# Milly North SN Neg File March

## Overviews

### Housing Revolution

Currently, America is undergoing a housing revolution. [Buds of Curbed 18](https://www.curbed.com/2018/8/10/17674664/cory-booker-rent-bill-housing-opportunity-mobility-equity-act) notes that Congressional action has represented a turn towards greater government involvement as the HOME) Act of 2018 and Rent Relief Act represent the first federal response to the growing housing crisis illustrating new momentum toward national affordability legislation. [Budds](https://www.curbed.com/2018/12/11/18136027/elizabeth-warren-affordable-housing-bill) continues that the American Housing and Economic Mobility Act on the floor today would create three million new housing units, improve access to affordable housing through anti-discrimination laws, and invest in families living in historically redlined communities. Independent analysis of the bill predicts that it will create 1.5 million jobs and bring rents down, on average, by 10 percent.

At the local level, Matthew of Vox ‘19 reports that, California has recently called for 3.5 million new homes, and Boston has announced more than 25 million in new funding for low income housing projects. Tragically, all of this goes away when you affirm, as Collins in our case tells you that there is a direct tradeoff between government subsidized housing, and promoting market rate housing.

Diana Budds,8-10-2018, Two senators are proposing national rent relief bills. Here’s why it matters, Curbed, <https://www.curbed.com/2018/8/10/17674664/cory-booker-rent-bill-housing-opportunity-mobility-equity-act,//ZS>

On August 1, Senator Cory Booker (D-NJ) introduced the **Housing, Opportunity, Mobility, and Equity (HOME) Act of 2018, a proposal to alleviate the affordable housing crisis through tax credits for renters, zoning policies to increase the affordable housing stock, and savings incentives.** It comes on the heels of Senator Kamala Harris’s (D-CA) Rent Relief Act, proposed on July 19, the first federal response to the growing housing crisis. While neither bill is likely to advance in the Republican-controlled Congress, together they illustrate new momentum toward national affordability legislation. “These bold, ambitious proposals are just what’s needed to spark the conversation that’s ultimately necessary to solve the housing crisis impacting communities all over the country,” says Diane Yentel, CEO of the National Low-Income Housing Coalition (NLIHC). The rental tax credit in Sen. Booker’s HOME act applies to renters earning 80 percent of the area median income and who spend more than 30 percent of their income on housing, which includes rent and utilities. Eligible renters can receive the difference between their rental payment—capped at 100 percent of fair-market rent—and 30 percent of their monthly adjusted gross income. The tax credit would be paid annually after filing income taxes. Booker’s proposal also includes an option for renters to defer 20 percent of their tax credit to a “rainy day savings program,” which could help families cover unexpected expenses that could lead to missing rental payments and, ultimately, to an eviction. Sen. Harris’s bill proposed a credit to all taxpayers earning less than $100,000 annually. In high-rent areas, like San Francisco, the income restriction is $125,000. Like Booker’s bill, Harris’s covers the difference in rental payments between 30 percent of the taxpayer’s income and rent, capped at 150 percent of fair-market rent, at various percentages based on income brackets. According to the NLIHC’s 2018 Out of Reach report, a family earning minimum wage can’t afford a two-bedroom apartment anywhere in the country. There’s a shortage of 7.2 million affordable units for low-income households. For every 100 renters in need, there are only 35 homes available. Meanwhile, existing federal assistance programs are ineffective: 76 percent of people eligible for housing assistance don’t receive it. The effects of the housing market failure are widespread: In 2016, over one million households were evicted, with the highest concentrations of evictions happening in the southeast. Rent burdens also aren’t solely a low-income issue; rent is becoming increasingly out of reach for the middle class everywhere. Moreover, there are more cities with larger renter than homeowner populations. **Federal policy needs to catch up to demographic realities. “There’s no silver bullet to the affordable housing crisis. It looks different in every community and needs to be responded to differently per community.”** —Diane Yentel, CEO of the National Low Income Housing Coalition Addressing rent burden through tax credits receives criticism for a single lump-sum payment when it’s a month-to-month issue. Some may balk at the idea of federal tax dollars paying for someone else’s rent. But consider this: Most federal housing subsidies go to homeowners, who are typically the most wealthy. In 2015, homeowners received $134 billion dollars worth of federal assistance—almost three times the total budget of HUD that same year. At $71 billion, the mortgage interest deduction accounted for the largest homeowner subsidy. Experts at University of California at Berkeley **estimate Harris’s bill would cost $74 billion—and potentially end homelessness.** To address the severe lack of affordable housing in America, the NLIHC generally advocates for increased rental assistance, which could take the form of a new tax credit, expanding **Section 8 vouchers, or another policy change; deepening the supply of targeted affordable housing units; and cash assistance to absorb a financial shock. Expanding renter protections is another important part of the equation, according to Yentel.** “

10%, And,9-26-2018, Warren Unveils Historic Legislation to Confront America's Housing Crisis, No Publication, <https://www.warren.senate.gov/newsroom/press-releases/warren-unveils-historic-legislation-to-confront-americas-housing-crisis,//ZS>

United States Senator Elizabeth Warren (D-Mass.) today **introduced the American Housing and Economic Mobility Act to help bring down costs for renters and buyers and level the playing field so working families everywhere can find a decent place to live at a decent** price. According to an independent analysis of the legislation from Mark Zandi, Chief **Economist of non-partisan Moody's Analytics, the bill would build or rehabilitate more than 3 million units over the next decade and fully close the current gap between housing demand and supply, create 1.5 million new jobs at its peak impact, bring down rents for lower-income and middle-class families by 10% - saving families an average of $100 per month - and produce no long-term deficit impact.** "Housing is the biggest expense for most working families - and costs for everyone, everywhere are skyrocketing. Rural housing is falling apart and decades of discrimination has excluded generations of Black families from homeownership. My bill would cut rents by 10% and give families in urban, rural, and suburban communities more economic security," said Senator Warren. "This proposal will attack the rising cost of housing by helping to roll back needlessly restrictive local zoning rules and taking down other barriers that keep American families from living in neighborhoods with good jobs and good schools. After bungling housing policy for decades, it's time for Congress to make things right and pass my bill." "Your legislation will help bring down costs for buyers and renters alike, and it will open up opportunities so that all communities have a chance to benefit from the financial stability and peace of mind that comes with owning a home. And it will take a critical step towards addressing the legacy of federal, state, and local governments systematically denying housing opportunities to families of color." - Letter from Civil Rights groups

Dylan Matthews@Dylanmattdylan@Vox,1-23-2019, Microsoft’s $500 million plan to fix Seattle’s housing problem, explained, Vox, https://www.vox.com/future-perfect/2019/1/23/18193380/microsoft-affordable-housing-500-million-seattle, //ZS

Microsoft has announced an unusual bit of corporate political activism**: $500 million to support affordable housing in the Seattle area**, where rents have shot up considerably as tech workers there and at Amazon have moved in. Specifically, as the Seattle Times’s Vernal Coleman and Mike Rosenberg explain, the company is spending $225 million on below-market-rate loans to developers to build affordable housing in suburbs to the east of Seattle (like Redmond, where Microsoft is headquartered), targeting families earning between $62,000 and $124,000; $250 million on market-rate loans for developers to build low-income housing (targeting households earning up to 60 percent of the area median income, so as to limit to poorer families); and another $25 million in grants to local groups addressing homelessness. In the day or so since the plan was announced, I’ve seen two kinds of takes. There’s the tech booster take: Look, our coding overlords aren’t so bad! And there’s the cynical anti-capitalist take: This is a rich company trying to pay indulgences when we should just be taxing it to solve these problems.

No Author,2-20-2019, Boston Officials Outline $26 Million For Affordable Housing Developments, No Publication, <https://www.wbur.org/bostonomix/2019/02/20/affordable-housing-funding-walsh,//ZS>

**The city of Boston has allocated $26 million to fund affordable housing at 10 projects**, Mayor Marty Walsh and city housing officials said on Wednesday at a news conference. The slate of projects includes $18 million to create and preserve 515 affordable housing units and deed-restricted homes in Brighton, East Boston, Dorchester, Mattapan, Mission Hill, North End and Roxbury. More from WBUR (Elise Amendola, File/AP) Baker, Announcing Tweaks To Bill, Warns Mass. May Make 'Grave Mistake' On Housing Production Bostonomix9 hours ago Is Mass. Ready For An Economic Slowdown? Play Bostonomix04:5210 hours ago Job Fair For Wynn Casino In Everett Draws Thousands BostonomixFeb 25, 2019 Tribe: Martha's Vineyard Gambling Hall Construction To Begin BostonomixFeb 24, 2019 Sheila Dillon, the mayor's chief of housing, said an additional $5 million would be used to buy existing apartment buildings and permanently restrict them as affordable housing units. Furthermore, the new funding also calls for $3 million to assist with down payments for first-time homebuyers, Dillon said. The development plans also listed the renovation of the Knights of Columbus headquarters in the North End, which would become a 23-unit affordable housing complex for the elderly. The building was sold to the city to create new housing for baby boomers who were priced out of the area and sought to return, Walsh said. The majority of the 515 units in the development plans will be accessible to households that consist of a family of four who make $65,000 or less, housing officials said. The city will maintain the units at an affordable rate by restricting their rates for 50 years.

Elijah Chiland,11-8-2018, California’s next governor plans unprecedented housing boom, Curbed LA, <https://la.curbed.com/2018/11/8/18073066/california-governor-election-gavin-newsom-housing-plan,//ZS>

In a fiercely partisan election year, much of Governor-elect Gavin Newsom’s campaign centered on his very public feud with President Donald Trump, not his policy proposals for California. Some voters might be surprised to learn, then, that the governor-elect has a bold plan to solve California’s housing crisis. Newsom’s proposal: Build more housing—a lot more. In a 2017 post published on Medium, Newsom **declared that as governor he would oversee construction of 3.5 million new units of housing in California by 2025, amounting to roughly 500,000 units per year, were the tally to start right away.** That would require some aggressive building strategies. Over the last 10 years, an average of less than 80,000 homes have been built in California annually, according to the state’s housing department. An underwhelming amount of housing production has exacerbated housing shortages in nearly every major city in the state, contributing to escalating rents and home prices. A 2016 report from McKinsey Global Institute finds that California ranks 49th out of all 50 states in terms of per capita housing construction.

### Gentrification

**Pop ’18 of RC** writes that market rate housing often trades off with affordable apartments, and the prices are out of reach for low income residents. In areas, an increase in market rate housing has led to a 700% increase in prices for lower-income residents. This is an intergenerational impact.

Oana Pop,7-3-2018, Curbing Displacement in Gentrifying Cities: Small Answers to a Booming Crisis, RENTCafé rental blog, <https://www.rentcafe.com/blog/rental-market/market-snapshots/curbing-displacement-in-gentrifying-cities/>,

**As new population and capital shift towards urban cores, affordable apartments convert to market-rate prices and end up ostensibly out of reach for low-income residents**. Rising construction costs and the growing demand for **rental housing at all price levels means that tax cuts and subsidies no longer act as sufficient financial incentives for developers to venture into affordable projects.** New apartment supply is conspicuously concentrated in the high-end spectrum. According to Yardi Matrix data, **only 10% of all buildings with more than 50 units completed in 2017 was subsidized affordable housing.** In a core market like Manhattan, luxury units (class A+ to B+ in Yardi Matrix rating system) made up as much as 92% of last year’s supply, and the trend is ongoing. As median home values rise to incredible highs over a short period of time, they spell displacement for many low-income homeowners as well. **In an earlier study on the fastest gentrifying areas in the US, we identified zip codes where prices registered increases as high as 700% between 2010 and 2016. When neighborhoods gentrify, lower-income residents are more likely to be swept out of housing they currently afford.** While some families might have the necessary resources to relocate, moving out can be disruptive on many other levels: it can mean a longer commute to work, loosing valuable neighborhood ties, or having to disrupt children’s schoolyear. Even though **partially-affordable housing is increasingly being built in desirable areas, people who get evicted are likely to relocate to a less affluent region, diminishing their already slim chances of upward social mobility.**

### Weighing for Lower Class

We outweigh on **timeframe-** it takes a very long time to build homes, and let those homes filter down to the lower class, while gentrification and displacement effects people instantly, Gentrification also outweighs because it is cyclical. When children are displaced they go to worse schools, and **Enterprise** explains that for low income students, this creates an achievement gap for the rest of their lives. Because by the time these kids need to buy a home they can’t afford it because they don’t have enough money.

### Affirming only benefits the boujee

They literally will never help the bottom of the barrel, **Keys ’18 of UPenn** explains that construction will create a divide between the top and the bottom, as it is always more profitable to build for the rich than it is to build for the poor.

Aug 24, 2018 Business Radio Podcasts Real Estate North America,8-24-2018, Why the U.S. Rental Market Is Increasing Inequality, Knowledge@Wharton, <http://knowledge.wharton.upenn.edu/article/u-s-rental-market-increasing-inequality/,//ZS>

In the last several years, most metropolitan areas have seen a flurry of apartment construction to house new residents who are flocking to cities in search of jobs. **Most of that construction has been in luxury units with sky-high rents rather than more affordable accommodations.** The resulting **glut of upscale units is what is easing price pressure on that side of the market**. “What this latest data is telling us is there are a lot of different submarkets within a given metro area, and when you look at where the building has been going on, it’s really been geared at the very top,” Keys said. “**You’re not seeing that same construction at the lower end, so you’re getting this discrepancy between the top and the bottom.”** Meanwhile, Keys noted**, there are a lot of lower-income renters who are desperate for housing they cannot find, so the competition is fierce. “Some of it is just a simple supply-and-demand story**.” Terrazas agreed and cautioned against taking a simplistic view of the market. Typically, analysts tend to look at medians and averages in real estate, but they should be examining the “tails” of the distribution to get the full picture of what is happening at the top and the bottom of the market.

## AT Increasing Accessibility

### Labor Shortage

1. The biggest problem for construction will always be construction. Even if they make incentives to build it doesn’t matter if their profit margins on net decrease as contractors are forced to hike up workers’ wages. This also links into their time to build argument, because the **NAHB** in 2018 reports that 73% of companies have reported that the labor shortage has made it difficult to complete projects on time. If they don’t solve for the labor shortage, they don’t solve for the construction time

**NAHB**, Nahb, "Labor Shortages are Raising Home Prices | NAHB Now | The News Blog of the National Association of Home Builders", Oct **2018**, <http://nahbnow.com/2018/10/labor-shortages-are-raising-home-prices/>//ZS

Last month, NAHBNow recounted the record share of single-family builders reporting shortages of labor and subcontractors based on a recent survey conducted by the association.  According to the survey respondents, the **most widespread effects of the labor shortages were:  Causing builders to pay higher wages and/or subcontractor bids (reported by 84% of builders); Forcing them to raise home prices (83%); and** Making it difficult to complete projects on time (73%). As NAHB Senior Economist Paul Emrath reported in this Eye on Housing blog post, these have consistently ranked as the most commonly reported effects of the labor and subcontractor shortages since NAHB began asking builders about them in 2015.

### Top Shelf Link Takeout

1. **Delink-** they do absolutely nothing to solve the problem, and their link story is based on the idea that rich people want to buy new property, **Dazinger ’18 of Forbes** found that the supply is currently outpacing the demand, problematically, **Cortright ’17 of the City Observer** notes that market rate construction is never built for low income communities. This is fueled by the fact that wealthy Americans are more risk adverse.

Pamela N. Danziger,4 -17-2018, Real Estate Market Is Hot, Except At The High-End: Disruption Coming In the Luxury Home Market, Forbes, <https://www.forbes.com/sites/pamdanziger/2018/04/17/real-estate-market-is-hot-except-at-the-high-end-disruption-coming-in-the-luxury-home-market/#42299e863b5a,//ZS>

**But one segment of the housing market is not expected to enjoy such exuberance: the high-end . “We’ve seen a slowdown at the top end of the housing market,”** Terrazas said on CNBC. **The problem at the high-end isn’t caused by lack of affordability. Quite the opposite. There have never been so many Americans that can afford a high-end home. The Federal Reserve Board’s most recent Survey of Consumer Finance (SCF) identifies some 12.6 million households at the top 10% level of wealth nationwide.** The net worth threshold to rank among the nation’s top 10% is $1.2 million in total assets, in 2016 dollars; millionaires all. **But even with many more potential wealthy buyers, demand just isn’t there.** The prices at the top 5% of the housing market, which Realtor.com says started at $804,000 in 2017, increased at a slower rate than the bottom 95% of homes. In 2017 high-end home prices rose only 5.1% from 2016, whereas the median price for the remaining 95% of housing inventory rose 6.9%. There are other signs of weakness at the high end reported by Realtor.com. Specifically, there is an increase in the number of days a high-end home remains on the market and the age of inventory at the high-end slowed over 2016, which Javier Vivas, director of economic research for Realtor.com said in a statement, was “**a telltale sign that the luxury sector as a whole has weakened. Much of this slowing can be attributed to a wider selection of luxury homes for buyers and increased uncertainty over the last 12 months.”**

Joe Cortright,2 -20-2017, Urban myth busting: Why building more high income housing helps affordability, City Observatory, http://cityobservatory.org/urban-myth-busting-high-income2/,

On its surface, this sounds terrible. **But the key context missing here is that in the United States, we have almost never built new market-rate housing for low-income households. New housing—rental and owner-occupied—overwhelmingly tends to get built for middle- and upper-income households.** So how do affordable market-rate housing units get created? As new housing ages, it depreciates, and prices and rents decline, relative to newer houses. (At some point, usually after half a century or more, the process reverses, as surviving houses—which are often those of the highest quality—become increasingly historic, and then appreciate.) What really matters is not whether new housing is created at a price point that low- and moderate-income households can afford, but rather, whether the overall housing supply increases enough that the existing housing stock can “filter down” to low and moderate income households. As we’ve written, that process depends on wealthier people moving into newer, more desirable homes. Where the construction of those homes is highly constrained, those wealthier households end up bidding up the price of older housing—**preventing it from filtering down to lower income households and providing for more affordability**.

### AT Zoning Restrictions

1. **Nonunique-** You don’t need to affirm to ease the zoning restrictions. **Somin ’18** writes in December that cities like Minneapolis are easing zoning restrictions IN ORDER TO promote affordable housing. That’s key, because even if you negate, the easing of zoning restrictions is something that would be inevitable and happen in both worlds.
2. **Turn-** This isn’t working. **Stein 18** of the Washington Post indicates that even though many city planners are implementing a range of policy measures that are reforming zoning restrictions and incentivizing building, the result is that the cost of rent for the poor has on net increased, and at best led to a marginal decrease in rent for the middle class. This is exactly our narrative – zoning changes may lead to an increase in supply of luxury housing, but the result is the same that it makes the neighborhood more expensive and difficult to live in.

Ilya Somin, Reason, "Minneapolis Strikes a Blow for Affordable Housing by Slashing Zoning Restrictions - Volokh Conspiracy : Reason.com", Dec 2018, <https://reason.com/volokh/2018/12/08/minneapolis-strikes-blow-for-affordable//ZS>

**Yesterday, the City of Minneapolis struck a major blow for both property rights and affordable housing by enacting the most extensive reduction in zoning restrictions adopted by any major US city for a long time.** Henry Grabar of Slate summarizes this welcome development: Minneapolis will become the first major U.S. city to end single-family home zoning, a policy that has done as much as any to entrench segregation, high housing costs, and sprawl as the American urban paradigm over the past century. **On Friday, the City Council passed Minneapolis 2040, a comprehensive plan to permit three-family homes in the city's residential neighborhoods, abolish parking minimums for all new construction, and allow high-density buildings along transit corridors.** "Large swaths of our city are exclusively zoned for single-family homes, so unless you have the ability to build a very large home on a very large lot, you can't live in the neighborhood," Minneapolis Mayor Jacob Frey told me this week. Single-family home zoning was devised as a legal way to keep black Americans and other minorities from moving into certain neighborhoods, and it still functions as an effective barrier today. Abolishing restrictive zoning, the mayor said, was part of a general consensus that the city ought to begin to mend the damage wrought in pursuit of segregation. Human diversity—which nearly everyone in this staunchly liberal city would say is a good thing—only goes as far as the housing stock... A lot of research has been done on the history that's led us to this point," said Cam Gordon, a city councilman who represents the Second Ward, which includes the University of Minnesota's flagship campus. "That history helped people realize that the way the city is set up right now is based on this government-endorsed and sanctioned racist system." Kriston Capps of City Lab writes that "Minneapolis 2040 is the most ambitious upzoning guide yet passed by an American city." Some 75 percent of city residents live in areas where single-family zoning restrictions currently apply. The case for cutting back on zoning restrictions unites economists and housing policy experts across the political spectrum. That includes both pro-free market experts and prominent left-liberals such as Nobel Prize-winning economist Paul Krugman, Matthew Yglesias of Vox, Yale Law School Professor David Schleicher, and Jason Furman, Chair of President Obama's Council of Economic

Jeff Stein, The Washington Post, "In expensive cities, rents fall for the rich - but rise for the poor", Aug 2018, <https://www.washingtonpost.com/business/economy/in-expensive-cities-rents-fall-for-the-rich--but-rise-for-the-poor/2018/08/05/a16e5962-96a4-11e8-80e1-00e80e1fdf43_story.html?noredirect=on&utm_term=.731690c4a9d7>//ZS

In Portland, average rents for the poor have risen from about $1,100 to $1,600 — or by more than 40 percent — since 2011. In San Francisco, the average rent at the bottom of the market has soared from $1,700 to $2,600, a nearly 50 percent increase. Seattle’s poor have also had their rents rise by close to 40 percent. Nationwide, rents for those at the bottom have increased by 18 percent. Rising rents for the poor threaten to add to the nation’s homeless population, and put an additional severe strain on tens of millions of families, often forcing them to forgo other basic needs to avoid losing their housing. Construction in most U.S. cities came to a standstill during the Great Recession, amid a broader collapse in the housing market. As the economic recovery took off, its gains were disproportionately concentrated in a handful of cities, leading renters to move in droves to already densely populated urban areas. There was not enough housing there to greet them. By the early 2010s, rents in major cities were beginning to increase by more than 10 percent annually. Several cities declared emergencies over their rising homeless populations. In the following years, protracted battles have occurred in city halls nationwide over the size and makeup of urban communities, often pitting longtime homeowners trying to preserve the value of their properties against developers seeking to profit from the high demand. Mayors have been caught in the middle, aiming to accommodate an influx of new residents who help boost the local economy without displacing those who have lived in their cities for decades. They have also faced intense pressure from influential developers and business groups that have pressed for the ability to develop new homes, as well as from landlords who enjoy high rents and fear seeing those values diluted. **The result has been a range of policy measures, including reforming zoning codes to encourage more development, creating new tools to finance affordable housing projects and rules mandating that developers include affordable units in their properties. These measures have shown some signs of reducing rents, for both the rich and, to a lesser extent, the middle class.**

### AT Filtering Down

1. **Impact Turn-** Fam this is literally trickle down but with houses, **Jacobus ’16 of Shelter Force** explains that filtering down does not happen with individual properties, it happens with neighborhoods, which ultimately just creates a radicalized cycle of displacement where lower income people are forced into areas of concentrated poverty. Sadly, **Jacobus** concludes that this cycle is the single largest cause of racial segregation. This compounds inequality, **Troutt ‘14 of Rutgers University** finds that 70% of all long-term poverty in the US is caused by negative environments of crime, low education, and a lack of opportunity in high-poverty neighborhoods.
2. **Turn-** you can turn the argument in two ways **Been ’18 of NYU** 
   1. **Increasing Price-** MRH increases the price will occur in other submarkets, further decrease supply in less-expensive submarkets.
   2. **Filtering up-** MRH increases the price of existing units/neighborhoods decreasing supply in less-expensive markets. This is evidenced historically in a study of 38 metropolitan areas found that housing affordable to those whose income are below 35% of area median incomes became renovated and were therefore less accessible than before.
3. **Timeframe Weighing-** **Rosenthal ’11 of Syracuse** found that depreciation happens at a rate below .5 percent per year meaning it would take 50 years for the price to decrease by 25%, this is not a sustainable source of housing for low income people. In that time, **Chew ’18 of Shelter Force** found that in the time that filtering down takes to occur and mass displacement has already occurred, in fact, even in the long-term **Chew** concluded that when the price of housing decreases it still remains inaccessible to low income people.
4. **Timeframe Weighing-** Even if it happens quickly, **Zuk ’16 of UC Berkeley** explains that because new investors are creating more lucrative property it increases the price of renting in both the short term and long term which means they literally create no net benefit for rich people, and displace millions of poor people.
5. **Timeframe Weighing-** **Immergluck ’16 of Georgia Tech** empirically found that it would take 30 years for rent to drop a mere 9%, even if they win their entire case, they cannot outweigh displacing people for 30 years.

Rick Jacobus,11-4-2016, Housing Doesn’t Filter, Neighborhoods Do — Shelterforce, Shelterforce, <https://shelterforce.org/2016/11/04/housing-doesnt-filter-neighborhoods-do/,//ZS>

The Other Problem with Filtering If we're sitting in an undergraduate economics class, it sounds reasonable to suggest that, like any product, as housing ages it loses value and becomes more affordable. In this context, a housing policy that promotes building new homes for the rich would seem to offer more, older homes for the poor. Housing may be a “right” but brand-new housing certainly isn’t. But sitting in econ class, it is easy to overlook all of the ways that housing is not like other products. First, is older housing really less valuable? Our cities are full of very old housing that is still quite expensive. One reason is maintenance. With ongoing regular investment in maintenance and renovation, older housing can hold its value over the long term. In order for filtering to generate really affordable housing, we need older homes that are also poorly maintained. But there’s an even bigger problem**. Housing is different because you can't move it. When you buy a home, you are buying a product, but you are also buying a location. You might pay somewhat more for a “new” product but mostly what you are buying (or renting) is the location. When we hear about filtering we are supposed to imagine a single building floating in space, becoming more affordable as it ages. Maybe if that property were well maintained it would lose value more slowly, but what happens in real cities is that sometimes buildings increase in value dramatically, even as they age.** Other times even well-maintained buildings lose value quickly. **This happens because it is the value of the neighborhood that really drives the price of a property.** When we look at filtering as a policy option for neighborhoods, things look very different. **Clearly some kind of filtering does happen, but it is not often filtering by the age of the home. People move up and out of less desirable neighborhoods to “better” neighborhoods until at the end of the process, filtering creates new vacancies in the least desirable locations in the region**. Today, advocates for the poor are rightly focused on displacement, as whole neighborhoods are consumed by higher-income housing demand, but it seems like just the other day we worried mostly about disinvestment. It is easy to think that these are two different problems, but they aren't. Displacement and disinvestment are simply two faces of the same underlying market dynamic—one where we invest only at the high end of the housing market. Filtering is sometimes described as a version of “trickle down” economics for housing, but it **is not housing that trickles down, it’s neighborhoods.** A policy of only (or mostly) **building housing for the wealthy is essentially a policy of only investing in wealthy neighborhoods—those that are already wealthy and those that are on their way to becoming wealthy. The remaining neighborhoods are allowed to deteriorate until they reach the point where they are politically and economically weak enough for the market to reclaim and reposition them as wealthy neighborhoods again.** The alternative to disinvestment is investment. Just as a home can maintain its value over time with regular maintenance, a neighborhood needs regular reinvestment in order to remain a place were people want to live. One piece of the regular maintenance of a healthy neighborhood is new housing. If we could manage to build housing for middle-income and working-class people, we could maintain middle-income and working-class neighborhoods instead of waiting for those neighborhoods to fall into disrepair and then be “rediscovered.” **This cycle of disinvestment and displacement is economically inefficient in many ways, but worse, it imposes a very high human cost on poor and working-class people who suffer blight, crime, and decay only to later be priced out or evicted when the cycle finally brings new investment into their neighborhoods. Perhaps most importantly, this cycle is the single most important driver of continuing racial segregation**. Both owners and renters are constantly seeking to avoid the concentrated distress that comes when the filtering process generates neighborhoods where continued investment is not economically rational. A generation after white flight, the mere presence of low-income people and people of color in a neighborhood continues to signal lower property values.

David Dante Troutt,2-3-2014, The other inequality is structural, Reuters, <http://blogs.reuters.com/great-debate/2014/02/03/the-other-inequality-is-structural/,//ZS>

**When we think about income inequality, we think about ways to make more money. But when we think about structural inequality, we’re concerned with how to get people the resources for lasting economic opportunity — including money.** These two components of inequality, though linked, require different policy answers. For example, when we learn that **seven out of 10 Americans born into poverty will remain in poverty, we’re also learning that they live in poor neighborhoods, attend schools that offer limited educational options, depend on overburdened local institutions and are mired in economic instability. They live in neighborhoods where only impoverished choices abound — with no apparent way out.** This is the essential finding by Harvard researchers in a new study about economic mobility. People’s fortunes, they found, strongly correlate to their parents’ status. Yet the researchers also found that the ingredients of mobility require certain structural components — including low residential segregation, low income inequality, better primary schools, greater social capital and more family stability. In my own recent analysis of U.S. inequality, I found **that income profiles closely follow residential profiles**. Far more than pluck and merit are needed to get into the middle class. The local infrastructure is key. Greater resources in the surrounding environment may help the working class or poor overcome other, more personal, deficits by offering wider options. For example, attending a strong school with engaged teachers and classmates is a resource for the child of an alcoholic or depressed parent. The institution itself helps to foster resources within her to strive for and explore productive options. The presence of supportive community resources and the absence of debilitating ones has been a mainstay of middle-class life since the New Deal. The challenge is that many more places now confront the same economic instability that their residents face. Cities and towns are experiencing declining tax bases because of high unemployment and foreclosure rates, while their pension, education and infrastructure costs soar. Like their residents, these places struggle to remain middle class. Other communities are simply overmatched by the fiscal demands of increasing poverty. With dwindling help from state budgets, they cannot hope to become middle class. **The geography of opportunity that marked our nation has become the geography of inequality. It can be mapped by both economics and race.**

Vicki Been ,8-20-2018, No Publication, <http://furmancenter.org/files/Supply_Skepticism_-_Final.pdf,//ZS>

What is more, these ripple effects may be compounded by owners’ decisions to upgrade their buildings. As prices increase in the higher end of the market, owners will find it more attractive to maintain or upgrade existing housing units that would otherwise have aged out of this submarket, slowing the movement of units to less expensive submarkets through downward filtering. 5 Indeed, **if price increases are large and persistent enough, upgrading of existing units (and perhaps entire neighborhoods) will occur in other submarkets, further decreasing supply in less-expensive submarkets. Research provides some evidence that filtering up occurs in tight markets. Looking at 38 metropolitan areas, Somerville and Mayer (2003) find that units affordable to those with incomes at or below 35 percent of area median income are more likely to filter up or become unaffordable in metropolitan areas where housing supply is less responsive to demand (has lower elasticity), as proxied both by new single-family housing permits and by measures of land use restrictions in the metropolitan area**. Finally, policymakers should not be so short-sighted as to overlook long-term effects. Over the longer run, increases in supply at the medium or higher end of the market should also increase supply in lower-priced markets as older units that are now less valuable work their way down to lower-priced sub-markets.6 Housing lasts for many years, but most housing filters down, or loses value as it ages, representing new supply in submarkets at lower price points.7 In this way, newly constructed units at the high-end of the market have a ripple effect across connected submarkets. As demand is met at the high-end, the older units that are now less valuable work their way down to other submarkets. Although luxury apartments in the most desirable locations may never become part of the stock affordable to low-income households, their creation should help to increase supply and reduce prices in the next submarket, which over time, should trigger some downward filtering of housing through various submarkets to lowerpriced submarkets. 8

Stuart Rosenthal ,12 -5-2011, No Publication, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.232.4409&amp;rep=rep1&amp;type=pdf,//ZS>

Debate about how best to provide housing assistance for low-income families has persisted for decades. Should government emphasize tenant-based voucher programs in which families seek housing in the private market, or should government subsidize the construction of low-income units as with public housing and the Low Income Housing Tax Credit (LIHTC) program (e.g. Eriksen and Rosenthal (2010))? Implicitly, this debate centers around doubt about the private market’s ability to supply low-income housing. It has long been recognized, for example, that the private market builds little unsubsidized housing for the poor (e.g. Baer (1986)). Instead, **the primary mechanism by which private markets are thought to provide low-income housing is through a dynamic process in which homes built for higher income families gradually deteriorate and filter down to households of lower income status** (e.g. Sweeney (1974), Ohls (1978)). **The viability of this process as a source of low-income housing**, however, **has been questioned. In part, that is because hedonic studies typically find that the rate at which house rents (prices) depreciate with age is very low, often below 0.5 percent per year (**e.g. Margolis (1982), Bond and Coulson (1990)).1 **Such low rates would seem to preclude the possibility that filtering could be relied upon as a robust long run source of low-income housing.**

Amee Chew,11-5-2018, What We Know About Market-Rate Housing Construction and Displacement, Shelterforce, <https://shelterforce.org/2018/11/05/heres-what-we-actually-know-about-market-rate-housing-development-and-displacement/,//ZS>

For one, for-profit new construction is overwhelmingly geared toward the luxury market. But it’s lower-income households who face the most severe affordable housing shortfalls. While our high-end stock has steadily grown, since 1990 on balance we’ve lost over 2.5 million affordable units renting for under $800. To what? In large part, rent increases. Secondly, **new construction takes decades to depreciate down to rents that are actually affordable to most renters. “Trickle down” isn’t happening fast enough. Even worse, however, new construction actually fuels displacement in the short term, even when no already existing housing is knocked down.** Why? Numerous studies show **that market-rate housing development has price ripple effects on surrounding neighborhoods, driving up rents and increasing the burden on lower-income** households. Many residents in communities transformed by gentrification can already attest to the connection between for-profit development, rising living costs, and the mass exodus of lower-income residents. Maybe this won’t play out in Malibu, or a sparse neighborhood with very few low-income folk, but otherwise the above effects are widespread in our cities. We need to talk about market-rate construction, and displacement. Here is the what the research says: Studies show that market-rate housing development is linked to the mass displacement of neighboring low-income residents (Davidson and Lees 2005, 2010; Pearsall 2010). Such displacement occurs even when low-income housing is not directly demolished and destroyed to make way for new development—because it operates through indirect and exclusionary means, such as “price shadowing” (Davidson and Lees 2005, 2010). Market-rate housing production causes significant price impacts in surrounding neighborhoods, raising area rents and real estate taxes (Oliva 2006; Pearsall 2010; Zuk and Chapple 2016). These price impacts have resulted in higher housing cost burdens for low-income residents, as well as their displacement (Davidson and Lees 2005, 2010; Pearsall 2010). In fact, a study of displacement in New York City based on a survey of 18,000 housing units found that most displaced households were forced to move due to cost considerations; in contrast, low-income residents who managed to remain in gentrifying neighborhoods overwhelmingly lived in public housing or rent stabilized units insulated from price dynamics (Newman and Wyly 2006, 29, 41, 43). Rent burdens rose considerably in gentrifying areas, so that only 1 out of 15 poor renters remaining in these New York City neighborhoods rented in the unregulated market (40-1). **The influx of higher-income residents, whom market-rate developments are typically geared toward, is itself associated with the displacement of vulnerable groups from the same area. Studies in London, Sydney, and Melbourne using longitudinal census data found that increases in high-income and professional households in a neighborhood were correlated with greater losses or displacement of low-income, family, and working-class households, as well as elderly, disabled, and unemployed residents, from that community** (Atkinson 2000a, 2000b; Atkinson et al. 2011). One study found that in neighborhoods with an influx of higher-income residents, **working-class residents moved at three times the rate compared to in other areas**—and usually out of the neighborhood (Atkinson 2000a, 159). **Real estate interests and some scholars argue that unaffordable housing costs are primarily due to a shortage in housing supply, and that any increase in supply—including luxury development—will ultimately help depress rents. While there is some evidence new housing production does eventually help lower median rent in the neighborhoods where construction occurred compared to other areas, these effects take decades to surface** (Zuk and Chapple 2016; Rosenthal 2014). **Worse, by the time such price effects register, large numbers of low-income residents have likely already been pushed out: as one study of construction in the Bay Area found, the increased cost burdens which market-rate production puts on low income residents are far more immediate than any long-term decrease in rents (Zuk and Chapple 2016). And even if median rent is eventually, somewhat,** lower than in areas without construction, who is to say that the median rent is actually affordable? In the above study, researchers **noted median rents of all areas might still be out of reach for low-income households. During** **the decades analyzed, significant displacement had already occurred and median rents were hiked up by gentrification. In contrast, the production of subsidized housing had more than double the impact on eventually reducing rents at a regional level, compared to market-rate units. Thus, the production of non-market rate housing matters deeply.**

Miriam Zuk, ,5-21-2016, No Publication, <http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf,//ZS>

Yet, Rosenthal finds that rents decline by only 0.3% per year, indicating that units become occupied by lower-income households at a faster rate than rents are falling, which could result in heightened housing cost burden. Furthermore, if we were to assume that developers are building housing for people at the median income, **then it would take approximately 15 years before those units filtered down to people at 80% of the median income and closer to 50 years for households earning 50% of the median income.**5 Again, **however, this does not mean that such units are actually affordable to the low-income households occupying them**. We examined the relationship between market-rate housing construction, rents, and housing cost burden (Table 1). Initial results indicate a **filtering effect for units produced in the 1990s on median rents in 2013. Yet market-rate development in the 2000s is associated with higher rents, which could be expected as areas with higher rents are more lucrative places for developers to build housing.** Furthermore, development in both the 1990s and 2000s is positively associated with housing cost burden for low-income households. **Thus, while filtering may eventually help lower rents decades later, these units may still not be affordable to low income households.**

### AT Increased Supply

1. **Terminal Defense- Khater ’18** explains that even with market rate housing there will not be a greater number of houses for 7 reasons
   1. **First, increasing development costs-** the costs of acquiring land averaged 23% of total home building expenses, and, as this number rises people are hesitant to build more homes. More homes will not be produced under MRH because the cost of land will make it unprofitable to purchase the land.
   2. **Second, laws and regulations-** such as zoning restrictions and open space designations increase the costs of construction, these costs have increased by 29% since 2011, making it simply unprofitable to increase homes.
   3. **Third, labor shortage-** labor shortage in construction has reached post great depression highs, and the deficient supply of construction will prevent more homes from being built. Additionally, **Despillis ’18 of CNN** found that a current crackdown on immigration is furthering the labor shortage.
   4. **Fourth, opposition-** current opposition for new development is one of the largest impediments for new housing productions.
   5. **Fifth, interest rates-** **Depillis ’18 of CNN** explains that the fed is seeking to keep interest rates in check by raising interest rates. Unfortunately, this will make mortgages more expensive.
   6. **Sixth, Tarrifs- Depillis ’18 of CNN** explains that tariffs on imported lumber have made materials to build houses more difficult to obtain and more expensive.
2. **Delink/Turn- Been ’18 of the NYU** explains that normal rules for supply and demand do not apply to housing because it is tied to a specific plot of land. Unlike other inputs into the production of housing that may be plentiful in supply, the supply of land is limited in many urban areas, because there is always a low supply of land, the prices will always remain inaccessible to most.
   1. **Turn- Been ’18 of NYU** explains that the land used to build MRH would could have otherwise been used for affordable housing.
3. **Delink- Been ’18 of NYU** found that increase in housing supply will only alleviate the housing crisis ONLY if it built for lower income/ working class people, but because it is always more profitable to build mansions than houses, you don’t see their impacts materialize.
4. **Turn**- **Been ’18 of NYU** explains that increased supply will only exacerbate demand, as prices stay high, this is because additional housing will attract new demand from current residents who would otherwise leave, people from elsewhere people Increase demand always outpaces supply, so prices rise.

Sam Khater,12-5-2018, The Major Challenge of Inadequate U.S. Housing Supply, No Publication, <http://www.freddiemac.com/research/insight/20181205_major_challenge_to_u.s._housing_supply.html,//ZS>

In a recent Insight, we examined the demand side of the housing market, focusing particularly on the experiences of young adults. Our research shows that housing costs have been the most significant factor preventing young adults from forming their own households as well as buying a house. Robust demand but weak supply has driven up housing prices rapidly, which in turn is acting as a force to balance demand against supply. Facing higher home prices and rents, many young people are doubling up in shared living arrangements or living at home with their parents. In our earlier Forecast, we discussed two main reasons for the lower levels of housing production (relative to population): increase in development costs and shortage of skilled labor. Home building costs encompass the cost of land and regulatory costs. **Since 2010, the cost of land has averaged about 23 percent of total home building expenses.1 But in some markets like San Jose, Santa Ana, Oakland, and Los Angeles, land can cost upward of 70 percent of the cost of building a home. Laws and regulations such as local zoning restrictions on lot sizes and building height and open space designations also increase the cost of building a home, in turn reducing the supply of new homes. Regulatory costs increased 29 percent between 2011 and 2016, the National Association of Home Builders (NAHB) estimates. On the labor side, the U.S. construction industry is suffering from a shortage of skilled workers. The count of unfilled jobs in the construction industry reached post-Great Recession highs in 2018**, the NAHB reports. (See our previous Forecast).

Lydia Depillis,8-28-2018, Where is the US housing market headed? 4 things you need to know, CNNMoney, <https://money.cnn.com/2018/08/28/news/economy/housing-market/index.html,//ZS>

A slowdown in new construction and a short supply of existing homes for sale have pushed housing prices so high that would-be buyers are either finding themselves in bidding wars or sitting on the sidelines. "**We're hearing things from our real estate agents that we haven't heard in three years about homebuyers stepping back from high prices," s**aid Redfin CEO Glenn Kelman on the real estate firm's second quarter earnings call this month. What's eating the housing market, in the midst of what otherwise looks like upbeat growth? In part, it's a victim of the economy's success: **The Federal Reserve is seeking to keep inflation in check by raising interest rates, making mortgages more expensive. Related: How Washington could actually make housing more affordable Meanwhile, a crackdown on immigration as well as tariffs on imported lumber have made it more difficult and expensive for builders to obtain the labor and materials they need to construct homes. That's especially true in hot urban markets, where land is expensive and zoning can be restrictive,** according to the National Association of Home Builders.

Vicki Been ,8-20-2018, No Publication, <http://furmancenter.org/files/Supply_Skepticism_-_Final.pdf,//ZS>

In sum, the preponderance of the evidence shows that restricting supply increases housing prices and that adding supply would help to make housing more affordable. Despite this evidence, skepticism that increases in housing supply will improve affordability appears only to be growing. Part of the issue is that observers in many cities see prices rising despite new construction. What they do not see is the greater price increases that research suggests would have taken hold if less construction had occurred. Below, we analyze four of the commonly voiced arguments that undergird supply skepticism, drawing on both basic economic theory and empirical evidence. A. Housing Is Bundled with Land, but Still Is Ruled by the Laws of Supply and Demand Some argue that **the normal rules of supply and demand don’t apply to housing because housing is tied to a specific plot of land, and unlike other inputs into the production of housing that may be in plentiful supply, the supply of land is limited in many jurisdictions by existing development** and by geographical constraints like coasts or mountains (Angotti & Morse, 2016). **Indeed, critics argue that because land is inherently limited, the development of market rate housing consumes scarce land that could otherwise be used for affordable housing**.

Vicki Been ,8-20-2018, No Publication, <http://furmancenter.org/files/Supply_Skepticism_-_Final.pdf,//ZS>

More fundamentally, although it is surely true that land is constrained, especially in certain markets (Saiz 2010), land can be used more intensively to allow for more housing. The limits on the land with which housing is bundled make housing different from many goods, but the difference is one of degree: the supply of housing can and does increase even in constrained markets, and prices should generally fall in response (see the review by DiPasquale, 1999; Mayer & Somerville, 2000). B. Housing Is Heterogeneous, but Adding Supply in One Market Will Affect Prices in Another A second argument raised by supply skeptics is that additions to housing supply tend to be luxury housing, but that **“[t]he only increase in housing supply that will help to alleviate . . . [the] affordable housing crisis is housing that is truly affordable to low-income and workingclass people**” (Aguirre, Benke, Neugebaurer & Santiago, 2016, p. 1). **They reject the idea that building housing at one price point has any significant effect on the price of housing in other submarkets (**Council of Community Housing Organizations, 2016). Even if they acknowledge that these units may age and filter down to lower-priced market segments over time, critics note that it will take many decades for them to do so. It is true that housing is more heterogeneous than most other goods, and that housing markets are more segmented as a result. Housing comes in many different forms, ages and sizes. Rather than having one unified housing market, it is more accurate to think of a city as having numerous housing submarkets, each with its own demand, supply and price. It is also true that when first produced, housing tends to supply the medium- and high-end segments of a housing market, because housing is so expensive to build. Further, homes depreciate in value relatively slowly, and the direct filtering of new homes down to lower-priced submarkets therefore can take decades.

Vicki Been ,8-20-2018, No Publication, <http://furmancenter.org/files/Supply_Skepticism_-_Final.pdf,//ZS>

It is worth underscoring, however, that allowing more market-rate construction will not address the housing needs of all households. For at least the lowest income households, even the moderation of rent increases that results from expanded supply will likely be insufficient to make homes affordable to them. Housing subsidies, of some form, are still needed as well. However, as increases in housing supply moderate housing prices and rents overall, the gap between what a jurisdiction’s lowest-income households can afford and available prices and rents will be smaller, which will allow any government subsidies to go further. C. Easing Price Pressure through Additional Supply May Attract some Demand– but Not Enough to Completely Offset the Supply Increase Some skeptics argue that **even if additional supply could help make housing more affordable in the short run, it won’t in the long run because the additional supply will induce more demand, especially among buyers or renters wealthier than the existing residents in the neighborhood** (Redmond, 2015). The claim is analogous to the argument that building more highways will not reduce congestion because the lower cost of travel will simply cause more people to drive or to take that particular route (Gorham, 2009). **In this case, the argument is that by making the jurisdiction more affordable, adding housing supply will attract new demand – both from current residents who would otherwise leave, and from people living elsewhere who will now choose to move to the jurisdiction**

### AT Increased Construction

1. **Impact Turn- Cortright ’17 of the City Observer** explains that even when increased market rate housing is constructed it is never built to be affordable for low income communities.

Joe Cortright,2 -20-2017, Urban myth busting: Why building more high income housing helps affordability, City Observatory, http://cityobservatory.org/urban-myth-busting-high-income2/,

On its surface, this sounds terrible. **But the key context missing here is that in the United States, we have almost never built new market-rate housing for low-income households. New housing—rental and owner-occupied—overwhelmingly tends to get built for middle- and upper-income households.** So how do affordable market-rate housing units get created? As new housing ages, it depreciates, and prices and rents decline, relative to newer houses. (At some point, usually after half a century or more, the process reverses, as surviving houses—which are often those of the highest quality—become increasingly historic, and then appreciate.) What really matters is not whether new housing is created at a price point that low- and moderate-income households can afford, but rather, whether the overall housing supply increases enough that the existing housing stock can “filter down” to low and moderate income households. As we’ve written, that process depends on wealthier people moving into newer, more desirable homes. Where the construction of those homes is highly constrained, those wealthier households end up bidding up the price of older housing—**preventing it from filtering down to lower income households and providing for more affordability**.

### AT Inclusionary Zoning

1. **Overarching response-** The poorer areas have no enforcement policy for inclusionary zoning because inclusionary zoning means to incorporate affordable housing into high income areas. IZ also produces greater costs which means that the developers are going to move into areas that don’t have IZ in the poor areas, thus amplifying gentrification.
2. **Mitigation- Capps ‘16 of Citylab** found that rich areas wield a high amount of political influence, they are hugely successful in excluding new development. This is even more apparent, when **Abello ’17 of Next City** found 80% of cities that use inclusionary zoning are in 3 states, this is because there is always a large disincentive for rich people to allow for inclusionary policies.

Kriston Capps,3-11-2016, What's Really to Blame for San Francisco's Housing Crisis, CityLab, <https://www.citylab.com/equity/2016/03/are-wealthy-neighborhoods-to-blame-for-gentrification-of-poorer-ones/473349/>,//ZS

Here’s what it means at the neighborhood level that San Francisco has not built enough housing. As John Mangin explains in “The New Exclusionary Zoning,” gentrification is a spillover phenomenon: **[G]entrification and exclusion are intimately related at a neighborhood level. If a high-demand, high-cost neighborhood won’t build, developers and people looking for housing will be diverted to the nearest low-cost neighborhoods**. That increases demand and development and leads to gentrification. **Since the residents of high-cost, high-demand neighborhoods tend to have mobility, money, and access to information and power, they are hugely successful in leveraging land-use policies to exclude newcomers. They protect what is theirs and shut the gate behind them.** (Nolan gets that.) So the high-margin development that really should go into the high-end neighborhood winds up replacing cheaper, older, and abandoned housing in low-end neighborhoods. As Rick Jacobus explains for Shelterforce, building new housing units anywhere—whether they’re set-aside affordable units or penthouse condos—goes in the win column from a regional perspective. But when new units mean penthouse condos in a low-end neighborhood, the region may prosper at the potential expense of the neighborhood.

Oscar Abello,10-2-2017, Here’s How 1,379 Affordable Housing Programs Stack Up, No Publication, https://nextcity.org/daily/entry/news-inclusionary-housing-survey-progress-limitations,//ZS

That said, **80 percent of jurisdictions with inclusionary housing programs are located in just three states: New Jersey, California and Massachusetts. It’s due largely to state laws or judicial decisions**, the paper notes. Since 1969, California’s Housing Element Law has required that all local governments, including cities and counties, plan to meet the housing needs of everyone in the community. Since 1979, California’s Density Bonus Law has required local governments to provide density bonuses and other incentives to developers of affordable housing or housing for other specified vulnerable groups like seniors or youth aging out of foster care. Meanwhile in Massachusetts, Chapter 40B was enacted in 1969 to address exclusionary zoning statewide that prevented the development of low- and moderate-income housing subsidized under federal or state programs. The goal of this state statute is to make at least 10 percent of housing stock in each community affordable for moderate-income households. The state has since created programs and additional measures to create accountability and support progress toward that goal, with limited effect. As of 2014, 48 out of 351 communities had met this goal, according to Thaden and Wang. In New Jersey, two landmark state supreme court decisions involving Mount Laurel Township declared municipal land use regulations that prevent affordable housing for low-income individuals and families are unconstitutional, and mandated that municipalities take affirmative action to provide the locality’s fair share of affordable housing for low- and moderate-income households.

### AT Rent Control Causes Shortage

1. **Delink-** when rent control limits profits, **Painter ’18 of the LA Times** found that the incentive to create more units is stronger, because it is the only option for increasing profits.

Gary Painter,10-31-2018, No, rent control doesn't always reduce the supply of housing, latimes, <https://www.latimes.com/opinion/op-ed/la-oe-painter-rent-control-economist-20181031-story.html,//ZS>

But here’s a simplified Econ 101 lesson that comes shortly thereafter: **Price controls can actually spur an increase in supply. When housing developers have too much power in the market, they can maximize profits by raising rents on the apartments they already own. But if rent control limits that option, developers have to go to Plan B if they want to make more money: Build more units.** Two factors — the burdensome process of getting projects approved and the housing market crash of 2008 — substantially reduced the number of firms developing new housing. A recent paper shows that, compared to the composition of the home building industry in 2006, there are 24% fewer firms accounting for 90% of the building nationwide. The study further suggests that about half of the increase in housing prices over the last decade can be attributed to industry consolidation among home builders. The fact that real estate developers have funded an anti-Proposition 10 campaign to the tune of $45 million suggests that they are eager to defend their market power. If California were a truly competitive housing market where home builders operated with slim margins, they’d load up their cranes and build in some other state. But it’s clear these developers benefit from the status quo and are fighting hard to keep it.

## AT Gentrification Good

### Racism Turn

1. **Massive turn- Fayyad 17** explains that low level offenses are increasingly criminalized for minorities during and after the process of gentrification. **Coleman 18 of DC** explains that this is because gentrification is a systemically racist process that excludes people of color from affluent areas. Thus, **Fayyad** continues to explain that gentrified neighborhoods often have police preemptively attempting to jail the citizens, with a constant sense of over-surveillance and injustice apparent. Thus, **Lockhart 18 of Vox** finds that gentrification increases lines of racism and suspicion towards people of color, increasing criminalization and the probability of arrest.

Abdallah Fayyad,12-20-2017, The Criminalization of Gentrifying Neighborhoods Atlantic, <https://www.theatlantic.com/politics/archive/2017/12/the-criminalization-of-gentrifying-neighborhoods/548837/,//ZS>

Still, residents can feel overwhelmed by a sudden increase in security, which is not always confined to public law enforcement. Sampson said private security and third-party police contribute to a sense of over-surveillance. “In a kind of rough neighborhood that’s about to flip, there may be demand on the part of new residents for safety that goes beyond what the police can provide, which means more eyes on the street on the part of private police,” he said. **While low-income and minority neighborhoods are often subject to heavy police patrol regardless of their development status, gentrification and aggressive policing are two sides of the same coin and tend to reinforce one another**. “The **concern when there are misdemeanor offenses is that neighborhoods seem unsafe or disorderly and that decreases their attractiveness for gentrification,” Butler said. “So in a number of cities, people have observed that enforcement of low-level offenses against black and brown people increases when neighborhoods are prime for gentrification.”** ADVERTISING inRead invented by Teads A top concern in communities of color is that greater police presence amplifies the risk of police misconduct and violence. In 2014, when San Francisco native Alejandro Nieto was fatally shot by four police officers responding to a 911 call, many residents believed the incident wouldn’t have occurred had his neighborhood not gentrified. Nieto was accused of behaving suspiciously in a place where he’d lived his entire life, and it was a new resident who’d made the 911 call. After he had a brief altercation with a neighborhood dog, Nieto, who worked as a bouncer, was anxiously pacing with his hand on his Taser, according to the passerby who reported him. Police said that when they arrived, he pointed his Taser at them, which they mistook for a gun.

Yale sociologist Elijah Anderson notes that **there is a difference between “white spaces,” where black people are often not present or exist in a limited number, and “black spaces,” communities and spaces occupied by larger numbers of black people**. And because so much of America remains divided along racial lines, black people who enter white spaces are often viewed with suspicion unless they are in a service position, like working as a store clerk or a waiter. **And as gentrification increases the number of these spaces, this can create huge difficulties. Anderson notes that part of this suspicion arises from commonly held stereotypes of black people as being criminal and black behavior as being deviant. As a result, black people in these “white spaces” are forced to justify their presence, and face consequences when that justification isn’t**

### AT Other Areas become more affordable

1. **Delink- Freemen ’16 of UPenn** explains that there is a mismatch between where affordable housing is needed and where housing becomes affordable.
2. **Delink- Freeman ’16 of UPenn** explains that sometimes gentrification pressure is so great that virtually the entire city becomes prohibitively expensive.

Lance Freeman ,9-21-2016, No Publication, <https://penniur.upenn.edu/uploads/media/Freeman-Schuetz_PennIUR-Philly_Fed_working_paper_091616v2.pdf,//ZS>

If gentrification doesn’t necessarily lead to increased rates of direct displacement, **there are still at least two challenges related to housing affordability that gentrification poses for localities**. First, if **gentrification causes exclusionary displacement**, which the available evidence suggests it does, the housing affordability problem boils down to the location of housing that is affordable. neighborhoods and causing gentrification in those places should result in less pressure on housing in other neighborhoods. **This could result in a mismatch between where affordable housing is needed, and where housing is becoming or remaining relatively affordable.** In a few select cities (e.g. San Francisco) **gentrification pressures may be so great that virtually the entire city becomes prohibitively expensive. Declining affordability in gentrifying neighborhoods could prove disruptive for the poor who live there and for the businesses and services who relied on the poor as their clientele** (Meltzer, 2016; Parker, 2016). The decline in affordability associated with gentrification can thus impact cities in several ways. The gentrifying neighborhood itself may become unaffordable, disrupting the lives of long term residents—even if they are not directly displaced. The supply of affordable housing may be to some extent relocated to other neighborhoods which may or may not be accessible to those who need such housing. Beyond housing affordability, gentrification can also engender feelings of being “pushed out” amongst longterm residents. As used here, pushed out refers to the disempowerment felt by long-term residents in reaction to their neighborhood changing in ways over which they had little control or say, and are ultimately not intended for their benefit. **The new amenities, lower crime, and other changes are viewed as being for the benefit of the newcomers to the neighborhood. Over time, long-term residents may no longer feel welcome in their own neighborhood and may leave even if they are not forcibly evicted** (Freeman, 2006).

### AT Affordable Housing Solves

1. **Delink- Freeman ’16 of UPenn** writes that affordable housing often doesn’t cover gentrifying areas because affordable housing only covers areas that are seen as affordable, not where the program’s participants need it.

Lance Freeman ,9-21-2016, No Publication, <https://penniur.upenn.edu/uploads/media/Freeman-Schuetz_PennIUR-Philly_Fed_working_paper_091616v2.pdf,//ZS>

The decline in affordability associated with gentrification can thus impact cities in several ways. **The gentrifying neighborhood itself may become unaffordable, disrupting the lives of long term residents—even if they are not directly displaced. The supply of affordable housing may be to some extent relocated to other neighborhoods which may or may not be accessible to those who need such housing.** Beyond housing affordability, gentrification can also engender feelings of being “pushed out” amongst longterm residents. As used here, pushed out refers to the disempowerment felt by long-term residents in reaction to their neighborhood changing in ways over which they had little control or say, and are ultimately not intended for their benefit. The new amenities, lower crime, and other changes are viewed as being for the benefit of the newcomers to the neighborhood. Over time, long-term residents may no longer feel welcome in their own neighborhood and may leave even if they are not forcibly evicted (Freeman, 2006). Such feelings can motivate a backlash against gentrification or almost any type of investment in poorer communities as residents fear the end result will be their being pushed out. This can make much needed redevelopment more difficult to accomplish in many cities.

### AT People Aren’t Displaced

1. **They are probably citing that terrible Freeman of Columbia Study- Chew ’18 of Shelterforce** found that the Freeman study didn’t count Residents Who Doubled Up, moved out of city, or became homeless, still found that rent burden increased, a better Study Found Gentrification Caused Displacement.

Amee Chew,11-5-2018, What We Know About Market-Rate Housing Construction and Displacement, Shelterforce, <https://shelterforce.org/2018/11/05/heres-what-we-actually-know-about-market-rate-housing-development-and-displacement/,//ZS>

**Some academic studies have contested whether gentrification in fact causes displacement. However, whether studies detect displacement very much has to do with how they measure, and define, gentrification. For instance, one famous study often cited to prove gentrification does not cause displacement relied on survey data that did not count residents who had doubled-up, moved out of the city, or became homeless** (Freeman and Braconi 2004; Newman and Wyly 2006). **Even so, though it failed to count the displaced, the study still admits class change was occurring in gentrifying neighborhoods, though if not through direct ‘displacement,’ through ‘replacement’ and probable exclusionary displacement (Freeman and Braconi 2004). And even this study found that gentrification in New York City harmed low-income households by increasing their rent burdens**: the researchers reported the average rent burden for poor households in gentrifying areas was 61 percent, compared to 52 percent for poor counterparts in other neighborhoods; and that rents for unregulated apartments in gentrifying neighborhoods increased an average of 43 percent from 1996 to 1999, compared to 11 percent for rent stabilized apartments (50-1). In contrast, **a finer analysis of the same New York City survey data by other researchers, that carefully considered place and motive, succeeded in uncovering evidence of gentrification-fueled displacement and migration flows, with rent increases, landlord harassment, and condo conversion emerging as key reasons for moves** (Newman and Wyly 2006).

## AT Market Bubble

1. **Delink- Capps ’18 of City Lab** found that the housing market is much different now for three reasons
   1. If the housing market were to pop every day now, we would be expecting more construction and buying along with sky high prices, this isn’t happening right now.
   2. Even a speculative craze is not spurring up construction because even though interests eists from investors at both the high and low ends, there isn’t enough building happening in the status quo to merit
   3. Higher prices are caused by the obvious, low inventory and high demand.
2. **Terminal Defense- Shiller ’18 of Yale** the economoist who predicted the 2008 crash explains that there is not much evidence that there is a bubble, and that the current housing market is significantly more placid than the last.

Kriston Capps,8-7-2018, America's Back to Peak Housing Prices. Now What?, CityLab, <https://www.citylab.com/equity/2018/08/home-prices-index/566768/,//ZS>  
**If the housing market were an investment bubble set to pop any day now, we might expect more construction and more buying along with the higher housing prices**—think Las Vegas or Phoenix or Tampa during the boom**. Instead, more cities share the experience of New York, where even a speculative craze did not drum up that much new construction**. **There’s interest from investors at both the high and low ends, but there just isn’t the make-a-buck building boom to merit a bubble. This time, soaring prices may reflect something more banal: low inventory and high demand, with frustration all around.**

Mark Kolakowski,10-30-2018, Why the Housing Market Won't Crash Like 2008: Robert Shiller, Investopedia, <https://www.investopedia.com/news/why-housing-market-wont-crash-2008-robert-shiller/,//ZS>

A sharp slowdown in the housing market has led to worries that a repeat of the subprime meltdown of 2007–08 might be brewing, but the Nobel Laureate economist who predicted that crisis believes that such fears are overblown today. While noting that home prices having been rising since 2012, **Professor Robert Shiller of Yale University told CNBC: "A housing bubble is not much in evidence...It's not the same. It's more placid." He added, "I don't expect a sharp turn in the housing market at this point."** The SPDR Homebuilders ETF (XHB) plummeted by 81% between March 17, 2006 and March 9, 2009, based on adjusted closing prices from Yahoo Finance. This year, as of the Oct. 29 close, it is down by 32% from its 52-week high set in intraday trading on Jan. 24. Some recent signs of stress in the housing market are summarized in the table below.

## Indicts

### AT Lao Study

1. **Zuk ’16 of UC Berkeley** found that the LAO study is too broad, and is inaccurate because it does not control for Subsidized housing. The LAO study is literally every single one, they talk about.

Miriam Zuk, ,5-21-2016, No Publication, <http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf,//ZS>

While numerous **critiques of the LAO report** have circulated,6 **we believe that the omission of subsidized housing production data from the analysis has the greatest potential to skew results**.7 We have reanalyzed the data on housing production, including that of subsidized housing, and show that the path to reducing displacement is more complex than to simply rely on market-rate development and filtering. Following, we present our analysis that replicates the LAO analysis with the addition of subsidized housing data. To examine the relationship between market-rate housing construction, subsidized housing construction, and displacement of low-income households, we developed an econometric model that estimates the probability of a lowincome Bay Area neighborhood experiencing displacement. We employ the same methodology as the LAO Report, using probit regression analysis to evaluate how various factors affect the likelihood of a census tract experiencing displacement between 2000 and 2013 (see the technical appendix for definitions).