Subject: Draft Comp Plan Chapter 5 Feedback
Attachments: ssrn-3996483.pdf

From: Mark Scerbo
Sent: Wednesday, April 30, 2025 10:41 PM
To: Planning <Planning@a2gov.org>
Subject: Re: Draft Comp Plan Chapter 5 Feedback

Hello,

First, thank you to all the planning commissioners, staff, and council members who have been positively engaging with the draft plan in six-hour-long meetings every week, while also attending public engagement sessions and your day jobs. You've set a great example of what it means to listen to the community, respond and debate that feedback, and to politely provide factual rebuttals when presented with misinformation. Your work has not gone unnoticed, even by change-embracing voters who might not have time to sit in-person in council chambers for those meetings.

Following up on my previous note relating the consistency of zoning to equity, I wanted to provide this paper: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3996483 (PDF attached). I've heard from Comp Plan detractors that the thousands of survey results the city has received represent only a small percentage of residents, and that the large body of evidence correlating increased housing supply to affordability isn't applicable to Ann Arbor. Given that this paper analyzed *52 million* single-family homes, representing over 60 percent of U.S. households, I hope that the results will be accepted. The abstract outlines critical take-aways:

1. "density regulations are strongly associated with a higher share of white homeowners, higher incomes, and higher housing prices" which is why Ann Arbor should not limit density with excessive regulation
2. "doubling the minimum lot size increases home sales prices by 14 percent and rents by 9 percent. Moreover, restrictive zoning disproportionately attracts high-income white homeowners, exacerbating residential segregation" which is why having multiple low-rise zoning districts, including some that have 20,000 sq ft minimum lot sizes, is racially exclusionary.

Thank you,
Mark

Abstract

I construct a new nationwide dataset to measure the stringency of residential zoning in the U.S. and analyze its effects on housing prices and demographic sorting. First, I develop and implement a structural break detection algorithm to infer minimum lot size regulations from property tax records. The dataset covers over 16,000 local jurisdictions within Core-Based Statistical Areas, capturing both cross-jurisdictional and within-jurisdictional variations in zoning stringency. I find that 18.5 percent of single-family constructions bunch at the regulated lot size and that density regulations are strongly associated with a higher share of white homeowners, higher incomes, and higher housing prices. Second, using this dataset and a spatial discontinuity design at municipality borders, I estimate the impacts of minimum lot size regulations on housing markets. The results indicate that doubling the minimum lot size increases home sales prices by 14 percent and rents by 9 percent. Moreover, restrictive zoning disproportionately attracts high-income white homeowners, exacerbating residential segregation.

On Tue, Apr 29, 2025 at 11:10 AM Mark Scerbo <mdscerbo@gmail.com> wrote:

> Hello,
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> Please see attached PDF for my Chapter Five feedback.
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> Thank you,
> Mark Scerbo