“Too small to farm, too big to mow”:
The impact of large-lot zoning on the exurban landscape

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Poster prepared for presentation at the Agricultural & Applied Economics
Association’s 2016 AAEA Annual Meeting, Boston, Massachusetts, July 31-Aug 2, 2016

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Introduction

This study looks for one unintended consequence of large-lot zoning: the possibility that it will increase the amount of land converted from rural land cover to suburban lawn, even as it reduces the number of homes that are built in a community. This is one definition of “urban sprawl.”

Few zoning studies consider selection bias in the choice of the zoning treatment. When the dependent variable measures parcel development (0 or 1) or land cover change (% of land converted), controls for selection bias are even less common, because these models employ nonlinear link functions.1

The present study uses inverse propensity score weighting to control for selection bias across six zoning classes in a study of the percentage of land cover change in northwestern New Jersey from 1995 to 2002.

Hypotheses and Data

• Our dependent variable, the percentage of undeveloped land that converts to residential land cover, must eventually decline as minimum lot size (MLS) gets very large. One reason is that the size of front and backyards stabilizes.2
• At low levels of MLS, however, land conversion could increase with increasing MLS, provided that the expected decline in the number of housing units with respect to increasing MLS is inelastic.2,3 We therefore look for two possible relationships between land cover change and increasing MLS: strictly declining or concave.

The study area consists of 83 municipalities in the New Jersey Highlands (see figure 1, inset). The data of interest are based on GIS overlays of digitized zoning maps (figure 1, left) and land use-land cover maps prepared regularly by the New Jersey Department of Environmental Protection (figure 2, right).

The statistical units of analysis are 252 unique combinations of municipality and MLS-defined zone, for land that was undeveloped in 1995.

For a number of reasons, MLS is treated as a categorical rather than a continuous variable. Similar MLS are aggregated into a manageable number of zoning groups (figure 3, below left). Internal variance within each group is minimal because only a handful of the thirty observed MLS dominate the study area (figure 3).

Methods

• Because the dependent variable is the percentage of land in each zoning group that developed between 1995 and 2002, the outcome equation is modelled using fractional logistic.

The propensity score equation models selection into zoning groups Z1 through Z6 as a function of covariates likely to affect either the zoning treatment or the development outcome (table 1). This model employs generalized logit.4

• In both propensity score and outcome equations, the square root of zone size serves as a regression weight. Square root of zone size is combined multiplicatively with the inverse propensity score as a weight in the outcome equation.4

Results

Figure 4. Actual % of land developed by zoning group

Entire study region, no regression adjustment

Figure 5. Predicted % of land developed, with 90% confidence intervals: propensity weighted model

Table 1. Covariates are reasonably well balanced before applying a propensity score5

<table>
<thead>
<tr>
<th>Covariate</th>
<th>Zoning group Z6 minus zoning group Z1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent open space permanently preserved</td>
<td>-0.062</td>
</tr>
<tr>
<td>Violent crime rate</td>
<td>-0.067</td>
</tr>
<tr>
<td>Percentage change in residential parcel value 1980-1990</td>
<td>-0.006</td>
</tr>
<tr>
<td>Percent land considered prime agricultural soil</td>
<td>0.116</td>
</tr>
<tr>
<td>Median household income in 1989</td>
<td>0.028</td>
</tr>
<tr>
<td>Average farm size in 1992</td>
<td>0.014</td>
</tr>
<tr>
<td>Municipal level</td>
<td></td>
</tr>
</tbody>
</table>

1) Regression weights are calculated by difference in means before applying a propensity score.

Table 1. Covariates are reasonably well balanced before applying a propensity score

Falsification tests (pseudo-outcome analysis on three covariates) show little or no evidence of confoundedness.

Conclusion

• A comparison of PS-adjusted and unadjusted results (figures 4 and 5) suggests that selection bias is not severe in this dataset. This is also implied by table 1.

• Zoning group Z3 appears anomalous within a generally inverse relationship between % land converted and MLS (figure 5). This could be because the real estate market “prefers” MLS=2 to MLS=1.5. Relative to zoned land capacity, more lots may be developed at the higher of the two restrictions, leading to greater landscape change.

• Group Z3 aside, statistically significant declines in land cover change relative to group Z1 do not kick in until MLS>2 (figure 5). A larger sample size could sharpen this result.

References

5. The use of normed means for analyzing covariate balance (as opposed to treating them as continuous) is recommended in the recent text by Imbens, G., and D. Rubin. 2015. Causal inference for statistical, social, and biomedical sciences. New York: Cambridge University Press.

Acknowledgements

Funding Support: New Jersey Agricultural Experiment Station, Hatch Grant NJ215146.
National Science Foundation Grant SES-0523309.

Data Support: The NJAES Office of Research Analysis, with special thanks to Daniel Fernowood and Leslie Sapienza.

The authors acknowledge the imaging on the land cover maps prepared by Valerie McDermott, Tom Rudel, Cheryl Tidwell, and the Grant-Right Center for Remote Sensing and Spatial Analysis.

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