

#200150



Development Moratorium

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What is a Development Moratorium and Why Have One?

- Temporary, legislatively-enacted period during which a local government stops giving some type of a permit.
- Allow local governments to ensure that a community's problems are not compounded during the time the local government needs to formulate and implement a policy response to an issue.
- Gives local governments more time to engage in research, planning, and public participation in land use decisions.

The Legality of Development Moratoria

- Development moratoria have been found to be legal in both the United States and Florida specifically.
- Most courts have agreed that moratoria must be short (no longer than a year), tied to a direct threat to the public health, safety, and/or general welfare, and given a specific start and end date.
- Any development moratorium needs to be narrowly defined in regards to where it will take place, why it is being enacted, and what it is meant to achieve.

Important Elements in Crafting a Development Moratorium

- A development moratorium is a tool, not a solution, to craft policy solutions.
- Successful development moratoria must be used to gather community input and craft real policy solutions, otherwise there are likely to be negative ramifications.
- Moratoria are best when they are data and community centric to ensure legality and effectiveness.

Examples of Jurisdictions with Development Moratoria

- Chapel Hill, NC
- Tuscaloosa, AL
- Clemson, SC
- Atlanta, GA
- Chicago, IL

Chapel Hill, North Carolina

- June 2011-January 2012 due to concern of conversion of single family homes into large student rental properties.
- During the moratorium stakeholders developed a vision statement and plan of action. This resulted in new zoning regulations, an action plan to shift the housing market, a home rehabilitation program, a local housing/land trust to fund affordable housing, and educational materials to help integrate college students into the community.
- Resulted in the first rise in the African American population since the 1980s.

Tuscaloosa, Alabama

- First moratorium from January 2019-May 2020 focused on multi-family development. No major policy changes and the moratorium was ended under threat of lawsuit.
- Second moratorium in June 2020 expected through December 2020 focused on student oriented developments.
- The city plans to create a definition of student oriented development, establish density caps, and remove “bonus height” areas before the moratorium ends.
- The city has been conducting extensive research and community planning on this topic since 2013.

Moratoria in Progress

- Clemson, South Carolina: January 2020-May 2020, extended to September to look at student housing proliferation.
- Atlanta, Georgia: March 2020-August 2020 to study the long term effects of gentrification in rapidly developing areas.
- Chicago, Illinois: January 2020-July 2020, extended to December due to coronavirus to stop affordable multi-family homes from being demolished in favor of luxury housing.

San Francisco, California

- An 18 month moratorium to combat gentrification in the Mission district was brought to both city government and popular vote via ballot measure but both failed.
- Research by the San Francisco Office of Economic Analysis concluded that the moratorium would prevent the production of affordable housing and thus would lead to a shortage in both affordable and market rate housing and increase housing costs.
- Additionally found that market rate development would be more profitable after the moratorium and that developers would not produce affordable housing and thus displacement would not be reduced.

Effects of a Development Moratorium on Housing Costs

- **Positive Impact**

- Cities like Chapel Hill and Tuscaloosa have conducted research which shows that the proliferation of student housing leads to rising housing costs.
- The moratorium can give time to create policies to advance affordable housing

- **Negative Impact**

- Potential housing shortage
- Increased “flipping” of existing homes
- Speed up development in the short-term

Effects of a Development Moratorium on Displacement

- **Positive Impact**

- During the moratorium, displacement from new development will be slowed.
- The city can also fully research the effects of displacement during the moratorium period and implement policies like density caps or limitations on student oriented development in the long term.

- **Negative Impact**

- If no policies are enacted during the moratorium, displacement will proceed as it did prior to the moratorium.
- The moratorium may make market-rate development more profitable after the period, and if no substantial policies are enacted the moratorium could worsen displacement.

Effects of a Development Moratorium on Housing Costs

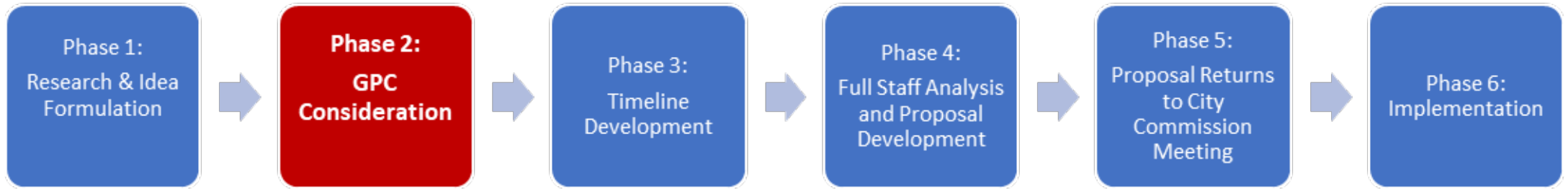
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Recommended Next Steps



We are here!

If the General Policy Committee wishes to proceed, the next step is to move this project to Phase 3 of the Policy Process.

Discussion?