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Downzoning and the New Segregation

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 There's a housing crisis percolating in cities, towns and neighborhoods across the country. It's hidden behind the euphoria of extremely favorable mortgage rates and beneath the robust housing market and highest percentage of homeownership this country has ever seen.

It is a crisis that smacks of ethnic and racial discrimination and economic bigotry. It is fueled as much, if not more, by the current rash of downzonings and exclusionary land use practices that are being implemented in the name of curbing "overdevelopment" and sprawl, which causes increases in home prices because of the strength of the housing market. They call it "growth management" or "smart growth," but there is nothing smart about it.

These land use decisions are severely limiting the supply of housing. And, when combined with low mortgage rates, they are pushing home and, in many markets, rental prices far beyond the reach of fastest growing segments of the population: working families, young singles, minorities and immigrants. As a consequence of ever increasing prices, these populations are finding it harder to establish themselves in decent housing, and, if they are lucky enough to have housing, they are at risk of being displaced from closer-in neighborhoods (sometimes, their own longtime neighborhoods) and finding themselves forced to commute greater and greater distances to work at greater and greater expense. Government policies in place in many markets areas, New

Jersey being one glaring example, are having the effect of encouraging both the primary and secondary displacement of the most impacted populations, with gentrification being the unstated, but clear, goal.

Yes, the white hot housing market itself is contributing to the crisis, but don't be fooled — it is only part of the picture. The local and state officials who make the zoning decisions can alleviate it by implementing corrective zoning actions, which would involve some measure of political fortitude. Right now, however, most are more than content to give lip service to "affordable housing" and leave it at that.

Many minorities are being forced into more marginal and less desirable areas while the politicians continue to pursue and implement housing and land use policies that favor the almost 70 percent of white people who are mostly homeowners.

This housing crisis affects every part of the market — affordable, move up and luxury are all feeling the pinch. It makes no difference. There may be subtle nuances to the land use

dynamics in different locales or market segments, but the end results are the same. The front door is only open to some and usually not the ones who need housing the most.

Let's start with land. In suburban markets, the scenario is fairly familiar. Less land is available for development, because of any number of conservation/limited growth type programs such as farmland preservation, green acres and the like. That makes the price of available land, well, pricey, which adds to the cost of the home on that land. Now, factor in the number of homes that can be built on that land. Reduced densities — the product of downzonings and exclusionary land use practices — restrict the amount of growth allowed on the remaining developable parcels, edging up prices higher still. It is fairly clear to almost anyone, except local politicians and land use officials, that a steady, and often increasing, demand for housing when applied to a decreasing supply of developable land and density leads to ever increasing prices and decreasing affordability at every level. But, it clearly has the greatest effect on the fastest growing segments of the population: working families, young singles, minorities and immigrants.

The combination of all these factors means more and more pressure on a smaller supply of new housing, resulting in higher and higher housing prices. One only has to look at the suburban markets in metropolitan areas like New York, Washington, D.C. or Portland, Ore. to see how this pattern of land use is affecting housing prices.

There's no relief within cities, either. Sure, there's development taking place and cities are

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being revitalized. One by one, homes in neighborhoods are being condemned and then rebuilt. But all this energy isn't focused on providing a broad range of housing across the economic spectrum. Instead, the cities are "gentrifying," successfully luring back middle and upper middle class homebuyers who can afford to be closer to their jobs and add to city coffers. Again, lost in the shuffle are the usual suspects: those who cannot afford moving into the city, as well as displaced city residents who would find themselves too poor to continue living in their old neighborhoods. They have no place to go but down to less desirable neighborhoods. And, the cities themselves actively increase their culpability by promoting and maintaining gold-plated building codes and insufficiently funding and

staffing administrative processes, both of which just add costs without adding value.

You can count younger people and senior citizens among the newly segregated people being priced out of decent, affordable housing, too. Younger homeowners haven't built up enough equity or don't have the income to afford today's prices, and senior citizens can't find decent housing in their income levels.

This sad undercurrent to an otherwise robust housing market shows no signs of letting up. Many minorities are being forced into more marginal and less desirable areas while the politicians continue to pursue and implement housing and land use policies that favor the almost 70 percent of white people who are mostly homeowners.

The politicians may see high-end housing as a means of improving their municipalities' fiscal health. They may fear a NIMBY backlash. Whatever the reason, until someone has the backbone to say that density and development are not four-letter words but are essential elements of sustainable growth, the rising tide of our robust housing market will not lift all boats. And a new type of segregation, with its same ugly results, will prevail.

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