

# Newsletter

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APA

Environ.

## *From the desk of the Division Chair*

To our Division members and all our readers,

Welcome to the ENRE newsletter. Despite COVID-19, ENRE still gets down to business!

We are very pleased to report record participation in the recently held ENRE Business Meeting, which involved a world-café-style workshop using Zoom set up entirely by our very savvy ENRE Board. COVID-19 drove us virtual—and you responded with great support! On behalf of the ENRE Board, I would like to offer the sincerest THANK YOU.

Because of your support and participation, the ENRE work plan is practically writing itself. We are excitedly building in your ideas and truly look forward to implementing them in the coming year.

As we all know and become more aware of each day, resilience building and climate change adaptation present planners with enormous challenges. Climate change casts a shadow over nearly all of our initiatives and forebodes alarming conditions in the very near term. Time is of the essence and we can prepare better through cooperative action. ENRE continues to participate in APA National's climate change work.

For example, we are currently partnering with the Sustainable Communities Division on an APA grant focused on improving the APA KnowledgeBase and standards for resilience planning. The approach is currently formative, but stay tuned, things are moving quickly, and we expect rollout to begin soon.

We sincerely hope that you and your loved ones are faring well during this challenging time.

Please Stay Safe!

*Jim Riordan, AICP, LEED AP*  
ENRE Division Chair

## Announcements

### ***Want to have a project featured in the next newsletter?***

We are always looking for new content. If you have been working on an ENRE related project for work, research or just for fun, we would be happy to publish your work in the next newsletter. Email us to learn more about this opportunity.

### ***Watch the Division's Virtual Annual Business Meeting***

On April 27th, 2020, the division hosted the annual business meeting virtually via zoom. If you were unable to attend the meeting, you can now watch the recording of the meeting as well as the cafe workshop ideas on the division's website (under the business tab).

### ***Stay connected with ENRE by joining our LinkedIn and Facebook groups***

Join the Division's Facebook page to share and learn about projects, news, or ideas about environmental planning, natural resources, or energy.

Join the Division's LinkedIn to share job postings, professional news, and conference & webinar information.

### ***We want to hear from you! Take the membership survey [today!](#)***



As always, reach out to us at:  
[apaenre@gmail.com](mailto:apaenre@gmail.com)

# Environmental Considerations and the Response to the Housing Affordability Crisis

By: Jessica Conquest and Sharese Graham

## What is Planning Home?

In 2018, the American Planning Association (APA) instigated its housing initiative: Planning Home. Planning Home arose from recognition that housing affordability challenges faced nationwide demand new tools and better planning. Throughout the organization, APA's Planning Home initiative is reshaping the way planning is used to address the nation's housing affordability crisis.

As communities develop policies to address housing affordability, typically through promotion of increased density, environmental concerns must be weighed against economic and social benefits to arrive at sustainable outcomes. In this context, environmental planners offer their unique perspective and expertise to help guide current evolutions in planning policy.

## What is the housing affordability crisis? What does it mean to various communities nationwide?

According to the National Association of Home Builders, a shortage of housing inventory, a deepening construction labor shortage, and high land costs are fueling the housing affordability crisis for buyers in urban areas, while low-cost rental housing is also becoming increasingly hard to find. Between 2001 and 2016, renters' median housing costs rose by 11%, but their incomes fell by 2%, according to Harvard University's Joint Center for Housing Research ([Richardson, 2019](#)).

### **San Francisco**

- The median rent in San Francisco was \$2,500 per month in August of 2019.
- The median single-family home price in the Bay Area was \$928,000 in 2019.
- Nearly half of the region's renters are considered burdened by housing costs.
- Only 13% of San Francisco households can afford to purchase the median priced home.
- The Bay Area population grew by almost 600,000 between 2012 and 2018.
- Historically, San Francisco permitted roughly half the number of housing units per new resident than the national average.

Source: [Bay Area Council Economic Institute, 2016](#); [Della Cava, 2019](#); [Pender, 2020](#)

Over 41 million households in the United States (approximately 35%) are described as cost burdened, meaning these households are spending more than 30% of their income on housing expenses ([APA, 2019](#)). Cost of housing increased almost 30% nationally and at significantly higher percentages in markets such as New York City, Los Angeles, San Francisco, Seattle, and Washington, D.C.

The commonalities between these major cities include increased desirability of the area, decreased housing options for middle- and lower-income households, and wages that haven't kept pace with the increase in housing costs. As lower income and younger residents are being pushed out of larger cities, they have migrated to smaller cities that are often ill-equipped to accommodate this unforeseen growth. In 2017, the fastest-rising rents in the country were in Orlando, Reno, and Sacramento.

A 2018 survey found only one city with a population greater than 500,000 in the top 25 cities with fastest rising rents: Las Vegas ([Hobbes, 2018](#)). Without enough housing stock available in these smaller cities, incoming residents are competing for what is already present; bidding up costs and pricing out residents. It is theorized that the lack of housing stock is related to the Great Recession. Construction workers, even in cities booming with high-paid jobs, are in short supply ([Hobbes, 2018](#)). The higher costs of materials, financing, and labor have made construction much more expensive than it was 10 years ago, making it less likely that developers will take on riskier housing developments, such as urban apartment blocks, over “sure bets” such as larger higher priced homes in the suburbs ([Hobbes, 2018](#)).

### New York City

Wages for the City's renters have stagnated over the last 20 years, increasing by less than 15% after adjusting for inflation. During the same period, the average monthly rent for an apartment increased by almost 40%.

For the first time in decades, more people are moving to or staying in the City than leaving: older residents are aging in place; young families are remaining in the City when their children reach school age; empty-nesters are returning to the City after their children are grown, and people are moving to the City from all over the United States, as well as all over the world.

Source: [NYC Housing, 2019](#)

Although rural communities haven't seen the same increase in desirability, they have faced stagnant and, in some cases, declining wages. This creates affordable housing issues unique to rural areas ([Picchi, 2019](#)). Communities such as Aroostook County, Maine, and Malheur County, Oregon, have seen a surge in residents severely burdened by housing costs (spending more than half of their income on housing) since the housing crash of 2006 to 2010 ([Picchi, 2019](#)). Nearly a quarter of the nation's most rural counties have seen a “sizable increase” in the percentage of residents that are severely cost-burdened. Roughly 47% of rural renters pay a third or more of their income in rent ([Sisson, 2019](#)). The percentage of urban renters facing similar challenges is only slightly higher, at 51% ([Sisson, 2019](#)). In rural communities, however, the context is different with young adults moving away in search of opportunity, communities facing aging populations, and a persistence of rural poverty in the wake of the urban concentration of jobs. In conjunction with the higher cost of housing, income for many rural areas is significantly lower than it once was as a result of limited economic opportunities and struggling industries, like coal ([White, 2015](#)).

### Washington D.C.

- Rising rents have eliminated nearly all low-cost housing options in DC's private market over the past decade.
- More than 90 percent of D.C.'s household growth between 2006 and 2016 was either low-income or high-income, with most of it high-income.
- A lot of people want to live in the Washington region, there isn't enough housing for everyone, and demand is driving up real-estate values. That affects people at every level of the housing market, from developers to everyday apartment seekers.
- Preference has shifted from suburbs to walkable neighborhoods in cities, and this has resulted in gentrification of previously undesirable neighborhoods.

Source: [Zippel, 2016](#); [Schweitzer, 2019](#)

Planners were polled on the factors they've seen contributing to the housing affordability crisis in their communities. In addition to the standard issues, such as population growth, gentrification, lack of housing stock, and wages not keeping pace with the increases in property values, planners cited use of housing for Air BnBs, new construction being targeted at higher-end clientele, loss of older housing to natural disasters (e.g., floods, hurricanes, and wildfires), and restrictive zoning that prohibits innovative housing solutions as factoring into the overall housing crisis.

**Cost-burdened:** Spending a third of their income or more on housing.

**Severely cost-burdened:** Spending half or more of their income on housing.

### What ENRE Members Have Said About Current Strategies Being Implemented

- Increasing housing stock
- Increasing percent of affordable units in new buildings
- Collaborating with private developers and NGOs to create housing for all income levels
- Transit-Oriented Development
- Incentivizing affordable housing through waiving impact fees
- Chapter 40B projects
- Accessory Dwelling Units
- Streamlining permitting for affordable housing

### How are various communities addressing the crisis?

To address the housing affordability crisis, communities are conducting studies and learning from one another to craft new planning policies that support affordable housing goals. From Philadelphia to Portland, there has been a push to reduce restrictive single-family neighborhoods.

In December, Minneapolis became the first major U.S. city to eliminate single-family zoning altogether, voting to allow for complexes with up to three dwelling units in all of its neighborhoods. In California, a large piece of housing legislation reducing single-family zoning across the state has made progress through the state Senate ([Hurtado, 2019](#)). Other tactics to address housing affordability include inclusionary zoning requirements, reducing the length of permitting time,

easing restrictive building codes for new residential construction, restricting all non-primary residences (i.e., second homes), allowing accessory dwelling units to be built on all properties zoned for residential use, facilitating development of more micro-units, minimizing parking requirements, and providing density bonuses. However, these approaches do not easily transfer to communities where density makes less sense. For instance, rural communities, due to their spread-out populations, are less able to solve their housing affordability issues by building tall, dense apartment buildings. In the past, housing affordability in these areas have been addressed through United States Department of Agriculture (USDA) aid programs; however, the funding for those programs have been seriously cut ([White, 2019](#)).

In 2019, the Washington State legislature introduced a temporary housing density bill that makes increased density (such as allowing backyard cottages in single family zones, duplexes and triplexes in single family zones, and larger buildings near transit hubs) exempt from the State Environmental Policy Act (SEPA) appeal until April 2021 ([Cohen, 2020](#)). Other State departments have also presented funding packages to incentivize affordable housing programs, such as the Department of Commerce's Growth Management Grants and their Housing Trust Fund, and the Housing Finance Commission affordable housing preservation fund.

### What ENRE Members Have Said About Conditions Leading to Lack of Affordable Housing

- Wages haven't increased enough to meet increased housing costs
- Increases in population
- Gentrification
- New housing developments target high-end clientele
- Housing stock is also being used as Air BnB and other rental properties
- Insufficient rental units to meet demand
- Rising property values
- Dislocation and loss housing stock due to natural disasters such as flooding, hurricanes, and wildfires
- Out-of-State buyers can afford higher market prices that locals can't afford
- Manufactured and other affordable home types aren't promoted in zoning codes
- Redevelopments making areas more desirable than they were previously
- Resistance to building new homes despite influx in population
- Lack of housing stock diversity
- Not enough landlords accept Section 8 housing vouchers

## **Case Study: Seattle, Washington**

Seattle became famous over the last decade for rapid growth and high-tech jobs. The population within Seattle city limits grew by over 138,000, or about 23%, from 2010 to 2019, but Seattle added only about 59,000 housing units in that timeframe ([OFM, 2020](#)). Rent for a one-bedroom apartment doubled. Median family incomes grew by 22%, to \$122,000, driven by a large increase in families with incomes over \$200,000 ([US Census, 2019](#)). Middle-and lower-income families were squeezed out of housing by high rents, rising property taxes, and redevelopment.

The City of Seattle responded with the Mandatory Housing Affordability (MHA) program, which requires affordable housing to be included in all new development proposals, either in new rent-restricted units or through an in-lieu-fee program. To avoid dampening the robust housing market, Seattle's proposal also increases development potential by increasing the allowable height in existing commercial and multifamily zones and within the Urban Villages citywide. The program expands housing choices in areas nearer critical resources, such as transit hubs, job centers, and parks. MHA is also calibrated to provide just enough additional capacity to cover the cost of meeting the affordability requirement, meaning it would not likely change the economics much for any given site. Thus, it is not expected to result in a large number of sites developing that were otherwise not feasible to develop. This sweeping MHA program has not been without controversy. To comply with Washington's SEPA, the City prepared a programmatic Environmental Impact Statement (EIS) for the MHA program. After going through a rigorous public process, several issues, some of which were unexpected, arose that became central to an administrative appeal of the EIS. Two of those issues – tree canopy coverage and historic resources – were among the factors identified by neighborhood groups as essential to defining the character of their communities.

### **Tree Canopy Coverage**

Trees provide wildlife habitat, air quality benefits, cool respite in the urban heat island, and they look nice. Trees are viewed as shared visual resources, integral to the character of a place, regardless of whether they are on public or private land. Opponents of MHA feared the proposal would increase the loss of tree canopy by encouraging more and bigger buildings (larger lot coverage). However, MHA will increase development capacity mainly through allowing taller buildings, not larger footprints, with the exception of a small area of single-family zoning where reduced lot sizes would be allowed. Finally, the preferred alternative for the MHA program did not apply to the most sensitive sites, such as steep slopes and wetland areas, where vegetation retention is a priority. The EIS looked at quantifying these aspects of the MHA program through geospatial analysis by proposed zoning change. The environmental analysis demonstrated that tree canopy loss would be minor, between 0.7 and 3.6 acres citywide, in a city with almost 15,000 acres of tree canopy.

### **Historic Buildings and Districts**

Another anchoring element of a place is the historic character of its buildings. Even in places with modest architecture, when structures have remained unchanged for decades, community identity can be strongly tied to those structures. Even though the number of lots that might redevelop directly as a result of MHA was modest, the scale and character of the new buildings would both displace and contrast with the existing character of the neighborhoods. The EIS shed a light on where those impacts would likely be most pronounced, and identified a number of ways that they could be reduced, especially in places that may be eligible for historic district designation. From funding for retrofitting unreinforced masonry buildings, to historic inventories and proactive landmark nominations, the EIS shows that there are many tools available to help neighborhoods preserve character-defining resources.

Although challenged on appeal, the analysis in the EIS was upheld. The City Council approved the proposal for MHA. This program is one piece to address overall housing demand, affordability, and preservation of neighborhood character, and will take years to play out. The EIS played a part in shaping the program through the environmental review process, laying out the issues for all to see and understand. It is an important part of the process to make land use decisions more transparent, to draw on community resources in developing solutions, and to build community acceptance for change that is needed if we are to have truly anchored and sustainable places to live. The City also drafted an ordinance that promoted the use of detached accessory dwelling units. Such measures included reducing owner-occupancy requirements, eliminating off-street parking requirements, allowing for both a mother-in-law apartment and a detached accessory dwelling unit on the same property, etc.

As part of the environmental review process, one of the neighborhood community councils appealed the checklist-level analysis of impacts and "Determination of Non-Significance". On appeal, the hearing examiner found the analysis included insufficient support of less-than-significant impacts to public services and facilities, and required the City to develop an EIS for the proposal. The focus of the EIS was on housing and socioeconomics, land use, aesthetics, parking and transportation, and public services and utilities. Though no significant and unavoidable adverse impacts were identified, the City did refine its proposal through development of the EIS.

### **Common Environmental Considerations Across Zoning Changes: What Can Planners Across the Country Learn from MHA?**

Population growth is inevitable and will always result in increased environmental impacts over no growth. Dense housing, as is proposed for many affordable housing initiatives, is found to have fewer impacts than sprawling development, but there are environmental impacts, nonetheless. With increased density comes more people and increased pressure on existing services, traffic, and recreational resources. Tighter development also tends to yield smaller yards and fewer parking spaces. It also typically means the replacement of existing low-density development with higher density options, which change the neighborhood feel that is unique to a community. The public's fear of growth and the adverse impacts that accompany it can manifest as appeals during the environmental process and can lead to delays in density proposals.

One lesson the City of Seattle planners learned is that there is no one-size-fits-all approach to implementing a citywide program like MHA. The best way to identify public concerns, in order to adequately address potential changes to character-defining resources, is a robust public outreach effort at the neighborhood scale. By addressing some of these concerns as part of the policy development process, public concerns and the potential for adverse impacts can be addressed together. Some best practices can include:

- Siting the most intense increased density near existing, high frequency transit that supports reduced car ownership;
- Requiring tree plantings, or tree retention if possible, as part of infill development;
- Creating a mitigation bank for development of additional parks and opens spaces in more urban environments;
- Intensifying public outreach to find out the specific neighborhood concerns; and
- Designating design requirements that ensure neighborhood character is not completely lost in the process.

As planners try to provide affordable housing in various communities, a holistic, thoughtful approach to considering impacts and successful incorporation of affordable housing options can proactively negate some of the challenges that can occur during the environmental process.