

**Mansueto Institute
for Urban Innovation** **University
of Chicago**

**Beyond the Single-Family Home:
Zoning, Equity, and Access**

**Kreisman Initiative
for Housing Law and Policy**

The Kreisman Initiative on Housing Law and Policy Symposium



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Report and Transcript

The Kreisman Initiative on Housing Law and Policy Symposium



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Letter from the Director of the Mansueto Institute



Housing is every person's most fundamental asset, as well as their greatest expense. Housing is also an essential maker of local communities and cities, anchoring quality of life, mental and physical health, personal safety, affordability, and opportunity. For all these reasons, housing has become a crucial instrument of law and policy, a fact reflected in the existence of organizations such as the U.S. Department of Housing and Urban Development (HUD) – the only federal agency explicitly dealing with cities – or UN-Habitat, the United Nations inter-governmental body dedicated to human settlements, which too has deep roots in housing issues as they play out around the world.

Over the last few decades, many different forces intensified the central role of housing in urban life and politics, calling for redoubled efforts in multi-stakeholder engagement, research, and policy. These factors include a growing emphasis on housing as a financial asset – rather than a necessity, or a right – especially in the lead-up to the 2008 Great Recession and its aftershocks. They also include the increasing importance of data and online services driving housing dynamics, creating expanded choice and new short-term rental markets that, while increasing the value of some housing assets, have also generated new imbalances of power between owners, buyers, and renters. The resulting crisis of housing affordability in both rich and poor cities has been further exacerbated by antiquated and inflexible law, such as zoning regulations. More recently, the growing emphasis on housing as a nexus for upcoming energy systems transformations and climate justice sets up new challenges for housing law and policy and the opportunity to make the sector fairer and play an essential role in the looming sustainability transition of entire societies. Many of these forces remain underexamined and poorly understood, especially in terms of their systemic character, driving unanticipated change in people's lives, economic activity, and municipal finance.

This centrality of housing makes it a critical issue for understanding cities, for generating and analyzing policy solutions, and for imagining its future roles in more livable and sustainable communities. Because issues of housing are universal but most current approaches are particular and contextual, there is also a lot that can be learned by convening innovators from diverse sectors, geographies, and disciplines.

The Kreisman Initiative for Housing Law and Policy (kreismaninitiative.uchicago.edu) at the University of Chicago supports housing scholarship, training, and practice with these objectives in mind. The initiative is made possible by a generous gift from Susan and David Kreisman, AB '60, JD '63, who share the belief that a dedicated forum to raise awareness and promote discussion on pressing housing issues is essential. The Kreisman Initiative brings together individuals and organizations engaged in policy, social services, business, law, and data sciences to advance new ideas about housing in cities. We do this through research, external engagement, and a graduate fellowship program, consisting of students from across the University of Chicago planning to pursue careers in housing. To date, the initiative has supported nearly 50 fellows over the last five years.

The Kreisman Initiative also supports an annual symposium on housing research, law, and policy. The inaugural symposium in May 2022, “Beyond the Single-Family Home: Zoning, Equity, and Access,” was organized by Emily Talen, Professor of Urbanism at the University of Chicago, with support from the Mansueto Institute for Urban Innovation. It explored the importance of the provision of mixed types of housing in U.S. cities, and specifically the role of zoning law and regulation in creating limitations and disincentives beyond the production of single-family housing. The symposium consisted of a lively set of presentations and discussions bringing together experts from Chicago and around the country in city government, housing organizations, design firms, and academia.

The current volume consists of the proceedings from the symposium, providing an account of the ideas and people involved, with the hope that the discussions started will continue, inspire others, and gain traction in action and policy. The style of these proceedings is intentionally informal, meant to preserve the spontaneity and liveliness of the event. Sections of this volume consist principally of edited transcripts of presentations and panels. By adopting this format, it is our intention that the enthusiasm, energy, and power of the presentations will shine through. I hope this material is at once enjoyable and inspiring to participants and future readers and that you consider joining us every spring in Chicago for future Kreisman Symposia.

Luís Bettencourt

Director of the Mansueto Institute for Urban Innovation
Professor of Ecology and Evolution
University of Chicago

Forward



U.S. cities have a single-family housing problem, perpetuated by the rules of city-making: zoning codes. The issue is twofold. First, the banning of more affordable housing, like apartments, townhomes, duplexes, and accessory dwelling units or ADUs, – such as apartments over garages – in areas where they are needed most, severely limits housing choice, supply, and wealth-building. Second, zoning fails to protect these same housing types – the “missing middle” – in areas close to amenities like transit, often replaced by luxury housing and commercial uses.

In sum, zoning is either prohibiting or failing to protect housing types that are intrinsically affordable.

Single-family zoning in particular exacerbates a host of contemporary urban problems, from climate change, to racial segregation, to the lack of affordable housing. For big cities like Chicago, single-family-only zones are obstructing equitable access to resources such as transit, constraining density in well-served locations, and effectively blocking the support of walkable, diverse neighborhoods. Outdated codes are untenable, unsustainable, and inequitable – problems long recognized but still mostly unmitigated.

So what should be done? People around the country are grappling with the fallout of these outdated zoning codes, the harm they inflict, and the many challenges encountered in trying to rectify past legacies of exclusion. In May of 2022, the Kreisman Initiative for Housing Law and Policy brought together experts from Chicago and around the country in city government, housing organizations, design, and academia to address such questions such as:

- **Should single-family zoning in cities be abolished? Are there some areas where the “American Dream” should still be protected?**
- **Should older, multi-family housing be permanently protected in transit-served areas? If so, by what mechanism?**
- **How should we address the complication that densifying single-family zones, many of which lack transit options, will add more cars and traffic to a neighborhood?**
- **Should some single-family housing be preserved because of its historic quality? Are neighbors wrong to object to the potential of out-of-character multi-family housing being developed next door?**

While zoning reform will not solve the affordable housing crisis or racial segregation, it is a key strategy for tackling these inter-related problems. The speakers highlighted the importance of preserving existing housing stock, taking advantage of current flexibility in the zoning code, and preventing deconversions of specifically two- to four-flat buildings. National and local data on the current state of zoning can be a powerful tool to advocate for more equitable zoning and additional housing development.

The following is a transcript of the event, meant to provide a record of this critical discussion, and stimulate further action aimed at zoning reform.

Emily Talen
Professor of Urbanism
University of Chicago

Key Takeaways

Following are key takeaways from the 2022 Kreisman Symposium, “Beyond the Single-Family Home: Zoning, Equity, and Access.” We hope this summary will help stimulate changes to zoning codes, and other efforts to improve housing affordability in American cities.

1. Current zoning laws are undermining a key societal goal: equitable access to the benefits and amenities of living in a city.
 - o Zoning, as currently used, enables and fosters exclusion, playing a role in racial inequality and displacement in communities of color, connections that have been empirically validated in numerous studies.
 - o The good news is that there is nothing permanent about zoning: it can be changed; what is needed is political will.
 - o Ending zoning for exclusively single-family homes will not single-handedly fill the shortage of housing in cities, but it gets at a key dimension of inequality within cities connected to a larger history of racial exclusion.
 - o Mandated parking minimums and a lack of zoning for multifamily housing is blocking much-needed housing development.
 - o In Chicago, it is estimated that there is a shortage of 120,000 affordable, unsubsidized housing units; zoning reform is a key strategy for addressing this shortage.
 - o However, zoning does not always translate to housing production or lower housing costs, especially given heightened demand for the acquisition of (multifamily) housing as a financial asset class.

2. Zoning should allow greater density where it is needed most.

- o Eighty percent of land in the Chicago region is zoned single-family. At a minimum, this should be revised to allow accessory dwelling units (ADUs) – additional dwelling units added on to a lot of a primary home – in all locations.
- o There is a significant amount of unused zoning capacity in Chicago. The city could help realize this potential by having a more centralized management system that provides incentives and shares information on resources for small builders.
- o By taking advantage of unused zoning capacity and current ADU policy, thousands of additional housing units could be built without any additional city council action or zoning changes.
- o Two ordinances passed out of the Chicago City Council – ADU pilot areas, and a deconversion ordinance blocking loss of housing in targeted areas – could be expanded to other parts of the city.

3. Zoning restrictions are a major impediment to expanding equitable transit-oriented development.

- o Transit-oriented development (TOD) – urban development that is concentrated around public transportation – is a worthy goal. But often, it is not equitable across neighborhoods.
- o The majority of TOD occurs in wealthy, white neighborhoods in Chicago; the city lacks a plan for how to develop and densify the area around transportation stations.
- o Zoning should be used to prevent the loss of housing units in transit served areas to tear-downs and deconversions.
- o In transit-served areas, zoning should never be restricted to single-family housing; allowing multi-family housing is key to stimulating other needed zoning changes.

Key Takeaways

4. The loss of affordable, small rental buildings is at the core of Chicago's affordable housing crisis.

- o Two-to-four-unit buildings in Chicago provide housing for over one-third of Chicago's working-class residents. Deconversion of these buildings to single-family homes is a major cause of gentrification and displacement.
- o The city needs a comprehensive preservation strategy.
- o Two-to-four-unit housing tends to be converted to single-family housing in high-cost neighborhoods, particularly in places where the value of a single-family home is greater than a two-to-four-unit building.
- o In low-cost neighborhoods, two-to-four-unit buildings tend to be abandoned or demolished.
- o Key strategies include helping current owners maintain their buildings, helping preservation buyers acquire these buildings, and working to develop partnerships to address these problems city-wide.
- o Some promising new models to maintain this housing stock include creating a centralized resource hub for owners of two-to-four-unit buildings; helping owners manage their properties and connect to good contractors; restructuring property taxes; and providing new loans, grants, or tenant subsidies.

5. Changes to zoning require time and community engagement. Working through a community planning process can help build support.

- o In Minneapolis, a coalition of the mayor's office, tenant and other activists, including a non-profit Neighbors for More Neighbors; a data visualization effort called Mapping Prejudice; and local news coverage, helped lead to the passage of Minneapolis 2040, a comprehensive zoning plan for the city that encouraged densification by allowing duplexes and triplexes city-wide and ending a long-term apartment ban. This provides a model that can inspire other U.S. cities.

6. National and local data on the current state of zoning can be a powerful tool to advocate for more equitable zoning and additional housing development.

- o Projects like Minnesota's Mapping Prejudice help make visible the history of exclusionary zoning for wealthy, white neighborhoods, prompting residents to take action to end these practices.
- o Early efforts are underway to create a national zoning atlas, a baseline to compare zoning regulations in the tens of thousands of local jurisdictions across the U.S., modeled after Desegregate Connecticut.

Transcript¹

The following transcript has been lightly edited for readability.
A video of the event can be accessed via the conference website:
kreisman-symposium.event.uchicago.edu/event-materials/.

Luís Bettencourt, Inaugural Director of the Mansueto Institute for Urban Innovation and Professor of Ecology and Evolution, University of Chicago



Opening Remarks

Luís Bettencourt, Inaugural Director of the Mansueto Institute for Urban Innovation and Professor of Ecology and Evolution, University of Chicago

Emily Talen, Professor of Urbanism, University of Chicago

Luís Bettencourt:

I'm very happy to introduce Emily Talen, who's a Professor of Urbanism, the best person possible here at the university for today's symposium. She'll tell you a lot more about the symposium today, but it's really addressing, as promised, a theme of great importance in that our cities were planned and zoned and legislated and regulated in times gone by.

And as technologies have changed, as policy circumstances change, as issues of social and racial justice have come more to the fore, there's really a need to reconceptualize how we use space, how public goods such as transportation, amenities, and how all this is happening in the city. Today, we'll see a lot of analysis, a lot of discussions, and I think a lot of reflection, and hopefully some ideas about how to rebalance our cities so that they become better places for everyone. So, without much further ado,

Emily Talen:

Emily Talen, thank you so much. She's really the heart and soul of today's symposium. Emily, please take it away.

I'm Emily Talen, Urban Planning professor here at the University of Chicago. Before we jump into things, I really need to thank Anne Dodge, Aimee Giles, and Elaine Meyer for all the hard work putting the event together. Thank you to Luis for being supportive of this idea and, of course, the Kreisman family for having the foresight to know that housing is so critical in everything we do having to do with the city. And, of course, thanks to all the speakers and moderators for traveling here and helping us navigate through this very complex topic.

Just a few comments to frame our discussion. Essentially, we're here to talk about what I think is a fundamental injustice happening right before our eyes, not just in Chicago but all across the country, and that injustice is called exclusion. Who gets to live where in the city? Who gets access to the qualities that make us want to live in cities, the best services, the best schools, access to transit and green space and amenities? This exclusion manifests itself in different ways, but one big way we have is when we have places in the city where only single-family housing is found. This happens either because multifamily housing is not allowed or because multifamily housing is not being preserved; it's being converted to something else such as single family. In either case, multifamily housing, which is often more affordable and is, therefore, inclusive rather than exclusive, has been lost.

Now, a lot of this is determined by market forces over which we have little control, but here's the rub. What if those exclusions are exclusions that we impose? We, meaning our local government, and not the free market? And I'm talking, of course, about zoning. Zoning is the basic manual of instruction for how we build our cities. Zoning rules have tremendous power to shape our cities, even if we don't have a daily consciousness about that power. This means that we really need to take time to assess and understand what kind of cities are we creating with these rules. And the sad truth is that zoning, the rules, again, that we put in place, zoning is undermining a key societal goal, giving more people access to the benefits and amenities of the city. It's enabling and fostering exclusion.

Opening Remarks

Emily Talen, Professor of Urbanism,
University of Chicago



Zoning is the basic manual of instruction for how we build our cities. Zoning rules have tremendous power to shape our cities, even if we don't have a daily consciousness about that power.

It does this in a number of ways. Two major ways are by prohibiting things such as multifamily housing, but also by turning a blind eye to the destruction of older, multifamily housing, exactly where it's most needed. In Chicago, this has reached crisis proportion. All over the city, older, multifamily housing stock is being torn down and converted and replaced with high-income, luxury, single-family housing. So zoning, in sum, is either prohibiting or failing to protect housing types that are intrinsically affordable.

This is the very definition of exclusion. Anyone paying attention in the last decade to what cities need to be to be sustainable, is that humans need to live compactly and they need to move around in shared ways other than their own, private car, which is to say that we need housing density near transit. That's an absolutely core principle. But also, core is that a good proportion of this transit accessible density needs to be affordable, and that means subsidy, yes, but it also means making sure that the rules we put in place enable and support and help the goal we're trying to reach, not get in the way of it or undermine it.

The sad truth is that zoning is undermining a key societal goal, giving more people access to the benefits and amenities of the city. It's enabling and fostering exclusion.

This topic of zoning and equity and access and what it all has to do with the American dream of a single-family house is perplexing and very politically challenging. I invite you to absorb the insights of our speakers today and to take part in this conversation. And now, I'm going to turn things over to Jake Seid, who is going to tell you a bit about his work at CMAP, which is the Chicago Metropolitan Agency for Planning². They are the big kahuna in planning in the region, and he leads CMAP zoning practice, so he's a very appropriate person to have, and then he will introduce our keynoter.

Morning Plenary: The Invisible Politics of Exclusionary Zoning: Ending Apartment Bans in Minneapolis

Introduction: Jacob Seid, Senior Planner at Chicago Metropolitan Agency for Planning (CMAP)

Jacob Seid:

Thank you so much, Emily. Good morning, everyone. My name is Jake Seid. I'm a planner at CMAP, Chicago Metropolitan Agency for Planning. I've never been introduced as the big kahuna before, so I'm just going to relish that for the time being. It's so wonderful to be here this morning with you all, just to talk about issues of single-family housing, housing choice, and zoning, which are issues that we're dealing with at CMAP all the time. A lot of our speakers today are going to be focusing on housing issues in big cities, like Chicago and Minneapolis. And we have a lot of issues in the suburbs to talk about as well. CMAP serves all 284 municipalities in the Chicago region. That's the city, and the suburbs as well.

Jacob Seid, Senior Planner, Chicago Metropolitan Agency for Planning

80 percent of land in the Chicago region is zoned single family. What's more, about 70 percent of the population of the region lives in the suburbs...

Jacob Seid, Senior Planner, Chicago Metropolitan Agency for Planning



We found ways to increase housing choice by allowing things like accessory dwelling units, duplexes, townhomes, and in some cases multifamily housing in areas that were traditionally single-family zoning districts.

We've calculated that approximately 80 percent of land in the Chicago region is zoned single family. What's more, about 70 percent of the population of the region lives in the suburbs. So, we have a lot of work to do here when it comes to zoning reform and housing choice. Over the past decade, CMAP has worked on zoning updates in dozens of communities in the region, and this is through our local technical assistance program, which works with communities, large and small, throughout the area. We found ways to increase housing choice by allowing things like accessory dwelling units, duplexes, townhomes, and in some cases multifamily housing in areas that were traditionally single-family zoning districts, which is a huge change. We work with communities seeking greater resilience, prioritize investment, and inclusive growth, which are the three big principles of CMAP's On To 2050 Regional Comprehensive Plan.³

Through this work, we hope to highlight the progress that's been made in cities – well, small towns really. Places like Park Forest, Bensenville, South Elgin, Montgomery, and Oswego; maybe places you haven't thought of

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before or heard about. They're not Chicago and Minneapolis, but they're doing great things in their communities when it comes to these issues, and CMAP is always looking for new partners in this work as well. So, if you're interested, please reach out to us on these issues.

That's enough about the suburbs for now. I am honored to introduce this morning's plenary session. Janne Flisrand is the cofounder of Neighbors for More Neighbors⁴ in Minneapolis. She has a special passion for the city and the way we build cities to shape people's lives and their daily choices. She became a ProHome advocate in 1997 while running an afterschool program. There, she absorbed her students' stories of home and of being pushed out. In the years that followed, she cofounded Neighbors for More Neighbors, the group that led the grassroots support of Minneapolis's nationally acclaimed comprehensive plan that was passed in 2021. She's focused on access to homes, reducing energy costs, and expanding transportation choices through her consulting firm, Flisrand Consulting.⁵ Recently, she led a statewide affordable housing initiative that changed policy to ensure all subsidized homes meet green and healthy standards. She also owner-occupies a fourplex, cofounded Our Streets Minneapolis⁶, and recently completed four years of service on the Streets.MN board.⁷ Let's please give a warm Welcome to Janne Flisrand.

Janne Flisrand, Co-Founder of Neighbors for More Neighbors, Minneapolis

Janne Flisrand:

Well, I'm not done thinking about the suburbs because you reminded me about Robbinsdale and Roseville and the suburbs around Minneapolis and Saint Paul that are leading the way also along zoning reform and making sure that there's housing choice in our city. So, I want to thank you, Emily, for inviting me to come and tell this story and thank all of you for coming to be here today. I'm here to tell the story of how a small group of ragtag volunteers, called Neighbors for More Neighbors, helped end apartment bans in Minneapolis, and it was part of our city's comprehensive planning process, part of the Minneapolis 2040⁸ plan.

Janne Flisrand, Co-Founder of
Neighbors for More Neighbors,
Minneapolis



I'm going to take us back a few years in history because this plan was passed initially at the end of 2018, so I'm going to talk about how we did that and what's happened since. Now, I'm one of many volunteers here representing all of us and so before I dive in, I want you to meet us through our testimony at some of those final 2040 hearings. And here is our video. [video playing]

We, at Neighbors for More Neighbors, believe that housing is a human right. Most progressive cities like Minneapolis, and I suspect Chicago, would probably agree. But history shows that we designed our cities and our policies to keep people out. And while today we say that we want a different result, those policies are still in place. My professional and advocate experience has taught me that the hard part is never what to do, it's how to get it done. If we want to end our housing shortage in Minneapolis, and as you must do here in Chicago, we have to address the reality, the political reality, of what it takes to make change.

The battle over single-family zoning is a proxy for power, for who gets to decide what and who is allowed in our cities.

Neighbors for More Neighbors focuses on ending the many exclusionary policies that allow wealthier, whiter neighborhoods to avoid making space for more neighbors. It's one part of changing the rules to skip past the expensive, time-consuming, home-blocking, one-off battles to get

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permission to build enough homes. I want to be very clear about the limitations of ending single-family zoning. There is no way that this one change will fill the shortage of homes in our cities. The battle over single-family zoning is a proxy for power, for who gets to decide what and who is allowed in our cities. Neighbors for More Neighbors led our allies into the political fray. And ending the apartment ban was key to the other zoning changes that have the scale that we need to shrink our shortage of homes.

So, here's the story of how we passed our comprehensive plan called Minneapolis 2040. To end the apartment ban, we had to make two things that are invisible visible. First, we had to reveal and wrestle with our city's racist history and the continuing legacy of those actions today. And then second, we had to have a very public power struggle to show that the political will exists to create a different and more just future. It's a story about government, so I'm going to talk about three clusters of characters. There are elected officials, there are city staff, and there are folks like Neighbors for More Neighbors outside of city hall. Groups like ours are a critical part of how to get things done, and we cannot do it alone. So, as you listen today to how we make those invisible things visible, I challenge you to think about how you fit into this story and ask yourself two things. First, what is your own role in your community's zoning story? Whether you're outside of city hall, on staff or some day will be or, hopefully, as an elected official or second in that role, what can you do to make change in your community? I promise that I will tell stories about people in purple sweatshirts and crowd-sourced mapping by bike and promises to bulldoze every single neighborhood and political will. But getting there requires some history of how Minneapolis chose this path.

The outlines of Minneapolis history are familiar to anyone who has studied American urban history. Settlers stole the code of land. The logging and milling industries fueled rapid growth in the late 1800s. As our streetcar suburbs grew, racially restrictive covenants segregated our city, reinforced by FHA and GI Bill lending practices and episodes like when a Black couple, Arthur and Edith Lee, faced a mob of 4,000 people demanding that they

leave the home they had just purchased in South Minneapolis in 1931. Urban renewal and the 1960s construction of Interstates 94 and 35W decimated Black communities, and especially their commercial corridors. White flight hollowed out our tax base. Our history is typical of U.S. cities, with one racist policy layered on top of another. Today, white Minneapolitans self-identify as progressives, and we identify as a progressive city, but we have largely forgotten those ugly parts of our history and lost sight of our worst-in-the-nation racial disparities.

That's where Mapping Prejudice⁹, based at the University of Minnesota, one of those outside-of-city hall characters, comes in. They launched in 2016, and they engaged 2,924 volunteers to comb through 177,343 historic documents, uncovering the history of how Minneapolis became segregated. They were searching for racial covenants, and they found about 30,000 of them. One hundred and ten years ago, Minneapolis wasn't segregated. That ugly part of our history started after an African-American couple, Madison and Amy Jackson, bought a home in Prospect Park. They knew that would be a challenge, and so they actually built a playground in the side yard that all of the neighborhood kids would come and play at to make sure that they were seen as good neighbors in that neighborhood. But soon after, they helped their friend, William H. Simpson, who was also African-American, to build a house nearby. This was in 1909, and a crowd of more than a hundred showed up to protest their new neighbors in a conflict that a local paper headlined, "A Race War in Prospect Park."

In Minneapolis, the first racially restricted deed appeared one year later in 1910. The deed and that transaction contained what would become a common restriction; it's shown on this slide. Those covenants created demographic patterns that remain in place in Minneapolis today. Residential segregation reinforces other disparities in employment and education and health and almost anything that we measure in our cities today. I think I have another video to play here. I want to show you what Mapping Prejudice did with this data. They created an animated map of racial covenants¹⁰, and it shows how these deeds sprouted and spread across the city and county. They're now doing similar work in Ramsey County to encompass Saint Paul. Their workshops point out to those volunteers how, after the Minnesota legislature prohibited their use in 1953, the city of Minneapolis stepped in with exclusionary zoning for wealthy, white neighborhoods. So, images like

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this map and being an active part of the research process, reading those covenants, is prompting many white Minneapolitans to reflect on how, while we didn't create it, we benefit from the system. To change it, you have to make that history visible. People don't know about racially restrictive deeds. People don't know that zoning is systematically exclusionary. You have to connect those dots.

[Minneapolis is] near the top of all sorts of lists. We have the best park system; we have the best biking city. It turns out that we also top the list of the biggest racial disparities.

I want to move on to the next slide now. This history is important, because in Minneapolis, we are constantly fed the story of our exceptionalism. We're near the top of all sorts of lists. We have the best park system; we have the best biking city. It turns out that we also top the list of the biggest racial disparities. In one example, three out of four white families own their homes. That's that orange line at the top, but only one in four Black families do; that yellow line at the bottom that has been dropping since 1950. At the same time that Mapping Prejudice was gaining recognition, former Mayor Betsy Hodges could point to some progress that she had had working inside of City Hall. She was working to make sure we could recognize both the reality of those massive racial disparities and city government's role in protecting the status quo. After years of advocacy and leadership from our city council, when she was a candidate for mayor, she made ending racial disparities the center of her mayoral campaign. And then she kept that promise when she was in her administration.

So, by 2016, she had changed hiring policies and city staff looked more like city residents. There's now a division of Race and Equity that consults to city departments on the racial impact of any policies that are passed. Proposed policies must always undergo that analysis. Now, Mayor Hodges not only

gave staff permission to change how City Hall did business, she charged staff with addressing those racial disparities in everything that the city did. So, in 2016, as we were approaching the state-mandated comprehensive planning process, this and the data and stories for Mapping Prejudice were at the core of those city planners' thinking. This aligned with the 2016 emergence of Renters United for Justice or Inquilinos Unidos, IX¹¹, as a tenant organizing dynamo. They have led the work revealing the reality of what renters face in Minneapolis. They've focused on organizing some of the most vulnerable renters in our city, often immigrants with or without papers who have very low incomes.

In 2018, Vanessa Del Campo Chacon told her story to MinnPost.¹² Once a teacher pointed out to her that her daughter never crawled. Vanessa realized that it was because she was very anxious about leaving her on the floor because of mice and insects. Timothy Brown on the right here told his story in Shelterforce.¹³ He said, "My house isn't weatherproofed for the winter, which is unbearably cold in Minneapolis. Last year, I lived through the entire winter without heat because my landlord refused to fix the house and the heating system. IX had organized renters to fight and share their stories in the news at the same time that rents were increasing rapidly, and renters had few options to move. Housing-stable renters and people with fixed-rate mortgages, we are insulated from what low-income renters in the Twin Cities face. Without IX telling those stories, Minneapolitans can't imagine the lives that they live. These and their allies made tenants' rights, affordable housing, and displacement a central theme in local elections in 2017.

Now, finally, there was a community of volunteers who were writing and thinking about local government and what kind of city they wanted to live in. It coalesced around a group blog called Streets.MN and the bicycle coalition called Our Streets Minneapolis, and then it really took off when a guy named John Edwards founded Wedge LIVE!¹⁴ John was radicalized when he attended a neighborhood meeting for a proposed apartment building. He'd expected the proposal to be a slam dunk and obvious asset because it was in a mostly renter neighborhood, it would increase the property tax base, it was at the intersection of two high-frequency transit lines, what was there not to love? Instead, he found opposition that dehumanized renters, and that dehumanization, that language, that radicalized him. His response to that meeting was to found this hyperlocal news organization called Wedge LIVE!

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and then he started to live tweet his own neighborhood's meetings. And over time, he has expanded to covering the planning commission and local political news.

That brings us to where we were when the city's long-range planning staff started to work on Minneapolis 2040. While 2040 is primarily a land-use planning process, Minneapolis uses the comp plan to outline the next decade of policy work for everything that the city touches. Our three characters were all primed for the plan. The city of Minneapolis was two miles into a marathon to eliminate racial disparities, strongly supported by Mayor Hodges and the city council, folks outside of City Hall, Mapping Prejudice, IX; and the local community following Wedge LIVE!, focused the conversation on addressing historic wrongs, on housing and housing affordability, and they made the workings of local government much more accessible. City Hall staff like the long-range planners knew that this plan was critical and the opportunity of their careers if they wanted to do something really meaningful that would have a long-term impact. The planners also had experience that had taught them how political this work was going to be. This is when we shift from recognizing our history to wrestling with the racially disparate outcomes experienced in Minneapolis today.

The planners started the entire process by naming a historic problem with civic engagement. Historically, people of color and indigenous communities, renters, and people from low-income backgrounds have been underrepresented in civic processes. They designed their plan to address exactly that problem of underrepresentation. They pitched and secured a significant budget for community engagement from the city council, and they re-envisioned what the entire planning process would look like. So that budget gave planners the resources to host a totally different kind of process. The space to document support for a different kind of plan came with that money as well. The three-year engagement process centered the voice of the people who typically don't participate. It would also counteract the politics that they knew were coming a couple of years in the future. Early phases, before the process was public included, community dialogues in

and hosted by those typically underrepresented cultural communities like the East African community and the Metropolitan Urban Indian directors. They were invite only, they were not public, nobody could come if they weren't invited to participate. They also showed up at every cultural and neighborhood festival asking big questions that anybody can answer, like how will your housing needs change between now and 2040?

The same year, Wedge LIVE!'s John Edwards and his Twitter friend, Ryan Johnson, were joking about all of the development-opposing Facebook's group. This time, it was called Minneapolis Neighbors United. They were trading their own made-up, sarcastic, redundant, meaningless word soup group names and one of them said, "Neighbors United Against Having More Neighbors". Suddenly, it crystalized for them that what they were fighting for was more neighbors. That became the positive sincere version, Neighbors for More Neighbors. They started tweeting about why building more homes was important. They created a More Neighbors Twitter account, and they started making some humorous art. The art caught the attention of a reporter at Slate and not long after, just a couple of weeks, their art and their story were featured on Slate.¹⁵ Their following grew and they began posting action alerts for apartment projects that needed community support, so there's now one, it's a project for youth aging out of foster care a couple of blocks from my own home they're following; we all showed up. And there was a noticeable increase in how often projects received planning commission approval.

Now, all of this was also happening during a city election year. The 2040 champion on the Minneapolis City Council was Lisa Bender, and she is trained as a planner. She was strategizing how to keep all of the Minneapolis 2040 work on track. Before the election, the planners working on Minneapolis 2040 developed a set of 14 goals based on what they had heard in those community dialogues and at festivals. They include the goals on this screen. The city council formally adopted them. In liberal Minneapolis, the proposed values were unassailable, and it was an opportunity for council members seeking re-election to publicly show their positions and their support for a more just city, even if that didn't necessarily match their historic votes. That also bound the planning staff to organize the plan around these same formally adopted values. Now, back to the planning staff, the engagement shifted to a new, more public phase. At these events, they

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framed up the activities by reminding us of our values, that list of 14 on the previous slide. They also reminded us of the challenges we face with charts like that home ownership disparity chart or the rising rents that we face in our city. They asked us big questions, again, things that we could answer like, how do you get around the city today? How do you think your transportation needs will change between now and 2040? They hired social practice artists to design engagement activities at formal events.

So, this that I'm showing you now, is TV 2040.¹⁶ It's a fake television game show program. It's being recorded live in 2040. It's a trivia show, and the participants – the contestants are the random meeting attendees plucked from the meeting who showed up at the event. Poets who had manual typewriters would ask people question prompts and then they would, on the spot, write poetry, capturing their answers. Every event was full of kid-friendly activities with Play-Doh and scissors and art projects and lots of markers. Adults were taking their opinions seriously, and the meetings were full of engaged kids, really excited to imagine what their life would be like 20 years in the future and to ask the planners to make a city that would let them come true.

So, from mobile-friendly commenting to fun events with free food, the city planners re-envisioned public engagement to feel more like the Minnesota State Fair, one of the most fun things that we do in Minnesota and not like a typical public meeting shouting match. They invited us into the conversation, and they told us what they had heard at earlier meetings. They used the poetry that came out of those conversations. They used the comments from that game show, and they shared that back with us. We could tell that they were taking our ideas seriously. All of those quiz show answers and drawings and sculptures, those are part of the formal record. At every meeting, when they reflected it back to us and they told us what we had to say, they asked us what would come next to dig one part deeper into the plan. And because it was fun and we could see that we were heard, thousands of new people did show up. The input was different; it was supporting change. So as a result, that gave those CPED [Community Planning and Economic

Development]¹⁷ planners permission to propose big, exciting ideas that motivated people to come out and support.

In the Minneapolis 2040 draft, the long-range planners cited Mapping Prejudice and connected the dots of how history created segregation and racial housing disparities today. I'm going to read one important quote from the plan. "Racial disparities persist in all aspects of housing. Until the 1960s, zoning regulations, racially discriminatory housing practices, and federal housing policies worked together to determine who could live in single-family houses in desirable neighborhoods. These determinations were based on race and have shaped the opportunities granted to multiple generations of Minneapolis residents." Immediately following that quote in the plan was a stark chart showing home ownership by race and ethnicity in Minneapolis, on the right side here. That yellow line on the top, that's white Minneapolitans.

The plan identified how every part of the city had a role to play in dismantling these systems.

The plan identified how every part of the city had a role to play in dismantling these systems. Now, this was the first time that we called on the most exclusive parts of Minneapolis to be part of the solution beyond simply paying taxes. This was the first step in dismantling exclusionary zoning where whiteness was named, where status quo felt challenged. This call to action in the 2040 draft primed the engagement process to make something else that is typically invisible visible. Showing that there is political will for a very different future. And now, I'm heading into the part of the story that you may have read about where the controversy erupts.

One of the hundreds of ideas in the plan was allowing fourplexes on any lot in the city. Now, someone who had attended a private city council briefing leaked the fourplexes anywhere to the Star Tribune.¹⁸ And this headline leaked weeks before the plan was formally released. Now, given how common fourplexes are in Minneapolis and given how much Minneapolitans love to reminisce about their years renting in a fourplex and how it's some of the best years of their life, I'm still surprised at what happened next. But that leak drew all of the attention around the plan. It set the terms of the coming debate and it triggered an extraordinary amount of opposition. A

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crew of people came out to defend single-family zoned neighborhoods. They distributed lots of apocalyptic red signs claiming that the city was going to bulldoze neighborhoods and mandate people to bulldoze their own properties. One of their core organizers included a sitting elected official, and she used her bully pulpit every chance that she got. Another one of their organizers was a former city council member who had chaired the zoning committee. These were folks who knew their way around City Hall and their processes. These were folks who had lots of very wealthy, influential connections.

So, this is where our social media stars, the ones who came up with the Neighbors for More Neighbors name, applied their humor and skill to letting people know what was going on. Wedge LIVE! by John Edwards offered well-researched tweets and blog posts about anti-2040 organizing all year. One highlight was reporting that the anti-bulldozing legal battle was run by a guy who bulldozed his own home in order to build a bigger house. Ryan Johnson is our other local hero and he organized volunteers who biked every single block of Minneapolis to locate all of those red bulldoze signs. Now, he's good with mapping and technology and he mapped them against redlining maps, that's on the left. He mapped them against property value data, that's on the right. He wrote a blog post with a headline that read, "High Property Wealth and Home Ownership is the Connecting Thread Among Those Strongly Opposed to Minneapolis 2040 Comprehensive Plan."¹⁹ Ryan and John led our social media program the entire 2040 campaign.

Now, Neighbors for More Neighbors needed to do more than just shitposting on Twitter. So, we also launched a traditional organizing approach. That was where I got really heavily involved. We drew in hundreds of volunteers and it's important to take a moment to talk about who we are. You saw some of us in that video. We also include people who administer Section 8 voucher programs, whose clients can't find places that will accept their vouchers because of the tight rental market. We include seniors who want different kinds of options where they can stay in their neighborhoods and downsize from their big homes and who want to make sure that their grandkids have the

same opportunities that they had. We include fourplex owners like me. I also have worked in subsidized affordable housing for more than 20 years. I know why this zoning matters to that subsidized housing work. Our supporters were more likely to be people whose voices are missing in the conversations, young people and transplants and renters. We organized hard.

As Neighbors for More Neighbors, we had to let people know what the comprehensive plan is. Who knows what a comprehensive plan is if you didn't go to planning school and don't work in City Hall? We had to convey that very clearly again and again and again. We had to convey why it was important, that it was important that they showed up and that their voices mattered. We had to let them know when and where and how to show up. We reminded people to ask that neighborhood zoning relegalize the kind of homes, like this, that already exist in our cities and have for a hundred years that are currently illegal under the zoning code. We reminded them to ask to allow more homes close to useful things like transit and grocery stores and schools and parks. We asked them to ask to eliminate parking requirements, to relegalize single-room occupancy apartments and also to express their support for fourplexes.

This is one of the Meeting-in-a-Box events that we helped organized. The city planners were focusing their time and attention on engaging the communities who don't engage in city planning processes. And they knew that folks like us who tend to be whiter and have a little more education also wanted to be involved. And so, they created a kit that we could self-administer called a Meeting-in-a-Box. So, this is one of those Meeting-in-a-Box meetings that we hosted. It was important to us because one of our members, who's a woman of color, is uncomfortable attending public meetings because she's experienced harassment at those public meetings, and she doesn't want to go back. We also sent out instructions on how to comment from home. The city had an excellent comment website, and so that made it easy for us to help walk people through that. Bikers could help with that mapping or deliver yard signs to anyone across the city. Extroverts could table at open streets where we learned that those bulldozer sign people were actually some of our greatest allies. It was pretty common for someone to come up to us and ask, "Are you the opposite of those red sign people?" and after a short conversation, walk home with a purple Neighbors for More Neighbors sign.

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Everyone came and participated in walk and talks with our city council members, where we made sure to point out the fourplexes in their wards that they'd never noticed before. Activists reached up to their networks of likely allies working in labor and transportation and climate. We wrote blog posts and pitched our friends and neighbors. I pitched my tenants, gently, I hope, and we talked to the media. We flogged every single public meeting, and people did show up, hundreds of people, and different people than usually show up. We could see how our engagement shaped the plan. It was especially rewarding, when the revised plan came out, to see your own words and the themes that you'd offered and the comments that you've written show up in that revised draft.

Now, despite all of this organizing and the welcoming process that city planners had created, there were plenty of people who still didn't show up; this more traditional comment part of the engagement process, not everyone can. Yes, the public meetings had food and childcare and translators and fun activities, and the people who showed up did reflect that work and were different than before. And it is also true that fewer disabled people, fewer Black and indigenous people, fewer people who speak Spanish or Somali at home, fewer people who work lower-paid service and second and third shift jobs attended than live in Minneapolis.

The planners had prepared for this. If you remember those values, they started with that intentional, invitation-only outreach to those same communities early on. And then using those festivals, they reached that more representative audience to define those community values, and this piece was critical. They included the input in those meetings in the public record but most importantly, when the council adopted these values as part of the plan, these values, these principles became the structure supporting the entire plan. The beams and the joists that hold the whole thing together. That structure could not be erased by the public comment.

Now, by the end of 2018, we were nearing formal passage of the plan, and the

activity shifted to a more traditional public engagement theater. It's the kind of thing that civically engaged people are pretty familiar with. There were countless meetings, I think it was 144, in churches and park buildings where people shouted at Heather Worthington, she was the long-range planning director at the time. At Neighbors for More Neighbors, we kept encouraging people to attend those but also to keep submitting supportive comments and contacting their elected leaders because there is widespread support for making space for more people in Minneapolis. We made it our job to turn them out, and that support is kind of a, "Yeah, that's a great idea, thumbs up." It's not a "I totally want to go down to city hall and stand in front of that intimidating dais and testify before the city council" kind of support.

We did organize people to testify at City Hall and at the two meetings. The majority of testifiers were slightly in support of the plan. Now, we used purple sweatshirts to make this testifying more accessible. And let me walk a little bit through that. Ryan, this is a different Ryan on this picture here, he reminded us all how intimidating it is to go down to city hall, and he also reminded us that it can be more comfortable if when you get there, you can find your own people. So, we encouraged everybody to wear purple if they were in support of Minneapolis 2040, and then he took a trip with his roller bag to Target, filled it up with purple sweatshirts, and handed it out to supporters who didn't have their own purple to bring down to City Hall.

We turned the multi-hour, two-session – there were two multi-hour sessions of public comment – into a community organizing party as our members waited to be the hundredth or the one hundred nineteenth person to comment on the plan. Peggy, our honorary Neighbors for More Neighbors mom at the time, she brought a purse full of snacks. We sat around, clustered on the floor in the halls, watching the testimony on monitors or sitting in the overflow room. When that elected official who was the self-appointed leader of the opposition tried to persuade a young Neighbors for More Neighbors member that she was wrong and that she should speak up against the plan, we were there to support our friend and to cheer her on. That harassment actually turned out to be helpful for us because she had shown up to support her boyfriend and watch the testimony, not to testify herself. That pushed her to get her name on the list, and she was one of the very last testifiers.

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In the end, while the local media did portray the story as contentious, at least the triplex part, with more anti than pro feedback, our voices were heard. And for that, here's where we needed to have that last partner beyond the outside of city hall support, beyond the smart planning team, show up. We needed the elected officials on our city council. In that 2017 local election, a year earlier, organizing had elected a progressive city council, and organizers had made affordable housing a big election issue. And I want to add that Minneapolis is a Democratic city. Our city council is split between Democrats and one Green. We have the kind of city council everybody expects to support all of those values on that 14-value plan. When you look at people's votes, we have a very split city council, with most of the time, slightly less than half of the council voting for progressive things, thinking about how we address police violence, how we make sure we have abundant affordable housing, and the other half comfortably supporting the status quo as their constituents seem to prefer, or their happy to not pay attention. So, electing a progressive city council was a really big deal. So just as helpful as electing that progressive city council, there was that champion on the city council who spent three years setting the stage for this particular vote.

Lisa Bender was chair of the Planning and Zoning Committee in her first term, where she carefully laid the foundation for Minneapolis 2040. She built consensus for reforms that legalized accessory dwelling units throughout the entire city in 2014 and also that reduced or eliminated parking requirements near transit corridors in 2015. She shepherded through that pre-election vote, formally adopting the set of values in the Minneapolis 2040 plan that it was built around, so that the work completed before the election could not be set aside no matter what happened in the election. Her second term, she was elected president of the city council, where she continued to bring initially skeptical, progressive colleagues along. So, the council, as a whole, after seeing the stories for Mapping Prejudice, after joining those Neighbors for More Neighbors walk and talks, after working with city council staff, and two years of discussion and skilled negotiating by Council President Bender, the city council understood why it was important to support this big plan.

After a year of sitting behind the dais, they had figured out that people opposing things show up and people supporting them do not. And yet, with this plan, we did.

After a year of sitting behind the dais, they had figured out that people opposing things show up and people supporting them do not. And yet, with this plan, we did. They needed and they saw that they had community support. So, the vote on the plan was hard, and most of our elected leaders took that hard vote. The remarkable 12-1 vote in favor of the bold Minneapolis 2040 plan that eliminates many pieces of our exclusionary zoning; it does much more as well. That was a big step toward building a different future. It wasn't easy, and we are not done. We passed Minneapolis 2040, but the plan, the comprehensive plan, didn't change the underlying zoning. It merely obligated the city council to do that. Thanks to a quirk of Minnesota state law, where the comprehensive plan takes precedence over the zoning code. So, Neighbors for More Neighbors immediately shifted our focus to holding the city accountable to implementing the zoning and parking reforms that were in the plan.

Now, when we announced this, members said that they didn't understand zoning, and they weren't confident working on it, and so we responded by creating "Game of Zones." It's a gamified workshop and it teaches players about floor area ratios, setbacks, lot areas, variances. We're also supporting other groups working on other aspects of the plan like affordable housing investments, inclusionary zoning, and tenants' rights. Now, it's been a couple of years. The plan passed in December of 2018, the first changes to the zoning code, the triplex changes happened in January of 2019, and we're starting to see changes on the ground because development takes years. As predicted, the changes with the greatest impact had nothing to do with ending single-family zoning, but that single-family zoning debate is what allowed the more important changes to slip into the plan, largely unnoticed by the opposition that was focused on maintaining our universal apartment ban.

First, the plan signaled that Minneapolis wanted to see growth to the developers. They said we want to see more homes, lots more homes. That signal has been heard by the builders. The year after the plan passed, we saw a jump in the number of homes proposed in Minneapolis. The planning

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commission leapt from 2,600 housing unit approvals in 2015 to 5,077 in 2020. That was possible only with that increase in applications that was most likely triggered by this conversation saying, “Yes, we want more homes, we want more neighbors.” Now, when it comes to zoning, the first change was legalizing up to three housing units on any lot in the city, although it didn’t include any changes to make it easier to fit three units into a building. We also passed inclusionary zoning and lifted anti-roommate zoning rules. More recently, our Game of Zones players led advocacy updating, what the city calls, built form regulations around floor area ratios and setbacks.

As a result, triplexes did get a little more flexibility in their size. Parking requirements have been totally eliminated, SROs are again legal, and ADUs have more flexibility. They no longer are limited to owner-occupied lots. The financing system and the builder pipeline for triplexes and ADUs has yet to catch up with that new flexibility but still, the numbers are slowly growing with duplex and triplex construction adding just over 50 units each of the last two years. Again, compare that with the 5,000 units approved in 2019. We are now working on tenant protections and helping people pay for what housing costs as well. The first tenant protections passed in Minneapolis included tenant screening ordinance with a limited lookback, and it also caps damage deposits. We passed a \$15 minimum wage around the same time. We’re funding local housing vouchers, and we continue to invest in subsidized housing. So, what are the results?

In 2018, a Neighbors for More Neighbors volunteer wrote a blog post, and it was calculating how many homes we need each year. The city added 47,000 people between 2010 and 2020, and so his calculation needed to include, how do we make up for our housing shortage and also build enough to accommodate that population growth. He found that we need a little under 4,000 new homes each year. So, for results, what have we built since 2020? I, a couple of weeks ago, calculated the answer. It’s around 3,740 units built each year the last four years. We are seeing some shifts in our housing market as a result of that as well. This is from a blog post that I published a couple of weeks ago, where we are seeing advertised rents drop.

It started the year before the pandemic. We did also see that drop in rents that happened nationally with the pandemic, but post pandemic, it looks like rents are rebounding very dramatically in other large metros, whereas advertised rents in Minneapolis are flat or have continued dropping. The impact of each city policy change, it layers on top of all of the others and the first homes allowed explicitly because of Minneapolis 2040, they’re coming available just now. So, these buildings and those zoning updates, that progress is not going to be undone, but it’s not all roses.

In 2021, the city election focused on policing after George Floyd’s murder and the uprising, and we lost several progressive council members, in particular, the ones who were some of the strongest leaders in 2040 implementation. While Minneapolis 2040 was a non-issue in the election, that shift puts the next set of tenant protections, tenant opportunity of purchase, rent stabilization, just cause eviction, it puts those protections at risk. Progress on the next round of zoning changes, and these are the ones that we think will make the biggest difference in allowing for more homes, it’s updating the base zoning and allowing somewhat larger buildings along transit corridors. Those are moving very slowly, and we haven’t yet found our city council champion. We also need to protect against rollbacks. In the last few months, the Planning Commission has allowed projects that don’t comply with some 2040 guidelines because they were too small, so some of 2040 mandates a minimum height, and those buildings were allowed even though they didn’t meet that minimum height.

[E]nding the apartment ban was key to the other policy changes that are shrinking our shortage of homes.

The Planning Commission also denied this particular rezoning, ignoring staff recommendations that would’ve been consent agenda items six months ago. And that puts the city at risk of a lawsuit. This spring, one neighborhood is organizing around a comp plan amendment to downzone their community. So, we, at Neighbors for More Neighbors, we will keep working to protect those wins and continue that implementation. Now, before I wrap up, I’m handing this back to you. You heard about how elected leaders made space for staff to approach the plan differently and how elected leaders took hard

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votes to pass the plan. You heard about how staff re-envisioned the planning process to get a better outcome that fits our city's idea of itself rather than an easier and politically less contentious approach. You heard about how many different communities and community groups organized before and during and after the process. All of that is about creating a more just city. So, I ask you to take a moment, again, and think about where do you fit in as a community member, a current or future public staff member, or an elected official. And then, as you reflect on your own current role or future role, I want you to take a moment to think about what can you do to influence, what can you do, so that Chicago can make the changes that you need to begin to rectify those harms created by your history.

The battle over single-family zoning is a proxy for power over who gets to decide what and who is allowed in our cities. Neighbors for More Neighbors led our allies into the political fray, and ending the apartment ban was key to the other policy changes that are shrinking our shortage of homes. Groups like ours are part of that how to get it done, and we cannot do it alone. Every person in your city has a place in making that change happen. So I challenge each of you to find your place, to find what you can do to make that change in your own city. I hear I get to take some questions.

Audience: Yes.

Audience: Janne, thank you so much. That was absolutely fantastic. I had a question, actually, on the one slide you had with that new apartment building that was very modern and very boxy with this more traditional gabled - I don't know, were those single-family homes or maybe they were apartments. But my question is, people could look at that and say, "I don't want that big, ugly box in my neighborhood," and I wondered if there were some design considerations such that the apartment buildings and the higher density would be more palatable to people?

Janne Flisrand: So certainly, our zoning code has a lot to say about design considerations. We hear lots of complaints about the exterior materials piece of it and also around the articulate façade part of the design code, and I do not believe

that concerns about character and fitting in are what people are actually testifying about when they go to city hall and when they write emails to oppose new homes in their community. I think that they are searching about for things that are recognized in formal policy documents to use as justifications for opposition. So, things like eliminating parking minimums, things like setting clear and predictable expectations about what is and isn't okay, including design considerations, when they are embedded in the code and the code is buildable, then that changes the conversation because you don't have to do the public process, at least the way it works in Minneapolis. If it's by right under the zoning code of Minneapolis, you go to the permitting office. You get the approval from city staff. If it needs a variance, in our current zoning code, almost nothing can get through without a variance, it goes to the planning commission. And that opens Pandora's box of engagement.

We have focused hard on who belongs in our city and the answer to that is everyone. And we have focused on if we don't make space for people when you have 47,000 more people come to the city, and that's a 12 percent population increase for us, maybe sounds small in Chicago, but for us it's a lot of people, it's the first growth we've seen in decades. When you've got all those folks coming to the city, if you don't make space, it is very, very clear that that is a policy choice to push people out. And we know that any time there's a shortage of things, the people who don't have it are the people who can't afford it, the people with the least means, the people with the least power.

Question and Answer Session

Audience: I worked at the University of Chicago in the law library for a long time. I'm here though because I live across the street. So, my question is directed at you, but it's really for everyone in the room. The question is, is the Mansueto Institute and this project ready to take on Woodlawn as a project, as a start? Here is a neighborhood that is starting to turn around. The University of Chicago is interested to the degree that well, we'll go down to 63rd Street, but there are empty lots, there's properties involved, and we've got to make some decisions in our neighborhood to start the process that you described.

Janne Flisrand: Thank you for asking that question. It's an important question and I hope

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that there's space for that conversation here. I want to name, it's also a very complicated question. Now, I don't know Chicago neighborhoods at all. So I can't read the layers of power and race and income that are certainly embedded in that question, and I want to encourage you, as you think about what is the right thing to do here, to think about how do we make sure and protect the people whose lives and communities and histories are threatened by change, and that change is both disinvestment and the lack of amenities but it also, if it's not done well, could be cultural displacement or physical displacement because of changing economics in a community. And I think it is possible to address all of those things at the same time. The research is starting to show that building abundant homes does make nearby housing less expensive. And I know that housing costs are a massive challenge for you, and it's not simple. So good luck as you face that challenge. I would encourage you to think bigger than just a small area because a small area tends to trigger political fights and doing something bigger and broader, if you can get that done, relieves the pressure that might land on a single small upzoned area.

So, with our zoning changes in Minneapolis, it was city wide. That didn't put the pressure on any particular neighborhood and certainly not on the historically disinvested neighborhoods that previously had born all of the population growth. It said wealthy white - we call them racially concentrated areas of wealth, must do their part. We cannot simply put this burden on historically redlined, disproportionately, people of color neighborhoods to once again accommodate all the change in our city. I don't know what that looks like here, good luck.

Audience:

Hi. Thank you so much for your talk. This was an amazing presentation. You talked a lot about how resident engagement, really comprehensive engagement, was very important to the Minneapolis 2040 plan, and you specifically mentioned a lot of really creative strategies like comprehensive youth engagement and creating those like Game of Zones kind of activities. Do you know how much of that resident engagement strategy is now a permanent fixture of the way the city of Minneapolis does thing, or is that kind of unique to the 2040 plan?

Janne Flisrand:

This question about engagement and how do you engage residents turns out to be one I get very excited about because I have very strong opinions. I think that some habits are embedded and that it's clear that our public meetings are more accessible and it's less shouting meetings and more open houses that have some interactive features at them. I am also personally really exhausted and tired of public meetings. And so, I think that that engagement was a fantastic investment for a big 20-year visioning plan, for something that touches everything the city does for the next 20 years. That is exactly where public engagement funds should, in my opinion, be invested. I am sick and tired of going to meetings for - there's a street in front of my house that is very noisy and loud and a heavy transit user, bike, walk corridor, I'm really tired of going to public meetings about that street because every one of our plans, the comprehensive plan, Minneapolis 2040, our transportation action plan, our bike plan, our transit plan, the list goes on and on. They all say that that should be a transit-priority corridor that has wide sidewalks and safe places to bike. We are fighting that battle right now, so even though that is on every map in the city of Minneapolis and every formally adopted policy, we have to refight that battle.

I, personally, think that is an inappropriate space for public engagement because we made the policy decision years ago, 10 years ago, I think, was when it was on the bike map. We should not be relitigating that. And so, figuring out when is the right time to do engagement, how do you do it so that you can connect with people who don't have time to show up to public meeting after public meeting after public meeting about tiny things to get yelled at and ignored. You need to find the right balance and the right instances to do that. So, I guess I have kind of tender feelings about this because I go to too many public meetings and in June, the weather is precious and beautiful, and I don't want to go to three public meetings a week to say yes, I, tonight, again, think it's good to have an apartment building here where our zoning code map says we should have an apartment building. We've made that decision, let's follow through.

Audience:

Hi, thanks so much for being here and sharing. I'm curious if you have a sense of - so you all did - Neighbors for More Neighbors did this incredible community engagement. I'm curious if you have a sense of how much of the organizing that you did during this process has translated into some of those

people continuing to be engaged and organizing around housing or other things in their community, like have you all's membership base grown, what has that looked like?

Janne Flisrand:

So, I don't have concrete numbers about how the 2040 organizing has translated into other organizing going forward. I do know that I keep seeing people who I first met during 2040 at other public meetings, in other organizing spaces, working on city council campaigns. So, I believe that it has and we were part of that story. I do not want to minimize the work of the Streets.MN blog or Our Streets Minneapolis or Wedge LIVE! or IX. There are dozens and dozens of groups who are doing on-the-ground, door-knocking and other kinds of engagement and organizing that are building a collaborative progressive movement in Minneapolis. It is a hard fight. People are very tired. I will say the uprising after George Floyd's murder was exhausting for everybody in the city. It was followed by a bunch more local, political fights that are also very exhausting. And people keep showing up. We're also trying to carry each other through the exhaustiveness of these few years so that when we recover, we will still be able to organize. So, I don't have numbers, but I know that I keep seeing more and more faces and the same faces that I saw before.

Jacob Seid:

Thank you all for your questions. Janne's going to be around later also if you want to touch base at that point, but how about another big round of applause for Janne Flisrand, everybody.

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Emily Talen: Now, we're ready for our next panel, or a first panel I should say. Let me introduce Gary Scott, our moderator for this panel.

Moderator: Gary Scott, Board Member, Congress for the New Urbanism

Gary Scott: Hi, my name is Gary Scott. I'm excited to moderate for the first panel of today, *Enabling Density Where it is Needed Most*. I've got Roberto Roquejo, the executive director of Elevated Chicago;²⁰ Steven Vance, the founder and CEO of Chicago Cityscape;²¹ and Katherine Darnstadt, the founding principal of Latent Design.²² When we go over each presentation, I'll do a bio at that time, so I'm going to hand it off to Roberto Roquejo. As I said before, he's the executive director of Elevated Chicago. Roberto is an urban planner and a diversity, equity, and inclusion DEI practitioner. As executive director of Elevated Chicago, he has overseen \$10 million in resources for ETOD, Equitable Transit-oriented Development,²³ and has co-lead with Mayor Lori Lightfoot's office the creation of Chicago's first ETOD policy plan and pilot projects, including affordable housing, small businesses, and public art in grocery stores. Prior to joining Elevated, Roberto worked for the Federal Reserve Bank of Chicago, the Chicago Community Trust, and the Metropolitan Planning Council. In 2021, Roberto was included in Chicago Magazine's New Power 30, a list of Chicagoans challenging the status quo and sparking change. I'm going to pass the baton to Roberto.

Roberto Roquejo, Executive Director of Elevated Chicago

Roberto Roquejo: Good morning, everyone. My name is Roberto Roquejo. I'm the executive director of Elevated Chicago, and I have never seen so many people getting up early on a Monday to talk about zoning, and I'm having a moment, so thank you everyone for being here today. Elevated Chicago is a coalition of organizations advancing equitable, transit-oriented development here in Chicago. We started in 2017, working around a half-mile of seven CTA stations located in majority Black and majority Latinx communities. In 2020, we expanded our footprint to many other areas in Chicago that want to

From left: Gary Scott, Congress for the New Urbanism; Katherine Darnstadt, Latent Design; Steven Vance, Chicago Cityscape; Roberto Roquejo, Elevated Chicago



have equitable transit-oriented development. We've met a lot of friends along this way, and I want to acknowledge one of our founding mothers who's here today, Joanna Trotter, from JP Morgan, prior with the Chicago Community Trust. And I'm saying this because this is a labor of love, which required a lot of people to come together, and this is why I feel that in order to change zoning, we need to do it together and as a coalition; it has to be very, very diverse.

We use ETOD to address racial inequities in our city, and we concentrate on inequities that we have encountered, health, public health indicators, also on climate change, resiliency indicators and also in arts and culture indicators across Chicago. And we also use ETOD to stop the displacement and the depopulation of communities of color across our city. So, in this session today, we'll be exploring the difference between TOD or transit-oriented development and ETOD. That E is very, very important to us, when I talk about the role that zoning plays in support of ETOD, sometimes to prevent ETOD from happening. And finally, I want to touch on how our coalition is working to do something, not as big as what Minneapolis has done, but something more incremental that we think is very important to do near our transit stations.

Transit-oriented development is a radically different way of building neighborhoods that centers the needs of pedestrians and transit riders.

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So, I'm sure many of you are familiar with the concept of transit-oriented development, so I'm not going to spend a lot of time here. As you all know, the United States is a very car-oriented country, and we have very car-oriented cities because we have planned those cities that way. We have intentionally planned our cities to be cities for cars. And transit-oriented development is a radically different way of building neighborhoods that centers the needs of pedestrians and transit riders, and it also provides avenues and incentives to build cities that are more compact, that are more walkable, and neighborhoods that are better connected to active transportation options. So, in theory, transit-oriented development should be more racially equitable than car-oriented development. And the reason for that is that 60 percent of the people who use transit are people of color. And the reason for that is also that the car ownership rate is three times lower for Black households than it is for white households. So, in theory, you would think that when you build transit-oriented development, you would be doing this for people of color. And the reality is very different from that.

So, this is the map that showed you what has happened in Chicago with TOD. Chicago has had an ordinance providing incentives to developers for building near transit. It provides the developers increased density and number of units near transit and reduces or eliminates parking in sites located within a quarter mile of a train station. So, all these incentives, since 2013, have produced thousands of homes closer to transit and jobs, but this has happened inequitably. And this map here shows you where TOD has been approved between 2016 and 2019. As you can see, 90 percent of transit-oriented development in the city took place in the North Side, in the Northwest Side, in majority white communities; the Loop area, the West Loop, Pilsen, South Loop and as you can see, the rest of the city, the vast majority of our city including this neighborhood and surrounding this area has seen very, very, very little transit-oriented development.

Roberto Requejo, Elevated Chicago



Many stations in the South and the West Sides of Chicago, majority Latinx and Black are surrounded by vacant land and auto-oriented spaces.

What has happened, TOD has produced gentrification and displacement of people of color, so those dots that you see up there, especially in the Logan Square area, you're all probably very familiar with what's going on there, Pilsen, same thing. And then TOD, as you can see, has also bypassed a lot of communities in the South and the West Side. And in those communities, displacement looks like depopulation of African-American neighborhoods where families, residents have left for better opportunities. Here's some examples of the dysfunctions and the missed opportunities that we are seeing in transit-oriented development in Chicago. The left is a \$300 million investment in a multi-modal station at the end of one of our busiest lines, the Red Line. How many of you have been to this station, by the way? Great. So, it's amazing. It's beautiful. It's fantastic. There's a DJ booth and everything. But the investment was deployed without a TOD plan and without a community engagement process. So now, the station, as you can see there, is surrounded by vacant lots and car-oriented uses. And this is not an exception; this is the norm in many, many stations in the South and the West Sides of Chicago, majority Latinx and Black communities that have transit stations in very good shape and good service, but they are surrounded by vacant land and auto-oriented spaces. So that's one of the

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problems that we are trying to solve.

The other problem is very different, and that's the right side of the slide. That is another very busy line, the Blue Line, connecting O'Hare with downtown, and this is the California Station of the Blue Line. And, as you can see, in this community, in particular, TOD, which looks like what you see on the bottom half of the slide, looks like those buildings that have replaced that vibrant community that was majority Latinx with a lot of small businesses, and now these building, these TOD buildings, may be more sustainable for sure, but are unaffordable to Latinx families and also, the sizes of those units are not appropriate. So, another way that we have positioned our coalition, very intentionally as a coalition, to solve these two problems. The problem of displacement that is happening triggered by gentrification and in Logan Square, for instance, more than 25,000 people, Latinx people, have left the community in the past 20 year,s but also, the other side of displacement that is happening in the West and the South Sides of Chicago, the depopulation of our Black communities that have lost almost 300,000 people in the past 20 years.

We are doing this work with a very diverse coalition, as I mentioned. It's comprised of institutional partners like the city of Chicago; the Chicago Community Trust, our community foundation; CNT [Center for Neighborhood Technology]²⁴ and MPC [Metropolitan Planning Council]²⁵; a couple community development financial institutions, IFF²⁶ and Enterprise, but more importantly, we also brought to the table several community-based organizations based on the communities most affected by these issues, from Logan Square Neighborhood Association²⁷ to Garfield Park Community Council,²⁸ Homan Square Foundation,²⁹ Endoleo Institute,³⁰ and others. And we wanted to bring together a coalition that was multiracial but also multi-lens, because zoning should not be just for planners and for lawyers; it has to bring in the environmental experts, it has to bring in the climate change experts, the public health experts, and the artists too. So, this is all like a family effort to make sure we have zoning right this time. And for us, ETOD or equitable transit-oriented development is both a

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Beyond The Single-Family Home: ZONING, EQUITY, AND ACCESS

Single-Family Zoning:
Restricts development to only allow single-family detached homes.

WHAT SF ZONING PREVENTS:

- Density near Transit
- Diversity of Housing

WHAT SF ZONING DOES NOT PREVENT:

- Demolitions/Teardowns
- Deconversions

THE RESULT? LOSS OF:

- Foot Traffic to Support Local Businesses
- Affordable Housing Options
- Historic Character
- Density to Support Transit
- Density to Support Schools
- Eyes on the Street
- Social Diversity
- Housing Supply
- Neighborhood Vibrancy

Mansueto Institute for Urban Innovation **University of Chicago** Kreisman Initiative for Housing Law and Policy

process and an outcome.

[Equitable Transit Oriented Development] is development without displacement and done with communities and not to them.

It's a process that centers the voice and the power of the people most

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affected by these issues and the voice and the power of communities of color. We don't like to talk about community engagement. We like to talk about community ownership because one thing is to consult and bring people to a table, another one is to provide people avenues to own the assets in their community, so that's the process. And the outcome looks like affordable housing, looks like small businesses, looks like business incubators, looks like a health clinic that we have been funding, supporting near transit in the past five years. So, if you have to summarize it in just one sentence, ETOD is development without displacement and done with communities and not to them.

When we created Elevated Chicago, we knew that equitable TOD was really, really important to move up or to increase the indicators for racial equity, for public health, for economic stability, and for climate change. And here are some data points for those of you who need the numbers. What we didn't know is how these four crises were going to come together and converge in 2020. You think about it, a racial justice crisis, a public health crisis, climate change getting out of control, and a very, very unstable economy, and all that has lasted to this day and right now, we feel very, very strongly that there's not going to be an equitable recovery in Chicago without equitable transit-oriented development.

And the way we work, we have a work plan that our community-based partners have created in collaboration with the members of our coalition. We're very place based, and we invest in bricks and mortar and walkability issues, in cultural activation, in green infrastructure near transit because our transit also floods, like the one in New York; it's not as dramatic but that happens too. But we don't work just with place. It's really important for us to work also with people and with process. And we build power in communities, we fund community tables, we support community benefit agreements. We also – our process-side of the deal is all the work that we do, targeting people who have power, to change the rules that establish what gets built in neighborhoods and by whom. And all of our zoning work has been housed under that process, systems-change side of what we do.

This is a more hopeful map than the one that I showed you earlier. So, ever since we started Elevated, we've been supporting new TOD across the city; TOD with an E in front of it. And right now, there is 20+, 30+ ETODs that we are supporting across the city in collaboration with the City of Chicago, and they look like, again, affordable housing, food halls, grocery stores, business incubators, etc. And to do all this, we have been five years in the journey. So, we started in 2017. We created a work plan with our community-based partners. And then in 2019, we had an opportunity to reform the existing transit-oriented development ordinance, the one that I told you doesn't work that great. At that time, we pushed to advocate and change the ordinance in two ways; we expanded to bus corridors to be also eligible for incentives, but more importantly, we required the city to create an ETOD policy plan over 18 months. And over those next 18 months, that by the way included a pandemic, we developed with our community partners and another 70+ organizations, a really comprehensive policy plan with 30+ recommendations that covered a very strong or very broad number of issues. And many of those recommendations that have been adopted unanimously by the Chicago Planning Commission, that have been supported by thousands of residents through the public comment period require now the passage of a new ordinance, right, that changes zoning in a more comprehensive way than the prior ones.

Last year, the [Chicago Department of Housing] gave us this amazing Christmas gift at the end of the year by giving \$800 million to 18 ETODs across Chicago – the largest ever investment in ETOD in the city.

One thing that we are excited about is that the city Department of Housing,³¹ I think Daniel [Kay Hertz, Director of Policy, Research, and Legislative Affairs at the City of Chicago Department of Housing] was here today, thank you, Daniel and DOH, one of the early implementors of the recommendations of the plan. They started by introducing ETOD mandates within the affordable requirements ordinance. And then last year, they gave us this amazing Christmas gift at the end of the year by giving \$800 million to 18 ETODs across Chicago – the largest ever investment in ETOD in the city.

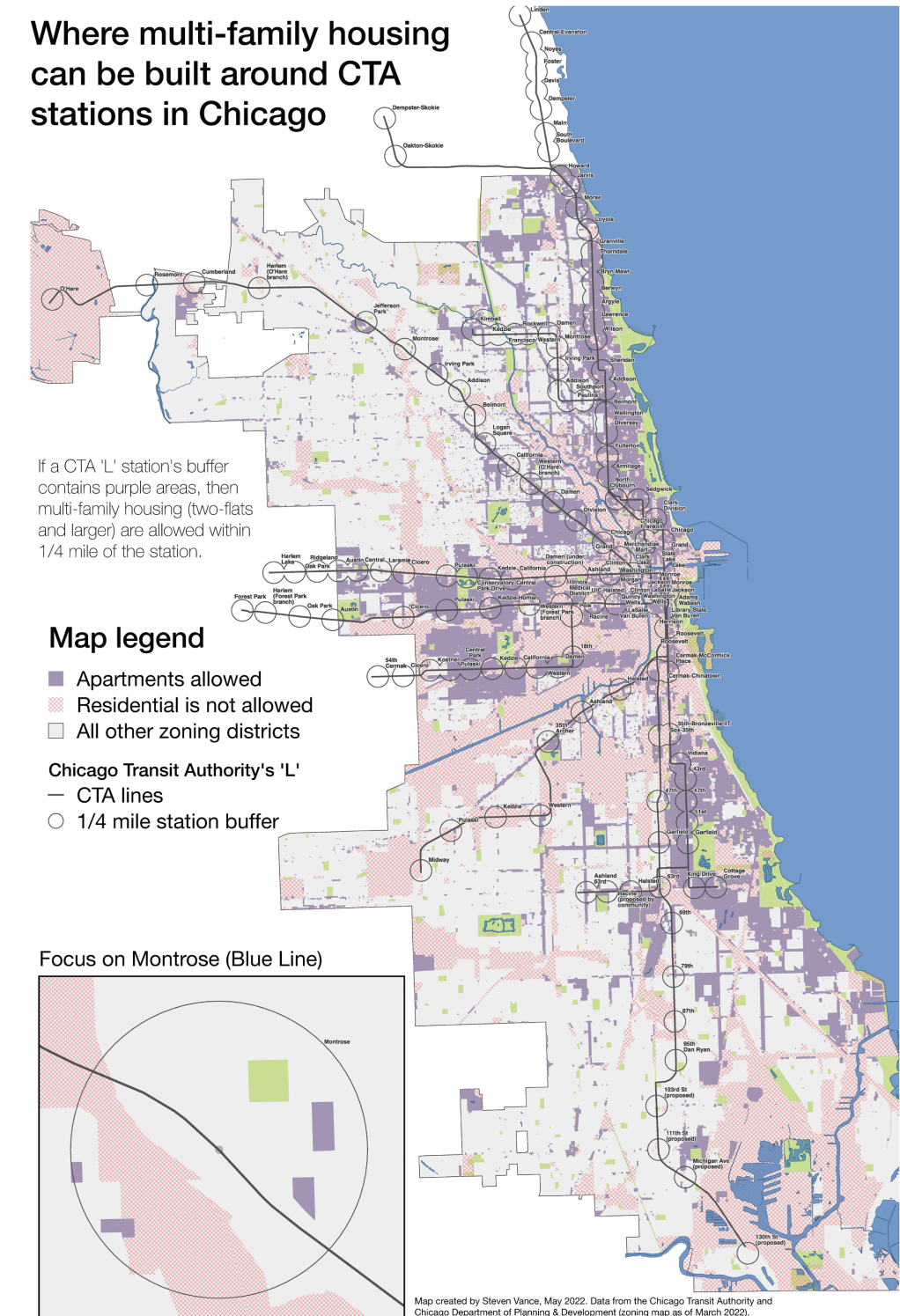
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And I make it sound very easy, but it was not, and it is not because each of those projects now requires a lot of work and a lot of financing and sometimes, a lot of fight in the neighborhoods that do not quite embrace ETOD the way that we do.

So, let me ask now in the room here, how many of you have lived in a multifamily home? Okay. And how many of you used transit while you were living in that two-flat or three-flat or apartment building to get to and from? Okay, so big room, all of you enjoy that. So, all of you were very lucky. You should know this because in Chicago, multifamily buildings are banned around all those station areas that you see in this slide. So, buildings like the ones you see on the left side, that type of building is not even that big tower. It's just two-flats, three-flats, courtyard buildings, what planners call gentle density; this is banned. We cannot build that near transit. Only single family is allowed around the station areas that you see here in the Brown Line and the Blue Line. These are affluent and middle-class, majority white communities in Chicago. Thank you, Steven, by the way, he created the maps I'm showing you here. And what is allowed though is what you see on the right. So, if you go to the station, sometimes you'll see that there is an auto shop or there is a body shop or there is an auto dealer or a gas station, and you're wondering, what is this doing here. So, on the one hand, you have to have only single-family homes. On the other hand, you can have those auto-oriented uses, how is this making any sense.

So how do we change this? We can change zoning. And when we talk about zoning, we have boiled down the challenges to these four. Number one is political will. We heard about this in the earlier presentation this morning. We have a lot of support from the mayor and departments of housing planning, transportation, public health, but we have 50 aldermen and women, and we need to convince at least 26, and we don't have that yet or we're not sure. So how do we make sure that we bring in the political will from city council to pass new ordinance that deals with these issues? The other obstacle is that this is a very obscure topic, and many of us get

Visual by Steven Vance



excited about zoning, but this is not fun stuff. We don't know how to talk about it, we bore people to death, so we need great story tellers for this. We need real stories from real people, translating this into art, into numbers that makes sense to people, not just the statistics experts, etc.

Inertia is a third obstacle, I think, in Chicago. I've met many people that have never met anything other than a car-oriented neighborhood. If you have only seen that your entire life, how are you going to imagine something

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different. And many communities, actually, they have to own a car. It's not that they have choices in some places, so that inertia in the system is very hard to change. And finally, nimbyism. I'm not going to go too deep into this. You've seen many community meetings, you present ETOD, and you hear concerns about traffic, concerns about the schools being overtaxed, concerns about the type of people who are going to move into the community. A lot of times, these concerns hide racist and classist biases. Those are the four things, by the way, I'm going to leave that up for a minute because we're going to need your help, all of you, in helping with all those four things, even when the change is a zoning issue.

So how can we change equity, resiliency, health, and the economy all at the same time with zoning. The way to do it is changing the ordinance, and when I showed you a little bit of the campaign that we're working on with the city of Chicago, it's a sneak preview, it's still kind of drafty, so do not post this anywhere other than your close circles, but we thought to do something different this time and make it – first of all, we wanted a campaign that was based on what we heard throughout the policy planning creation. We heard thousands of people telling us things. Based on the storytelling, marrying that storytelling with the data, and simply finding what we need to the E, the T, and the D that you see in the description here of what ETOD is. One of the things that we heard many times, and this is from a community resident, is that the issues that come up consistently are traffic, parking, density, and it's vitally important that these issues are addressed right up front, so that's one thing that we are trying to do with these changes and the new ordinance.

People who live in a [transit oriented development] TOD area save up to 23% of costs, so imagine what that means for a family, especially a low-income, working family.

This is from a neighbor in Logan Square. She was looking at the construction site on a parking lot that is now affordable housing. She used to see a parking lot, and now she sees hope, future, and opportunity. That's one of the stories that we want to collect, and we have been collecting. And in terms of the data, people who live in a TOD area, save up to 23 percent of costs, so imagine what that means for a family, especially a low-income, working family. So, goal number one for the new ordinance is more equity, so the E of ETOD, more equity, and here is where we want the city to change the ban that exists on multifamily housing in transit stations, and allow for a variety and a diversity of types of homes near those transit hubs. Another type of story that we heard is how dangerous it is to get to and from transit stations, and it's not only the traffic violence that exists in those areas, it's police brutality that exists in those areas. It's gang violence. It's a lot of things. We wanted to collect stories about this and data too. And this is a very heart-breaking fact, that last year we lost 83 Chicagoans to traffic violence in – sorry about that...in the half-mile of a train station. This is data from the city of Chicago, 83 people killed in the proximity of a train station, so we need to stop that.

And so, the second part of the goals that we have for the new ordinance is more transit orientation near transit hubs, safer, more lighting, less auto-oriented uses, less power cuts, etc. And finally, another set of stories that we heard from people were about the need for better and more incentives. And this is a quote from one of our members of our coalition, a developer, "Building more homes and retail spaces near transit is vital for the South Side, but we need more and better incentives," and one example that shows how important that is, this is like only in the three years that I showed the map earlier in the presentation, 75,000 jobs were created in Chicago, so that TOD created 75,000 jobs. Imagine if we were able to expand that to the West and South Sides.

The third goal for the ordinance is more development. We talked about more equity, that's the E, more transit orientation and safety, that's the T, and more development, that's the D. One of the things that we want to do is to expand incentives. Right now, it's only for a quarter mile from the stations

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to a half mile to each station, which will almost double the amount of land eligible for these incentives, and also to expand to high-frequency bus corridors. So, I want to stop my super jumpy presentation here. And with that, I'm going to let the next speaker come to the podium, or to speak from the chair, whatever you prefer. Thank you.

Gary Scott:

Just while we're transitioning for five seconds, this is Steven Vance, founder and CEO of Chicago Cityscape. Steven Vance is an urban planner who founded Chicago Cityscape, a real estate information website and consulting business. He also consults on zoning for map strategies. He graduated from the University of Illinois in Chicago's College of Urban Planning and Public Administration, CUPPA, worked at the Chicago Department of Transportation, the Active Transportation Alliance, and Streetsblog Chicago. He's a member of the ULI, Chicago's chapters; ADU Task Force; Lambda Alpha International, UI chapter; and the Metropolitan Planning Council, MPC's Land Use Committee, so I'll pass it over to Steven.

Unused zoning capacity is the difference between the number of dwelling units that you have on site now and the number that the zoning district for that site would allow without a zoning change.

Steven Vance, Founder and CEO of Chicago Cityscape

Steven Vance:

Thank you. I'm going to talk about #UnusedZoningCapacity. So unused zoning capacity is the difference between the number of dwelling units that you have on site now and the number of dwelling units that the zoning district for that site would allow without a zoning change. And so that's a really key thing, without a zoning change, and I'll come back to that. So, in Chicago, you can actually calculate that pretty easily. You'd have to take the lot area, and then you look at the zoning district, then you look through zoning code and you say, "What is the minimum lot area per unit?" Got that? And so these two examples on our two tweets that I posted, so I use social media to try to highlight these examples, and one of the things that Roberto put on his slide is that obscure topic. I like dedicating my time and my maps to dispelling or helping people understand obscure topics, and I think one of those is unused zoning capacity.

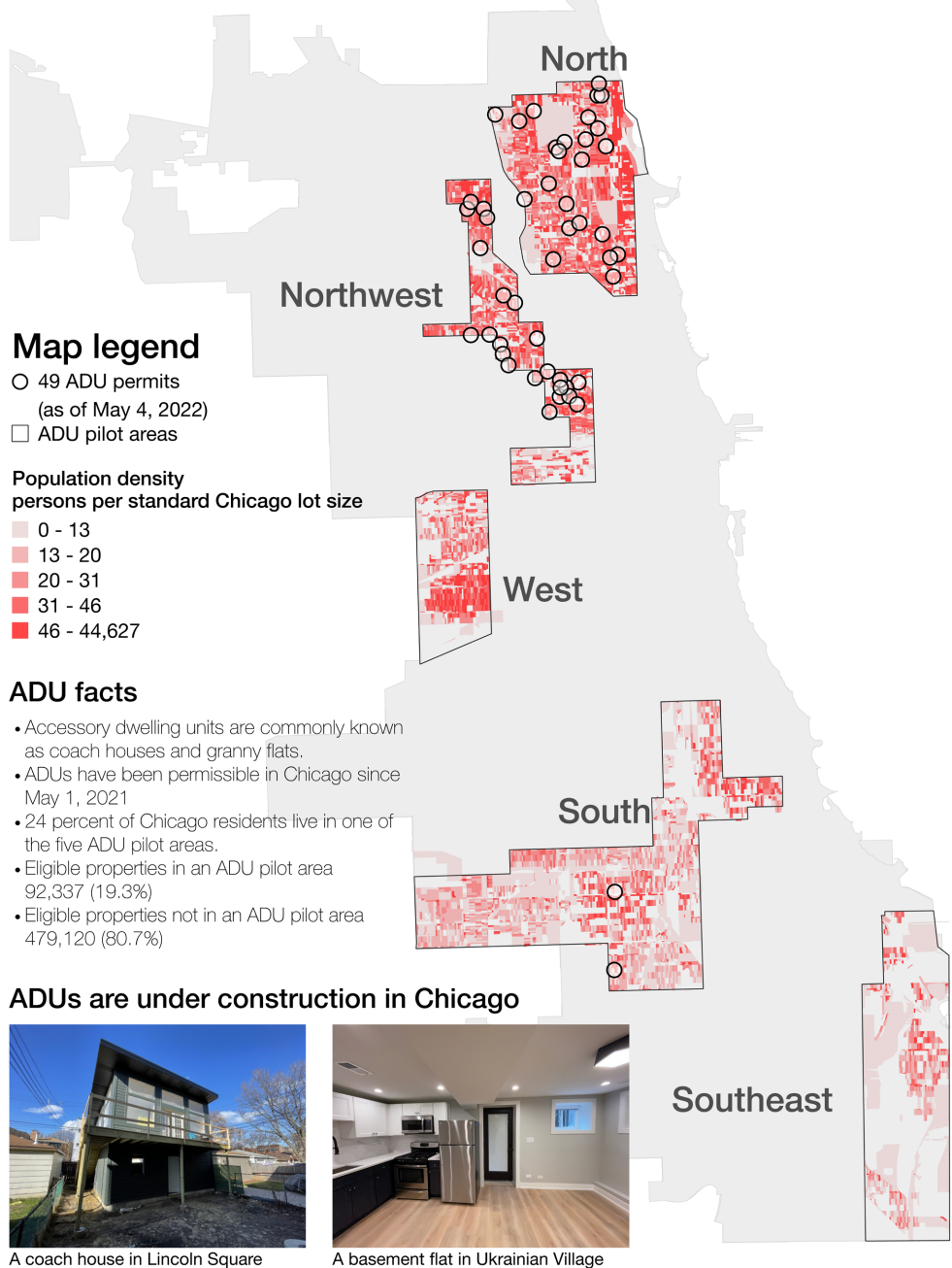
The building on the right, which is a really common, three-flat design in Chicago - the owner got a permit to build a fourth unit. That one was really easy to understand how they were allowed to do that. You can kind of tell that it looks like an oversized lot, and most lots in Chicago are 3,125 square feet. A really common zoning district allows three units, so you basically just divide 3,125 by 1,000, you get 3. And so on an oversized lot, I can just assume, I can just guess by looking at this, it's probably a 4,000 square foot lot so thus, it has three now, but it can have four in the future, or actually - it's already permitted, so hopefully it's getting built right now.

Why I talk about these things: I'm an urban planner, then I started studying policy, then I learned how to make maps, like I made maps for many of you in the audience and also that'll be on some other people's slides. And then I also like to use cats to help me out, so I'm teaching Alice here how to use QGIS, so if you don't know how to use QGIS, it's the best free software for mapmaking out there. So, what I know or claim to know and what I believe

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Visual by Steven Vance

Chicago's Accessory Dwelling Unit Pilot Areas



A property was considered eligible if it is in one of the ADU-eligible zoning districts (RS-2, RS-3, RT, or RM zoning district; March 2022 Chicago zoning map) and is classified by the Cook County Assessor as a residential building, excluding condos.
 Map created by Steven Vance, May 2022. Data from U.S. Census Bureau, Chicago Department of Planning & Development, Chicago Department of Buildings, Cook County Assessor, Cook County Clerk, and Chicago Cityscape.

are that zoning maps are really awful to look at and to study, but I like doing that now, and I'm really excited to hear the keynote speaker at the end, Sara [Bronin, Professor, Cornell University College of Architecture Art & Planning & Law School], talk about zoning maps across the country, then I also do zoning assessment. Zoning assessment is where you study the zoning code and how it applies to a specific property. And so, I've done this - I do this as kind of like a freelance work. Property owners will hire me to essentially write a report that says, here's what's allowed at that property. Here's what they're allowed to build, here's what they're allowed to expand to. My favorite ones are like here's this property, I want to build this thing. I know the zoning code doesn't allow it, so what is the strategy to move forward from the current code to something else that would allow this thing that I want to build? That's really obscure in itself.

One example is an eSports stadium, so I helped worked with a company that will be developing the first eSports stadium in Chicago in the South Loop. That was approved by Plan Commission last year, so I designed a zoning strategy to get that to be allowed. And then I also do a lot of data analysis, so love collecting data, so I built chicagocityscape.com, which aggregates data from over 130 sources on a daily basis, and then I resell that information. We also have a lot of sponsored memberships, so even if you can't afford it, I got you covered. And then I also believe that single-family only zoning is bad. It's actually absurd to legally mandate a specific type of housing that we have now figured out is really bad for the environment and really great for segregating our communities.

So where is this unused zoning capacity? It's everywhere you see on the map that is colored in purple, either shade of purple, and then it's not available in those circled areas that Roberto showed along the Blue Line to O'Hare and the Brown Line after Belmont, so between like Belmont and Kimball, that's where there's a lot of not unused zoning capacity, except where there is an ADU pilot area. I'll get to that in a second. And then I've also highlighted or mentioned LaSalle Street on here. LaSalle Street, if you read Crain's, has been mentioned many times in the last six months, and I'm talking about the portion of LaSalle Street between Jackson, where the Board of Trade building is, all the way up to about Lake Street or Wacker Drive and what is commonly known as our financial district. A lot of businesses have moved out of that section, and so like BMO Harris Bank

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built a brand-new tower next to Union Station, and so they'll be moving a lot of their employees over there. Bank of America moved out to a brand-new tower they built on Wacker, so a lot of employees will be moving there as well. And so, there's all this now empty space, and banks are now taking over, rather than foreclosing, they're taking possession of these buildings, and as a business community in Chicago, they're like this is not good.

There's already been tons of action on it like ULI, the Urban Land Institute, has created a task force.³² They've already put out their recommendations. The city's planning department is planning to do a study to find which are the 10 to 15 most re-developable or convertible buildings. But then when you look at the zoning map, it's actually already perfectly zoned for high-density housing. If they're not in a planned development, which has a lot of restrictions that are in a specific document, then they're in a DX [downtown mixed use] zone, which is my favorite zone. So, if you look through the zoning code, this is the best one because it allows pretty much everything that can be allowed in a city. It doesn't allow manufacturing though. The X stands for mixed use, so downtown mixed use. So these office buildings can be converted to residential today. You'd have to hire an architect, and you'd have to get some funding, and then you can convert these office buildings to housing. And some of them are really great for conversions, like the premodernism buildings that are structurally – like they're laid out better for conversion to apartments.

ADUs [Accessory dwelling units] typically take the form of basement units, of attic units, you can even do a rear addition. They also are small, backyard houses, usually coach houses.

So, when I talk about unused zoning capacity, it also sounds like ADUs because accessory dwelling unit ordinances here and across the country basically say it doesn't matter what the current zoning on your property is,

you still get to build at least one apartment and then, contextually, it may be two apartments because of certain rules that we have here in Chicago. They typically take the form of basement units, of attic units, you can even do a rear addition. They also are small, backyard houses, usually coach houses, coach meaning like a car or a horse and a buggy. This one on the screen is one of the first to be completed since accessory dwelling units were relegalized last year. And so, I believe that ADUs are a kind of unused zoning capacity, but ADUs are not available or allowed everywhere in Chicago because the way the City Council adopted the legislation last year is that it was limited to five pilot areas. And so, a couple of the differences also are with the ADU, it's a smaller area, so the map I showed that had the two shades of purple, the ADU was the smaller of the two areas where there is unused zoning capacity.

ADUs are not available or allowed everywhere in Chicago because the way the city council adopted the legislation last year is that it was limited to five pilot areas.

One downside of unused zoning capacity, so let's say I want to build two apartments right now because I've done the math of that minimum lot area per unit calculation, and I see that oh, shoot, I have to build one parking space for those two units. I don't have space on my lot for two parking spaces. And there is probably not relief, usually there is not relief with the Zoning Board of Appeals, which is where relief from code is granted to property owners. The other thing about ADUs is that it's available only in residential areas, whereas unused zoning capacity, it's available in mixed-use districts in what we call our B and our C districts, which are arterial streets like Belmont Avenue or Chicago Avenue, so there is unused zoning capacity on top of the storefronts there as well. And actually, in looking through the building permits in the last two years, there are 125 new apartments that are being built where there were none before in existing buildings, and that was because of unused zoning capacity.

Another difference between the two, unused zoning capacity does not have an affordability requirement, so you can build the number of apartments allowed and then rent them at any rent that you want, whereas with the

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ADU ordinance, if you build more than one ADU, you have a requirement to rent half of those as affordable. And then there's also this thing called the ADU multiplier, which I just made up; you can actually use both. You can use your unused zoning capacity and ADU ordinance to build even more units in an existing building or on an existing parcel. I've actually seen a few property owners do this. So a property owner has unused zoning capacity and is in an ADU pilot area but is choosing to permit their new apartment or their additional apartment through the unused zoning capacity pathway in the zoning code rather than an ADU pathway, and I don't really know why except that they can perhaps unlock the ADU addition later and build a backyard house, so that's another limitation of the accessory dwelling unit ordinance in Chicago is you can't build both an interior unit and a backyard house on the same property, but if you build your interior apartment through the unused zoning capacity, you can still later build the backyard house, so I like that and that's what I call the multiplier.

So, you can find it all across Chicago, like I said. You need two maps; you need your zoning map, and you need a parcel map, and you need the Cook County assessor's data. I saw that we have one person from that office, I'm really excited to talk to them later, hopefully. The assessor has great data, and the current administration in the assessor's office has done a lot better at getting more data out there. And so, I can look at Woodlawn along 63rd Street, so that's what this map is showing. This includes the section that has the TOD bus corridors. Roberto mentioned that we expanded the TOD ordinance to include a lot of bus corridors as well, which doubled the size of our TOD eligible area in Chicago. It also includes the King Drive and Cottage Grove Green Line stations. So, mixing or adding the two maps together, I calculated that there are 4038 units that could legally be built right now without any zoning changes, and so that may sound pretty amazing, like oh my gosh, like Woodlawn, we could totally add 4,000 units right now without having to do like major new construction or encounter nimbyism. I'll get to why that's not that great, actually.

Here are some groups that I think should be taking advantage of unused

zoning capacity, and I'll explain why I'm limiting it to these groups. First of all, the homeowners. Like great, you can earn some extra income by building a new apartment. However, you may not want to be a landlord. Community land trust and shared limited equity developers, similar groups here, so this picture is the first acquisition of the Here to Stay Land Trust³³ on the Northwest Side, and it's a single-family house, but like what if there could be two more units? So, look at the zoning code and determine is there unused zoning capacity here because it may not be in an ADU pilot area. And with the land trust being kind of a moderator of the property, it's always involved, even though it's owned by the occupant, there's a shared resource there to hire architects, hire general contractors to do management as a group. And then MMRP, that's the Micro Market Recovery Program³⁴ that the city of Chicago administers. It is a funding program mostly for down payment assistance, and it's only available in 11 areas but again, each of those 11 areas has a local manager contracted by the city to administer the grants, so it's another great way to centralize management and have a shared resource because we're relying on 4000 homeowners in Woodlawn to execute and build an apartment is probably not going to happen.

I've got some advantages. Like I said, it's available right now, so Woodlawn could have those 4,000 units, get them permitted next week. It is widely available across Chicago and especially in high-resource areas, so Lincoln Park, considering a high-resource area. High resource means a lot of amenities, a lot of good transportation, higher quality schools, that's exactly where we need more housing and also where there's a lot of resistance to new housing. Another advantage is that it's unsubsidized, so the city doesn't really need to devote a single dollar to build any of these units. It also helps us re-densify. I said there's an income component and it's cheap. To build an interior apartment is about a third of the cost as building a backyard house.

There are some disadvantages, so I'm actually contradicting myself. It's expensive. It depends on who you are and your income level and your ability to obtain financing. Financing is very difficult for pretty much any type of new construction if you're not rich. Accessing loans for a \$100,000 to \$300,000 is also expensive. I'm actually trying to do that myself. I bought a two-flat, I'm trying to rehab it, very hard. Another disadvantage is that it's scattered, so there's kind of a management issue to rely on

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tens of thousands of inputs to develop the housing rather than – like the Department of Housing awarded LIHTC grants to 18 different projects. Those 18 projects are going to generate many times more housing than relying on unused zoning capacity. And then structure, so not every house is able to be added on to or converted. Actually, those two pictures go together: this one and this one. So, Monica Chodha and her husband bought this six-flat and were able to add two units to the basement and didn't have to do any excavation of the basement floor to get a deep enough ceiling height.

And so, I'm really excited for unused zoning capacity. People are already taking advantage of it. It's so prevalent across Chicago. Not enough people are taking advantage of it who I think could be taking advantage of it but as a policy, as a citywide policy, I just don't think it's reliable. However, I think there are a few ways that we can make it better. So, like when I said scattered, so having a more centralized management system of sharing resources, so finding a general contractor for yourself is already hard enough but what if neighborhood housing services already worked with a lot of general contractors who are part of their own funding programs, like share your recommendations on who the great general contractors are. And then there are no incentives for this, so you can get an incentive for down payment assistance, you can get a grant from the city to replace your furnace with a higher efficiency one, you can get a grant to replace the roof, which is all great for maintaining a building, but none of the grants are big enough or are allowed to cover additional unit construction.

Unused zoning capacity is a real thing and is prevalent across Chicago...[T]housands of units could be built because of it and no city council action is needed.

The only incentive I can really think of is with the assessed value of the

house. When you make certain home improvements, \$75,000 of your assessed value increase because of the improvement is exempted but only for four years. And so that number of \$75,000 has not been updated in a while and may not cover the cost or – well, also it's not – never mind. I'm going to go into a rabbit hole of assessments if I keep talking. Maybe we should change that number. I hopefully have shown that unused zoning capacity is a real thing and is prevalent across Chicago and thousands of units could be built because of it, and no city council action is needed and we don't need city council money, although it could be useful. But as a housing production policy, it probably is not the most reliable, so we probably are just going to keep chugging along with maybe 100, 200 units per year, just kind of flying under the radar. Search that hashtag and you'll find dozens of other examples. And if you need a map, ask me.

Gary Scott:

Thank you. Thank you so much, Steven. Katherine, who is sitting to my left, Katherine Darnstadt. She's the architect and founder of Latent Design, an award-winning urban design practice at the intersection of architecture and community development, creating social, economic, and environmental impact beyond the building, leveraging design as a tool to make the invisible forces impacting a project visible through architecture. The firm's collaboration ranges from small-scale tactical interventions, new construction community buildings, adaptive reuse, neighborhood master plans, and design speculations throughout the Midwest. She's been featured and published nationally in AIA Young Architects Honor Award, creating Chicago 40 Under 40, Venice Biennale, and previously taught at the School of the Art Institute of Chicago and Northwestern University. So, let's give her hand to get started.

Katherine Darnstadt, Founding Principal of Latent Design

Katherine Darnstadt:

Thanks everyone. All right, I promise no math on this one and as the architect, I get to show some pretty pictures. I did see that there was a hand in the back for a question, so I'll make sure that someone gets you right first when we get to Q&A but as an architect, so there were a couple things just – we look at, at Latent Design, is always how can we explore the influence of design as small or as large as the context allows. We're working on several ETOD developments currently: three on Chicago Avenue that utilizes the bus route as ETOD; it's not just transit stops, it's also a high-frequency bus

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route, so if you know that then so much more of the city starts open up to you as possibilities. We're working on Homan and Harrison that Roberto mentioned with IFF, and we've even proposed a 100 percent affordable housing unit down in the Loop. We were part of the – one of the finalists for C40³⁵ and so with that, it starts to frame how we look at design and zoning and all of these things that the obscure topic allows us to push as designers, but today, I'm going to talk about single-family homes and what's happening in Chicago.

We're thinking about this city as, form follows policy.

I also agree with Steven that this isn't the best blanket zoning to have in many of our neighborhoods, but there are ways that people and developers and designers are pushing that further to look at different housing models and see what's possible, both at the realm of affordability with different affordable housing developers and within the private market as well. This presentation, *Singles Bar, Single-Family Zoning* – Singles Bar because it's low, and that's how I came to the title today. But if you want to know more about us, as mentioned, we're thinking about this city as form follows policy. I learned, I went to IIT, that form follows function, but it really follows policy and it really follows insurance. And those are pieces that Steven and Roberto opened up with, and those are the biggest constraints that we're part of and we're thinking through. And we're still living on this legacy of Levittown, right, of how did we get to the single-family, picket house as our ideal as an individual. I mean, it blankets our cities, it blankets our neighborhoods, and blankets our suburbs, it's both inclusionary and mostly exclusionary at the same time, but this is a legacy that is still very much referenced.

You could look at even the housing policy that the White House just came out with this morning; it's still kind of referencing, how do we create homes that actually are affordable to the market and the salaries that people

are coming out of. We're taking so much effort and time to incentivize development of single-family homes but then we're also taking time to talk about how it's also conversely very unaffordable. So, two things in my mind need to happen. We need to be looking at ways that we rethink what affordable housing means. We talk about this missing middle-type of housing. That missing middle is this gap housing in terms of people who are making a certain income per year, and that missing middle housing we hear in multiple different neighborhoods and multiple different cities is the area that needs – that's that gentle density that was talked about earlier, whether it's a more affordable single-family home on the market, like this one on the screen, Hem House by Future Firm in Garfield Park.³⁶ Or, is it more about creating and keeping two-flats, three-flats, and stopping deconversions or de-incentivizing deconversions so we keep that naturally occurring affordable housing as that other term is known.

This house, you'll kind of see a glimpse of it later on, and I'll see if you can recognize the form later on in the presentation. It could be between 1,400 and 2,500 square feet, so we're talking – this is a 1,400, 1,500 square feet, that's relatively small, but it's a well-designed home, but it hit the market at about \$350K. So, the question is, technically that's missing middle, but is that affordable for that neighborhood? And then, what is that, is this like a – it's beautifully designed, it's award-winning, everything we love about it as architects, it's great, we love it even more. What are we starting to look at?

The other one you're seeing also on the West Side, where both – Kinexx is in North Lawndale and a couple other areas, is the siren's song of modular housing that we've had in a couple variations already in Chicago. We've gone through our own booms and busts with modular housing construction as well as nationally. That is also happening with modular housing contractors because we hear it over and over and over as designers, and you heard it and even some of the presentations, it's really expensive to build. It was even expensive to build before everything suddenly became unavailable, and it's even more expensive now.

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You're seeing a trend that new homes coming out are more efficiently designed, smaller but really bespoke rooms and that is one way that we're getting to a lower price point of affordability.

So where are there ways to have efficiencies within both design and then understanding a supply chain and the constructability of a home and making it possible to decrease the time that it takes to construct a home? Going from a vacant lot to a finished home, what does that look like, first, in a shop? So Kinexx Modular,³⁷ these are homes constructed in a shop based on modular components, so it's a series of stacked cubes together. They come together very quickly on a site. They have cool videos on their website if you go and see that, and they pull together very quickly and then ultimately, transform – reduce the amount of site work because that work is pushed into a warehouse, into an interior environment to build it. Kinexx – these also have a range of sizes from 1,800 to 2,500 so again, we're looking – you're seeing a trend that new homes coming out are more efficiently designed, smaller but really bespoke rooms and that, in turn, is one way that we're getting to a lower price point of affordability.

Some of the first ones on the market since they were subsidized through affordable housing developers were hitting around 250 or so. Other ones, as they go to market, right, we'll see what they start to come out as because I think all of them are not – there's no market rate. Are they all at...?

Steven Vance: There are three market rates in South Shore for sale right now.

Katherine Darnstadt: At?

Steven Vance: I think it was listed at 450.

Katherine Darnstadt: There we go, now we know where we're at. We're at 450 for the same home, so thinking about that, that's a \$200,000 price difference. And I'm going

to tell you another \$200,000 price difference between affordable and market rate with the same design. So, this is Treslotes³⁸ in Bronzeville by Via Architects, Chicago. So, you see the rendering on the left and the final on the right. It's a beautiful slab-on-grade home that has three bedrooms, two baths, about 1,500 square feet, so you get the trend, \$428,000 that just sold for, the first one out of the three. You take that same home, and you take away the bay and you take the Hardie Board and change it from black to red, it's Habitat for Humanity home in Southshore or Greater Grand Crossing that goes for \$225,000. So, we're starting to see – so is the market trend matching the trend that we see within housing across the city that affordable developers are working at? What I see in my work is that they're the same, but we're talking about them differently. We're putting still different stigmas to them, and it can't be a \$200,000 price difference only on location and whether you have a waterfall edge in your island or not. There are other factors going on here that we need to strongly consider and look at and whether it is still the goal of single-family housing that we want to look at or do we want to think about this in other terms of density.

Steven talked about ADUs. We're working on several ADU projects and we're working on even more ADU projects that died, and the reason is this cost. So right now, a new construction ADU – it's a very simple design, overall. It's \$250,000, new construction. That's a lot. We worked out another one that was in South Shore, same price, different design, had a perfect lot, extra wide, extra deep, had all the unused zoning capacity that Steven talked about, so this was just a slam-dunk for them to be able to do it. Got an FHA loan for it, the loan does not cover how much it costs. The loan will never cover how much it's going to cost, because that cost is never going to come down. And so, you have these opportunities that we talk about in the zoning sense. We have to create more opportunities in the fiscal sense to actually make that happen. And when in doubt, look to Texas if you want to know what's the next thing you're going to see in single-family housing.

Lennar Home, biggest homebuilder in the country. This is their newest product that they're putting on the market. It is 350 square feet at \$155,000 ask. It's a pretty similar design of the Hem House. It's got the two-angled roof. It's very nice overall, but that is their version of what a mobile home will look like. And you also are starting to see even in the announcement from the White House today that Fannie Mae and other housing lenders

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are starting to look at mobile homes as part of a pipeline of housing, but they're looking at it specifically to start to change the way that the loan process was. The problem with mobile homes, they're CDA [Community Development Administration] loans, so you don't have access, you don't own the land. You barely own the structure itself, so how does this type of housing fit within an arc of affordable housing across the country itself? In Chicago, outside of ADUs, we can't do tiny homes. I know there was a – we tried that once, I think, in Chicago, so we can't even build this small in Chicago if we wanted to.

And then, finally, this is the other realm. This is in Texas. This is Lake Flato's ICON Home.³⁹ It is a 3-D printed concrete home. It is 2,000 square feet. I have no idea how much it cost. It costs DARPA fund level of money, but this is also another piece of housing that is also driving federal policy. A week or so ago, the White House also came out with an announcement for funding for 3-D printing in general. This is what is supposed to take us to Mars. This is the next form of housing. This is the next form of housing that will be flood resistant, tornado resistant, climate change resistant. I don't know if I necessarily believe that, but it's very pretty and it's an award-winning home overall. So, will we see 3-D printed homes in Chicago sometime? I don't know, but maybe we'll start to think about how design has to either lead or can we lead the design of policy, which is one of the pieces my two peers up here talked about, or can we do the design of policy, and can we have that design actually be more important than the design of the object itself. Thank you.

Question and Answer Session

Gary Scott: Thank you so much, Katherine. I think I'll walk around and answer questions... And if you could say your name and then a fun fact.

Audience: Fun fact, I'm a sailor. But more importantly, I'm a developer as it relates to this form. So, my question is I try to better understand this ADU ordinance change. I think there's some recent changes. I was involved with a project

where the owner of a multifamily apartment building in Beverly/Morgan Park had plenty of space in the basement and wanted to expand into additional units. And the architect consultant said that that was not an option. And so, I'm wondering – I think you maybe mentioned that it's a pilot, there's a pilot going on, and so perhaps those areas are not included or how – is there a dividing line between what multi-families can be expanded to, add additional units in the basement or not?

Katherine Darnstadt: Yeah, so there are five pilot areas and there's actually two charts outside in the hallway that outline where those pilot areas are really effectively. I know Steven had a map up, but that's easier to look at. When it comes – they were basement ADUs that they wanted, garden units essentially, that they want to expand into, so if it's not the pilot area, it's the ceiling height. And so, the ceiling height has to be a certain height over the majority of the space. And if it's not, then you have to excavate your existing basement slab lower in order to meet those criteria. If the ceiling heights are fine, then I don't know; I can't speculate as the reason then. Yeah. But – oh, go ahead.

Steven Vance: I have one more speculation.

Katherine Darnstadt: Yeah.

Steven Vance: That your architect wasn't aware. Not all architects are designing equally.

Katherine Darnstadt: Yeah, that's fair too. I think we've worked on several basement ADUs that stopped, so we get a lot of calls because Steven does have a nice ADU list of architects and contractors on the website who are working in this area. What we found with basement units is, if they don't have enough height, it is very expensive to lower your foundation slab; it's cost prohibitive. Or there might – many people already have tenants in the space, and they were hoping that they could just take advantage of the ADU ordinance to legalize the unit that they're already renting, and this happens all over the city. And when they find out they have to do some extreme construction, then they kind of just go away. You don't have to under the ADU ordinance. That's the big piece. So, if you're adding another unit, you don't have to have that one-to-one parking ratio that would exist otherwise.

Steven Vance: Yeah, everything is layered here. So, I said there was an ADU multiplier, and

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ADUs don't require parking, but unused zoning capacity most likely requires parking, but if you're in a B or a C district and near one of the TOD bus routes, then you can use your unused zoning capacity to add the units and use the TOD to not add the parking.

Audience:

Hi. This is for all three of you but more for the gentlemen who was talking about neighborhoods and growing capacity density. So, I'm an advocate for school reform and for parks, and when you look at buildings and you look at lots and you want to increase density, are you also concerned about schools getting overcrowded or parks not having enough room for their programming because more and more people are living in a community? And there are many communities across the city here where the parks don't have enough room or enough athletic facilities for the people who are there or the neighborhood itself doesn't have the housing that it should so that that park is better used, so I was wondering if you guys consider school issues and park issues when your advocacy for more density in the housing?

Steven Vance:

Do you have a response?

Roberto Requejo:

I can start. So, the work that we do in Elevated is very much community-based and we follow the directions of our community partners on what they need and what they want for that particular half-mile around each area. We

work in seven what we call equitable hubs, the half-mile around the station. Some of the areas may have that issue that you talk about. Some of the areas that we work on do not have that issue whatsoever. And also, one thing that we always keep in mind is to do what several speakers today have talked about, which is step back a little bit and look at why is it that your schools are at capacity in that community and why is it that your park sucks. And how much of that relies not necessarily - it's not a problem of the density of the neighborhood, but is a problem of, where do we put funding, where do we not put funding, etc.? Like we would not necessarily penalize a community that has been traditionally disinvested by not bringing more density just because the park district or the schools have been closed or been overcrowded or have been disinvested by the people who are trying to influence to get out of power and to bring power from community into those spaces.

So again, we start with what the community wants, and the community says our schools are overcrowded, we definitely listen to that. One example where the schools are highly mobilized is Logan Square. In that community, what people came and said is that yes, we have issues with our schools and yes, we have very little park space, but we do want 100 units of affordable housing in this parking lot. We want more people to come to the community and want our people to have space here. So that's how we work but again, it depends very much on where you work, and it also comes with this baggage in Chicago of why is it that that school or that park is having that problem?

Steven Vance:

I'd say a lot of schools are under-enrolled.

Katherine Darnstadt:

Yeah.

Steven Vance:

And also, remember that Chicago used to have a million more people in 1957 than it does today. So, like our city's infrastructure was built out for that many - I mean, not everybody lived as well or there may have been a lot of terrible housing and worse living conditions. With the schools, that's interesting because the policy that I'm pushing here, it takes a lot of time for any units or people to be noticed that they moved in. But a more recent example is there is a new apartment building next to the Cumberland Blue Line station that was recently approved: 297 apartments, 59 or 60 of them are going to be affordable.

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And one of the reasons why people pushed back on that one was it was going to overcrowd a specific school, one that the public schools had already, I believe, started building an annex to, so they were like already preparing for this so-called influx. And then the developer commissioned a school enrollment study, which I believe some staff at CPS validated, and they predicted that only 30 new students would be generated by 300 apartments – oh, even less than 30 new students. And so, like I think CPS can handle, over the next five years, at one school, a potential influx of 0 to 30 students in a very high-resourced neighborhood of O'Hare. That's the community area that this project is in. Yeah. With parks, I don't really have a comment. I don't really follow how it intersects with parks.

Audience: Okay.

Audience: I'm a grad student at UIC's MUPP [Master of Urban Planning and Policy] program.⁴⁰ I also do some housing justice organizing in South Shore, where I'm from. My question is for Roberto regarding Elevated. I'm curious how you all decide what kinds of ETOD programs you all support, especially in like Black and brown neighborhoods on the south and west side. In South Shore, the latest ETOD project, or maybe the first – I don't – probably the first, is on 79th. It's INVEST South/West Project on 79th and Exchange,⁴¹ but they're building 24 condos, 40 apartments, most of which are market rate, and the median income in the neighborhood is \$32,000.

Roberto Requejo: Right. The way we choose projects that we support is – when I was talking before, I talked about ETOD, ETOD being not only an outcome but also a process. And the outcome may be fantastic, but if the process isn't there, that's not going to work for us. In the communities where we work, every ETOD that we support comes with a community table that has decided that that's what the community wants. And it's often managed by a trusted community organization or organizing group like Logan Square Neighborhood Association or Garfield Park Community Council or Foundation for Homan Square, Endeleo Institute, many others come together, and they tell us this is something that we want you to bring to our



community, Elevated, so we invest in whatever they want. Some of them came to the table and said we need affordable housing, and we need it 100 percent to be affordable or we will need a community land trust like the Here to Stay⁴² in Hermosa, and that's what we supported.

In Garfield Park, the community said, we want community ownership here. We don't want to be engaged, we want to own a stake on this mixed income project that POAH [Preservation of Affordable Housing],⁴³ in this case, is building. So that's the part that we are financing is the portion of the development that is going to be for small businesses from the community near transit. In Homan and Harrison, community said we need space, we need an event or restaurant space or something for the community to enjoy, and this is how much money we need, and that's what we supported there. Also in Homan Square, community residents came and said, we don't have enough units of housing that are accessible to people with disabilities, so what's the point on having a CTA station that is accessible if the homes nearby or not? So that was the portion that we funded. So again, it's very hyper-localized, and it's very community driven, and it's very different from other larger efforts in Chicago, and it takes a lot of time, a lot of trust building and a lot of listening, and is not always what the market wants and is not always what the mayor wants. It's not always what those bigger places want, but it's the way that we decide where to go.

Gary Scott: Thank you, Roberto. This will be our last question.

Audience: Thank you for a very fine presentation to all of you. I thought it was quite interesting. The United States Supreme Court in the case of Village of Belle

Terre v Boraas, 416, U.S. 1,⁴⁴ in 1974, and this was a liberal court, the Warren Court, upheld a single-family zoning against a claim by a gentleman who owned the home and was leasing it to unrelated college students as kind of a boarding house. And they held that the village could enforce its ordinance against the landlord and keep him from, in fact, renting the house in that way. And as part of their rationale, they lauded the idea of single-family residential. They thought it created quiet neighborhoods, etc. And after World War II, the philosophy of many people was to get out of the city and to build a home. It was a dream to own a home. And I believe that for many people today, it is a dream to own a single-family home, not to be living in an apartment building.

So, to the extent you're talking about greater density, it seems to me you're dealing with cultural, philosophical, social, and political issues that have far greater ramifications and most zoning is really determined by the social, political, and cultural views of the people in the community who in fact pass the laws through their village boards as to what their zoning is going to be. So, I'd be interested in your comments regarding quiet neighborhoods and places that were, in fact, lauded back in 1974 when this case was decided.

Steven Vance: Well, a lot of things have changed since then.

Katherine Darnstadt: Mm-hm.

Steven Vance: Chicago has continuously downzoned since its first zoning code. So, if you go back and look at the zoning maps and the zoning code – oh my gosh, when was our first one, like 1923, I think, was our first one. And then you compare it to the one in the 1940s and you compare it to one in 1957 and you compare it to the one in 2004, so we're currently operating under the 2004 zoning code. So that means from 1957 to 2004, we basically had one zoning code. We should not be waiting that long to change our policies, but 1957 allowed more density across the city than 2004 and present. And so, I don't really want to rely on the 1957 zoning code, which I appreciate because it allowed more density than current, but like I said, things change, and I think we are ripe for change in Chicago.

I loved hearing about the Minneapolis experience. I want to borrow some things from what they did, but like the reason the Supreme Court probably went that way – I don't know anything else about the case except from what you just told me – is that they were upholding a federal government policy that had been in place for like 60 years by that time, and so they were just kind of keeping things the same, and I hope that we've moved on since then, that we don't need to keep racism as a legally mandated policy anymore.

Panel 2: Density Preservation — Keeping the Missing Middle

Moderator: Jessie Wang, Fellow at Enterprise Community Partners

Jessie Wang:

Hi, everyone. Today's panel, "Density Preservation: Keeping the Missing Middle," will include a mix of presentation and discussion around strategies to preserve Chicago's existing middle housing, with two- to four-unit buildings as a core segment of the stock. First, we'll hear from Diane about how her organization, Communities United or CU,⁴⁵ preserve two- to four-flat buildings in Albany Park as part of the ROOTS Initiative, Renters Organizing Ourselves to Stay,⁴⁶ in response to eviction and displacement pressures. Then, we'll hear from Emily about how her organization, The Preservation Compact,⁴⁷ supported two- to four-flat owners and mission-aligned buyers through a partnership of local CDFIs addressing challenges in communities hardest hit by the foreclosure crisis. Diane and Emily's presentations will be followed by Q&A and then a discussion.

Moderator:

Jessie Wang, Fellow at Enterprise Community Partners

So, to kick it off, Diane Limas is one of Communities United's or CU's founding members and longtime leaders. CU is a community-based organization advancing affordable housing and racial equity in five of Chicago's BIPOC neighborhoods: Albany Park, Austin, Belmont Cragin, Roseland, and West Ridge. Diane is currently spearheading the work of preserving two- to four-flat buildings across Chicago. She has been instrumental in CU's housing and organizing efforts, working with other housing leaders to create policy that protects renters and property owners, so I'll hand it off to Diane.

Diane Limas, Board Vice President at Communities United

Diane Limas:

Good morning, everyone. Again, my name is Diane Limas, and I'm a longtime volunteer leader and board vice president for Communities United.⁴⁸ As

Jessie Wang, Fellow at
Enterprise Community Partners



active participants and advocates in Chicago's housing market for over 21 years, we, at Communities United, have been pioneers in the preservation of affordable housing. We address issues related to low-income tenants, preserving the identity of our neighborhoods and addressing the diminishing stock of affordable housing in the city. The uncertainty of Chicago's small, two- to four-unit buildings has received much attention. Also, a lot of research has been done on this housing stock for over a decade, yet the patterns contributing to the loss of this housing stock not only points to the widening racial disparities that are contributing to mass displacement, this situation has worsened since the pandemic. The loss of affordable two- to four-unit rental buildings in Chicago's neighborhoods is at the core of the city's affordable housing crisis.

The loss of affordable two- to four-unit rental buildings in Chicago's neighborhoods is at the core of the city's affordable housing crisis.

This housing stock is primarily the source of housing for low-to-moderate-income families providing housing for over a third of the city's predominantly Black and Latino working-class residents. This critical, largely unsubsidized stock is experiencing market pressure to convert into single-family homes in high-cost gentrifying neighborhoods and foreclosure and abandonment in low-cost neighborhoods. With over a half a million people, representing nearly half of all Chicago renters, living in buildings with two to four units, the loss of this stock to foreclosure or speculation is devastating. Following the 2008 foreclosure crisis, nearly one-third of two- to four-flat buildings in weaker housing market neighborhoods were affected by foreclosure filings, contributing to the mass displacement on the South Side and West Side,

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Diane Limas, Board Vice President at
Communities United



contributing to the loss of Chicago's Black population and the staggering loss of wealth in Black communities. In gentrifying areas, two to fours are often swept by speculators, flipped, and converted into single-family homes when they came and bought the property, resulting in a significant decline in the number of affordable units in stronger housing markets.

Now, I'd like to talk a little bit about ROOTS, Renters Organizing Ourselves to Stay, which is a community-united, leader-driven initiative. CU's ROOTS Initiative was developed in response to the displacement of low-to-moderate-income families that was happening in our neighborhood because of gentrification. Cash investors would purchase foreclosed properties, our two- to four-unit buildings, evict the tenants, facilitate a gut rehab, and convert these properties into luxury rental units or very pricy, million-dollar homes that longtime residents could not afford. As a result, Chicago was losing a critical portion of its natural-occurring, affordable rental housing stock in these neighborhoods. CU leaders identified the problem and brought the following key stakeholders together to address the problem. We engaged Enterprise Community Partners;⁴⁹ they were willing to provide upfront money to help a mission-minded developer buy these two- to four-unit buildings.

We, at CU, interviewed several mission-minded developers and chose

Chicago Metropolitan Housing and Development Corporation⁵⁰ as our CU ROOTS leader. We chose CMHDC as our ROOTS developer that would purchase, rehab, and rent foreclosed two- to four-flat properties and keep them affordable. Several of the mission-minded developers that we interviewed wanted to work with CU under our ROOTS initiative; however, the reason we chose CMHDC is because they had upfront money to purchase some of these properties immediately. And we saw firsthand how quickly our two- to four-unit buildings were being scooped up by cash investors.

From the data received, we knew that Fannie Mae owned 40 percent of the foreclosed two- to four-flat properties in our community, so CU leaders decided to focus on efforts of Fannie Mae and see if they would sell these buildings to CMHDC at a discount. We had to engage the Cook County Land Bank [Authority].⁵¹ The Cook County Land Bank helped facilitate the use of donation tax credits for CMHDC because Fannie Mae was unwilling to do it. The Land Bank helped by holding properties for a short period of time and then gave them back to CMHDC so that they could use the donation tax credit program to keep properties affordable for families at the lower end of the pay scale. We needed help from our Congresswoman [Jan] Schakowsky and our other congressional elected officials. It wasn't always easy working with Fannie Mae, and we needed to engage our elected officials. Getting support from congressmen and women as well as our senators was key in getting Fannie Mae to lower their prices on some of these two to fours, so that CMHDC would be able to make the numbers work and keep the properties at affordable rentals.

I'd like to talk a little bit about CU's community engagement in the ROOTS process. Again, ROOTS was created by CU volunteers to address the concern of displacement of innocent renters that were being forced out of their homes by cash investors. CU leaders canvassed foreclosed properties regularly to identify buildings available for potential purchase, engage the tenants to support these efforts, brought all major stakeholders together, and arranged and participated in meetings with relevant stakeholders and provided general oversight and consultation of the project. By engaging tenants, we were able to work with them so that they would be ready to share their personal experiences with our elected officials and with the media. Through ROOTS, CU worked with key partner organizations to preserve over 40 units of family-sized rental housing and have expanded

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the number of stakeholders through this work to advance opportunities for low-income families to have quality, affordable, and accessible housing that is well-connected to jobs, transit, schools, health centers, and other critical community services. The city of Chicago created PEAR, Preserving Existing Affordable Rentals,⁵² their program based on our ROOTS initiative. The PEAR program is designed to financially support mission-driven developers that acquire rehab and preserve two- to four-unit buildings as affordable.

If we want to prevent a displacement disaster, protecting and preserving the two- to four-unit housing stock needs to be at the forefront of any recovery strategy.

I'd like to talk about what's happening with our two to fours and the pandemic. Landlords of our two- to four-flats have relied on rents to make their mortgage payment, yet the economic impact of the pandemic and the challenges faced by many households seeking to access rent and mortgage relief makes these landlords more vulnerable to foreclosure, further threatening the well-being of their tenants and further loss of this iconic housing stock. Annually, two to fours account for nearly 24 percent of foreclosure filings citywide. The pandemic has led to unaccustomed actions from local, state, and federal governments to protect tenants and property owners alike, yet the vulnerability of this two- to four-housing stock is not sufficiently targeted in many of the solutions that are emerging. If we want to prevent a displacement disaster, protecting and preserving our two- to four-unit housing stock needs to be at the forefront of any recovery strategy. I'm going to repeat this because it's very, very important. If we want to prevent a displacement disaster, protecting and preserving the two- to four-unit housing stock needs to be at the forefront of any recovery strategy.

Now, I'd like to talk about a new initiative that CU is a member of and it's called the Chicago Flats Initiative.⁵³ The Chicago Flats Initiative or CFI's objective is to preserve two- to four-flats across Chicago and preserve housing for Black and Latino immigrant families while fostering wealth building through homeownership. This collaborative is made up of grassroots

community organizations and direct service organizations working together with the assistance of policy, legal, and technical advisors. Preservation of affordable housing is central to the health of individuals and communities and essential to advancing racial equity. CFI and its collaborative partners are working to develop a comprehensive strategy addressing the loss of its two- to four-housing stock and displacement of residents. Thank you very much.

Jessie Wang:

Thank you, Diane. Next up we have Emily Bloom-Carlin, who is the senior program officer at The Preservation Compact, a policy collaborative focused on preserving affordable rental housing. The Compact brings together government, developers, lenders, civic groups, and community groups to drive preservation strategies. Emily's work at The Compact is focused on developing policies, tools, and incentives to preserve the small to medium-sized affordable, yet unsubsidized housing stock. Her previous work spans property tax policy, equitable pandemic recovery, and ADUs. Thanks.

Emily Bloom-Carlin, Senior Program Officer of The Preservation Compact

Emily Bloom-Carlin:

Hey, everyone. I'm really excited to be here today to talk to you about preserving two- to four-unit buildings here in Chicago. Like Jessie said, my name is Emily Bloom-Carlin. I'm a senior program officer at The Preservation Compact. And today, I'm going to do a couple of things. First, I'm going to talk about some of the general preservation strategies we think about at The Compact when we're approaching preserving two to four-unit buildings. I'm going to talk about a case study that illustrates some of these strategies, and then I'm going to talk about some promising models from either Chicago or other jurisdictions that could help us preserve two- to four-unit buildings going forward.

First, I want to talk a tiny bit about The Preservation Compact. We're a policy collaborative housed at Community Investment Corporation,⁵⁴ which is a nonprofit community development financial institution lender. And we bring together a really diverse set of partners, including all levels of government, for profit and nonprofit developers, lenders, community-based organizations, tenant advocates, and more. And we bring these folks together to focus like

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a laser on preserving our existing affordable stock, both the government-assisted properties and those that are naturally occurring properties that are affordable but don't have any subsidy. So why does The Compact care about two to fours? Well, first, if you are in Chicago and you care about affordable rental, you should really care about two to fours. They're abundant. A third of our rental units in Chicago are located in two- to four-unit buildings, and we know that rents in two- to four-unit buildings tend to be lower than rents in other buildings. So, they're an important source of naturally occurring affordable housing. And like Diane said, they are being lost across the city. And higher cost in gentrifying areas, we're losing them when they're converted to high-cost, luxury, single-family homes. And in Chicago's historically disinvested communities on the South and West Sides, we are losing them to disinvestment and demolition.

Once we lose a two- to four-unit building, it is really hard to replace them.

A lot of folks today here are talking about and excited about new construction. New construction is great too, but we need to preserve these existing units, and that's because that helps us prevent displacement. There are people living in these buildings now, and they tend to be low and moderate income, Black and brown renters. So, by preserving these buildings, we help keep those folks in their homes. And once we lose a two- to four-unit building, it is really hard to replace them. Restrictive zoning might prevent it, cost might prevent it. It's almost always much more affordable to preserve an existing unit than it is to construct a new, affordable unit. And by focusing on preservation, which is less expensive, we can help stretch our existing scarce subsidy dollars and help them go further. So again, that's why they're important.

Here are some of the ways that we think about preserving two to fours at The Compact. There are a few general strategies; this isn't exhaustive, but here are some strategies that we think about. One, we can help current

owners maintain their buildings and continue to offer high-quality, affordable units. We can help preservation buyers acquire these buildings and crowd out speculators, and we can work together to develop diverse, coordinated partnerships to address these issues broadly and holistically. So, I want to show how these approaches played out in practice, and I'm excited to tell you about a real success story that The Compact played a role in.

We can help current owners maintain their buildings and continue to offer high-quality, affordable units. We can help preservation buyers acquire these buildings and crowd out speculators.

Following the financial crisis, historically disinvested neighborhoods on the South and West Sides of Chicago recovered much more slowly than rich, wealthy neighborhoods on the North Side. Like Diane said, these two- to four-unit buildings were particularly vulnerable to foreclosure. From 2008 to 2012, 31 percent of two- to four-unit buildings in low- and moderate-income neighborhoods in Chicago were directly affected by a foreclosure filing, so they were particularly at risk of foreclosure. And what we saw as a result of that is we saw that they were vacant, they were in poor condition, they needed rehab to be livable, either for owner occupants or tenants living in those units, and we saw two big risks emerge. One, that these properties would be lost to demolition entirely. At the time, owner occupants who qualify for mortgages, generally didn't want to purchase a distressed two-flat on a block of other distressed two-flats. And so, these units were often staying empty, but there is a large demand for affordable housing. So, some of these units – the first risk is that these units would be lost to demolition. That these buildings would be vacant, abandoned, and deteriorate. The second risk is that we saw a huge increase in speculator activity in these communities at the time. These folks were attracted by the low values and often made cash offers, acquiring properties and either holding them vacant or doing very, very shoddy rehab that didn't do anything to address the longer-term structural issues that we saw in a lot of these buildings.

The Preservation Compact did what we do best, and we convened that diverse set of partners that I talked about at the beginning: lenders,

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Emily Bloom-Carlin, Senior Program
Officer of The Preservation Compact



community-based organizations, tenant advocates, for and nonprofit developers, and that ultimately led to the CDFI [Community Development Financial Institution] Collaborative, which was a partnership between three local community development financial institutions, Community Investment Corporation (CIC), where The Compact is housed, the Chicago Community Loan Fund (CCLF),⁵⁵ and Neighborhood Housing Services (NHS) of Chicago.⁵⁶ And together, seated with a grant from Chase for \$5 million, they put together a portfolio of programs that address some of these challenges that we identified in these low and moderate-income neighborhoods that were recovering so slowly.

So, with these programs, they were also very intentional about targeting geographies there were also being assisted by other programs, so they targeted MMRP [Micro Market Recovery Program] areas, they targeted areas that were getting targeted code relief and code enforcement efforts, they targeted areas that were places where people were doing substantial foreclosure prevention outreach. So, they were targeted in order to, again, stretch those scarce resources farther. They also did one other thing that's somewhat unique in preservation. They partnered with responsible, private investors and developers as preservation partners. That's not to say that mission-driven developers weren't involved, they absolutely were, but the

enormity and the scale of the issue that needed to be addressed required us to leverage efficient, fast-moving, responsible, small investors and developers.

Again, thinking back to those three strategies I shared at the beginning to help preservation buyers and, in this case, I'm talking about some mission-driven developers but again, mostly small, for-profit investors committed to preserving these properties, CIC used a portion of their grant from Chase to create an acquisition pool, which allowed us to directly acquire distressed properties and save them from speculators in that way. We had a lot of experience in acquiring distressed properties so we could do it really efficiently, much more efficiently than small, private investors or mission-driven developers. The other thing we had a lot of experience doing was betting borrowers. For 30 years, CIC had lent in these neighborhoods on larger, multifamily buildings, and so we had a lot of experience overseeing construction, vetting borrowers. And what we did is we went out when there were investors who were interested in participating in this program, we looked at the quality of their construction work that they had done in other projects to make sure they had a strong track record, and we talk to their tenants to make sure they were good owners.

And once we acquired these properties and identified good, responsible developers, we then assembled and sold packages of these properties to these responsible investors. Once they had these buildings, they needed rehab in order for them to be more livable. And so CCLF took part of their Chase funding, and they used it as a loan loss reserve for high loan-to-value rehab loans that were short-term but really important, and that high loan-to-value was so important because the assessed values of these properties were really low, which made it really hard to access conventional rehab financing to do the work that was needed in them. Then once folks had completed their rehab, CIC had one other product that helped these responsible owners take out that short-term financing and stabilize these one- to four-unit buildings into portfolios that they could either manage as responsible investor owners, as affordable rental, or they could resell to owner occupants. So along with these financing tools though, there was an enormous effort between CIC and CCLF to vet the borrowers, make sure that only the most responsible developers, capable of doing the highest quality work participated to monitor the construction workers. They did it to make

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sure the work was done well and to build the capacity of these responsible owners through education, training, partnership, and other outreach in the community.

And so, what did we do to help existing owners? Well, we took almost the exact same approach. So, Neighborhood Housing Services of Chicago, which works with owner occupants primarily, did some very similar things to support existing owners. They took some of their Chase money and they put together a high loan-to-value rehab loan product for owner occupants. They also did an enormous amount of outreach, engagement, and capacity building for owner occupants to help them get through the process of rehabbing their distressed, two- to four-unit building. Like Steven said, it isn't easy to rehab your building. A lot of people, even people who are savvy and understand the process and have done it before, need extra support around the construction process.

Together, over the course of the grant period, which started in 2014, we preserved almost 600 units in one- to four-unit buildings.

So together, over the course of the grant period, which started in 2014, we preserved almost 600 units in one- to four-unit buildings, again, during the grant period. While this formal collaboration wound down at the end of the grant period, CIC, CCLF, and NHS continue to offer all of these programs, acquisition, rehab, take-out financing, and capacity building support to owner occupants and small, responsible developers. The other thing that we've seen over the past couple of years since the grant period wound down was a resurgence in owner occupancy. So, during the grant period, the majority of the units touched by CIC and CCLF were used as affordable rental housing, that was their final disposition. That's swapped in the past couple of years. Most of the buildings touched by these programs now are going ultimately to owner occupants, which is really exciting.

So again, the impact in this case was driven by doing the things that we usually do, coordinating with partners to support owners who are already in the community, coordinating also to help preservation buyers intervene and acquire properties to keep them out of the hands of speculators and irresponsible investors, and that's why we were so excited to have such an enormous impact. Since the grant period has wound down, we've done another 500+ units in these communities.

So again, that's how we did it with the Chicago CDFI Collaborative. It's a similar model to what ROOTS did, which was wonderful and exciting. And now, I want to talk a little bit more – and I'm going to be quick, I promise, I don't want to stand between people and their lunch – about some promising new models that can do some of these same things. So the first is, what can we do to help current owners maintain their buildings? When we talk to owners of two to fours, whether they're owner occupants, mission-driven developers, or small, responsible investors, they tell us that it's actually pretty hard to own and operate a small rental property. They might need extra support to do it well. And when we talk to them too, these folks agree with us that it's important to preserve these properties, but they also express fear. They're worried that – because for many of them, their greatest investment is their home – they're worried that by preserving these two-flats, we're somehow going to harm them. So that's why one of the ways we can help preserve these buildings is by supporting existing owners. And here's some ideas for how we can do that.

One of the first and easiest things is to put together a centralized resource hub. There are a lot of actually existing resources out there for two- to four-unit buildings, but there isn't a centralized repository of them. We could build a website that just has a consolidated list of all of the programs that folks could take advantage of. We could also learn from the Chicago Bungalow Initiative,⁵⁷ which has had great success preserving other types of vintage buildings in Chicago. We could put together a staffed, one-stop shop for resources, education, and coordinated advocacy on behalf of the owners of these buildings and the tenants who live in them. The other thing we could do is we could help property owners make it easier to manage their properties. That could be giving them training so they can become better, more efficient managers or it could be something like helping them access reliable, effective contractors. So again, it could just be a list, like

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Steven said earlier, it could be a list from NHS of contractors who are going to do a good job and who understand how to work with two to fours. It could be something like a really exciting pilot program that they're doing in Los Angeles where they're building a contractor network to support small owners of rental properties. The idea is that by providing regular preventative maintenance, you can help ward off larger problems down the way that could lead to the loss of the building.

Lastly, there are a ton of things that we could talk about related to property taxes in two to fours; that's a major concern that we hear from owners, in particular owner occupants of two- to four-unit buildings. I could talk about property taxes for five hours, but in the interest of lunch, come up to me during lunch and ask me about it. So I'm going to skip forward, but suffice it to say, there are absolutely tweaks we could make to existing exemptions that are on the books that could help support two to fours owners, and we could make better use of the Chicago Housing Trust,⁵⁸ which generally – so when properties are entered into the Chicago Housing Trust, they are assessed based on their restricted value versus their market value, so that can be a way to help owner occupants with property taxes. That's not a solution that's going to work for everyone, but it could be interesting to explore more.

We can also just give them loans and grants. And that could look like low-cost loans to finance maintenance that's forgiven over time in order to encourage long-term ownership because we know that units in buildings owned by long-term owners tend to be more affordable. We could also take the example of the PEAR program, and we could refinance existing private debt in a way that supports long-term affordability for the rental units. And lastly again, we could give people grants to help them do the work that they need to do. It could be for rehab and maintenance, it could be to expand the capacity of their building, add another rental unit, and increase their rental income by putting an ADU in. This isn't on the slide, but another way that we can do this is by offering tenants subsidies, so either a tenant-based subsidy or offer a project-based subsidy for the owners for the units.

Again, I'm going to try and go through this really quickly, but the other thing we can do is when these properties do come on the market because no matter how much support you give to someone, there are reasons that they will need to sell at some point or that the properties will change hands. And so, what we can do is we can help preservation buyers acquire these properties. And preservation buyers, again, could be responsible investors committed to keeping the buildings in good condition and keeping them affordable. They could be mission-driven developers, but again, in this case, I'm mostly thinking about nonresident owners or investor owners. And so traditional sources of financing for affordable housing are great and vital and important, but they move really slowly. So what we hear from preservation buyers when we ask them, what can we do to help you preserve more two-to four-unit buildings? They say that we can develop faster-moving financing so they can compete with the well-capitalized investors and the speculators who are able to purchase properties, particularly in gentrifying and high-cost areas where the cost per unit can be \$300,000 or more to acquire the building.

So, there are a bunch of existing programs that offer us good models for developing tools that mission-driven developers, preservation buyers will actually use and that will be effective in competing in these market transactions. The ROOTS Initiative provides a great example. Enterprise provided a low-cost line of credit to CMHDC to help them acquire those properties. There are some really exciting models from other parts of the country that effectively move quickly, are low cost, and allow preservation buyers to acquire a property and then assemble a more traditional affordable housing financing structure after that. So those are some existing programs. Again, happy to talk more about any and all of these. I think this is a really exciting direction.

Lastly, again, what we need to do is we need to continue to develop diverse, coordinated partnerships in order to move this work forward. And that's why, like Diane, I am so excited about the Chicago Flats Initiative. This is a new collaborative effort, and the Compact is really excited to be participating because first, it is being led by community-based organizations from across the city. The strategies that we are developing are directly targeted to the needs that folks are seeing in their communities, and their needs. It

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also brings together a wide range of partners. Again, like Diane said, it's bringing together folks with expertise in organizing, in lending, in community development, philanthropy, research, and more. And lastly, it is taking this broad and holistic approach. It's not trying to pick off properties, necessarily, one at a time, which is good, and which is what we did, but it's thinking about, how can we change the structures and the policies that will help us preserve more of these really important parts of our rental stock here in Chicago. I'm excited to talk more about any and all of these, like I said. Please, my contact information is up there on the slide. Thank you.

Question and Answer Session

Jessie Wang:

Okay, now we're going to open up to Q&A. So, anyone that has a question. In the gray sweater, go ahead.

Audience:

Thank you both for your presentations. I really appreciate them. I teach about buildings of this scale and really value all the work you all are doing. Emily, I have a question mainly for you, but really for both of you. You talked about crowding out speculators, but you didn't, on your list, talk about specifically political or policy initiatives that could potentially severely limit or ban land speculation of different kinds. I'm thinking about speculation of the smaller scale of people wanting to make a quick buck, but also larger scale companies, especially outside interests coming in and systematically speculating on land, which really screws up local efforts like yours and even, honestly, major institutions like the University of Chicago, which has historically been a land speculator. And, I mean, maybe it's a little much to say that those blueberry smoothies were paid for by land speculation, but it's not that much of a stretch. And so I wonder, you're doing a lot of very positive things on a small scale, but is a policy or political approach to actually fight land speculation part of your strategy or part of a possible strategy?

Emily Bloom-Carlin:

I think that's a great question, and I think it's really important. My work is focused a lot on financing tools and ways to leverage incentives and

Visual by Urban3

URBAN3

"Since 2013, Chicago has lost more than 4,800 2 to 4 unit buildings representing 11,775 rental and owner-occupied housing units or 4.2 percent of its stock of parcels and housing units [...] of these, 47.5 percent of buildings lost were replaced with a single-family home, either through conversion of the existing structure or demolition and new construction. Additionally, 29.6 percent of lost buildings were replaced with non-residential uses, often vacant land."

- Institute for Housing Policy at Dupre University

Real Examples - Chicago, IL

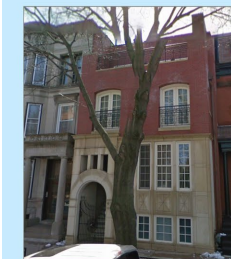


Before (2008)

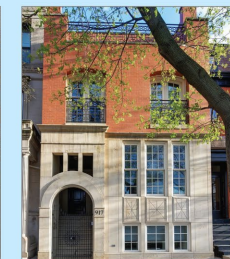


After (2022)

Address: 229 N Fremont St, Chicago, IL 60614
Township: North Chicago
Pre-renovation Value: \$1,420,000 (2021 Assessment)
Current Market Value: \$4,750,000 (Current sale price, not yet reassessed)
Class: 211; Apartment building with 2 to 6 units, any age renovated to single family housing

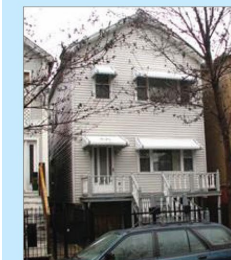


Before (2009)

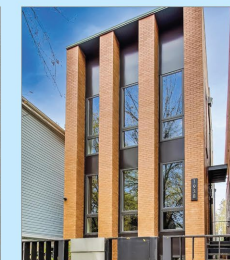


After (2022)

Address: 917 W Belden Ave, Chicago, IL 60614
Township: North Chicago
Pre-renovation Value: \$2,685,240 (2009) Three-units
Post-renovation Value: \$2,336,890 (2012) Single Family
Class: 209; Two-or-more story residence, any age, 5,000 square feet and over

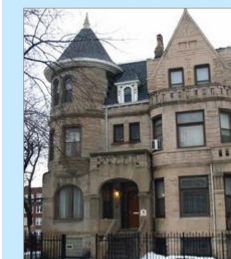


Before (2006)



After (2022)

Address: 1938 W Ohio St, Chicago, IL 60622
Township: West Chicago
Pre-renovation Value: \$331,270 (2012)
Post-renovation Value: \$924,650 (2020)
Use Change: 278; Two-or-more story residence, up to 62 years of age, 2,001 to 3,800 square feet



Before (2008)



After (2022)

Address: 4558 S Ellis Ave, Chicago, IL 60653
Township: Hyde Park
Pre-renovation Value: \$2,900,000 (2021)
Post-renovation Value: \$1,595,000 (Current sale price, not yet reassessed)
Use Change: 211; Apartment building with 2 to 6 units, any age

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other carrots, for want of a better word, to encourage folks to preserve these properties. But absolutely, yes, policies and political will to prevent speculation is also important. And I think Daniel, this afternoon, is going to talk a little bit more about some policies that prevent the loss of these two- to four-unit buildings from a zoning and policy and political – more of an anti-speculation approach. But yes, absolutely, they should be part of our approach and they're really important.

Diane Limas:

And if I could add to that, I think you hit it right on the nose. I think you have to have a strong political will if we're going to create policy. And I think that everybody likes to say the word preservation; that's a nice word to say, but how much are our elected officials doing toward preservation, especially of our two- to four-housing stock? That's what we need to get started, the political will, because we know what's happening in the south-southwest sides and we know that a lot of funding has gone into the west-southwest and rightfully so because those neighborhoods have been disinvested in for years and years. However, in Albany Park where I live and where we have some of our leaders here today from Communities United, gentrification has taken a massive hold on the longtime residents, and our Latino families are being displaced all the time. And when we went to the city to say, "Hey, what can we do to stop this displacement of families in Albany Park?" We heard that, no, there was no money in the budget for Albany Park. So, in other words, I see it as okay, the city isn't really concentrating on those Latino families that are being displaced in gentrifying areas. So, the political will is important and unless we get the political will, nothing's going to be done.

At a larger scale that you were just talking about, what happened with the U of I, yes. Again, you have to add our elected officials that were in power at that time. You have to put some blame on them as well. So, until we get the political will that's really going to work by helping the displacement that's going on in gentrifying areas, then we're always going to have this problem. Again, everybody likes to say the word preservation, but exactly how much preservation are we doing, especially in gentrifying areas. And until we figure out, we know that ROOTS and PEAR works. CMHDC was able to preserve

42 units of affordable housing in Albany Park. That meant that 42 families were not displaced, and they're living in apartments that are affordable, so we need to put more money into PEAR, a lot more money into PEAR. If we need to tweak PEAR, we need to sit at the table and tweak it and fix it and make sure that our gentrifying areas are being protected as well, especially, longtime residents. So, that was a good question.

Audience:

So, you talked about market forces really driving this displacement, and you also talked about scale, that this is where a third of the rental homes in the city of Chicago are. So, what is it going to take in either public investments or policy changes to staunch the loss of NOAH unsubsidized homes that happen to be affordable for a whole host of reasons?

Emily Bloom-Carlin:

So again, what we see in Chicago is that preserving – just to speak to your point, preserving an existing unit of affordable housing, particularly in a small rental building, can be done for between \$50,000 and \$150,000 per unit, which is substantially lower than the cost of constructing new, affordable units. Again, both of those are so important and we can't address our affordable housing shortage in Chicago without doing both of things. But again, if you're thinking about the per unit cost, there are absolutely ways to sort of develop some of these programs, some of the things I discussed or to build on some of the programs that Diane discussed like ROOTS and the PEAR program and put additional funds into them to build and grow the impact.

It's fine to pick off properties one at a time, that's what we've been doing and the reason that we're so excited about the Chicago Flats Initiative is that it is bringing folks together from across the city who have the capacity to come up with big asks and advocate for them. And I think – so if you look, for example, one of the models that I had on my slide about helping preservation buyers is the Boston Acquisition Opportunity Program,⁵⁹ and that's a really similar program focused on helping mission-driven developers or just folks who are willing to commit to long-term affordability compete to acquire naturally occurring affordable housing properties. So, they've seeded their initial program with \$20 million and so far, they've had enormous effect. I think they've preserved, I want to say, like 600 or 700 units just in this initial period of the program. So, we can actually take this money and go really far with a relatively small amount of investment. The thing is, there are also so

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many wonderful programs out there that we can bring together under the same roof or put additional funds into that can do this work if we can find a way to make them a little bit more coordinated and collaborative.

Diane Limas:

And if I could say that CMHDC rehabbed their units anywhere from \$130,000 to \$150,000 a unit. If you're going to create a new unit of housing, it's going to cost anywhere from \$300,000 to \$500,000 a unit. So you would think that our elected officials, our aldermen, would really jump at the chance of saving all this money by rehabbing and preserving housing that we have already, but they don't get excited about that for some reason. I can't figure that out.

Audience:

Do either of you see zoning as a potential solution to the problem at hand, because I don't think either of you mentioned zoning? Thank you.

Emily Bloom-Carlin:

Yeah, zoning solutions are really important. I would say, necessary but not sufficient. One of the reasons why it's so hard to replace these units when we lose them is that they're - like folks showed earlier this morning, there's so few places where you can build a new four-flat in Chicago, and zoning is part of that reason. I do think there absolutely are other zoning solutions and again, I don't want to spoil Daniel [Kay Hertz]'s presentation this afternoon, but he's going to really dive into some of the ways that we can use zoning

to preserve this existing stock and make it easier to build new buildings, so more to come.

Diane Limas:

I think zoning is very, very important; however, zoning is not going to stop the deconversion.

Jessie Wang:

There's a question in the back.

Audience:

Hi. Thank you both so much. I'm curious to hear what you both have to say about private companies who are especially interested in things like employer-assisted housing, which is becoming a very large topic now especially. What you both think of like what are some of incentive structures that we can put in place to engage private companies and understanding that this sort of preservation model is significantly cheaper than having you create some sort of fund that then goes towards construction of new properties which again, like you're both saying, is very important. But if we're thinking about a strict profit-seeking enterprise, they're looking to minimize cost and so this seems like a very obvious way, but it's not something that's really been taken up as much, I'm curious if either of you have ideas for incentives to engage them?

Emily Bloom-Carlin:

One thing that we hear a lot in addition to the need for fast acquisition financing is that private developers, in particular, need to get to scale in order to make the preservation of small rental buildings possible. If you have a 55-unit building, in some ways it is easier to manage, at least with traditional, third-party property management systems or approaches then if you have an assortment of two- to four-unit buildings that get you to 55 units. Each of those buildings is separate, they each have their own roof, they each have their own maintenance needs, and so part of the challenge and one of the ways that I think we can get it is thinking about ways to acquire and assemble these portfolios of properties for private developers who are willing to commit to preservation. And that's sort of what we did on a smaller scale with the CDFI Collaborative. We were able to purchase and assemble these buildings, and so instead of having to go transaction by transaction to acquire like nine two-flats, folks could just purchase a collection of buildings at once.

And one other interesting thing I wanted to mention about that packaging process is it's also a good way to encourage the acquisition of really, really,

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really distressed properties that otherwise a private investor might want to take. So, you can take these really, really, really distressed properties that are going to need a lot of work and package them with nearby properties that are in better condition and offer – and price them in a way that effectively offers a subsidy for those really good condition buildings that can help with the rehab of the lower or more distressed properties, so I would say that’s one approach. There are, certainly, I’m sure, other approaches as well.

I don’t want to talk over Diane, there’s – one other approach is thinking about ways – there’s a new property tax incentive that The Compact and other partners who are here in the room worked a lot on called the Affordable Housing Special Assessment Program.⁶⁰ It basically provides property owners, whether they are mission-driven or for profit, a reduction on their assessed values, so effectively a reduction on their property taxes, if they commit to investing in their building and to holding a portion of those units affordable. Right now, that property tax incentive only applies to buildings with seven or more units. One of the ways that we can think about property taxes and one of the ways we can think about activating more private developers to do this work is find out and think about strategies to help this also cover portfolios of smaller properties or individual smaller properties.

Diane Limas:

So, I’d just like to – I agree with everything that Emily said – but I’d just like to point out this Preservation Compact recent victory on the property tax relief points out that seven and over units, again, the two- to four-flat wasn’t part of any – that policy. And it’s very, very hard for anyone to create policy that’s specific to our two- to four-flats, that’s protecting our renters as well as the owners. I’m just pointing that out.

Emily Bloom-Carlin:

No, and I totally agree. And you know what, Diane, from the early stages working with you all, when we first took this proposal out to stakeholders, it was 2+ unit buildings. And what we heard is, “That’s not possible, like we can’t do that. There’s no way to approach this. Why don’t you increase this to seven units?” And so that was a compromise that was made as part of the

legislative and outreach process, but I think there’s so much more we could be doing there. I totally agree with Diane.

Jessie Wang:

I think I saw a question, the gray blazer.

Audience:

We know in, at least in Chicago, that the majority of the loss of two to four units have been mainly in the zone of affluence, Lincoln Park, Lakeview, and the Northwest Side. And yet, a lot of the initiatives that I’m seeing are really trying to preserve two to four units in areas that aren’t really seeing that kind of loss of housing stock. When we enacted these or when I see politicians creating these policies, it seems like they are exempting the areas where we’re actually seeing the greatest loss of housing. And that is something that’s always bothered me. It’s like, “Well, if we believe in affordable housing in Lakeview, why don’t we believe that of Lincoln Square or the South Side or the West Side?” So is there anything that can be done to make sure that were not zoning in, pun intended I guess, just saying this one area is where we need to preserve two- to four-unit housing because that is only going to make the disparities between rich and poor communities even greater. We’re essentially redlining some areas versus some other ones, and that’s already been done.

Diane Limas:

I think there’s been a lot of loss of two to fours on the West, Southwest, and on the South Side due to demolition, because of the owner just abandoning the house and moving away, and it sits there and sits there until the city comes in and demolishes it. And they’ve lost a lot of two- to four-housing stock due to foreclosure, and that’s a fact. But I do agree with you that if something isn’t done about saving existing residents or longtime residents that are living in gentrifying areas, the city’s going to be known as the biggest gentrifier in the city because that’s exactly what’s happening. Our brown and Black communities are being forced out, wealthy people coming in – not that we have anything against wealthy people. We know when they come in, we get more resources, our schools get better, everything gets better, so were not opposing wealthy people coming into our neighborhood, but we truly are opposing when longtime residents are displaced because of that.

Audience:

But not across the whole city?

Diane Limas:

Across the whole city, absolutely.

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Emily Bloom-Carlin:

And I think one reason too, to sort of build on what Diane said – what Diane said is absolutely true and incredibly important. So, one of the reasons that we talk a lot about resources to support owners is that a lot of those can be geographically agnostic. So, a centralized hub to provide information to people, help them access existing resources and build their capacity isn't geographically targeted. The folks who are at risk of being forced out of Albany Park can take advantage of those, and the folks who are in historically disinvested communities on the South and West Side that are also losing these buildings and losing – and Black renters who are being displaced from these communities can also take advantage of those, so that's one way to get some of those issues of geographic boundaries around programs that are being developed.

Audience:

How are you reaching out to the residents and homeowners in your area to tell them about these programs?

Diane Limas:

I can answer that. So, Communities United is a boots-on-the-ground community organization that really, truly believes that people who live in the neighborhood know more of what goes on and what they need in the neighborhood. So, we do a lot of door knocking. And especially when the pandemic hit, we're known for passing out our green bags. We're the organization that passes out our green bags, and we organize not only in Albany Park, we organize in Belmont Cragin, West Ridge, North Austin, and Roseland, and those green bags go out. And when the pandemic started, we really focused on the two- to four-flat unit buildings to make sure that not only the renters knew what assistance was out there for them, but that the landlord knew as well what was out there for them. And in those green bags, we had information: where can you call if your building is going into foreclosure? What if you're being evicted and you don't know why? All these telephone numbers to reach these certain entities that could help them. And that's the first thing we did. We put together a huge landlord survey from our two- to four-unit landlords, owner occupied buildings; what is your concern? What do we have to do to keep your property from going into

foreclosure? What do we have to do to make sure that you don't sell to a speculator?

Because right now in Albany Park – I live in Albany Park and I have a two-flat, and I'm getting three calls a week from real estate people and developers, "Hey, I'll buy your property. I'll give you top dollar, and I will pay cash." Three calls a week, and I get at least that many postcards, so they are really attacking our neighborhoods, so we need to pass out information. We need to hear from them. We need to hear from the landlord, what do you need so that you don't go into foreclosure, and you don't sell to a cash investor? So, we're doing that and, of course, Emily's suggestion on getting one area where people can call and find out different things that they need to protect their two- to four-unit building would be great.

Lunch Keynote: Is Single Family Zoning on the Way Out?

Introduction: Daniel Kreisman, Associate Professor of Economics at Georgia State University

Daniel Kreisman:

It's my great privilege to introduce Michael Lens. Mike and I have known each other for I think we just said over ten years, which made us feel older than we wanted to. In that short time, he's launched a very impressive career. He is an associate professor and director of the Lewis Center for Regional Policy Studies at UCLA,⁶¹ where he and his team work on issues related to housing policy and equity. His work is at the intersection of academic research and public policy and practice. Topics include, among others, housing subsidies, tenant protection, eviction, schools, and more. Today, he's going to tell us whether in fact single-family housing is indeed on the way out. And as a special note, Michael is on sabbatical right now and he has flown all the way from London to be with us. So we appreciate that. Let's give him a warm welcome.

Michael Lens, Director of the Lewis Center for Regional Policy Studies and Associate Professor of Urban Planning and Public Policy at University of California, Los Angeles

Daniel Kreisman, Associate Professor of Economics at Georgia State University, introduces lunch keynote speaker Michael Lens, Director of the Lewis Center for Regional Policy Studies at University of California, Los Angeles



Michael Lens, Director of the Lewis Center for Regional Policy Studies and Associate Professor of Urban Planning and Public Policy at University of California, Los Angeles



Michael Lens:

Thank you, Dan, for that introduction. Thank you to the entire Kreisman family for the generous support that helps us be here today. Thank you to the Mansueto Institute and Emily – Professor Talen for inviting me. And it's a really special pleasure for me to be able to speak to you today and learn from all of you today. It's been a pretty long time since I have spoken in person in front of any group anywhere. As Dan mentioned, I'm on sabbatical. This is it's not something I'm doing these days, and that's great for me, but I miss things like this obviously, as we all do. And I'm a little rusty, but I'm extremely excited. And continue to eat.

Enjoy yourselves, and listen when you have the spare ear. The University of Chicago is quite the place for me to kind of make a comeback in terms of speaking in person, but Chicago itself is also a very special place for me. Around 80 years ago, my grandparents were part of the Great Migration, in their case, that brought them on a very well-worn path from Mississippi to Chicago. And they settled here, and they raised nine children, including my father. My family did not always have an easy time in Chicago, but this has always been a second home for me. Chicago was a difficult destination for Black migrants for several reasons, but housing discrimination, of course, was a central one. And we've talked about that obviously today to some extent. Chicago was not unique in this respect, but the explosive growth in the Black population here obviously made the impacts of discrimination widely felt, and this university has – and universities elsewhere, of course, and people

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elsewhere, scholars elsewhere – have studied housing discrimination in Chicago extensively and the segregated environments and concentrated disadvantage that would result.

Single-family zoning is one of those pernicious policies that is racially neutral in word, but has very racist and classist origins and continues to have disparate impacts on racial minorities, people with lower incomes, and the communities where they reside.

So the crises of housing and race in Chicago are very widely felt. They're very well-studied and well-understood and well-documented. But what did these old fights about racial discrimination in housing have to do with single-family zoning, which is the topic of what brings us here today? The simplest answer to that question is that single-family zoning is one of those pernicious policies that is racially neutral in word, but has very racist and classist origins as we've discussed, and continues to have disparate impacts on racial minorities, people with lower incomes, and the communities where they reside. American cities have used many methods to segregate, and low density zoning is undoubtedly one of those. In some ways, the story begins in 1917, when the U.S. Supreme Court ruled that cities could not create explicitly racial zones. But then, less than a decade later, it gave cities wide leeway to zone for various land uses.

In 1948, the court ruled that the enforcement of racial covenants – or ruled against the enforcement of racial covenants. Janne showed us incredible maps of the use of these covenants in Minneapolis this morning. In 1968, the Fair Housing Act made methods such as discrimination by lenders, brokers, and sellers face more scrutiny. And urban renewal and segregating highway construction fell out of favor by the 1970s. Also in that decade, the country for better or worse, stopped building largely segregated public housing

developments in largely segregated neighborhoods. But low density housing endures, and has always been used as complements to these more explicitly racially discriminatory methods and their compliments that create and maintain segregated residential environments.

Now it is true that the earliest beginnings of zoning in the U.S. came before the Great Migration took off in earnest, and while this is unknowable, it is likely that zoning would be ubiquitous and would exist in some form, even if Blacks had never moved to cities in large numbers. But there is substantial evidence that zoning took the form that it did and has been practiced as it has, in large part due to the goal of excluding Black Americans from places desired by whites. And we can make these claims for several reasons. First, explicitly racial zoning first proliferated in Southern U.S. cities, when Blacks lived in those cities in considerably larger number than in the North. In several cases, Northern planners, in fact, were brought in to craft updates to these ordinances after the court ruled against racial zoning. The sheer volume of racially explicit ordinances that were created before they were deemed unconstitutional suggests that only the naïve among us would assume that future zoning policies would be racially neutral in goal and outcome, and have nothing to do with these racially explicit goals.

Second, racial covenants, which restricted property owners from selling to Blacks, were widespread, but faced a collective action problem. These covenants showed that there was a large number of real estate brokers and property buyers and sellers who were very well motivated to maintain neighborhood racial purity, but this required Herculean feats of organization and the cooperation of individual homeowners. Zoning was one solution to this collective action problem. In the court's opinion, upholding the constitutionality of zoning – to be clear, not something I really disagree with – they explicitly lambasted apartments as parasites on single-family neighborhoods. That part I very much disagree with. This enshrined into law a pejorative opinion of homes that deviate from the single-family norm, and this is an opinion that is deeply embedded in the American psyche. This bias against multifamily housing is deeply intertwined with bias against the poor and racial minorities in at least two ways.

First again, bans on multifamily housing have racist origins. Recent research uses historical zoning maps and data on race to make this case in new ways.

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Alexander Sahn uses variation in Black migration rates to show that cities implemented stricter zoning prohibitions as Blacks were moving to these cities in larger numbers.

Cities across the country have always tended to zone white neighborhoods as single family much more often than integrated or Black ones.

Second, cities across the country have always tended to zone white neighborhoods as single family much more often than integrated or Black ones. Allison Scherzer and colleagues look here in Chicago and show that higher residential density was pushed into areas with a higher share of Blacks. In other words, there were single-family zones for white neighborhoods, and something else for everywhere else. In a follow up paper, they also found that these zoning decisions entrenched and intensified racial segregation in Chicago for decades beyond.

But this is all old stuff, right? Sure, there's all of this evidence that single-family zoning and other restrictions on density had racist origins. That's bad. But what are the connections that matter today that are still playing out, particularly with respect to single-family zoning?

While single-family zoning does not explicitly discriminate against particular people, it does obviously discriminate against a particular type of housing. And given that low-income people and people of color are less able to afford single-family homes, discriminate against other housing types has disparate impacts on them.

In the Metropolitan U.S., only 10 percent of households in detached single-family homes are poor, compared to close to 30 percent in multifamily units. And most of the poor households in single-family homes are homeowners.

They're not renters. In total, only 4 percent of detached single-family homes in the U.S. are occupied by renters whose household incomes are below \$25,000.

The homeownership gap between Black and white households is well discussed and well understood, and this gap is effectively replicated when we look at housing type. 67% of whites live in single-family housing compared to 48% of Blacks. And it is important to note that single-family zoning is not the only way that local governments restrict the types of housing that can be built in a particular place.

There are countless tedious zoning things, right? Single-family zoning tells us how many units can be on a parcel, but zoning also governs building shape, height, width or depth. Minimum setback requirements, govern how far back a building must be set back from a property line. Florida area ratios are another way of making sure there is not too much built area for the amount of open space. Minimum lot sizes make it so we cannot cut up a city into too many parcels, and we have minimum parking requirements that make sure we have a place for cars to sleep, and drive up the cost of housing by driving down the amount of land we can devote for people to sleep. These laws make it harder for more housing to be built in more places.

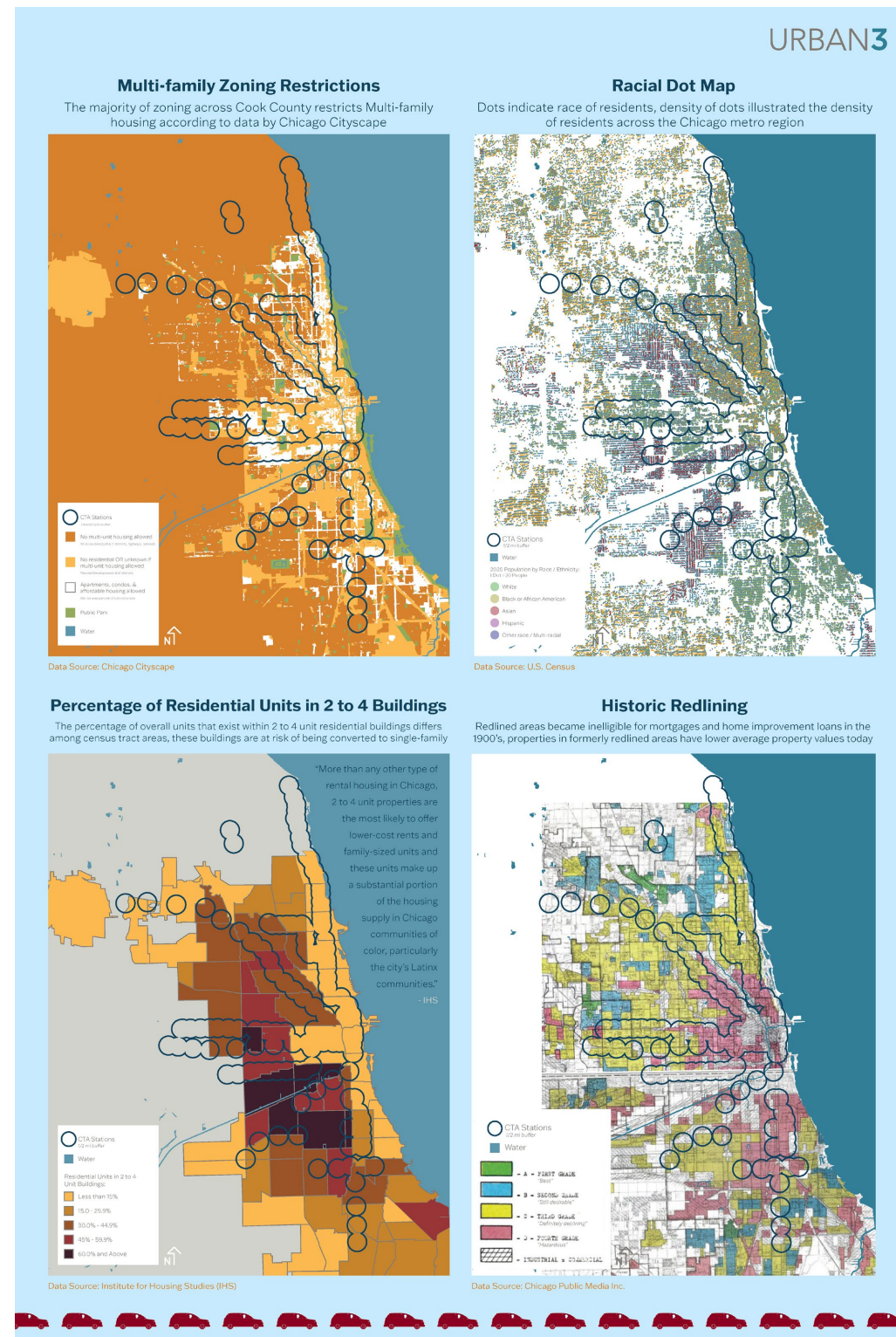
Land is always scarce where people want to live, and all of this makes land for housing even scarcer. And that makes multifamily housing in particular hard to build. When people talk about up-zoning, they may be talking about addressing any of these density restrictions that I just mentioned, and single-family zoning has often been used in concert with the others.

[T]he U.S. is a big outlier here...Lots of similar countries have similar homeownership rates, but much lower shares of land where only single-family homes can be built.

But single-family zoning, of course, is the one thing that bans apartments outright. Appropriately, this is getting a lot of attention. Even at an all day symposium at the University of Chicago. So let's talk more about this. Single-family zoning. One thing that is worth noting off the bat is that the U.S. is a

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Visual by Urban3



big outlier here. Lots of similar countries have similar homeownership rates, but much lower shares of land where only single-family homes can be built. This tells us it's not all about some kind of homeownership ideal that has been well-discussed in this country. And it's not just because we have a lot of land. San Francisco is basically landlocked and sets aside over one third of its residential space for single-family homes. Along with San Francisco, I would count Boston, New York, and Washington, along with Chicago, at least off the top of my head when I wrote this, about five U.S. cities where you usually think of someone living in something other than a detached single-family home.

If you just look at the amount of residential space that Chicago has, 66 percent of that area bans multifamily housing.

Here in Chicago, our friend Steven has told us some of this data. But this is where I got this data, and here the man is. Cool. Calculated that about 41 percent of Chicago is a single-family-only zone, and about 21 percent of the city allows multifamily residential, but of course only some of this is residential space wherever you look. And so, if you just look at the amount of residential space that Chicago has, 66 percent of that area bans multifamily housing. So about two-thirds of the residential space is a single-family-only zone. These numbers out of Chicago tell us just how out of whack or how weird the U.S. is. When you look at a city like Chicago, one of the great global cities of our country, that still has so much land devoted to single-family only.

So if the ubiquity of the single-family, detached homes is indeed due in large part to zoning and not just preferences, which Professor Talen opened that discussion right away this morning with, then government policy bears responsibility for any negative effects that arise from the single-family home. What are those effects? Single-family zoning has racist and classist origins and effects, and we use a lot of it compared to other countries. What are some of these tangible reasons why we should maybe do something about it, other than other things, which are obviously important.

The first thing is that it forces people to buy more housing than they might

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otherwise. All else equal, most of us are totally cool with living in big houses and having big yards and not smaller ones. But those spaces are expensive, and a lot of people are actually quite happy and would prefer to live in smaller homes and spend that money elsewhere. We all have consumption decisions and limits.

Second, forcing people to buy large housing affects urban form and the environment. We take up more space for fewer people and encroach on wildlife habitats, and low-density living is intertwined with our car-dominated transportation systems that pollute our air and contribute to climate change.

Third, even if the origins of single-family zoning had nothing to do with race or class, it makes it less likely that non-white people and low-income families can live in these single-family neighborhoods. This exacerbates segregation, and what's worse is that the places with the greatest neighborhood attributes, places with strong schools, low crime rates, better access to jobs, parks, and other amenities, are almost always zoned single family.

While single-family zoning is not the only way cities can and do exclude, it is the easiest and most prevalent

So the places where we want people to live and gain access to various opportunities exclude them from doing so. Moving people to opportunities is generally a lot easier than moving opportunities to people, so letting more people live in the most prosperous and amenity rich neighborhoods of our urban areas would dramatically increase well-being. While single-family zoning is not the only way cities can and do exclude, it is the easiest and most prevalent. So while we need to do a lot of other things, single family zoning is often the tail that wags the planning dog.

When we treat 60 percent to 90 percent of a city's residential land as sacrosanct and untouchable, we close the door on countless important planning and development conversations. And, again, I will easily admit that ending single-family zoning is not the only or even most important possible planning reform, but we can't let people argue us into this box. Ending single-family zoning will not solve segregation, exclusion, or housing affordability. It is a classic, necessary, but insufficient change.

Single-family zoning is a ban on apartments. Taking away single-family zoning is not a ban on single-family homes at all.

The politics are also super hard, and single-family zoning will absolutely not just go away everywhere overnight, but the first step is that we as a community of planners and urban scholars have to be in agreement that the single-family zone should not exist. There are a lot of arguments against this position. Some are pretty good mostly. Some. Let's talk about the good ones. A common one is that people – especially Americans – they just want to live in single-family homes, so why do you want to take away their freedoms? While these preferences may be real, taking away single-family zoning does not take away single-family homes. Single-family zoning is a ban on apartments. Taking away single-family zoning is not a ban on single-family homes at all.

Miraculously, those who have convinced cities and homeowners to rigidly constrain what can and cannot be built have framed these restrictions as protecting people's freedoms. Somehow it is a right of property owners to restrict what all the other surrounding property owners can and cannot do with their property, just so they can freeze their neighborhoods in amber. It's pretty wild when you think about it.

But back to preferences. If you get rid of single-family zoning where everybody wants a single-family home, nothing will change because nobody will build apartments. Where single-family zoning is harmless, it is unnecessary. But where it is necessary, it is quite harmful. Another concern is that people see promoting density as a market-based solution, and a very valid concern is that market-based solutions to housing people have

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exploited the poor and people of color. This is a tricky one. The fairest thing to do would be to up-zone places with a low presence of low-income folks and people of color, but we also know that any processes to up-zone cities will disproportionately be dictated, or at least influenced, by those with more power. So this is really hard to make happen.

But housing is going to be a market based good in this country for the foreseeable future, and taking the market out of housing doesn't exactly have a great track record in other countries, even if I think very strongly that U.S. governments at various levels should spend a lot more on subsidizing housing than it does. So, we do need the market to produce more homes for more people. Housing is a good thing. We need to act like it is. A related concern is that allowing more development in cities will make housing more expensive. People often have this on its head. There's no doubt that more housing in the city is necessary to keep costs from rising out of control. There's a lot of research on this.

Housing markets are not – I'm not saying – they're not as straightforward as most markets, but supply is still an important ingredient to make housing affordable. And zoning clearly matters to make housing more or less abundant. Right now, I think it's important that we better understand the specific pathways through which zoning limits housing supply, so we know what to change.

In this vein in recent research, Michael Manville, and Paavo Monkkonen, and I have tested a few different zoning mechanisms. And the short of it is that zone capacity really matters, especially in high demand cities. So what's zone capacity? Simple way of thinking about this is that a lot that's zoned single family has its own capacity of one. One unit. If you're zoned for a duplex, you have a zone capacity of two. When places have high demand, they tend to limit their zone capacity, and when they limit that zone capacity, it really suppresses housing production.

A trickier question is whether housing development in lower income

neighborhoods might encourage higher income people to move in and attract more development and amenities. The evidence on this is certainly less conclusive. But not building homes in lower income neighborhoods can contribute to displacement, as well. If people with more money want to live in these neighborhoods and we do not build homes for them, landlords will be happy to move on from their current tenants and make more money on the people that have it.

And again, poor renters are a very small number of people living in single-family housing. When cities prohibit development in amenity-rich neighborhoods, furthermore, housing demand does not disappear. It moves to other neighborhoods where it may fuel gentrification and displacement, and into the urban fringe, resulting in longer commutes, greater emissions, less open space.

People who care about gentrification pressures in low income neighborhoods should advocate for up-zoning somewhere, if not in those specific neighborhoods. A related thing that people worry about is evictions of renters of single-family homes. This is not a concern unique to up-zoning single-family neighborhoods. It is a concern about up-zoning, period.

If cities worry that up-zoning will harm renters, then they should up-zone the places where the renters are least likely to live, and that's single-family neighborhoods.

But if the presence of renters makes up-zoning single family problematic, then it must make up-zoning multifamily neighborhoods even more problematic because that's where the renters live, and particularly, the poorer renters. If cities worry that up-zoning will harm renters, then they should up-zone the places where the renters are least likely to live, and that's single-family neighborhoods. Some people will say, I like the way my neighborhood looks with lawns and low density, and that's an aesthetic preference, right? And there are plenty of neighborhoods that look like that, where you can live. To me, buying a home does not purchase a right to dictate your neighborhood's future form, but we essentially practice planning in the U.S. as if it does.

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And aesthetics are in the eye of the beholder. Paris is really beautiful. There are basically no single-family homes there. Related – I mean, you can't really just recreate Paris. OK, you got me. Related is that people fear massive towers in their neighborhoods if you up-zone. This is an argument against tall buildings, not for single-family zoning. There are many, many options in between. We talked about missing middle already today. And tall buildings are at least partly a response to the scarcity of land where anything but a single-family home can be built. When development can occur only on a small share of land, there's more pressure to intensively build on those parcels and build big towers.

Another argument is that people think that single-family neighborhoods are good for promoting homeownership, raising families, and good citizens. There's basically no evidence that kids thrive better in single-family neighborhoods, all else equal, and the social benefits to home ownership are also rather unproven. You'll hear some concerns about infrastructure. Simply, yes. We have an infrastructure problem in this country, but we should fix the infrastructure instead of breaking the housing system.

For example, people worry that densifying single-family neighborhoods that are not well connected or served by transit might be bad for the environment if the transit does not exist to serve it. Okay. The U.S. has bad transportation systems. Make them better. Build more of them. Use congestion pricing. Get rid of parking requirements. Stop subsidizing driving. But we cannot lay our housing crises on top of transportation crises. The same applies to schools, sewers, roads, and the like.

Some of the pushback we've gotten on ending single-family zoning worries about abolishing it everywhere at once. That such a change may be too chaotic. I don't really worry that that's going to happen would be my first response. At the end of the day, I think anyone who analyzes this issue in a serious way is likely to come to the conclusion that such a zone is pretty silly and it's unjust. So we don't have to say end it everywhere now. I think that

would be pointless because that's not the fight, I think, we're likely to fight. But some do worry that this is the wrong battle to fight, even jurisdiction by jurisdiction. And I do think that it is jurisdiction specific, in terms of what you want to say and where you think you're going to get to. Or in some places, you could start the negotiations with, we must abolish single-family zoning, and maybe you get more actionable benefits after you scare everyone senseless.

This points us to other policies. Are there a bunch of other things we should be doing instead? I will say again that several other zoning reforms are just as important as ending single-family zoning. We need to be careful not to overpromise. Ending single-family zoning and doing nothing else probably will not add to the housing stock much at all in most places. And overpromising will disappoint your allies and galvanize your opposition. But housing policy is not just zoning. I'm just an academic, so I'm more useful at standing up here and complaining about things rather than telling you exactly how to solve it, but I do know that zoning interacts with housing policy in really important ways. We can give people more money to pay for housing, and we should. Housing vouchers are incredibly important as an example, but expanding a program like that will only go so far if we don't increase the number of homes for people to use these vouchers.

Single-family homes, again, are not typically rented. If that's most of the stock, there are not a lot of places to use vouchers. Lots of people love rent control. Rent control can be an important tool, but rent control without housing production can make housing really expensive for everyone who does not get the golden ticket of rent control. Inclusionary zoning is also popular. That becomes a whole lot less inclusionary when there is little housing being built. You can't include affordable housing into something that doesn't exist. So where has there been action on ending single-family zoning and other housing restrictions, and is it working?

Again, I'm just an academic so about the is it working part, I say, well it's too early. We need more data. It depends. I'm not ready to answer all of these questions just yet. And the question of progress usually starts as our day in Minneapolis. We had an incredible look from Janne about the promising changes and challenges there this morning. The very, very early evidence there is that rents are holding steady or even dropping, while I've seen some

Lunch Keynote: Is Single Family Zoning on the Way Out?

work that shows that property values are rising. If that holds, that seems pretty good when we got this weird system where we want homeowners to have their stuff get more expensive and renters to have their stuff get less expensive. If that happens, okay. We're winning. Again, it's early. It's early.

And we will probably hear from other jurisdictions I know that Sara Bronin and others will discuss things going on in the Northeast this afternoon. From what I've been monitoring from London - I'm not monitoring really all that much except for my own needs - but when I do take a peek back at the U.S. zoning and policy story, a lot of the activity seems to be at the state level. And I think you can put this into about four buckets. The first bucket of activity is states directly changing the substance of zoning rules at the local level. The clearest example here is Oregon ending single-family zoning with H[ouse] B[ill] 2001.⁶²

A second area of state preemption is states changing how rezonings have to occur. How that process has to be. An example here is Massachusetts, where they lowered the needed vote thresholds for rezonings with H[ouse] 5250.⁶³

A third area of activity is giving localities mandates or incentives to plan. States can provide funds or other carrots or even mandates to engage in planning reforms through a deliberative process. Utah is attempting to reform housing and land use element standards with S[enate] B[ill] 34.⁶⁴

The fourth bucket tries to directly address segregation through fair share housing allocation changes. This is well exemplified by my usual home state of California, where the regional housing needs assessment process has been reformed to try to allow the state to exert more influence over the amount of homes that its jurisdictions plan for. California effectively made the affirmatively furthering Fair Housing mandate.⁶⁵ That's maybe the fastest I've ever rolled that out. I'm really proud. Got a dry mouth at this point, like, that was good. Thank you. From the Obama administration. This is the one that was semi-famously, at least in our circles, rescinded by Trump and then reinstated in some form by Biden. California basically made affirmatively

furthering Fair Housing - there we go - state law. At UCLA, we're studying these processes and outcomes in California, and it's been bumpy to be honest. Cities are creative in resisting these mandates, and the state is struggling with how to define and demand clear thresholds that hold cities accountable. But again, it's early, and it is still a promising framework. You could also argue that California has abolished the single-family zone already since you can build an accessory dwelling unit on any lot. This adds housing kind of at a trickle, but it still adds housing.

My wife and I are building an ADU, but it's really just so our kids have a place to make loud video game noises that's not right near us. So we're not adding housing, we're just taking advantage of the rules. Sorry. And extremely hot off the presses, Sara here gave me a heads up on this, that the White House today announced that they are going to reward jurisdictions for zoning changes. Devil's in the details. Let's not get too excited, but the Holy Grail of this has been tying zoning changes to transportation dollars, and it seems like that might be where they're trying to head. Ask Sara for more details. I don't know as much as she does for sure.

The beginning and end about conversations about housing should be that we all require it, and that we need more of it.

Okay. We've all eaten. I've gone on long enough. I'm going to wrap this up. Removing single-family zones block by block, neighborhood by neighborhood, city by city, will not solve our nation's housing problems or our racial justice problems. But planners and scholars have a responsibility to inform the public where single-family zoning came from and the problems that it creates. This should also open a conversation about housing. Too often, conversations about housing concern what could go wrong. It might congest roads. There might be shadows. The beginning and end about conversations about housing should be that we all require it, and that we need more of it. Housing has social value, and history shows that when cities let people build it, they get more neighbors, more opportunity, and skies that do not fall. Housing is good. We rarely talk and act like it is, and we should. Thank you.

Lunch Keynote: Is Single Family Zoning on the Way Out?

Michael Lens: What I can say about that is think about the flip side, which would be Los Angeles. So you have 50 aldermen in Chicago. Let's consider Chicago and Los Angeles to be roughly the same population, just for math's sake. There's 14 in Los Angeles, which means that each of those city council members, we call them – Still use aldermen? Oh.

Audience: [Unintelligible]

Michael Lens: Excellent. Okay. Slightly overdue, but okay. 14 – so then the population in the land area per person ends up being quite large and unruly. The way that it works there, though, is that all of the major and minor variance in a council district basically gets a 14 to 0 vote every time. So, you don't vote against what I want in my district, and I won't vote against what you want in your district. So it's not 26 – 24 – Yeah. So it's 14, you got to get 14-0 really.

And so at the end of the day, what it means is, it's a city council person in the district where the thing is happening doesn't want it, it doesn't happen, and everybody votes against it. Yeah.

Well, there's no way that I would ever say that density equals social justice, but I think you're also cherry picking some counterexamples. Like the Gold Coast of Chicago. Expensive. Coastal Miami properties, very expensive, sure. But how many suburban subdivisions could we find in the United States where the cost of entry is way above the metropolitan median? Our most expensive real estate is undoubtedly our single-family real estate. Whatever city you go to other than New York City, which is obviously a crazy outlier because everywhere in Manhattan is –

Audience: Millions of people.

Michael Lens: Yeah. So I think it is much harder to find the counterexamples that you're talking about than the just bland single-family neighborhood that costs a whole lot of money and not a lot of people live in. I think largely I agree with much more than I disagree of what you said because it's a lot more

complicated than just density in a particular place. I think what I would always strongly advocate for is opening neighborhoods where there are more amenities. Where the cost of living is already quite high to multifamily development because if you don't, the cost of entry to those neighborhoods is much higher.

Question and Answer Session

Audience: Thank you so much for your talk. It was really great. At the end, you ended your presentation with, housing is great. We want more housing. We need more housing, and you stop short of saying housing is a right – which I'm not asking you to say that, but that's me projecting my own beliefs. But I'm wondering, do you see a connection between having more of a rights-based discourse around housing and what the effects of that could be on our conversation around zoning? And can you think of examples where certain municipalities have adopted the idea of housing as a right, and if that's had implications for the conversation on zoning? Or can you just speak to the relationship between those two at all?

Michael Len: I have lots of thoughts on this, and I'll try to not go too far, mainly because I just read and reviewed – I'm a professor, so I'm going to say there's a book. Casey Dawkins at the University of Maryland just wrote a book called *Just Housing*,⁶⁶ and this is really the central question of that entire book. And I think one of the things I took away is that the conversation about when we put the – I don't want to call it a tagline, it's deeper than that – but when we put a phrase like 'housing as a human right' front and center, I don't think we've done a great job of defining what that right is. A right to what kind of housing? Is that a right to shelter? Is that an obligation on behalf of society or the public to reduce housing inequality by how much?

So I think it's hard to operationalize housing as a human right. And I think, there's going to be plenty of people that probably disagree. I think we have also fallen short of specifying what it is about housing that's special and unique, and what in the American political legal tradition substantiates that claim? Because we can say a lot of things are a human right, and there's a lot of things that we want people to have.

And so that's, of course, the professor answer, and it's much less grounded,

I think, than your question was getting to. And I guess the short answer to do I know places that are really going somewhere interesting with kind of changing that conversation? No, I don't. But I think I'm really excited about that question because I think it is really important, because there's a lot of movements that are doing amazing work, and they use that language. And I am now kind of thinking, well, who is and is not convinced by that, and how do we make that more specific?

Anne Dodge: Thank you, Michael. For everything. For your talk.

Michael Lens: Thank you.

Panel 3: Housing Market Realities

Taylor Nesse, Director of Zoning and Urban Development, 43rd Ward, and Geoff Smith, Executive Director, Institute for Housing Studies at DePaul University



Moderator: Taylor Nesse, Director of Zoning and Urban Development, 43rd Ward

Taylor Nesse:

We have an exciting panel right now talking about housing market realities, something, I think, all of us are very in tune with in the economically stressful times in which we live. If you haven't thought about housing realities recently, I envy you. So, we're going to be talking about various aspects of that and how it plays in with our lives. Our first panelist is Geoff Smith with the Institute for Housing Studies at DePaul,⁶⁷ and I'm going to ask him to share a little bit about what he does at the institute and how that feeds into what he's going to be presenting for us today.

Geoff Smith, Executive Director, Institute for Housing Studies at DePaul University

Geoff Smith:

Good morning, everybody. Thanks Taylor. My name is Geoff Smith. I'm the executive director at the Institute for Housing Studies at DePaul University. We are an applied research center based in the Driehaus College of Business, specifically in the Department of Finance and Real Estate. But what I was going to talk about today as part of my presentation is just looking specifically at some rental housing affordability trends in the city with a focus on a particularly important component of the city's affordable rental

stock, those rental units found in two- to four-unit buildings.

So, really quickly, this is a map of Chicago broken out into an obscure set of geographies called PUMAs or submarkets. What the map shows is, in this case, areas that are lightest color are those with the smallest share of rental housing that would be considered "affordable". Affordable is in quotes because we're not using an administratively technical definition of affordability but rather a broad definition of lower cost rental housing, and so you can see a pretty common pattern where the share of units, the Lakefront or on the North Side, a smaller share of those units are affordable. Areas on the South and West Side are a little bit higher share of affordability. Some basic indicators of how we got there, this looked at how some affordability indicators changed between 2012 and 2019. So, what we see citywide is the share of rental units that were affordable or lower cost decreased by 5.2 percentage points at the same time the share of renters that are lower income also decreased by 4 percentage points and then the share of renters living in higher cost units increased by 2.5 percentage points.

So, what that's a story of is lost affordability, likely pushing out a lot of lower-income renters and the lower-income renters that are staying in the city are more likely living in higher-cost units. And so, when we look at the map of where we're seeing the most lost affordability, that's the dark blue areas, that saw the largest percentage point decline in the share of rental units that are affordable. Those are areas largely on the North and Northwest Side of the city. We can correlate that in many ways. If you just look at this map of market strength or market affordability of like for sale housing of one- to four-unit properties, dark red areas are areas that are in the most expensive third of sales prices in the city; green, middle third; blue, lowest third. So those are high, moderate, lower-cost neighborhoods. A lot of indicators really aligned with these market typologies. So, for example, looking at rents, if you control for inflation, rents between 2010 and 2019 in high-cost neighborhoods increased by about 20 percent. Whereas rents in lower-cost neighborhoods, adjusting for inflation, actually declined a bit in that window of time. Same period of time, the housing supply also changed. In those high-cost areas, you saw a 5 percent increase in total housing units and about a 4.5 percent loss of total housing units. And you see this moderate cost area, which I haven't really talked about because it's pretty stable in many cases, that's actually a really critical and important part of the overall

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housing market for various reasons, something to continue to pay attention to that I'll get into later.

In all market types, we're seeing a loss of this two- to four-unit housing stock, which is important.

So, when we look at why – where is the housing supply going and the rent affordable supply going? Forgetting neighborhood typology for a second, where is the city seeing increase in types of housing by type of buildings, so single-family homes, two- to four-unit buildings, 5- to 49-unit buildings, 50+ unit buildings, where is the city experiencing increases in the number of units or decreases in the number of units? We see that there's a big increase in those 50+ unit properties, rental properties in particular and actually, a pretty big decrease in two-to-four-unit properties. And then we break that down by, again, this market typology. We see that high-cost areas really saw a big increase in those larger, multi-unit properties, so a 32,000-unit increase in units found in those high-cost areas, so a big growth in those, likely new construction, multi-unit properties. What you see across all areas though is a decrease in two- to four-unit buildings. So, in all market types, we're seeing a loss of this two- to four-unit housing stock, which is important. The two- to four-unit stock really is somewhat unique to Chicago, though it's found in cities across the country but in Chicago, it makes up a really substantial part of the neighborhood housing supply in many communities, up to 70 percent or more of housing units in some neighborhoods are found in those two- to four-unit properties, so it's very common, it's very iconic in many places, it's a very older type of housing, average age is 108 years old, and to that extent it makes up the backbone of the lower-cost housing stock in many neighborhoods.

[T]wo- to four-unit buildings tend to offer lower rents, they tend to provide family-sized units, they serve lower-income households, they often provide ownership opportunities for households of color, and they tend to be owned by smaller scale landlords.

So typically, in any neighborhood you go to, if you're looking for what many people call the naturally occurring affordable rental stock, it's going to probably be found in those two- to four-unit properties or in smaller, like 5- to 16-unit properties. So from various research that IHS has done and that others have done, we know that two- to four-unit buildings tend to offer lower rents, they tend to provide family-sized units, meaning they have multiple bedrooms, they serve lower-income households, they often provide ownership opportunities for households of color, and they tend to be owned – if they're investor properties, tend to be owned by smaller scale landlords. So for all these reasons, they're fairly unique and one of the concerns as they get lost, as we see that they're being lost in the data, is that once you lose those units as relative affordable housing or just housing in general, they're not really likely to be replaced, because as you saw from the earlier data, we're really building single-family homes and larger multifamily properties, and you're not really building a lot of these two- to four-unit properties. And if you did, they probably wouldn't be affordable.

So, a lot of the work that we've done is try to understand are what are some of the drivers behind the loss of this particular housing stock in different neighborhood contexts, and this is where I get back to high, moderate, and lower cost neighborhoods. In those higher cost markets, you're really seeing changes in demand for housing, really a demand for single-family homes from higher income households. You really don't want to live in small apartment buildings or even family-sized apartment units, so that puts pressure on the existing housing stock where you don't have a lot of room for new development, so you see investors, developers, even owner-occupants turning those small, multi-unit buildings into single-family homes, often very high-cost, single-family homes, or you see them demolished entirely and replaced with million-dollar single-family homes, so that's what is behind a lot of the deconversion or conversion of those two-flats into single-family homes.

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In really strong real estate markets, you're seeing that demand for single-family housing from higher income households. In those moderate-cost markets where the two- to four-unit building is functioning, in many ways, as it's intended to, as affordable, unsubsidized, low-cost housing for families, there still is vulnerability. They're affordable but not by virtue of any direct subsidy but by virtue of just the market. If the market changes, that affordability goes away. So that really puts potential pressure on existing owners who may want to sell because that's what you do when you own a house, at some point you sell it, but that sale can trigger lots of different potential outcomes for that property including erosion of affordability, so paying attention to those long-term owners in those moderate-cost markets is important.

And in the lower cost areas, you still have a lot of two- to four-unit buildings, but the legacy of the foreclosure crisis, disinvestment, high levels of vacancy means that those properties are often more likely to be at risk of being abandoned and demolished and just lost from the stock entirely. So, we did some data to try to determine if this is all right, and so essentially what we did was look at – this is a chart showing the loss of two- to four-unit properties in different neighborhood market context between 2013 and 2019. Essentially, what we did was looked at data from 2013 from the Cook County assessor, looked at properties that were classified as a two- to four-unit building, fast forwarded to 2019 to see was that classification still the same. If it wasn't, what did that classification change to, and the ones that changed were the ones that were lost. And so, 4.2 percent of the parcels that were two- to four-unit buildings in 2013 were no longer two- to four-unit buildings in 2019. Looking at the market typologies in high-cost areas, 7.1 percent of those parcels were lost. Two- to four-unit buildings in 2013, 7.1 percent were not in 2019. In lower cost areas, that loss was 3.5 percent.

Getting into, again, taking a step back, some of the pathways that those properties took to being lost, the most common was that dark blue where the property was two- to four-, became a single-family home in 2019; 47.5

percent of those lost two- to four- became single-family homes. Another almost 30 percent were replaced by nonresidential land use, which is most commonly vacant land. And then looking at, again, the specific outcomes and how those outcomes vary by market type, the far-left set of bars show that 78 percent of the parcels that were lost to single-family homes were found in high-class neighborhoods, so really that single-family conversion was most likely to be a phenomenon happening in higher cost markets due to some of the demand effects that I mentioned. Flipside, properties that were lost to demolition and nonresidential land use were most likely to be found in lower cost areas, where 65 percent of those parcels were located.

So, this is a map specifically looking at the [U.S. C]ensus tracts where you saw the largest number of lost two- to four-unit buildings. You see that's a largely North Side phenomenon with little pockets in Bridgeport and Bronzeville, on the South Side a little pocket in Woodlawn, but largely areas on the North Side of the city. So, when you look at the community areas that represent the highest level of this deconversion activity or conversion activity, 50+ percent are really found in those top five community areas: North Center, Lakeview, West Town, Logan Square, and Lincoln Park. One of the things that we've been really looking at is – we're calling it a price gap, so the gap between a single-family sales price and the two- to four-unit building sales price, so this chart tracks that. The dark blue line is the median sales price of single-family homes, the lighter blue is the median sales price for two- to four-unit buildings, 1997 to 2021. You can see, starting around 2004, that gap was pretty wide and has continued to get wider, so we think that is a predictive or leading indicator of conversion pressures in different neighborhoods where single-family homes are more highly valued than two- to four-unit properties.

And then if you look at this chart that I'm sure no one can read, but the whole point is just to get a sense of the colors. Light blue areas are in the top 10 of conversion to single-family homes; dark blue, not in the top 10. So, you can see all the areas that had a higher median sales price for single-family homes were also in the top 10 for conversion activity, so that's what we think is a fairly significant correlation between the relationship between single-family and two- to four-unit sales prices and an indicator of risk to the two- to four-unit housing stock. So, trying to think about how to get ahead of some of that pressure in some neighborhoods that maybe aren't in

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the top but still experiencing that pressure, we have to mention long-term owners. So, this is a map of the number of two- to four-unit parcels where they've been continuously owned by the same person since at least 2000, so about 20 years. And you see that – and this is just high or moderate cost neighborhoods, I believe.

So you see there are certainly significant pockets of those neighborhoods and neighborhoods on the Northwest Side of the city, Southwest Side of the city, so I think if we mapped out the entirety of the city, you'd see, again, that there are pockets of neighborhoods where you do have a lot of long-term owners and, really, those long-term owners are where when thinking about strategies to preserve that affordability and to preserve that type of housing, you might want to think about targeting those neighborhoods where you have a lot of those long-term owners. One type of long-term owner might be an older adult long-term owner, and this is looking specifically at the neighborhood Greater Grand Crossing. You can see total number of two- to four-unit parcels, 1,000 of those two- to four-unit parcels in Greater Grand Crossing were owned continuously, so that's the largest of all the different types of ownership. And that light blue is long-term owned properties that also have a senior exemption, so thinking about seniors as a particularly important component of the housing stock for many reasons but one, in this particular example, is that they may be looking to sell at some point because it might be difficult to age in place in the two- to four-unit property so again, thinking about ways to use data to narrow down on ownership typologies and thinking about how to reach those owners for different types of strategies to preserve and stabilize their existing housing situation.

And then, just finishing up with areas that have the highest share of demolition, so parcels that went from two- to four-unit to vacant lots, you can see a lot of areas on the south and west sides of the city, Englewood, New City, West Englewood. Ironically, Lakeview, Lincoln Park, West Town, not on the South and West Side, so not what one would consider, necessarily, a disinvested neighborhood. And what that is, is really people – higher income folks will buy a lot, demo it, and hang onto it for a while because they don't

Daniel Hertz, Director of Policy, Research, and Legislative Affairs, at the City of Chicago Department of Housing



want to pay the property taxes, essentially, on an improved lot, so they'll demolish the parcel or demolish the improvement on the property, so they just pay taxes on the vacant land. So, in some of those areas, that's what's happening. But again, this is the pattern of disinvestment in the city. You see that in the pattern of units lost to demolition. And this is just a map to introduce a partnership that IHS has with the city and some of the agencies that work with the city for their Micro Market Recovery Program. I won't go into what MMRP is but essentially, the city works with a lot of grass roots organizations in a set of communities to gather information on the neighborhood housing stock and sensibly, how to help stabilize vacant land and reinvest in vacant properties and get people living in vacant properties. And so, some of the work that we've done with those folks is to help them understand a little bit about the dynamics of vacant properties and parcels in their community. So, with that, I will stop and pass it to Daniel.

Taylor Nesse:

Thank you for that. That was very encouraging. Thank you, we're going to move on to Daniel Hertz. Some of you may be familiar with his name due to a certain book he wrote a while ago about gentrification, but now he works for the Chicago Department of Housing, and he'll share a little bit about what he is going to be doing and how that's influenced by his work.

Daniel Hertz, Director of Policy, Research, and Legislative Affairs at the City of Chicago Department of Housing

Daniel Hertz:

Well, thank you. Good afternoon, everybody. My name is Daniel Hertz. I am a Director of Policy and Research on Legislative Affairs for the Chicago Department of Housing,⁶⁸ where I've been since 2019. And I'm going to talk

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about two laws that were passed just a little bit over a year ago that I think offer a practical – with a nod to the reality part of the title of our panel – a practical and also, importantly, a partial policy response to many of the things that we’ve been hearing about today, including in Geoff’s presentation just now. And I won’t belabor this too much because I think some of the previous panels talked about this, but they also respond to a particular interaction of market dynamics and regulatory situations here in the city, namely that Chicago, as you’ve heard, has a lot of two- to four-unit buildings, but many of those – in fact, I would love – maybe Steven Vance knows off the top of his head, many of those are in single-family-only zones. So, I, in fact, live in one of those. I live in a four-unit building that was built roughly 100 years ago. About half of my block is two- to four-unit buildings. The other half is larger, older, walk-up apartment buildings. Every single parcel on my block is zoned single-family home only. That was downzoned, I believe, in the ‘80s.

Anyway, so you have this situation where you have this extant two-to-four stock, can’t replace it now under current zoning. And the other piece, the market dynamic that Geoff just talked about, which is that in many neighborhoods, single-family homes are actually worth more money on the market than a building with two, three, or even four units in it, which obviously means that even if you have zoning that allows for multifamily housing, the market will often push toward dedensification and toward single-family properties.

Okay, so first of all, why does this matter? Why does the Chicago Department of Housing decide to take on policies that are trying to address that issue? Again, not going to super belabor this because you’ve heard a lot about it, two- to four-unit properties are an important level of density for supporting just neighborhood retail, neighborhood institutions, transit, ecological issues, all that. They’re an important source of naturally occurring affordable housing. The one thing I’ll add which, I think, hasn’t been talked about, is we often talk about two to fours in the context of older buildings, usually at least several generations old but even new construction, two- to

four-unit buildings have really important advantages over new construction single-family homes, especially in these really high-cost areas.

We found that the median apartment in a new construction, over the last three years, in a two- to four-unit building required an income of about \$100,000.

By contrast, the median single-family home in the same exact neighborhood, that was built in the last three years required a household income of just about \$500,000.

So this is not a probably academically citable number, but based on some data that we looked at, available new construction units in a high-cost, north side neighborhood, we found that the median apartment in a new construction, meaning over the last three years, new construction, two- to four-unit building required an income of about \$100,000, a household income of hundred thousand dollars in order to afford that price to live there. Now, \$100,000 dollars is nobody’s idea of low-income housing, but it is realistically an amount that a household of say two CPS [Chicago Public School] teachers might make. By contrast, the median single-family home in the same area, same exact neighborhood, that was built in the last three years required a household income of just about \$500,000 in order to afford; half a million dollars. And, of course, this is in a neighborhood where the current zoning is, in fact, single-family only. It is, in fact, currently city policy that the only things that can be built there are things that you need to make half a million dollars a year to afford. So, this is why we like two- to four-unit buildings.

So, two laws, as I said; the first one you’ve heard a little bit about already is the additional dwelling unit ordinance.⁶⁹ Everywhere else in the country calls it accessory dwelling units, we call it additional, because I don’t know. And, essentially, what this ordinance did was it allows at least one more unit on

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every parcel covered by the ordinance to be added to the existing building without regard for what the underlying zoning is. And I say at least one unit because actually, in larger buildings of at least five units or more, the calculation is you can increase the number of units by one-third of what the legally established number of units on the property is, which means that in a fairly classic type of a – basically, a double three-flat, like a six-flat, you could add two units and then an 18-unit building, you could theoretically add six units and so on. And you can do this without adding more parking, which is often the physical limiting factor of adding density. There’s a whole bunch of other provisions which I won’t get into the details of, unless somebody wants to ask.

So initially, we, at the Department of Housing, together with the Department of Planning and Development,⁷⁰ the Department of Buildings,⁷¹ worked with the Urban Land Institute,⁷² which had convened dozens and dozens of stakeholders for over a long period of time to talk about what should an ADU policy look like in Chicago. We put together a proposed ordinance, presented it to the City Council and had a subject matter hearing about it, which we imagined would be largely just educational and, in fact, it turned out that there were many, many concerns in the city council. A lot of nervousness about what it would mean to allow more housing, more renters, more people on their blocks. And so, what ended up happening, although the initial ordinance covers the entire city, a substitute ordinance introduced a few months later established five pilot zones around the city on the North, Northwest, West, South, and Southeast. And essentially said ADUs are allowed in these areas. The pilot zones were designed to be a wide swath of different types of neighborhoods in terms of the housing stock, in terms of demographics, in terms of the market conditions, so we can say, “All right, we’ll see what happens, see how this behaves, and then we can use that to inform, eventually, a larger potentially citywide policy.”

The [Additional Dwelling Unit] ordinance went into effect May 1 of last year. And, in that time, we have seen hundreds and hundreds of people applying for ADUs on their property.

So, it’s been about a year. The ordinance went into effect May 1 of last year. And, in that time, we have seen hundreds and hundreds of people applying for ADUs on their property. In fact, we’ve seen – to go slightly into the weeds, it’s a two-step process. You have what’s called a preapproval to the Department of Housing, where we basically say, “Yep, you check the boxes, you’re in one of the areas, we’ll review if you need any affordability.” It’s pretty low barrier, but it does need to be done. And then once you’ve gotten a preapproval from the Department of Housing, you can go get your golden permit like anything else. So, we’ve had over 300 approved preapproval applications to the Department of Housing in just about a year. We’ve seen them, certainly, disproportionately in some of the higher cost markets on the North and Northwest side, but I’m really happy to say that we’ve seen at least one approval in each of the 21 wards that are part of the ADU pilot areas. So, this is something that really is – there’s interest in this everywhere around the city that it is allowed.

We’ve had over 300 approved preapproval applications to the Department of Housing in just about a year. Two-thirds of the ADU applications have been in single-family zoned districts.

And I can give a few numbers about what we’ve seen out of that. So out of the 300+ preapprovals, 80 percent of those are for ADUs in two- to six-unit buildings, which is absolutely one of the goals, that this is a way of lowering the cost of creating or maintaining, adding to this sort of low-density, multifamily housing stock in Chicago neighborhoods and, in fact, we’ve seen that’s what people are using this to do. They’re using this to invest more in this type of housing stock. Another data point that we were really encouraged by is that half of those preapprovals are for owner occupant buildings. Again, we see at the Department of Housing, particularly in higher

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cost areas, see a value to these units even if they're not in owner occupied buildings because we know that they will tend to be more affordable than other housing on the same block in the same neighborhood, help add housing stock in general back to the neighborhood, that's a good thing, but it's also great that owners are looking to use this program to add a unit for extended family, maybe to move into themselves if they want to downsize on their own property or even just to earn a little bit of extra income as a landlord to pay property taxes, to pay deferred maintenance, what have you.

We really are seeing this interest and this ability to add what will be for the most part, unsubsidized low- and moderate-income rental stock in areas that otherwise don't allow it.

Another thing, which is particularly relevant for this conference, is that two-thirds of the ADU applications has been in single-family zoned districts. So much of, if not most of, the ADU pilots are in Chicago RS2 and RS3, which would only allow single-family zoning but for the ADU policy. And so, we really are seeing that there's this interest and this ability to add what will be unsubsidized, for the most part, unsubsidized low- and moderate-income rental stock in areas that otherwise don't allow it. And so we are really encouraged at the Department of Housing in the first-year result of this program and, in fact, we've been hearing from people outside of those pilot areas as well, both just homeowners, property owners, as well as many aldermen, I won't name any names, who may have been skeptical in the beginning and are now seeing like, "Hey, you know what, this is not ruining the neighborhood and it's something that like my constituents want and see a use for and see is something that is beneficial to their community."

So that is one of these policies. The other one is maybe a little bit more unique to Chicago and that is the anti-deconversion laws that we passed or

that the City Council passed at the beginning of last year. So, you've heard a lot, so far, about deconversions, the problem of people either doing a gut rehab or just straight out demolishing and reconstructing two- to four-unit buildings as single-family homes. It's a loss of NOAH property, it's a loss of density, and it just generally means that only much higher income people can occupy that piece of land than if it had remained a small multifamily building. And we've been obviously aware of this problem for a long time thanks to groups like Institute for Housing Studies as well as neighborhood organizers in places like Logan Square who have been sounding the alarm on this issue for years. Logan Square and I should say definitely also say Albany Park with Communities United. And so, working in large part with many of these organizations, the Department of Housing, last year, crafted an ordinance - actually two ordinances that apply to two particular areas of high concern. One of them was around the 606 Trail on the northwest side through Bucktown, Logan Square, and Humboldt Park in an area that was already very rapidly gentrifying and where an investment of a public Rails-to-Trails conversion galvanized additional investment including more of these teardowns and deconversions.⁷³

And then the other one was the Pilsen neighborhood on the southwest side, historically one of the hearts of the city's Mexican-American population, which has also been experiencing increased real estate investment, gentrification, and displacement of low-income people. And what we came up against was precisely the issue that Geoff raised earlier which is that even if you zone - many of these places are zoned single family, particularly around the 606 Trail, but that even if you zone for multifamily, particularly low-density, multifamily, three- or four-flats, the market may push for single-family homes anyway. And so, the question was what tools do we have at our disposal to push back against that? And essentially what we created was zoning provisions that for the first time in Chicago, not totally unprecedented nationwide, but for the first time, Chicago, set a floor as well as a ceiling to density in these areas. And essentially, the pitch was, just like you need an up-zoning to build a significantly denser building because it may have effects on - it may change the neighborhood character or whatever, there should also be floors. You should also need a zoning change in order to reduce the density because, in fact, that is just as harmful and just as significant a change to the neighborhood character.

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What we created was zoning provisions that for the first time in Chicago set a floor as well as a ceiling to density in these areas [in 606 and Pilsen].

We've seen zero deconversions in those covered areas, down from a fairly rapid pace prior.

And so, City Council did pass those two ordinances. Again, one for 606, one for Pilsen, and in the year since that has been passed, we have, in fact, tracked – I don't know, Steven, if you can tell me since last time, I used Cityscape to do this data sleuthing, we've, in fact, seen zero deconversions in those covered areas, down from a fairly rapid pace prior. Yeah, which is incredibly exciting, because I think it means that for the first time, we have a tool that we can say, "Hey look, we tried this in a couple areas and to the extent to what it was supposed to do, it's not a one-stop, it did not completely end displacement or gentrification in these areas, but the thing that it was specifically supposed to do, it did." And I'll just briefly say that also, it went along with another piece that local organizers were very interested in, which was a fee, a surcharge on demolitions of residential properties. We've also seen somewhat of a decline in demolitions in those areas as well.

Wrapping up so that we can continue with the panel, what I want to say is we have – although, there are many, many challenges here and many unique challenges that, I think, as many people have said simply getting rid of single-family zoning won't necessarily directly address – including this issue of deconversions. We have established, in Chicago, some zoning approaches that do address these challenges and do seem to be working. I think the work now on our part and for everybody who cares about these

Rachel Weber, Professor, Urban Planning and Policy at University of Illinois Chicago



issues, just think about where else and how else might these be beneficial to neighborhoods across the city, what are the next steps in the places where they already apply to continue to provide safe and affordable housing for everybody? And, of course, a lot of that is going to be focused on continuing to support the most vulnerable people who we know are not necessarily going to be protected by things like this. People who need very deep subsidies in order to live affordably and so a lot of our work at the Department of Housing is now also looking at how do we come in and bring more off-market housing that can also serve those populations as well. Somebody mentioned very briefly the historic investment that was announced in December, and so that's where we're going from here. And with that, I'll turn it over to Rachel.

Taylor Nesse:

Thank you, Daniel. Yes, finally, not least, we have Dr. Rachel Weber, professor of Urban Planning at UIC [University of Illinois Chicago]'s College of Urban Planning and Public Administration.⁷⁴ What can you tell us about how your research and studies feed into this topic of market realities in housing?

Rachel Weber, Professor, Urban Planning and Policy at University of Illinois Chicago

Rachel Weber:

In my short amount of time, I'm going to talk about something a little different from what my other two panelists discussed, because my research tends to focus on commercial real estate. And included in commercial real estate, in addition to industrial and commercial retail space, I do look at multifamily housing, but I look at really big multifamily housing, so not the two- to four-flats but the over 50, investor-owned kinds of multifamily development. So, what I'd like to do is just present some what I call

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provocations about my side of the realities of the housing market that I think challenge our understandings about the relationships between zoning reform, housing supply, and affordability.

Zoning and land-use regulations, as we've heard all day and especially at our lunch time presentation, have been singled out as a root cause for the limited supply of housing and therefore the lack of affordable housing. The so-called laws of housing supply and demand suggests that removing regulatory barriers and increasing the supply of new housing units will cause rents and prices to deflate. And you find these kinds of assumptions echoed by supply-siders like economist Ed Glaeser, who says, and I quote, "Simply put, the places that are expensive don't build a lot and the places that build a lot are not expensive. Growth and not height restrictions or a fixed building stock keep spaces affordable and ensures that poor people and less profitable firms can stay and help a thriving city remain successful and diverse."

Now, in contrast to this 'release the cranes' kind of dogma, I would argue that first of all, whether zoning reform leads to more supply and whether new supply leads to lower pricing structures, these are both empirical questions, so empirical questions that really only can be answered with research and that depend on a couple of things. It depends on the kinds of specific zoning reforms that are implemented, whether you're talking about allowing ADUs or eliminating single-family zoning or providing incentives for density like we do with the plan development process in Chicago. It also depends on the specific kinds of housing that's being built, whether you're building income eligible, LIHTC, layer cake of financing kinds of affordable housing or you're building market rate townhouses. It also depends on the specific kinds of neighborhoods where this new housing is hoped to be developed. Is there a lot of vacant land or developable land there? What are the income dynamics and demographic profiles of these places?

So, there's a lot of research out there, and those that adopt appropriate statistical controls for things like policy, housing type, and geography have

generated really different findings, some of them very contradictory, which I think underscores the importance of moving away from this idea that there are these kinds of universal laws that govern all markets. What I hope to contribute with my research is a kind of fourth contingency, and it's not something that has really been mentioned thus far, which is how housing, how the housing supply, both new and existing housing is financed? In my research, I have examined the financialization of the built environment, specifically how treating rental housing as a financial asset that is traded in distant markets has transformed markets in ways that complicate our understanding of the effects of new supply on affordability.

A couple of provocations: one, zoning reforms may not increase housing production. Developers want to build in the areas – developers have to want to build in areas that are targeted for zoning reforms. That means that a particular geography or submarket has to meet not just the developers' criteria for the economic viability of housing, like doing a market analysis, but also investors' and lenders' financial feasibility criteria. In other words, buildings have to generate enough rental income that, net of operating expenses, they have enough left over at the end of the day to pay the mortgage on the project, plus meeting the return requirements of investors. So liberalizing zoning may not generate the rental income that developers are seeking, unless they build a lot. And we also know that zoning is capitalized into land prices, so up-zoning or changing the land use from industrial to residential, for example, can result in significantly higher land costs and therefore higher development costs. If average household incomes are too low or land prices are too high in a particular market, developers will look elsewhere, or they may try to fit very tall buildings on really small lots to make up for, in volume, what they can't make in per-unit rents. And the logical conclusion would be, again, forests of skinny skyscrapers instead of the more incremental ramp up of ADUs or the gentle density that I know that many people here are talking about and are advocating for.

A second provocation: more supply may not lower housing costs, at least not in the short run, or in areas that need it most. So zoning is a regulatory mantle that municipalities superimpose on a highly segregated and uneven landscape. This landscape has been produced by decades of racial discrimination, in equities and public services, lending and business location, and ethnic and racial collocation. So, if you were to lift all zoning regulations

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tomorrow, new housing would get built in those areas where there's sufficient and growing effective demand for it, like highly resourced or high income neighborhoods like Lincoln Park, and the other areas where we see a lot of the deconversions taking place. You might see teardowns of historic, stately single-family homes to be replaced by high-rises. But if you up-zoned Englewood, which is a couple miles in this direction, west, or Gage Park three or four miles west and a little bit north, places where incomes are low and where there has been historically little developer interest, this 'release the cranes' approach would likely have less leverage. Without government subsidy, developers probably would not be able to charge the rents that are sufficient to pay off their development costs and also provide a profit. So, would adding more high-end units in Lincoln Park lower prices in Lincoln Park? Probably, a little. Would building more housing in Lincoln Park lower them in Gage Park? Probably not.

Economists are generally unspecific about the geography or markets that the supply-demand relationships will be articulated within. For rents of buildings to actually affect each other, they have to be part of the same market segment, either located near each other or rendered comparable by owners, renters, and importantly appraisers. The segmented nature of urban housing prevents this process of filtering from occurring; the process that a lot of supply-siders say will be able to provide more affordable housing by even providing high-end housing, that'll eventually trickle down from more affluent renters to less affluent renters because too much supply will depress high-end rents so that people living in less expensive buildings can move up. But in order for this process of filtering to occur, again, there needs to be some kind of legible connection between buildings and the rents of higher end units have to decrease. But instead of slashing rents, I found landlords often fix prices below which they will not rent, holding units vacant with the hope of eventually attracting higher income tenants. Economists like to refer to this resistance to sharp, downward price movement as stickiness or sticky prices.

Increasing supply will likely lead to the circulation of tenants within these

different market segments, so within the different strata of price points in rents but not between them. So, building a lot in Gage Park, which is 90 percent Latino, might actually decrease housing costs in Gage Park and maybe even in Cicero, which is an inner-ring suburb, which is also majority Latino and where a lot of folks leave Gage Park to move to. So, it's important to understand the way that these market segments are interlinked. Filtering depends on an ideal set of circumstances that occur only once in a while at specific historical junctures and in specific places. So, in New York City in the 1950s, there was a lot of documented filtering taking place because wages and living standards were increasing and this is a period, 1950s, where there was obviously a lot of suburbanization in the region taking place, which allowed working-class households, including my grandparents and parents, to move into units that had been vacated by out migrants.

Thanks to macro-economic changes like historically low interest rates, heightened demand for financial instruments, and policy moves from wage to asset-based welfare, housing is now a significant vehicle for capital accumulation.

A third provocation: that up-zoning also removes barriers to financial speculation, which can actually increase rents. So, assuming that increasing housing supply is going to dampen prices ignores a very important trend. Thanks to macro-economic changes like historically low interest rates, heightened demand for financial instruments, and policy moves from wage to asset-based welfare, housing is now a significant vehicle for capital accumulation. We're familiar with this transformation among homeowners, which is why I stayed up late obsessively checking Zillow to watch my house's resale value swan up and down as I considered borrowing against my anticipated future equity. But this magnetic attraction off rental housing may be less familiar to those who are studying smaller buildings and numbers of units, but for those that I'm looking at, again over 50 units, these have become real sponges for global capital, mainly pension and sovereign wealth funds, insurance companies, asset managers managing other people's capital, and private equity firms who are looking to park their money in a

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reliable investment. In fact, multifamily is the third of the three most favorite asset classes since the beginning of the pandemic when we began to see a little housing boom, maybe a bubble, taking place in around the third quarter of 2020. So, after industrial, warehouses, and life sciences, multifamily has become the most popular asset in which to sink a giant pool of money.

Compared to the owners and to the smaller landlords of two- to four-flats, investor-owned buildings tend to raise their rents faster and evict their tenants more quickly.

Investors are interested in multifamily, not just because of the rents that are generated by tenants, which have increased at the fastest clip in the past 50 years in the last year and a half, but also because of the mortgages that the building owners pay and that are often bundled and sold as commercial mortgage-backed securities. So institutional investors, REETs, private equity funds, they buy and sell these large, again over 50 units-type of rental buildings that are just dispersed over a very wide geography. Is this a problem? There's capital to buy and build these buildings. Many scholars, journalists, activists, including myself, have sounded some warning bells because, compared to the owners and to the smaller landlords of two- to four-flats, investor-owned buildings tend to raise their rents faster and evict their tenants more quickly. They raise rents because of their acquisitions, particularly more increasingly expensive commodities have been highly leveraged and the mortgages in most cases have been securitized and sold to these third parties. And in this last boom/bubble, again since the third quarter of 2020, returns from multifamily ownership have broken new records in terms of the profits that are being generated, but these profits are almost directly at odds with tenants for rental income.

So, zoning can be a handmaiden to this process of financialization or it can help to be a barrier to it. On one hand, restrictive zoning creates exclusivity

in land use and bolsters the monopoly rents that we associate with particular locations. By providing some certainty about the nature of future development, zoning can minimize the risks of present-day investment that financial actors like. So, we generally think about the real estate industry being opposed to zoning, but historically, its members have convened to support important efforts at special coordination, like the fact that New York City's real estate board was instrumental in the 19-teens in getting the 1916 zoning ordinance in New York passed. And even Chicago's rezoning efforts in 2004 had the support of a lot of primarily office and residential developers. Developers, generally, when they talk about zoning, they want it to be liberal enough for them to build the buildings they want but also restrictive enough to keep their competitors from following suit. At the same time, liberalizing zoning and allowing for unlimited housing production can create more opportunities for financial speculation. By maximizing the amount of rentable building space, developers ensure that each square foot is financially productive enough to justify their acquisition and construction costs.

And historically, we have seen - I haven't really done the statistical research to demonstrate this, but you do typically see after there's been some kind of major zoning change or reform like Chicago's in 1957 and then rewritten in 2004, you often see the skyline pushed higher, but also contributing to speculative bubbles like the one from 2007, 2008, or more recently. Taking a look at some of the data, we see that since the pandemic, the places that both have the most liberal zoning laws and have produced the newest housing units also have the most overpriced housing according - I was looking at Moody's, so metro regions like Salt Lake City, Las Vegas, and Atlanta - so if the laws of supply and demand were working in the way that we expect them to, you would expect that to be just the opposite. One of the reasons for this perversion of the laws in supply and demand is that these are often new buildings that are the objects of speculation and that command premium rents. Upward price movements encourage more investors and developers to enter the market, and it increased the pace of transaction activity, driving acquisition prices higher, appraisers weight their estimates of value toward recent comparable sales no matter how crazy the sales prices are.

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If allowing more housing opens the floodgates for more profit maximizing investors, the units that are likely to materialize may drag prices up instead of trickling down to those with more restricted budgets.

So, a spate of new construction activity, particularly high-end housing, can push a market toward a new, higher pricing structure rather than helping to equilibrate a previous one. So, in conclusion because I know we're almost out of time, I will just say that thinking that zoning reforms and density will solve the affordability problem fails to recognize one of its fundamental causes. But housing is also a financial commodity. What's driving prices up is not just an increase in occupant demand but an increase in demand for housing from investors. If allowing more housing opens the floodgates for more profit maximizing investors to enter particular markets, then the units that are likely to materialize may drag prices up instead of trickling down to those with more restricted budgets. And I'll stop here. Thanks.

Question and Answer Session

Taylor Nesse:

Thank you so much. We are going to be entering into a time of Q&A, and we're going to have a student who's going to have the microphone weaving through the crowd, but while I have it in my hand, I'm going to ask a quick question of Daniel. We heard a lot about Minneapolis today and their reforms with single-family and multifamily housing. Is there a city that is providing a north star for ADU zoning and development, and if yes, what is it that they're doing differently that serves to exemplify that model?

Daniel Hertz:

That's a really good question. I think the short answer is there is not a single city that we look to or looked to during the process, but there are a lot of examples. I mean, they tend to be on the West Coast of places that are further along than we are. I think one of the things that's interesting and

challenging about it is our housing stock is so different from those cities in that most of those places are talking about single-family neighborhoods and much, much larger lots than we have in Chicago, and so they're talking primarily about coach house additions, as that's what an ADU means to them. Here in Chicago, two-thirds of our ADU applications are for garden or attic units in an existing building. That's the bread and butter, as we have seen it so far, is in these older buildings that have half basements that could easily be converted into an apartment.

But I think one of the lessons that we have learned definitely from the whole suite of places that have done this before us is it is an iterative process. It is so specific to the built character that you're trying to put ADUs into, it's so specific to the social and economic situation of the people who live there and the markets where that's happening that it is – you're not going to get it a hundred percent right the first time, and so I think we've definitely been looking at what are the things that we're learning about like how do you finetune this for Chicago's housing stock.

Audience:

Thank you all so much. I'm really curious – I got from this panel that there are a lot of things we assume about the market that are being disrupted by financialization. I found it very interesting that single-family homes are, in many cases, more profitable than multi-unit buildings, which is pretty disturbing. As someone who's trying to do organizing around renters and messaging some of these complicated questions and challenges to renters, can you maybe go a little further – I don't want to say over simplify anything because I understand it's complicated, but maybe press a little further on some of those points that you were making about financialization and the twisted market incentives that are leading to these situations where very logical assumptions that you might make are not proving true in reality and how you might explain that to an average renter who is saying, "Why is my rent going up and up and up, and it doesn't make any sense to me?"

Rachel Weber:

And is that directed to me? I do think that there is something to the kind of work that you do and many people in this room do in terms of tenant organizing because I don't think – I think when investors – investors are often turned off when they see that and when you have an active and coordinated tenant base and who are challenging price hikes or additional fees, and either it attempts to do that on a building-by-building basis or, when I'm

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interviewing developers, they're very scared of things like rent control, any kind of mass attempt to do this. And I'm not sure if that is necessarily going to be a huge drag on this process that I described ever so briefly, but I do think that's important, and it provides a buffer – actually, a buffer between investors and tenants or the managers, the property managers who are deliberately – they're the representatives of the owners, but I do think being able either to organize and to work in some fashion with the property management companies is a way of expressing a sense that the tenants may have more power on a collective basis than they do on an individual one, because otherwise their rents will just be raised and if they can't pay them, they'll find another tenant.

It may also be different depending on the tightness of the market, what vacancy rates are doing. Obviously, I think tenants have more power when there are higher vacancy rates, and developers and investors and property managers are more dependent on having people occupy the spaces and are more willing to negotiate and provide various kinds of concessions. In tighter markets, both specially and at different times, there's probably going to be that sort of balance of power shifts.

Audience:

My question is for Daniel. First of all, I love that the picture behind you is that of \$2.5 million homes that are single family, and we're talking about equity and zoning. One of the things that really upset me from one of the ordinances that you provided information on is just that it's not a factual basis to say that we had a demolition problem in some of the communities. And in some of the slides that were shown, they show that the vast majority of demolitions and deconversions were happening in Lakeview and Lincoln Park and whatnot, and yet the ordinance that was written that went to the 606 and to Pilsen, to say that there were zero deconversions, there's no context to that information as to how many deconversions or demolitions there were in the years previous. And so, we are – and the ordinance that was passed really went after and affected elderly minority owners more than anybody else. And so, if we're going to talk equity and make sure that it's accessible to everyone, you are pushing a narrative or pushing a law really

that affects minority owners, long-term owners as one of the slides that Geoff showed.

And so, I don't see how that's fair. I don't see how we should be passing ordinances that affect one neighborhood that maybe doesn't have the means to fight back, but you are now pushing for those ordinances to be across the entire city. You are further pushing a disparity that says, we need to have affordable housing in those neighborhoods over there. And so, I find it very disingenuous to talk about, "Oh, we're going to save these communities," but you're not doing anything in the areas where there's actual loss of housing, demolitions, or units. And so, moving forward, I've been very passionate about this in City Council and with my alderman, is that these ordinances do nothing to actually help the people that you're claiming to want to help. To say that there were zero deconversions, how many were there in the year before that? There was one in the year before that, the same information that Steven can provide will show that.

The number of demolitions in Pilsen, for example, were very low. There were five demolitions on one block of Lincoln Park, but there were five in an entire neighborhood that is Pilsen, 10 in an area that was in 606. So, I believe in more housing. I believe in more equity for everybody and in all these communities, but it just seems like we're pushing something that says, "Oh, we're going to do this over there. Let's try it out in that neighborhood," but not in the areas where there's actual loss of housing. So, my question is, is this an ordinance, this demolition ordinance that you have and the deconversion ones that have been passed, are you pushing for that to be across the entire city of Chicago so that it is an equitable distribution of zoning laws?

Daniel Hertz:

Thanks for that. I think the first thing that I want to say is that these ordinances genuinely came from organizing within these communities. Groups like Logan Square Neighborhood Association, groups working with the aldermen in Pilsen. This was something that was brought to us as, number one, as an issue and number two, even the specific policies to address it like the demolition surcharge came from these communities. Now, I don't want to say that that means that there is 100 percent agreement across the board, because obviously there isn't, and we're fully very much aware of that. But we do – one of the reasons this went through is because

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there was so much buy-in in these places that people who live there said, “This is something that is threatening us and threatening our neighbors, and we want to see something done about it.”

To some of your question, I don’t have the exact number. I know that there were – particularly in the 606 area, dozens and dozens of deconversions and lost two- to four-unit buildings in the years prior to the establishment of the ordinance. I think there were somewhat fewer in Pilsen, partly because it is just earlier in the gentrification process than the area around the 606, but I think part of the logic is, we don’t want to wait for it to get really bad and then five years later say, “Okay, we did something.” But that said, yeah, there are places, likely few, like North Center that are also seeing this problem. I think one reason that we focused on the 606 and Pilsen are those are areas that – they are certainly not homogenously low income at this point. I mean, the western edge of the 606 is actually quite high income at this point, but there still are large numbers of lower income renters to protect against displacement, which is not quite true to the same extent in places like North Center or Lakeview, although that’s not to say there are not.

But I think your larger point that we should not only be creating or pursuing policies that create affordable housing or preserve affordable housing in certain parts of the city is a thousand percent correct and is core to how

this Department of Housing has pursued housing policy. So, in our largest production program, Affordable Housing Production Program, which is our low-income housing tax shelter program, we do about 1,000 units a year, we did a racial equity impact assessment on that. One of the major things was – hey, guess what? For the last 25 years or more, we have been overwhelmingly building LIHTC [Low-Income Housing Tax Credit]⁷⁵ buildings in lower income, majority Black and brown neighborhoods. That’s not acceptable. We also need them in Lincoln Park and Lakeview and North Center and so on. And the rounds of housing that we’ve come out within the last two rounds, most recent one being in December, have been much more equitably spread across the city. And then there’s things like the amendment of the Affordable Requirements Ordinance,⁷⁶ which is very much targeted at that inclusionary housing, piggybacking off of market rate development, requiring there to be affordable and deeply affordable housing in those developments, overwhelmingly in the central area and North and Northwest side. And then examples like – I think it was mentioned earlier today, the Glenstar development on the far Northwest side in an area that truly has effectively zero legally restricted affordable housing.⁷⁷

We were extremely supportive of a zoning change that allowed that building to go forward with 60 units of affordable housing in it. That is truly some of the first affordable housing ever in that neighborhood, which is very much majority white and high income. And so – I mean, I thousand percent agree with that. I think that’s been really core to how we’ve tried to enact policy here.

Audience:

So over here, just a two-part question. First, for Daniel, going off of the previous conversation, what is the appetite for more of those deconversion laws that we saw in Pilsen and around the 606 and other neighborhoods of the city? So that point, you mentioned like Lincoln Park and Lakeview where a lot of those teardowns are happening. Are there any efforts to put deconversion laws in place there? And then a second question for Professor Weber, as you talked about Sun Belt cities and a lot of the institutional capital that’s getting put into those, like Las Vegas, Salt Lake, Phoenix, etc., part of that reason I think that there’s all that capital going there is obviously the demand is going so high there. So, I can think of a situation potentially where a lot of those buildings weren’t getting put up. A lot of that capital wasn’t going there and due to that demand, the housing prices would

actually go up even higher potentially. And I think about what's happened in Minneapolis and you can see from some of that data that the rents have – since all of those efforts there, the rents may have gone down a little bit. So, I just wanted to get your response to the demand part of it and what would've happened if those buildings didn't go up. I'll start with Daniel first.

Daniel Hertz:

Sure. I can answer really briefly, which is yeah, we've certainly heard interest from some folks around the city in that. As we've said, and as you saw in the data, 606 and Pilsen are not the only places experiencing this problem. So now that we have a year's worth of data to say like, "Hey, this worked at what it was meant to do." I think we're certainly interested in having conversations with whoever is interested in looking at it in their community.

Rachel Weber:

Yeah, in terms of the demand that, obviously, it's not just supply, and it's not just investors throwing capital at particular markets, but those are the places, the Sun Belt cities, that we hear that people are moving to from Rust Belt or from the Upper Midwest. The data that I was referring to when talking about an overpriced market, Moody's does this thing where they calculate what they think a single-family home should be worth, a multifamily apartment should be worth based on that increase in demand. So even taking into account the increased demand, they then rank cities on the basis of which they calculate the most "overpriced" relative to the fundamental. So even taking into account that increased demand, there's a general feeling among housing price observers that these are prices that have gone above that, even again accounting for the increase in population and relocation from other places to those parts of the country.

Panel 4: The Political Realities of Zoning Reform in Chicago

Question and Answer Session

Moderator: Nick Zettel, Policy Director of the 1st Ward for the City of Chicago

Daniel La Spata, Alderman of the 1st Ward for the City of Chicago

Matt Martin, Alderman of the 47th Ward for the City of Chicago

Carlos Ramirez-Rosa, Alderman of the 35th Ward for the City of Chicago

Michele Smith, Alderwoman of the 43rd Ward for the City of Chicago

Audience:

So earlier today, one of the first examples we heard was the Minnesota example, Minneapolis, around the important role the comprehensive plan played in creating affordable housing and more density. So I've been surprised, through all the panels, that we haven't talked about the fact that the City of Chicago is currently in the process of updating its comprehensive plan. So just be curious - we've heard a lot about really great models, in particular, neighborhoods that can't be scaled, unfortunately, because of the number of wards. So, I'd love to get your reflections on the role the comprehensive housing plan might have in one, giving you the backing you need so that there is a policy in place, but also in ensuring multiple communities have scalable solutions so that we have one, more density, and two, more affordable housing.

Daniel La Spata:

That's an open question? Okay, I think there's two questions that I really have about that plan. Because I think it's far overdue, given the history of this city, for us to not have a comprehensive plan. I hate it when people ask me questions back, but what I would say is, are alderpeople going to believe in that plan? And is DPD [the Department of Planning and Development] going to believe in that plan? Because I think DPD - and I don't know if

From left: Carlos Ramirez-Rosa, Alderman for the 35th Ward of Chicago; Daniel La Spata, Alderman for the 1st Ward of Chicago; Michele Smith Alderman for the 43rd Ward of Chicago



there's Planning and Development staff people here. If you are, forgive me. I feel like we can still be far too focused on one at a time dealmaking rather than comprehensive planning. And I think, God bless them, it's still so hard to pull them out of that mindset. The other thing is, are we, as aldermen, going to believe in it? Because I do believe in prerogative. I believe it is the best tool to prevent concentration of power in even fewer hands, and also to make sure that our neighbors have a voice. But I hope that my colleagues, the other 46 people who aren't sitting in here, are bought into the idea of comprehensive zoning and policy-based zoning, the way we're talking about today. Because if not, it's just going to be another thing that we spend millions and millions of dollars on a really pretty, glossy, 200-page document that sits in a shelf in somebody's boardroom. And we'll be like, look at this beautiful thing that we did. So, it's going to take real community buy-in for it to be powerful. And I hope that it is a powerful plan.

Matt Martin:

I'll add one thing to that, which is, what's a way to not have it be a plan, I think in part is to be sufficiently prescriptive, where there are things that City Council can take and act on, whether it's specifically an ordinance that a department or the Mayor's office is introducing, or enough nuggets where it's something that the City Council Committee on Housing, Zoning, maybe a combination thereof, can take. Because I think in too many ways, even with - I'll look back with the prior administration, with DPD, like corridor studies. It's very aspirational and really not bricks and mortar - okay, I'm dealing in the current landscape with a particular zoning request. What am I to do here? It's like, oh, we'll maintain architectural significance. Here are a few spots that are significant. Well, why? What are some different uses that we would be really interested in? So, I think that's something where we need that fine balance,

Panel 4: The Political Realities of Zoning Reform in Chicago

From left: Alderman Carlos Ramirez-Rosa, Alderman Daniel La Spata, Alderwoman Michele Smith, Alderman Matt Martin for the 47th Ward of Chicago



as Daniel was indicating, of getting enough input from folks and buy-in where we're going to move something, but also something with sufficient teeth. And it's okay if it's not going to get the support of 50 folks, or even 40 folks. But we do need something that's going to be sufficiently prescriptive.

To really build the support that you need in the council to move [a comprehensive zoning plan] forward, you have to include aldermen early.

Carlos Ramirez-Rosa:

I will add, if you've ever tuned in to City Council meetings when the commissioner of DPD has gone before the Council, some of our colleagues have not shied away from criticizing the commissioner in expressing their feelings that they have not been consulted or brought into processes led by the department. And I'll say that I'm fearful that we might have a similar situation and outcome with this comprehensive plan. Because I found out about the comprehensive plan via an email and via some materials that were sent to my office. I have not been invited to any meetings in relation to the comprehensive plan. And I'm someone who's very big on participatory planning. I say participatory planning all the time. I say it 20 times a day.

Michele Smith:

And so, I think that to really build the support that you need in the council to move things forward, you have to include aldermen early. They have to feel like they and their communities are being brought into this process. And while I'm a big supporter of a citywide participatory planning process to come up with a comprehensive plan, I have concerns right now in terms of how it's being carried out.

Yeah, I'm going to share that. I have in my office the 1962 plan for the urban renewal of Lincoln Park. And it's fabulous to look at. It called for the closing of Lincoln Avenue – the complete closing down of Lincoln Avenue as a thoroughfare, the closing of Ogden Avenue, which did lead to the Triangle. But when you look at it with hindsight, some of the stuff in that plan was really stupid. So, with all due respect to all the planners, the truth is that life is very messy. And I echo the comments of what Dan said, as a new alderman understanding aldermanic prerogative. When people rag on aldermanic prerogative, I ask, and who was it that built the expressways? Who was it that built Robert Taylor Homes and Cabrini-Green and warehoused poor people? Wasn't a bunch of aldermen, baby. It was the mayor. And so even if I like the mayor – and I like the mayor, with good intentions – if you have too much power in one person's hands or one department's hands, that does not ensure a fair and good result. Power needs to be distributed, just generally, right? Power needs to be distributed. Zoning and development have to be done democratically with community involvement. And I guess my view of some plans, like my view of big corporations and things, when one alderman screws up, it messes up one ward. When the city screws up, it screws up the city. So, I think we have to be very humble when we do planning, really humble, and ask the question, what could happen? And it has to be bad. Can't be good – well, good things can happen. You can always cheer about good things. But predicting potential consequences that you can't think of, like a nationwide pandemic. I mean, we can't ever talk about those – we know about them, excuse me, in advance. So I like the idea of a city plan. I don't like the idea that it's being done so broadly that it is hard to take into account the circumstances of an incredibly diverse and beautiful Chicago. I tell you what I do like, just while I'm here. I love the INVEST South/West program.⁷⁸ I love its intentionality. Because it hasn't been there in the past. The intentionality that you are going to take the time to develop communities that have just received the leavings so often is very hard work. And I think it's really great. And that's a planning effort that I really do support.

Panel 4: The Political Realities of Zoning Reform in Chicago



Citywide, I think [passing a deconversion ordinance] is a challenge because Chicago functionally can feel like a dozen different housing markets rolled into one city.

Audience: What are the prospects for getting that deconversion ordinance to be citywide?

Daniel La Spata: May I? Citywide, I think, is a challenge because Chicago functionally can feel like a dozen different housing markets rolled into one city. And a version of this that gets 26 votes, let alone the buy-in of 50 people, will be challenging. And some of us were talking about, there are ways to start expanding it beyond just pilots. So say, for instance, as we're considering equitable transit-oriented development policy, the idea that the first place to start is rolling it into the transit-eligible radius around stations to say, hey, preserving density isn't just about what we build. It's about what we hold on to, and saying within TOD-eligible spaces, we're going to start applying that predominance of the block, demolition surcharge pieces. I think that might be the starting point. I continue to be optimistic. And my optimism

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WHAT CAN BE DONE:



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continues to be thwarted. But I will say that does feel like something we could accomplish in 2022 with the right organizing inside and outside.

Michele Smith: And I'm going to add to that in a different way. I think that if I have any criticism of the panels that were on the North Side here - and we're all in places that are dense already and are getting hot. Chicago has a vast land that used to be filled with people living here. Five million people lived in the city of Chicago in 1970. Now, it's half that. Go fix that, is really what I

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think we – really. Because – let me give you another statistic that you should know – there are about 900,000 residential PINs [property index numbers] in Chicago, 900,000. A residential PIN is an individual housing unit. It's a little bit over 900,000. Of those, 40,000 are worth over \$400,000. Which means there's lots of affordable housing in Chicago – lots of it. There's lots of room for single family houses. You want those because they'll bring back some of the 200,000 children who have left Chicago schools. When children leave the schools, you lose the parents who are the intellectual capital of the city, the people who are working. People want to have places to raise their families. So, I think it's really important what we're doing up here in Logan Square and the First Ward and [Ward] 47. It's really important. And another reason why it's really important is because hopefully, it will push housing into areas that can use it, that can use more – in other words, if you slow it down over here, you may create opportunity elsewhere. I think we need to do everything we can to make communities safe. We can talk about all the policies that need to be done to reclaim the two and a half million people who used to live here. I think that would be the very best thing for our city, is to do that.

I think that we have to begin to popularize the family compound. We have to begin to popularize that it's a great thing to live in a two-flat, in a three-flat.

Carlos Ramirez-Rosa:

I'll just add very quickly, I grew up in a four-flat. It was actually a three-flat with a coach house in the back. I think that we have to begin to popularize the family compound. We have to begin to popularize that it's a great thing to live in a two-flat, in a three-flat. And it's a great thing that we have owner-occupied two to four flats. Similar to when Daley launched his initiative around historic bungalows, I think we should have a similar initiative at the city level. We need to enlist owners of two to four-flats to become the advocates for their preservation. Because, if in every single ward, we



can build a cohort of two to four-flat owners that are saying, I love living my two to four-flat, I love being able to provide housing to my family and to my neighbors, I love being one of the most affordable options in the neighborhood, but I need support from the city, right, to be able to stay in my home and in order to be able to continue to provide housing to my family and my neighbors, I think that can be a powerful grassroots army to get some of these policies to go citywide. And you know what? You've gone up against Airbnb. And who did Airbnb enlist? They enlisted the small Airbnb folks. So I think we need to be smart in terms of using those same strategies. Let's enlist the owner occupied – those homeowners, those property owners. And I don't believe in incrementalism as a virtue. I think we should always avoid incrementalism as much as possible. But I think sometimes, it's the only way to go. And so if in this moment, we can't take the policy citywide, but we can only take it to certain wards – and I know already of four aldermen that want to expand these policies to their wards – let's do it. I think similar to the ADU, where the ADU pilot is helping to build the case for why this should be taken citywide, I think that if we can in the next year expand this policy in a strategic way in certain parts of the city, we can begin to build the case as to why it needs to be taken citywide as well.

We need to enlist owners of two to four-flats to become the advocates for their preservation.

Nick Zettel:

Wonderful. Well, thank you so much for listening to our panel. And I want to thank each of our four panelists. Thank you so much for discussing what it's like to work on zoning and development issues from the vantage point of city council.

Afternoon Plenary: Can Data Help Us Improve Zoning?

Jacky Grimshaw, Vice President
of Government Affairs, Center for
Neighborhood Technology



Introduction: Jacky Grimshaw, Vice President, Government Affairs, Center for Neighborhood Technology

Jacky Grimshaw:

Thank you. Thank you, Emily, very much. And I'm so happy to be here. It took about a bunch of time to travel here, travel delays, plane delays, stuff like that. But I'm here. So, I'm sorry I missed most of you throughout the day. But I'm sure I will learn from Emily all the wonderful stuff that you discussed.

But my job right now is to introduce our closing keynote speaker, Sara Bronin, who is a Mexican-American architect and attorney, whose interdisciplinary research in the areas of poverty, land use, historic preservation, and energy focuses on how law and policy can foster more equitable, sustainable, well-designed connected places. As a leading voice on historic preservation law and related land use practices, Bronin was recently nominated by the Biden administration to chair the U.S. Advisory Council on Historic Preservation. The Council advises the president and Congress on decisions and policies to promote the preservation and enhancement of historic resources. In addition to her books and treatises on land use and historic preservation, Bronin has written over two dozen articles on renewable energy, climate change, housing, urban

planning, transportation, real estate development, and federalism. And the intersectionality of those things is something I'm anxious to learn more about. And, hopefully, Sara can enlighten us. And her forthcoming book, *Key to the City*, will explore how zoning rules changes our lives – or rules our lives. She advised the National Trust for Historic Preservation on sustainable development code, has served on the board of Latinos in Heritage Conservation,⁷⁹ and founded Desegregate Connecticut.⁸⁰ And as a member of the Congress for the New Urbanism⁸¹ and devotee of Richard Driehaus, she also received the Richard Driehaus Form-Base Code Award for Housing⁸² – Hartford housing code, Form-Based Codes Institute and SmartGrowth America. And one of the things that I'm also interested in learning more about is Desegregate Connecticut, where she was a founder and lead organizer. And their focus was to lead a housing justice-reform movement to reform land-use laws. And as such, she oversaw volunteers, and staff, and created a coalition of over 80 non-profit organizations, and raised the money for public education and advocacy. So, Sara is a talented person with many, many attributes I think that we all can learn from. And I'm anxious to do so. So, Sara, it's all yours.

Sara Bronin, Professor, Cornell University College of Architecture Art & Planning & Law School

Jacky Grimshaw and Sara Bronin,
Professor, Cornell University College
of Architecture Art & Planning & Law
School



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Sara Bronin



Sara Bronin:

Jacky, thank you so much for that overly kind introduction. It's an honor to finally meet you, and given all of your great work, I'm sure we could learn far more from you than you will from me. So, my topic today is not historic preservation, I'm happy to talk about that in the Q&A, thank you. But it is about zoning data. And, come to find out, when I woke up this morning, that President Biden had announced the biggest plan so far in his administration, to help to alleviate housing costs and address the nation's housing shortage. So, for anybody who's been on Twitter today, who's been chatting at your lunch tables about this, this has been pretty big news in the housing and zoning community.

To measure whether communities have reformed, you need a baseline. And if you're doing this on a national scale you need a national baseline of how zoning codes are across the country.

So, I'm actually going to use it as a jumping-off point to justify what I was already going to talk about today. One of the big aspects of that plan - in fact, the very first element, is that the White House plans to tie federal funding to zoning reforms. In other words, to encourage and incentivize local jurisdictions to do all the things that we've been talking about today, to change their zoning reforms. But the bullet point that you have there on your screen, it's pretty vague. It's pretty broad. Maybe I shouldn't say vague. I should say broad. We don't know what the particulars will entail. But, in this case, the devil is in the details. And we really - I really am excited to learn more.

My biggest response to the plan today is that to measure change, to measure whether communities have reformed, you need a baseline. And if you're doing this on a national scale you need, actually, a national baseline, an understanding of how zoning codes are across the country. They're probably 30,000 local jurisdictions. And we need a way to compare those across jurisdictions, across state lines, and regional lines. We really don't know the answer to this question. You guys know in Chicago, but I've heard of lots of really interesting research that's been done today. But we don't really know that across the country. I'm going to just tease the idea now and I'll come back to this at the end, for a national zoning atlas.

So, my lab at Cornell, the Legal Constructs Lab,⁸³ that's the name we gave it, has decided, perhaps foolishly, to announce that we're launching a National Zoning Atlas⁸⁴ and to try to get as many collaborators as we can to try to have state-specific projects and region-wide projects that will actually enable us to understand on a national scale how local governments zone. And we feel that the best way to do that is to collect information, at scale, in a standardized way. So, the concept behind that, again - I'm just teasing it, now - is to translate and standardize zoning information into a unified public interface.

And the reason I framed the conversation with this, the call, President Biden's call from the White House, and then our pitch for many people - many hands making light work across the country to make a National Zoning Atlas is really rooted in a motivation to understand lots of different issues. So, a zoning atlas could tell us about fair housing. It can tell us about transportation, tying decisions like the transit-oriented development that you heard about earlier today. And making investments where we have, or

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will have, more dense housing. It can tell us about – it can influence food supply. It can tell us about economic opportunity. It can tell us where people best have access to nature. And one not on this list, but it can tell us about the links between zoning and access to education. I'm working on research right now on that.

This was all motivated, or the idea for this was all motivated, by the effort that Jacky mentioned in her introduction, which is an effort called Desegregate Connecticut, which emerged in June 2020 in Connecticut, after many in the state realized how zoning in Connecticut has led to disparate outcomes and has led to some of the worst racial and economic segregation in the country. This is a page on our website that talks about the justifications for zoning reform. There's an environmental justification, economic justification, and, of course, the equity justification that motivated many of us to join the movement. But one of the things that we got asked when we first formed in June 2020 was, how does Connecticut zone now? You're making all of these wild allegations about what zoning is and does. And we realized we really couldn't answer that question.

So, before we get to how we answered that question, I wanted to introduce you to our team. I loved hearing today about the Minneapolis More Neighbors project. I thought that was incredible. And it kind of reinforces what we – or echoes what happened in Connecticut with Desegregate Connecticut, which is, essentially, we just sort of looked around and tried a bunch of different things and started to just gain more support. This was our team. You can see just by glancing that I'm the oldest person on this image, by far. And the team really attracted young people, undergrads, grad students, law students, community residents, high schoolers, and others. But, again, young professionals, but, again, a broad swath of young people from different economic circumstances who came together and said, well, we have social media skills. Well, we have graphic skills. Well, we have public speaking skills. We have mapping skills. And all came together and really just started meeting on a weekly basis and then became the core team for what became, and now, still is, Desegregate Connecticut.

For home builders and environmentalists to be part of one organization, it's pretty rare.

And as Jacky mentioned, we have 80 – over the course of a year, or so, we got the bulk of our supporters through these non-profit organizations that you see here. Everyone from affordable housing groups to environmental groups, as well as the Regional Plan Association,⁸⁵ which became our fiscal sponsor and now houses the program, now that we've raised some money for it. But the National Association of Home Builders,⁸⁶ so for home builders and environmentalists to be part of one organization, it's pretty rare, at least from my experience. But we were really glad to have that happen. The APA, the American Planning Association,⁸⁷ the AIA [American Institute of Architects]⁸⁸ were also leading members, as well as a historic preservation community. So, all three statewide preservation nonprofits were part of the Desegregate Connecticut Coalition from the beginning. And I can talk about that, if folks are interested.

With that in mind, we built this Connecticut Zoning Atlas.⁸⁹ Let me go back, actually. Again, with that team in mind, and that it was non-profits in mind, again, we kept getting asked the question, well, how does Connecticut zone? How do you know we need that reform? And this is an image of the Connecticut zoning atlas itself, it's online at Zoningatlas.org/Connecticut. And what it does, is it documents, in part, with some of the team members that you saw, but, actually, with about 30 people outside of that team, who helped to document all 180 zoning jurisdictions in Connecticut, 2,600 zoning districts. And we looked at 32,000 pages of zoning text. And what we did was we tied information about zoning to geospatial layers of each individual district.

Now, for some that might seem obvious. Like, of course, you would need to do that. But much of the recent zoning research, actually going back decades, has not relied on this method of actually understanding what zoning codes say. Instead, it has relied on survey-based methods, asking planners what they think their zoning code says, a method that has been prone to error. Because of course, we all make mistakes. So, this is looking at the actual zoning code and showing district-by-district how much land has these characteristics that we include.

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So just to give you a quick run through, since my talk is about data of what this shows, when you go to the atlas, you select options on the left. So here we've selected single-family housing. We show – this shows where land meeting the criteria shows up. So, this is prefacing one of my next slides. Purple is a hit. So, this shows you how much of Connecticut is purple, how much of Connecticut allows for single-family housing. That's actually 91% of the state. The atlas can then show if a town, or if a town's certain neighborhoods in town, zoned primarily single-family housing, allow accessory apartments, zones for multifamily housing, including around our Connecticut Fast Track and train stations, we have little radii around those. And, also, it has toggles for different minimum lot sizes. So, some very small number of jurisdictions have no minimum lot sizes. But many have – actually 81 percent of residential land, we found out, has one-acre minimum lot sizes. That's crazy. Everybody should be gasping. One-acre minimum lot sizes, that's like, enormous.

91% of land [in the state of Connecticut] allows for single family housing as a right. And this is the amount of land that allows for four or more family housing as a right. It's 2% of land in the state.

So, basic findings of the atlas, which could only really be found through this very tedious manual method of tracking this zoning data, is that 91% of land, and this is the map you already saw, allows for single family housing as a right. And this is the amount of land that allows for four or more family housing as a right. It's 2% of land in the state. That's a big difference. And, again, only made possible, this finding, by this method of collecting information. So, this was the very first piece of information that we released in answer to that question, how do you know we have a problem? Well, I think this pretty much tells us that we do.

Zooming into a particular area, the Atlas shows one, two, three, and four-family housing. So, here's New Haven, which some of you may be familiar with. It's the kangaroo in the middle. This shows two-family housing. The first image was single-family housing, so is this single family. This is two-family housing, three-family, and four-family housing, as of right. So, again, you can see now, you can really see the kangaroo, because that's where all the purple is. New Haven, which is a central city, very demographically diverse, and a poorer city, in comparison to its suburban counterparts, has all of the multifamily housing. We will be doing secondary – right now doing secondary research on the impacts – where the multifamily zoning is and what the demographic characteristics of areas with multifamily housing are. But I think we already can write the papers without even doing the analysis, honestly. We're doing it, though.

In addition to just that basic number of unit measure, so lots of people – and we've talked a little bit about this today, advocates have made the call that we should eliminate single family housing. Just going to put this on the board or it will fall. But that's not actually enough to do. And you've heard that, again, also, today. To try to illustrate what I've called the 1,000 cuts of zoning, we're looking at all of these other – we gathered information about all of these other specific characteristics, actually 90 of them. So, this is just kind of a teaser, but minimum lot sizes, minimum unit sizes, maximum density in units per acre, minimum parking requirements, and actually breaking that down into studio, and one bedroom, and two or more family-two or more-bedroom apartments. We found jurisdictions in Connecticut that had three units of parking required for studio apartments. That's Darien, Connecticut, Lebanon, a couple of others. You really have to work really hard to think of creative things like that will definitely thwart housing. But they have risen to that challenge.

We've tracked affordable housing code definitions and maximum number of bedrooms. So, there are zoning codes that say, well, there's maximum number of bedrooms that you can have. Usually, it's one. Sometimes it's two and so on. We also tracked a lot of information about accessory units. If you just looked at whether a town allows accessory dwelling units, this is what the map looks like. So, this says – this is the selection of where accessory dwelling units are allowed anywhere. But this is where you get back down to those 1,000 cuts. This is where accessory dwelling units are allowed without

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occupancy restrictions, without constraints on whether they have to be owner occupied or whether there is a ban on renters. Or whether it has to be an employee, and some zoning codes use the word servant, or a family member, whether it can be non-elderly. This shows you, wow, you went from 94 percent of jurisdictions that have some accessory housing to, with these occupancy requirements, just a handful.

And then we looked at two physical requirements, whether you can have an ADU in a garage, like you can have here in Chicago, it sounds like. Or whether you can have an ADU that doesn't have a maximum size. So, lots of jurisdictions will cap ADUs and say it has to be a maximum of 1,000 square feet. And you get no purple at all. Actually, there is purple in Hartford, but you can't see it because of all of the different zoning jurisdictions. We rezoned in Hartford pretty aggressively for housing. Zoning by 1,000 cuts is what I call it. There's a paper on SSRN, the Social Science Research Network, that goes through all of these Connecticut findings. I want to talk about a couple more things.

If you just took away minimum parking requirements, Bridgeport could have about 100,000 new units of housing.

So, using that data, we have been able to model in 3D some of the house – we've picked actually 15 jurisdictions with high walk scores. And we found – so you can take any one of these characteristics and take it away and see what happens. In these images you see places where more housing would result if all you did was eliminate minimum parking requirements. These are all places, Bridgeport, Norwalk, and Waterbury, mid-to-large cities for Connecticut, that our biggest city is Bridgeport, which is about 130,000 people, nothing like Chicago. But if you just took away minimum parking requirements, Bridgeport could have – with doing nothing else in zoning – about 100,000 new units of housing. Incidentally, just a couple of months

ago, Bridgeport did eliminate minimum parking requirements, and so, joining Hartford in completely eliminating them.

You don't need them in Chicago. You should just get rid of them. You can see the areas where minimum parking requirements most constrain housing are on main streets and commercial corridors. The darkest dots here show where the most housing could be built, if not for minimum parking requirements. So, this kind of illustrates one of the many reasons why the historic preservation community has gotten on board for zoning reform, because it actually deters reinvestment in historic places.

If you're really interested in how we use the atlas for advocacy, Desegregate Connecticut has put out a series of brochures, or reports, issue briefs, one on lot sizes, one on transit-oriented development, equitable transit-oriented development. I was really glad to see that phrase used here today. The economic and the environmental case for zoning reform, all of these, used data that was gleaned from the zoning atlas to explain to the public, in hopefully words that lots of different people could understand, the reasons that we needed to do better on zoning.

Our Connecticut Zoning Atlas allowed us to make a case for statewide zoning reform which we did, in fact, achieve a year and a day after Desegregate Connecticut first met.

So, that brings us around to the national atlas. So, you can see that in Connecticut, our Connecticut Zoning Atlas not only gave us more information that people can use within their own community about how their community zones, but it allows us to compare jurisdictions to each other. It also allowed us to make a case for statewide zoning reform, a zoning reform which we did, in fact, achieve a year and a day after Desegregate Connecticut first met. In June 2021, the legislature passed a suite of zoning reforms that legalized accessory dwellings, capped parking requirements, instituted and affirmatively furthering fair housing provision for zoning changes, and zoning codes themselves. And did a whole bunch of other things, required training for commissioners, that we hope will lead to more equitable zoning in the state. In taking all of those lessons and how we

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collected the data, which was a fairly haphazard process because we didn't even know what we were making when we started collecting information about zoning codes. But we finally figured out what we were doing. And we thought other people might want to know how we did that.

So, also up on SSRN is a "How to Make a Zoning Atlas Guide,"⁹⁰ which goes through, not only the way that we coded each individual item in our zoning code atlas, but also, now features, as of a couple of weeks ago, the code information about links to the actual code – computer code, that was used to create the maps themselves. Although we are hoping to receive copious funding to build the national atlas, in the meantime, for those places that don't want to replicate what we did from scratch, those places – other states, can actually produce their own atlases as we gear up for the national project and the framework that will hopefully reduce that need for other places to actually do that.

Right now, my students are working on a New York Zoning Atlas.⁹¹ There's my project manager, graduating MRP [Master of Regional Planning] student, Adam Bailey, who has helped to manage the New York Atlas. So that project is underway. We have broken New York up into regions. The New York City region is being done by Fordham Law School. Buffalo, Erie County, is being done by University of Buffalo. Niagara County is being done by a local planner there. Long Island is being done by the Regional Plan Association. And in addition to that, we have support from the New York Department of Homes and Community Renewal,⁹² which has given us zoning information for a slew of other towns across the state. But we need a lot more to go when it comes to the small towns across the state in order for us to actually fill out each and every part of the atlas. But I think we'll have a pretty good start in the next three to six months set to post.

We also have projects in four other states and several more to come online. But one of my favorite projects is the Montana Zoning Atlas,⁹³ which is being done by a right-leaning libertarian institute called the Frontier Institute.⁹⁴ And it's being funded by the right leaning Mercatus Center at George Mason

University.⁹⁵ They've actually started using our methodology for six cities. And now they just got funding to expand that to the rest of the state, and to expand what they've done in the six cities, too. So, there's other – New Hampshire, Ohio, Hawaii, and one other state that I can't remember is also working on these projects.

Last couple of things I wanted to mention about how we are using this data and collecting this data. Those of you who heard about Urban Institute⁹⁶ knows it's a premier think tank on a variety of urban issues. And it has a couple of researchers there who really focused on zoning. I'm working with them to take the answers that we've received in the Connecticut Zoning Atlas through our manual coding, to try to develop machine learning processes that will enable us to collect the data faster in other jurisdictions. In other words, we're trying to train a computer program to read a zoning code like a human would, to be able to find the right words, the right phrases, in order to save this painstakingly tedious manual labor that results from reading 32,000 pages of zoning codes. If a machine can give us – spit out the names of the districts and give us some basic information about them, that might save us a lot of time and help speed the process in the future.

We're also working on a project that is going to help us weigh the different aspects of these findings and try to understand how – the way that a town's zones can impact demographic characteristics, as well as housing prices. We have all of that information now because we know what percentage of each town is subject to all of the kinds of restraints – what percentage of towns are subject to parking, FAR requirements, height caps, and so on? We know that. And so, we're going to be able to figure out, hopefully, a more updated zoning restrictiveness index than the one that many scholars have relied on, which, in turn, relies on survey data.

So, my last question for you all in this room, since so many of you are Illinois focused, is will Illinois join Connecticut, Hawaii, Montana, New Hampshire, New York, and Ohio – now I did get them all right? – in creating its own zoning atlas? And so, rumor has it that C-Map,⁹⁷ the University of Chicago,⁹⁸ and UIC [University of Illinois Chicago]⁹⁹ will be collaborating on an Illinois Zoning Atlas,¹⁰⁰ funding permitting. Hopefully, we will see that publicly – more publicly announced, and officially announced, as opposed to my

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rumor-has-it type announcement today. But if you think about all of the conversations that we've had here today that are rooted in Chicago, this region, and the state, much of the picture would become a lot clearer if you had the ability as both policymakers and researchers, but also advocates, to have the ability to compare very easily in a couple of clicks, the way that each jurisdiction zones. And to calculate on the map, itself, as we have in Connecticut, the percentage of each jurisdiction that actually allows for certain zoning. So, I'm hopeful that will happen. And, hopefully, that will happen very soon.

Can data about zoning improve zoning? Yes, it can.

I'll answer my own question to just say, can data improve - can data about zoning improve zoning? Yes, it can. I think we've shown that in Connecticut. And I'll just say thank you, because I hope there will be some questions that will be more interesting than me talking on at the end of the day. This is my Twitter handle. I'm happy to engage there. Thanks.

Audience: Who would you like to talk to?

Sara Bronin: Anybody is fine. I'm here all night.

Audience: Hi, thank you. I believe I actually read a *New York Times* article about the Desegregation Project in Connecticut.¹⁰¹ And it was very interesting to see that you're speaking now. I'm curious, what kind of additional programs and procedures might have been put in place, in addition to some of the zoning laws, as part of that kind of desegregation plan? I'm assuming zoning as a piece of that. But likely there is additional steps. You know, Chicago has, obviously, a very segregated city. And zoning, in itself, is likely not to be enough.

I agree that zoning is not enough. But in my just experience, zoning is the key barrier.

Sara Bronin:

I agree that zoning is not enough. But in my just experience, zoning is the key barrier. So, none of these other financing programs or incentive programs even, maybe, well, we've seen incentive programs in Connecticut. They don't have any impact if you don't also tackle zoning. That said, the name of our organization is overly ambitious, I would say. It was kind of picked in the heat of the summer of 2020. And it does suggest a call to action, and, really, the reason that many of us were motivated to get together, and the reason that these nonprofit organizations, and the coalition, and young people continue to support the project, and people all over the state and their communities have started having serious conversations about zoning.

So, in that sense, the name was positive because it really helped to catalyze and to sharpen why we cared. But, on, the other hand, I think, of course, our two-year-old effort is not going to have resulted in desegregation of the state. And certainly, zoning is not the only thing that needs to be done. But I will stick with my first comment which is, zoning is essential. It is the building block or the biggest barrier. And no financing in the world can allow it for more family housing to be -- house to be put in a single-family zone, if the zoning doesn't allow it.

Audience:

A chill ran up and down my back as you started to talk about this. What in the world clicked two years ago that you said, Desegregate Connecticut, and we're going to look at zoning? Right now, it's kind of like, well, that's obvious. But if it's obvious, then we would have done that 20 years ago. So, something changed. And I'm asking this because, for Illinois and other states to pick up on this, we need to get some of the juice from what it was that got you folks going.

Sara Bronin:

Connecticut is called the land of steady habits. That is its state - well, in Connecticut everybody embraces this slogan. So, I think it was very surprising how quickly people moved towards this effort and embraced the idea that zoning had something to do with the problems that we all see very clearly, even if you move from New Haven to a surrounding suburb. Hartford, where I live, is 85 percent Black and Latino. Its suburbs around

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are 95 percent white. So, it's so stark it's visible to the naked eye. And it's something that Connecticut has been living with for a really long time. And the catalyst, for sure, was George Floyd's murder.

Shortly after that, of course, all of the other issues, the immediate issues that led to his death, were not related to zoning, obviously. But I don't know anything, personally, about all of the other issues, policing and accountability. But I know about zoning. And so, one of the things that led to our first meeting, which was – it had 230 people on a Zoom call, because, of course, that was post pandemic shutdowns – was I had emailed the planners' listserv, the lawyers' listserv, the architects' listserv, and my own Twitter accounts. And just send out the Zoom link to anybody who was willing to show up to this meeting. And I explained what the link was between that incident, and this embedded racism that Michael so eloquently spoke about at lunch. And for whatever reason, people were receptive to that message at that time. And that's where the initial ball got rolling.

I'm not saying I did it. I'm saying that people were reflecting back on something they wanted to get involved with. By starting with the professionals in the state, and saying, look we're all complicit – I had chaired the City of Hartford's planning and zoning commission for seven years. We actually totally re-zoned the city. There is not a single housing unit in the city of Hartford that requires a public hearing. It's all as of right. It's like a housing free-for-all, in a way. So, we really – and we did that with unanimous support and tons of community involvement in the drafting process. But that's another conversation. So, I'd had lots of ties with local planners. And then by getting the professionals involved, and saying, look, we're all complicit in this if we don't do more, that really, I think, started that. So, you could use that kind of guilt trip in a way. Or you could just say, look at where we are now.

There's so many different efforts in Chicago that it seems really hard to unify those behind a common banner. And you saw that today, with everybody having their own, "this is my interest" area. This is my interest area. This is my interest area. But there must be somebody out there who can cut through

all of that and say, okay. Let's just unify around whatever principles we think that the region can handle and move forward. I don't know. And there's no secret behind it. It just sort of happened the way it happened. But I think people are receptive and wanted to do something. So, it was really that team movement forward that caused things to change.

Audience:

Sara, you must know something about the effort to do form-based coding, as opposed to just having zoning based on land use. What would you say to form-based coding efforts that are very much focused on the design of place? And so, it's really not a housing free-for-all kind of situation. So, do you feel that there's some tension there between those efforts?

Sara Bronin:

No, so Hartford's code is a form-based code. It's entirely a form-based code. And I actually think that when you give everybody, the neighborhood, the community groups, the local politicians, the developers, the kind of the framework for what options you want to see in a particular community, then they'll build to those options. I mean they really have no – if the form-based code is out there, they have to do it. It's clear. It's in the code. I had a lawyer tell me – and I wrote an op-ed about this, using him – not naming him. But he said I basically ruined his college fund for his kids because the old code was so complicated. The new code was so clear that somebody could just go to that section of the code. They could look and see pictures of similar projects in Hartford that had already been built.

We put photos in the zoning code and said, this is what a downtown building type is like. This is what a house type B is, the most common type of building in Hartford, and said, look, this is what you wanted. In house type B, you've got a pitch roof. It's two and a half stories. We don't care what the color is, don't care about anything else. But here are the basic parameters in terms of scale, it has to be built up to the street. I mean, new urbanism type stuff, pretty standard. But we did it citywide. And we used that to help convince everybody when we rezoned in 2016 that this would smooth processes and would give everybody what they wanted. And it would encourage the kind of sensible and equitable development in a city, an extremely poor city.

And we had, much like Chicago – actually, Hartford was the richest city in the world at the turn of the twentieth century, so the early 1900s. And the population was not quite double, but it was much, much higher. And it was a

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totally different place. And we actually need new people. And we want new people. And we want new families. And we want to build the kind of housing that lots of different kinds of people want. So, the form-based code enables us to do that, but to moderate the scale of neighborhood change to focus on infill for the most part. I think it's worked really well in Hartford. We haven't gotten any request to rezone, no protests on approved housing projects. I'm not saying everything is perfect. But it's been pretty successful for our city.

Audience: Sure, so my interest is in the advocacy part of Desegregate Connecticut and the public law that passed as a result of Desegregate Connecticut. Or was there effort already underway with advocates saying that we should have this reform in terms of a state law? I know here, getting our diverse state to agree on anything is difficult. So, I'm just kind of curious about how you were able to do that or how Connecticut was able to pass such a law.

Sara Bronin: We wrote that bill word for word, and hoped that some legislators who were friendly would start going through the system. It got changed at the end a little bit. And our transit-oriented provision was hacked off, unfortunately. But it'll come back around. The affordable housing community had been working to do different aspects of zoning reform for a while. But they had been primarily focused on other things, funding and other things. While they wanted zoning reform, it had not crystallized outside of the housing community that this was a need that everybody needed to be a part of.

And as you may go back to the slide, you can see we had major affordable housing advocates, including the Homelessness Coalition, the Partnership for Strong Communities,¹⁰² and lots of others who have been at the legislature for years, trying to advocate for bits and pieces. But what I like to think is that this coalition helped to bring more of a diverse sort of voice to that and also kind of give them a little wind in their sails to get it over the finish line, finally. And some of the things we were advocating for had not come before the legislature, even in concept, at all from that community, like caps on parking mandates. So, the bill that was passed caps minimum-parking mandates at one per studio and one-bedroom, and two per two-bedroom.

I tried to convince them to completely eliminate parking mandates like we had in Hartford, and now Bridgeport has done. But they didn't buy that. So, we went with the second-best option. But I do like to think that we helped to get that over the finish line. We did try to package it as a full suite of reforms. And the testimony for that – so that we went through the planning and development committee which is where those kinds of bills go through – and the hearing for that was 24 hours straight. And that's how the Connecticut legislature does it. They don't reconvene. So, we knew that. And we knew it would go for 24 hours because we had hundreds of people sign up to actually testify. Which was a lot easier to do because it was on Zoom.

We had pastors and economists, we had folks from – experts from out of state. We had young people, high schoolers. We had anybody who wanted to testify. And it just – the luck of the draw was who whoever got up and testify – every single one had a story that resonated with lawmakers enough to get it passed out of the committee when they reconvened to vote. But in terms of how we did that, we had a system of everybody who was signed up gave us their phone number. We texted them at 2:00 AM. We called them and said, you're up next, wake up, get up here, sign into Zoom, and have some good lighting. And so, we have tips on testifying. We really made that an operation, much like you would a political campaign. And maybe that's a little – my husband is a mayor in Connecticut. So maybe a little bit of that kind of bled into our techniques.

But we viewed this as a political campaign to support the kinds of substantive research that we all know, in this room, supports more zoning reform and tried to make it that – more of that popular movement. But I loved the images that Janne showed this morning. I'd love to see, also, the notes. I sent those to our guys. So, if you go to the Desegregate website, we have a series of 30-second videos, if you just go to backslash videos, that help to explain in ordinary terms what zoning is, how it affects people. And we've paid money for those videos to be promoted on Facebook and Twitter and other places. And that was helpful in making that sort of connection.

In terms of participation on the atlas, itself –let me just say, this may be a bad strategy, but literally anybody who says, I want to help with Desegregate Connecticut, we found something for them to do. So

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somebody emailed and said I'm an eighth grader at – okay, well, here's your marching orders. Come to our meeting. We made it very, very open. I think part of it is an openness to all kinds of people from all kinds of backgrounds to come in and volunteer. It was kind of hard to do in the era of the pandemic when you couldn't meet people and kind of see, are you going to stick this out? Are you're going to finish this project if we give it to you? But, actually, everybody did.

And creating that sense of cross-generational, cross-disciplinary community was really important. The people behind the website, and the briefs, and the research, were those people that you saw there. But there were lots of other people who did phone – we did phone banking. We did all kinds of political tactics to try to move both last year and this year forward. Again, back to the zoning atlas, though, there, too, if anybody – any planner, we had a bunch of geospatial professional planners who helped us to collect zoning information. We had city and town officials who would give us – I don't think our elected official agrees with you but here's this information. Basically, undergrad or college student can use the methods of the atlas. That was not a good project for high schoolers, necessarily, or people who didn't have some computer proficiency. But we put anybody who volunteered on the Zoning Atlas Collection project.

So, one of the great things about this national Zoning Atlas Project is that it is a perfect project for college participation and nonprofit research and others to get involved with, even private groups. In Ohio, The Ohio atlas is being led by a private firm, ZoneCo. In other states, so you saw the partners in Connecticut, which are the state, a local official, law and planning schools. You see in other states different kinds of coalitions. For me, it's been great to see that kinds of collaborations have emerged. So maybe the C-Map, U of C, UIC type of arrangement, where you have these great institutions in their own right. But then collaborating to kind of pull all of this together, getting interns who might work for a professor for one month and then Jake for another month. That has really enriched the students' lives who participated in it. It just throws the door open to them, also, going through that work of understanding – you don't see it when you're in the spreadsheet and going through these 90 characteristics.

Hopefully, we can collaboratively raise the alarm about the power of zoning and the imperative to change it.

When you saw the Connecticut Zoning Atlas come together, that's when I got a chill. That's when I said, this is even worse than we thought. And that experience of contributing, I think, all those people who contributed to the Connecticut atlas, take that and feel like, yeah, I did my part. I did three towns. I cleaned the zoning layers, the geospatial layers, and so on. I think all of that has been part of a really great project to educate people about zoning. Hopefully, we can collectively – it's not really my project, I'm sort of a collector of other people's projects now. But hopefully, we can collaboratively raise the alarm about the power of zoning and the imperative to change it. Thank you.

Endnotes

1. All titles of speakers and moderators reflect those held as of the date of the conference, May 16, 2022.
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