

# Linking housing goals with planning and policy goals

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# Smart growth is development that serves the economy, the community, and the environment

- Mix of land uses
- Good design
- Provide housing choice
- Create walkable communities
- Foster distinctive communities
- Preserve open space
- Reinvest in existing communities
- Provide for transportation alternatives
- Make development decisions fair and predictable
- Encourage citizen participation



# Clear goals but dynamic tensions

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# Clear goals but dynamic tensions

- Mix of land uses : may encourage multifamily and conflict with zoning practices
- Good design: often perceived as costly
- Provide housing choice: at odds with exclusionary zoning practices
- Create walkable communities: links disparate income groups
- Foster distinctive communities: can be seen as elitist or exclusionary
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# Clear goals but dynamic tensions

- Mix of land uses : may encourage multifamily and conflict with zoning practices
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- Provide housing choice: at odds with exclusionary zoning practices
- Create walkable communities: links disparate income groups
- Foster distinctive communities: can be seen as elitist or exclusionary
- Preserve open space: in conflict with settlement patterns
- Reinvest in existing communities: costly relative to greenfield
- Provide for transportation alternatives: inadequate capitalization
- Make development decisions fair and predictable: loss of control
- Encourage citizen participation: resistance to change



The conflicts in these positions makes it difficult or not impossible to bring creative solutions to housing development which could enhance our communities while also making housing more affordable.

Individual expectations about the homestead foster personal and institutional resistance to change.



# It is difficult, if not impossible, in many settings

- To provide for accessory units
- Increase or maximize density outside the urban core
- Get waivers from impact fees
- Forgo parking requirements or rethink parking needs
- Pursue infill development on non-conforming or otherwise encumbered lots
- Compromise open space requirements
- Implement mixed use strategies
- Pursue creative infill strategies



# A number of trends to be addressed

- Increased complexity of environmental regulation
  - Heavy cost of mitigation
- Misuse of smart growth principles that serve to restrict patterns of development
  - Minimum lot sizes
  - Off site requirements
  - Amenities
  - Resistance to density
  - Resistance to non-conventional housing product



## A number of trends (cont'd)

- Widening application of impact fees disproportionate to costs
  - Inadequate credits
  - Failing to recognize burdens and differences
- Urban barriers to infill strategies
  - Difficulties in achieving clear title
  - Demolition
  - infrastructure
  - Antiquated tax deed methods



# Literature and analyses document the cost of poor public policy and the cost it exacts on affordable housing across the country

- In Alachua County, the impact fees exact \$3,100 more than the typical unit burdens the overall system
- In Boston, minimum lot sizes actually drive down housing production
- In Chicago, at least 21% of the average unit housing cost stems from fees
- In New Jersey, fees add \$40,000-\$80,000 to the typical home



# Literature and analyses (cont'd)

- In Wisconsin, minimum front footage requirements add 6-8% to the typical unit
- NAHB estimates that fees in 42 metro markets add as 10% to the cost of typical unit
- Reducing approvals from four month process to a one month process could increase production by as much as 45%



# Strategies and practices

**Issue:** Increased complexity of environmental regulation

- Heavy cost of mitigation

## Best Practice

- Clustering
- Technical assistance



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## Example

- TN, State funded technical assistance program



# Strategies and practices (cont'd)

## Issue : Misuse of smart growth principles

- Minimum lot sizes
- Heavy off site requirements
- Amenities
- Parking standards
- Resistance to density
- Resistance to non-conventional housing product

## Best Practice

- Density and intensity



# Strategies and practices (cont'd)

Issue : Misuse of smart growth principles

## Best Practice

- Credits for TOD
- State intervention to strike down minimums
- Allowed use of modular housing
- Modifications of impacts fee structure
- Expedited permitting of mixed use and design templates



# Strategies and practices (cont'd)

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## Example

- Alpharetta, GA acknowledges locational advantages of transit corridors
- Montgomery County, MD, inclusionary program most productive in US



# Strategies and practices (cont'd)

Issue : Application of impact fees disproportionate to costs

- Failing to recognize burdens and differences
- Average costing
- Inadequate credits
- Timing and payment

## Best Practice

- Recognition of burden
- Evaluation of size as well as locational factors in fees



# Strategies and practices (cont'd)

Issue : Application of impact fees disproportionate to costs

## Best Practice

- Recognition of trip differences by housing type
- Recognition of population differences
- Waivers and credits
- Delayed timing of fees
- Fees as second mortgages for eligible housing



# Strategies and practices (cont'd)

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## Example

- CO, IN, NM, PA, TX, VT, WV allow waivers
- GA, ID, SC allow fees to be financed



# Strategies and practices (cont'd)

Issue : Application of impact fees disproportionate to costs

## Example

- Alachua County, FL assesses at plan stage but collects at CO
- Alachua County, FL varies fees by size of house
- Alachua County, FL allows soft second mortgages
- Albuquerque, NM waives fee in federal development zones
- Martin County, FL defers a minimum of 10 years
- Atlanta, GA targeted areas benefit from reduced fee
- Hillsborough County, FL sets education fees by size of house
- Size usually a consideration for non-residential fees



# Strategies and practices (cont'd)

## Issue: Urban barriers to infill housing

- Difficulties in achieving clear title
- Demolition and modification of infrastructure systems
- Antiquated tax deed methods
- Cost containment

## Best Practice

- Technical assistance
- State intervention to recognize arcane legal and insurance practices
- Private insurance fund
- Full fee credits



# Strategies and practices (cont'd)

Issue: Urban barriers to infill housing

## Best Practice

- Densities by right
- Linkage fees



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## Example

- Tennessee insurance fund
- Tucson, AZ favorable fee structure for urban core
- Orlando, FL promotes accessory units in core city



# Summary

- Insufficient to believe in principles
- Essential changes must occur
- Some accomplishments but more needed
- Requires broad community education and action
- All options reflect cost-benefit considerations
- The state of the economy may cast these issues in a new light



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