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The Double-Edged Sword of Zoning:

Opportunities and barriers to using zoning as a tool for affordable housing

Olivia Borland, Casey Kohlstruk, and Lindsay Owens | December 15, 2022



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UNDERSTANDING ZONING



What is Zoning?

Zoning is a tool used by urban planners to divide land into different development areas for different purposes.

Each development area has a different set of regulations tied to it that dictates what can be built in the area and what the buildings should look like.



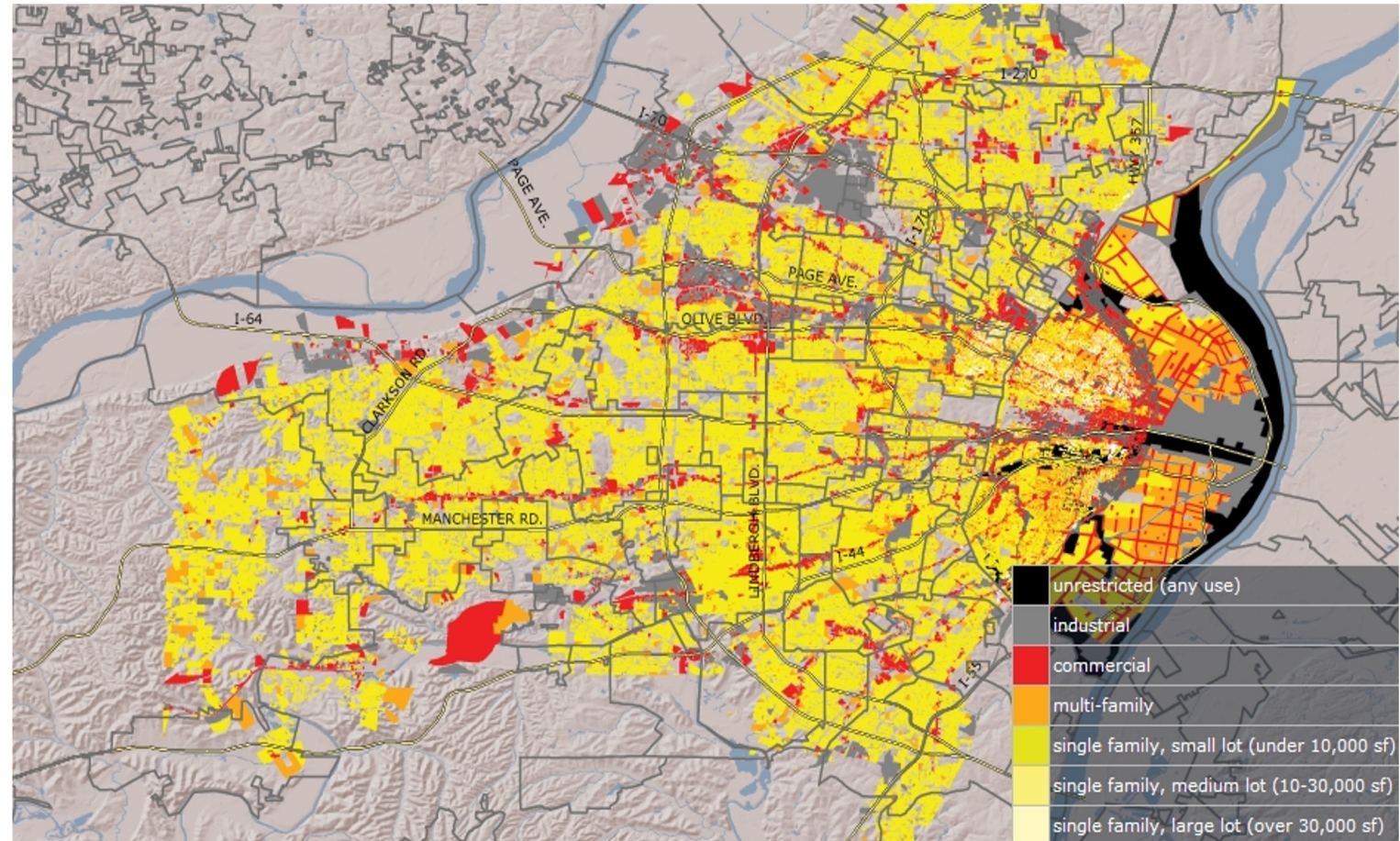
Why We Zone

- Originally used to protect public health
 - Keep homes away from hazardous conditions
- Evolved to include protection of property rights
 - Village of Euclid v. Ambler Realty
- Legal extension of redlining
 - Exclusionary zoning policies - racist implications



Types of Zoning

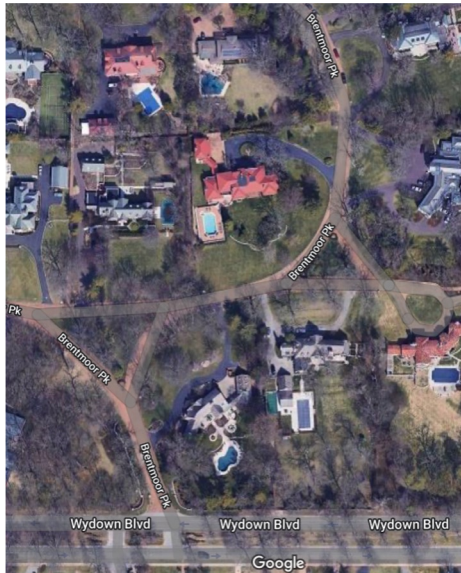
- Residential
- Commercial
- Industrial
- Mixed-use
- Special districts
- Missing middle*



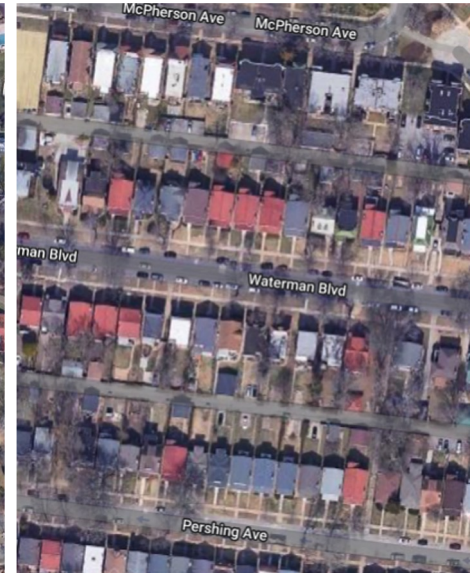


Levels of Residential Zoning

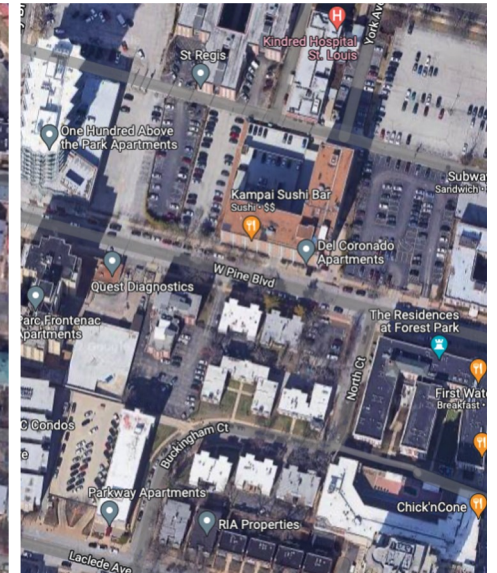
- Low-level density
- Mid-level density
- High-level density



Clayton



Skinker-Debaliviere



Central West End



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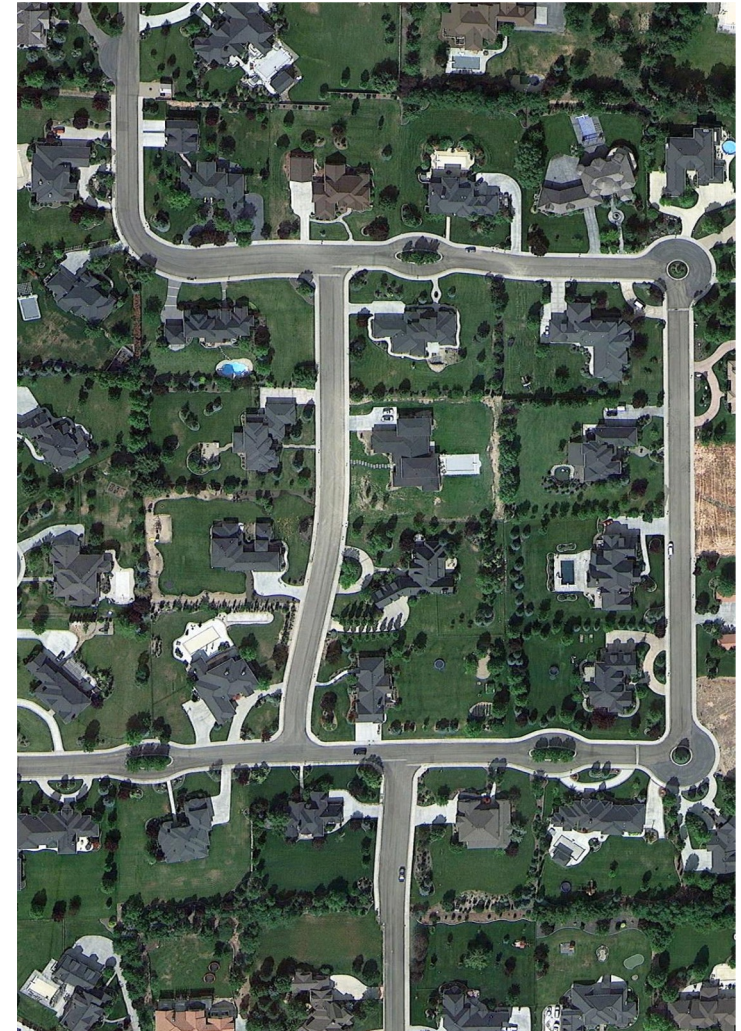
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PROBLEMS RELATED TO ZONING



Minimum Lot Sizes

- Zoning codes throughout the County mandate that lot sizes must be a certain size
- Larger lot sizes means higher costs and reduced affordability on the property and taxes





Restrictive Building Codes

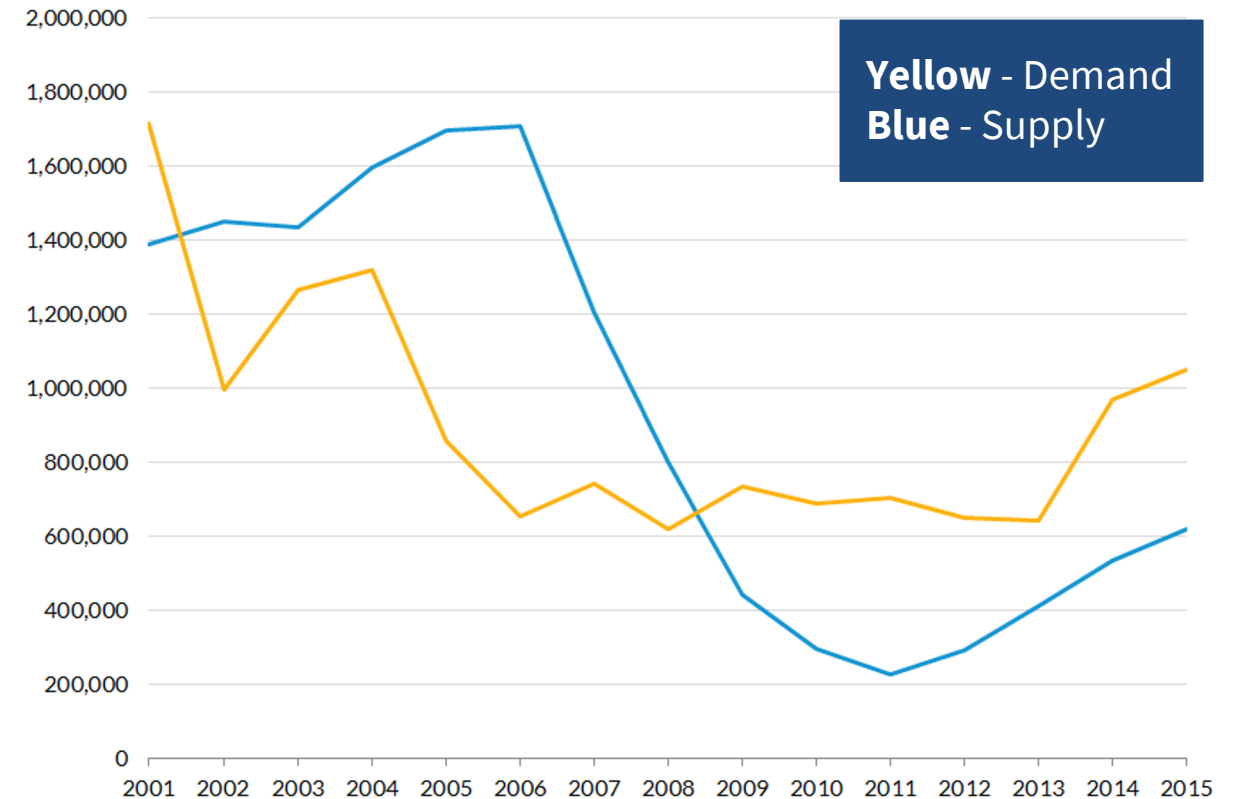
- Strict rules and restrictions around parking, open space, and other specifications about the house itself
 - Example: Height limits in Clayton: Limits 3 stories/45 feet on medium to low-density zones
- Code enhancements are costly - can add up to be **23% of a house's regulatory costs**
- These codes disincentivize developers and prevent families from buying and/or building homes



Adds to the Strains on Housing Supply

- Demand is higher than the current available supply
- This supply and demand mismatch drives the cost of housing up
- Rules impose a price floor that is not affordable on housing that is built

Supply and Demand for Housing



Source: Urban Institute, American Community Survey



Tools for Exclusionary Zoning

“Towns with the most stringent rules tend to have lower density and be wealthier than those with less regulation... The laws do not specifically mention race, but because African Americans and Latinos have on average far less wealth and income than white people, the laws do tend to drive people of color out and keep neighborhoods more uniformly white.” -Elizabeth Winkler



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ZONING SOLUTIONS:

USING ZONING TO AID AFFORDABLE HOUSING EFFORTS



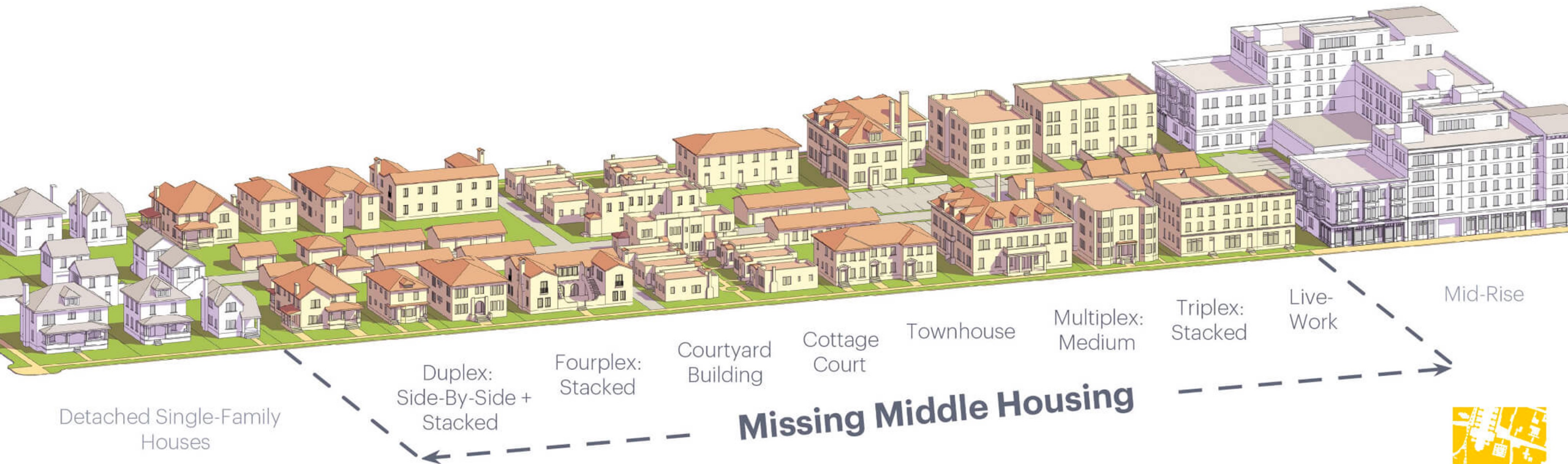
Upzoning

Upzoning means adjusting zoning codes to allow for increased density

- Increase denser construction to encourage an increased housing supply
- An increase in housing supply could increase the potential for an increase in available affordable housing in an area
- Reduce or remove minimum lot sizes



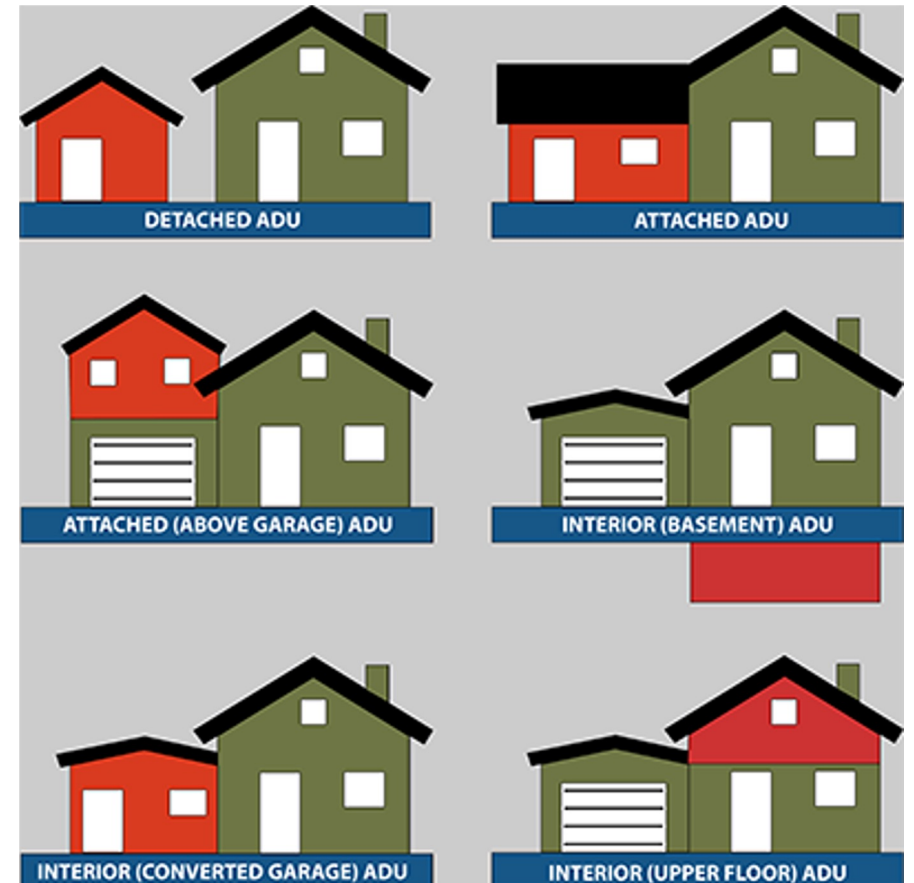
Upzoning: “Missing Middle”





Allow Accessory Dwelling Units (ADUs)

- Small, independent residential unit on the same lot as a single-family home
- Can be attached or detached from the home
- Already exists in St. Louis metro





Zoning Reform Considerations

- Upzoning is a powerful tool, but there can be **unintended consequences**:
 - Can heat up the housing market
 - Increase costs that displace existing families
- Need for upzoning ordinances to be passed in conjunction with policies and ordinances that prevent displacement



Protective Policies

Some potential protective policies and ordinances include:

- Inclusionary Zoning Ordinances
- Race Equity Analyses
- Property Tax Relief



Inclusionary Zoning (IZ) Ordinances

Inclusionary Zoning is a market-based strategy used to increase stock of affordable housing and encourage mixed-income communities

- Can be mandatory or incentive-driven
- Requires or incentivizes developers to make percentage of new housing units available to low- and moderate-income households
- Developers receive incentives or development rights



Inclusionary Zoning (IZ) Ordinances

Benefits of Inclusionary Zoning:

- Mitigate displacement of low-income households
- Allows those who work in a neighborhood to live in the neighborhood
- Increases the supply of affordable housing
- Meets fair housing obligations



Race Equity Analyses

Race equity analyses follow a similar understanding as **Environmental Impact Statements (EIS)**:

- Required by 1969 National Environmental Policy Act & have been adopted by many state governments
- Require proposed development projects to detail significant environmental impacts that a project may pose
- Used to promote informed decision-making



Race Equity Analyses

Race equity analyses would require proposed housing projects & developments to undergo a process that determines:

- How costs & benefits of the project are distributed across racial/ethnic groups
- The risk of displacement by race/ethnic group
- How the project would relate to current residential segregation patterns

Race equity analyses could **increase transparency and inform decision-making** when considering projects



St. Louis Real Estate Tax Assistance Fund (RETAF)

- Each year over 50 people lose their homes in the City of St. Louis due to inability to pay property taxes
 - Even if they own their home!
- RETAF is a philanthropic fund that assists owner-occupants who are at risk of tax foreclosure
- Used to **combat rising property values** created by zoning



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CLOSING THOUGHTS



Zoning Resources

[American Planning Association. \(2022\). *Accessory dwelling units*.](#)

[Millman National Land Services. \(2021\). *Zoning issues: Can zoning improve the housing affordability?: Millman National*.](#)

[Parolek, D., & Nelson, A. C. \(2021\). *Thinking Big and Building Small to Respond to Today's Housing Crisis*. Missing Middle Housing.](#)

[Schilling, J., & Linton, L. S. \(2005\). The Public Health Roots of Zoning. *American Journal of Preventive Medicine*, 28\(2\), 96–104.](#)

[St. Louis Realtors. \(2022\). *Monthly housing report*.](#)

[Budds, D. \(2020, January 30\). Will upzoning neighborhoods make homes more affordable?. *Curbed*.](#)

[Trickey, E. \(2019, July 11\). How Minneapolis freed itself from the stranglehold of single-family homes. *Politico*.](#)

[Davis, J. \(2021, July 15\). The double-edged sword of upzoning. *Brookings Institution*.](#)

[Real Estate Tax Assistance Fund. \(2021\). RETAF overview. St. Louis Tax Relief Coalition.](#)

[Local Housing Solutions. \(n.d.\). *Inclusionary zoning*.](#)

[Office of Policy Development and Research.\(2013\). *Inclusionary zoning and mixed-income communities*. HUD User.](#)

[OneSTL. \(n.d.\). Inclusionary zoning.](#)

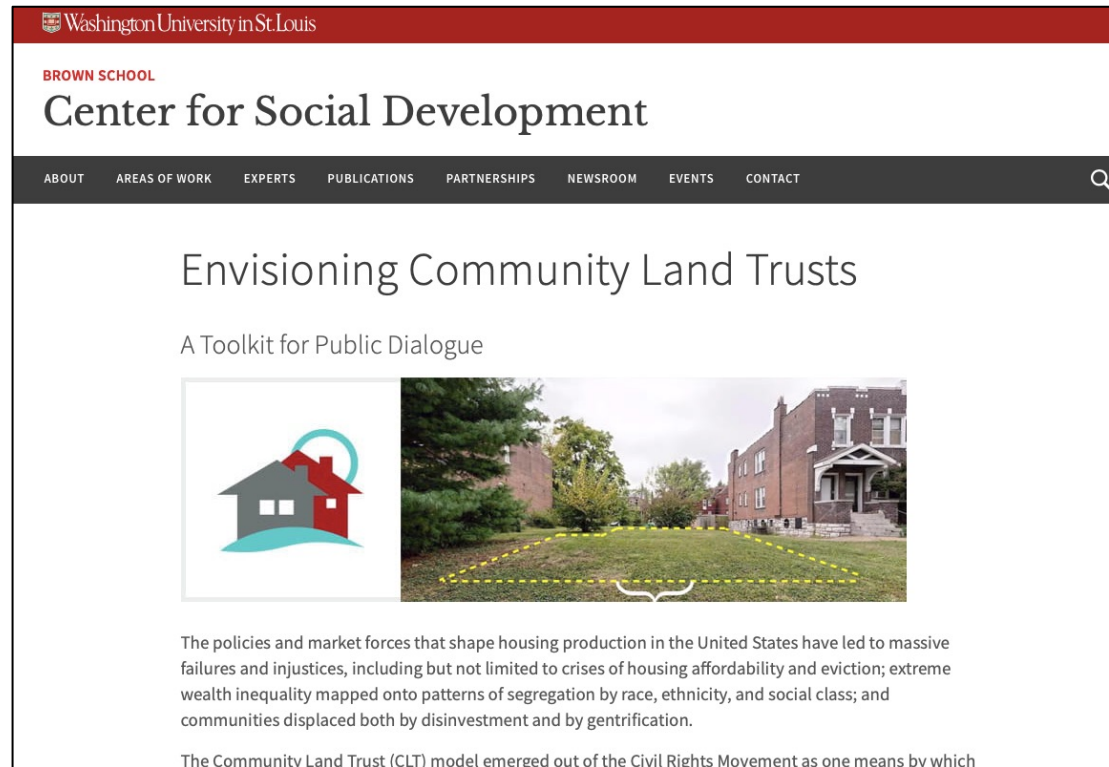
[Freeman, L. \(2021\). *Build race equity into rezoning decisions*. *Brookings Institution*.](#)



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<https://csd.wustl.edu/items/envisioning-community-land-trusts/>

<https://www.youtube.com/watch?v=ZFwNqZxdrZI&t=2s>



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