

Conference addresses affordable housing in city

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07/11/2006

SARATOGA SPRINGS -- Administrators of the federal Department of Housing and Urban Development from throughout the Northeast and as far as Florida are in the Spa City today for the second of a two-day conference on eliminating the regulatory barriers to affordable housing.

They are meeting at Longfellows inn and conference center.

Conference speaker Edward L. Glaeser, professor of economics at Harvard University, offered a simple solution Monday to alleviate the affordable housing crunch: Allow more density.

Glaeser said the two commonly given reasons for overpriced housing, high land costs and high construction costs, are fallacious.

'Prices are a result of supply and demand,' Glaeser said.

'You have two ways out -- build and build a lot, or eliminate the demand by gutting your local economy,' he said, adding that the second option probably wouldn't be the popular choice for local political leader.

Glaeser showed research indicating the high cost of restrictive zoning regulations, and used the example of the difference in price between two identical houses, one on a 1/4-acre lot and one on a 5-acre lot. Research shows the 5-acre lot, with the same house, is not anywhere near 20 times more expensive, even though it is that much larger.

He also said construction costs have actually gone down 2.7 percent since 1950.

Speaking of Massachusetts, Glaeser observed that the communities that talked most about increasing the availability of affordable housing did the least.

There has been much talk of creating affordable housing in Saratoga Springs, specifically through the adoption of an Inclusionary Zoning Ordinance that would require developers to integrate extra affordable units into each project they build in exchange for a density bonus.

Glaeser dismissed inclusionary zoning with an offhand remark, but inclusionary zoning experts from Montgomery County, M.D., painted a different picture for the conference attendees later in the day.

Since 1974, when it passed its inclusionary zoning ordinance, Montgomery County has created nearly 12,000 'moderately priced dwelling units.'

Montgomery County, a suburb of Washington, D.C., had a population in 2003 of about 918,000, up 5.2 percent since 2000.

Montgomery County has managed to revise its laws to cut the red tape that can drive up the cost of homebuilding through a 'green tape' program aimed at creating affordable housing, and has consistently encouraged the discovery of innovative housing solutions.

Members of the Saratoga Springs Inclusionary Zoning Ordinance Draft Committee studied Montgomery's inclusionary laws, among others, before drafting a law for the city, and have incorporated an expedited review into the draft law.

The median price of a home in Saratoga Springs is estimated at \$277,000 based on sales data from 2004.

The HUD conference held in Saratoga Springs Monday and today is the first of four conferences HUD plans to hold throughout the country.

Public housing is only one aspect of the federal agency. Other arms of the federal agency include the America's Affordable Communities Initiative and the Affordable Housing Research and Technology Division of HUD's Office of Policy Development and Research.

Roy Bernardi, deputy secretary of HUD, warned the conference-goers that in many communities the shortage of affordable housing is increasing, but told Saratoga Springs residents they should be optimistic.

'You have to hash out solutions on a case-by-case basis,' he said. 'Prices may have gone up 120 percent in 10 years, but you don't have people who work at Espey sleeping in their cars like workers do in Silicon Valley.'

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