Zoning Reforms That Improve Access to Housing for All: Evidence and Lessons for Advocates

#LiveAtUrban

Housekeeping

- The event is being **recorded**. Recording and links will be online after the event.

- Virtual attendees: **live captions** are on and adjustable on the bottom of your screen.

- In person attendees: you can use the **QR code** to submit questions.

- Virtual audience can type questions into the **Q&A box** at any time.

- There will be a **post-event feedback survey**

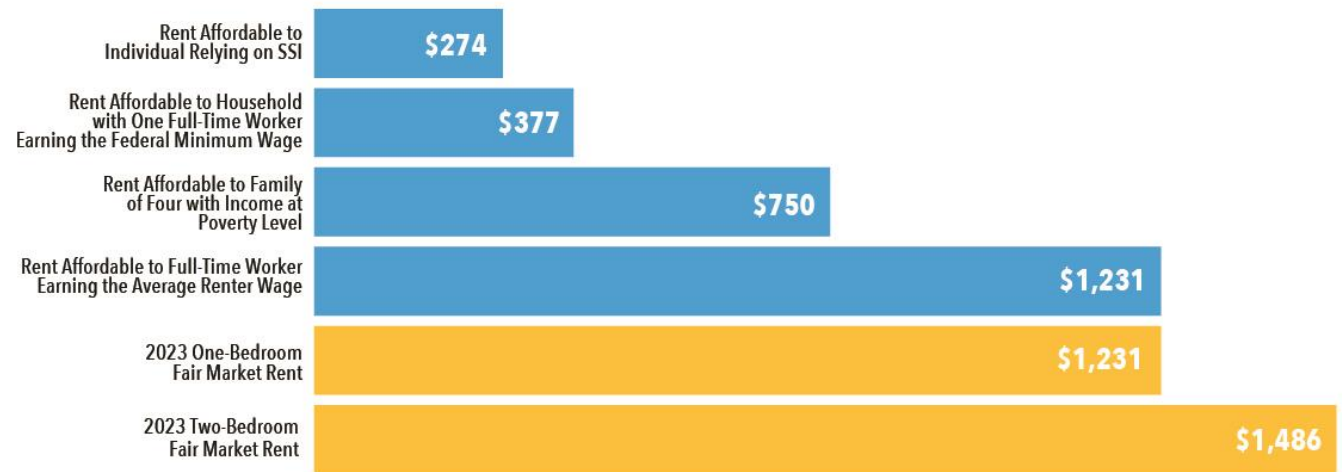- To join the conversation online, use the hashtag **#LiveAtUrban**

Introduction and Agenda

- Overview Presentation: Housing Affordability, Zoning, and Urban's Cost of Home Research:
    - Housing affordability crisis
    - Zoning: a short introduction
    - Habitat's Cost of Home Campaign and affordable housing
    - Examination of specific zoning reform policies
- Panel on Land Use Reforms
- Reception

Setting the Stage: An Affordable Housing Crisis

- Long-standing drop in housing affordability

- Housing cost burdens are more widespread and getting larger

- Housing stability is crucial for people and families

- Housing *in*stability destabilizes families and communities

RENTS ARE OUT OF REACH

Rent Affordable to Individual Relying on SSI	$274
Rent Affordable to Household with One Full-Time Worker Earning the Federal Minimum Wage	$377
Rent Affordable to Family of Four with Income at Poverty Level	$750
Rent Affordable to Full-Time Worker Earning the Average Renter Wage	$1,231
2023 One-Bedroom Fair Market Rent	$1,231
2023 Two-Bedroom Fair Market Rent	$1,486

OUT *of* **REACH**
THE HIGH COST OF HOUSING

Source: NLIHC calculation of weighted-average HUD Fair Market Rent. Affordable rents based on income data from BLS QCEW, 2021 adjusted to 2023 dollars; and Social Security Administration, 2023 maximum federal SSI benefit for individual.

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WWW.NLIHC.ORG/OOR | © 2023 NATIONAL LOW INCOME HOUSING COALITION

https://nlihc.org/sites/default/files/oor/2023/2023OOR-ppt-fig4.jpg

Zoning: What is it?

- Zoning divides land into different allowed purposes

- It can do this by the **type** of use. Think:

  - Residential

  - Commercial

  - Industrial
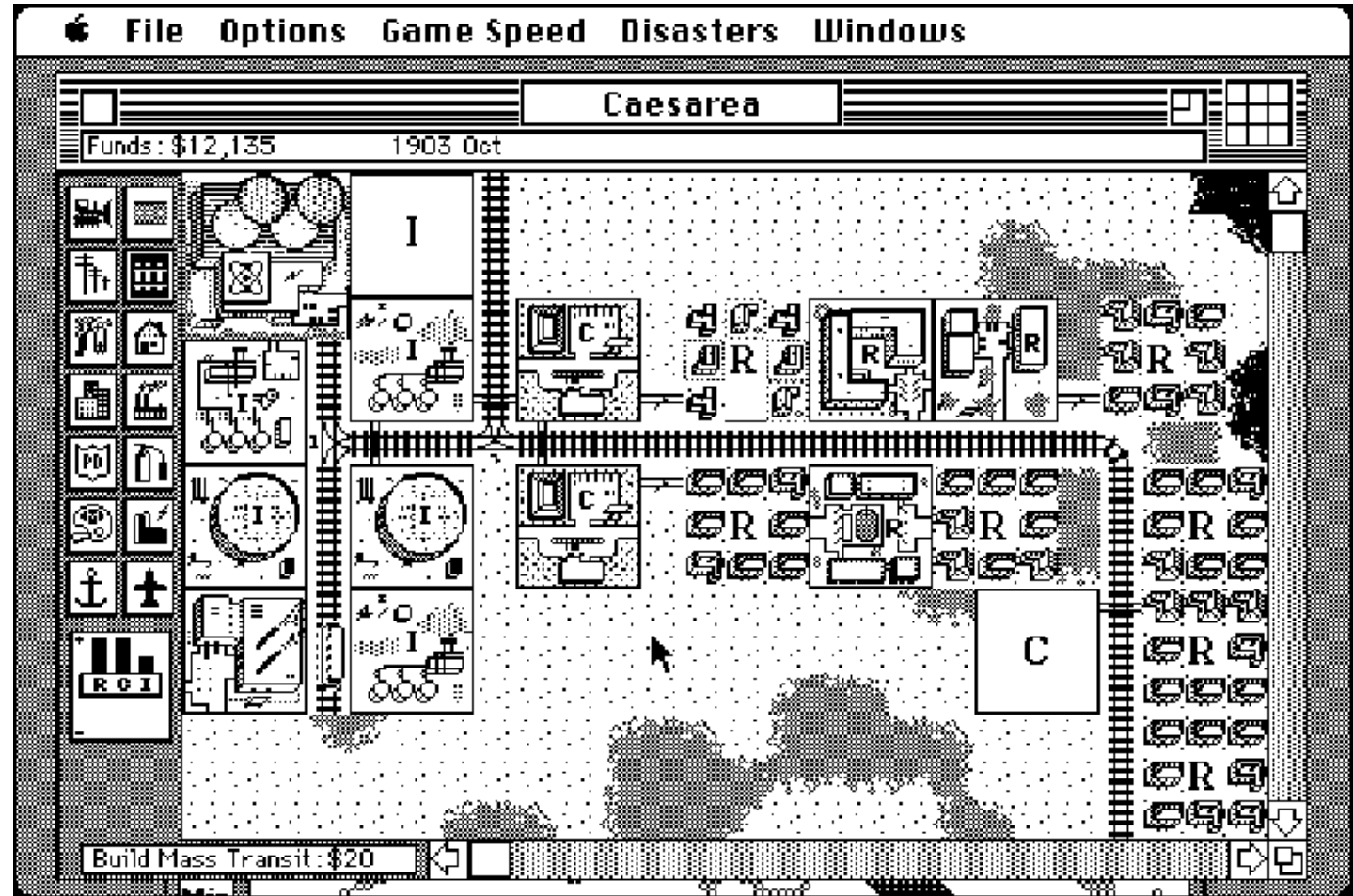
Zoning: Regulating Type and Intensity

- Zoning can also regular building type and "intensity" of use

- This can mean:

  - Height limits

  - Form requirements

  - Density (and the "floor area ratio")

- Zoning has been around for a while (first standardized in the 1920s)

Zoning, Exclusion, and Affordability

- Regulating density shapes what can be built in different places

- This channels development: *what* gets built and *where* it gets built within cities and across regions

- Single-family, usually detached, residential zoning is the standard
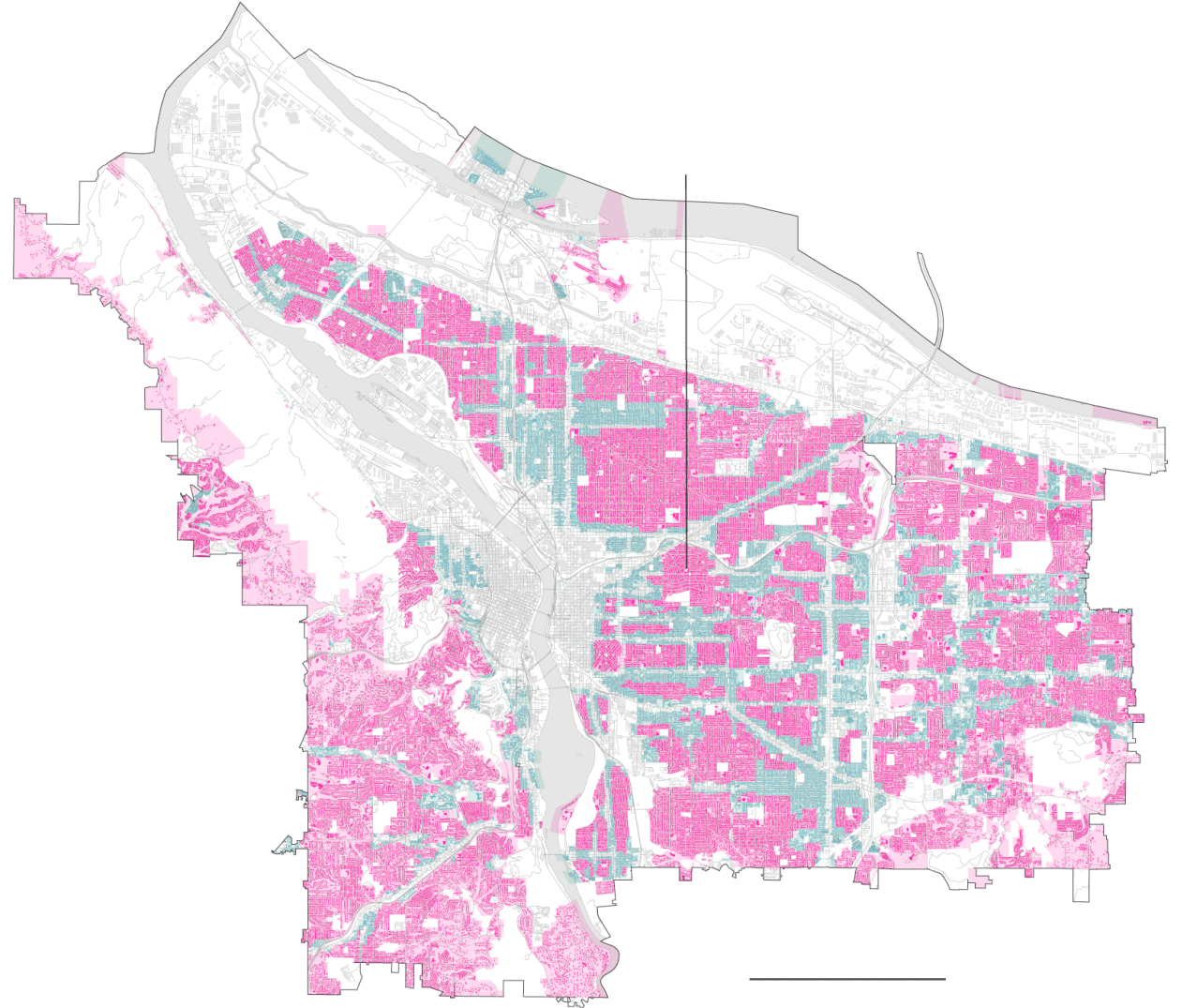
Zoning for Inclusion and Rethinking Density

- Supply and demand and rethinking the value of density

- Interest at the local and increasingly at the state level to address this

- "Yes In My Back Yard" versus "Not In My Back Yard"

https://twitter.com/cayimby/status/1259679621785759744/photo/1
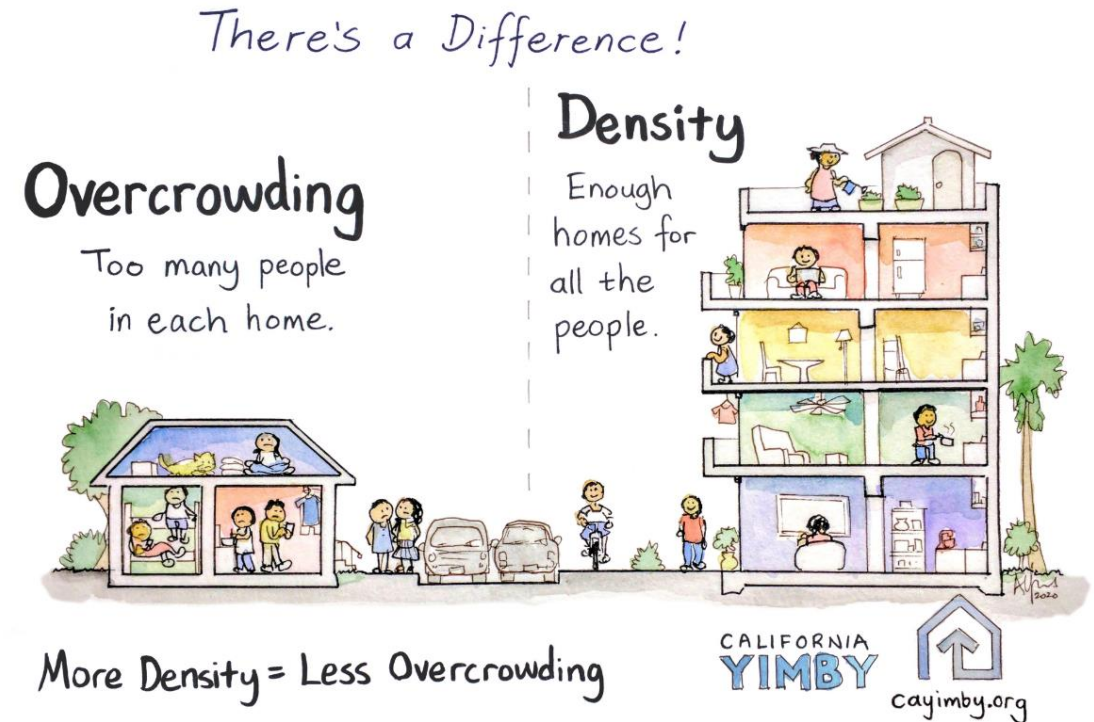
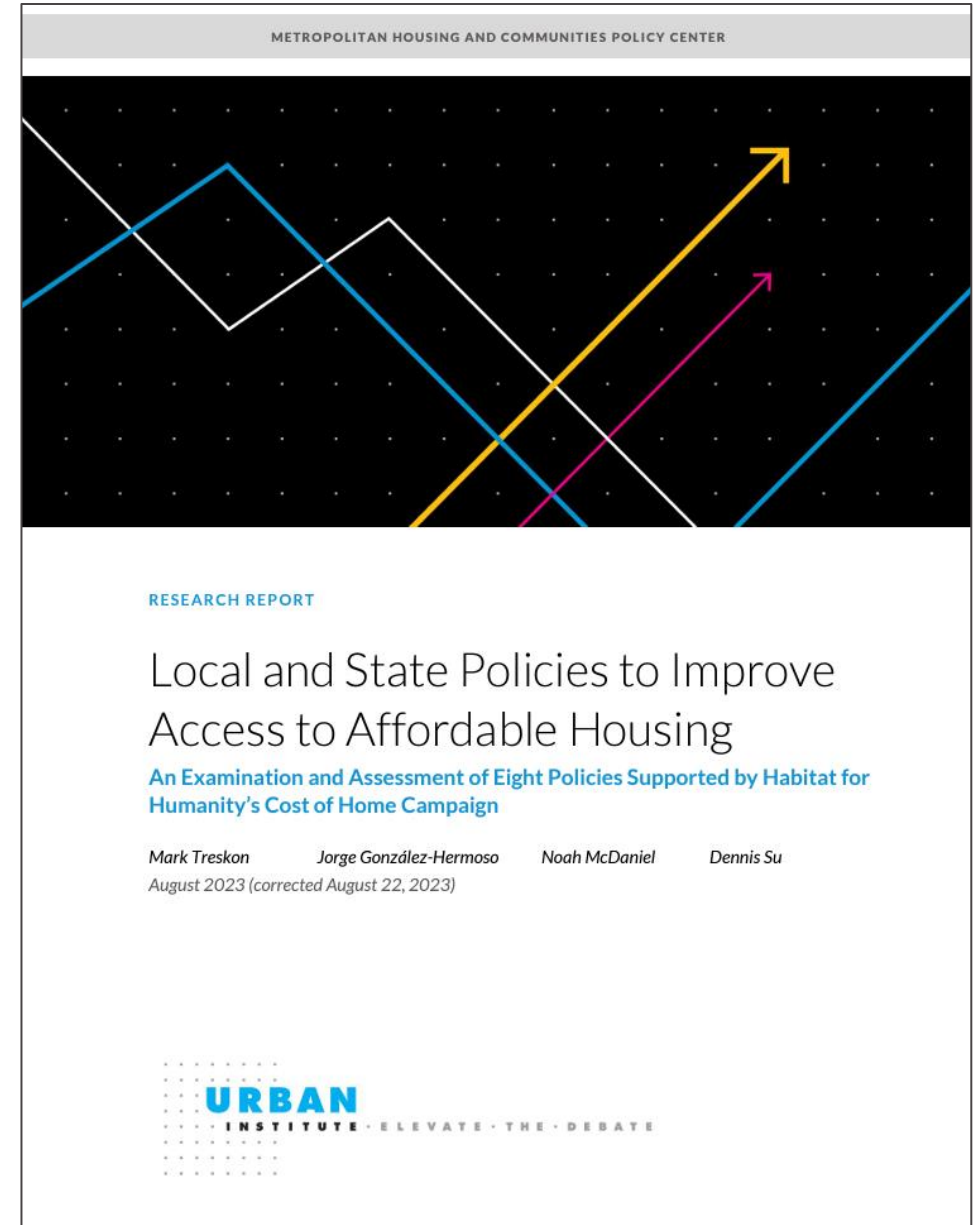# Zoning Reform as Part of the Affordability Solution

- Zoning is just one potential tool for promoting affordable housing

- Effects of existing zoning systems have often only become clear over decades

- Effects of zoning *reforms* also will have longer horizons

- Increasing density in an already-built environment can be tough

- Zoning reform can complement or constrain the impact of other tools

Habitat for Humanity's Cost of Home Campaign

- Five-year advocacy campaign, launched in 2019, centered around influencing policy creation and implementation with the goal of supporting access to affordable homes for 10 million people.

- Designed to promote introduction and passage of affordable housing policies and assist affiliates in their local work

- Four major policy areas:

  - Increasing supply and preservation of affordable homes

  - Equitably increasing access to credit

  - Ensuring access to and development of communities of opportunity

  - **Optimizing land use for affordable homes**

Assessment of Policies Supported by Cost of Home Campaign

- Assessment of eight local and state housing policies that Habitat affiliates were involved in through advocacy and other efforts.

- Explored theories of change, available evidence of impact, and estimated outcomes based on publicly available data

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RESEARCH REPORT

Local and State Policies to Improve Access to Affordable Housing

An Examination and Assessment of Eight Policies Supported by Habitat for Humanity's Cost of Home Campaign

Mark Treskon   Jorge González-Hermoso   Noah McDaniel   Dennis Su

August 2023 (corrected August 22, 2023)

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Typology of Cost of Home Policies

- Developed typology of 300+ Cost of Home supported policies to provide an overview of the campaign's intended impact.

- Categorized policies by:

  - Scope

  - Mechanisms

  - Expected outcomes or goals

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Developing a Typology of Housing Policies
A Review of Policies Supported by Habitat for Humanity's Cost of Home Campaign

Jorge González-Hermoso, Mark Treskon, Noah McDaniel, Arezo Azizi, Dennis Su, and Ilina Mitra

October 2023

The US is grappling with a housing affordability crisis, marked by challenges that have left millions struggling to find affordable and stable housing.[1] Restrictive zoning and land-use regulations, rising construction and land costs, and high interest rates, among other things, hinder the development of new housing and increase barriers for people to access safe, healthy, and affordable housing. In this context, advocacy groups nationwide are pushing for local and state policies to address these underlying challenges and create more opportunities for families to live in affordable, stable, and adequate homes. One large-scale advocacy effort is Habitat for Humanity International's (Habitat) Cost of Home campaign. In this brief, we propose a typology of the policies and policy decisions supported by this initiative. We offer a comprehensive overview of the campaign's intended impact and the different forms that housing policy can take.

In 2019, Habitat initiated the Cost of Home campaign, a five-year advocacy initiative to influence policies and systems to facilitate increased access to affordable housing for 10 million people living in the United States. This campaign marked Habitat's inaugural foray into national policy advocacy, designed to bolster the efforts of its affiliated network in advocating for affordable housing, identifying and championing innovative and impactful policies, and establishing best practices for Habitat's support of housing-related policy advocacy.

Policy Typology: A Diverse Range of Zoning Reform Efforts

- 46 changes to related regulations through legislative work

- 13 plans and resolutions that may include recommendations for zoning reform

- 30 policies of different kinds to allow for more housing types to be built

- 23 to reduce housing development costs

Shows how local and state advocacy matches the unique needs of different markets.

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Evidence from Cost of Home-Supported Policies

Oregon's HB 2001 "Housing Choices"

- Cities with populations greater than 10,000 must allow for **duplexes** by right everywhere.

- Cities with populations > 25,000 and cities in Metro Portland must allow for **duplexes**, **triplexes**, **fourplexes**, **cottage clusters**, and **townhomes**.

- Oregon's Department of Land Conservation and Development created a model code and provided localities ongoing technical assistance.

- All 56 affected jurisdictions had complied with HB 2001 by the end of 2022.

Modest Increase in Duplexes in Small Cities

Shares of Housing Permits in Small Oregon Cities
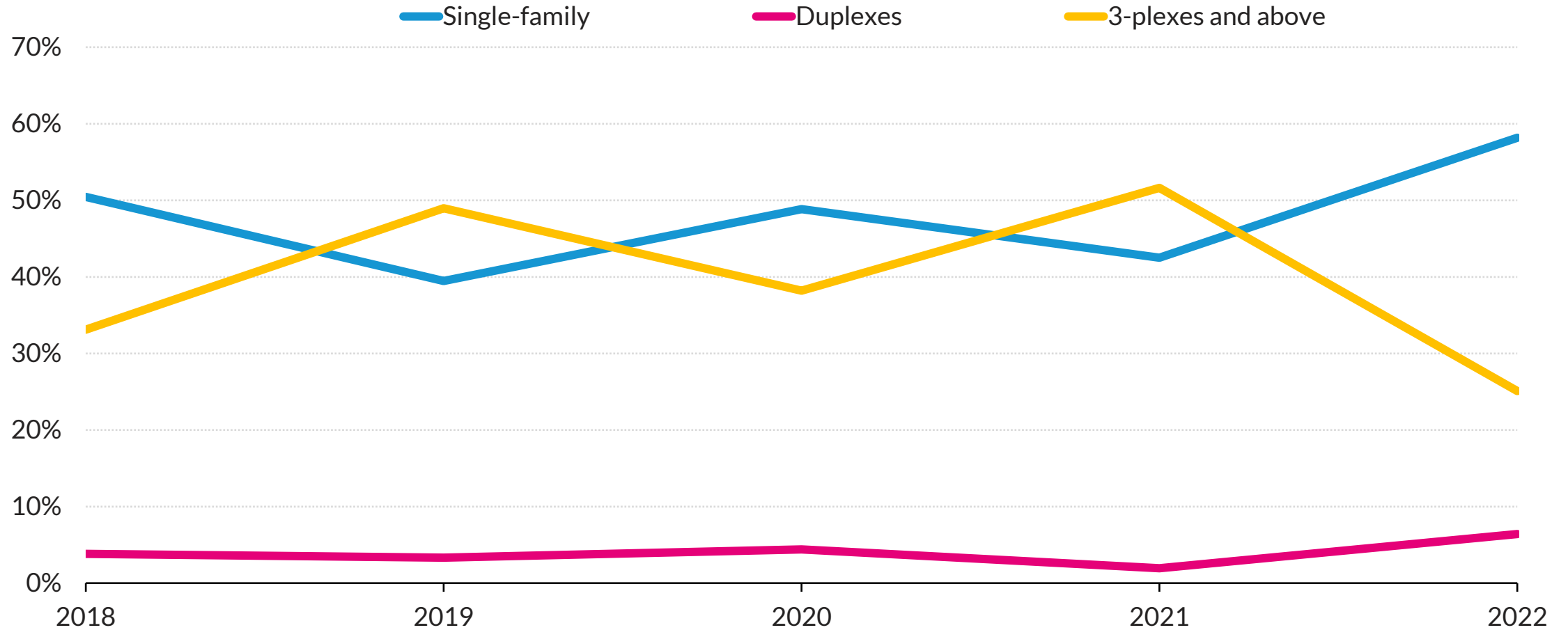
Source: Oregon's Department of Land Conservation and Development.

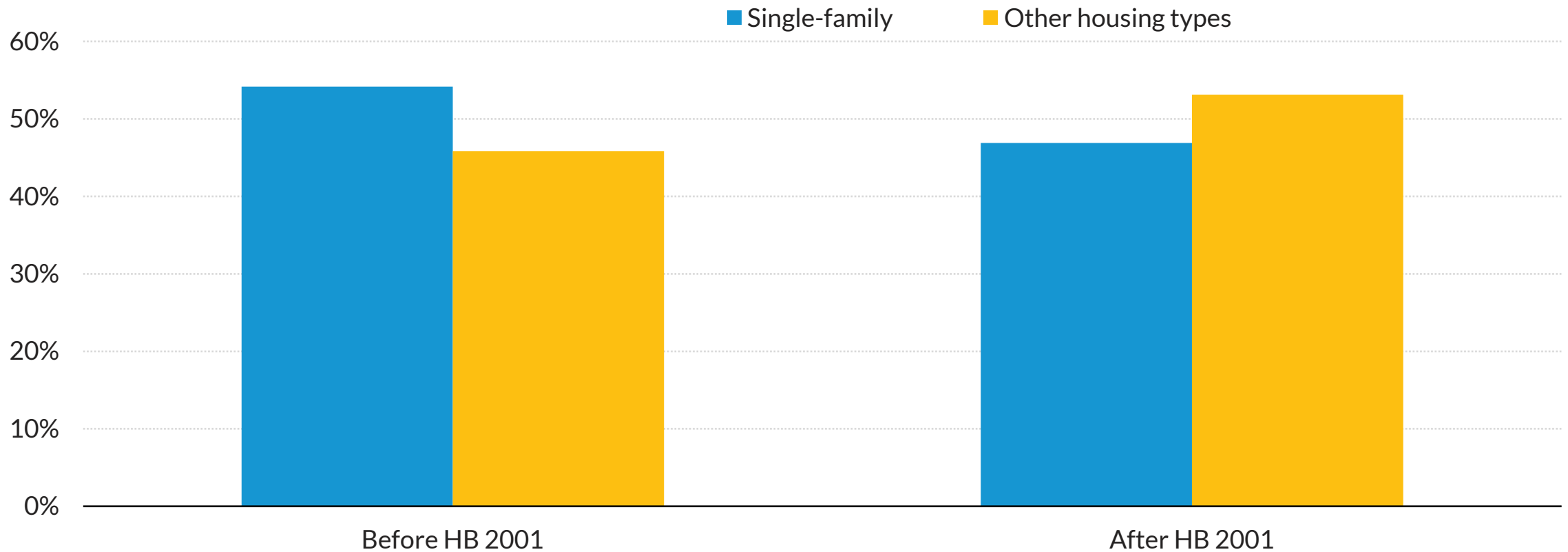# No Observables Changes for Medium and Large Cities

Shares of Housing Permits in Small Oregon Cities
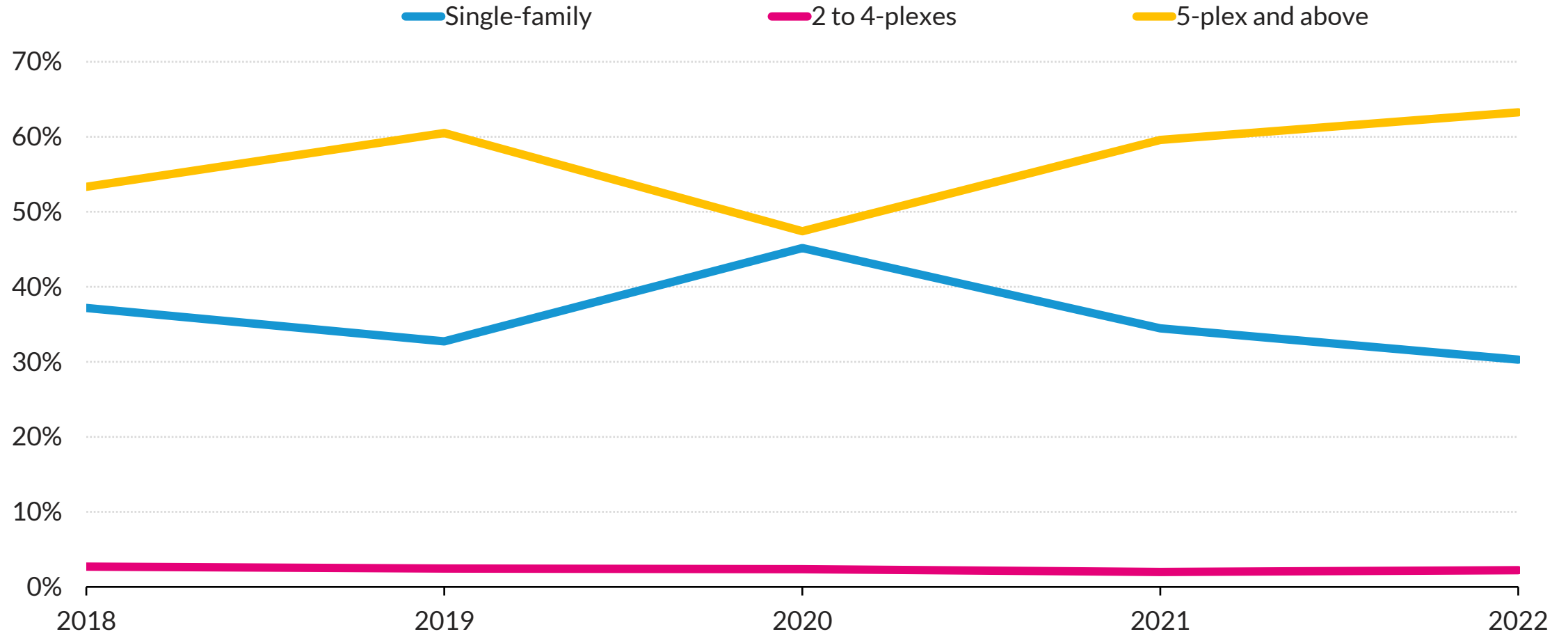
Source: Oregon's Department of Land Conservation and Development.

# Increase in Multifamily Housing Likely Driven by Metro Portland

Average Share of New Housing Units Authorized in the Portland, Oregon, Metropolitan Area

Source: Federal Reserve of St. Louis.

Austin's Affordability Unlocked

- Type I: If 50% of units affordable, **height is increased 1.25x** and max dwelling units increased to 6 (if limited).

- Type II: If 75% of units affordable, **height is increased 1.5x** and max dwelling units increased to 8 (if limited).

- Other bonuses: compatibility standards and minimum parking requirements (dropped since).

Photo Credit: Google Maps.

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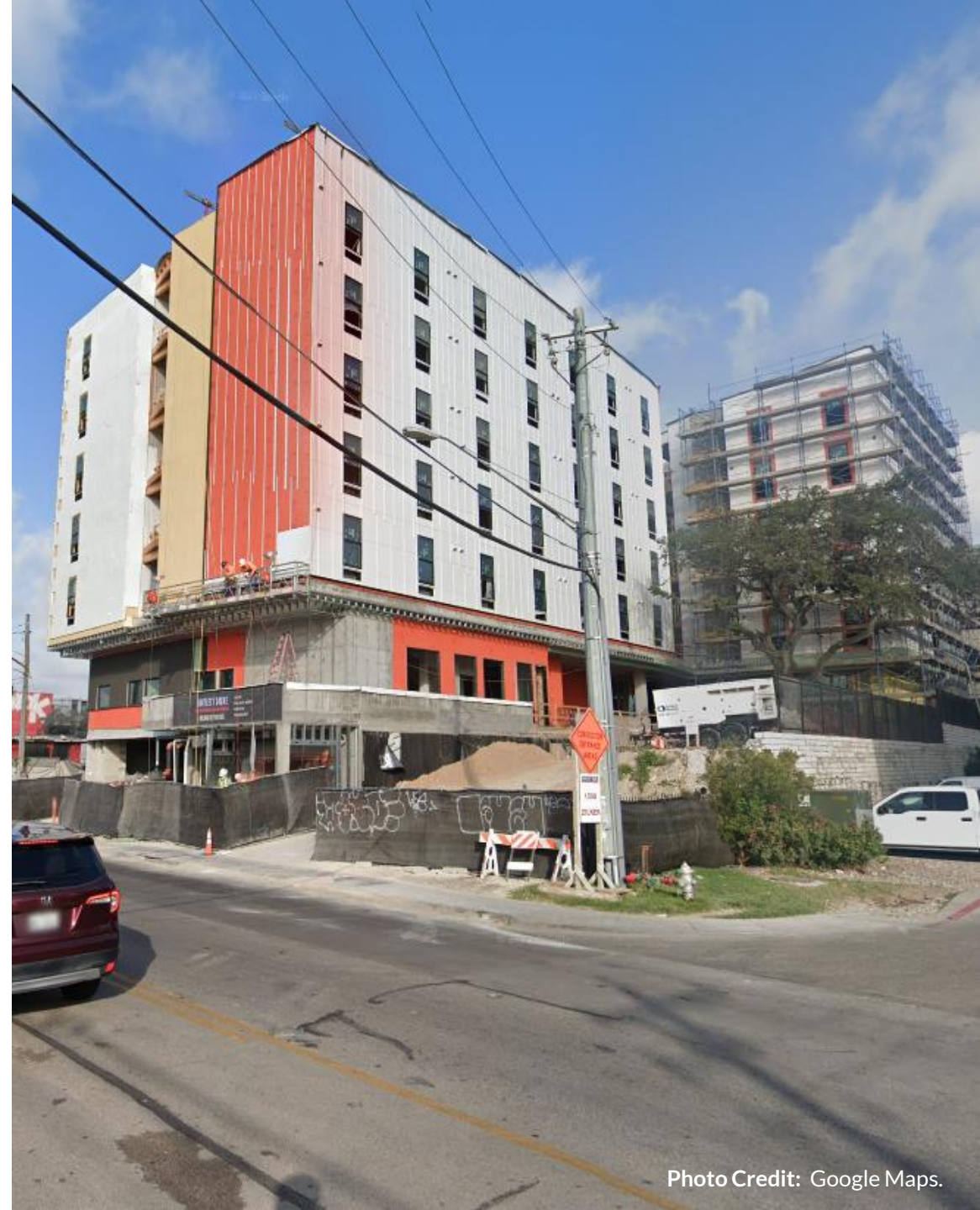
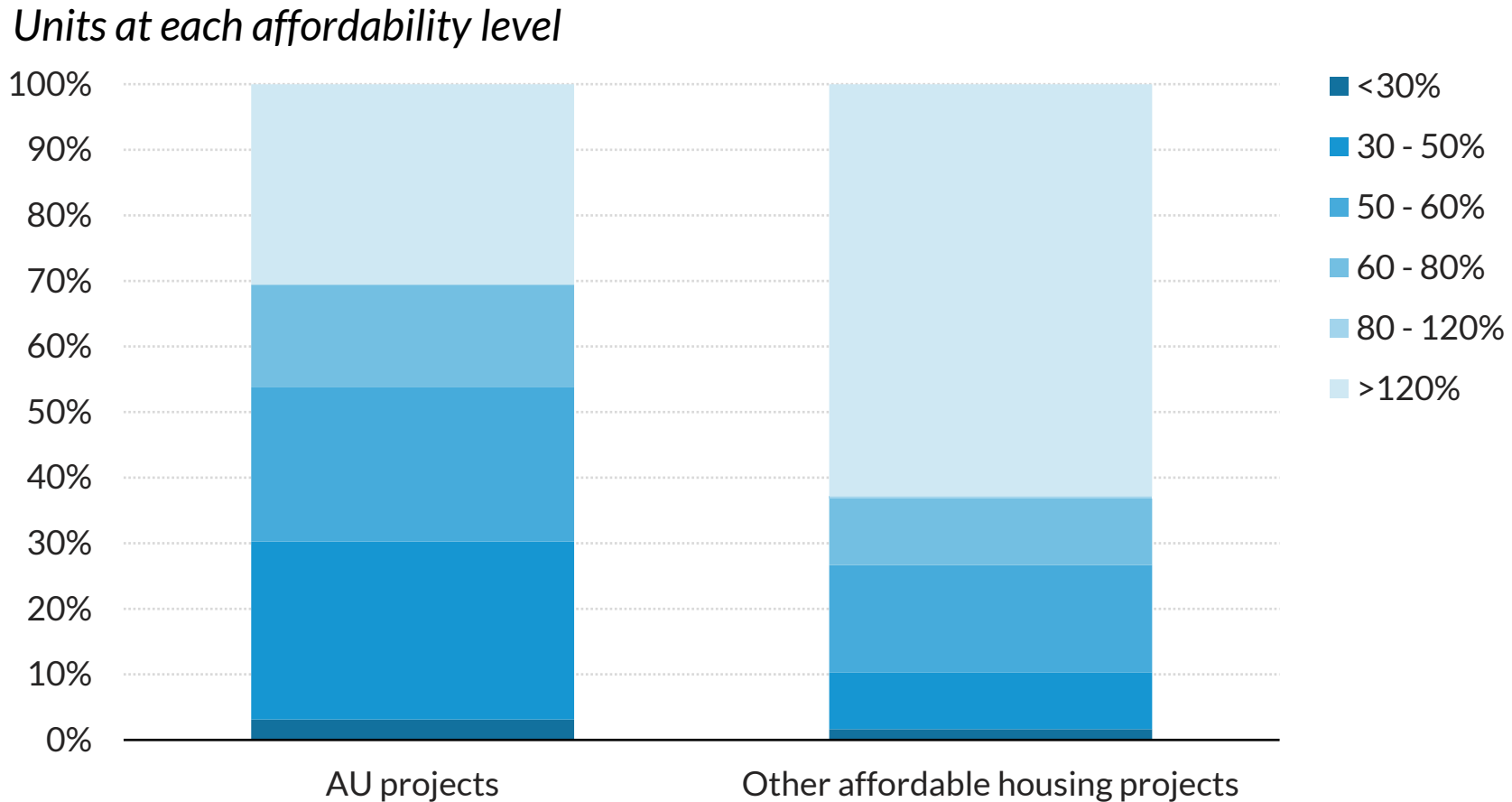# Characteristics of Affordability Unlocked Projects

- Close to **8,000 total units** as of today.

- Projects using Affordability Unlocked are **significantly larger**, measured by number of units.

- Significantly **larger share of units are affordable**.

Source: City of Austin, "Affordable Housing Inventory," dataset, https://data.austintexas.gov/Housing-and-RealEstate/Affordable-Housing-Inventory/ifzc-3xz8.
Notes: The inventory includes all housing projects that have received a subsidy from or participated in a city of Austin developer incentive program before 2019. Analysis conducted with data as of July 5, 2023.

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Photo Credit: Google Maps.

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Projects Using AU Bonuses Provide More Affordability

Units at each affordability level

Legend:
- <30%
- 30 - 50%
- 50 - 60%
- 60 - 80%
- 80 - 120%
- >120%

AU projects | Other affordable housing projects

Source: City of Austin, "Affordable Housing Inventory," dataset, https://data.austintexas.gov/Housing-and-RealEstate/Affordable-Housing-Inventory/ifzc-3xz8.
Notes: FMI = Family Median Income. AU = Affordability Unlocked. The inventory includes all housing projects that have received a subsidy from or participated in a city of Austin developer incentive program before 2019. Analysis conducted with data as of July 5, 2023.

Reforming zoning could open access to housing for _all_

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"Well I'll be darned! Accordin' to this here zoning law, this town is _plenty_ big enough for both of us!"