



Local regulatory responses during a regional housing shortage: An analysis of rezonings in Silicon Valley



C.J. Gabbe

Department of Environmental Studies and Sciences, Santa Clara University, 500 El Camino Real, Santa Clara, CA 95053, United States

ARTICLE INFO

Keywords:

Zoning
Rezoning
Land use regulations
Neighborhood planning
Silicon Valley

ABSTRACT

Scholars have partially blamed high housing prices in many metropolitan areas on residential density restrictions. Santa Clara County is the geographic heart of California's Silicon Valley and is one of the most expensive counties in the U.S. for renters and homebuyers. This research answers two questions about how municipalities change their zoning. First, how common are rezonings? Second, what are the determinants of density-increasing "upzonings" and density-decreasing "downzonings"? This is the first study to analyze rezonings across neighboring municipalities and expands our limited explanations of rezonings. The three largest cities in Santa Clara County are analyzed using a parcel dataset with zoning at two time periods: 2006–2016 for San José and Sunnyvale, and 2012–2016 for the city of Santa Clara. Multinomial logistic regression models are used to compare the relative risk of a parcel being upzoned or downzoned compared with no zoning change. Little land was upzoned in the three cities. San José increased allowable residential densities on 0.6% of its parcel land area on average per year, while Santa Clara averaged 0.3% and Sunnyvale averaged 0.1% per year. Downzoning was less common and tended to involve small reductions in allowable density. San José decreased allowable residential densities on 0.5% of its land area per year, and Santa Clara and Sunnyvale engaged in almost no downzoning. The main findings are: (1) regulatory changes were more likely in San José, the central city, than in the neighboring smaller municipalities; (2) there was little upzoning or downzoning, regardless of a neighborhood's homeownership rate; and (3) rezonings tended to be small-scale and initiated by property owners rather than through large-scale municipal actions.

1. Introduction

Zoning shapes where, and how much, new housing is built. In some high-demand areas of the United States, there is not enough housing and particularly not enough low- and moderate-cost multifamily housing to meet demand. Planners and policymakers commonly prescribe zoning reforms to enable more housing to be built. But, there is surprisingly little empirical evidence quantifying and explaining how zoning is changing within cities. This paper answers two questions. First, how common are rezonings? Second, what are the determinants of density-increasing *upzonings* and density-decreasing *downzonings*?

To answer these questions, this research focuses on Santa Clara County, the center of Silicon Valley and one of the most expensive housing markets for renters and homebuyers. Santa Clara County provides lessons for other metropolitan areas because its decentralized, auto-oriented built environment has similarities with many other cities. This analysis is based on a detailed dataset of parcels of the three largest Santa Clara County municipalities: San José, Santa Clara, and Sunnyvale. Multinomial logistic regression models are specified to

compare the relative risk that a parcel was upzoned or downzoned. This is the first study to analyze rezonings at the parcel scale across neighboring municipalities, expanding our limited evidence base about cities' zoning activities.

There are three major findings from this research. First, rezonings were uncommon but somewhat more likely in San José, the county's central city, than in the nearby smaller municipalities. San José increased allowable residential densities on 0.6% of its parcel land area on average per year, while Santa Clara averaged 0.3% and Sunnyvale averaged 0.1% per year. Meanwhile, San José decreased allowable residential densities on 0.5% of its land area per year, and Santa Clara and Sunnyvale engaged in practically no downzoning. Second, there was little rezoning, even in neighborhoods with low homeownership rates. Third, rezonings were largely adopted on a piecemeal basis – as is the norm in the U.S. – and were commonly initiated by property owners rather than through coordinated planning. This suggests that inadequate housing supply and high housing prices may be an insufficient motivation for large-scale municipal upzoning.

E-mail address: cgabbe@scu.edu.

<https://doi.org/10.1016/j.landusepol.2018.09.035>

Received 24 May 2018; Received in revised form 20 August 2018; Accepted 26 September 2018

0264-8377/ © 2018 Elsevier Ltd. All rights reserved.

2. Land use regulations matter, and are often largely static

Scholars and policymakers have increasingly focused their attention on land use regulations because evidence shows they affect housing production and prices. Nationally, more housing is built – and housing prices are lower – in municipalities and metropolitan areas with less restrictive regulations, all else equal (Glaeser and Ward, 2009; Gyourko and Molloy, 2014; Saiz, 2010). Scholars, as expected, have found this to be the case in metropolitan California (Landis, 2006; Levine, 1999; Quigley and Raphael, 2005).

Within metropolitan areas, regulations may shift development from more restrictive areas to less restrictive ones (Cho and Linneman, 1993; Kahn et al., 2010; Landis, 2006; Towe et al., 2017). Landis (2006) compared urban growth to toothpaste: “Squeezed out of one location, it goes somewhere else. Thus, the question is not whether growth displacement occurs, but where it goes” (p. 414).

Given that some land use regulations affect housing prices, it is important to understand if local regulations are becoming more or less restrictive over time. Cities may change allowable residential development densities by rezoning individual parcels, adopting neighborhood-scale plans and overlays, and/or by approving new citywide policies. Parcel rezonings may include residential upzonings that increase the allowable residential density or parcel downzonings that decrease allowable residential development (Cullingworth, 1993). Neighborhood scale changes may occur when cities add overlay zoning with special provisions to certain areas or approve planned unit developments (Meck et al., 2000).

There is limited empirical evidence quantifying parcel-scale zoning changes, and there is no evidence of trends across neighboring municipal boundaries. Existing scholarship has focused on New York City and Los Angeles, and these studies suggest that zoning changes are inconsistent and somewhat rare. In New York City between 2003 and 2009, the city upzoned 5% of its lots, downzoned 6% of lots, and rezoned 15% of lots in a way that did not change the allowable floor area ratio (Been et al., 2014, p. 241). Meanwhile, Los Angeles upzoned 1.1% of its land area between 2002 and 2014 (Gabbe, 2018).

3. Determinants of land use regulatory change

Much of the literature on regulation focuses on the roles of different interest groups. Cities may adopt or change land use regulations in response to the interests of homeowners, developers, and/or policymakers. This section describes what we know about these participants’ economic, social equity, and environmental motivations.

3.1. Economic interests

Homeowners’ primary economic motivation is to protect – and perhaps maximize – their property values. Fischel’s (2005b) “homevoter hypothesis” posits that homeowners vote with their property values in mind, and these voters strongly influence local municipal policy toward these ends. These homeowners are often characterized as objecting to growth and new development (Fischel, 2005b; Frieden, 1979).

Homeowners are a diverse segment of the population, and it is difficult to generalize about 64% of American households. Homeowners’ motivations may extend beyond simply preserving property values. Pendall (1999) studied opposition to new housing in the San Francisco Bay Area and began with the presumption that reasons for opposition to growth are complex, and may include property value explanations, along with concerns about design, loss of open space, and general concerns about the pace of neighborhood change. He analyzed 141 development projects across 33 jurisdictions and found that objections to development may take the form of protests about adjacent uses or more general anti-growth protests about the pace of development. Planners may also frame local development issues in

ways that influence residents’ support or opposition to neighborhood change (Doberstein et al., 2016; Whittemore and BenDor, 2018)

Property owners and the real estate industry are motivated to maximize their development or redevelopment opportunities. Real estate interests aim to build housing in places with strong residential demand, particularly in areas with good amenities and regional employment accessibility (Anas et al., 1998; DiPasquale and Wheaton, 1996). Real estate developers would be expected to favor rezoning and developing vacant or underutilized sites (Landis et al., 2006). The real estate industry can exert strong influence on land use planning and zoning policy to enable more development (Logan and Molotch, 1987; Molotch, 1976; Warner and Molotch, 2000).

Local elected officials may have fiscal motivations for adopting land use policies. They may seek to maximize public revenue (e.g., encourage land uses that produce sales tax revenue), maximize utilization of infrastructure (e.g., roads and transit), and minimize public service costs (e.g., enable commercial rather than residential land uses). These motivations have been termed the “fiscalization of land use” and California has been a leading example of this trend (Lewis, 2001; Misczynski, 1986; Schwartz, 1997).

3.2. Social equity

Many cities adopt land use and housing policies with stated equity goals. These may include neighborhood or citywide plans with an affordable housing component, inclusionary zoning, reforms to encourage accessory dwelling units, and rent control or rent stabilization (Mukhija et al., 2015; Schwartz, 2010; Wegmann and Mawhorter, 2017). Mukhija et al. (2015) found that state and local elected officials in expensive housing markets face more pressure to enact policies to address high housing costs, like inclusionary zoning.

Scholars have also honed in on two unjust forms of zoning policy: “exclusionary” zoning and “expulsive” zoning. Exclusionary zoning refers to zoning for large single-family homes; this zoning practice excludes people with low- and moderate-incomes and people of color (Gyourko et al., 2008; Pendall, 2000; Pendall et al., 2006). Expulsive zoning refers to zoning changes that enable incompatible uses (e.g., industrial or manufacturing) to be built in communities of color and lower-income neighborhoods (Rabin, 1990).

3.3. Environmental

Environmental motivations may induce municipalities to upzone some areas while potentially downzoning or preserving others. These environmental motivations may include reducing greenhouse gas emissions and protecting open space.

Public transit may motivate urban planning, but it is less clear if it motivates rezoning. Been et al. (2014) found that proximity to rail transit increased the likelihood of upzoning and surprisingly also increased the likelihood of downzoning in New York City. Meanwhile, Gabbe (2018) found that rail proximity was not a significant determinant of upzoning in Los Angeles. One explanation for this latter result was that the city began some new transit-oriented development initiatives after the study period.

Climate change mitigation may be a primary or secondary motivation for urban planning and zoning decisions. Evidence about local planning and zoning from California suggests that policymakers sometimes use climate change mitigation as a supporting argument for compact and infill development policies that they also want for other reasons (Barbour and Deakin, 2012; Chatman et al., 2016).

Some zoning decisions may be intended to create or protect open space (Gyourko et al., 2008; Pendall et al., 2006). Cities sometimes preserve open space at the urban fringe by downzoning parcels to open space designations or by adopting larger-scale growth management policies like urban growth boundaries (Bengston et al., 2004; Landis, 2006). Additionally, a city might acquire and rezone parcels in an

Download English Version:

<https://daneshyari.com/en/article/11012804>

Download Persian Version:

<https://daneshyari.com/article/11012804>

[Daneshyari.com](https://daneshyari.com)