VILLAGE OF DECATUR PLANNING COMMISSION REGULAR MEETING AGENDA

Thursday
December 21, 2023

VILLAGE OF DECATUR – PLANNING COMMISSION
REGULAR MEETING
Thursday, December 21, 2023 – 1:00PM
Village Hall – 114 N. Phelps Street, Decatur, MI 49045

1:00 PM Planning Commission Meeting (Action to be taken by the Commission on the following agenda items)
Note: Please be courteous and turn cell phones off during the meeting.

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL (Excuse Absences, if Any)**

4. **PUBLIC COMMENT**

5. **APPROVAL OF AGENDA**

   5A.1 – Approval of the Regular Meeting Agenda for December 21, 2023

6. **APPROVAL OF MINUTES**

   6A.1 – Approval of the Minutes of the Regular Meeting of November 16, 2023

7. **UNFINISHED BUSINESS**

   7A.1 – Discuss Master Plan update: Table 34- Action Plan
   7A.2 – Discuss Master Plan update: Future Land Use Map

8. **NEW BUSINESS**

   None

9. **PLANNING COMMISSION COMMENTS**

10. **ADJOURNMENT**

PLEASE NOTE

AUDIENCE PARTICIPATION:
In addition to addressing the Planning Commission during public hearings and under "Public Comment," members of the audience may address the Chairperson, please limit your comments to three minutes or less per item. Please step up to the podium and state your name and address.

The proposed process for items listed under agenda items above shall be as follows:

1. Announcement of the agenda item by the Chairperson.
2. Verbal report provided by staff.
3. The Chairperson asks Commission members if they have any questions for staff to clarify the staff report.
4. Motion is made by a Commission member and seconded by another Commission member.
5. The chairperson calls on Commission members to discuss the motion if Commission members wish to discuss.
6. Chairperson calls for a vote on the item after discussion has occurred.

Village of Decatur
Planning Commission Regular Meeting Minutes
Thursday, November 16, 2023, at 1:00 P.M
Village Hall, 114 N. Phelps Street
Decatur, MI 49045

I. **Call to Order**

Rex called the meeting to order at 1:00 PM

II. **Pledge of Allegiance**

III. **Roll Call/ Attendance**

Chairman Blaine Rex-Chairperson, Janet Moelaart, Cindy Pachner, Victoria Coe, Michele Gateley, Christopher Tapper (Village Manager), Shantel Pentland (Administrative Assistant), Megan Duncan (Clerk/Treasurer), Rebecca Harvey (Harvey Consultants), Marcy Hamilton (SWMPC Planner), Zane Aldrich (SWMPC)

IV. **Public Comment**

None

V. **Approval of Agenda**

Moelaart offered a motion with support from Gateley to approve the agenda for September 21, 2023, as presented, motion passed 5-0.

VI. **Approval of Minutes**

Gately offered a motion with support from Coe to approve the meeting minutes from September 21, 2023, motion passed 5-0.

VII. **Unfinished Business**

None

VIII. **New Business**

8A.1 –Marcy Hamilton and Zane Aldrich from the Southwest Michigan Planning Commission gave a presentation on their role in the update of the Master Plan, some of which includes updated demographic information, current data on cropland, updated land use and land cover, making sure parks info is updated along with jointed master plan, transit information, road condition ratings (PASER). Other updates will come from the following dialogue during this interview: goals, objectives, action plan and what other changes are proposed. Aldrich offered some insightful information: Median home values have decreased from 2010, they are starting to rise to that point again. This could be due to home values around the lake, also due to the lower stock of housing. Another interesting aspect is how median household income has increased since 2010. This data is pulled from the US census.

8A.2 – Hamilton conducted an in-depth Q & A style meeting with the Commission. Topics that were discussed: the survey results from 2015 will be updated with some of the data from the 2022 survey. Quality and infrastructure improvements to the water system will be placed in appropriate areas in the document. The Board would like to evaluate and update the neighborhood info. Update central business district information. Recognizing that the Village serves as the economic center of the community is important to reiterate throughout the document, especially in the values section. Share information about Broadband accessibility and alternative energy in the economic Issues section. Incorporation of asset management techniques in the Action Plan section. Short-term rentals should be addressed in the Community Design and Image section. Community partners should be included in the Local Government section. Change the terminology from “Decatur-Hamilton Area” to the “Decatur-Hamilton Community” in the Goals and Objectives section and throughout the document. All sections of the 214-page document that need updating were addressed at this meeting.

Manager Tapper shared that a grant opportunity has arisen that would allow the Van Buren-Cass District Health Department to test for E. Coli in Lake of the Woods.

Hamilton asked each member of the Board to spend some time reviewing Table 34- Action Plan and the Future Land Use Map, and to bring input for updates on each to the December meeting.

A brief update on how this process will proceed was given, and if all the next steps go accordingly the Master Plan Update should be completed in Summer ’24.

IX. **<u>Planning Commission Comments</u>**

Rex inquired about a home located in the R1 district and stated that there are many individuals living in the home and there are large amounts of trash that pile up weekly. Harvey shared that our zoning ordinance defines “family”, and he should continue the conversation with Manager Tapper regarding code enforcement.

X. **<u>Adjournment</u>**

Moelaart offered a motion with support from Rex to adjourn the meeting at 2:56 PM, motion carried unanimously 5-0.

Minutes submitted by: Shantel Pentland, Administrative Assistant

Action Program

The following information is provided to assist the communities of Decatur Township, Hamilton Township, and the Village of Decatur in their initial implementation efforts. The time frame of this action program is three years. It is anticipated that every year this action plan will be reviewed and updated as needed.

Action Plan

As mentioned previously, it is expected that each year the action program will be reviewed at the annual meeting of the Joint Planning Commission to ensure that the implementation program always continues to look at least three years into the future. The action program should be based on the Master Plan and the results of any subsequent planning efforts. In this manner, the long-range vision and goals are established through the planning process and the short-range implementation activities are guided by the Action Program.

Seizing upon the opportunity to continue to the working relationship established in the development of this plan and in recognition of the need for coordination and cooperation in many of the implementation strategies; it is recommended that a permanent steering committee be established. There are a number of ways in which this committee can be operated. It may simply be an informal group with representatives from each of the Planning Commissions, the Township Boards, and the Village Council or it may be more formalized as a "Council of Governments".

The primary purpose of such a committee will be to keep a unified focus on regional planning issues and on implementation of the joint Master Plan. This committee will serve as the custodian of the regional viewpoint that is stressed in the Master Plan. It is strongly recommended that agreement be reached on the form of such a committee and consensus on its role and membership be achieved prior to implementing any of the recommendations contained in this plan.

Table 34. Action Plan

Action	Lead Organization	Potential Funding	End Product / Performance Measure	Occurrence
Ensure updated master plan is available on each community and the county's website	Planning Commissions	None needed	Publicly accessible master plan.	Year 1 (continually updated as needed)
Publish an article in the newspaper about the master plan (include link to plan) and announce an annual joint meeting about the master plan (invite planning commissions, boards/councils)	Planning Commissions, Township Boards, and Village Council	None needed	Informed public (include future land use map, describe main goals, compact development, farmland and natural resources preservation and business retention) Evaluate progress, revisit priorities, discuss village boundaries and water/sewer expansion plans, evaluate if the master plan needs to be updated. Consensus on Where, When, and How development will occur	Annually (along with joint board meeting in June)
Update Zoning Ordinance (add districts in Master Plan, surface water quality protection overlay district and standards, agricultural zoning technique to reduce fragmentation)	Planning Commissions	General Revenue	Updated Ordinances and Regulations, which are consistent with the Master Plan.	Year 1 and as needed
Develop a Capital Improvement Program (address roads and drains)	Planning Commissions, Township Boards, Village Council	General Revenue	Capital Improvements to be Implemented for the next 1-3 years	Year 1 (annually review and update)

Action	Lead Organization	Potential Funding	End Product / Performance Measure	Occurrence
Continue to support agricultural businesses in the community	Village Council, Township Boards, Chamber of Commerce, DDA, Village Manager	General Revenue	Strategies and programs, such as Farmers Market, to Strengthen Local Agricultural Economy	Year 2 (on-going)
Ensure businesses get support needed and be proactive in business retention	Village Manager, DDA, Chamber of Commerce	General Revenue	Strategies and Programs to Strengthen Downtown Economy	Year 1 (ongoing)
Offer and publicize a suggestion box at the Township and Village Halls	Village Council, Township Boards	General Revenue	Improved communication between public and elected and appointed officials	Year 1
Pursue the attraction and development of the following businesses: hotel, bed and breakfast, and a clothing store.	Village Manger, DDA, Chamber of Commerce, County Economic Development	General Revenue	Program to attract and/or develop key businesses to community.	Year 2
Develop a business incubator.	Village Manger, DDA, Chamber of Commerce, County Economic Development	General Revenue	Program to encourage small business start ups.	Year 3
Develop a joint code enforcement program for Townships and Village	Village Council, Township Boards	General Revenue	A unified code enforcement program	Year 1 (evaluate after Year 2)
Identify Infrastructure Projects and Pursue Funding such as CDBG Funds	Village Manager, Village Council	General Revenue. Special Assessments CDBG	Adequate infrastructure for business retention and attraction	As needed

Action	Lead Organization	Potential Funding	End Product / Performance Measure	Occurrence
Develop a Joint Parks and Recreation Committee (investigate trail projects)	Village Council, Township Boards	General Revenue	A committee which can discuss a joint recreation plan for the Village and Townships. A plan to maintain, expand and fund parks and recreation for the area.	Year 2
Study Feasibility of Joint Public Safety and Code Enforcement Department	Village Council, Village Manager, Township Boards, Police Chief, County Sheriff	General Revenue	A determination if a joint police department is feasible and needed to improve service	Year 2
Identify and Pursue Housing Assistance and Rehabilitation Programs	Planning Commissions, Township Boards, Village Council	General Revenue, CDBG, MSHDA	Eligible Housing Assistance Programs	As needed
Investigate funding options for treatment of wastewater for residents around Lake of Woods	Village Council and Township Boards	General Revenue	Funding opportunities identified	To Be Determined
Ensure the Village is redevelopment ready for the downtown, industrial park and along M-51	Village Manager and Council	General Revenue, DDA	Listed as a Redevelopment Ready Community by the State of Michigan*	As soon as possible

* http://www.michiganbusiness.org/cm/files/fact-sheets/redevelopmentreadycommunitiesprogram.pdf?rnd=1464922786730

Financing options for many of these programs can be found in Appendix 3.

Future Land Use Plan

Overview

The Master Plan is intended to assist decision makers in ensuring that the future use of land is consistent with the goals of the communities. The Master Plan should act as a guide in evaluating all future development within the Decatur-Hamilton area. Any future changes to the zoning ordinance text and maps of the communities and capital investments by the same should also be evaluated to ensure consistency with the goals, objectives, and preferred development patterns established in this Master Plan.

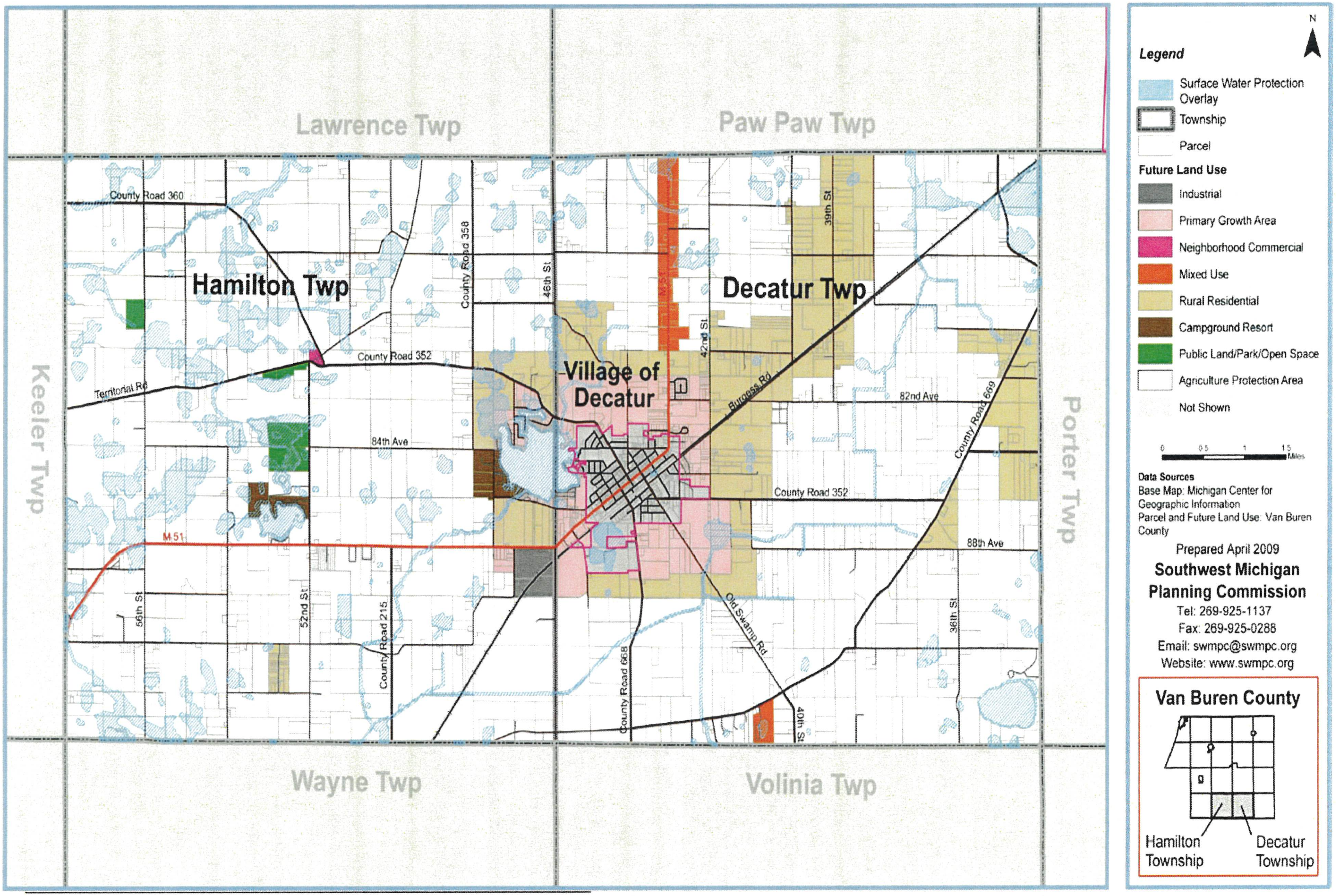
The Future Land Use Plan has two main objectives. First, it is useful as a means of identification of where certain types of land uses are most appropriate. This is largely accomplished by the Future Land Use Map. Second, it also demonstrates how the proposed land uses will be arranged on a specific piece of property.

The Future Land Use Map and the land use design guidelines are based on a firm understanding of the strategic issues present in the Decatur-Hamilton area, identification and analysis of the existing conditions present in the communities, recognition of the opportunities and constraints present in the communities, and an understanding of the stated community goals and objectives.

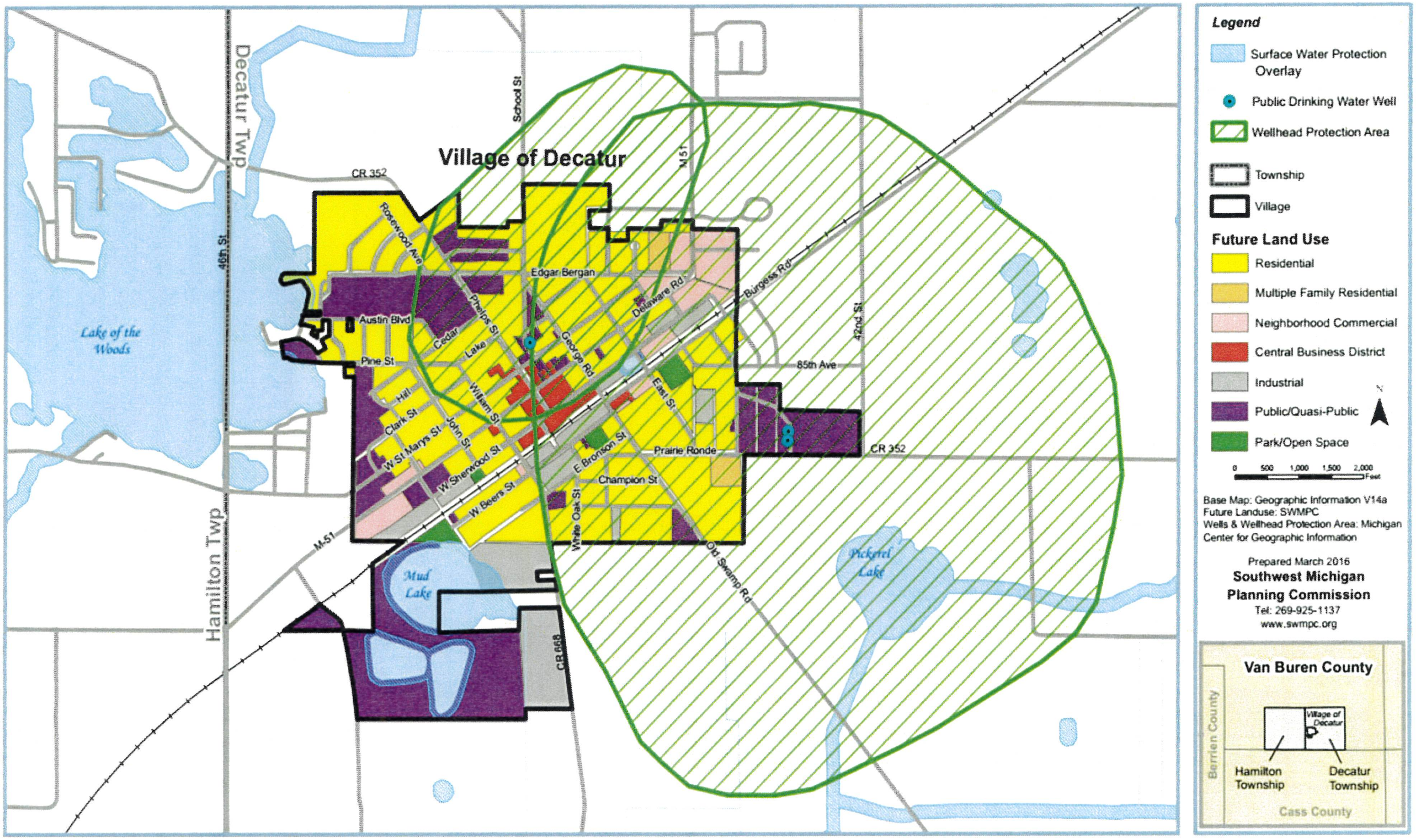
The Future Land Use Map is intended to represent the ultimate build-out for the Decatur-Hamilton area. In order for the communities to protect their rural character and the economic viability of the Village, it is necessary to define the extent of the intensely developed area which, if not constrained could undermine these fundamental goals for the area. While it will likely take a considerable amount of time for the communities to reach this ultimate build-out, by identifying the extent of development now, tools and techniques can be developed or expanded which will insure any area developed in the future will be utilized in accordance with the Master Plan.

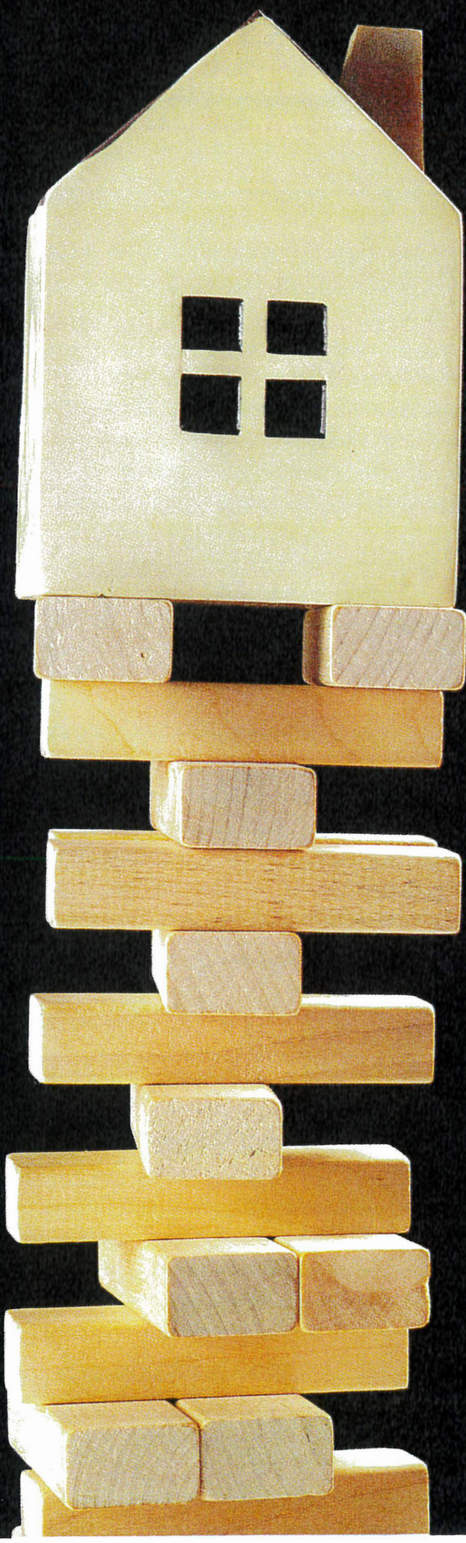
The Future Land Use Plan for the area is comprised of seven land use categories which delineate areas of the Village of Decatur, Decatur Township, or Hamilton Township for particular types of land uses. There is also a surface water quality overlay district which lies over the other districts and is meant to provide provisions in these sensitive areas to protect water resources. There is also a more detailed future land use map for the Village. The following section describes the characteristics of each land use designation, the methodology for defining the area, and recommendations for implementation.

Future Land Use



Future Land Use





The United States Housing Affordability Crisis: NO EASY SOLUTIONS

The many dimensions of the crisis, the impact of the pandemic, and what will (and won't) really make a difference.

As the United States has grown and the quality of the nation's housing has improved, it has also become more expensive and less affordable to much of the nation's population. Millions of Americans today find themselves spending so much for housing that they have difficulty meeting other necessities of life, while many others are thwarted in their dreams of homeownership.

BY ALAN MALLACH

Since the onset of the COVID-19 pandemic, the crisis in housing affordability has been a recurrent theme in the media, while solutions have been put forward by organizations and people across the political spectrum. But much of what is written about the problem is often misleading, while the solutions being most widely promoted would have little or no effect on the families most severely affected. In this article, I will describe the elements that make up the affordability crisis, and why they have just recently become so much more severe. Then I discuss the current efforts to address the problem and suggest what may be needed if it is ever to be truly resolved.

1. Breaking Down America's Affordability Problems

There is no one affordability problem. There are many affordability problems, depending on one's income, where one lives, and whether one is an owner or tenant. The most important, though, in terms of the suffering it causes and its significance for housing policy, is rental affordability or cost burden. It affects people of different incomes differently and varies greatly across the United States. A second problem is homebuyer affordability, or the extent to which high housing costs prevent households from becoming homeowners, but which mostly affects families of higher incomes than those whose lives are most deeply blighted by high rental costs. Most of this article will focus on rental affordability.

Households spending more than 30% of their gross income for rental costs, including utilities, are considered *cost burdened.* Those spending more than 50% of their gross income for rental costs are considered *severely cost burdened.* In 2021, 21.6 million renter households, almost half of all American renter households or one in six American households, were cost burdened. More than half of those, or 11.6 million renters, were *severely* cost burdened. The great majority of these households were very low-income households. While the percentage of cost burdened renters dropped slightly between 2014 and 2019, it has risen sharply since then. Two distinct and separate affordability problems, however, are nested in this total. I call them *systemic cost burden* and *strong-market cost burden.* They are very different.

Systemic Cost Burden

Very low-income families face the most severe rental affordability problems. They must contend with a systemic imbalance in the nation's economy between what low-level jobs pay and what it costs a private landlord to provide a modest but decent rental dwelling unit. For example, the 25th percentile hourly wage (25% earn less and 75% earn more) in the United States for retail workers in 2021 was $12.43/hour. A worker in such a job, working 35 hours/week for 50 weeks (if she's lucky) will earn a total of $21,131 for the year. If she is the sole support of her family, she can afford to pay no more than $528/ month for rent without being cost burdened.

Most rental properties in most American communities are either single family homes or a small multifamily buildings. When you add up the operating costs, including maintenance, reserves, property management, taxes, insurance, water and sewer fees, and allowances for vacancies and collections, they typically run between $400 and $600 per year. Assuming the landlord's cost to acquire and upgrade the property is a modest $100,000 and she aims for a 6% annual return on her investment, or has to pay a mortgage at that interest rate, the lowest rent they can charge and still come out ahead is $900 to $1100 per month, *almost double what the 25th percentile retail worker and her family can afford.*

Severe cost burden is concentrated among America's poorest families. Of these families, 87% of renter households earning under $10,000/year and 67% of those earning $10,000 to $19,999 spend 50% or more of their gross income for housing. *The poorest 20% of renters account for 60% of all households with severe cost burden.* These families live in chronic instability. They struggle to pay for food, transportation, and other essentials, while their ability to pay their rent can easily be derailed by unexpected medical expenses or a car breakdown. Cost-burdened households, particularly single mothers with children, are at greatest risk of eviction. They move more frequently than other families and often experience episodes of homelessness, undermining their family life, their children's future, and their neighborhood's stability.

Strong Market Cost Burden

Systemic affordability problems exist everywhere in the United States. But in high-demand housing market areas like coastal California, New York City, or Washington, DC, the pressure created by strong demand and limited supply leads affordability problems to migrate upward; that is, families at progressively higher income levels experience affordability problems. Renters earning between $30,000 and $74,999 (roughly 40 to 100% of the national median) are much more likely to be cost burdened in Los Angeles than, say, in Philadelphia or Cincinnati. These renters are hurting, but the amount of money a family earning $75,000 and paying 40% of their income for rent has left over for other necessities is far greater than that available to the family earning $20,000.

Strong-market affordability flows from two intersecting problems: the cost of housing has been bid up by demand from more affluent households and is made worse by the difficulty and high cost of building in these areas. Housing production in areas like Los Angeles or San Francisco is severely constrained not only by restrictive regulations but by many other factors, including natural and environmental constraints. Those constraints, along with extremely high land costs, the high cost of labor and materials, and the effects of rigorous building and safety codes, have led the cost of building to skyrocket. A 2022 report pegged average construction costs in San Francisco at $439 per square foot. Using this construction cost, adding modest land and soft costs, a small new two-bedroom apartment would cost over $750,000, and would have to rent for over $4,000/ month to break even. While building enough of those apartments might lead older buildings to filter down in price to where some middle-income families could afford them, tight land supply means that building enough to make a major difference might be well beyond what is realistically possible in San Francisco and many other supply-constrained strong market areas.

Affordability and the Ability to Buy a Home

Most American families aspire to homeownership. While for many years house prices and household incomes tended to move in parallel, starting around 2000 (except for a dip during the Great Recession) house prices have been rising faster than incomes. In addition to the price of the home, though, a family's ability to afford a home depends on the interest rate on the mortgage, as well as the size of the down payment and the annual cost of property taxes, insurance, and other fees, which vary widely from one part of the United States to another. To measure this, the National Association of Home Builders and Wells Fargo have created a Housing Opportunity Index (HOI), which combines incomes, prices, and interest rates to estimate what percentage of the houses in any given housing market area are affordable to a family earning the median income for that area. The lower the HOI, the fewer homes that are affordable to such a family. See Figure 1.

The HOI goes up and down. Affordability dropped during the 2000–2007 housing bubble, rose sharply during the Great Recession, and stayed fairly stable between 2013 and 2020. Although house prices were rising during these years, their effect was mostly offset by dropping mortgage interest rates, which bottomed out in 2020. The steep drop in affordability since 2020 comes partly from rising prices and partly from rising interest rates. As with rental affordability, the affordability of homes for sale also varies widely across the country. There are areas where almost all homes are affordable to a median-income household (like Cumberland, Maryland or Elmira, New York) and those where hardly any are affordable (like Orange County, California). The 11 least affordable housing market areas are all in California, while of the 40 areas (out of 234) where a median-income family can afford 75% or more of the homes, 39 are in the Northeast or Midwest.

The ability of middle-class families to buy a home fluctuates widely over time and geography. Within 15 years, the HOI has yo-yoed from 40% to 80% and back to 40%. But there are still many places in the United States—although not necessarily those where most people want to buy homes—where homes are highly affordable. As we turn to the way the perception of affordability as a metastasizing crisis has grown seemingly overnight, it is important to maintain that perspective.

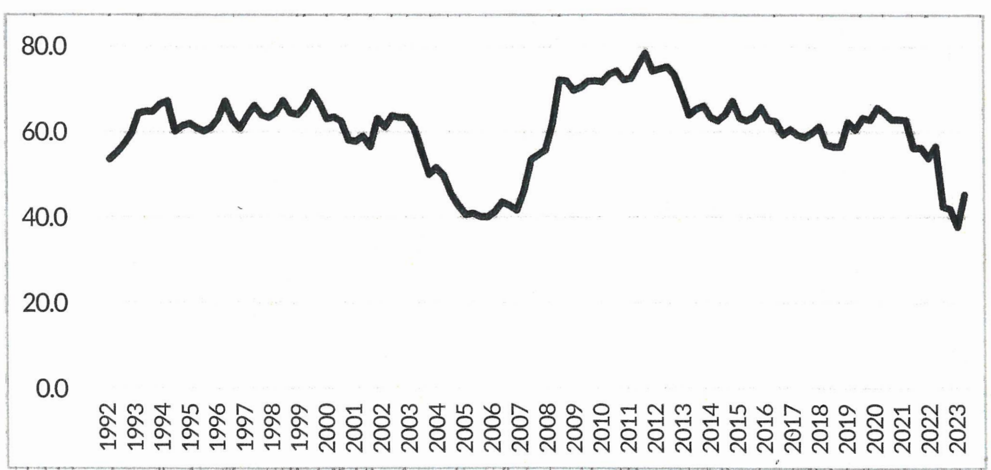
2. COVID and the Unexpected Crisis

While housing affordability has long been seen as a problem, it took on new urgency during the COVID-19 pandemic. Soon after the onset of the pandemic in early 2020, rentals and sales prices both began to rise much faster than ever before, even more than during the height of the bubble years. From the second quarter of 2020 to the fourth quarter of 2022, the median sales price for homes in the United States rose from $322,600 to $479,500, or nearly 50%. Although prices then began to tail off, the recent decline has been more than offset by rising mortgage interest rates. Rents also increased, by 13.5% in 2021 alone. While sales prices and rental growth are slowing down, they will likely never return to pre-pandemic levels. What can account for this increase, which was largely unpredicted by either researchers or industry professionals?

Many different factors came together in 2020 to create the conditions for sharp price and rent increases, as shown in Figure 3. New housing production has lagged behind demand since the onset of the Great Recession, creating a cumulative shortfall in supply, while new household formation, the main driver of housing demand, which was sluggish for many years, increased significantly during the late 2010s. At the same time, mortgage interest rates, which had been gradually declining since the 1980s, bottomed out at 2.66% in December 2020.

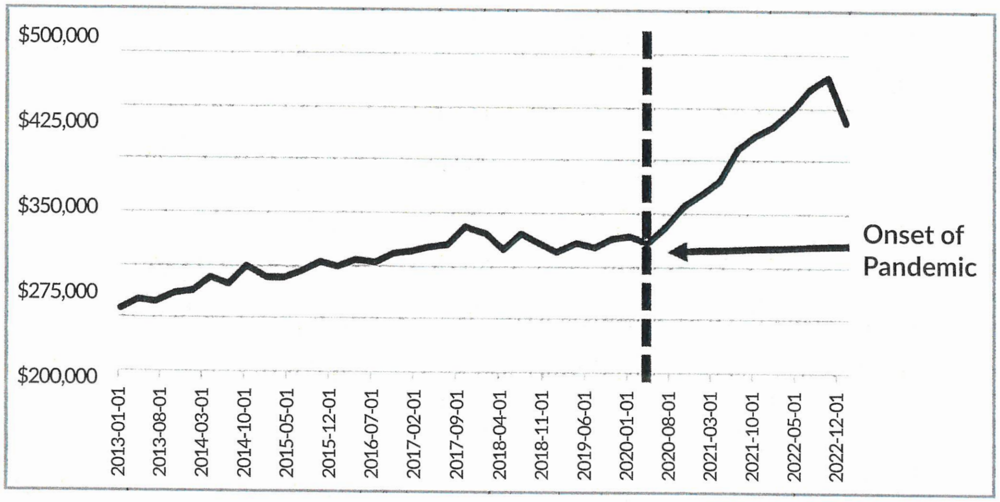
On top of this, the pandemic triggered both even greater demand and even less available supply. Many affluent renters realized that low mortgage interest rates made homeownership more attractive than continuing to rent. With people working from home rather than commuting

Figure 1: Housing Opportunity Index, 1992 to 2023



Source: NAHB-Wells Fargo Housing Opportunity Index
Note: The Y axis shows the percentage of homes a household earning the local median income can afford.

Figure 2: Change in Median House Sale Price, 2013 to 2023

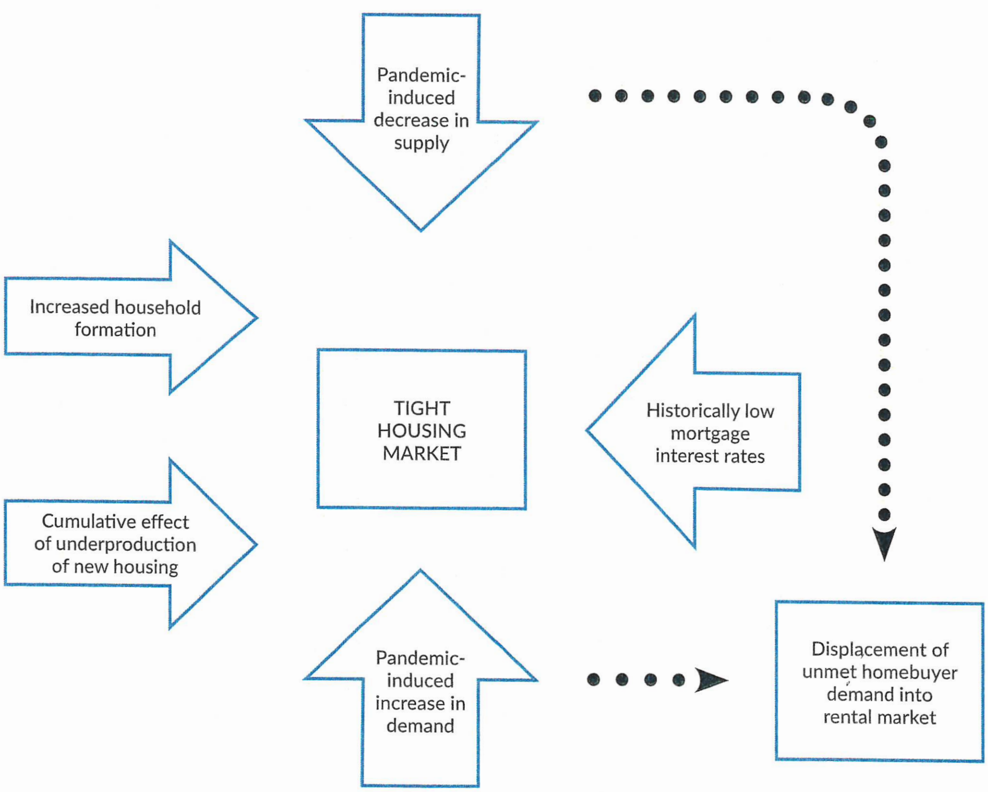


Source: FRED, Federal Reserve Bank of St. Louis/U.S. Census Bureau and U.S. Department of Housing and Urban Development

to an office, many began to look for larger quarters, while others chose to relocate to communities farther from their workplace. Cities two or three hours from Manhattan—like Kingston, New York, or Bethlehem, Pennsylvania; or with strong natural amenities like Provo, Utah, or Sarasota, Florida—experienced sharp demand surges. The increase in demand was strongest among high-wage, upper-income households, disproportionately pushing prices upward.

At the same time, the number of homeowners putting their houses on the market dropped sharply. Many reasons have been suggested for this, including older owners' reluctance to move or have strangers in their homes during the pandemic.

Figure 3: Factors Leading to House Price and Rent Increases During COVID-19 Pandemic



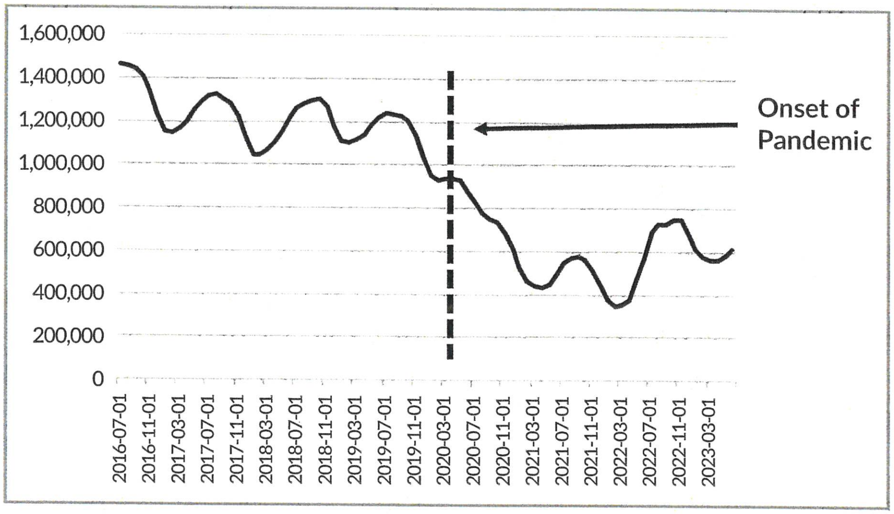
As the market further tightened and mortgage interest rates began to rise, owners holding cheap mortgages realized that moving could mean much higher housing costs. Whatever the reasons, available housing inventory, which is highly seasonal, failed to rise as usual during the spring and summer of 2020, and then dropped precipitously during the second half of the year, just as demand was rising. By mid-2023, although the pandemic is no longer driving people's behavior, inventory levels have remained far below pre-pandemic levels.

The increase in house prices and rents, however, has inserted the issue of affordability squarely into the American political mainstream. But what does that really mean for the millions of people impacted by high housing costs?

3. Can We Solve the Affordability Problem?

Housing costs have been on the national agenda for a long time. In 1978, the federal government created a Task Force on Housing Costs, whose final report opens by noting, "The high cost of housing is now a major problem for millions of Americans." In

Figure 4: Available Housing Inventory for Sale in the United States, 2016 through 2023



Source: FRED, Federal Reserve Bank of St. Louis/Realtor.com

1990, President George H. W. Bush convened an Advisory Commission on Removing Barriers to Affordable Housing, while in 2004, president George W. Bush announced the America's Affordable Communities Initiative to "bring homes within reach of hard-working families through regulatory reform."

In some ways, nothing is new. But what people are talking about today is different in important ways. For one thing, the focus is overwhelmingly on a single issue: underproduction of new housing. While an undersupply of new housing, particularly in high-demand areas like coastal California, certainly contributes to the affordability problem, it is far from the *only* contributor to the problem. The focus, moreover, is on one specific obstacle to building more housing: land use regulation. That is, reforming the zoning laws local governments use to regulate the use, density, height, and other features of development.

This focus has brought together an unusually broad coalition, including homebuilders, as well as so-called YIMBY ("Yes in My Back Yard") pro-development voices from left to right, libertarian tech bros, and left-wing housing advocates. However, the voices of those who argue that other strategies are needed, particularly organizations serving very low-income families, are barely heard.

The strength of the coalition pushing for zoning reform has already led to major changes in many municipal zoning ordinances and in the laws of a number of state governments. The latter is most important, since under the American system of government, state law defines how towns and cities regulate land use. Any change to a state's zoning laws, therefore, changes the ground rules for hundreds of separate municipal zoning ordinances.

The first notable state zoning change was in Oregon in 2019, when it amended the state zoning law to abolish exclusive single-family zoning in cities over 10,000 in population. All such cities must now allow two dwelling units where only one could be built before, while cities over 25,000 must allow at least four. Reforms have since been enacted in California, Connecticut, Maine, Massachusetts, Montana, New Hampshire, Rhode Island, Utah, Vermont, and Washington. Eight states now require municipalities to allow accessory dwelling units (ADUs)—second dwelling units on the same single family lot, either within the existing house or as a smaller separate structure—in single family zoning districts.

Ending the historic practice of exclusive single-family zoning, meaning zones where only single-family detached houses are allowed, has been a major goal of the zoning reform movement. That restriction governs the great majority of residentially zoned land in the United States, including almost all suburban land and large parts of central cities, including 70% of the residentially zoned land in Minneapolis and 81% in Seattle. Indeed, many people point to the moment in 2019, when Minneapolis amended its zoning laws to eliminate single-family zoning districts and to permit up to three housing units to be built on each individual building lot as the first major victory of the zoning reform movement.

This turnabout on zoning, although still embryonic, must be recognized as a major achievement on an issue that until recently was seen as all but politically untouchable. Yet is it the "solution" to the affordable housing crisis, or even, as has been argued, to homelessness? While some of the reforms will help, usually in small ways, the answer is an unequivocal no. Although the much-heralded Minneapolis reform affects 70% of the city's land area, after two and a half years it had resulted in only 100 new housing units; put differently, it increased housing production in the city over that time by only 1%.

Part of the problem is that, as I have written elsewhere, there are compelling economic reasons why increasing density in already-built-up single-family districts—which describes almost all *urban* single-family districts—not only fails to lead to large-scale housing production, but all but dictates that any new housing will be significantly more expensive than the homes it replaces. Indeed, it is hard to escape the conclusion that—leaving aside ADUs, which are truly helpful—rezoning of built single-family areas is more about symbolism than about substance.

Although rezoning of urban commercial or industrial areas for higher-density residential use may be somewhat more productive, zoning reform in heavily developed central cities like Minneapolis or San Francisco is likely to have only a limited effect on housing supply, if only because of the inordinate cost and difficulty of site assembly and the disproportionately high cost of construction, as discussed earlier. If enough new housing gets built, it may have some effect on reducing existing rents through the filtering process, but in most cases the effect is likely to be quite modest.

Increasing housing production in the suburbs is easier and likely to have far more impact. Vacant or underutilized sites, such as low-density strip commercial areas along arterial roads, are widely available and considerably less expensive to develop than urban sites. Rezoning those areas, along with rezoning underutilized office parks to allow multifamily housing, while changing the zoning of as-yet-undeveloped land currently zoned for single family homes, could actually lead to significant increases in housing production.

But the shortfall in housing production is not just a matter of zoning. Many other factors stand in the way of significantly increasing housing production, including non-zoning regulations, the difficulty and cost of site assembly in largely built-up cities, shortages of skilled construction workers and qualified subcontractors, and high barriers to entry for start-up land developers.

The single most important thing we can do to solve the affordability crisis among low-income families is to provide a housing allowance—whether through the current voucher program or a redesigned and improved program—for every household whose income is too low for them to afford modest but decent housing in the private market.

None of these issues have yet been seriously tackled, and some have hardly been discussed. It is important to remember, moreover, that many regulations, like limits on building in floodplains or wetlands, are there for good reason.

All of this, however, fails to address the most urgent question. At best, a program of extensive zoning reform, coupled with other measures to increase housing production, may help ameliorate the problems of some struggling middle-class households squeezed by high costs and limited supply in high-demand markets such as coastal California and New York City. Even those effects are likely to be limited because of the inordinately high cost of the new housing that will be built. It will not begin to meet the needs of low-income families, whose lives are far more devastated by housing cost burdens, because the systemic gap between housing costs and incomes makes it impossible, however many units we build, for costs to filter down to where those families can afford housing in the private market. Even less will it help meet the needs of homeless people, who (more or less by definition) have very low incomes and who are often further burdened by social, mental, or physical disabilities.

It is widely held that where the cost of an essential public good exceeds the ability of people who need that good to pay for it, the public sector should help bridge the gap. Thus we provide minimum levels of health care and food through Medicaid and SNAP as entitlements for people whose incomes are too low to pay for those goods. But that is not true for housing. Instead of being an entitlement, housing assistance is a lottery. The most widely cited estimate is that only 24% of eligible households in need are able to obtain housing assistance, in most cases through a housing choice voucher, which pays the difference between the full market rent and what a low-income family can afford, while paying 30% of their income for rent. Almost all the other 76% are cost-burdened.

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In many communities, where supply is adequate and prices relatively low, a well-designed entitlement housing allowance program might in itself largely address the affordability problem. In higher-priced strong market areas, it would have to be combined with a program to subsidize construction of affordable or mixed-income housing to provide an adequate supply of moderately priced dwellings where people could use their allowance, including supportive housing for homeless people. This would be expensive, but well within the means of the federal government. It would be a small part of what we currently spend on Medicaid and might well reduce Medicaid costs by improving family health in the bargain. Even then, however, it would have to be a regional, not a local program. Given the cost and scarcity of building sites and the exorbitant construction costs, it is hard to see how some cities like San Francisco could ever create enough housing to meet the needs of their lower-income residents.

This is not an either-or proposition. Zoning reform is long overdue, and recent reforms are a good step forward. But they address only one small piece of what is a complex systemic problem. Treating it as the solution is not only dangerously misleading, but ignores the urgent needs of millions of low-income families for whom zoning reform by itself is little more than a cruel hoax. PM

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