
- Eighth lot made project financially feasible



**Its Bigger than
Affordability.**



The House

1750 sf

Two bed

Two + half bath

Dedicated dining

8' porch

Flex loft

Side yard is backyard



The Cottage

1250 sf

Two bed

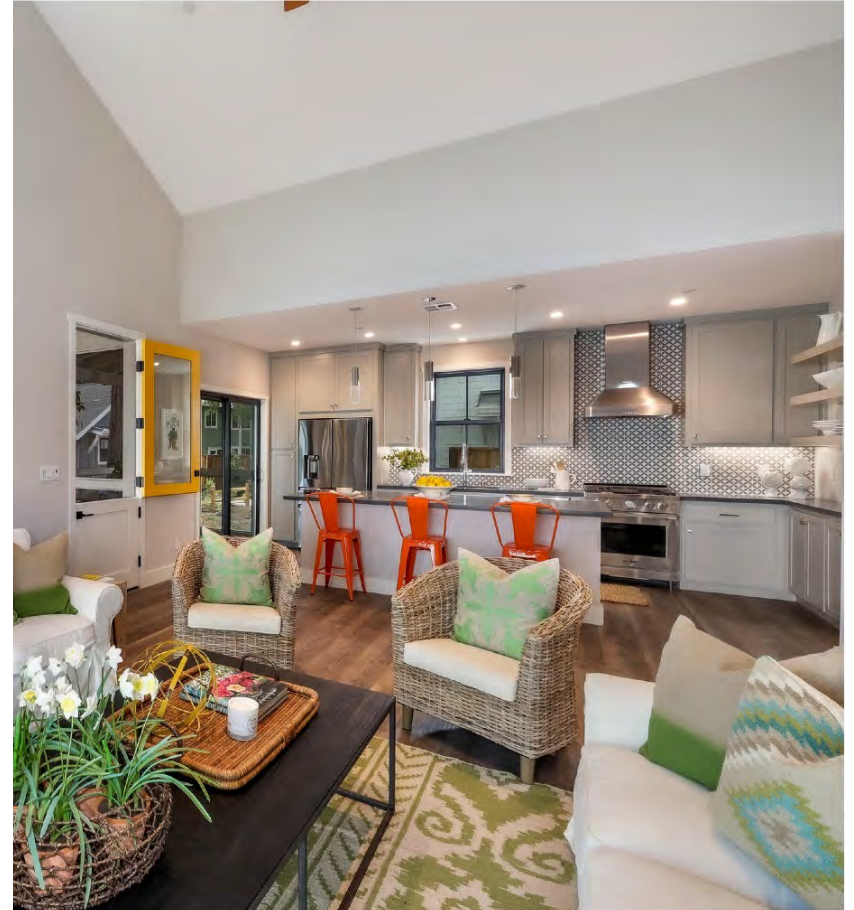
Two bath

8' porch

Lantern on the green

High volume ceiling

Side yard is back yard



The Studio

500 sf

One bed

One bath

6- 8' porch

High volume ceiling

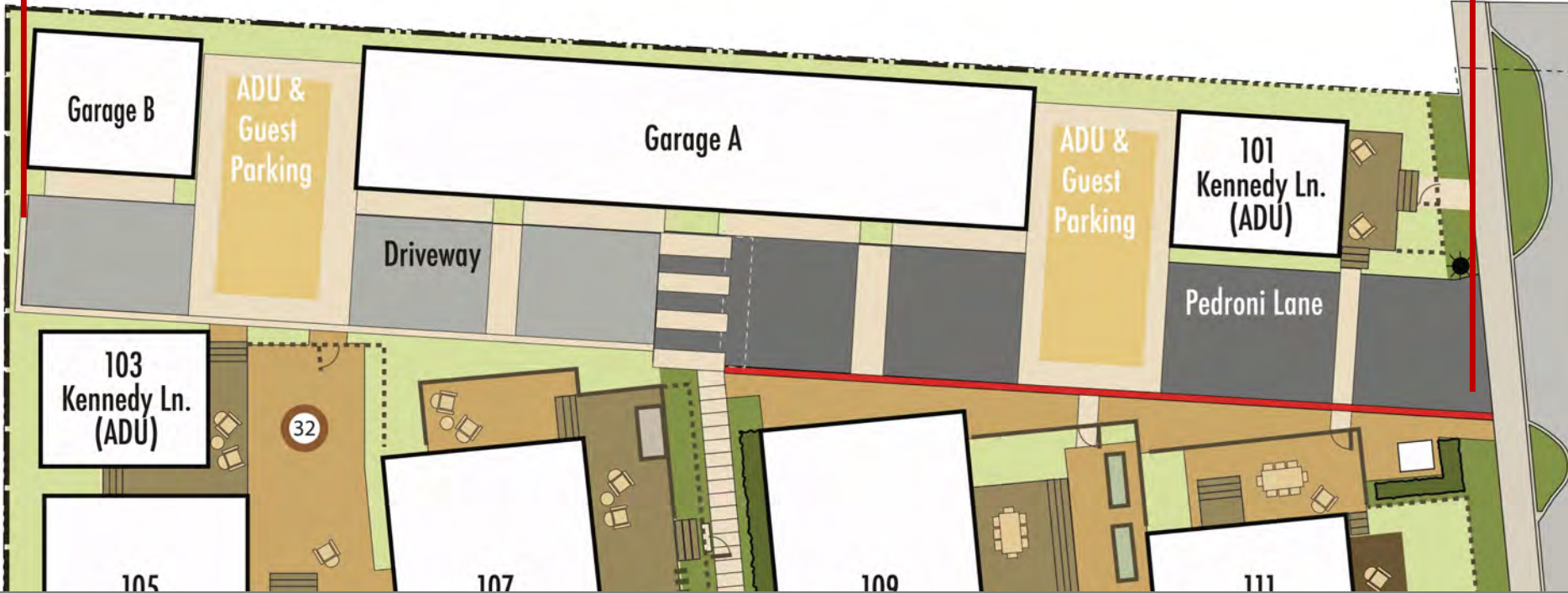
Fabric Element



**More thought
partners,
fewer regulators.**

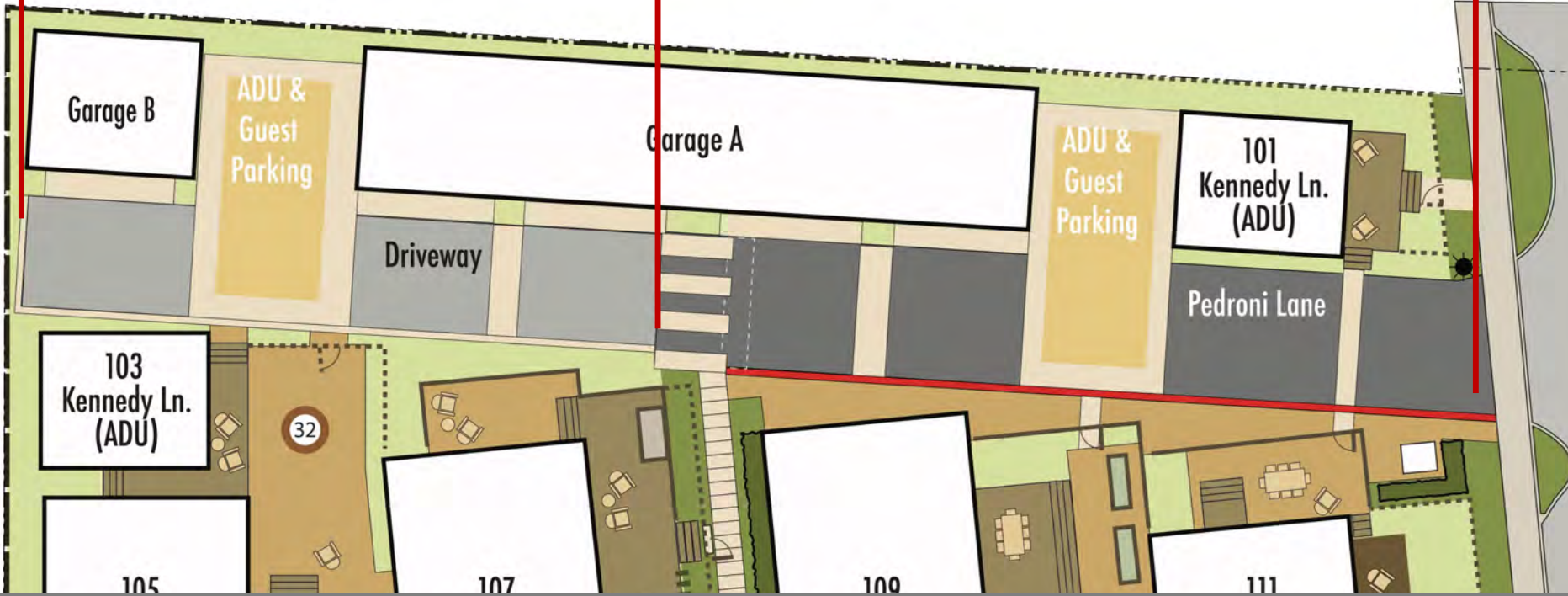



220' Fire Lane



70' Driveway

150' Fire Lane

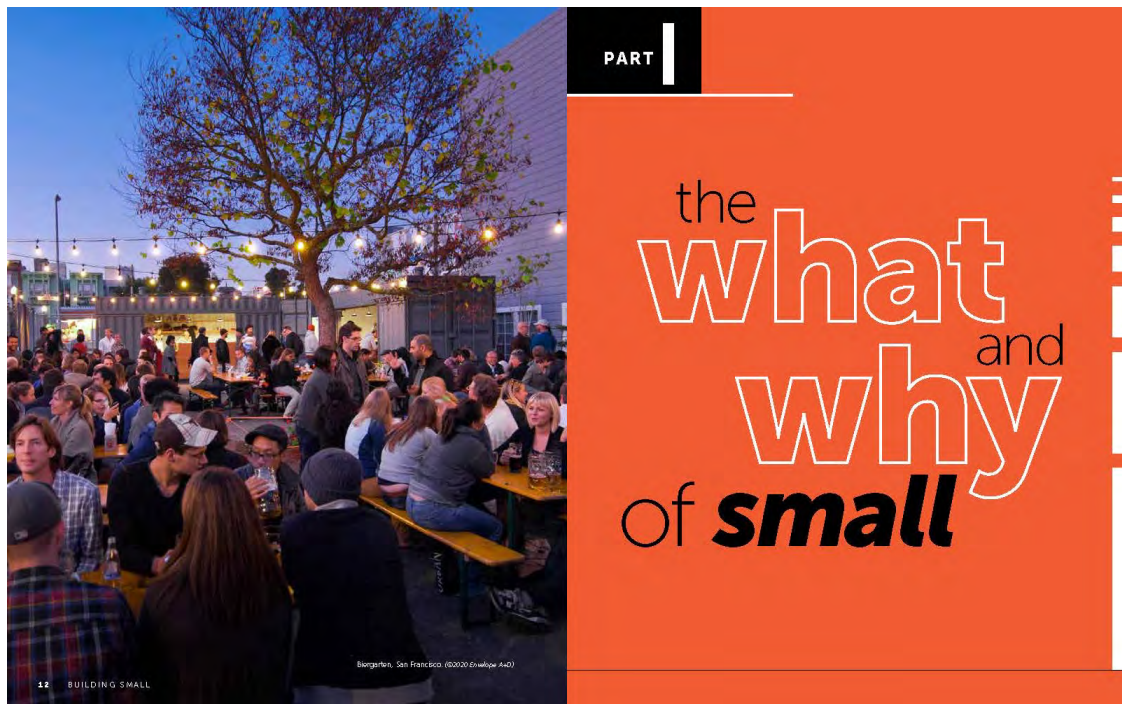


An aerial photograph of a suburban neighborhood. In the foreground, there are several houses with grey roofs and green lawns. A road runs through the middle of the neighborhood. To the right, a river flows through the area, with a bridge crossing it. In the background, there are rolling hills and mountains under a clear blue sky. The text is overlaid on the left side of the image.

‘...how successful places are produced
– intricately, slowly, and lovingly, by
individuals one
piece at a time.’

Witold Rybczynski, Lecturer and Researcher
Charleston Fancy: Little Houses and Big Dreams

Get The Book



PART I

the
what
and
why
of **small**

BUILDING
small

12 BUILDING SMALL

Biergarten, San Francisco (©2020 Elizabeth Aho)

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