

Joint Committee on Ways and Means
Subcommittee on Transportation and Economic Development
Oregon State Capitol
900 Court Street NE, Room H-178
Salem, Oregon, 97301
Email: jwmtr.exhibits@oregonlegislature.gov

Re: Opposition to HB 2001A

I am writing to urge you to vote against HB 2001A. Proponents of the bill are promoting middle housing to address the affordable housing crisis, but the bill has no requirements that the middle housing it mandates be affordable. This is a fatal flaw, since density alone does not guarantee affordability; some of the densest places on earth are the most expensive.

Yonah Freemark, a graduate planning student at MIT who studied the real-life consequences of upzoning in Chicago, found *"In the first few years following an upzoning, construction may not immediately increase but the cost of property will."* (See attachment.) This indicates that upzoning may increase residential real estate prices that would further drive up new construction costs.

This study should give you pause. It indicates that the risk of unintended consequences from HB 2001A is high. It would be prudent to wait and see how middle housing zoning develops in Bend before requiring it statewide.

There is another important reason to vote against this bill. It is a draconian State mandate that removes local control from land use planning, thereby negating Oregon's land use framework of comprehensive planning. As such, there will likely be mounting pressure to expand the UGB as areas inside the UGB are densified without comprehensive planning, and the resulting density without supporting infrastructure becomes undesirable.

In addition, I share the other concerns raised in the attached letter.

Please vote against HB 2001A.

Thank you,

Carol McCarthy
950 NW Wild Rose Dr.
Corvallis, OR 97330

HB 2001A undermines Oregon's visionary land use planning. It removes the right of citizens and local governments to determine what zoning and development is appropriate in each local area. Local voters and their elected representatives should decide where more density is desirable, based on a thoughtful planning process that takes affordability, traffic, transit, infrastructure, environmental conditions, and social justice into account.

This bill is being promoted as a solution to the housing affordability crisis without a supporting economic analysis. To the contrary, an analysis commissioned by the City of Portland showed that rezoning all single-family lots to allow for duplexes, triplexes, quadraplexes, and townhouses will promote market-rate rentals over home ownership. The new units are predicted to be mostly micro-rental units with unaffordable average market-rate rents of \$1,823/month.

Rather than affordable housing, Oregon will see speculative redevelopment accompanied by increased demolitions of the most-affordable existing housing and more displacements of the most-vulnerable residents. By the Portland's analysis, this type of rezoning will result in the displacement of low-income residents with no path of return. This will disproportionately impact minorities.

Objections to HB 2001A include:

- Bypasses Oregon's Land Use Goals
- Eliminates Single-Family Neighborhoods
- No market analysis performed
- No parking requirements
- No infrastructure requirements
- No transportation planning
- Environmental protections overridden
- Significant loss of residential tree canopy
- No protection for historic resources
- No restrictions on vacation rentals
- Decreased fire safety in multi-units
- Promotes rentals over home ownership
- Increases demolitions of affordable housing
- Creates unaffordable housing
- Displaces minorities worse than redlining

Oregon does not need HB 2001A. Comprehensive Plans are already required to have a 20-year housing supply of all housing types, including detached single-family housing. Single-family neighborhoods should not be zoned out by State mandate.

The predicted unintentional consequences of this bill are far too negative to jeopardize Oregon's historic land use planning system. Please vote against it.

Please add this to the Record.

Thank you,

Carol McCarthy
950 NW Wild Rose Dr.
Corvallis, OR 97330

cc: Sen.BetsyJohnson@oregonlegislature.gov
Sen.ElizabethSteinerHayward@oregonlegislature.gov
Rep.DanRayfield@oregonlegislature.gov
Rep.DavidGomberg@oregonlegislature.gov
Rep.GregSmith@oregonlegislature.gov
Sen.LeeBeyer@oregonlegislature.gov
Sen.LewFrederick@oregonlegislature.gov
Sen.FredGirod@oregonlegislature.gov
Sen.BillHansell@oregonlegislature.gov
Sen.DallasHeard@oregonlegislature.gov
Sen.JamesManning@oregonlegislature.gov
Sen.ArnieRoblan@oregonlegislature.gov
Sen.ChuckThomsen@oregonlegislature.gov
Sen.RobWagner@oregonlegislature.gov
Rep.PaulHolvey@oregonlegislature.gov
Rep.SusanMcClain@oregonlegislature.gov
Rep.MikeMcClane@oregonlegislature.gov
Rep.RobNosse@oregonlegislature.gov
Rep.CarlaPiluso@oregonlegislature.gov
Rep.DuaneStark@oregonlegislature.gov

[Home](#) » [construction](#) » Upzoning Chicago: Impacts of a Zoning Reform on Property Values and Housing Construction

Upzoning Chicago: Impacts of a Zoning Reform on Property Values and Housing Construction

Posted on March 29, 2019 by [urbanaffairseeditor](#) in [construction](#), [land use](#), [zoning](#) // [4 Comments](#)



By Yonah Freemark (Massachusetts Institute of Technology)

Upzoning—a policy that increases the allowed scale of new construction—has recently attracted considerable attention from policymakers. States from [California](#) to [Utah](#) are considering legal changes that would require municipalities to increase the amount of new housing allowed to be built in certain neighborhoods. In Minneapolis, local officials have done what was previously thought politically impossible: [Allow the construction](#) of multi-family apartments in neighborhoods formerly zoned only for single-family homes.

The theory is that allowing additional new construction will bring more housing, increase housing affordability, and reduce the class and ethnic segregation that plagues most U.S. cities. But it's also a policy being contested by some, often neighborhood groups, who worry that upzoning will encourage real-estate speculation and thus [spur displacement](#).

Considerable research has evaluated how different levels of zoning controls at the *metropolitan* scale compare (most find regulation that allows higher densities associated with lower housing costs). But there has been very little research to understand what happens in *specific* neighborhoods affected by zoning *changes*. That's because, first, large zoning changes affecting entire communities are relatively rare, and second, it's often difficult to identify a comparison group for a zoning study, because so many zoning changes are targeted for areas that are already of particular interest to developers. Think of New York Mayor Michael Bloomberg's [upzonings of the waterfront in Brooklyn and Queens](#).

In my new research, [recently published in *Urban Affairs Review*](#), I delve into this question of what happens in neighborhoods once they are upzoned through a case study of a series of upzonings in Chicago. Implemented in 2013 and 2015, these changes were undertaken broadly, without specific association with new developments or other changes. The upzonings were designed to increase density and reduce parking requirements around rail stations. By examining parcels that were upzoned and comparing them to equivalent, nearby parcels that weren't, I set out to determine what, exactly, happens in the short term after an upzoning.

I identified two primary conclusions about the effects of the zoning changes. First of all, I found no perceptible uptick in new housing-unit permitting in the upzoned areas compared to the unaffected areas over five years. This might seem like a surprise in light of the [news stories regarding apartment projects going up](#) in areas around transit in Chicago in recent years. But my study shows that the zoning reform itself did not induce a specific increase in construction compared to other neighborhoods.

Second, I found an increase in property values in upzoned areas roughly equivalent to the increase in allowed density. This finding extended to existing residential units in some of the models I used, indicating that the cost of living in certain neighborhoods actually increased in the period I examined.

Together, these two findings paint an interesting picture: In the first few years following an upzoning, construction may not immediately increase but the cost of property will.

The two conclusions of this study reflect in part the fact that development is a lengthy process; it takes time to move from a policy like zoning to actually getting housing units in the ground. They also reflect the fact that property buyers *did* rather quickly take the zoning change into account—they were willing to pay more for buildings and land in the upzoned areas.

The study's overarching account raises concerns in that it tempers the expectation that upzoning can be by itself a remedy for housing affordability through increased construction. In the short term, my study suggests that property prices will increase in upzoned areas and new construction won't accelerate. Whether these trends continue into the longer term is unclear.

To what degree can the conclusions of this study inform policymaking? The study absolutely does not find that increasing an area's housing-unit count reduces affordability. The logics of supply and demand are still at play in American cities, and increasing the number of housing units is key to meeting demand. Policies that exclude certain types of people from certain neighborhoods, like zoning codes that prevent apartments from being built in communities filled with single-family homes, simply reinforce segregation and inequality. Upzoning, from that perspective, is undoubtedly a key tool in the arsenal of planners.

But the manner in which upzoning is implemented is important. In any area that city officials are considering for increased density, they should take seriously the concerns of local residents who are worried that their housing costs will increase. They should identify strategies designed to address that possibility, such as rent stabilization and immediate investments in new affordable housing. Moreover, since the study points to a rise in property costs but not new construction,

cities that upzone should make sure to work carefully to promote immediate new construction, not just speculation related to the possibility of *future* construction.

Issues remain that I did not study in relationship to Chicago's zoning change but that we need to better understand. I did not have access to quality rent data, so I could only measure the cost of property. I did not have details about the *types* of housing units being built, so these might have changed over time, and so might have the provision of parking. I did not study the construction of non-residential buildings (like offices or retail space), which may have been affected by the reform. We need more information about how impacts differ *between* neighborhoods. And, importantly, we need to know more about upzoning's effects on individuals (whose movements and housing costs I did not study directly), over the longer term.

It's also essential to note that this research—like all scholarship—must be thoroughly contextualized. It is possible that Chicago's form of upzoning produced different results than would other upzonings because of characteristics specific to this city: whether because it targeted just areas around transit (rather than the city as a whole), because it targeted mixed-use zones (rather than residential-only districts), or because it was implemented in a city with relatively affordable housing (rather than very high rents, such as in San Francisco). More research is needed to investigate whether Chicago's experience would be duplicated elsewhere, or whether it is an exception.

Author Biography

[Yonah Freemark](#) is a doctoral candidate in the Department of Urban Studies and Planning at the Massachusetts Institute of Technology. He has written extensively on housing, land use, and transportation. His dissertation project explores the politics of planning related to transportation infrastructure and associated development in the U.S. and France.

Downloaded from:

<https://urbanaffairsreview.com/2019/03/29/upzoning-chicago-impacts-of-a-zoning-reform-on-property-values-and-housing-construction/>