

Written Comments of David A. Schwarte of the Texas Neighborhood Coalition as a Follow-up to Oral Remarks before Fort Worth City Council Meeting on September 12, 2023

Mayor and Council Members:

My name is Dave Schwarte. I reside in Arlington TX. I am a cofounder of the Texas Neighborhood Coalition. Our coalition spent months earlier this year fighting in the legislature against numerous bills that would have undermined local control of zoning and land use. We worked hand-in-glove with United Neighborhoods of Fort Worth and with other citizen groups across the state to successfully defeat several measures designed to undermine local control of zoning decisions and land use. I have been asked by United Neighborhoods of Fort Worth to address you tonight to share important empirical data that we have assembled as a consequence of our fight to preserve local control of land use.

At the outset, I stress that TNC staunchly believes that land use decisions must be left to local authorities such as yourselves - who know local conditions and are responsible to local citizens at the ballot box. We know of course that Council is considering various proposals to address current housing issues. We fully support affordable housing, which is one of the reasons TNC has long opposed the takeover of homes in residential neighborhoods by short-term rental operators. STRs soak up housing stock and drive up home prices and real estate taxes.

We have reviewed the comprehensive plan to increase housing stock and improve housing affordability. There are many well-thought-out and effective strategies in that plan, such as development bonuses for affordable development, establishing Community Development Corporations, and creating land banks. We applaud the city for its hard work. We do take note, however, that one of the possible measures recommended is the potential upzoning of neighborhoods to increase population density. One specific proposal is to encourage accessory dwelling units on single-family properties, "either citywide or in select areas."

In the last legislative session, we had to battle particularly hard against Senate bill 1412. As you will know, that bill would have mandated that all cities in Texas allow accessory dwelling units on every lot in every single-family zoned neighborhood. This sort of one-size-fits-all, top-down zoning solution is the antithesis of how to make smart and equitable decisions regarding land use. It also is anti-democratic because it would have disenfranchised local voters who long have had the opportunity for citizen input when changes to zoning are proposed.

So, what has TNC learned that we think is critical for local governments to know as they consider upzoning measures? I will focus on two central facts.

There Is No Empirical Evidence Upzoning, Like ADUs, Improves Housing Affordability

First, and I know this key point may be counterintuitive: upzoning, such as mandating ADUs in single-family areas, does nothing to improve housing affordability.

There are many studies that demonstrate that so-called upzoning single-family neighborhoods to increase density, such as permitting ADUs there, does not improve affordability. Clearly the most up-to-date, comprehensive, and rigorous, was published on March 29, 2023, by the Urban Institute Urban Institute. That Institute is a non-profit research institute that has worked on matters of public interests for more than 50 years. In their study, the Urban Institute examined 180 zoning “reforms” across 1,136 cities and eight metropolitan regions. Their unambiguous conclusion about the effects of loosen zoning restrictions on housing affordability was the following:

“... we find no statistically significant evidence that additional lower-cost units became available or became less expensive in the years following reforms. (Emphasis added.)

<https://www.urban.org/research/publication/land-use-reforms-and-housing-costs>

The study also concluded that while those “reforms” were associated with “a statistically significant” increase in housing supply, it was only a “0.8 percent increase in housing supply within three to nine years of reform passage, accounting for new and existing stock,” and that “... [t]his increase occurs predominantly for units at the higher end of the rent price distribution.”

In short, this massive study of cities across America found that there was no empirical evidence that upzoning brought down housing costs and found that it increased available housing stock by only a paltry 0.8 percent after three to nine years, most of which was at the “higher end of the rent price distribution.” Given the scope and magnitude of the data covered by this study, casting a widespread nationwide net as opposed to looking at isolated anecdotes, it is clearly authoritative, and TNC believes dispositive of the question of whether ADUs and other types of upzoning are workable solutions to housing affordability issues.<sup>1</sup>

In any event, the Urban Institute was not the first set of researchers to find that upzoning, that is, multiplying population density, does not result in more affordable housing -- and in fact has had the opposite effect.

One such study looked at the experience in Chicago five years after zoning laws were relaxed to increase population density. See [https://journals.sagepub.com/doi/pdf/10.1177/1078087418824672?casa\\_token=23ocsTbd6YsAAAA:p8FqSIRmTds9zxXC6wUQgd1Cg5KXTuqYgv1OlcT2KelfuxFTqVeRnySyzX-Hk-Dxtw-C58x7mvO](https://journals.sagepub.com/doi/pdf/10.1177/1078087418824672?casa_token=23ocsTbd6YsAAAA:p8FqSIRmTds9zxXC6wUQgd1Cg5KXTuqYgv1OlcT2KelfuxFTqVeRnySyzX-Hk-Dxtw-C58x7mvO)

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<sup>1</sup> The authors do conclude that reforms that increase land-use restrictions and lower allowed densities are associated with increased median rents and a reduction in units affordable to middle-income renters. But, importantly, United Neighborhoods of Fort Worth is only seeking the retention of the longstanding limitations on land use in the zoning ordinance.

The author summarized his findings as follows:

I detect significant, robust increases in values for transactions on parcels that received a boost in allowed building size. I also identify value increases for residential condominiums, indicating that upzoning increased prices of existing housing units. I find no impacts of the reforms, however, on the number of newly permitted dwellings over five years. As such, I demonstrate that the short-term, local-level impacts of upzoning are higher property prices but no additional new housing construction.

(Emphasis added.)

As noted by a later paper, the study of Chicago's experience with upzoning also found that upzoning appears to favor upper-income residents and creates racial displacement. That paper is entitled "Who Benefits From Upzoning? On Housing Affordability & Equity." See <https://stopbtownupzoning.org/2021/01/25/who-benefits-from-upzoningon-housing-affordability-and-equity/>

The succinct conclusion, based on a data from the Chicago study rejected an upzoning push for Bloomington, Indiana, observing:

To What Extent Does Upzoning Increase Affordability and Equity?

The brief answer: It doesn't.

Bloomington's upzoning proponents have argued that social science backs them up when they claim that removing zoning restrictions on dense housing development increases equity in housing opportunity (generally citing studies focused on much larger cities). But far from encouraging affordability, upzoning has consistently been found to result in a decrease in affordability, an increase in property taxes, an increase in average rents, and a reduction in affordable housing units.

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Far from increasing equity and affordability, upzoning appears to favor upper-income residents and creates racial displacement; so it isn't surprising that it has proven tremendously unpopular among those it purportedly helps.

On the failure of upzoning to help produce affordable housing, another interesting but targeted article is entitled "*Looking at Minnesota Should Give California Pause in New Housing Bills.*" There, an architect and resident of Minneapolis, documents that the highly touted steps by that city in 2020 to terminate single-family zoning have done nothing to improve housing affordability. She said:

The universal upzoning of all single-family lots in Minneapolis to allow for increased density of 3-units officially took effect on January 1, 2020. We've now had a year and a half of this policy in place in Minneapolis. And it has not changed the trajectory of housing affordability one iota.

<https://myburbank.com/guest-column-looking-at-minnesota-should-give-california-pause-in-new-housing-bills/>

In sum, the assumption that upzoning, such as allowing ADUs citywide as a matter of right, will help produce affordable housing is not supported by empirical evidence, and the real-world effect may be to increase the costs of housing. And, as I noted earlier, the guidelines the city is considering include numerous, other workable options to make housing more affordable.

#### Single-Family Homes with Adequate Living Space Remain the Dream for Most Americans

Second, and completely intuitive, very recent studies confirm that owning a single-family home with real “elbow room” remains the American dream.

Local government officials should bear in mind that owning a single-family home remains the dream of the overwhelming majority of Americans. Research by the CATO Institute published on December 14, 2022, found:

For most Americans (86%), owning their own home is preferable to renting. This includes 90% of Republicans and 84% of Democrats. Most Americans also idealize the single-family home: 89% of Americans, including 86% of Democrats and 95% of Republicans, would prefer living in a single-family home to living in a condo or townhome. (Emphasis added.)

See

<https://www.cato.org/blog/new-poll-87-americans-worry-about-cost-housing-76-say-now-bad-time-buy-home>

To the majority of Americans, that dream also means having adequate living space. A very recent Pew Research Center report, published on August 2, 2023, confirmed this perfectly natural point. It summarized the findings as follows:

A majority of Americans (57%) say they would prefer to live in a community where “houses are larger and farther apart, but schools, stores and restaurants are several miles away,” according to a Pew Research Center survey conducted March 27-April 2, 2023. About four-in-ten (42%) would prefer a community where “houses are smaller and closer to each other, but schools, stores and restaurants are within walking distance.”

See

<https://www.pewresearch.org/short-reads/2023/08/02/majority-of-americans-prefer-a-community-with-big-houses-even-if-local-amenities-are-farther-away/>

### Conclusion

As Council considers what actions to take to address housing issues, and in particular whether increasing population density in some or all existing neighborhoods is appropriate, TNC urges the council to carefully consider the real costs and real benefits. Council should scrutinize closely and rigorously claims that upzoning will actually improve -- as opposed to worsen -- housing affordability and should keep in mind that single-family homes with adequate living space remain the dream for the majority of Americans.