

**Resolved: The United States should  
promote the development of market rate  
housing in urban neighborhoods**

# Definitions

## Market-Rate Housing

Ron **Leshnow**, Journalist, The Spruce, "What is Market-Rate Housing?", 09/07/18, <https://www.thespruce.com/market-rate-apartment-155986//THS>

**Market rate housing is an apartment that has no rent restrictions** A landlord who owns market-rate housing is free to attempt to rent the space at whatever price the local market may fetch. In other words, the term applies to conventional rentals that are not restricted by affordable housing laws.

## United States

"United States definition and meaning | Collins English Dictionary", <https://www.collinsdictionary.com/us/dictionary/english/united-states>

The United States of America is the official name for the country in North America that consists of fifty states and the District of Columbia. It is bordered by Canada in the north and Mexico in the south. The form United States is also used.

"United States Of America | Definition of United States Of America by Merriam-Webster", <https://www.merriam-webster.com/dictionary/United%20States%20of%20America>

country (a federal republic) in North America bordering on the Atlantic, Pacific, and Arctic oceans; capital Washington area 3,531,905 square miles (9,147,634 square kilometers), population 308,745,538

EPA 6 – EPA, US Environmental Protection Agency Terminology Reference System, 2-1-2006, [http://iaspub.epa.gov/trs/trs\\_proc\\_qry.alphabet?p\\_term\\_nm=U](http://iaspub.epa.gov/trs/trs_proc_qry.alphabet?p_term_nm=U)

United States When used in the geographic sense, means all of the States. Office of Pollution Prevention and Toxics : Commercial Chemical Control Rules Term Detail

U.S. Code 6 = United States Code, 2006, V. 3, Title 7, Sections 701=End, p. 1227

(20) UNITED STATES.—The term “United States” means all of the States.

Chicago 10 = Chicago Manual of Style Online, “Capitalization, Titles”, <http://www.chicagomanualofstyle.org/qanda/data/faq/topics/CapitalizationTitles.html>

Q. Should I capitalize “the states” when used alone (referring to the United States)? I’m copyediting a novel in which the author capitalizes “the States” when used alone. I think it would be lowercased. A. Actually, “the States” is capped when it means the United States. It’s only when referring to individual states collectively that you should lowercase: “Each of the states elects two senators,” as opposed to “I’m going back to the States.”

# Impact Calc

## Magnitude > Everything

**Prioritize our impacts because they're greater in magnitude. Sebastian Farquhar with the Future of Humanities Institute explains that when we prioritize massive impacts, we partake in a form of scenario planning that helps to solve future unknown risks. If we remain uncertain about the sources of risk and the best responses to them, we will be unable to solve them at all.**

Farquhar, Future of Humanities Institute Project Manager, et. al. 2017

[Sebastian Farquhar John Halstead Owen Cotton-Barratt Stefan Schubert Haydn Belfield Andrew Snyder-Beattie, Global Priorities Project, "Existential Risk Diplomacy and Governance," <https://www.fhi.ox.ac.uk/wp-content/uploads/Existential-Risks-2017-01-23.pdf>, Accessed 7.17.17 CT @ GDI]

Many of the risks discussed above were unforeseeable a few decades before they started to pose a threat. At the beginning of the 20th century, few could have anticipated that nuclear weapons, climate change, engineered pandemics, and artificial intelligence would come to be among our most severe existential risks. These risks were chiefly the products of technological and economic progress and it is inherently difficult to predict how such processes will play out. It therefore seems likely that some future existential risks, driven by the same mechanisms, are currently unknown. For example, there may be an as yet undeveloped technology which will have huge destructive power, or some way of interacting with the environment which will threaten complete ecosystem collapse.

It is of course impossible to comprehensively plan for such risks, but there are nevertheless steps we can take to reduce our vulnerability to them. Bodies tasked with horizon scanning and especially the monitoring of emerging technologies could help us to identify risks quickly as they develop. There may be generic forms of resiliency that protect against threats whose exact features we do not know, but about which we have heuristic information<sup>63</sup>, for example by using redundant systems. Furthermore, since all existential risks, known and unknown, present a fundamentally global political challenge, greater international cooperation will reduce the threat they pose.<sup>64</sup> Lastly, the significance of unknown unknowns makes it extremely important to involve research communities in efforts to address existential risk. We remain uncertain about the sources of risk and the best responses to them, and the novelty of many risks means that research work to help overcome them is a high priority.

## Structural Violence > Everything

**Prioritize the structural violence perpetrated by gentrification and market-rate housing over other impacts. Tove Pettersen with the University of Oslo explains that structural violence infects relationships between individuals and institutions, minimizing the amount of overall good possible. Solving for structural violence first paves the way to solve for other impacts.**

Pettersen, University of Oslo Department of Philosophy, 2011

[Tove, March 2011, Health Care Analysis, "The Ethics of Care: Normative Structures and Empirical Implications," Accessed 7.17.17 CT @ GDI]

People's relationships extend in all directions. Some will engender care, others will stifle its growth and give way to conflict, abuse and violence. Care ethicists should therefore study all kinds of relationships, not only private and professional. As the ethics of care accentuates different features than other theories, e.g., harm caused by lack of care, the agents' vulnerability and dependency, and how they are situated in particular power- and resource situations, it also identifies certain ethical challenges other theories tend to neglect. For instance, the ethics of care is as a result of its focus on interactions, alert to structural violence, i.e. to injuries caused by the way society is organized.<sup>2</sup> Structural violence infects relationships between institutions and individuals, and is characterized precisely by lack of care between unequal parties, such as the global corporation vis-à-vis the individual. Such harm can be inflicted slowly and might not be immediately apparent. It can take place even if rights are not violated, and the overall good is maximized. When the dominant party (which might be a global corporation or a health authority) forces the less empowered party (who might be a child or health worker) to acquiesce to or subject themselves (or others) to harmful schemes, the relationship counts as abusive. Disempowerment can cause conflict—at the level of the individual and family as well as of the state.

The political scientist and care ethicist Fiona Robinson's discussion on corporate social responsibility is an example of how to understand care and responsibility in such asymmetric "intercategory" relations [26]. Corporate social responsibility is the transnational corporate partnerships' responsibility to assume accountability for the social and natural environment they operate in, and for their economic and social impact. Robinson demonstrates how the ethics of care, with its contextualized focus, can capture certain types of harm more easily than other theories, and how moral arguments springing from the ethics of care can be used against structural violence. Hence, a different normative approach, could pave the way for a more caring environment.

## Timeframe > Everything

**Timeframe outweighs our opponent's impacts. John Garrick and Roger McCarthy with UCLA explain that big stick impacts like extinction and the like are inevitable and exaggerated, meaning it's only a question of how much suffering we prevent now. There are always more immediate concerns.**

Garrick and McCarthy 15- [B. John Garrick, Founder of UCLA B. John Garrick Institute for the Risk Sciences and retired CEO and Chairman of PLG, Inc – Roger L. McCarthy, Senior Fellow, UCLA B. John Garrick Institute for the Risk Sciences, Principal of McCarthy Engineering, and formerly CEO and Chairman of Exponent, Inc, "Taking Action to Prepare Society for Catastrophic Risks" B. John Garrick Institute for the Risk Sciences, UCLA Engineering, <https://static1.squarespace.com/static/54628adae4b0f587f5d3e03f7/57d83e48e58c62769f265609/1473789514378/Taking+Action+to+Prepare+Society+for+Catastrophic+Risks.pdf>] September 2015//ad

Will human beings make it through the next century?

It's not a frivolous question. Barring a cataclysm that would make the question irrelevant, the answer is "yes." The real question is how much unnecessary suffering are we going to endure?

Catastrophic risks are not something that most people seriously think about. The human race has all too often addressed disasters only after they happen. There are always more immediate concerns, and the public is becoming increasingly inured to predictions of disaster caused by everything ranging from Y2K to pandemics that never materialize. Unfortunately, disaster fear is fueled by news media hyperbole and entertainment industry fantasies, so potential catastrophes are sensationalized to the detriment of their rational consideration. Even the three simultaneous core meltdowns at Fukushima during the Great East Japan Earthquake of 2011 produced nothing close to the China syndrome or any other apocalyptic casualty scenario popularly associated with nuclear energy.

The stark reality is the human race is at catastrophic risk, more than ever before. Besides threats that have always been with us – and, sadly, always will be – such as plagues, mass warfare, or natural disasters, we are living in ever denser and thus more fragile urban concentrations, as the 2004 and 2011 tsunamis and the 2005 Hurricane Katrina so painfully illustrated. We also have much greater interconnection, as SARS (severe acute respiratory syndrome) also painfully illustrated. More dense urban population centers provide greatly increased leverage for these long known natural catastrophes to create mass casualties.

In addition, burgeoning technologies have the potential for creating catastrophic events. Advances in artificial intelligence, nanotechnology, biological engineering, and even particle physics are occurring at an exponentially growing rate, with implications that are breathtaking, and certainly with some unintended and unknown consequences. Fueled by Moore's law in computer power and by the expansion of Internet access to virtually the entire world, these and other technologies present challenges that are serious now and could become catastrophic in the not-too-distant future. Unfortunately, popular culture has too often caused this field to be occupied with holocaust fantasies of everything from plagues (too many zombie movies to count), to earthquakes (innumerable, but most recently "San Andreas") and takeovers by computers/robots (n+1 "Terminator" movies), etc. Asteroids? Genetically modified organisms? Aliens? Let's not go there. Making catastrophe the subject of so much fiction with little technical accuracy measurably impacts the public perception of catastrophic risk (Satpahi and Smith, Undated) and thus makes more challenging the rational quantification and serious scientific consideration of such risks.

## Off-Case

## **Theory – Civility**

**Our opponents are actively preventing a sufficient debate by terminating the civility within the round. There are 3 reasons why you should drop them.**

**First, Prerequisite- Before we can have an efficient debate, we follow a list of ground rules to maintain functionality. By removing civility and manners from debate, it turns into a yelling contest of nonsense. All debaters ought to be civil when discussing the resolution which my opponents are not.**

**Second, Compounded Conflict- My opponents uncivility forces me to partake in verbal conflict. Verbal conflict ruins the safe space within the debate room and puts all members into a state of hostility which is terrible for having effective discussion.**

**Third, Precedent- By dropping our opponents, you set real precedent that debaters must be civilized within a debate round. If you let our opponents win this round, you signal that is okay to act hostile and abusive in debate rounds.**

**Voting for civility is the highest priority in the round as it makes a real implication.**

## **Theory – Disclosure**

**Counter-Interpretation-** Debaters must disclose evidence that is planned to be read in round when requested with a judge present.

**Violation-** My partner and I did not violate as disclosure was not a requested function in today's round.

**Voters -**

**Education-** My opponents create a theory debate instead of valuing the substantive topical argumentation. Theory does not belong in public forum as the purpose of PF is to be open to any person to understand. IF a theory shell is to be read, the opponents must have a bulletproof interpretation in the eyes of the judge. Vote them down as they set terrible precedent of shock value theory and abusive wording. Theory is meant to insure the safety of a debate round from abuse, not to rely on it.

**Fairness-** Our opponents have placed a massive time skew in today's round overall ruining any substance debate from occurring. Since they are requiring us to respond to theory in an unprecedented action they should be voted down for abuse. They set a terrible time skew precedent and in the moral compass of popularity, theory is proven to be abusive.

**Prefer this interpretation** as it removes the abusive factor of reading disclosure. It is impossible to expect a team to comply with a rule when not informed to do so before the round actually begins.

**Overall, drop the debaters** because of their precedent of abusive time skews and unreasonable theory. Theory is a pre-requisite to substance debate so weigh it above any topical debate.

## Theory – Evidence

**Interpretation: Evidence must have full citations**

**Violation: \_\_\_\_\_ evidence doesn't have full citations/ is miscut**

**There are two standards:**

**First, Ground for Evidence Comparison- Without dates I can't compare which evidence is more recent to determine which is more relevant. Without qualifications I can't challenge the legitimacy of their author or explain why my author is better than their author. I can't explain why they have more experience or their field of research is preferable to this specific topic. Being able to compare evidence is key to fairness because otherwise I would be unable to leverage my evidence against theirs and we would reach a stalemate.**

**Second, Verifiability - Without citations I am unable to verify whether or not they miscut their evidence. If they just provided citations I would be able to read the article and determine the original meaning of the article. Misrepresentation of evidence harms the educational process because it rewards students for butchering academic articles and avoiding research.**

**There are two voters:**

**First, Education is a voter because the whole reason we debate is to learn about the topic. Harming educational quality means we are defeating the purpose of debate.**

**Second, Fairness is a voter because unequal burdens would make debate an event about who can cheat the best, which would cause people to leave the activity.**

**Drop the debater, one, to encourage high evidence standards, and two, because it is required by the rules in section 7.4.C. Even if you think this round hasn't been ruined by the violation, we should be setting a precedent for future rounds.**

**Prefer reasonability over competing interpretations with an emphasis on clear demonstrations of in round violations. If it is reasonably true that my opponents have violated the NSDA rules, then you should drop them. Competing interpretations only allow in round abuse to be masked by blippy theory debates and sidestep meaningful engagement with the arguments presented in this debate.**

**No fairness RVI's because you do not win the round by proving you don't cheat**

## Theory – Federal Government

Judge, you need to understand that the burden of the AFFIRMATIVE is to defend a federal, or at the very least, national-level action. This is for three main reasons.

First, the topic says that the “United States,” ie, the country, should promote development in all urban areas. The only way for any policy to affect all those areas is to be a federal or national action.

Second, a wide range of definitions define the United States as a collective – For legal purposes, both the EPA and the general US Code define the term to mean the entire country, and the Chicago Manual of Style explains that when it’s capitalized like in the resolution it means the collective.

Third, setting a clear actor like the federal government allows for more specific discussion and more effective debate as a whole – Saying otherwise is akin to telling the affirmative they can run a plan, something explicitly against the rules of Public Forum Debate.

## **Theory - Probability**

**Probability is not a factor in a topical public forum round. This is empirically proven by the topics chosen by the National Speech and Debate Association. A prime example is the pharmaceutical topic which had no probable real-world policy implementation due to their lobbying power. Instead debaters ought to debate what is moral and weigh the impacts, and not probable. You also must evaluate the use of the word “should” in the resolution instead of a word such as “could”. This is emphasizing the need to debate morality of topics instead of probability.**

# Affirmative

## False Dichotomy

### **Market-rate can mean affordable**

Paul **Boudreaux** [Professor of Law, Stetson U.], FORDHAM URBAN LAW JOURNAL, April 2018, NexisUni, pp. 634-635.

indeed, in the affordable housing world, it is common to refer to a distinction between "market-rate housing"--that is, non-low-cost housing--and "affordable" housing, at least in expensive housing markets. But this attitude reflects an assumption that the market can play little role in the provision of low-cost housing in metropolitan areas. This attitude is incorrect. The market can, over time, generate low-cost housing when it is not hampered by land use laws that choke off supply and drive up housing prices.

### **More market-rate housing leads to lower costs**

Andrea J. **Boyack** [Professor of Law, Washburn U.], ARIZONA STATE LAW JOURNAL, Summer 2018, NexisUni, pp. 465-466.

Where the market price of housing is "too expensive" relative to its production costs, laws and policies should encourage the natural market response: an increase of supply which will drive down the cost of housing.

# Free Market Good – EQUALITY

## The free market often solves for racism and discrimination

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As Milton Friedman explained in his classic 1962 book *Capitalism and Freedom*, free market capitalism frequently acts as a solvent for racism and discrimination: **It is a striking historical fact that the development of capitalism has been accompanied by a major reduction in the extent to which particular religious, racial, or social groups have operated under special handicaps in respect of their economic activities**, have, as the saying goes, been discriminated against.

## Free markets break down discrimination

**FEE**, Foundation for Economic Education, "How Free Markets Break Down Discrimination - Foundation for Economic Education", April 1, 20**08**, <https://fee.org/articles/how-free-markets-break-down-discrimination/> //THS

One of my favorite lines in the classic movie *The Magnificent Seven* comes when a traveling salesman and his partner offer to pay the local undertaker to haul a dead Indian to boot hill. The undertaker refuses. He'd like to oblige, he explains, but the townsfolk are so prejudiced against burying Indians alongside whites that he can't persuade his driver to haul the body. One of the salesmen says, "He's prejudiced too, huh?" The undertaker replies, "Well, when it comes to a chance of getting his head blown off, he's downright bigoted." Experience with economic freedom illustrates the opposite point: **When it comes to saving their economic lives, even otherwise-prejudiced people are downright tolerant.**

**The reason is that markets make people pay for discriminating unless they're discriminating in favor of the productive governments and government officials rarely bear a cost for, and often benefit from, discriminating against unpopular people**, which is why the greatest horror stories of discrimination are about governments. The insight that markets break down discrimination is not new. Over 200 years ago Voltaire wrote: "Go into the London Stock Exchange... and you will see representatives of all nations gathered there for the service of mankind. There the Jew, the Mohammedan, and the Christian deal with each other as if they were of the same religion, and give the name of infidel only to those who go bankrupt." Voltaire was pointing out that people on the London Stock Exchange wanted so much to make money that they were willing to deal with others who had different religions and cultural backgrounds. This seems an obvious insight, but apparently it is not. How often have you heard people denounce businessmen for ruthlessly pursuing profits and, in the next breath, castigating those same businessmen for discriminating against a minority group simply because they're a minority? Well, which is it? Are they trying to maximize profits or are they discriminating? It can't be both. Think about the most notorious examples of racism, and the odds are high that you will think of a government implementing it and private citizens, out of the profit motive, opposing it. Take South Africa's apartheid. Please. The apartheid regime and the 'colour bar' that preceded it illustrate both points. From the early 1920s to the early 1990s, the South African government put barriers in the way of employers' hiring black people for the plum jobs, especially, early on, in mining. In other words, the government officially enforced discrimination. Among the strongest opponents of this discrimination and the strongest advocates of tolerance were white employers. They hated that the government prevented them from hiring qualified black people to work in mines and elsewhere. Interestingly also, among the strongest supporters of the colour bar and, later, apartheid were white labor unions. Indeed, something happened under the colour bar in 1923 that is so striking that the story should be told by parents everywhere to their children and talked about incessantly in coffeehouses. It was a strike by members of the powerful white Mine Workers' Union, who were protesting white mine owners' plans to hire less-expensive black workers. The 12-word banner that they proudly carried through the streets read, "Workers of the world unite, and fight for a white South Africa." This Karl-Marx-meets-David-Duke slogan is further evidence of the connection between government power (socialism is the ultimate in government power) and racial discrimination. Interestingly, the union received support for this strike from its allies in the South African Labour Party (SALP), formed in 1908 with the explicit goal of achieving privilege for white workers. The SALP was modeled intentionally on the British Labour Party, an avowedly socialist party. And if you think something like that would never happen in the United States, then consider the origins of the minimum-wage law. The main proponents of the minimum wage were northern unions that wanted to harm their lower-wage southern competition, many of whom were black. This goal animated unions as recently as the 1950s. At a 1957 hearing on increasing the minimum wage, a northern U.S. Senator who favored the increase stated: "Of course, having on the market a rather large source of cheap labor depresses wages outside of that group, too—the wages of the white worker who has to compete. And when an employer can substitute a colored worker at a lower wage—and there are, as you pointed out, these hundreds of thousands looking for decent work—it affects the whole wage structure of an area, doesn't it?" Who was the senator? Here's a hint: just four years later he was the President. His name: John F. Kennedy.

## Filtering

**In the long run, additions at the high end of housing markets ripple down to the lower side.**

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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. 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.<sup>5</sup> **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. While 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 lower-priced submarkets.**<sup>6</sup>

**Owners have an incentive to convert existing units to lower-income submarkets so that they can continue to rent the unit as it grows old. Empirically, this included almost 67% of units available to low-income renters in 2013.**

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Commissioner of Housing Preservation and Development for the City of New York, recipient of the MacArthur Award for Creative and Effective Institutions in 2012.), October 26, 2017, NYU Furman Center, NYU Wagner School, and NYU School of Law, "Supply Skepticism: Housing Supply and Affordability", accessed February 9, 2019, [http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20supply\\_affordability\\_Oct%2026%20revision.pdf](http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20supply_affordability_Oct%2026%20revision.pdf)

Finally, the supply and demand effects interact. For example, **the ripple effects created if inadequate supply causes higher end buyers to compete for lower-priced homes 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.**<sup>7</sup> 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. **Empirical research shows that filtering** is not just a theory posited on the pages of economic textbooks, but it in fact **occurs in real housing markets**.<sup>8</sup> Weicher, Eggers, and Moumen (2016) report that **45 percent of the rental units that were affordable to very low-income renters in the U.S. in 2013 had filtered down from owner-occupied or higher rent categories in 1985. Another 21.8 percent were conversions from formerly owner-occupied homes or seasonal rentals.**<sup>8</sup> Note that filtering occurs over a shorter time frame too; among affordable units in 2013, 19 percent had been higher rent units as recently as 2005. Most of the higher priced rental units that filtered down to become affordable in 2013 were moderate rent units in 1985, but 15 percent of those that filtered down were high-rent units in 1985.<sup>9</sup>

## **New construction keeps housing affordable because older units filter down to lower price points.**

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In short, **new construction is crucial for keeping housing affordable**, even in markets where much of the new construction is itself "luxury" housing most people can't afford. **A lack of supply to meet demand at the high end affects prices across submarkets and makes housing less affordable to residents in lower-cost submarkets. Of course, adding supply in surrounding jurisdictions would also help**<sup>10</sup> to alleviate demand pressures in a locality, especially if accompanied by transportation improvements. **Not all the supply needs to be added in the specific jurisdiction facing increased demand.**

## **The development of market rate housing supports lower income households.**

**Keyser Marston Associates, I. (2007).** Residential Nexus Analysis: City and County of San Francisco.

In summary, **for every 100 market rate condominium units there are 25.0 lower income households generated through the direct impact of the consumption of the condominium buyers and a total of 43.31 households if total direct, indirect, and induced impacts are counted** in the analysis. For every 100 market rate rental units there are 19.44 lower income households generated through the direct impact of the consumption of the renters and a total of 33.68 households if total direct, indirect, and induced impacts are counted in the analysis.

## **MRH drives housing that's affordable - not subsidized "affordable" housing**

Daniel Hertz, 11-10-2015, City Observatory, "What filtering can and can't do", accessed February 6, 2019, <http://cityobservatory.org/what-filtering-can-and-cant-do/>

But **affordable housing** also **suffers from an ill-defined relationship to the market**. Typically, the phrase "affordable housing" means "below market rate," as in a home that receives some sort of subsidy, private or public, to be cheaper than what the owner could otherwise charge. (Of course, even this distinction - subsidized versus unsubsidized - is problematic, or just plain incorrect, given the massive subsidies to middle- and upper-income homeowners through mechanisms like the mortgage interest tax deduction.) **But in most of the country, the vast majority of homes that are actually "affordable" to lower-income people are sold or rented at market rate. They just happen to have some characteristics - size, appearance, or location in a less-desired neighborhood - that make their market prices relatively low.** But very little private housing in the United States was originally built for low-income people. Instead, **homes built for the middle or even upper classes gradually became cheaper as they aged, as people with high purchasing power moved into trendier, more modern homes in "better" neighborhoods. As higher income households move on, the now somewhat older homes or apartments they formerly occupied are sold or rented to people with more modest incomes.**

## **Filtering provides majority of existing low-income housing: market-rate development key, fuels depreciation**

Joe Cortright, 2-20-2017, City Observatory, "Urban myth busting: Why building more high income housing helps affordability", accessed February 6, 2019, <http://cityobservatory.org/urban-myth-busting-high-income2/>

**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. This isn't theoretical: As we've discussed before at City Observatory, the vast majority of today's actually existing affordable housing is not subsidized below-market housing, but market-rate housing that has depreciated, or "filtered." Syracuse economist Stuart Rosenthal estimates that **the median value of rental housing declines by about 2.2% per year.** As its price falls, lower-income people move in. Rosenthal estimates that rental housing that is 20 years old is occupied, on average, by households with incomes about half the level of incomes of those who occupy new rental housing. In its 2016 report on the state's housing crisis, the California Legislative Analyst's Office noted that as housing ages, it becomes more affordable. Housing that likely was considered "luxury" when first built declined to the middle of the housing market within 25 years. Take the 1960s-era apartments built in Marietta, a suburb of Atlanta: When they were new, they were middle to upper income housing, occupied by single professionals, gradually, as they aged, they slid down-market, to the point where the city passed an \$85 million bond issue to acquire and demolish them as a way of reducing a concentration of low income households in the Franklin Road neighborhood.

## **Absent filtering, high-income renters move downstream, crowd-out housing:- effect outweighs affordable housing development**

Joe Cortright, 2-20-2017, City Observatory, "Urban myth busting: Why building more high income housing helps affordability", accessed February 6, 2019, <http://cityobservatory.org/urban-myth-busting-high-income2/>

Another critical point is that **if we don't build more housing at the high end of the market, those households don't just disappear, they take their demand "down-market" and bid up the price of housing that would otherwise filter down to middle and lower-income households.** That's exactly what the Montgomery County Maryland housing department reports is happening there: The

shortage of rental housing at the high end of the market creates downward pressure on less affluent renters, the study found, because **when higher-income households rent less expensive units, lower-income renters have fewer affordable choices.** Cost-burdening is linked with this unbalanced market, especially at the lower end of the income spectrum. Ironically, this problem persists in Montgomery County in spite of its widely touted inclusionary housing requirement that forces builders of new apartments to set aside a portion of them for low and moderate income households.

## Government Intervention Bad – AFFORDABILITY

### **Government policies are the reason behind a lack of affordable housing**

Ryan **McMaken** (Senior editor at the Mises Institute), Mises Institute, "Governments Have Destroyed Housing Affordability in Many Places — But Some Refuges Remain | Mises Wire", 08/10/2018, <https://mises.org/wire/governments-have-destroyed-housing-affordability-many-places-%E2%80%94-some-refuges-remain>

**From crime rates to life expectancy to income levels, statistics at the national level are next to useless when it comes to measuring the daily lives of ordinary people in the United States. This is because the United States** — which is a huge and geographically diverse country — **is simply too large to be summed up in a single number.** This sort of generalizing is

inappropriate for pretty much any place that's larger than a single metro area, but it's especially bad when applied to a place like the United States. Even the larger European countries are much smaller, more compact, and less diverse than than US. **The importance of looking at things on a more local level is** perhaps **most important when looking at issues of homes and home prices.** After all, even people who have never studied housing know that housing tends to be highly dependent on local issues, such as climate, local amenities, and access to employment. Many people already know that a four

bedroom house in a nice Cleveland suburb is dirt cheap compared to a house of the same size in, say, San Diego, California. So, **it shouldn't be** terribly **surprising to find that in many parts of the United States, buying a home continues to be quite affordable** by historical standards. This fact has started to attract some attention in recent years. In her column titled "Opting Out of Coastal Madness to Live a Low-Overhead Life," Anne Trubek discusses how its possible to live comfortably on \$40,000. But here's the rub. To do this, one has to live in an un-sexy midwestern city — albeit in a neighborhood with tree-lined streets and solid, four-

bedroom houses. Statistical data seems to bear this out as well. In June, the Brookings Institution released a new study showing that **housing affordability varies greatly from** coastal **cities** to the American interior. And by coastal, they mean "ocean coast." Living near the coastline of the Great Lakes, apparently brings with it even more affordability; the basic premise of the research is to analyze affordability based on the fact that "U.S. median house prices have been roughly 2.5 to 4 times median income." Comparing current home prices to incomes in each area, the report concludes: Metropolitan areas with low price-income ratios are located in very different parts of the country from high-priced metropolitan areas (Figure 5). The lowest ratio metros are mostly located in the Midwest, especially clustered around the Great Lakes, and scattered across Texas. The metros with the highest ratios are primarily along the Pacific and Northeast Atlantic coasts. South Florida, Colorado, and several smaller metros along the Southeast coast also rank among the most expensive areas. Across the U.S., most states have more metro areas with price-income ratios in the normal range (2.4-4.3) than metros with outlying values. Comparing against incomes, of course, is important. It's surely easy to find places where home prices are at rock-bottom levels — in places with depressed economies. In this case, however, we'll be looking at incomes in relation to housing prices, and it is not at all a given that places with good job markets must also have unaffordable housing. Texas, for example, has for years had a substantial amount of employment growth. Yet according to the Brookings report, the state has numerous metro areas with "low" and "very low" price-income ratios on housing. The focus here is on middle-income families, and on for-purchase housing. Low-income households and renters face a different set **of challenges, but even middle-income households may daily be told through the media that housing in the**

**United States is quickly becoming unaffordable. Except those articles and news clips tend to focus on housing in places like Seattle, or along the California coast** And there's no arguing with the assertion that places like that are "unaffordable" for many middle-income people. And as

the Brookings article notes, and as I've noted, **the lack of affordability in places like California can often be blamed on state and local government measures designed to limit the construction and diversification of housing. Zoning laws and other regulatory barriers to new housing production have decimated housing affordability of housing in many coastal cities. Cities like San Francisco and Seattle have essentially become playgrounds for the wealthy in which existing homeowners fight tooth and nail any attempt to allow sizable amounts of new housing construction. They do this, they tell us, to preserve "the character of the neighborhood." But what they're really doing is using government regulations to drive up the prices on their own real estate, while driving lower-income people further and further out into the periphery.** Oh sure, these Progressive guardians of the local "quality of life" might allow a handful of subsidized housing units to be built. After all, somebody has to make your cappuccino or do your dry cleaning. But the overall effect is to ensure few people can afford to move in. His issue, however, is far less prominent in the un-stylish cities of the interior where city officials still welcome new construction and new housing — and where there's a greater abundance of less-expensive land.

# Government Intervention Bad – GENERIC

## **Government Regulations Boost Housing Costs and Poverty**

Chuck DeVore (Texas Public Policy Foundation VP and former California legislator), Forbes, "Government Regulations Boost Housing Costs And Poverty", June 19, 2015, <https://www.forbes.com/sites/chuckdevore/2015/06/19/government-regulations-boost-housing-costs-and-poverty/#36e7f2f311d1>

**Inflated costs for homes, offices, and factories, driven by government regulations hurt the middle class and the working poor the most. High prices for shelter rob families of discretionary income, shrink the rest of the economy, and drive up poverty.**

**There is a pattern to housing costs: states with heavier regulatory burdens tend to have higher housing costs than do states with lighter regulations.**

The Fraser Institute's annual Economic Freedom of North America study ranks states for their economic freedom. Fraser's report details taxation, spending, and regulatory burdens, among others, with the data showing a strong correlation between housing prices and heavy regulation in a state. Ironically, high housing costs caused by layers of government rules that make it difficult for developers to respond to market demand lead to, you guessed it, calls for more government rules—and so on in a vicious circle. California's response to high housing costs mirrors the federal response and is typical of the hyperstate model: more rules and more subsidies to address the lack of housing supply caused by the rules in the first place. But government rules and subsidies can only provide a tiny fraction of the demand for affordable housing with governments across America holding lotteries to select those lucky enough to live in below market rate housing. If California epitomizes the hyperstate model, Texas' embrace of freedom is the antipode. Housing costs more than twice the national average in California, the third-highest in the nation. But the average cost for shelter in Texas was 86 percent of the national average in the first quarter of this year. Houston, America's fourth-largest city, and, by some measures, the nation's most diverse city, doesn't even use zoning. The vastly different approaches to land use regulations in the two biggest states where one in five Americans call home greatly affect the poverty rates. The traditional official poverty measure is unaffected by housing costs—in fact, the nation's official poverty gauge ignores the reality of the cost of living and sets the poverty threshold at the same level in the 48 contiguous states, treating San Francisco (average rent: \$3,803) the same as Houston (average rent: \$1,752). This is ridiculous, of course, but, it's government.

**The U.S. Census Bureau's new Supplemental Poverty Measure takes housing costs into account, as well as a wider array of government benefits, costs and taxes. Under this more comprehensive measure, California has the nation's highest poverty rate, 23.4 percent, giving urgent meaning to the phrase "house poor." Texas, meanwhile, had a poverty rate of 15.9 percent, matching the national rate.**

## **Government Intervention (TALF) Decreases Investment**

Terry Miller (Ambassador Terry Miller focuses on research into how free markets and international trade foster economic growth around the world.), Heritage Foundation, "Government Intervention: A Threat to Economic Recovery", June 10, 2009, <https://www.heritage.org/testimony/government-intervention-threat-economic-recovery>

**The record of government interference in the economy, whether in the United States or in countries around the world, is not pretty. The TARP and TALF programs, both initiated under the previous administration, are good examples of the problems of**

**government interference in markets.** The policy-makers involved argued that the programs were necessary to avoid an immediate melt-down in financial markets. We cannot, of course, know what would have happened in the programs' absence. However, from the perspective of six months following their passage, we can see that their lasting result has been not the hoped-for increase in stability and lending in credit markets, but rather greater uncertainty and volatility. Markets need sure and stable

**he TARP, in particular, has created confusion and interfered with the establishment of a market-clearing price for the troubled assets in question. There has been a disappointing lack of transparency in the program's decision-making processes that leaves potential investors uncertain of the direction of the market and therefore unwilling to invest.**

The TARP may have artificially inflated the value of the troubled assets, but it has done little to get them off the books of the financial institutions. The fiscal stimulus package passed under the current administration is even worse. Even if one accepts the Keynesian notion that increased government spending can increase economic growth, and there are real doubts about this, almost none of the money has actually been spent, or will be spent, in a timely fashion. One estimate this month is that only about \$37 billion of the \$787 billion stimulus package has been spent so far. Most of the money is projected to be spent in the future when government stimulus will no longer be appropriate and will most likely only contribute to inflationary pressure. The cost of these programs is creating a huge debt for our children that will have to be financed somehow. If we continue them, we are going to see either inflation or increased taxes or both, as well as a fall in the value of the dollar and decreased foreign investment in the United States, lower productivity overall, and reduced economic growth in the future. That is far from doing no harm. Between January and April this year, the International Monetary Fund reduced its projection of U.S. economic growth in 2010 from a positive 1.6 percent to zero. The most significant U.S. public policy change during this period was the passage of the stimulus package. Now we are seeing bond markets driving up the cost of Treasury borrowing in response to unprecedented government spending. This is a path to impoverishment rather than recovery. We need to stop.

## **Government Intervention Bad – SUBSIDIES**

### **Government housing subsidies simply don't work**

Ron **Feldman &** Mark **Wright** [both, Vice Presidents, Federal Reserve Bank of Minneapolis], STATES NEWS SERVICE, October 18, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP.

Arithmetic alone shows that increasing private market supply is critical to reducing the cost of housing. In 2006, the Metropolitan Council estimated that **the Twin Cities would need to provide an additional 51,000 homes** affordable to low-income households during the 2011-20 period. **Government subsidies to builders have yielded only about 7,000 such affordable homes** so far. **during that time frame** **Even if governments had subsidized builders at quadruple that rate, we would still be 23,000 units short** of what is needed by 2020. The record over a long period of time suggests that state and city **budgets will not fund future building subsidies of a magnitude that would produce the needed units.**

### **Housing subsidies actually raise prices**

Ron **Feldman &** Mark **Wright** [both, Vice Presidents, Federal Reserve Bank of Minneapolis], STATES NEWS SERVICE, October 18, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP.

**What about giving housing subsidies to households instead? Sounds appealing. But housing subsidies increase the demand for housing, so unless total supply also increases, prices will just go up. Current landlords and homeowners will get richer, but low-income families will have even fewer options.**

## High Rents Bad

### **High rent is a ticking time bomb for the economy**

**Michael Hobbes, journalist, June 19, 2018**, “America’s Housing Crisis Is A Ticking Time Bomb,” Huffington Post, [https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report\\_us\\_5b27c1f1e4b056b2263c621e](https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e) (accessed 2/8/19)

**By nearly every measure, the American housing sector is broken. For decades, city, state and federal policies have contributed to rising rents, falling subsidies and the systematic shift of homeownership to older, richer and whiter Americans.**

That’s the undeniable upshot of a new report from the Joint Center for Housing Studies at Harvard University. The report compiles hundreds of metrics on the health of America’s housing sector and finds that, despite some short-term progress since the recession, the long-term prognosis is grim.

**The housing crisis is the ticking time bomb at the heart of the American economy, wiping out savings, increasing inequality and reducing the ability of workers to weather the next recession. It has been in front of us all along, but now, finally, it is impossible to ignore.**

### **High rent prevents people from becoming home owners – impossible to save for a down payment**

**Ben Bergman and Chris Keller, reporters, No Date**, “high rent, few options,” South California Public Radio, <http://projects.scpr.org/longreads/high-rent-few-options/> (accessed 2/7/19)

“L.A. actually does stand out as having the highest share of people renting which in part is a reflection of the high housing costs in the area and a younger population as well,” said Chris Herbert, Research Director at the Joint Center for Housing Studies at Harvard.

**Paying more for rent means residents don’t have much money left to spend on other things, which hurts the overall economy. From 2000-2012, the percentage of owners decreased in L.A. County by about 2 percent while the percentage of renters increased by about the same amount, according to the California Housing Partnership Corporation. That’s partly because for many renters, saving up to buy a house has become cost prohibitive. “Saving for a down payment is nearly impossible if you’re paying half of your income in rent,” said Green.**

KPCC spent the last few weeks talking to renters in different parts of Los Angeles about living in a city where owning an apartment often comes with the cost of squeezing savings accounts dry.

### **America needs more houses – lack of supply is driving up rent**

**Michael Hobbes, journalist, June 19, 2018**, “America’s Housing Crisis Is A Ticking Time Bomb,” Huffington Post, [https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report\\_us\\_5b27c1f1e4b056b2263c621e](https://www.huffingtonpost.com/entry/housing-crisis-inequality-harvard-report_us_5b27c1f1e4b056b2263c621e) (accessed 2/8/19)

**Before the recession, America built around 1.1 million new homes per year. In its best year since, the country built just 849,000. This makes no sense. Though the American population has been growing steadily, there are now fewer homes on the market than in any year since 1982.**

Despite seemingly bottomless demand, the construction of apartment buildings fell by 10 percent last year. James Madden, an affordable housing developer in Seattle, said the reasons for the slowdown are complex.

**Americans move less now than they used to, meaning fewer are putting their homes up for sale. Construction costs are also booming due to higher material costs. And major cities have fewer plots available for development.**

# Homelessness

## Cheaper to house homeless than not

**Moorhead 12** Head of the Housing Urban Development “Cheaper to House the Homelessness” 2012

“The thing we finally figured out is that it’s actually, not only better for people, but cheaper to solve homelessness than it is to put a bandaid on it,” Donovan said in the March 5, 2012, appearance. “Because, **at the end of the day, it costs, between shelters and emergency rooms and jails, it costs about \$40,000 a year for a homeless person to be on the streets.**” if we put 6 people in a 3 bedroom house with a roommate that’s 240,000\$, the average 3 bedroom house costs 198,000\$.

## Permanent housing for homeless folk would save millions

**Keyes 14** (Scott, “Leaving Homeless Person On The Streets: \$31,065. Giving Them Housing: \$10,051”. <http://thinkprogress.org/economy/2014/05/27/3441772/floridahomelessfinancialstudy/>

Even if you don’t think society has a moral obligation to care for the least among us, a new study underscores that we have a financial obligation to do so. Late last week, the Central Florida Commission on Homelessness released a new study showing that, when accounting for a variety of public expenses, **Florida residents pay \$31,065 per chronically homeless person every year they live on the**

**streets.** The study, conducted by Creative Housing Solutions, an Oklahomabased consultant group, tracked public expenses accrued by 107 chronically homeless individuals in central Florida. These ranged from criminalization and incarceration costs to medical treatment and emergency room intakes that the patient was unable to afford. Andrae Bailey, CEO of the commission that released the study, noted to the Orlando Sentinel that most chronically homeless people have a physical or mental disability, such as posttraumatic stress disorder. “These are not people who are just going to pull themselves up by their bootstraps and get a job,” he said. “They’re never going to get off the streets on their own.” The most recent count found 1,577 chronically homeless individuals living in three central Florida counties — Osceola, Seminole, and Orange, which includes Orlando. As a result, the region is paying nearly \$50 million annually to let homeless people languish on the streets. There is a far cheaper option though: giving homeless people housing and supportive services. **The study found that it would cost taxpayers just \$10,051 per homeless person to give them a permanent place to live and services like job training and health care. That figure is 68 percent less than the public currently spends by allowing homeless people to remain on the streets. If central Florida took the permanent supportive housing approach, it could save \$350 million over the next decade.** This is just the latest study showing how fiscally irresponsible it is for

society to allow homelessness to continue. **A study in Charlotte earlier this year found a new apartment complex oriented towards homeless people saved taxpayers \$1.8 million in the first year alone.** Similarly, the Centennial State will save millions by giving homeless **researchers earlier this year found that taxpayers had spent \$5,081,680 over the past decade in incarceration expenses to repeatedly jail just 37 chronically homeless people.**

## Lack of affordable housing leads to homelessness.

### National Law Center on Homelessness and Poverty, 2015

[https://www.nlchp.org/documents/Right\\_to\\_Housing\\_Report\\_Card\\_2015](https://www.nlchp.org/documents/Right_to_Housing_Report_Card_2015)

Lack of affordable housing is a primary cause of homelessness, and the ongoing crisis has led to an increase in the numbers of homeless persons. While HUD’s point-in-time count of homeless persons living in shelters and public places has decreased over the past four years, this number is almost certainly a significant undercount of homelessness. It does not include people living doubled up with family or friends; this **number increased by 9.4% to 7.4 million people in 2011, and remained stable during 2012. Moreover, close to 1.4 million school children were homeless during the 2013-2014 school year—and almost 2.5 million children overall were homeless in 2013. The school numbers represent an 8% increase since the previous year, and have almost doubled since the beginning of the economic crisis in 2007.**

## Housing Crisis – ENVIRONMENT

**High housing prices leads to longer commutes which leads to increased pollution costs**  
Enrico **Moretti** [Professor of Economics, U. of California, Berkeley], THE NEW YORK TIMES, November 4, 2017, pNA, NexisUni.

**Families who can't afford San Francisco, Berkeley or Silicon Valley have to move to exurbs. Some 3,800 Californians leave urban parts of the Bay Area for cheaper housing in Sonoma and Napa Counties every year. This worsens traffic and heightens the pressure for development on the edge of the region -- in places such as Santa Rosa, home to some of the neighborhoods hardest hit by this month's fires. This extracts enormous environmental costs.**

### **Rising costs adds energy and environmental costs**

Roger K. **Lewis**, THE WASHINGTON POST, March 18, 2017, p. T19, NexisUni.

**Real estate prices in Maryland and Virginia have been steadily going up.** With decreasing affordability in the city and people increasingly seeking affordable housing in suburban communities,  
**suburban housing prices will keep rising Adding to all this will be the time, energy and environmental costs of increased commuting and traffic congestion. Given current transportation policies, constrained public transportation investment and slow transit system expansion, many more cars will clog road networks** with or without a driver at the wheel. These predictions suggest that **over time** city and suburban inhabitants will need to be relatively well off financially. Econo **mic constraints increasingly could push middle-income workers farther out** into Washington's sprawling outer exurbs and beyond.

### **Restricted housing supply leads to lower density and more miles travelled**

Vicki **Been** [Professor of Law, NYU], JOURNAL OF LAND USE & ENVIRONMENTAL LAW, Spring 2018, NexisUni, p. 235.

**Restrictions on supply often are associated with lower density and less compact development,** because they prevent further development in lower density areas and divert housing demand to areas further from the central business district. **Lower density, in turn, is associated with higher vehicle miles traveled, which results in increased air pollution and greenhouse gas emissions Higher density and more compact urban forms result in less energy use** for heating and cooling buildings, **and** therefore, result in **lower greenhouse gas emissions** Development at higher densities is associated with lower per capita impacts on water quality. **Research also finds an association between higher density development and lower rates of destruction of critical habitat and open space.**

### **Suburban development linked to climate change**

Chris **Leinberger** [Chair, Center for Real Estate and Urban Analysis, George Washington U.], WASHINGTON MONTHLY, April-June 2018, p. 30+, Gale Cengage Learning, Expanded Academic ASAP.

Number one, drivable **suburban development is the U.S.'s biggest contributor to climate change.** The built environment--our buildings and the transportation system we use to move between them-- **represents about 73 percent of greenhouse gas emissions in this country** You move a household from Potomac or McLean [D.C. suburbs] to Dupont [a D.C. urban neighborhood], you're going to cut your greenhouse gas emissions by 50 to 80 percent.

## Housing Crisis - GENERIC

### **The ongoing housing crisis in the United States must be addressed now.**

Terry **Gross** (Host of Fresh Air), NPR, "First-Ever Evictions Database Shows: 'We're In the Middle Of A Housing Crisis' : NPR", April 12, 2018, <https://www.npr.org/2018/04/12/601783346/first-ever-evictions-database-shows-were-in-the-middle-of-a-housing-crisis>

**Incomes have remained flat for many Americans over the last two decades, but housing costs have soared. So between 1995 and today, median asking rents have increased by 70 percent, adjusting for inflation.**

So there's a shrinking gap between what families are bringing [in] and what they have to pay for basic shelter. And then we might ask ourselves: Wait a minute, where's public housing here? Where's housing vouchers? Doesn't the government help? And the answer is, it does help, but only for a small percentage of families. Only about 1 in 4 families who qualify for housing assistance get anything. So when we picture the typical low income American today, we shouldn't think of them living in public housing or getting any kind [of] housing assistance for the government, we should think of folks who are paying 60, 70, 80 percent of their income and living unassisted in the private rental market.

### **Housing prices are rising rapidly**

Benjamin **Shaffer** [John F. Kennedy School of Government, Harvard U.], KENNEDY SCHOOL REVIEW, 2015, p. 40+, Gale Cengage Learning, Expanded Academic ASAP.

**American cities are reaching a vital inflection point. After decades of decay, cities are enjoying a resurgence as the engines of the new economy. Continually rising rents, however, threaten to undo this growth.**

### **Housing prices are linked to various other negative things**

Benjamin **Shaffer** [John F. Kennedy School of Government, Harvard U.], KENNEDY SCHOOL REVIEW, 2015, p. 40+, Gale Cengage Learning, Expanded Academic ASAP.

Parents with an adult child still living at home, recent graduates looking for their first apartment, and newlyweds wanting to buy their first home all have the same question: **why does housing cost so much in the big city? While housing has always been expensive for some of the population rising housing costs have now been linked to slow economic growth inequality of city services, and the inability of millennials to move out of their parents' basements and into an economically independent life**

### **High housing costs lead to people moving out of cities**

Roger K. **Lewis**, THE WASHINGTON POST, March 18, 2017, p. T19, NexisUni.

But The Washington Post reported recently that **the cost of living and high housing costs in particular, have begun deterring young adults from moving to the nation's capital while motivating some to pack up and leave. And in years to come, older people and retirees desiring to move into the city, along with middle-aged wage-earners, are likely to find Washington's residential real estate increasingly unaffordable, even with a slowdown in population growth.** The impact of these changing trends may not seem alarming at the moment. But **stagnant or negative population growth along with rising housing costs persisting in the long-term will be problematic** for Washington.

## Housing Crisis – PRODUCTIVITY

### **Urban areas lose out on productivity**

Roderick M. **Hills** Jr. [Professor of Law, NYU] & David Schleicher [Associate Professor of Law, Yale U.], REGULATION, Fall 2015, p. 36+, Gale Cengage Learning, Expanded Academic ASAP.

The goal of increasing housing supply is laudable. **America faces a housing affordability crisis in its** most economically dynamic cities, including **metropolises** like New York, San Francisco, Los Angeles, and Boston, where prices are rising faster than construction costs. **The result is that working- and middle-class people cannot afford to live where their labor would be most productive.**

### **Urban areas have robust labor markets but declining productivity**

Enrico **Moretti** [Professor of Economics, U. of California, Berkeley], THE NEW YORK TIMES, November 4, 2017, pNA, NexisUni.

**The San Francisco and Silicon Valley labor markets are the most robust since** the mid-1960s, when **researchers started collecting** jobs **data and employment and wages are higher today than at the peak of the dot-com boom** of 2000. **Young** well-educated **workers can have some of the best careers in the world here** Labor productivity and wages are among the highest anywhere, creativity and innovation flourish, and incomes are growing inside and outside the tech sector. **So it is unsurprising that tens of thousands of workers want to move here every year. The problem is that the supply of houses in the region's core remains wildly inadequate.**

### **Teachers productivity down in urban areas because of housing prices**

Emma **Brown**, THE WASHINGTON POST, September 25, 2016, p. A24, NexisUni.

**Teachers' salaries have been rising in California, but not nearly quickly enough to keep up with soaring housing prices** according to a new analysis that could shed light on **one reason the** Golden **State is having trouble finding enough qualified educators for its** public school **classrooms** Redfin, a national real estate brokerage, examined **California's 31 most-populous counties** from Sonoma Valley wine country in the north to the agricultural towns of the Central Valley to the sprawling metropolis of Los Angeles to the south. **Just 17 percent of homes for sale in those counties were affordable on the state's average teacher salary** of \$73,536, Redfin found. **That's a marked decline from 2012** when 30 percent of homes for sale in those counties were affordable on the average teacher's salary at the time: \$70,487. "Affordable" means that the monthly mortgage payment would eat up less than 30 percent of a person's gross monthly salary.

### **Federal workers productivity down**

Roger K. **Lewis**, THE WASHINGTON POST, March 18, 2017, p. T19, NexisUni.

Thus, Maryland, Virginia, D.C. and **the federal government could** jointly **implement a regional housing corporation** with a revenue structure providing appropriate fiscal and operational autonomy. Taxes sourced regionwide could include contributions from the thousands of businesses and organizations that employ and depend on a middle-income workforce. Beca **use many federal workers will need affordable housing, federal grants should be part of the corporation's revenue. Considering today's costs** for land, planning and design, construction labor and materials, financing and marketing - for building and delivering a dwelling unit, and given likely costs in the future, **the time for creating a regional housing corporation may soon be upon us.**

## **Housing Crisis – SEGREGATION**

### **High housing costs linked to resegregation**

Moira **O’Neill** et al., HASTINGS WEST-NORTHWEST JOURNAL OF ENVIRONMENTAL LAW & POLICY, Winter 2019, NexisUni, p. 5.

**Research also links high housing costs within coastal communities, like the Bay Area, to the resegregation of the region, a crisis with major implications for public welfare and public health outcomes.**

### **Rules combatting segregation are being rolled back**

Tim **Murphy**, MOTHER JONES, July-August 2018, p. 38+, Gale Cengage Learning, Expanded Academic ASAP.

**Many American cities, according to the American Sociological Association, are becoming more segregated, in part because of HUD's lax enforcement of the Fair Housing Act. Meanwhile, Trump has proposed taking an ax to public housing funds and Carson has rolled back rules designed to combat segregation.**

## Housing Crisis – SHORTAGE

### **The housing shortage leads to high prices**

Benjamin **Shaffer** [John F. Kennedy School of Government, Harvard U.], KENNEDY SCHOOL REVIEW, 2015, p. 40+, Gale Cengage Learning, Expanded Academic ASAP.

**Two forces combine to drive housing unaffordability in New York, Boston, and San Francisco: Fast-rising demand and slow-changing supply Demand for urban living has swelled** and all three cities have experienced significant population growth.

The reasons for increasing demand are numerous and additive: desirable "new economy" jobs in urban centers, attractive urban amenities, a shift to renting after the Great Recession, seniors moving out of large suburban homes, and more. **No matter the exact cause, with new residents comes increased housing demand.**

### **Slow growth coupled with high demand contributes to high prices**

Benjamin **Shaffer** [John F. Kennedy School of Government, Harvard U.], KENNEDY SCHOOL REVIEW, 2015, p. 40+, Gale Cengage Learning, Expanded Academic ASAP.

**In New York, building permits and certificates of occupancy have yet to return to precrisis peaks** despite capital availability and continued population growth. **From 2010 to 2013, Boston has added 250 percent fewer housing units than Denver and 300 percent fewer housing units than Seattle despite the fact that population growth in all three cities has been roughly equivalent.** San Francisco has added an average of 1,500 housing units per year over the last twenty years, while the population has increased by 32,000 people in the last three years alone—**an absurdly low ratio equivalent to one housing unit for every seven new residents.**

### **Fundamental economic laws are being violated**

Alexis **Garcia** [Reason TV], REASON, October 2016, p. 44+, Gale Cengage Learning, Expanded Academic ASAP.

Why would building more luxury condos be good for regular people? Because **shortages lead to skyrocketing real estate prices** **The median home in San Francisco is now over the million-dollar mark and an average one-bedroom apartment rents for more than \$3,500** a month. **It's a classic case of supply and demand.** With more people moving to the region, there's more competition for the existing units. And **when there's competition, the rich nearly always win.**

## Local Governments Bad

**Federal government is key to local government – our case solves**

**Joe Cortwright, director of Urban Institute, February 6, 2018**, “Cities Alone Can't Fix What's Wrong With American Government,” CityLab, <https://www.citylab.com/equity/2018/02/cities-alone-cant-fix-whats-wrong-with-american-government/552446/> (accessed 2/8/19)

**If you care about cities and believe local initiative can lead to solutions, you need to be marching on Washington and fighting for a federal government that does its job well. The hollowing out of the federal government now underway is the clearest threat to creative, effective localism. Ultimately, the magic of our federal system is that both national and local government have important and complementary roles to play. Innovative cities require a supportive federal government. Rather than turning their backs on the federal government and national debates, cities and civic leaders ought to be pooling their energy and efforts to kindle a new dialog about how we appropriately divide responsibilities between national and local governments**

it provide the room and in some cases some of the resources to help cities tackle problems at a more local level. We need a 21st century federalism that envisions strong and mutually supporting actions at both the national and local levels, not a retreat to homogenous but balkanized localities.

**The federal government work with local governments on housing policy**

**Patrick Sisson, senior reporter, May 19, 2016**, “Why the rent is too damn high: The affordable housing crisis,” Curbed, <https://www.curbed.com/2016/5/19/11713134/affordable-housing-policy-rent-apartments> (accessed 2/8/19)

**While increasing the supply of affordable housing is often a local issue, federal money does provide needed housing support in the form of housing choice vouchers, public housing units, and project-based rental assistance or low-income housing assistance tax credits. Yet it often falls far short of the need, which has been growing rapidly**

According to the Furman Center, much of the growth of rental housing stock from 2006 to 2014 came from single-family homes, which often don't meet the needs, or budgets, of renters, all while the growth of the rental population is outpacing the growth of rental units in major cities.

## **Local governments segregate and then target policing on black neighborhoods**

**Daniel C. Vock et al, infrastructure analyst, January 23, 2019, "Houses Divided,"** Governing, <http://www.governing.com/topics/public-justice-safety/gov-segregation-main-feature.html> (accessed 2/8/19)

**Finally, residents in predominantly black neighborhoods routinely face more scrutiny from police and other government agencies, which reinforces the patterns of segregation that have already emerged. Government actions such as increased code enforcement, zero tolerance policies for drugs in public housing and disproportionately targeting black neighborhoods for traffic stops result in black residents facing more municipal fines or other minor punishments.**

Though seemingly small, those infractions, combined with the fact that blacks are far more likely to be arrested and imprisoned than whites, can make it harder for residents to clear their name and qualify for good-paying jobs that require criminal background checks. That barrier to jobs is significant for downstate communities: The Peoria, Decatur, Rockford and Carbondale metropolitan areas were all ranked among the top 10 for highest black unemployment rates in the country in 2017. Taken together, the policies of local governments have helped divide black and white residents into groups of citizens who are still separate, and still unequal.

## **City governments have caused the housing crisis and cannot be trusted to fix it**

**Joe Cortwright, director of Urban Institute, February 6, 2018, "Cities Alone Can't Fix What's Wrong With American Government,"** CityLab, <https://www.citylab.com/equity/2018/02/cities-alone-cant-fix-whats-wrong-with-american-government/552446/> (accessed 2/8/19)

**It's also worth noting that a key aspect of localism that has been effectively exempt from federal control—local control of zoning and land use—has worsened the economic segregation of our nation's metropolitan areas. In sprawling metros, separate suburban cities have used the power of land use regulation to exclude apartments, directly contributing to the problem of concentrated poverty that intensifies and perpetuates the worst aspects of income inequality.**

Cities have been implicated in the nation's housing affordability and segregation problems, but that's hardly mentioned in Katz & Nowak. The word "segregation" appears only once in the book (page 40). The word "zoning" occurs on 8 pages. Housing affordability is mentioned just once (page 28).

**The root of the problem here is too much localism. The most localized governments have the strongest incentives to exclude neighborhood groups within cities lobby against density. Suburbs within metropolitan areas do the same. Only larger units of government have the incentives and ability to challenge this kind of parochialism.**

Notably, two initiatives of the Obama administration—HUD's affirmatively furthering fair housing rule and the Council of Economic Adviser's critique of local zoning—represented important national steps pushing local governments to confront this issue. Both are going nowhere under the current administration.

## **Exclusionary zoning by local governments favor the rich and abandon the poor**

**Richard V. Reeves, journalist, June 10, 2017, "Stop Pretending You're Not Rich,"** New York Times, <https://www.nytimes.com/2017/06/10/opinion/sunday/stop-pretending-youre-not-rich.html> (accessed 2/8/19)

Things turn ugly, however, when the upper middle class starts to rig markets in its own favor, to the detriment of others. Take housing, perhaps the most significant example.

**Exclusionary zoning practices allow the upper middle class to live in enclaves. Gated communities, in effect, even if the gates are not visible. Since schools typically draw from their surrounding area, the physical separation of upper-middle-class neighborhoods is replicated in the classroom. Good schools make the area more desirable, further inflating the value of our houses.**

**For the upper middle classes, regardless of their professed political preferences, zoning, wealth, tax deductions and educational opportunity reinforce one another in a virtuous cycle.**

It takes a brave politician to question the privileges enjoyed by the upper middle class. Recently, there have been failed attempts to make zoning laws more inclusive in supposedly liberal cities like Seattle and states like California and Massachusetts. The handout on mortgage interest appears to be an indestructible deduction (unlike in Britain, where the equivalent tax break was phased out under both Conservative and Labour governments by 2000).

## **Local governments are discriminatory and cause segregation**

**J. Brian Charles et al, policy analysts, January 23, 2019, "Broken Homes,"** Governing, <http://www.governing.com/topics/health-human-services/gov-segregation-housing.html> (accessed 2/8/19)

**In each of these cities, as in the rest of the country, segregation means not just a physical divide between blacks and whites, but a huge disparity in resources. Local governments help create those divides in several ways, but one of the most important is by regulating land use, especially residential development. The regulations include zoning restrictions, housing subsidies, tax incentives, public housing policy and restrictive covenants.**

None of them are necessarily discriminatory by themselves, but the way they are routinely used combines to create that effect. "At the bottom of all that is that are whites trying to preserve opportunities for themselves," says Domenico "Mimmo" Parisi, a sociology professor at Mississippi State University and the executive director of the National Strategic Planning and Analysis Research Center. **When a group tries to distance itself from others, it's because they want to make sure their investment for themselves stays intact. That means there are limited opportunities for other groups."**

## **Local public policy creates racially segregated neighborhoods, which hurts education for students of color**

**Reed Jordan, education analyst, May 13, 2015,** "A closer look at income and race concentration in public schools," Urban Institute, <http://www.urban.org/features/closer-look-income-and-race-concentration-public-schools> (accessed 2/8/19)

Race has profound importance in school poverty. **Research has documented decades of public policy and private action that systematically exclude people of color—especially black people—from good neighborhoods, jobs, and wealth-building opportunities. Those same policies created and perpetuate poor, racially segregated communities and schools, resulting in students of color disproportionately experiencing poverty concentration. So white students' public school experiences are most often characterized by attending a low-poverty school, while black students experience incredible levels of concentrated poverty in both their schools and their neighborhoods.** Nationally, about 30 percent of white students attend low-poverty schools, while only 8 percent attend high-poverty schools. **In other words, white students are about four times more likely to attend low-poverty schools than high-poverty schools. The pattern is flipped for black students, for whom attending high-poverty schools is commonplace.** Over 45 percent of black students (about 3.4 million) attend high-poverty schools, and only about 7 percent attend low-poverty schools. **This means that black students are over six times more likely to attend high-poverty schools than low-poverty schools and about six times more likely than white students to attend high-poverty schools.**

## **Federal government can take city government innovations to a national scale**

**Joe Cortwright, director of Urban Institute, February 6, 2018,** "Cities Alone Can't Fix What's Wrong With American Government," CityLab, <https://www.citylab.com/equity/2018/02/cities-alone-cant-fix-whats-wrong-with-american-government/552446/> (accessed 2/8/19)

Katz and Nowak marshal an impressive list of inspiring local innovations from cities, such as Indianapolis, Chattanooga, Oklahoma City, and St. Louis. Mayors and civic leaders in these places are generally pragmatic and entrepreneurial and are developing solutions that cut across partisan and ideological lines. **Cities are, as the saying goes, the laboratories of democracy. But for the most part, they are the small-scale, bench-test laboratories for incubating ideas and showing that they can work at a municipal scale. Implementing these ideas at a national scale is essential to their success. The key lesson of policy experimentation is that while ideas can be tested and refined at the state or local level, they ultimately need to be national in scope. States experimented with minimum wage laws, unemployment insurance, and old age pensions, but none of these were begun to address our problems until extended nationwide in the New Deal.**

## Market-Rate Housing Good – AFFORDABILITY

### **Filtering process leads to more affordable housing over time**

Paul **Boudreaux** [Professor of Law, Stetson U.], FORDHAM URBAN LAW JOURNAL, April 2018, NexisUni, p. 635.

One way in which market-rate housing can spur low-cost housing is through the process of filtering. Generally, when law allows the market to offer a newer good that meets current tastes and desires, older goods become less popular and thus more affordable.

### **Easing competition leads to better affordability**

Emily **Badger**, THE WASHINGTON POST, February 16, 2016, p. A9, NexisUni.

In tight markets, poor and middle-class households are forced to compete with one another for scarce homes. So new market-rate housing eases that competition even if the poor are not the ones living in it. Over time, new housing also filters down to the more affordable supply because housing becomes less desirable as it ages. That means the luxury housing being built today will contribute to the middle-class supply 30 years from now; it means today's middle-class housing was luxury housing 30 years ago.

### **More housing empties other houses, leading to more overall**

Ron **Feldman & Mark Wright** [both, Vice Presidents, Federal Reserve Bank of Minneapolis], STATES NEWS SERVICE, October 18, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP.

Building more housing of any type affects the price of all other types of housing. For every luxury unit filled, a more modest home is left behind for another family to move up into. Build enough luxury homes, and the prices of regular homes fall, too. There also is a longer-term effect. Housing tends to decline in value over time, as it ages and as tastes for housing change. Older housing then becomes

more affordable. Indeed, the Met Council found that the greatest source of new affordable housing comes from existing market-rate homes that have become cheaper over time This takes time, but increasing supply now will prevent a re-emergence of the affordable housing crisis in the future. And research shows that this process occurs much faster than observers think.

### **California's LAO recommends more housing to lower costs overall**

Paul **Boudreaux** [Professor of Law, Stetson U.], FORDHAM URBAN LAW JOURNAL, April 2018, NexisUni, pp. 637-638.

Coastal California suffers from a housing shortage in the places where it is needed, the report concluded, in large part due to "local community resistance and [environmental study requirements, which] limit the amount of housing--both private and subsidized." The recommended solution was the encouragement of more market-rate housing. When new housing is built, middle- and upper-income households often move from older units to the new locations. As these people abandon the older housing, it eventually becomes cheaper and more available for lower-income households. This filtering is less likely to occur in communities where new housing construction is limited.

### **Market-rate leads to less displacement**

Garret **Christensen** [research economist, U. of California, Berkeley], UWIRE TEXT, June 13, 2016, pNA, Gale Cengage Learning, Expanded Academic ASAP.

Why does market-rate housing help? Relatively well-off people will continue to move to the Bay Area for the good jobs, weather and food. When those well-off people arrive, if we have built a shiny new apartment, they will move into it. If that shiny new unit doesn't exist, they will buy an existing house, displacing its tenant, and renovate it to make it shiny.

## Empirics prove - California

Emily **Badger**, THE WASHINGTON POST, February 16, 2016, p. A9, NexisUni.

Economists typically counter with a lesson about supply and demand: Increase the sheer amount of housing, and competition for it will fall, bringing down rents along the way to the benefit of everyone. It is understandable that skeptics raise their eyebrows at this argument. It's theoretical, based on math models and not peoples' lives. It seems counterintuitive - that building for people who are not poor will help the poor. But **the California Legislative Analyst's Office recently released some positive data backing up this point: Particularly in the Bay Area since 2000, the researchers found, low-income neighborhoods with a lot of new construction have witnessed about half the displacement of similar neighborhoods that haven't added much new housing.**

## Empirics prove - Texas

Paul **Boudreaux** [Professor of Law, Stetson U.], FORDHAM URBAN LAW JOURNAL, April 2018, NexisUni, p. 637.

**Recent studies have shown that filtering works** not only as a model of microeconomics, but **in real places** . Recognizing that filtering is "a phenomenon not easily understood by policy-makers," economists Stephen Malpezzi and Richard Green analyzed low-cost housing in various metropolitan areas across the nation. They concluded that " **to the extent that a city makes it easy for any type of housing to be built, it will also enhance the available stock of low-cost housing. When the law in a metropolitan area allows new market-rate construction--as in places such as Houston, Dallas, and Las Vegas--low-cost housing becomes more available, and vice versa.**

## Empirics prove – San Francisco/LA

Emily **Badger**, THE WASHINGTON POST, February 16, 2016, p. A9, NexisUni.

For instance, the research says, **the average rent for housing built in San Francisco and Los Angeles between 1980-1985 were both in the top 80 percent of all rents in those cities Now those same homes are closer to 55 percent of all rents in those cities. So** relatively speaking, these **homes were substantially more expensive in 1985 when they were brand new than they were in 2011.** if you don't build much new housing, though, this filtering process breaks down over time. And, in fact, the report shows that **rents have risen a lot faster for the poor in coastal California communities that have been stingy with new housing than in counties across the nation that built a lot.**

## Empirics prove – Portland/Seattle

Ron **Feldman & Mark Wright** [both, Vice Presidents, Federal Reserve Bank of Minneapolis], STATES NEWS SERVICE, October 18, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP.

**In Portland and Seattle, thousands of new market-rate apartments have lowered rents in previously existing properties. If the new market-rate apartments had not been built, new arrivals to these cities would have competed for older and cheaper units. This would have bid up prices, displaced current residents and reduced the supply of affordable homes.**

## Market rate housing applicants can fund more affordable housing upon approval.

**America**, R. (2013). Are We There Yet? Stories. Retrieved from <http://reconnectingamerica.org/arewethereyet/stories/index.php>

**In 2001, with the support of Mayor Tom Menino, who called linkage "one of the best tools we have for creating affordable housing in the city," the fee was raised from \$5.49 for housing and \$1.09 for jobs to \$7.18 and \$1.44, respectively, and the payment schedule was shortened from 12 to 7 years. Boston's linkage program has collected \$45 million.**

## **Even if new MRH development raises rents in individual neighborhoods, it holistically drops rents across regions**

Rick **Jacobus** (Rick Jacobus, a national expert in inclusionary housing and affordable homeownership, is the principal of Street Level Urban Impact Advisors. He serves as a strategic advisor to Grounded Solutions Network, a national initiative focused on building more inclusive communities.), 3-10-2016, Street Level Urban Impact Advisors, Shelterforce, "Why We Must Build", accessed February 6, 2019, [https://shelterforce.org/2016/03/10/why\\_we\\_must\\_build/](https://shelterforce.org/2016/03/10/why_we_must_build/)

A surprisingly similar conflict surrounded a proposed moratorium on new development in San Francisco's Mission District. The district has been ground zero for the Bay Area's displacement crisis and Mission activists concluded that a new private housing development was likely to exacerbate the problem by bringing in higher income residents and driving up rent costs. The proposal split the housing advocacy community. Mayor Ed Lee, who has been an unparalleled leader in the fight for more affordable housing funding, and many committed advocates succeeded in convincing San Francisco voters that the moratorium would only make things worse by further restricting supply.

**The housing shortage, they argued, is the ultimate cause of rising rents and we have to build new housing to make any real progress.** Unfortunately, if we want to work together for more equitable cities, we have to agree on some basic economics. The two sides in this fight see different economic mechanisms behind displacement. One group says prices are rising and people are being displaced because we aren't building enough housing, while the other group sees new housing development as one cause of gentrification and displacement. **If we look more closely, they are not really two different mechanisms as much as the same mechanism working at different geographic scales. New development may lower prices regionally even while it raises prices in a specific neighborhood. At the regional scale it is easy to see the interaction of supply and demand determining prices.**

The population of a region is largely determined by the number of jobs available. When we add jobs, we create new demand for housing. If we build housing at the same rate that we create jobs, housing prices remain relatively constant. When we occasionally build more housing than we need, prices fall, and when we build too little housing, prices rise.

**Across the country we have been systematically building too little housing for a very long time now and high housing prices and rents are the utterly predictable result.**

## **Policies in Chicago and California successfully incentivize affordable housing construction from market-rate developers**

**Development**, M.-I. T.-O. (2019). Incentive-Based Zoning. Retrieved from <http://www.mitod.org/incentivebasedzoning.php?tab=1&return=listpos11>

**In Chicago, a downtown density bonus program offers bonus square footage to residential developers in exchange for providing affordable housing on-site or making a contribution to an affordable housing fund. As of 2007, 21 developers have participated in the program and the program has retained commitments of \$17.6 million in funds directed towards affordable housing. In California, state law requires that local jurisdictions grant density bonuses of 20-35 percent for projects that make a certain percentage of their units affordable. Additionally, developers are also allowed a certain number of development "concessions" or "incentives" depending on affordability level.**

However, local governments can layer additional incentives to promote deeper levels of affordability, by increasing the density bonus or adding incentives such as reduced parking requirements.

## **MRH comparatively cheaper - affordable housing too expensive to affect housing crisis, independent of constraints high costs create political pressure against affordable housing**

Joe **Cortright**, 10-18-2017, City Observatory, "Why is "affordable" housing so expensive to build?", accessed February 6, 2019, [http://cityobservatory.org/why\\_affordable\\_so\\_expensive/](http://cityobservatory.org/why_affordable_so_expensive/)

It's a problem that isn't going away: **the so-called "affordable" housing we're building in many cities** - by which we mean publicly subsidized housing that's dedicated to low and moderate income households - **is so expensive to build that we'll never be able to build enough of it to make a dent in the housing affordability problem. The latest case in point is** a new affordable housing development called **Estrella Vista** in Emeryville, California (abutting Oakland and just across the bay from San Francisco). A non-profit housing developer just broke ground on **a new mixed use building** about three-quarters of a mile from a local BART transit station, **which will include 84 new apartments** The project also houses about 7,000 square feet of retail space. **The total cost: \$64 million Assuming that 90 percent of the building is residential, that means that the cost per apartment is something**

**approaching \$700,000 per unit** While the complex provides many amenities for its residents (proximity to the BART station, a Zen garden and sky deck) **its inconceivable that we have enough resources in the public sector to build many such units.**

**In 2000, U.S housing would have cost \$3.4 Trillion less without zoning regulations, and it's likely more now.**

Joshua **Gottlieb** (Associate Professor at the University of British Columbia, Research Associate at the National Bureau of Economic Research (NBER), Visiting Scholar at the Federal Reserve Bank of San Francisco, Co-Editor of the Journal of Public Economics, Ph.D., A.M., A.B. in Economics from Harvard University.), October 1, 2018, The Aspen Institute, Economic Strategy Group, "How Minimum Zoning Mandates Can Improve Housing Markets and Expand Opportunity", accessed February 10, 2019, <https://users.nber.org/~jdgottl/MinimumZoningMandates.pdf>

In studies comparing cities with differing levels of land use regulation, **researchers have found that** these **regulations lead to dramatically higher housing costs** (Saiz, 2010). **The overall cost of housing in the United States is at least \$3.4 trillion higher than it would be absent zoning regulations.** 3 **These high costs subsequently prevent Americans from moving to productive metropolitan areas where they would find more economic opportunities** (Hsieh & Moretti, 2017). \*Footnote 3 This calculation is based on the results of Gyourko et al. (2008) and Saiz (2010), which use data from the 2000 U.S. Census.

## Market-Rate Housing Good – GENERIC

### **Market-Rate Housing is only expensive because of scarcity – California proves**

Scott **Wiener** (CA State Senator), Art+Marketing, "Market-Rate Housing isn't a bad word, and we would never solve the housing crisis without it", April 16, 20**17**, [//THS](https://artplusmarketing.com/market-rate-housing-isnt-a-bad-word-and-we-won-t-solve-the-housing-crisis-without-it-ce67c06aff4d)

On a pretty regular basis, someone makes the following statement to me: "We have a housing crisis and we definitely need more housing. But it has to be affordable housing." Some people will also add on something about how letting developers build housing is a "giveaway" to them, as if no one will live in those housing units. These attitudes breed skepticism — and even hostility — in political leaders and advocacy organizations toward market-rate housing, and drive support for **housing policy** that **focuses either exclusively or largely on publicly subsidized income-based affordable housing**. The problem is **that as much as I and others support and work to expand subsidized, income-based affordable housing, we will never — and I truly mean never — produce enough of that housing to satisfy all, or even most, of our housing needs**. These subsidized units clearly play a critical role, particularly for our lowest income residents, and we need many more of them. But, absent a housing Marshall Plan by the federal government (not gonna happen in our lifetime), **we simply do not and will not have the massive resources we would need to shift to a dominant public-subsidy-based housing approach. Which means** in addition to expanding the supply of subsidized income-based affordable units, **we must increase the overall supply of housing, and that means — you guessed it — market-rate housing**. Some describe all **new market-rate housing** as "luxury housing," because **it's expensive**. Well, of course it's expensive, **since for decades we haven't built enough of it**. According to **California's** Legislative Analyst, the state **needs to produce about 180,000 units of housing a year to keep up with growth. In practice, we produce less than half that number**. And, let's be real. **While the new apartment or condo project down the street is expensive, so is the 75-year-old house or apartment you're trying to buy or rent. It's all expensive**, and that's not because it's "luxury." It's **because it's scarce**.

### **Affordable housing programs leave out vast swaths of the population – Market-Rate solves**

Scott **Wiener** (CA State Senator), Art+Marketing, "Market-Rate Housing isn't a bad word, and we would never solve the housing crisis without it", April 16, 20**17**, [//THS](https://artplusmarketing.com/market-rate-housing-isnt-a-bad-word-and-we-won-t-solve-the-housing-crisis-without-it-ce67c06aff4d)

In **San Francisco** over the past 10 years, we have **produced 2136** subsidized income-based **units for very low income people 1017 units for low income people, and 1544 units for moderate income people**. Putting that in context, **San Francisco's population has grown by about 65,000 in the past decade** and by 200,000 since 1980. So, while San Francisco is a leader among cities in building affordable housing, even our comparatively robust **production numbers don't match up with either our need or our growth**. For example, a few years ago, **when 18 affordable income-based units came online** in the Castro, **nearly 2,600 people entered the lottery to win one**. **Statewide, California has only 664,000 affordable income-based rental homes** for a population of about 40 million, **leaving more than 1.54 million** of California's lowest income households **without access to affordable housing**. Putting that in context, California has grown by 3.1 million people in the past decade and 16 million people since 1980. **These numbers don't add up** in terms of relying exclusively — or even dominantly — on subsidized income-based housing as our primary approach to solving the housing crisis even for our low income, very low income, and extremely low income residents: This conclusion is also very true for **the middle class** which **receives very little benefit from subsidized units** and can't receive much benefit since the amount of funding necessary to subsidize housing for the broad middle class would be absolutely massive. **Moreover, creating a large middle class subsidized housing program would inevitably cause the middle class to compete with low income residents for housing subsidies — not a good** result.

### **Housing prices are up because of a lack of market-rate promotion**

Scott **Wiener** (CA State Senator), Art+Marketing, "Market-Rate Housing isn't a bad word, and we would never solve the housing crisis without it", April 16, 20**17**, [//THS](https://artplusmarketing.com/market-rate-housing-isnt-a-bad-word-and-we-won-t-solve-the-housing-crisis-without-it-ce67c06aff4d)

Meanwhile, **housing prices have escalated dramatically**. In **San Francisco**, rental housing **prices have more than doubled** in the last ten years **for the 91% of people who** either don't qualify for, or **didn't win a spot in, the affordable housing lottery** — up to \$4830 (2015) for

an average two-bedroom apartment from \$2400 (2007). **And only 11% of San Franciscans can afford a median priced house in the city** based on their income. **In Los Angeles, rents increased by 25%** between 2002 and 2012 and have continued to escalate. **We are to the point where 20% of Californians spend a majority of their income on housing**, which isn't surprising given the widening divergence between rents and incomes. **And California**, with 12% of the nation's population, **is home to 30% of people living in over-crowded housing situations**. So, particularly for the middle class but really for everyone, **we simply need more housing. Not just more subsidized housing. More housing of every variety. Our anemic housing production** as a state **has two main origins: 1) stifling, exclusionary zoning that rejects height, density, and multi-unit buildings, 2) unreasonable housing approval processes that subject even zoning-compliant projects to years of bureaucratic hoops and hearings that increase costs and make projects smaller**. This perfect storm of shortsighted policies and lack of political leadership has completely jacked up the cost of housing. **For too long, California has put its head in the sand, pretended that we don't need much new housing** (or that, if we do need it, some other city or town will build it) **and largely ignored the needs of the many people who struggle with housing**. Call this California's "housing fast" policy — a policy that needs to end.

## Market-Rate housing key to growth - Atlantic City shows

Nicholas **Huba**, Press of Atlantic City, "Market-rate housing key to Atlantic City growth, Mayor says | | pressofatlanticcity.com", Jan 5, 2018, [https://www.pressofatlanticcity.com/market-rate-housing-key-to-atlantic-city-growth-mayor-says/article\\_e2d73d04-858c-5cc1-a216-6eb655cb6b11.html](https://www.pressofatlanticcity.com/market-rate-housing-key-to-atlantic-city-growth-mayor-says/article_e2d73d04-858c-5cc1-a216-6eb655cb6b11.html) //THS

ATLANTIC CITY — With the median age of the city's housing stock more than 60 years old, officials are hoping that the opening of several high profile projects, including the Hard Rock Hotel & Casino Atlantic City, will create a demand for new market-rate housing in the resort. **Mayor Frank Gilliam said projects** such as The Beach at South Inlet, a residential project located on a 4-acre lot bound by Atlantic, Pacific, New Jersey and Connecticut avenues, **are the key to rebuilding the city. The project is the city's first market-rate development in at least 25 years**. Gilliam said. **The \$81 million residential complex, which will feature 250 apartments, will help rejuvenate the city's aging housing stock and will open in the summer. An updated housing stock is something that every city needs**. Gilliam said. Updating the city's housing stock will be a key to increasing the resort's population, Gilliam said. **Increasing market-rate housing is critical to the future of the city. A discussion of housing must acknowledge the excessive and disproportionate number of low paying service industry jobs that make it difficult for the housing stock to be renovated and replaced**, according to the report. **A correlation also exists between educational opportunities, well-paying jobs, and decent housing stock. Any effort to develop higher paying jobs in the City, and improve education, would contribute to the demand for housing by a variety of income levels**. "The opening of Hard Rock's new property next summer at the former site of Trump Taj Mahal Casino Resort and the possible reopening of the Revel Casino-Hotel makes the area attractive to potential residents, Boraie said. Hard Rock International and investors Jack Morris and Joe Jingoli are spending more than \$500 million renovating and rebranding the property. The project is expected to generate more than 1,000 construction jobs and 3,000 permanent jobs, according to the company. **There are going to be a lot of young people who want to be here**," said Wasseem Boraie, vice president of the Boraie Development LLC, the developer of the Beach at South Inlet project. "We keep hearing about Revel reopening, you see the great investment that Hard Rock International is making in their property, now you are going to have 5,000 jobs that weren't here when we started."

## Market Based Solutions Solve Housing Crisis

Rebecca Regan (Rebecca Regan has been at Housing Partnership Network (@HPN\_Network) since April 2011, developing and managing the network's capital market relationships and overseeing its philanthropic equity, CDFI, and external communications work. Regan previously served as president of Boston Community Loan Fund, and prior to that held executive, real estate lending, and management positions with Bank of America, Fleet Bank, Bank of Boston, and BayBank.), Stanford Social Innovation Review, "A New Approach to Solving the US Housing Crisis", May 30, 2018, [https://ssir.org/articles/entry/a\\_new\\_approach\\_to\\_solving\\_the\\_us\\_housing\\_crisis](https://ssir.org/articles/entry/a_new_approach_to_solving_the_us_housing_crisis)

1. A collaborative approach. Housing Partnership Network **HPN is a business collaborative of 100 of the nation's affordable housing and community development nonprofits**. Since its inception, **HPN and its entrepreneurial nonprofit member organizations have been developing a new way of creating social change, combining mission with market-based solutions to create housing solutions suited to addressing the challenges millennials face**. When people hear "affordable housing," they often think of government-funded, low-income housing. But the picture is much broader; individuals with steady jobs and salaries too high to qualify for housing assistance are also being priced out of opportunity areas across the United States. Given the scope of the problem, **we need organizations to join together to address the cost of living in cities across America where recent graduates and young families are looking to live and work**. We also need to take action to create more affordable housing and preserve existing naturally occurring affordable housing before the market drives up prices and pushes these properties out of reach for middle-income buyers as well. 2. New impact investing vehicles. This month, **HPN convened in San Francisco as a lead-up to the launch of**

**our latest venture, the Build Opportunity Fund. This <sup>new</sup> impact investing vehicle is designed to** provide organizational-level,

**deploy solutions at scale. It stands to have exponential impact, freeing up**

**the organization to think innovatively and** act more nimbly. As a blended capital vehicle, the Build Opportunity Fund seeks to provide capital at the enterprise level so that high-performing nonprofit developers

**increase their capacity to develop long-term affordable housing and other community assets** The fund

intends to enhance the system of funding for affordable housing by demonstrating the creditworthiness and investment potential of nonprofit developers. One would never expect blue-chip companies in the tech industry to be financed one product at a time, and HPN members are the blue-chip companies of the nonprofit affordable housing industry. If we can finance nonprofit developers like tech, with the expectation of innovation, we can unlock transformational impact. 2. Support for organizations that create affordable housing. Another opportunity is to offer

**support for organizations like MidPen Housing,** one of the nation's leading nonprofit developers, and the owners and managers of high-quality affordable housing. MidPen **has**

**developed** or rehabbed **more than 8,000 affordable homes in San Francisco,** with an additional 2,572 affordable homes currently in construction, entitlement, or pre-

development. MidPen manages 103 properties with a total of 7,207 units, providing homes for more than 16,600 northern California residents. **It also invests \$6.3 million annually** in resident services and partners with nearly

200 service providers. 4. Social enterprises that preserve naturally occurring affordable housing. Five years ago, HPN launched Housing Partnership Equity Trust (HPET), the first-ever nonprofit-owned real estate investment trust (REIT). Fourteen of HPN's members were able to develop

this social-purpose REIT with an investment of \$100 million from Citibank, Morgan Stanley, Prudential Financial Inc., the John D. and Catherine T. MacArthur Foundation, and the Ford Foundation. Today, **HPET can quickly acquire**

**multifamily properties that provide quality homes for families, seniors, and others with modest**

**incomes throughout the United States** As HPET reaches its fifth anniversary with a portfolio of more than 2,900 units, **it** is not only **preserving affordable**

**housing, but also demonstrating to investors that it can have a long-term impact on communities** and address

social challenges while getting good risk-adjusted returns.

## Market-Rate Housing Good – GENTRIFICATION

**We are on a trend of good gentrification that shouldn't be stopped**

**Millsap, Adam.** "We Shouldn't Stop Gentrification, But We Can Make It Less Painful." Forbes, 29 Mar. 2018, <https://www.forbes.com/sites/adammillsap/2018/03/29/we-shouldnt-stopgentrification-but-we-can-make-it-less-painful/>.

Many **cities**, especially their downtown neighborhoods, **are experiencing an urban revival**. Young, college educated **workers**—many of them single—**are moving to dense, walkable neighborhoods**. drawn in by the variety of restaurants, shops, bars, and other places where they can socialize with friends. **The urban revival is contributing to higher real estate prices, which is making it difficult for many lower-income residents who currently live in these downtown neighborhoods to remain in their homes**. **Cities are trying to slow the transition**. with affordable housing mandates, rent control, and similar policies, and their intentions are laudable. **Change, however, is a natural part of economic growth and too much interference will stifle growth and make us all worse off**. On the one hand, **an urban renaissance should be welcome news for cities**. that were hollowed out during the late 20th century's mass migration to the suburbs. **The higher prices for space are incentivizing developers to invest in downtown neighborhoods, which boosts cities' coffers**. But the shiny new apartment buildings, retail/commercial space, and infrastructure also come with higher prices, which makes the area unaffordable for some current residents and business owners.

**Limiting housing prices stops gentrification**

**Price, David.** "7 Policies That Could Prevent Gentrification." Shelterforce, 23 May 2014, [https://shelterforce.org/2014/05/23/7\\_policies\\_that\\_could\\_prevent\\_gentrification/](https://shelterforce.org/2014/05/23/7_policies_that_could_prevent_gentrification/).

The following are seven policy initiatives drawn from recent studies and articles that could be part of a community stabilization agenda using smart growth and equitable investments in order to prevent or mitigate gentrification in Roxbury and other at-risk neighborhoods in Boston.

Policy 1: Aggressively build middle-income housing. **Thousands of middle-income households today cannot afford to rent or buy in Roxbury. New construction home prices are at \$550,000, requiring an income of \$150,000 to buy. The city is selling its stock of small vacant lots to developers to build middle-income housing, but that's not nearly enough to prevent displacement. We need a much more aggressive middle-income housing production program including investment of city subsidies. The city should resist calls to devote all of the city's housing resources in low-income housing production.**

**Gentrification helps poor neighborhoods**

**Gillespie, Patrick.** "How Gentrification May Benefit the Poor." CNNMoney, 12 Nov. 2015, <https://money.cnn.com/2015/11/12/news/economy/gentrification-may-help-poor-people/index.html>.

**When a poor neighborhood attracts higher income residents**, expensive cafes and pricy vintage clothing **stores move in**, making daily living more expensive. **The narrative is that gentrification displaces low income residents and in the worst case scenario causes homelessness**. Now, **a new storyline is emerging** that shows that it isn't fair to blame gentrification for displacing low income residents and that there might actually even be some benefits. A study by **the Philadelphia Federal Reserve recently concluded that poor people are no more likely to move out of a gentrifying neighborhood than from a non-gentrifying one**. That doesn't mean low income people are not pushed out of their neighborhoods. **They are just not more likely to be displaced than a person of similar income in a neighborhood that's not gentrifying**. Experts say **there are** may even be **some benefits for the low-income residents that decide to stay**. in gentrifying neighborhoods. -- **New job opportunities emerge** as more stores open and construction picks up. -- Longtime homeowners benefit from rising property values. -- **There's** often **a decline in crime**. -- On average, **credit scores** of the poor residents **improve**. in gentrifying neighborhoods. "It appears that when a neighborhood gentrifies, it doesn't necessarily lead to widespread displacement," says Lance Freeman, a professor of urban planning at Columbia University.

**Gentrification increases business growth**

**Small, Andrew.** "Tracking the Incredible Gentrification of New York City." CityLab, 28 Apr. 2017, <https://www.citylab.com/work/2017/04/the-gentrification-of-ny/524694/>.

Comptroller Scott Stringer reveals just how profoundly the city has been transforming in the 21st century by comparing business and neighborhood details in 2000 and 2015. Dig around in the data and you'll find detailed portraits of the city before and after gentrification, for better or worse. The report leads with the good news: **The number of businesses has increased and business establishment growth picked up**

**more in the 22 lower-income communities of the city** (an increase of 41 percent) **than the 33 higher-income districts** (an

increase of 12 percent). The report touts the growth of high-income industries in these neighborhoods. But **business growth was even more pronounced in gentrifying**

**neighborhoods** **The 15 gentrifying neighborhoods** as identified by the Furman Center **saw a 45 percent jump in the number of**

**businesses** (a 45 percent increase from 28,132 to 42,261). As the report notes, all but one of the neighborhoods with the fastest business growth were gentrifying, with the biggest increases in Central Harlem and Crown Heights. Greenpoint and Williamsburg weren't far behind.

## Market-Rate Housing Good – JOBS

**Housing market collapse kills the construction industry --- demand, financing, and government spending.**

**Smith 17** (Kalen Smith, is an economic and business writer working with Cabs Rops, 12-18-2017, "How Does A Housing Market Collapse Affect The Construction Industry?", 732 Social, <http://www.732social.com/how-does-a-housing-market-collapse-affect-the-construction-industry/>, accessed 7-11-2018) ml

The collapse of the housing market sent riptides through the U.S. economy, but the construction industry was probably hit the hardest. The construction industry has spent the last four years hoping the housing market would experience a recovery. The market is finally showing signs of life; this could help contractors in a number of significant ways. Creates Jobs Across the Board (And Stimulating the Economy) **The collapse of the housing market displaced millions of jobs throughout the entire economy. This created a vicious cycle, making it much more difficult for the housing market to recover.** The unemployment rate among citizens in their twenties and thirties is one of the biggest concerns to the housing market. They are the consumers who would traditionally purchase new homes. Instead of buying their own abode, they are either renting or living with their parents. America's youth are having the toughest time in this economy. The proportion of younger Americans who are currently working is the lowest since 1948. **According to** Brad Hunter, **the chief economist with Metrostudy every job created in the housing market would lead to several more jobs somewhere else. A housing market recovery would help millions of people get back to work, which would increase the demand for new houses further.** Financing Opportunities The financial crisis has made banks nervous. During the aftermath of the global financial crisis, they were stuck with a number of risky loans and derivatives. They were forced to cut lending dramatically to curb any possible risks. **Many banks have cut lending by 7 percent or more.** **The** distressed **construction industry has had an even more difficult time getting financing.** A report from Andrews Hooper Pavlik PLC stated that it was nearly impossible for construction companies to get financing after the collapse of the housing bubble. Unless a contractor could show an impeccable record for making good estimates and keeping costs down, it would have a hard time securing financing. However, financial institutions seem more open to lending to construction companies on signs that the market may be finally turning the corner. According to a report from the Equipment Leasing and Finance Association, demand for financing in the equipment finance sector reached \$8 billion in June. That was a nearly 30 percent increase from May. Signs of a serious housing market recovery will likely make banks more open to lending to firms in the construction industry over time. Increases Government Infrastructure Needs. **The housing market is closely tied with government infrastructure spending.** state and municipal governments are heavily dependent on property taxes to finance their projects. **When the housing market collapsed, revenues for local governments fell 17 percent** from 2008 to 2010. **Decreased revenues have forced governments to reduce spending considerably.** Although they have been able to use federal stimulus money, **to build new roads, bridges and other infrastructures,** they have had to scale back on these projects. **An improved housing market would help local governments spend more money, which would thus help the construction industry.**

## Market-Rate Housing Good – POLICIES

### **There are plenty of ways to promote market-rate housing**

Howard **Husock** (Howard Husock is vice president for research and publications at the Manhattan Institute, where he is also director of the Institute's social entrepreneurship initiative. A City Journal contributing editor, he is the author of *Philanthropy Under Fire* (2013) and *The Trillion-Dollar Housing Mistake: The Failure of American Housing Policy* (2003).), City Journal, "How Public Housing Harms Cities", Winter 2003, <https://www.city-journal.org/html/how-public-housing-harms-cities-12410.html> //THS

**How then might we dismantle the public housing system, without hurting its most fragile residents?** Any attempt to

do so would have to be gradual, especially in a place like New York, where subsidized housing is such a large part of the residential real-estate system. Some housing projects would have to remain as de facto poorhouses for the most dysfunctional. But **by placing time limits on new tenants entering public housing** —as the city of Charlotte, North Carolina, has done (see "How Charlotte Is Revolutionizing Public Housing," Spring 2000)— **it would be feasible to reduce the overall number of** subsidized housing **units steadily.** Knowing that the promise of a lifetime of subsidized housing was gone (along with a lifetime of welfare payments since the 1996 reform), young single mothers would be less likely to enter the system—and perhaps less likely to have children out of wedlock in the first place. Some **current tenants** (the least dysfunctional) **could be offered housing vouchers that they could use in the private housing market** in exchange for vacating public housing. The voucher would come with a time limit, too, to discourage dependency. **As the number of tenants fell it would then become possible to sell some public housing** buildings (or at least the **sites** after the demolition of the emptied buildings) to private buyers, bringing more property back onto the tax rolls. **This does not mean that government would have no role to play** in the creation of affordable housing. **A compassionate conservative housing policy would work to dismantle the myriad government-made obstacles to the creation of housing by the private market—such barriers to building as rent control, irrational zoning regulations, expensive permit requirements, and overly demanding building codes.** With such obstacles out of the way, **newly dynamic urban economies could then be free to create private housing for all income groups, as they did decades ago, in the days when Boston three-deckers, Chicago two-flats, Brooklyn brownstones, and Oakland bungalows housed so many millions of struggling working families on their way toward the middle class. Cities would be better places for it—at all income levels.**

### **Examples of policies**

Ron **Feldman & Mark Wright** [both, Vice Presidents, Federal Reserve Bank of Minneapolis], STATES NEWS SERVICE, October 18, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP.

But **we are not simply relying on markets to work. Our governments have the power to encourage the creation of new, lower-cost, market-rate housing. Governments can start by looking at policies that constrict housing supply by artificially inflating building costs. Relaxing zoning regulations to allow greater density is one option. Eliminating building code requirements that raise costs without commensurate benefits is another. And there are many more options for policymakers. Unlike subsidies, constructing market-rate homes costs our state and local governments nothing.**

### **Local policies can work**

**MassDevelopment**, STATES NEWS SERVICE, April 5, 2017, pNA, Gale Cengage Learning, Expanded Academic ASAP.

**MassDevelopment has provided \$3,293,750 in financing** to 47 Pleasant Street Realty Trust, a subsidiary of South Shore Property Management LLC, a professional property management company in Brockton. The company is using the financing, which consists of two loans, to buy and renovate 47 Pleasant Street, a former office building that has been vacant for several years located in the city's Transformative Development Initiative District, into 24 market-rate housing units. **The project is also receiving federal and state tax credits, and MassDevelopment's financing will provide bridge financing to South Shore Property Management until it receives those tax credits.**

## **More on that one**

**MassDevelopment**, STATES NEWS SERVICE, April 5, 2017, pNA, Gale Cengage Learning, Expanded Academic ASAP.

**This is the first Housing Development Incentive Program (HDIP) project proceeding under the newly expanded HDIP program. HDIP promotes the production of market-rate housing in Gateway Cities, and last year, Governor Charlie Baker secured legislation making several reforms to the HDIP program. These reforms more than doubled the capacity of HDIP tax credits to support Gateway City housing projects, and expanded program eligibility to new construction.**

# Market-Rate Housing Good - RECOVERY

## **Strong housing market is key to effective economic recovery**

Sam **Hughes 12**, (affiliated with Housing team of Center for American Progress), 11-15-2012, "A Strong Housing Market Is Critical to Our Economic Recovery", Center for American Progress, <https://www.americanprogress.org/issues/economy/news/2012/11/15/45042/a-strong-housing-market-is-critical-to-our-economic-recovery/>, TJ-TD

**Some economists and experts are pushing the notion that the key to a strong housing market is a strong economy. They argue that we don't need specific policies to address the housing crisis, and instead should focus only on policies that grow the broader economy and create jobs. They're wrong. In reality, the housing market is where the Great Recession of 2007–2009 began and we're not likely to see a robust economic recovery until the housing market heals.** We're beginning to see the early stages of a housing recovery with the housing sector finally starting to contribute

positively to economic growth, but **the housing market remains far from healthy.** Below are six reasons why lawmakers need to focus on housing to help spur further growth, rather than ignore this important business sector and hope for the best: **Housing booms lead the way to broader economic growth, not vice versa.** During our three previous recessions—in 1980, 1991, and 2001—residential investment led the way to recovery, growing more than 30 percent on average in the first years of the recovery. Despite recent gains, the housing market has so far lagged behind growth in the broader economy, translating into billions of dollars in lost economic output and millions of missing jobs. If home construction were near its historic norm, it would create an additional 3 million jobs. **The housing sector traditionally accounts for**

**roughly one-fifth of the U.S. economy.** but construction on new homes today is currently about half of the historic norm. Since each home built creates three new full-time jobs and \$90,000 in tax revenue, an upturn in home construction would be a significant boost for the economy and alleviate some pressure on state and local budgets. Demand for homes is down primarily because of tight lending standards, not the economy. According to a recent survey from Fannie Mae, 72 percent of Americans believe that now is a good time to buy a home, but many are having a hard time getting approved for a home loan, thanks to excessively tight credit standards at banks. In August 2012 a typical rejected applicant for a Fannie- or Freddie-backed loan had a FICO credit score of 734 and a

down payment of 19 percent. Data show that more than 50 percent of credit scores are below 734. **Consumer spending will not come back until housing recovers.** High-debt households generally consume 15 percent less than low-debt households. In particular, **underwater borrowers—those who owe more on their house than their house is worth—spend less on home maintenance and renovations, chilling demand in home-**

**related industries.** Lack of home equity constrains small-business formation and investment. Roughly one in four small-business owners uses home equity as a source of capital or collateral. Each foreclosure results in enormous spillover costs to investors, borrowers, and local communities. Foreclosures not only harm borrowers and investors but they also devastate communities. One recent study estimates that spillover costs of foreclosures have reached nearly \$2 trillion. Plus, **each vacant home**

**brings down the value of neighboring homes** by more than \$20,000, costs state and local governments \$34,000 in tax revenues and associated services, and can also become a hotbed for crime and other

social problems. **Fixing our housing problems will not be easy but it is crucial to our economic recovery. With that in mind, policymakers should stop waiting for the housing sector to fix itself** and should put in place policies to get the market back to full strength.

## Market-Rate Housing Good – SCHOOLS

### School funding comes from property taxes

Tilsey, Alexandra. How Do School Funding Formulas Work? 29 Nov. 2017, <http://urbn.is/fundingformulas>.

**School funding** is a blend of federal, state, and local dollars. Local funding **largely comes from property taxes**. Federal money, which accounts for just 10 percent of all education funding, tends to target low-income students or other distinct groups. State funding is where things get complicated. In all but five states, statewide formulas control most school funding. State education funding formulas have been the subject of controversy, confusion, and even lawsuits. Designed to ensure adequate funding across schools—and occasionally to promote equity—funding formulas distribute revenue to districts based on a variety of factors. These formulas often attempt to account for state and district revenue and anticipated differences among districts. What they cannot always account for, however, is how districts might respond to different incentives. In these often complex funding models, **states aim to strike a balance between giving localities some control while maintaining enough control at the state level to ensure all students can access a quality education.**

### Affordable housing decreases property values

**CED Program Interns & Students.** “Does Affordable Housing Negatively Impact Nearby Property Values?” Community and Economic Development in North Carolina and Beyond, 26 Jan. 2017, <https://ced.sog.unc.edu/does-affordable-housingnegatively-impact-nearby-property-values/>.

Affordable housing is not as significant as other variables influencing property values. The build quality of **affordable housing in comparison to surrounding housing can impact property values nearby. When affordable housing is clustered there is a greater potential for decreased property values**.  
The picture that has been painted thus far indicates that affordable housing at worst has a minimal negative impact on nearby property values. In another study, focusing on low income housing tax developments in Charlotte and Cleveland. In Charlotte, there **was a high turnover rate in areas after the completion of a LIHTC development**, particularly in higher-income areas **and a decrease in property values of nearby housing**. In Cleveland, higher turnover rates were seen but since many were located in already depressed neighborhood housing, increased turnover did not negatively impact property values.

### School funding is important to prevent kids from dropping out

**Chen, Grace.** “Decreasing Budgets Mean Increasing Dropouts in Public Schools | PublicSchoolReview.Com.” Public School Review, 1 Dec. 2017, <https://www.publicschoolreview.com/blog/decreasing-budgets-meanincreasing-dropouts-in-public-schools>.

**Tightening budgets have increased class sizes, reduced extracurricular offerings, and cut staff numbers. Now it appears that smaller budgets have translated into more public school dropouts as well.**

School districts across the country have fallen victim to the current economic slowdown, which has resulted in significant budget cuts and tough decisions for many schools this year. Unfortunately, the budget cuts have come at a time when dropout rates are rising. Is there a connection? We will take a closer look at the issue to answer the question: **No state has felt the brunt of school district budget cuts more acutely than California.** With many districts forced to lay off counselors, end intervention services and reduce or eliminate arts and other extracurricular activities, there are fewer resources to keep kids interested in school than there once was. Recently released data seems to support this idea; according to a report at San Jose Mercury News, **the dropout rate for California schools during the 2008-09 school year went up nearly three percent from the previous year. During the 2008-09 academic year, the dropout rate was 21.7%.** The previous year, that rate was just 18.9%. African Americans saw the most dropouts at 36.9%, and Hispanics followed with 26.9%. Both of these demographics saw a three-percent increase in dropouts in just one year. At the same time, California saw an increase in graduation rates, with a nearly two-percent increase in graduations across the board and a five-percent jump in Hispanic graduations.

## Market-Rate Housing Good – SOCIAL MOBILITY

**Current housing patterns prevent upwards mobility and threatens child development**

**Turner, Margery.** “Housing and Economic Mobility.” Urban Institute, The Urban Institute, 29 Sept. 2015, [www.urban.org/debates/housing-and-economicmobility](http://www.urban.org/debates/housing-and-economicmobility).

**But in fact, current housing patterns exacerbate inequality and block access to opportunities for upward mobility. In particular, neighborhood segregation along lines of race and ethnicity as well as income constrain many lower income families – especially families of color – to communities that lack key opportunities and exclude them from communities where opportunities are much more abundant. A growing body of evidence argues that growing up in a disinvested community, where crime and violence are commonplace and public schools are ineffective, undermines a child’s longterm life-chances, other things being equal. In contrast, higher cost communities with safe places to play, high-performing schools, and an abundance of enrichment opportunities boost a child’s prospects for future success. Other aspects of housing matter to inequality as well. When rent consumes an inordinate share of a family’s budget, food, healthcare, and educational expenditures suffer. When families have to move unexpectedly because of eviction or foreclosure, the instability threatens their children’s health and development. When households can’t qualify for mortgage financing, their prospects for building wealth are diminished.**

**Research links affordable housing to children's test scores**

**Podmolik, Mary Ellen.** “Research Links Affordable Housing to Children's Test Scores.” Chicago Tribune, Chicago Tribune, 7 Apr. 2015, <[www.chicagotribune.com/classified/realestate/ct-mre-0412-podmolikhomefront-20150407-column.html](http://www.chicagotribune.com/classified/realestate/ct-mre-0412-podmolikhomefront-20150407-column.html)>

**Nationwide, from 2012 to 2013, wages increased 1.3 percent, compared with a 1.7 percent increase in home prices as the country bounced back from the housing crisis, according to an analysis by RealtyTrac. In the Chicago area, average weekly wages rose 3.1 percent in that two-year period while median home prices posted a 20.5 percent gain. Meanwhile, the rate of rent increases has slowed, but average rents year over year in March rose 3.5 percent nationally and 2.7 percent in the Chicago area, according to real estate research firm Reis. Affordability, it's still the most important, most prevalent housing problem.** said Sandra Newman, a professor at Johns Hopkins University. “We are honestly so much a part of the inequality discussion. We have to show how the housing unaffordability crisis is very connected to inequality.” Working with another researcher, Newman found that **the percent of income a low-earning family spent on housing had a profound effect on a child's reading and math scores. Test scores suffered when families spent more than half their income on housing, or less than 20 percent of it. Newman theorizes that spending too little puts a family in a bad housing situation in a bad neighborhood, but spending too much forces households to make choices that affect family members, like spending less on computers or books.”**

**Unaffordable housing is hitting millennials the hardest**

**Green, Andy.** “The Crisis for Young People: Why Housing Is the Key to Social Mobility.” IOE LONDON BLOG, 4 July 2017, [ioelondonblog.wordpress.com/2017/07/04/thecrisis-for-young-people-why-housing-is-the-key-to-social-mobility/](http://ioelondonblog.wordpress.com/2017/07/04/thecrisis-for-young-people-why-housing-is-the-key-to-social-mobility/).

**For previous generations going back until the 1970s, when the late baby boomers came of age, housing proved to be a major source of wealth accumulation and ‘lifestyle mobility’ – if not for all, then at least for a majority. If social mobility were measured in intergenerational changes in consumer power, then housing asset accumulation would have been counted a major engine of mobility both for baby boomers, and for the X Generation (born 1965 to 1979) that followed them. For the Millennial generation, by contrast, the protracted housing crisis has proven to be the major barrier to their life chances, and the main symbol of intergenerational declines in opportunity. Of all the domains in which young people see their opportunities restricted, housing is the most serious, and the one which most clearly represents a growing gap between generations in lifetime opportunities. Housing opportunities are not only declining for an entire generation, they are also becoming more polarised**

**by social class, and more dependent on family background. In terms of** home ownership – and the consumption that borrowing against **housing**  
assets allows – **social mobility is in absolute decline.**

## **Lack of affordable housing has a generational impact, especially on children**

**Podmolik**, Mary Ellen. “Research Links Affordable Housing to Children's Test Scores.” Chicago Tribune, Chicago Tribune, 7 Apr. 2015, <[www.chicagotribune.com/classified/realestate/ct-mre-0412-podmolikhomefront-20150407-column.html](http://www.chicagotribune.com/classified/realestate/ct-mre-0412-podmolikhomefront-20150407-column.html)>

“In Newman's mind, **those trade-offs and decisions that low-income families face have effects that will ripple from one generation to another** .” Newman said. “That's the issue.” Newman's research was supported by the Chicago-based MacArthur Foundation, as is another study she is involved in that focuses on housing choices, neighborhoods and the challenge of finding affordable housing. Sitting in during interview sessions proved a sobering experience, she said, because educational choices weren't brought up by participants. They were focused on the characteristics of the home itself. **if housing affordability affects children, the next generation, and it puts them behind in terms of economic skill, that is going to perpetuate inequality for the next generation.**

## **Intergenerational immobility increases poverty**

**Acolin**, Arthur. “Housing and Opportunity.” Penn Institute for Urban Research, University of Pennsylvania, Feb. 2017, [www.penniur.upenn.edu/uploads/media/Housing\\_and\\_Opportunity.pdf](http://www.penniur.upenn.edu/uploads/media/Housing_and_Opportunity.pdf).

“There is an emerging body of literature on the potential long run consequences of growth in spatial inequality, particularly for social mobility. Chetty (2014) describes intergenerational mobility as the ability of individuals to move beyond the socioeconomic status of their birth throughout their lifetime. **Chetty et al.** (2014) **use administrative income data for children** (family income from 2011-2012 for children born between 1980 and 1982) **and their parents** (average family income from 1996 to 2000) **to analyze intergenerational income mobility by metropolitan area** based on mobility measures **and finds substantial differences across areas. They find that, while in Salt Lake City, San Jose, Boston, San Francisco, San Diego, New York, Washington, or Seattle, children born in the lowest quintiles of the income distribution have more than a 10 percent chance of reaching the highest quintile, children born in the lowest income quintile in Charlotte, Atlanta, or Milwaukee, among others, have less than a 5 percent chance of reaching the top income quintile.** Using the same data on intergenerational mobility, Acolin and **areas with a higher level of intergenerational mobility have experienced higher growth in housing costs. This has the potential to limit future mobility to these regions. The implications** for intergenerational mobility of the work by Chetty et al. (2014) on regions **are mirrored by local poverty concentration** within metropolitan areas. Using census tract data, Jargowsky (2016) reports that the number of people living in neighborhoods with poverty rates of 40 percent or more increased by 72 percent between 2000 and 2010.”

## Market-Rate Housing Good – SUPPLY & DEMAND

### **More Market-Rate Housing decreases overall cost of living**

Emily **Badger**, Washington Post, (Emily Badger was a reporter for Wonkblog covering urban policy. She left The Washington Post in September 20**16**.) "The poor are better off when we build more housing for the rich - The Washington Post", February 15, 2016, [//THS](https://www.washingtonpost.com/news/wonk/wp/2016/02/12/the-poor-are-better-off-when-we-build-more-housing-for-the-rich/?noredirect=on&utm_term=.50b729074f31)

### **To low-income residents and the groups that fight for them in expensive cities, new market-rate housing often feels like part of the problem**

the displacement of the poor. And so protesters rally against new market-rate apartments in Oakland. Politicians propose halting construction in San Francisco's Mission District.

**Economists typically counter with a lesson about supply and demand** ; Increase the sheer amount of housing, and competition for it will fall, bringing down rents along the way to the benefit of everyone. **It is understandable that skeptics raise their eyebrows at this argument. It's theoretical, based on math models and not peoples' lives** . It seems counterintuitive — that building for people who are not poor will help the poor. **But the California Legislative Analyst's Office** recently released some positive data

backing up this point: Particularly in the Bay Area since 2000, the **researchers found low-income neighborhoods with a lot of new construction have witnessed about half the displacement of similar neighborhoods that haven't added much new housing** Here's another way to look at that: Places without much new market-rate construction have more displacement. That is, no doubt, the opposite of what protesters want. Importantly, the benefits of all this building are not about inclusionary policies, which require developers to set aside some affordable units in market-rate buildings. There is less displacement in high-construction neighborhoods whether they have inclusionary policies or not. In this research (hat tip to Daniel Hertz for noticing it), displacement is defined as when census tracts have

population growth over time but a simultaneous decline in low-income households. The researchers also counted census tracts where the overall population was falling — but falling particularly rapidly among the poor. **In tight markets, poor and middle-class households are forced to compete with one another for scarce homes** . So **new market-rate housing eases that competition, even if the poor are not the ones living in it. Over time, new housing also filters down to the more affordable supply** because housing becomes less desirable **as it ages** . That means the luxury housing being built today will contribute to the middle-class

supply 30 years from now; it means today's middle-class housing was luxury housing 30 years ago. Here is **the average rent for housing built in San Francisco and Los Angeles between 1980-1985** . Relatively speaking, **these homes were substantially more expensive in 1985 when they were brand new than they were in 2011** **If you don't build much new housing, though, this filtering process breaks down over time.** And, in fact, the LAO report shows that **rents have risen a lot faster for the poor in** coastal

California **communities that have been stingy with new housing than in counties** across the nation **that built a lot** The report concludes that **boosting private construction would do more to broadly help poor households than expanding small and costly** affordable housing **programs that can serve only a fraction of them** . Those programs also do not resolve the underlying cause of high rents — the housing shortage itself. And that shortage actually undermines affordable programs such as housing vouchers, because it's a lot harder for the poor to use vouchers in a market where they're fiercely competing with everyone else. Adding one more point: None of this dismisses the fact that displacement from

specific homes happens when low-income housing is literally knocked down to build high-end towers. A good amount of new supply in cities, though, can rise on under-utilized land (former industrial plots, surface parking lots, abandoned properties, etc.). And **the cumulative effect of all that new supply can hold down rents across neighborhoods and cities, including for the poor**

## Nonprofits bad

### Nonprofits in housing have a funding problem

**Alyssa Katz, senior fellow with the Pratt Center for Community Development, June 28, 2018, “The Harm to Affordable Housing,”** The American Prospect, <https://prospect.org/article/harm-affordable-housing> (accessed 2/8/19)

A construction fence surrounds the decaying Church of the Redeemer in Flatbush, one of Brooklyn’s many gentrifying neighborhoods. **The congregation has provided the land to the nonprofit Mutual Housing Association of New York to create an oasis of 75 affordable apartments. Rents will start at \$935 a month, and will be guaranteed affordable for 30 years.** The church, meanwhile, will build itself a new home, tapping \$5 million from selling construction rights to the housing group. **The key subsidy making this deal possible is the Low-Income Housing Tax Credit, a better-than-nothing gimmick that helps the poor by rewarding the rich.** Over the past three decades, LIHTC—pronounced lie-tek to people in the business—has helped finance more than two million affordable apartments, or about double the number of remaining traditional public housing units produced in its heyday from the 1930s to the 1970s. **In this case, Bank of America will supply most of the \$20 million to finance construction of the Flatbush apartments, because the law allows the bank to use this credit to reduce its corporate taxes by one dollar for every dollar it provides to a developer of low-income housing. But thanks to the 2017 Republican Tax Act, the housing credit is suddenly worth a lot less. Why? Because the Tax Act dropped the corporate rate from 35 percent to 21 percent.**

### Nonprofits are ineffective

**Paul Klein, news analyst, May 15, 2015, “Are Nonprofits Getting in the Way of Social Change?”** Stanford Social Innovation Review, [https://ssir.org/articles/entry/are\\_nonprofits\\_getting\\_in\\_the\\_way\\_of\\_social\\_change](https://ssir.org/articles/entry/are_nonprofits_getting_in_the_way_of_social_change) (accessed 2/8/19)

According to the J.W. McConnell Family Foundation, business as usual isn’t enough to deliver the results we need. **The nature of our times is such that the magnitude and degree of complexity of our challenges exceed the capacity of any one sector to resolve,” said Stephen Huddart, McConnell’s president and CEO.** To support transformation of the nonprofit sector, McConnell created Innoveave to help leaders of community organizations learn about, select, and implement new tools and approaches to generate greater impact and advance their missions. **However, at a time when we need change more than ever, too many nonprofits are constrained by a slow-moving, institutional, and self-interested model. “One of the reasons that I left being a nonprofit executive director was that I realized that I was consistently putting the needs of my organization above the interests and the needs of the clients we were serving,” said David Wertheimer, deputy director for the Pacific Northwest Initiative at the Bill & Melinda Gates Foundation.**

## Public Housing Bad – CRIME

### Crime rises in areas as people migrate towards public housing

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Lambert, a Democrat, argued that **Watuppa Heights was a magnet, drawing households with social problems to his city** from Boston and other cities with large numbers of residents eligible for subsidized housing. His office discovered that, **out of 1,700 households waiting to receive public housing placement in Fall River, only 200 actually lived in the city** (and most of those had passed up available units in Watuppa Heights while waiting for apartments in newer, more desirable public housing). A Boston Globe article, reporting that Boston **social workers were encouraging low-income households to move to the old mill town**, where there was greater vacancy in the public housing system, provided further evidence that **Watuppa was filling up with out-of-towners. And they were disproportionately a bad lot**. **Statistics showed crime falling citywide but spiking in Watuppa Heights. New project residents** coming from other cities, the mayor pointed out, **brought** with them **more police calls**, more special-needs kids, **more crime and more drugs**. "As one mayoral aide noted, "The mayor wouldn't put it this way, but the basic argument was that you had people coming from all over to use our services and make the place trashy." Perhaps surprisingly in a state where "affordable housing" is a mantra, **the Massachusetts State Legislature recently gave the green light to demolish the project**. The vote represented a big win for the mayor and for Fall River's state legislators—and a major turning point for a city fighting hard to improve its schools and its economy.

### Public housing has high rates of crime

Elizabeth **Griffiths** (Ph.D. and M.A. in Sociology, University of Toronto; B.A. (First Class Honours) in Sociology, University of Calgary) & George Tita (Professor of Criminology, Law and Society and Urban Planning and Public Policy Ph.D., Carnegie Mellon University), Oxford University Press, "Homicide In and Around Public Housing: Is Public Housing a Hotbed, a Magnet, or a Generator of Violence for the Surrounding Community?", August 2009, <https://www.jstor.org/stable/10.1525/sp.2009.56.3.474> //THS

### Rates of violent crime in public housing are higher than in other disadvantaged, nonpublic housing neighborhoods

and census tracts containing public housing show higher violence rates compared to those without (Dunworth and Saiger 1994; Fagan and Davies 2000; Holloway and McNulty 2003; HUD 2000; Roncek, Bell, and Francik 1981). Yet, offense rates alone do not provide any information about the "locality" of victims and offenders; that is, whether victims or offenders actually live in the neighborhood. The journey-to-crime literature demonstrates that serious violence, such as **homicide tends to occur closer to home for both victims and offenders** (Amir 1971; Rossmo 2000); however, recent studies have illustrated that homicide involves much more mobility than expected. For example, studies in both Pittsburgh, PA and Washington, DC find that almost three-quarters of all homicides involve at least one participant from a neighborhood other than the neighborhood of the incident (Groff and McEwen 2006; Tita and Griffiths 2005). Both victimization surveys and research on offending shows that **public housing residents are targets for, or perpetrators of, violence at higher rates than residents of other kinds of communities** (DeKeseredy et al. 2003; Holzman, Hyatt, and Dempster 2001; Huth 1981; Mayhew, Mirrlees-Black, and Mayng 1994; Sullivan 1989; Venkatesh 2000). For example, Carol J. DeFrances and Steven K. Smith (1998) find that compared to those outside of public housing, **residents of public housing report higher levels of nonlethal violent victimization, are more likely to view crime as a problem in their neighborhood, and are markedly more likely to report that the crime rate is so objectionable that they wish to move from the area**. Likewise, the most troubled developments house at least some residents who exhibit violent behavior, and who are involved in gangs, drug sales, or other criminal activities (Popkin et al. 2000; Sullivan 1989; Venkatesh 2000). Escaping from the local scourge of gangs, drugs, and violence is the most frequent reason for relocation provided by public housing residents participating in the HOPE VI "Moving to Opportunity" program (Popkin et al. 2004). Nevertheless, the literature on both the victimization risk and the offending behavior of public housing residents fails to incorporate information on the incident locations. There is reason to believe that violence **may be insular to public housing and primarily involve local residents**. William Julius Wilson's seminal study *The Truly Disadvantaged* (1987) describes the extreme social isolation—or lack of interaction with formal institutions and participants in the mainstream economy—of those who reside in communities characterized by concentrated poverty. Public housing developments, as racially segregated communities that concentrate the poor, are particularly vulnerable to social isolation (Bickford and Massey 1991). Indeed, **isolation is a consistent theme** of the public housing literature and, according to Susan J. Popkin and associates (2000), "most agree that the physical **and** social isolation of many large development **contributed greatly to the problems**" of drug **trafficking and violent crime** (p. 25). Residents of public housing are isolated not only from residents in surrounding areas, but also from important local institutions, such as churches and community organizations, that typically serve as venues to cultivate friendship networks (Smith 2001).

## Public Housing Bad – EDUCATION

### **Students from public housing developments perform worse on standardized tests**

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Our results show that on average **students living in public housing** <sup>in New York City</sup> **perform substantially worse on standardized math and reading exams than their peers** <sup>living elsewhere in the city. Studying academic performance for the 2002–2003 school year, we find that</sup> **the average** <sup>NYCHA fifth grade</sup> **student scores 0.31 standard deviations below the** <sup>citywide</sup> **mean on math** <sup>tests</sup> **and 0.33 standard deviations below the** <sup>citywide</sup> **mean on reading** <sup>tests. The typical non-NYCHA fifth grade student, on the other hand, scores about 0.06 standard deviations above the citywide average on both reading and math exams.10 In Figure 1, we show average standardized math and reading scores for fifth grade students by public housing residence. There are numerous factors that might explain the achievement gap between NYCHA and non-NYCHA students. The experience of living in</sup> **public housing** <sup>itself</sup> **could contribute to the disparity** <sup>if NYCHA students have difficulty finding academic role models in their community or are heavily surrounded by underperforming peers.</sup> **Alternatively** <sup>, unobserved</sup> **differences in individual- or family-level characteristics between the students who live in public housing and those who do not could be driving differential performance. A third possibility** <sup>—and the one under examination in the current article—</sup> **is that students living in public housing attend worse schools** <sup>In the remainder of the article, we explore whether, as compared to other students, the average public housing student attends schools with fewer resources, lower performing peers, and/or teachers with less teaching experience.</sup>

### **Students in public housing attend worse schools**

Amy Ellen **Schwartz**, Brian J. McCabe, Ingrid Gould Ellen, & Colin C. Chellman (Amy Ellen Schwartz is Professor Emeritus of Public Policy, Education, and Economics. During her tenure at NYU, Dr. Schwartz held the role of Director of the NYU Institute for Education and Social Policy. Brian J. McCabe is Associate Professor of Sociology at Georgetown University. He holds secondary appointments as an adjunct instructor in the Regional and Urban Planning program; a core faculty member in the program on Justice and Peace Studies; an affiliated faculty member in the Department of African-American Studies; and an affiliated faculty member in the McCourt School of Public Policy. Ingrid Gould Ellen is the Paulette Goddard Professor of Urban Policy and Planning at NYU's Robert F. Wagner Graduate School of Public Service and Faculty Director of the NYU Furman Center. Her research centers on neighborhoods, housing, and residential segregation. Colin Chellman is the University Dean for Institutional and Policy Research at the City University of New York, where he was most recently the founding Director of the Office of Policy Research.), Urban Affairs Review, "Public Schools, Public Housing: The Education of Children Living in Public Housing", 2010, [https://steinhardt.nyu.edu/scmsAdmin/uploads/005/980/UAR\\_Schwartz.pdf](https://steinhardt.nyu.edu/scmsAdmin/uploads/005/980/UAR_Schwartz.pdf) //THS

**Students living in public housing developments are served by a relatively small number of schools in the** <sup>New York City</sup> **public school system.** <sup>Examining the concentration of school-aged children living in public housing developments in the city's elementary and middle schools, we find that</sup> **half of all students living in public housing are concentrated in just 10% of** <sup>the city's elementary and middle</sup> **schools** <sup>or 83 schools. Two-thirds of all students living in public housing are concentrated in 15% of the city's elementary and middle schools, or 127 schools. This concentration results from the combination of locally zoned schools and densely concentrated public housing in New York City. In practice, it means that</sup> **a fraction of** <sup>the city's</sup> **public schools educate the majority of students residing in public housing** <sup>in New York City. In Figure 2, we present a graph of the cumulative distribution of public housing students in the city's elementary and middle schools. As for differences in school quality between schools attended by students living in public housing and those living elsewhere in the city, Table 2a reports basic differences in the demographic characteristics of the typical school attended by students living in public housing and those of the typical school attended by students living elsewhere in the city.11 The typical school attended by students living in public housing has a higher percentage of Black and Hispanic students and a lower proportion of White students. In the typical school attended by public housing students, 38% of a student's peers also reside in a public housing development; in the typical school attended by other students, less than 8% of the student body lives in public housing. Over 85% of students in the typical school attended by public housing students are eligible for free lunch, whereas slightly more than 70% of students in the typical school attended by other students are free lunch eligible.</sup> **If the academic achievement of students is affected by the poverty rate of their school, then the typical** <sup>NYCHA</sup> **student could be disadvantaged** <sup>by his or her attendance at schools with significantly higher concentrations of free lunch eligible students.</sup>

# Public Housing Bad – HEALTH

## Public housing is unsafe

Margery Austin **Turner**, Susan J. Popkin, G. Thomas Kingsley, and Deborah Kaye, The Urban Institute, "Distressed Public Housing - What It Costs to Do Nothing", April 20**05**, <https://www.urban.org/sites/default/files/publications/51801/411159-Distressed-Public-Housing.PDF> //THS

Public housing was originally intended to provide decent housing for families who could not afford to pay private-market rents. Most developments today continue to achieve this goal— adding to the stock of decent and affordable housing in communities across the country. But some **developments have spiraled into serious physical, financial, and social distress, owing to failures of both policy and administration**. These severely distressed developments are not just old, outmoded, or run down. Rather, **many have become virtually uninhabitable** for all but the most vulnerable and desperate families. This section describes the conditions that set severely distressed developments apart from the majority of the public housing inventory.<sup>3</sup> Physical Deterioration. Physically, "severely distressed" **public housing is everything the label implies: dilapidated, often largely vacant buildings that show the effects of poor construction, managerial neglect, inadequate maintenance, and rampant vandalism**. These developments have huge backlogs of repairs, **creating hazardous conditions that place residents at risk for injury or disease**. A recent survey <sup>(Popkin et al. 2002)</sup> asked residents of five HOPE VI developments about the pre-revitalization conditions of their housing. Most **reported multiple serious problems including cockroach infestations, excessive mold, and heating and plumbing problems**. Crime and Insecurity. Exacerbating these problems, **violent criminals and drug dealers dominate many distressed developments**, causing residents to live in constant fear and luring young people into criminal activities. In same survey (Popkin et al. 2002), **nearly three-quarters of the residents** in a sample of HOPE VI developments **reported major problems with drug trafficking and drug sales**. **Two-thirds** of survey respondents **reported that shootings and violence were also big problems**, and half the respondents reported that they did.<sup>2</sup> In fact, it seems likely that the cost-benefit calculation would vary by property, and could potentially prove a useful tool for determining which properties warrant HOPE VI-type investments.<sup>3</sup> Note, again, that sufficient evidence is not currently available to determine how many of the units that remain in the public housing inventory share all these symptoms of severe distress.<sup>3</sup> not feel safe just outside their own buildings. The high levels of crime and disorder result not only from the overconcentration of profoundly poor and troubled families, but also from ineffective management by local housing authorities. In many developments, leases are not enforced, disruptive and destructive residents are not evicted, vacant units are not secured, and policing is inadequate. Residents in Distress. These developments have become dangerous and destructive communities in which to live, undermining the welfare of families and children. In its final report to Congress, the National Commission on Severely Distressed Public Housing (1992) made it clear that severely distressed public housing is "not simply a matter of deteriorating physical conditions, it is more importantly one of a severely distressed population in need of services and immediate attention." Most of the residents are deeply poor, unemployed, and dependent on public assistance or the underground economy (Popkin, Gwiassa, et al. 2000). **Moreover the profound poverty, distress and disorder of distressed public housing undermines the health of surrounding neighborhoods which though generally less poor than the public housing, typically have very high rates of poverty, unemployment, high school dropouts, crime and other social ills; few services or stores; and even fewer jobs**. These "residents living in despair" are primarily minority women and children. A national analysis of HUD data documented that the majority of HOPE VI residents are African American or Hispanic (Kingsley, Johnson, and Pettit 2002). Further, a staggering 88 percent of the people who lived in the neighborhoods surrounding the severely distressed developments were minorities. The economic segregation in distressed public housing is also extreme. The National Commission on Severely Distressed Public Housing cited evidence that more than 80 percent of public housing residents live below the poverty threshold, and most earn less than 20 percent of what unsubsidized residents in the same communities earned. Not surprisingly, **rates of unemployment and public assistance receipt are also very high.**

## Various health issues exist for those in public housing

Beeta **Rasouli** (Alliance for Health Reform) & Joshua Okrent (Capitol Hill Housing), Alli Health, "The Connection between Health and Housing", October 20**15**, <https://www.urban.org/sites/default/files/publication/51801/411159-Distressed-Public-Housing.PDF> //THS

Attempts to tie health and housing policy have only recently gained momentum, even though researchers and practitioners have recognized the connection for some time. Indeed, **evidence is growing that housing a social determinant of health is an important factor in the health status of various populations.**<sup>1</sup> For example, **efforts to minimize children's exposure to lead paint in the home have existed since the late 1980s**, and have greatly reduced the incidence of lead poisoning and associated physical and cognitive health problems.<sup>2</sup> **Still** according to the Centers for Disease Control and Prevention (CDC), which began collecting data in 1995, **at least 4 million households with children remain at risk.**<sup>3</sup> Other pathways through which housing may affect health are less well recognized. The Bipartisan Policy Center Health and Housing Task Force maintains that stable, affordable housing can improve health outcomes and reduce costs to the health care system.<sup>4</sup> According to the Department of Housing and Urban Development (HUD), more than 610,000 people experience homelessness in the U.S., and over 250,000 individuals within that population have a severe mental illness or a chronic substance use disorder.<sup>5</sup> **Persons living with HIV/AIDS risk losing their housing** due to factors such as increased medical costs or limited ability to work due to related illnesses.<sup>6</sup> **People with disabilities face a multitude of housing challenges**, including issues with affordability, discrimination and availability.<sup>7</sup> Seniors who wish to age in place often require safety modifications to their homes to prevent injuries.<sup>8</sup> **And, housing and urban design can play an important role in facilitating healthier behaviors such as physical activity.**<sup>9</sup>

## Public Housing Bad – POVERTY

### **Affordable housing projects increase poverty**

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The **crime and disorder didn't stay within the confines of the blighted projects**, as residents in neighborhoods dominated by public housing know only too well. Joe Petrone, a longtime resident of **Philadelphia's** East Falls neighborhood, where his family owns a real-estate business, **has watched the whole life cycle of America's experiment in subsidized housing play out on his doorstep**. The now demolished East Falls housing project opened some 40 years ago as housing for working families. "We'd celebrate people 'graduating' from the projects," Petrone recalls of neighbors in those days. "We viewed it as an up and out situation." But **as non-working residents replaced the working ones**, explains Petrone, a director of real estate for the city of Philadelphia, **kids from the project began menacing the long blocks of privately owned row houses** on adjoining Calumet Street and the neighborhood shopping area along Ridge Avenue. **You'd have bricks coming through windows** on Calumet Street, thrown from high-rises," he says. **Ninety percent of the robberies involved a perp who would disappear into the project**. The disorder exacted a huge toll on the neighborhood's economic vitality, Petrone says. "It got to the point where you wouldn't sell a three-story house in the area for more than \$600—a house that had once taken a whole working-class lifetime to own free of debt and that represented a family's life savings. Some might dismiss Petrone's grumbling as the intolerance of a white ethnic for minority newcomers in his once overwhelmingly Italian-American neighborhood. They'd be dead wrong. You'll hear exactly the same complaints from hardworking minority residents of project-dominated neighborhoods, too. "When you have single parents, you have lots of unsupervised teenagers and lots of drugs and gangs," observes Laurena Torres, an Italian-Hispanic East Harlem real-estate agent and property owner, whose rental brownstones look out on the Robert Wagner Homes, a spine of projects looming over First Avenue. "It affects your everyday life—you have to avoid the projects just to get to the cleaners, the laundry, or the grocery," she says. "None of us goes into them, or crosses through them—even at 1 in the afternoon—as a short cut." **Fear** of those who live in housing projects **can drive neighbors who can afford it to move—a drain on urban vitality, since these are often the striving, upwardly mobile people who make neighborhoods flourish**. Torres remembers a day three years ago when the valued tenants living in one of her apartments—"a professional couple," she says—moved out, after finding blood splattered on their stoop from a drug dispute that had (quite literally) spilled over from the projects. "They got up that morning," recalls Torres, "and said, 'This is enough.'" It's her **upwardly mobile minority tenants**, says Torres, who **complain most about the "undesirable element from the projects."**

### **Public housing slows economic growth city-wide**

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The destruction of a project like the Richard Allen Homes or Watuppa Heights, however, remains a relatively rare event. And this fact points to a second, more subtle, way that **public housing harms cities Unlike privately owned buildings, public housing becomes property permanently fixed in a particular, low-value use, even as cities change and renew around it**. Many projects have loomed over their neighborhoods for decades now. The names of some even suggest that the racial makeup of their residents will always be the same: the two Borinquen Plazas in the Bushwick section of Brooklyn seem forever intended for Puerto Ricans, the Langston Hughes Apartments in Brooklyn's Brownsville neighborhood for African-Americans, as if some races are fated disproportionately to be poor, dysfunctional wards of the state—a mistaken and racist assumption that has characterized so much harmful social policy over the last several decades. All the while, **cities never discover what new, imaginative uses the free market might invent for these frozen areas In New York City the sheer quantity of property locked into service as public housing works as a significant drag on the city's economy. In East Harlem, where 13 huge housing projects stand** ("the world's greatest concentration of public housing," city officials once boasted), **almost no part of the neighborhood escapes their intimidating, prosperity-squelching presence**. "We're surrounded on all sides by them—they're an eyesore, and there's an awful lot of run-off, whether crime or drugs," says one prominent property manager, whose firm owns 1,300 units in some 60 buildings in the area. "If we had even half the number of projects," he laments, "we'd be the next East Village, with our proximity to midtown and the Number 6 subway train going right through the neighborhood." But East Harlem isn't the only place in New York with an excess of public housing. Gotham has vastly more public housing units than any other city in the nation—nearly 200,000 of the national total of 1 million or so. (Chicago is a distant second, with 38,000 units.) Public housing occupies an astounding 2,500 acres of real estate in New York, the equivalent of 156 World Trade Center sites: a city within the city. **This profusion of public housing also reduces the space available for private housing—a real problem in a city where private housing, especially in the middle-income price range, is in perennially short supply**. One New York neighborhood facing this problem is **the Brooklyn Navy Yard** area, home of a former shipbuilding operation that's now an industrial park **with 3,500 employees working for dozens of small businesses**. Many more firms will probably join these companies once a planned new movie studio opens in the neighborhood. Yet there's **virtually no housing available in the vicinity for the industrial park's middle-income workers, because two big public housing projects use up much of the area's space and discourage residential**

**development in the rest**

Says Richard Drucker of the Brooklyn Navy Yard Development Corporation, the nonprofit that runs the yard under lease from the city, "There's a great demand for middle-income housing in the area. If you could build it,

it would sell." And **if such housing replaced the projects**? Replies Drucker: **Brooklyn would be better off**.

# **Public Housing Bad – SEGREGATION**

## **Public housing is typically racially segregated**

**HUD**, Department of Housing and Urban Development, "Report explores race and poverty in public housing", 2013, <https://web.archive.org/web/20131021020430/http://www.huduser.org/periodicals/rrr/racepove.html//THS>

The findings presented in The Location and Racial Composition of Public Housing in the United States are based on data from the newly created Public Housing Race and Location Data File, which matches demographic information on a sample of 17 percent of the Nation's public housing projects with the socioeconomic characteristics of the census tract in which each project is located. The report finds that **public housing** is located in areas of widely varying characteristics, although these **neighborhoods tend to be comparatively poor and racially isolated**. Approximately one-quarter of all public housing residents live in low-poverty areas; a slightly higher percentage live in concentrated poverty (where the tract poverty rate is 40 percent or higher). Almost **30 percent of public housing residents live in tracts where fewer than 10 percent of the population is African American, but more than 40 percent live in majority African American neighborhoods**. While **racial segregation in public housing persists**, there is some evidence that it has declined over the past two decades. Eleven percent of all sampled public housing agencies (PHAs) were classified as highly segregated in 1993. Segregation was most severe among the largest PHAs; however, the average index of segregation among the Nation's largest PHAs showed a decrease of 6 percent between 1977 and 1993. According to HUD's analysis, the most accurate predictors of segregation are those associated with the demography and racial distribution of the surrounding metropolitan region rather than with the characteristics of the PHA. Yet, **despite the slow easing of racial segregation in public housing** the report found that **most African-American public housing residents continue to live in disproportionately minority neighborhoods, while white public housing residents usually live in predominantly white neighborhoods**. These communities tend to be further differentiated by income, as **a majority of African-American public housing residents live in poverty-concentrated neighborhoods, while their white counterparts live in more affluent areas**. But the picture is considerably more complex than even these generalities suggest. For example, racial disparities in neighborhood location are much lower among residents of public housing for the elderly—who tend to live in areas with lower levels of poverty, regardless of race—than for residents of family developments. However, even in family developments in lower poverty tracts, 25–37 percent of residents are African American.

# Rent Controls Bad – GENERIC

## Rent Control doesn't work

Vanessa Brown **Calder** & Ryan Bourne, Governing, "Rent Control: An Old, Bad Idea That Won't Go Away", November 5, 2018, <https://www.cato.org/publications/commentary/rent-control-old-bad-idea-wont-go-away>

The Bradley Cooper-Lady Gaga remake of A Star Is Born isn't the only thing from the 1970s making a comeback this year. After most states passed laws blocking rent control in the 1980s and '90s, there's now a push to reintroduce it from coast to coast. Californians will be voting Tuesday on a ballot measure that would repeal a state law prohibiting cities from expanding rent control. In Illinois, the state legislature is contemplating eliminating a ban on rent control and creating six boards to manage rents statewide. Meanwhile, the New York city council is considering a potentially unconstitutional commercial rent-control proposal that would limit property owners' ability to increase rents for office, industrial and retail space. This resurgence comes in the face of escalating pressure to "do something" about sharply rising rents in urban areas. Yet

economists of all political persuasions are highly skeptical that rent controls can be successfully re-imagined. Indeed, it is difficult to think of another policy where conservative economist Thomas Sowell, who once observed that **the goals of rent control and its actual consequences are at opposite poles.**

can agree with liberal economist Paul Krugman. As Krugman, a New York Times columnist, explained in 2000, introductory economics teaches that **artificially compressing rents results in a shortage of rentable properties. The lower fixed price increases the demand for rental housing while reducing the quantity of it offered for rent. That's because landlords confronted with the regulation are incentivized to convert properties to other, higher-return uses. Developers, meanwhile, find new rentable accommodations less profitable to build, compounding the scarcity-of-supply problem that often drives high rental prices in the first place. This is not just theory.**

Following a 1994 rent-control expansion **in San Francisco**, research found that **landlords converted rental properties to owner-occupied apartments and condos better suited to higher-income families to avoid being subject to the regulation.**

The supply of new rentable housing fell too, increasing underlying market rents by over 5 percent. Rent control both increased the cost of non-controlled rental accommodations and accelerated

gentrification. **Tenant**s with rent-controlled apartments benefit financially, but there are **tradeoffs** for them as well. **Landlords under rent control have strong incentives to neglect maintenance or upkeep allowing properties to fall into disrepair**

until the market price for the unit reflects the rent-controlled price. And property owners can become more discerning about the types of tenants they want to rent to, making potential tenants jump through administrative hoops to capture the prize. This can also discourage tenants from moving to new jobs or more appropriately-sized housing. It's been estimated, for example, that **21 percent of rent-controlled tenants in New York City live in properties with the**

**wrong number of rooms for their needs.**

Faced with this historical evidence, advocates today instead emphasize the benefits of rent control on tenant security. They advocate regulations that limit price hikes in fixed tenancy periods, but with rents free to adjust when a tenancy ends. This is said to protect tenants against so-called "economic eviction" — huge unforeseen jumps in rent that force a tenant to move out. No doubt tenants value security. But that such contracts are not widespread in free markets suggests that landlords value the flexibility to adjust rents to market conditions and their experience with tenants. Changing the balance of risks in favor of tenants would require higher rents to compensate. All of this indicates that tenancy rent controls and security regulation will — at best — lead landlords to front-load rent hikes, select tenants likely to stay for short periods, or provide poor service during tenancies if underlying market rents are rising rapidly. At worst, tenancy rent controls would increase overall market rents by raising risks to landlords and reducing investment in new stock, particularly if the controls are perceived as a precursor of more onerous regulation. The truth about housing affordability is that high rental prices communicate that the supply of rentable property in the market is scarce relative to demand. The urgent message emanating from many desirable U.S. cities is that too few rentable units have been produced over long periods. But crude rent controls will worsen this shortage. And more flexible rent regulation amounts to just suppressing this price message for a lucky few tenants in the short

term, in ways likely to worsen affordability more broadly. Re **nt control can't overcome the structural challenges to affordability that high-cost cities face and**

a rent-control revival **diverts attention from pro-development reforms that matter. Policymakers who care about housing affordability should leave rent control where it belongs: in the past.**

## Rent Controls Bad – SHORTAGES

**Rent control decreases the supply of affordable housing.**

**Miller**, Nathan “Rent Control: What It Means For The Real Estate Marketplace” Forbes. May 31, 2018. <https://www.forbes.com/sites/forbesrealestatecouncil/2018/05/31/rentcontrol-what-it-means-for-the-real-estate-marketplace/#be293cb76706>

“On the flip side, **tenants who remain in their apartments longer reduce the number of available apartments at any given time. This can also drive up the price of other available rental units that are not under rent control policies.** Lower prices mean higher demand. **With more rent-controlled apartments at an affordable price, more renters are going to be trying to rent than there are rent-controlled apartments available.**

**Rent Control creates long term structural shortages**

**Miller**, Nathan “Rent Control: What It Means For The Real Estate Marketplace” Forbes. May 31, 2018. <https://www.forbes.com/sites/forbesrealestatecouncil/2018/05/31/rentcontrol-what-it-means-for-the-real-estate-marketplace/#be293cb76706>

**The incentive to invest and develop decreases. Property investors take risks with years’ worth of savings to have a (hopefully) profitable investment in the future, if rent control causes a landlord to take a loss** or break even on their investment, it might be **not worth the risk for them.** The same goes for developers, as **it becomes difficult to profit from residential buildings.**

**The overall effect of rent control is to make affordable housing scarce**

Rebecca **Diamond**, Timothy James **McQuade**, Franklin **Qian**. “The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco” Stanford. January 2018. <https://www.gsb.stanford.edu/facultyresearch/working-papers/effects-rent-control-expansion-tenants-landlordsinequality-evidence>

“We exploit quasi-experimental variation in assignment of rent control to study its impacts on tenants, landlords, and the overall rental market. Leveraging new data tracking individuals’ migration, **we find rent control increased renters’ probabilities of staying at their addresses by nearly 20%.** Landlords treated by **rent control reduced rental housing supply by 15%, causing a 5.1% city-wide rent increase.** Using a dynamic, neighborhood choice model, we find rent control offered large benefits to covered tenants. Welfare losses from decreased housing supply could be mitigated if insurance against rent increases were provided as government social insurance, instead of a regulated landlord mandate.”

**Lack of supply leads to evictions by landlords**

Rebecca **Diamond**, Timothy James **McQuade**, Franklin **Qian**. “The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco” Stanford. January 2018. <https://www.gsb.stanford.edu/facultyresearch/working-papers/effects-rent-control-expansion-tenants-landlordsinequality-evidence>

“This result suggests that **landlords are likely actively trying to remove tenants in those areas where rent control is affording the most benefits.** i.e. high rent appreciation areas. There are a few ways a landlord could accomplish this. First, **landlords could try to evict their tenants by** for example, **moving into the properties themselves, known as owner move-in eviction.** Alternatively, **landlords could evict tenants according to the** provisions of the **Ellis Act, which allows evictions when an owner wants to remove units from the rental market.** - for instance, in order to convert the units into condos or a tenancy in common. Finally, landlords are legally allowed to negotiate with tenants over a monetary transfer convincing them to leave. **Such transfers are, in fact, quite prevalent** in San Francisco.”

## **Lower supply of housing leads to higher rents in the long run**

**Diamond**, Rebecca. "What Does Economic Evidence Tell Us about the Effects of Rent Control?" Brookings (blog), October 18, 2018. <https://www.brookings.edu/research/what-does-economic-evidence-tell-us-about-the-effects-of-rent-control/>.

**This 15 percentage point reduction in the rental supply of small multi-family housing likely led to rent increases in the long-run, consistent with standard economic theory. In this sense, rent control operated as a transfer between the future renters of San Francisco (who would pay these higher rents due to lower supply) to the renters living in San Francisco in 1994 (who benefited directly from lower rents). Furthermore, since many of the existing rental properties were converted to higher-end, owner-occupied condominium housing and new construction rentals, the passage of rent control ultimately led to a housing stock that caters to higher income individuals.**

## **State Governments Bad**

**States take a one-size-fits-all approach – fails to solve the housing crisis**

**Teresa Wiltz, journalist, October 16, 2018**, “Once Seen as a Local Issue, Affordable Housing Is Becoming a State Focus,” *Governing*, <http://www.governing.com/topics/urban/sl-affordable-housing-state-legislation.html> (accessed 2/8/19)

**State-mandated housing policy tends to take a one-size-fits-all approach that doesn’t work for local communities, said Geoff Beckwith, executive director and CEO of the Massachusetts Municipal Association, an advocacy group representing cities and towns in the state**

Beckwith isn’t opposed to state legislation on zoning, but it’s far better, he said, when state lawmakers collaborate with local governments to find a solution. “With zoning, one size misfits all,” he said.

**For example, in the eastern part of Massachusetts, affordable housing is at crisis levels — even for the middle class, necessitating zoning changes to build more units. But in the more rural and suburban western Massachusetts, where finding housing isn’t so fraught, strict zoning laws wouldn’t make any sense, he said.**

## Supply & Demand

**Increased demand raises prices in the short-term, but in the long-term, supply will increase, decreasing the price and increasing the quantity supplied.**

Katherine **O'Regan** (Professor of Public Policy and Planning at NYU Wagner, formerly served as Assistant Secretary for Policy Development and Research at HUD, previously taught at Yale School of Management, received teaching awards from Berkeley, Yale, and NYU, served on the editorial board for the Journal of Policy Analysis and Management, Ph.D. in Economics from UC, Berkeley), Ingrid Gould **Ellen** (Professor of Urban Policy and Planning at NYU Wagner, held visiting positions at the Department of Urban Studies and Planning at MIT, the U.S. Department of Housing and Urban Development, the Urban Institute and the Brookings Institution, Ph.D. in public policy, Master's degree in Public Policy, and bachelor's degree in applied mathematics, all from Harvard University.), and Vicki **Been** (Professor of Law at NYU School of Law), October 26, 2017, NYU Furman Center, NYU Wagner School, and NYU School of Law, "Supply Skepticism: Housing Supply and Affordability", accessed February 9, 2019, [http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20supply\\_affordability\\_Oct%2026%20revision.pdf](http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20supply_affordability_Oct%2026%20revision.pdf)

**In virtually all markets, increases in demand initially increase price** as producers face short-run constraints on their ability to increase supply. **In the longer run, however increases in price** should **induce investment and an expansion in supply, which should dissipate the initial increase in price**. Some argue that those 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).

**Housing costs are only a crisis in successful cities that resist housing expansion because their demand growth exceeds supply growth.**

Gabriel **Metcalfe** (Executive director of the San Francisco Planning and Urban Research Association (SPUR), previously worked 5 years for The Bay Institute, an environmental nonprofit focused on California water policy, co-founder and former Board Chairman of City CarShare, Master of City Planning Degree from UC, Berkeley), Winter 2018, Journal of Economic Perspectives, "Sand Castles Before the Tide? Affordable Housing in Expensive Cities", Volume 32, Number 1, accessed February 7, 2019, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.32.1.59>

Today, we observe **the divergent fates of American cities: some are becoming extremely costly while others continue to struggle with the problems of abandonment; some grow at a rapid pace while others resist new development**. broadly speaking, we can classify US cities into three types in terms of their housing cost dynamics. First, **some cities continue to have shrinking populations, so the existing supply of housing is large compared to the quantity demanded and housing is often quite inexpensive**. Examples include certain "Rust Belt" cities like Rochester, Detroit, and St. Louis. Second, **some cities have both growing population and a growing supply of housing**. including "Sun Belt" cities such as Atlanta, Houston, and Tucson. **These cities tend to have relatively less-expensive housing**. Third, **in some cities, the demand for housing is growing at a much faster rate than the supply**. These so-called "superstars" include New York City, Boston, Washington, DC, San Francisco, Los Angeles, Seattle, and Denver (Gyourko, Mayer, and Sinai 2013).

**New building is necessary - Even absent complete solvency of housing issue, rents drop substantially**

Rick **Jacobus** (Rick Jacobus, a national expert in inclusionary housing and affordable homeownership, is the principal of Street Level Urban Impact Advisors. He serves as a strategic advisor to Grounded Solutions Network, a national initiative focused on building more inclusive communities.), 3-10-2016,

Street Level Urban Impact Advisors, Shelterforce, "Why We Must Build", accessed February 6, 2019, [https://shelterforce.org/2016/03/10/why\\_we\\_must\\_build/](https://shelterforce.org/2016/03/10/why_we_must_build/)

If we look at the housing problem at the regional level only, **it seems frustratingly obvious that the answer for hot-market metro areas is simply to build. Build more. Build now. Build anywhere. Even when we build high-end housing for the rich it adds to the overall supply and pushes rents down.** The super rich move into their new sky palaces and the merely rich move into the luxury homes that they vacate and down the line. **Now filtering is not quite the panacea that some wish it were because once rents on older housing units fall below the operating costs, it is cheaper for property owners to abandon their buildings than rent them out. This creates a functional rent floor** below which rents won't fall no matter how much we build; but in high-cost regions the bottom of the housing market (the lowest rents typically available) is far above this floor. And to reach that floor we would need to build at such an enormous scale that it is hardly worth discussing. So **building more won't end homelessness or eliminate the need for affordable housing subsidies for very low-income households, but for everyone else struggling to pay rising rents, there is solid evidence that building even high-end housing will bring rents and housing prices down. Even if we can't hope to build enough, some building is better than no building**

**Disallowing market-rate housing may not create space for affordable housing because the land may still be too expensive for that use.**

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A second version of the argument asserts that normal rules of supply and demand don't apply because the development of market rate housing consumes scarce land that could otherwise be used for affordable housing. 3 The argument is accompanied by demands that high percentages (such as 50 percent or more) of all housing developed on private sites should be restricted as affordable housing (Durkin, 2016). But **it is not necessarily the case that the land where market-rate housing** (or a mixture of market rate and affordable housing) **is proposed would otherwise be used** entirely **for affordable housing. The land might continue to be too costly to support affordable housing, even if the land could not be used for housing for higher income households, because there are other uses** (such as office or other commercial space) **competing for the land.** Also, **the reasons affordable housing is not provided in larger quantities go far beyond the lack of land and include the inadequacy of funding to pay for construction, financing costs and operating costs. Further, programs like mandatory affordable housing can ensure that even land used for housing for high income households includes some affordable housing in the same development, although no inclusionary program imposes requirements as high as 50 percent of the units.**

**If developers could build more housing on the same land, it would allow more people to live in the area, which would lower the price and raise the real wage of residents.**

Joshua **Gottlieb** (Associate Professor at the University of British Columbia, Research Associate at the National Bureau of Economic Research (NBER), Visiting Scholar at the Federal Reserve Bank of San Francisco, Co-Editor of the Journal of Public Economics, Ph.D., A.M., A.B. in Economics from Harvard University.), October 1, 2018, The Aspen Institute, Economic Strategy Group, "How Minimum Zoning Mandates Can Improve Housing Markets and Expand Opportunity", accessed February 10, 2019, <https://users.nber.org/~jdgottl/MinimumZoningMandates.pdf>

**To understand the effects of land use regulations, it is helpful to consider the hypothetical outcomes we would observe if the regulations were weakened in that hypothetical world. the areas where many people want to live - cities or neighborhoods that are close to jobs that pay high wages - would see more development Instead of being used for a \$2.5 million single-family home, a plot of land in San Francisco's Sunset neighborhood might be developed into three \$1.5 million apartments. On its own, rezoning this single lot would not make San Francisco housing much more affordable. But the lot would house 3 times as many people. That means more people would be able to live in the city of San Francisco as opposed to distant suburbs, and more people would be able to live in the overall San Francisco metropolitan area. With enough densification of this sort, housing prices in the region would fall, spreading opportunity more broadly.** .2 All else equal, cheaper housing would increase the real wages of existing residents.

**A preponderance of evidence shows a correlation between high land-use regulation and high prices, including cross-sectional, longitudinal, panel, and instrumental data.**

Katherine **O'Regan** (Professor of Public Policy and Planning at NYU Wagner, formerly served as Assistant Secretary for Policy Development and Research at HUD, previously taught at Yale School of Management, received teaching awards from Berkeley, Yale, and NYU, served on the editorial board for the Journal of Policy Analysis and Management, Ph.D. in Economics from UC, Berkeley), Ingrid Gould Ellen (Professor of Urban Policy and Planning at NYU Wagner.), and Vicki Been (Professor of Law at NYU School of Law), October 26, 2017, NYU Furman Center, NYU Wagner School, and NYU School of Law, "Supply Skepticism: Housing Supply and Affordability", accessed February 9, 2019, [http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20supply\\_affordability\\_Oct%2026%20revision.pdf](http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20supply_affordability_Oct%2026%20revision.pdf)

**We have offered mostly theoretical counters to the arguments above, but it is also important to note the considerable body of empirical research showing that less restrictive land use regulation is associated with lower prices.** (Most of the studies are framed as studying whether stricter land use regulations increase prices, but they could just as easily be framed as examining whether relaxing regulations reduces prices.)

**The evidence takes many forms. A large number of cross-sectional studies show that stricter (less strict) local land use regulations are associated with less (more) new construction and higher (lower) prices.** Glaser and Gyourko (2003) along with

Gyourko and Molloy (2015) survey that literature. **A few studies use panel data and find that the adoption of more stringent land use controls lead to higher prices. Looking at longitudinal data on municipalities in the Boston metropolitan area, Glaeser and Ward (2009) find that the adoption of stricter local regulations leads to higher house prices, but the coefficient falls in magnitude and loses significance once they control for population demographics.** They point out that this is expected, if homes in other jurisdictions are seen as perfect substitutes. Thus, while supply restrictions may increase prices in a market as a whole, they may not increase them

disproportionately in the particular locality where they are imposed due to spillover effects across jurisdictions. **Zabel and Dalton (2011) also use longitudinal data from localities in Massachusetts and find that increases in minimum lot sizes are followed by significant**

**increases in prices. Several other researchers use instrumental variables to try to assess the effects of regulatory restrictions. Ihlanfeldt <sup>(2007)</sup> instruments for regulation in localities in Florida and finds that predicted regulations significantly increase the price of single-family homes. Saks <sup>(2008)</sup> instruments for increases in demand and shows that increases in labor demand lead to less residential construction and larger increases in housing prices in metropolitan areas with more restrictive housing supply. Kok, Monkkonen and Quigley <sup>(2014)</sup> show that the stringency of regulations in a jurisdiction is strongly associated with higher land prices in the San Francisco Bay Area. In sum, <sup>while many supply skeptics offer plausible arguments,</sup> the preponderance of the evidence shows that supply matters for housing prices and that adding supply would increase housing affordability.** That said, adding supply is necessary but not sufficient to make housing more affordable. Subsidies will still be needed to reach those with very low incomes. But if supply is not added, affordability problems will be worse across all income levels, and the limited public subsidies that exist will serve far fewer households.

## Urgency

**Politicians and candidates need to start standing up for housing problems. The problem also requires grass roots pressures.**

Hartman, **Chestur**. "The Case For A Right To Housing." National Housing Institute. February 10, 2017. Web. February 06, 2017. <<http://nhi.org/online/issues/148/righttohousing.html>>.

No simple, quick answers here, but a few ending thoughts. **We need to make politicians and candidates** for local, state and federal offices - **speak to the housing problem and commit to effective** ameliorative **programs And that in turn requires grassroots pressure** We need to emphasize

housing's links to problems in the areas of health, education, income support, food, crime, employment, immigration, economic and community development. In doing so, we will create coalitions of social justice activists whose power will grow exponentially. **Selective litigation may help as well There are examples of social justice gains via lawsuits in other areas - ending legally sanctioned segregation in public schools, abolishing the poll tax, requiring due process hearings before government aid is terminated, facilitating receipt of welfare support by eliminating barriers based on interstate movement. The housing area is ripe for similar approaches** , building on similar legal theories and laws governing public benefits, child welfare, mental health and other programs. We won't have a conservative/reactory national administration forever, and the Congressional election results (in particular, having Maxine Waters as the incoming chair of the House subcommittee that deals with housing matters, Jack Reed or Chuck Schumer as her Senate counterpart) are a hopeful sign. It's time to think seriously about mounting a public and political campaign to make decent, affordable housing a right for all Americans.

**Government is failing to promote market-rate housing**

Roger K. **Lewis**, THE WASHINGTON POST, March 18, 2017, p. T19, NexisUni.

Implicit in the mission would be both attracting and keeping workers here, enabling them to maintain a reasonable standard of living as middle-class, taxpaying citizens who pay for food, clothing, health insurance and transportation as well as most of their housing costs. Such housing would be designed and built by architects and qualified, nonprofit sponsors or private-sector developers and contractors working in the region. This is how **affordable housing used to be created when national policies and federal programs, administered by HUD, helped finance** subsidized as well as **market-rate housing construction Those policies and programs all but disappeared in the 1980s, after Ronald Reagan became president, and the few that remain today are being threatened with further cutbacks or elimination**

## United States Key – DEMOCRACY

**Local government only reflects local interests, and so fragmentation with metropolitan areas just push the problem of providing housing onto some other community.**

Joshua **Gottlieb** (Associate Professor at the University of British Columbia, Research Associate at the National Bureau of Economic Research (NBER), Visiting Scholar at the Federal Reserve Bank of San Francisco, Co-Editor of the Journal of Public Economics, Ph.D., A.M., A.B. in Economics from Harvard University.), October 1, 2018, The Aspen Institute, Economic Strategy Group, "How Minimum Zoning Mandates Can Improve Housing Markets and Expand Opportunity", accessed February 10, 2019, <https://users.nber.org/~jdgottl/MinimumZoningMandates.pdf>

Land use **regulations at the local level only reflect local interests. Each locality that restricts housing pushes people into other areas. These restrictive zoning decisions do not take into account the effects on other areas and on outsiders. In general, metropolitan areas with more fragmentation of local governments have stricter zoning regulations - when each government controls only a small community, zoning rules tend to be less inclusive** (Fischel, 2015).

**Local governments control housing policy in America because states and courts let them.**

Gabriel **Metcalfe** (Executive director of the San Francisco Planning and Urban Research Association (SPUR), previously worked 5 years for The Bay Institute, an environmental nonprofit focused on California water policy, co-founder and former Board Chairman of City CarShare, Master of City Planning Degree from UC, Berkeley), Winter 2018, Journal of Economic Perspectives, "Sand Castles Before the Tide? Affordable Housing in Expensive Cities", Volume 32, Number 1, accessed February 7, 2019, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.32.1.59>

Many things that bear on housing markets are beyond the control of cities: the occupational structure of the economy and the mix of employment opportunities for residents; the distribution of wealth, with all that it implies for purchasing power in the housing market; the expenditure priorities of federal housing and social welfare programs; and so much else. But **one thing cities do control in the American system is land use** . While there are certain limitations and exceptions (more on these below), **the states have delegated land use regulatory power to cities, which exercise that authority through zoning and other development controls. The courts also tend to defer to the judgment of locally elected legislative bodies.**

**Homeowners suppress housing supply because they control local governments.**

Gabriel **Metcalfe** (Executive director of the San Francisco Planning and Urban Research Association (SPUR), previously worked 5 years for The Bay Institute, an environmental nonprofit focused on California water policy, co-founder and former Board Chairman of City CarShare, Master of City Planning Degree from UC, Berkeley), Winter 2018, Journal of Economic Perspectives, "Sand Castles Before the Tide? Affordable Housing in Expensive Cities", Volume 32, Number 1, accessed February 7, 2019, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.32.1.59>

At the same time, **smaller cities** comprising most of the land within a metro area, **are generally controlled by homeowners because most voters are homeowners** (Jurjevich and Keising 2015). It does not take a great leap to realize that **most voters in most cities are going to be interested in protecting the value of their primary asset** (Hertz 2016). In the strong version of this "home voter" hypothesis (as named by Fischel 2001), **voters work to suppress housing supply as a way to protect higher housing values** . This pattern appears to be especially pervasive in the suburbs. But we can construct a weaker version of the hypothesis, which

simply asserts that **home-owning voters are not strongly motivated to add supply because housing unaffordability does not directly hurt them, so other factors like the desire to avoid traffic or the desire to protect the character of their neighborhoods outweigh the appeal of seeking to reduce housing costs for other people**. In both cases, we would expect that **the electoral process** would, on average, **lead to the selection of politicians who reflect the preferences of their constituents not to add housing.**

**Non-homeowner interests are underrepresented in local government because they cannot even afford to move in.**

Gabriel **Metcalfe** (Executive director of the San Francisco Planning and Urban Research Association (SPUR), previously worked 5 years for The Bay Institute, an environmental nonprofit focused on California water policy, co-founder and former Board Chairman of City CarShare, Master of City Planning Degree from UC, Berkeley), Winter 2018, Journal of Economic Perspectives, "Sand Castles Before the Tide? Affordable Housing in Expensive Cities", Volume 32, Number 1, accessed February 7, 2019, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.32.1.59>

What about the people who are not homeowners - **why are the concerns of renters not showing up in the form of more pro-housing politics? One reason is that** most of them do not live in the jurisdiction. **Most of the people who would** potentially **benefit from solving the housing shortage are the ones who have been kept out of the expensive cities to begin with the people who would be residents** , who would not live so far away, or who would join the successful economic cluster, **if they were able to. Our local democratic process does not take their interests into account because only people who have already made it "in" are members of the polity.**

**Even current renters do not push their own interests through irrational behavior, rent protection, or fear of gentrification.**

Gabriel **Metcalfe** (Executive director of the San Francisco Planning and Urban Research Association (SPUR), previously worked 5 years for The Bay Institute, an environmental nonprofit focused on California water policy, co-founder and former Board Chairman of City CarShare, Master of City Planning Degree from UC, Berkeley), Winter 2018, Journal of Economic Perspectives, "Sand Castles Before the Tide? Affordable Housing in Expensive Cities", Volume 32, Number 1, accessed February 7, 2019, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.32.1.59>

But even **renters in the expensive cities** - the people who may or may not occupy a rent-controlled unit, **the people who are most at risk of being displaced by rising housing costs are not** always **a political force in favor of more open housing markets** (Hankinson 2017). <sup>1</sup> **his fact is essential for understanding housing politics in the majority-renter cities like New York and San Francisco** , and is probably the most difficult aspect of local politics for economists to understand. We have to start by **remember that in** many situations, not just **housing people may not be rational about their own self-interest** , and may be motivated by things other than self-interest. But we can add nuance to this observation in several ways that make it more understandable why renters might be skeptical about housing development.

**Housing prices are kept high because renters side with homeowners because of anti-elitism and fear of change.**

Gabriel **Metcalfe** (Executive director of the San Francisco Planning and Urban Research Association (SPUR), previously worked 5 years for The Bay Institute, an environmental nonprofit focused on California water policy, co-founder and former Board Chairman of City CarShare, Master of City Planning Degree from UC, Berkeley), Winter 2018, Journal of Economic Perspectives, "Sand Castles Before the

Tide? Affordable Housing in Expensive Cities", Volume 32, Number 1, accessed February 7, 2019, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.32.1.59>

Finally, to understand local policy making, we need to pay attention to the strategies pursued by activists and elected officials, who are working to assemble political coalitions. **To wield political power it is always necessary to bring together multiple groups of people who have distinct interests and understandings: Judd and Swanstrom (2015) tell the story of changing political coalitions in American cities. Until the 1970s, "growth machine" coalitions of labor unions and business leaders wielded significant clout in many cities, and they still do in some. But antigrowth political coalitions are now widespread. Renters who fear increases in housing prices can be brought into coalition with homeowners who fear decreases in housing** prices around a shared distrust of elites and a fear of change.

## United States Key – TRAGEDY OF THE COMMONS

### **Labor markets and housing markets exist at the metropolitan level.**

Gabriel **Metcalf** (Executive director of the San Francisco Planning and Urban Research Association (SPUR), previously worked 5 years for The Bay Institute, an environmental nonprofit focused on California water policy, co-founder and former Board Chairman of City CarShare, Master of City Planning Degree from UC, Berkeley), Winter 2018, Journal of Economic Perspectives, "Sand Castles Before the Tide? Affordable Housing in Expensive Cities", Volume 32, Number 1, accessed February 7, 2019, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.32.1.59>

Conceptually, **both labor markets and housing markets exist at the metropolitan scale**, which can be thought of as the "commute shed." **Each metropolitan area is comprised of many individual cities, towns, villages, townships, and usually multiple counties in other words, local governments that have control over land use decision. In addition, some regions consist of adjacent and partially overlapping labor markets, which adds further complications**. for example, the many cities along the Boston-to-Washington corridor, or the twin and increasingly merged economies of San Francisco and Silicon Valley (Savitch and Adhikari 2017).

### **Cities have financial incentive to underproduce housing due to competition with neighboring jurisdictions.**

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**Cities compete with one another to avoid** "bads" like freeways, dumps, or other **land uses with negative local impacts**, and also to provide

amenities that will be attractive to residents. **Competition between cities is supposed to allow citizens to "vote with their feet" to live where they can find the mix of taxes and services that best matches their preferences** (Tiebout 1956). While

acknowledging that this sorting results partially from divergent personal preferences, it's clear that **the outcomes are not all benign. They include the secession of the wealthy into enclaves where they can provide good schools for their children; the segregation of the poor into cities that lack the resources to pay for adequate public services; and a chronic tendency to underproduce housing. Each city has a fiscal incentive to minimize costs and maximize revenues** Typically

**that means trying to attract jobs while not adding residents** (it is residents who consume public services). Also, **each city has an incentive to avoid the negative impacts**, especially traffic, **that** typically **come from added housing**. Because there are typically many cities within a metropolitan area, it is very possible for some cities to win this fiscal arms race by having a higher ratio of jobs to housing units, enabling those cities to provide higher levels of public service at a lower cost to residents.

### **Cities in a metropolitan area believe others should fix the housing shortage, in a classic collective action problem.**

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From a macro policy perspective, **it's not essential for every city in a metropolitan area to produce housing so long as the total housing supply in aggregate is sufficient. But we face pervasive free-rider incentives, which lead every city (technically the people who run the city) to believe it could not possibly be asked to add housing, especially not at high densities, while believing that other cities would be much more logical places to put new housing. Jurisdictional fragmentation at the regional scale coupled with local taxation as the source of funding for essential public services sets up a classic collective action problem.**

## **Answers to Negative**

## OV – Zoning Reform

**Judge, the most likely way for the government to promote market-rate housing is through zoning reform – Three reasons**

**First is probability: O’Donnell 18 writes that there is bipartisan support to loosen zoning regulations, which the federal government does by holding federal funding back from municipalities unless they change their zoning laws.**

**Second is necessity: Baca 19 writes that zoning restrictions choke development so badly that reducing zoning restrictions is a prerequisite to further market-rate housing development. If the government wants to promote this development, they have to engage in zoning reform.**

**Third is that it’s the smart thing to do: Washington Post concludes that there is an emerging consensus amongst academic experts that zoning is a bad idea, and this kind of agreement across ideologies has set the stage for regulatory reform in the past.**

**Expert consensus is critical to passing policies.**

Katy O-Donnell, Financial Services Reporter for Politico, <https://www.politico.com/agenda/story/2018/11/20/affordable-housing-government-solutions-000794>

The federal government doesn’t have a direct way to change local policies like zoning and property taxation, but it does have leverage: It could attach strings to funding programs like the Community Development Block Grant and the Highway Trust Fund. There’s already bipartisan interest in this approach: Sen. Cory Booker (D-N.J.) in August proposed requiring local governments to revamp their zoning rules to receive federal housing funds; Housing and Urban Development Secretary Ben Carson has said “a major, major priority” is to look for ways to lift some restrictions and ease zoning rules. Carson has floated the idea of using the Affirmatively Furthering Fair Housing rule, which requires communities to address housing segregation or risk losing federal funds, to go after land-use regulations that impede development. If Congress and the Trump administration really pursue their promised infrastructure deal, that could give policymakers another vehicle to make it happen.

Alex Baca (Journalist with CityLab) and Hannah Lebovits (PhD. at Cleveland State University), 2019, <https://www.citylab.com/perspective/2019/02/zoning-reform-house-costs-yonah-freemark-research/582034/>

But people familiar with any of the areas touched by the long tentacles of housing policy recognize that zoning is a necessary procedural step. Zoning restrictions place significant discretionary power in the hands of councils, boards, and courts, and can lead to uneven and inequitable development. The reason why upzoning is so necessary is because other measures—such as the development of subsidized, permanently affordable buildings, or the construction of market-rate buildings to which rent controls could be applied—are often impossible unless zoning is loosened.

[https://www.washingtonpost.com/news/volokh-conspiracy/wp/2015/12/05/the-emerging-cross-ideological-consensus-on-zoning/?noredirect=on&utm\\_term=.5d535561ef09](https://www.washingtonpost.com/news/volokh-conspiracy/wp/2015/12/05/the-emerging-cross-ideological-consensus-on-zoning/?noredirect=on&utm_term=.5d535561ef09)

**This zoning reform is crucial for TWO reasons.**

**First, high zoning in the status quo is associated with high prices. Malpezzi quantifies in 2017 that increasing regulation by one standard deviation is enough to lower construction rates by 11% and raise prices by 22%.**

**Second, OUR ADVOCACY SOLVES THIS – Emily Hamilton explains that reducing those restrictive regulations lowers prices and increases GDP by 9.5%. The impacts are twofold – The Economist writes that with that level of growth we’ll decrease poverty by 41% in the United States and given that Vivek Aroro explains that these impacts are spread to other countries, we see similar effects globally – Raising almost 500 million people out of poverty, according to the World Bank.**

## Affordable Housing Good

We have THREE responses

First, understand that the con case isn't mutually exclusive. We can and probably should do both. **Scott Weiner** explains in 2017 that we can't rely just on subsidized housing, rather, we need more housing of every variety.

Second, you can TURN the argument because focusing solely on affordable housing abandons the middle class and perpetrates the same problems that caused the housing crisis in the first place. **Weiner** explains again that housing a small subset of low-income people while leaving everyone else out is essentially playing musical chairs with a limited housing supply.

Finally, TURN it one last time because as **Paul Jargowsky** explains that affordable housing is used as a tool of segregation, with developments exclusively being placed in high-poverty, high-minority neighborhoods.

Scott Weiner, California state senator, April 16, 2017, "Market-Rate Housing Isn't a Bad Word, and We Won't Solve the Housing Crisis Without It," Art Plus Marketing, <https://artplusmarketing.com/market-rate-housing-isnt-a-bad-word-and-we-won-t-solve-the-housing-crisis-without-it-ce67c06aff4d> (accessed 2/7/19)

So, particularly for the middle class but really for everyone, we simply need more housing. Not just more subsidized housing. More housing of every variety. Our anemic housing production as a state has two main origins: 1) stifling, exclusionary zoning that rejects height, density, and multi-unit buildings, 2) unreasonable housing approval processes that subject even zoning-compliant projects to years of bureaucratic hoops and hearings that increase costs and make projects smaller. This perfect storm of shortsighted policies and lack of political leadership has completely jacked up the cost of housing. For too long, California has put its head in the sand, pretended that we don't need much new housing (or that, if we do need it, some other city or town will build it), and largely ignored the needs of the many people who struggle with housing. Call this California's "housing last" policy — a policy that needs to end. We need reform, and we need it yesterday. There are good proposals pending in the California Legislature to make it easier to create both subsidized income-based affordable housing as well as market-rate housing. I'm the author of one of those proposals, Senate Bill 35, but there are other strong ideas from my colleagues and advocacy organizations.

Scott Weiner, California state senator, April 16, 2017, "Market-Rate Housing Isn't a Bad Word, and We Won't Solve the Housing Crisis Without It," Art Plus Marketing, <https://artplusmarketing.com/market-rate-housing-isnt-a-bad-word-and-we-won-t-solve-the-housing-crisis-without-it-ce67c06aff4d> (accessed 2/7/19)

Just to be crystal clear: Anyone who advocates that we ignore these process and zoning problems and instead focus our housing policy exclusively or dominantly on subsidized, income-based housing is advocating to perpetuate the housing crisis. They're advocating for housing a small subset of low-income people while leaving everyone else — both low-income people who don't win a subsidized housing lottery and almost all middle class people — to play a game of musical chairs with a limited housing supply that is the result of our state's refusal to reform our housing creation process. And, anyone who perpetuates the myth that building new market-rate housing makes housing more expensive should remember that his or her own home is likely yesterday's "luxury" market-rate housing. Oh, and that house or apartment was almost certainly built by a developer who ("gasp") made money by building it. And, now someone gets to live in that home! Imagine the gall!

Paul A. Jargowsky, research fellow, August 9, 2015, "Architecture of Segregation: Civil Unrest, the Concentration of Poverty, and Public Policy," The Century Foundation, <https://tcfdotorg.atavist.com/architecture-of-segregation> (accessed 6/13/17)

The population movements were also highly selective. Through exclusionary zoning and outright housing market discrimination, the upper-middle class and affluent could move to the suburbs, and the poor were left behind.<sup>17</sup> Public and assisted housing units were often constructed in ways that reinforced existing spatial disparities.<sup>18</sup> Now, with gentrification driving up property values, rents, and taxes in many urban cores, some of the poor are moving out of central cities into decaying inner-ring suburbs. Ferguson is a prime example of how concentration of poverty is moving from the inner-city to the suburbs. As recently as 1990, Ferguson was 75 percent white, but by 2010 it was about two-thirds black. The poverty rate shot up from 7 percent to 22 percent over that period. Three out of ten neighborhoods in Ferguson now have poverty rates of more than 40 percent.<sup>19</sup> It is unfortunate that well-meaning people who are reading the news and consuming the coverage of the events in Ferguson, Baltimore, and elsewhere are not getting the full picture. They are seeing places like Ferguson up close, but they are not seeing the larger set of forces that created Ferguson. Consider the fact that almost all of the high-poverty neighborhoods in the St. Louis metropolitan area are in the City of St. Louis, East St. Louis, and a handful of inner-ring suburbs such as Ferguson. Meanwhile, there are five hundred more suburbs that are part of the St. Louis metropolitan area that have exactly zero high-poverty neighborhoods. These richer suburbs have used exclusionary zoning to keep out affordable housing, so the poor and low-income people can only live in the central city and dying suburbs that are being abandoned as wealthier people move further and further out to the fringes for larger houses, bigger bathrooms, and walk-in closets.<sup>20</sup> The whole process is legally enforced through zoning, and underwritten by the mortgage interest deduction and all the subsidies that go into building roads, sewers, and schools for the new suburbs. Given that the housing stock lasts for decades, these policies build a durable architecture of segregation that ensures that racial segregation and the concentration of poverty is entrenched for years to come.

## Bipartisanship

**Britschgi 18** explains that zoning reform at the national level is coupled with mandates that force developers to offer a certain percentage of units at below market-rate. This means that A) These bills aren't actually promoting market-rate development, instead, they're forcing developers to build affordable units with rent-restrictions, but B) **Britschgi** goes on to say that this REMOVES THE KEY TO BIPARTISAN SUPPORT, DOOMING BILLS TO FAIL.

Yeet HUD doesn't want it, 2/3 majority, it fails in senate TRUMP MAGA 2020

## Crime

We have TWO responses.

First, you can DELINK because **Richard Haughey** explains in 2005 that there is no link between crime and density, going so far as to explain that densification is “not all associated with lower crime rates.”

Second, you can TURN the argument because **Haughey** goes on to explain that higher-density developments create less demand for police than single-family homes. Only **21% of 911 calls come from apartments, compared to 35% originating for single-family homes.**

Richard M. Haughey, 2005. Urban Land Institute. “Higher-Density Development: Myth and Fact” [https://uli.org/wp-content/uploads/ULI-Documents/HigherDensity\\_MythFact.ashx\\_pdf](https://uli.org/wp-content/uploads/ULI-Documents/HigherDensity_MythFact.ashx_pdf) Accessed 2.24.19 CB19 People sometimes associate density with crime, even though numerous studies show that no relationship exists between the two. A study in Irving, Texas, using geographic information systems and crime statistics, found no link between crime and density. In fact, it found that single-family neighborhoods are “not all associated with lower crime rates.”<sup>31</sup> Another study conducted by the University of Alaska found no relationship between housing density and crime in Anchorage.<sup>32</sup>

Richard M. Haughey, 2005. Urban Land Institute. “Higher-Density Development: Myth and Fact” [https://uli.org/wp-content/uploads/ULI-Documents/HigherDensity\\_MythFact.ashx\\_pdf](https://uli.org/wp-content/uploads/ULI-Documents/HigherDensity_MythFact.ashx_pdf) Accessed 2.24.19 CB19 Arizona researchers found that when police data are analyzed per unit, apartments actually create less demand for police services than a comparable number of single family houses. In Tempe, Arizona, a random sample of 1,000 calls for service showed that 35 percent originated from single-family houses and just 21 percent came from apartments. Similarly, a random sample of 600 calls for service in Phoenix, Arizona, found that an apartment unit’s demand for police services was less than half of the demand created by a single-family house.<sup>33</sup>

## Constitutionality

We have TWO responses

First, of course rent control is legal according to the supreme court, it exists right now all over the country and if it wasn't then this would not be true.

Second, they try and tell you that the supreme court won't repeal rent control legislation, but the issue is that is not what we are debating. We should be debating the pros and cons of market-rate housing and rent control impacts on society rather than the probability of a law being passed or failed. Pay close attention to the word "should" in the resolution rather than "would."

## Demolitions

**TURN their argument – Eric Chyn writes in 2018 that public housing demolitions improve welfare – Empirically, children moving out of those demolished unites are more likely to be employed, earn more money, have lower crime rates, and graduate high school.**

American Economic Review 2018 <https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.20161352> Eric Chyn Department of Economics, University of Virginia Moved to Opportunity: The Long-Run Effects of Public Housing Demolition on Children

This paper provides new evidence on the effects of moving out of disadvantaged neighborhoods on the long-run outcomes of children. I study public housing demolitions in Chicago, which forced low-income households to relocate to less disadvantaged neighborhoods using housing vouchers. Specifically, I compare young adult outcomes of displaced children to their peers who lived in nearby public housing that was not demolished. Displaced children are more likely to be employed and earn more in young adulthood. I also find that displaced children have fewer violent crime arrests. Children displaced at young ages have lower high school dropout rates.

# Deregulation Bad

We have THREE responses

First, understand that our opponents are simply wrong here – Legitimate, perceived deregulation is a key pillar for economic growth. The **Global Development Council** explains in 2017 that the perception that leaders are anti-business causes confidence to fall, which has far-reaching impacts. Without targeted deregulation, the US' economic engine would sputter and the global economy would suffer as a result. **Binyamin Applebaum** expands on this in 2018, writing that a hands-off approach would unleash companies to develop more, spending cash that has been hoarded since the 2008 recession.

Second, you can TURN the argument because deregulation has worked in other industries. **Janna Teltemann & Michael Windzio** explain in 2011 that deregulation in the education industry had an overall positive effect on individual achievement – deregulation fostered educational efficiency. In addition, **Steve Suppan** explains that many industries simply have too many nuances for regulation to be effective.

Third, you can TURN the argument again because regulations are unethical – **Ayn Rand** explains that regulations allow the government to hold a monopoly on force. Rather than liberating, they enslave, controlling production and thought.

El-Erian, 3/20/17 - Mohamed A. El-Erian, Chief Economic Adviser at Allianz, the corporate parent of PIMCO where he served as CEO and co-Chief Investment Officer, was Chairman of US President Barack Obama's Global Development Council ("America's Confidence Economy" <https://www.project-syndicate.org/commentary/trump-optimism-economic-growth-by-mohamed-a-el-erian-2017-03>) Donald Trump's election as US president has triggered a surge in positive economic sentiment, because he pledged that his administration would aggressively pursue the policy trifecta of deregulation, tax cuts and reform, and infrastructure construction. Republican majorities in both houses of Congress reinforced the positive sentiment, as they signaled that Trump would not face the kind of paralyzing gridlock that Barack Obama confronted for most of his presidency. The surge in business and consumer sentiment reflects an assumption that it is deeply rooted in the American psyche: that deregulation and tax cuts always unleash transformative pro-growth entrepreneurship. (To some outside the US, it is an assumption that sometimes looks a lot like blind faith.) Of course, sentiment can go in both directions. Just as a "pro-business" stance like Trump's can boost confidence, perhaps even excessively, the perception that a leader is "anti-business" can cause confidence to fall. Because sentiment can influence actual behavior, these shifts can have far-reaching impacts. In his groundbreaking General Theory of Employment, Interest, and Money, John Maynard Keynes referred to "animal spirits" as "the characteristic of human nature that a large proportion of our positive activities depend on spontaneous optimism, rather than mathematical expectations, whether moral or hedonistic or economic." Jack Welch, who led General Electric for 20 years, is a case in point: he once stated that many of his own major business decisions had come "straight from the gut," rather than from analytical models or detailed business forecasts. But sentiment is not always an accurate gauge of actual economic developments and prospects. As the Nobel laureate Robert J. Shiller has shown, optimism can evolve into "irrational exuberance," whereby investors take asset valuations to levels that are divorced from economic fundamentals. They may be able to keep those valuations inflated for quite a while, but there is only so far that sentiment can take companies and economies. So far, the exuberant reaction of markets to Trump's victory – all US stock indices have reached multiple record highs – has not been reflected in "hard data." Moreover, economic forecasters have made only modest upward revisions to their growth projections. It is not surprising that equity investors have responded to the surge in animal spirits by attempting to run ahead of a possible uptick in economic performance. After all, they are in the business of anticipating developments in the real economy and the corporate sector. In any case, they believe that they can quickly reverse their portfolio positions should their expectations change. That is not the case for companies investing in new plants and equipment, which are less likely to change their behavior until announcements begin to be translated into real policies. But the longer they wait, the weaker the stimulus to economic activity and income, and the more consumers must rely on dissaving to translate their positive sentiment into actual purchases of goods and services. It is in this context that the economy awaits a solid timeline for policy announcements to evolve into detailed design and durable implementation. While there is often some delay when political negotiations and trade-offs are involved, in this case, the sense of uncertainty may be heightened by policy-sequencing decisions. By deciding to begin with health-care reform – an inherently complicated and highly divisive issue in US politics – the Trump administration risks losing some of the political goodwill that could be needed to carry out the kinds of fiscal reform that markets are expecting. Even if a bump in the economic data does arrive, it may not last, unless the Trump administration advances policies that enhance longer-term productivity, through, for example, education reform, apprenticeship programs, skills training, and labor retooling. The Trump administration would also have to refrain from pursuing protectionist trade measures that would disrupt the "spaghetti bowl" of cross-border value chains for both producers and consumers. If improved confidence in the US economy does not translate into stronger hard data, unmet expectations for economic growth and corporate earnings could cause financial-market sentiment to slump, fueling market volatility and driving down asset prices. In such a scenario, the US engine could sputter, causing the entire global economy to suffer, especially if these economic challenges prompt the Trump administration to implement protectionist measures. The US is on relatively strong footing to achieve higher economic growth. Indeed, by animating the economy's animal spirits, the Trump administration has laid the groundwork for the private sector to do a lot of the heavy lifting. But there is more to do. Unless the Trump administration can work well with a cooperative Congress to translate market-motivating intentions into well-calibrated actions soon, the lagging hard data risks dragging down confidence, creating headwinds that extend well beyond financial volatility.

**Applebaum 18** - Washington correspondent who covers the Federal Reserve and other aspects of economic policy, writes about policy debates, economic trends and the impact of government policy on American life (Binyamin, *New York Times*, Proquest)

A wave of optimism has swept over American business leaders, and it is beginning to translate into the sort of investment in new plants, equipment and factory upgrades that bolsters economic growth, spurs job creation — and may finally raise wages significantly. While business leaders are eager for the tax cuts that take effect this year, the newfound confidence was initially inspired by the Trump administration's regulatory pullback, not so much because deregulation is saving companies money but because the administration has instilled a faith in business executives that new regulations are not coming. "It's an overall sense that you're not going to face any new regulatory fights," said Granger McDonald, a home builder in Kerrville, Tex. "We're not spending more, which is the main thing. We're not seeing any savings, but we're not seeing any increases." The applause from top executives has been largely reserved for the administration's economic policy agenda. Many chief executives have been publicly critical of President Trump's approach to social and cultural issues, including his response to a white nationalist march over the summer in Charlottesville, Va., that turned deadly and his decision to withdraw from the Paris climate accord. Two of the business advisory councils that Mr. Trump assembled in the nascent days of his presidency disbanded after executives grew concerned about his public remarks on the violence in Charlottesville. There is little historical evidence tying regulation levels to growth. Regulatory proponents say, in fact, that those rules can have positive economic effects in the long run, saving companies from violations that could cost them both financially and reputationally. Cost-benefit analyses generally do not look just at the impact of a regulation on a particular business's bottom line in the coming months, but at the broader impact on consumers, the environment, public health and other factors that can show up over years or decades. But in the administration and across the business community, there is a perception that years of increased environmental, financial and other regulatory oversight by the Obama administration dampened investment and job creation — and that Mr. Trump's more hands-off approach has unleashed the "animal spirits" of companies that had hoarded cash after the recession of 2008. Some businesses will essentially be able to get away with shortcuts that they could not have under a continuation of Obama-era policies. The coal industry, for instance, will not have to worry about a regulation, overturned by Congress and Mr. Trump, that would have protected streams from mining runoff. Brett Hart, the government affairs director at the Center for Biological Diversity, said the Trump administration might avoid big-splash regulatory rollbacks this year and instead would make it harder for federal agencies to block business expansion. "It's not going to be sexy things like 'We're killing the Clean Power Plan,'" Mr. Hart said, referring to the Obama-era rule aimed at curbing greenhouse gas emissions from coal-fired power plants. "But you can make it systematically harder for an agency to do the right thing." Only a handful of the federal government's reams of rules have actually been killed or slated for elimination since Mr. Trump took office. But the president has declared that rolling back regulations will be a defining theme of his presidency. On his 11th day in office, Mr. Trump signed an executive order "on reducing regulation and controlling regulatory costs," including the stipulation that any new regulation must be offset by two regulations rolled back. That intention and its rhetorical and regulatory follow-ons have executives at large and small companies celebrating. And with tax cuts coming and a generally improving economic outlook, both domestically and internationally, economists are revising growth forecasts upward for last year and this year. Even before it became clear that Republicans would pass a major tax cut, capital spending had risen significantly, climbing at an annualized rate of 6.2 percent during the first three quarters of last year. Surveys of planned spending also show increases. Mr. Trump bragged in a news conference last month that he has rolled back 22 regulations for every new one — 67 deregulatory actions, versus three new regulations. Often in conjunction with the Republican Congress, his administration has canceled several rules approved at the end of the President Barack Obama's term, including a regulation on limiting mining debris in streams, a requirement that broadband providers obtain permission from customers to collect and use online information, and a ban on plastic bottles in national parks. Administration officials said last month that, since January 2017, federal agencies have delayed, withdrawn or made inactive nearly 1,600 planned regulatory actions. Further rollbacks will affect financial services as well as energy and labor rules, among others. And Mr. Trump has appointed outspoken critics of regulation to lead several federal agencies, including the Environmental Protection Agency and the Consumer Financial Protection Bureau. The evidence is weak that regulation actually reduces economic activity or that deregulation stimulates it. But business executives are largely convinced that the cost of complying with rules diverts money that could be invested elsewhere. And economists see a plausible connection between Mr. Trump's determination to prune the federal rule book and the willingness of businesses to crank open their vaults. Measures of business confidence have climbed to record heights during Mr. Trump's first year. "The notion that deregulation unleashes growth is virtually impossible to find in the data," said Jared Bernstein, a senior fellow at the Center on Budget and Policy Priorities who served as the chief economic adviser to Vice President Joseph R. Biden Jr. "What does matter is this idea that confidence matters. If their expectations about the future are positive, then it does make a difference." Businesses acknowledge that the most important reason for their increased optimism is the simple fact that the domestic economy continues to expand, with few clouds on the horizon. Better yet, the world's major economies all are growing for the first time since the financial crisis. Confidence among European manufacturers hit a high in more than a decade, according to European Commission data that goes back to 1985, even without tax cuts or less regulation. In Japan, now in the middle of its longest period of growth since the early 1990s, the central bank said corporate investment was exceeding its expectations, and it raised its forecast. "The fundamental backdrop here is that this is a global synchronization lifting everyone's spirits, from Tokyo to New York," said Mark Zandi, chief economist at Moody's Analytics in West Chester, Pa. "The entire global economy is on one page for the first time in over a decade. We're all moving in sync and that has everyone feeling good, not just here but across the globe." The low unemployment in the United States may also be prompting increased spending, just as it did in the 1990s, as corporations invest in technology to make workers more productive, or replace them entirely. Wendy's is adding self-service kiosks at 1,000 restaurants. But business executives say the Trump administration deserves credit. Mr. McDonald said home builders have benefited from the killing of regulations written by the Obama administration, including a rule that broadened the definition of wetlands, which could have restricted home building in certain areas. The National Labor Relations Board also reversed a decision that made builders more responsible for the working conditions of their contractors' employees. In some industries, the administration's actions will allow companies to engage in activities they might not have been able to otherwise; electric utilities, for example, might be able to invest in upgrading power plants that run on fossil fuels, thanks to a promised rollback of Mr. Obama's Clean Power Plan to fight climate change. The Business Roundtable, a corporate lobbying group in Washington, reported last month that "regulatory costs" were no longer the top concern of American executives, for the first time in six years. Mr. Zandi said that regulation was still the top concern in Moody's survey of business confidence, but that it was rapidly losing ground to concerns about the availability of labor. The National Association of Manufacturers' fourth-quarter member survey found that fewer than half of manufacturers cited an "unfavorable business climate" — including regulations and taxes — as a challenge to their business, down from nearly three-quarters a year ago. Some industries have seen particularly clear changes in fortune. The Trump administration has reversed a number of environmental protections that would have imposed significant costs on energy companies. Mr. Trump's appointees to the Federal Communications Commission voted last month to repeal so-called net neutrality rules, which treated internet services as a regulated utility, like power lines, and prohibited broadband providers from charging for faster internet service or from blocking or slowing some websites. That decision helped prompt Comcast to announce that it would invest more than \$50 billion in infrastructure over the next five years. The banking industry, in particular, has been buoyed by a relaxed approach to financial regulation as the Trump administration moves to ease many of the

postcrisis rules put in place to prevent another financial meltdown. The Treasury Department has issued a series of reports calling for sweeping changes to rules required under the 2010 Dodd-Frank law, and a council set up to designate firms that pose risks to the financial system is in the process of removing those companies from heightened federal oversight. Mr. Trump has also installed individuals who have publicly questioned the need for many of the postcrisis rules in major policy roles, including at the Federal Reserve and the Consumer Financial Protection Bureau. Bank stocks have been on a winning streak and ended 2017 up more than 15 percent, according to the KBW Nasdaq Bank Index. "There has been some regulatory fixes for a lot of industries, and they would tell you that matters a lot," said Jamie Dimon, the chairman of JPMorgan Chase, who also leads the Business Roundtable. "It's just hard to do a direct correlation. It doesn't mean it isn't real." **The confidence is translating to industries that have not, as of yet, seen any obvious benefit or policy changes.** "We have spent the past dozen years or longer operating in environments that have had an increasing regulatory burden," said Michael S. Burke, the chairman and chief executive of Aecom, a Los Angeles-based multinational consulting firm that specializes in infrastructure projects. "That burden has slowed down economic growth, it's slowed down investment in infrastructure. And what we've seen over the last year is a bit deregulatory environment." Mr. Burke said he expected the actions to speed future projects for his company, though he declined to offer details, citing competitive risks. The White House sees its efforts as having their intended effect. Mr. Trump boasted about his deregulatory efforts last month at an event where he stood in front of a small mountain of printouts representing the nation's regulatory burden and ceremonially cut a large piece of "red tape." The chairman of the White House Council of Economic Advisors, Kevin Hassett, said in an interview that **the administration's freeze on new regulations, in particular, appeared to have buoyed confidence.** Though he cautioned that it could take years of research to pin down the magnitude of the effects, he said **deregulation was "the most plausible story" to explain why economic growth in 2017 had outstripped most forecasts.** "Our view is, the 'no new regulations' piece has to be more powerful than we thought," he said.

Schlicht-Schmölde et al. 11 (Paghela, Janna Teitmann, Michael Windzio, "Deregulation of Education – What Does It Mean for Efficiency and Equality?", 2011, <https://www.econstor.eu/bitstream/10419/52224/1/673639092.pdf>, DA: 7/24/17, Doggo) [Tables Omitted] According to table 2, **deregulation indeed affects the degree of efficiency** (in terms of the total achievement) in the OECD member states. **All except two measures of deregulation show significant effects on individual achievement. Moreover, all measures of deregulation except financial privatization show positive impacts on achievement.** Australia for instance shows high levels of institutional privatization and school autonomy as well as very high levels of educational efficiency (mean of competences per country-year). Luxembourg on the other hand exhibits low levels of institutional privatization and school autonomy and ranks low on efficiency measures. With regard to financial privatization, the mechanism is vice versa. Australia with low levels of financial privatization ranks high on efficiency, and Luxembourg with moderate to high levels of financial privatization features low levels of efficiency. **We can thus conclude that institutional privatization and measures of school autonomy foster educational efficiency in the OECD countries.** Regarding (in-)equality, **we found that the higher the degree of deregulation, the higher are the achievement scores of pupils in a country.** This strongly confirms our hypothesis (1) that **deregulation of school education increases the effectiveness of the learning process.** It moreover confirms the finding of Chubb and Moe (1988) that marketization of **education not only makes the school managerial output more efficient but also the educational outcomes in terms of pupils' achievements.** However, it is striking that financial privatization shows quite contrary effects. The higher the share of private funding is, the lower are pupils' achievement scores. This is particularly remarkable since two other school autonomy measures regarding budgeting actually increase educational achievement (cf. table 2). Indeed, the degrees of institutional and financial privatization in OECD countries in a specific year are only weakly correlated (Pearson's  $r=0.22$ ). This means **that schools should be institutionally private and have great autonomy as regards the teaching process, budgeting, and teacher selection and payments, but that they should still receive their budget from public sources.** However, it is possible that the effect of financial privatization interacts with the general degree of institutional privatization and school autonomy. More precisely, it may be that private funding is only harmful when the state holds a strong monopoly on education in general – mainly in the form of public schools – and only weak autonomy regarding budgeting. Interactions between the effects of private funding and the strength of the private school sector or the autonomy regarding budgeting indeed show that the negative effect of private funding is far stronger when institutional privatization and budget autonomy are weak (cf. appendix 6 and 7). This is the case in Luxembourg (low level of efficiency) where a centralized school autonomy controls private funding. By contrast, South Korea possesses a high level of efficiency even though both, institutional and financial privatization, are high. In summary, **raw financial privatization** (e.g. to disburden public households) **will lead to a less efficient education system.** Only in combination with strong institutional privatization where budget autonomy rests with the schools will the negative effects of financial privatization on efficiency decrease. **Governmental control over private money will lead to a strongly inefficient school system. Thus, deregulation of school education can definitely be recommended with regard to institutional privatization and school autonomy.**

Suppan 11 (Steve Suppan, a policy analyst at IATP since 1994, "Racing Ahead: U.S. Agri-Nanotechnology in the Absence of Regulation", Institute of Agriculture and Trade Policy, June 29, 2011, <http://www.iatp.org/documents/racing-ahead-us-agri-nanotechnology-in-the-absence-of-regulation/>)<sup>PP</sup> The range of food and agricultural nanotechnology applications includes making toxins more bio-available in pesticides, targeting nutrients in smaller doses, improving the texture of ice cream and detecting bacteria in packaged foods. **Under current rules, companies have the discretion to determine whether a macro-substance already considered by the company to be safe and therefore not reportable to the FDA, deemed to be likewise safe and hence non-reportable in its nano-scale form.** In addition, **the exponentially larger surface-to-mass ratio of ENMs, compared to that of macro-versions of the "same" materials, will make the determination of Acceptable Daily Intakes impossible if companies are not required to submit data to regulators for their independent assessment.** In 2008, the Project on Emerging Nanotechnologies (PEN) and the Grocery Manufacturer's Association (GMA) brought together industry representatives, government regulators and NGOs to consider how EPA and FDA might regulate generic and hypothetical food packaging incorporating ENMs. **The project revealed challenges to FDA's present regulatory process for food packaging materials, including: 1.) validating methodologies to characterize ENM properties to determine whether ENMs might migrate into food; 2.) validating migration study protocols that would determine consumer exposure to ENMs; 3.) evaluating whether current FDA set dietary concentration triggers for toxicity testing are adequate for ENMs; and 4.) determining whether toxicological data for the macro-scale counterparts of ENMs have any utility for predictive toxicology and safety assessment.** But these challenges are not just theoretical. The Pulitzer Prize-winning journalist Andrew Schneider has reported that some fruits and vegetables exported from Latin America are coated with nano-particles to extend their shelf life. **Based on a review of patent filings, regulators have some knowledge of the ingredients of food nano-coatings.** These ingredients include nano-silver and nano-zinc oxide as anti-microbials to combat bacteria, nano-silica to prevent water content loss and to ensure the film's transparency, and nano-titanium dioxide to prevent deterioration due to ultraviolet rays. **The macro forms of these ingredients are permitted food additives, but testing has not yet been done to assess their safety at nano-scale.** Administrative, technical and resources constraints create enormous hurdles to effective import inspection of food nano-coatings and food packaging using ENMs. **Because of, or perhaps despite, the scientific, budgetary and infrastructural difficulties of developing methods to simply and reliably measure the presence of ENMs in food, feed and food packaging materials, the Codex Alimentarius Commission, the international food standards body, may consider in July whether or not to include nanotechnology in its strategic plan for 2013–2018.** Codex standards are presumed to be authoritative by the World Trade Organization Agreement on the Application of Sanitary and Phytosanitary Measures for the purpose of trade facilitation. There are many reasons why the commission should undertake work on agri-nanotechnology, not the least of which is that such products are already being traded without regulation or risk assessment on which to base regulations. At the same time, Codex standards require the scientific advice of FAO/WHO expert meetings and/or standing committees, such as the Joint FAO/WHO Committee on Food Additives. **However, FAO and WHO member governments have not made the funding of such scientific advice a Codex priority. There is a risk, however, that if standards are developed before member countries have effective rules and resources to do mandatory pre-market safety assessments and post-market surveillance of foods with ENMs, Codex standards would only facilitate greater trade without adequate regulatory enforcement capacity.**

Rand 63 Ayn Rand, the Mother of Freedom, graduated University of Leningrad, 1963, "POV: HAVE GUN, WILL NUDDGE", <https://ari.aynrand.org/issues/government-and-business/regulations/Have-Gun-Will-Nudge#filter-bar>

The government's sole function, according to Ayn Rand, **is to secure and protect the rights of the individual.** Proper laws define the crimes and other actions that violate rights and establish the rules by which government may prosecute these crimes and settle disputes among men. **Proper laws thereby place the government's use of force under objective control. But when laws are non-objective, they enslave rather than liberate.** The best example of non-objective laws today are the thousands and thousands of pages of impenetrable regulations, whose meaning and purpose you as a citizen must try to guess and whose actual enforcement is determined by the whims of some bureaucrat, which you must try to predict. **"Non-objective law," according to Rand, "is the most effective weapon of human enslavement: its victims become its enforcers and enslave themselves."** Rand provides a glimpse of how this regulatory process works in "Have Gun, Will Nudge." In this essay she discusses the actions of the FCC in the early 1960s to pressure broadcasters to "improve" the quality of their programming. **Rand's observations about the destructive impact of that by-now-forgotten episode of non-objective law apply to the hundreds of other regulatory agencies — from the FDA to the EPA to the SEC — that control an ever greater part of our daily lives.** It is for this reason that ARI makes a sharp distinction between law and regulation. Laws that protect individual rights are necessary and proper. But **in a free society there is no place for regulation: for any attempt to control the individual's thought, production or trade.**

## Displacement

We have THREE responses

First, you can MITIGATE THE IMPACT because the topic doesn't require that we cut public housing and subsidized housing programs or state programs that help protect against displacement and gentrification.

Second, you can TURN the argument because empirically speaking, market-rate housing reduces displacement. The LAO explains in 2016 that in urban areas around California, low-income areas that built more market-rate housing saw less displacement than areas that didn't. The HUD expands in 2018, writing that displacement as a result of gentrification is a non-issue, and that exit rates are lower in gentrifying neighborhoods.

Third, you can DELINK because according to Ingrid Ellen in 2017, the majority of studies have found very little evidence that displacement is an issue, and that when they do, it's typically due to generally unstable housing conditions, not gentrification.

California Legislative Analyst's Office, Feb 9 2016. The California Legislature's Nonpartisan Fiscal and Policy Advisor, Legislative Analyst's Office. "Perspectives on Helping Low-Income Californians Afford Housing" <https://lao.ca.gov/Publications/Report/3345>

Lower Costs Reduce Chances of Displacement

More Private Development Associated With Less Displacement. As market-rate housing construction tends to slow the growth in prices and rents, it can make it easier for low-income households to afford their existing homes. This can help to lessen the displacement of low-income households. Our analysis of low-income neighborhoods in the Bay Area suggests a link between increased construction of market-rate housing and reduced displacement. (See the technical appendix for more information on how we defined displacement for this analysis.) Between 2000 and 2013, low-income census tracts (tracts with an above-average concentration of low-income households) in the Bay Area that built the most market-rate housing experienced considerably less displacement. As Figure 3 shows, displacement was more than twice as likely in low-income census tracts with little market-rate housing construction (bottom fifth of all tracts) than in low-income census tracts with high construction levels (top fifth of all tracts).

U.S. Department of Housing and Urban Development, May 2018. US Dept of Housing and Urban Development, Office of Policy Development and Research. "Displacement of Lower-income Families in Urban Areas Report" <https://www.huduser.gov/portal/sites/default/files/pdf/DisplacementReport.pdf>

Although displacement may be the most common concern, most quantitative studies find little evidence of direct displacement occurring. In fact, Ellen and O'Regan (2011) found that turnover rates, or the share of households that left their housing units, did not rise among even the most vulnerable populations or in the neighborhoods with the largest gains in relative income. Surprisingly, their research found that exit rates were actually lower in gentrifying neighborhoods than in nongentrifying neighborhoods, even among renters or poor households. Similarly, Freeman and Braconi's (2004) research on displacement in gentrifying neighborhoods of New York found that low-income households were actually less likely to move. Racial and ethnic minorities were significantly less likely to report displacement, after controlling for age and income, in other research (Newman and Wyly, 2006).

Ingrid Gould Ellen, April 2017. Joint Center For Housing Studies, Harvard University. "Can Gentrification Be Inclusive?" [http://www.jchs.harvard.edu/sites/default/files/a\\_shared\\_future\\_can\\_gentrification\\_be\\_inclusive\\_0.pdf](http://www.jchs.harvard.edu/sites/default/files/a_shared_future_can_gentrification_be_inclusive_0.pdf)

There is less consensus among researchers that higher-income entry is pushing out existing households. In fact, most of the papers on the topic have found scant evidence that gentrification fuels displacement. 4 These null findings are something of a puzzle as well as a frustration to many practitioners who are certain that they are witnessing low- and moderate income households being displaced in their communities.

Ingrid Gould Ellen, April 2017. Joint Center For Housing Studies, Harvard University. "Can Gentrification Be Inclusive?" [http://www.jchs.harvard.edu/sites/default/files/a\\_shared\\_future\\_can\\_gentrification\\_be\\_inclusive\\_0.pdf](http://www.jchs.harvard.edu/sites/default/files/a_shared_future_can_gentrification_be_inclusive_0.pdf)

So why the disconnect between research and practice? To some degree, it's explained by the fact that low-income households tend to live in unstable housing conditions, regardless of the neighborhood where they live. In 2014, over 70 percent of renters with incomes under \$15,000 paid more than half of their income in rent, 5 and as Matthew Desmond's Evicted so powerfully shows, they experience enormous instability in the private market, even when there is no sign of gentrification.

# Gentrification

We have TWO responses

First, you can TURN the argument because new market-rate housing decreases gentrification. **Paul Boudreaux** found in 2018 that when there's a higher supply of housing, people are less likely to use their wealth to demand upgrading of older housing, helping prevent gentrification.

Second, you can TURN it again because a higher supply of housing decreases displacement, the major negative effect of gentrification. **Boudreaux** also found that statistical models show that higher-to-middle income families are less likely to displace a lower-income family if there's a higher supply. **Alexis Garcia** expanded on this in 2018 when she found considerable evidence that the construction of new market-rate housing helps to mitigate displacement.

Third, you can TURN it one last time because gentrification is nowhere near as bad as they make it out to be. **Andrew Small** explains in 2017 that business growth as a result of gentrification is far more prevalent in lower-income areas than higher-income areas. In the end, **Emily Badger** explains that the economic research on the topic is unanimous – The benefits far outweigh the costs.

Paul Boudreaux [Professor of Law, Stetson U.], FORDHAM URBAN LAW JOURNAL, April 2018, NexisUni, p. 638.

Another benefit of new market-rate construction is that persons with rising incomes—for example, young professionals—are less likely to use their wealth to demand the upgrading of older, extant housing in older neighborhoods—a phenomenon that may result in the gentrification of once-modest-income neighborhoods. As stated in a study by economists C. Tsuriel Somerville and Christopher J. Mayer, “the more constrained the supply response for new residential units to demand shocks, the greater the probability that an affordable unit will filter up and out of the affordable stock.”

Paul Boudreaux [Professor of Law, Stetson U.], FORDHAM URBAN LAW JOURNAL, April 2018, NexisUni, p. 638.

In a hypothetical example, an affluent young San Franciscan is less likely to “displace” a modest-income household from an older house or apartment in a gentrifying neighborhood, such as San Francisco’s Mission District, if the law allows for construction of appealing new market-rate housing. California data show that new construction correlates with less displacement of existing residents.

Alexis Garcia [Reason TV], REASON, October 2016, p. 44+, Gale Cengage Learning, Expanded Academic ASAP.

The California Legislative Analyst’s Office, a nonpartisan office that provides policy and budget recommendations to lawmakers, concluded that “considerable evidence suggests that construction of market-rate housing reduces housing costs for low-income households and, consequently, helps to mitigate displacement in many cases.”

Andrew Small, CityLab, “NYC Comptroller Data Reveals NYC Gentrification - CityLab”, April 28, 2017, <https://www.citylab.com/life/2017/04/the-gentrification-of-gotham/524694/>

The report leads with the good news: The number of businesses has increased and business establishment growth picked up more in the 22 lower-income communities of the city (an increase of 41 percent) than the 33 higher-income districts (an increase of 12 percent). The report touts the growth of high-income industries in these neighborhoods.

[Emily; Urban Policy Writer; How to make expensive cities affordable for everyone again; WonkBlog, via the Washington Post; 19 February 2016; [https://www.washingtonpost.com/news/wonk/wp/2016/02/19/how-to-make-expensive-cities-affordable-for-everyoneagain/?utm\\_term=.c0b686cdca32](https://www.washingtonpost.com/news/wonk/wp/2016/02/19/how-to-make-expensive-cities-affordable-for-everyoneagain/?utm_term=.c0b686cdca32); retrieved 11 February 2019] Enrico Moretti, professor of economics, University of California, Berkeley: This misconception is understandable, and it comes from the fact that adding new housing units has two opposite effects on rents in a neighborhood. First, there is the supply effect. Increases in the supply of apartments tend to push rents down. Intuitively, adding new housing reduces competition for existing apartments, and this helps keep rents in check for existing renters. If the new condos or apartments are not built, there are more families competing with existing residents for fixed housing stock, and rents and displacement increase. Second, there is the gentrification effect. Adding new housing units can also affect the type of residents, retail and amenities in a neighborhood. New boutiques, fancy new restaurants, and more young professionals in the streets tend to push rent up. Activists tend to focus on the second effect, but the reality is that the first effect is much stronger. Economic research on this topic is unanimous. There is no question that on net, adding more units tends to lower rents. All existing peer-reviewed academic studies — including work done at Harvard University, the Wharton School at the University of Pennsylvania and by me at UC Berkeley — find that more housing supply results in lower rents and house prices, everything else being constant. Fighting gentrification by blocking new housing has an emotional appeal, but is likely to hurt the very group of people that it is designed to help: local renters.

## Hope VI/Mixed-Income

**You can TURN this argument because the HOPE VI program led to the permanent displacement of many low-income households. The HUD reports in 2018 that the program resulted in the displacement of 80% of all residents, and Daniel Perez explained in 2017 that 15% of applicants for units underneath the program were rejected due to minor issues, leading to further displacement.**

U.S. Department of Housing and Urban Development, May 2018. US Dept of Housing and Urban Development, Office of Policy Development and Research. "Displacement of Lower-Income Families in Urban Areas Report" <https://www.huduser.gov/portal/sites/default/files/pdf/DisplacementReport.pdf> Accessed 2.7.19 CB19 Despite its successes, some researchers argued that the program's aims resulted in gentrification of previously blighted neighborhoods and led to the permanent displacement of many low-income households (Goetz, 2013; Vale, 2013). The HOPE VI Panel Study, which tracked residents from five sites, asked public housing residents about their replacement housing preferences. Most responded that they would like to return to the site when completed (Popkin et al., 2002). However, in an updated 2016 study of all HOPE VI sites, original tenants occupy only an estimated 21 percent of all units that have been produced (Gress, 2016). Part of the discrepancy suggests that some residents who would have liked to return could not because of a loss in public housing units. As of the third quarter 2014, of those that were receiving services, about one-third of pre-revitalization residents remained relocated with a housing choice voucher and about one-fourth relocated to other public housing (Gress, 2016). Evidence has shown that those individuals who utilized vouchers often had improved outcomes in terms of housing and neighborhood quality over those who chose to relocate to another public housing development. Some anecdotal information suggests that some displaced households opted not to return to the redeveloped HOPE VI sites for a variety of reasons, including improved neighborhood quality and seeking not to disrupt their children's education again. The reductions in density and the mixed-income strategy of HOPE VI resulted in a net loss of about 44 percent of units that would have received the deep, permanent public housing subsidies that would make units affordable for very low-income households. However, with the addition of affordable units financed with the low-income housing tax credit (LIHTC), units intended to be affordable to low- and moderate-income residents replaced roughly 85 percent of the original public housing units (Gress, 2016).

Daniel Perez, Oct 2 2017. Federal Reserve Bank of Kansas City, Community Connections "Mixed-Income Housing: Success and Opportunities" <https://www.kansascityfed.org/publications/community/connections/articles/2017/q32017/mixedinc> Accessed 2.21.19 CB19 Secondly, mixed-income housing sometimes may lead to resident displacement through tenant screening procedures. For example, a recent HUD publication reports on how 15 percent of applicants for a mixed-income unit were rejected from subsidized housing due to reasons involving credit, past criminal records or prior evictions.<sup>6</sup> These guidelines could cause displacement of residents who previously lived in the area but who have minor issues on their record.

## Housing Vouchers

We have THREE responses

First, understand that Housing Choice Vouchers are actually market-rate housing units with rental-assistance from the government. Their development isn't any different, and they only become Section 8 units when somebody applies using a voucher.

Second, you can DELINK it because they require market-rate housing to function, and even then, don't work. **Gabriel Metclaf** writes in 2018 that under the Section 8 program, only about 25% of households that need assistance actually get it, and that many landlords choose not to rent to voucher holders.

Third, TURN the argument because many housing voucher units aren't safe. **Caroline Hecker** writes in 2019 that multiple people died in February alone due to unsafe housing conditions and government negligence in their housing units.

Gabriel Metclaf, Winter 2018. Journal of Economic Perspectives, Vol 32, Num 1, pgs 59-80. "Sand Castles Before the Tide? Affordable Housing in Expensive Cities" Accessed 2.17.19 CB19

In 2015, 2.2 million households, comprising 5 million people, used rental vouchers to secure housing in the private market. The biggest program known as "Section 8," was created in 1974. Under the Section 8 program, households pay 30 percent of their income in rent, and the local Housing Authority covers the rest of the monthly rent to the landlord. Each year, the US Department of Housing and Urban Development determines "fair market rent" which sets the limits on how much rent subsidy will be provided in each city. (As of this writing in 2017, the HUD fair market rent for a two-bedroom unit in San Francisco is \$3,319 per month.) The federal government does not fund vouchers for everyone who needs them, and there are long waiting lists in most cities. One study estimates that only 25 percent of the households that are income eligible according to the standards of the US Department of Housing and Urban Development receive federal assistance (Center on Budget and Policy Priorities 2017). In some cities, the odds are much worse: recently, 600,000 residents of Los Angeles were applying for 2,400 vouchers (Smith 2017). In expensive housing markets, there is also a perennial problem of voucher dollar amounts being insufficient, so that many landlords are not willing to rent to voucher holders.

Caroline Hecker, Feb 18 2019. WIS News. "Attorney calls CHA 'slum lord' as new document uncover more discrepancies at Allen Benedict Court" <http://www.wistv.com/2019/02/19/discrepancies-continue-wis-uncover-more-columbia-housing-authority-documents/> Accessed 2.18.19 CB19 An attorney for two former tenants of Allen Benedict Court apartments is calling the Columbia Housing Authority a "slum lord," as the agency grapples in the fallout of two men found dead in their apartments in late January. Their deaths ruled the result of carbon monoxide poisoning. The property was shut down more than a month ago after the fire department found levels of natural gas and carbon monoxide within each of the property's 26 buildings. The housing authority is facing five lawsuits, one of which is being brought on behalf of a husband and wife who lived at the apartments. Attorney Hemphill Pride II called the agency a "slum lord." "The city of Columbia is supposed to be opposed to slum landlords," Pride said. "How could they let the Columbia Housing Authority become a slum landlord?" Pride also said the housing authority board should suspend Executive Director Gilbert Walker until the investigation being spearheaded by the Columbia Police Department is complete. A new document reveals a discrepancy between a recent assessment score and the data needed to arrive at that score. According to the authority's website, it has a set of "five-year goals" in which it provides an annual update about how the agency is working toward achieving each individual goal. One of those goals is listed as "maintaining a high performing status on the SEMAP score." According to the Department of Housing and Urban Development, SEMAP stands for Section Eight Management Assessment Program, which measures the performance of authorities that administer the housing choice voucher program. Among other high scores in recent years, in 2017 the Columbia Housing Authority scored a 100 percent. HUD standards point to audits as well as 14 indicators that are used to determine a housing authority's overall score. Two of those indicators are listed as "correct calculation of the tenant share of the rent and the housing assistance payment" and "ensuring units comply with housing quality standards." However, a look over the agency's 2017 financial audit reveals the agency was found to be non-compliant in both of those areas, including errors in rent and income calculations and several non-working smoke detectors. The discrepancies are important, as calculations of tenant income and rent directly impact how much federal money the housing authority receives from HUD on an annual basis.

## Inequality

We have THREE responses

First, you can MITIGATE THE IMPACT because The [Economist](#) writes that a 1% increase in growth decreases poverty by 4.3 percent. This means when we see the implementation of market-rate housing, we see the reduction of poverty in the US for 16.2 million Americans.

Second, you can MITIGATE IT AGAIN because inequality doesn't materially affect poverty. **Tanner of the Cato Institute** explains in **2016** that there is no clear relationship between inequality and poverty, as the whole pie can grow with more resources to everyone.

Third, you can TURN the argument because in the long term, growth reduces inequality. **Angelsen** of the University of Massachusetts explains in **2006** that while it's true that, in short term, economic growth primarily benefits the most privileged, in the long term, more efficient technology lowers prices and creates new job opportunities, and more people are trained in higher skilled positions, so that in the long term, economic growth reduces inequality.

Angelsen, A. & Wunder, S. (2006). Umb.no. Retrieved 6 December 2018, from [http://www.umb.no/statistik/for/angelsen\\_wunder\\_poverty\\_inequality\\_growth.pdf](http://www.umb.no/statistik/for/angelsen_wunder_poverty_inequality_growth.pdf) // 25 Economic growth usually changes the income distribution in a country – the extra pieces of the growing cake are not distributed to all members of society in shares equal to their initial shares of the cake. Economic growth is often due to, and/or accompanied by, new market opportunities. At the beginning of an economic development process, higher market contact often increases inequality as individual actors respond variably to favourable prices or other newly emerging opportunities, because of specific skills and asset they possess, but also because of individual differences in risk aversion, entrepreneurial spirit, and luck. These variable outcomes may also impact the social coherence of communities and ultimately have certain negative welfare effects. Obviously, this is what many observe at the micro-level, justifying their scepticism towards economic growth. In contrast, the following income equalising factors may start to work over time: more people acquire the necessary skills or assets; new technologies spread to more producers; more efficient markets eliminate price differentials across locations; demand for unskilled labour increases and the higher income has local multiplier effects (e.g., increased demand for locally produced commodities); insurance mechanisms are put in place to better distribute risks. These are some of the micro-level mechanisms that have justified the hypothesis that inequality follows an inverse U-curve over time – inequality rises in the initial development phase but then declines. Similarly, there are macro-level processes that can 'drive' such a development in inequality over time. Imagine a country with a large, low wage traditional sector employing 99 % of the labour force and a tiny, high wage modern sector 'island', accounting for 1 % of employment. Imagine 10 also, that the wages in each sector remain fixed, so that economic growth in this dualistic economy can only be achieved by modern sector enlargement, and 3 % of the total labour force is transferred each year from the traditional to the modern sector. It can be shown that national income inequality (e.g., measured by the Gini coefficient) in this trend scenario will follow an inverted U-curve, i.e. the curve will rise initially and then start to fall (Williamson 1985). This dualistic process of modern sector enlargement has high relevance for most developing countries. The inverse U-curve can also be supported by other societal trends during the process of economic development. In the early stages of development, skills and higher education are limited to a small group of people, who benefit the most from economic growth. Over time, the greater spread of skills and secondary and tertiary education will have an income equalising effect. Similarly, the development of insurance markets tends to improve risk management. Sharing risk between economic agents becomes another equalising

## Local Governments Good

We have THREE responses

First, understand that effective federal policy is key to effective local policy, meaning **OUR CASE SOLVES** no matter what. **Joe Cortwright** explains in 2018 that cities with innovative policies require a supportive federal government, one that encourages and helps spark that innovation. **Patrick Sisson** expanded on this in 2016, explaining that federal money helps support local governments in the form of housing choice vouchers, public housing units, and rental assistance.

Second, you can **TURN** the argument because local governments caused the housing crisis – We can't rely on them to magically fix it. **Cortwright** explains that local zoning laws have worsened the economic segregation present in urban areas and that local governments have incentives to drive out the poor and out of luck – Only federal policy has the incentive to challenge that segregation.

Finally, **TURN** it one last time because local governments historically discriminate. **Daniel Vock** explains in 2019 that predominantly black neighborhoods see more policing than white neighborhoods. This racism doesn't just affect policing, it also affects overall housing policy. **Richard Veeves** explains in 2017 that exclusionary zoning practices by local governments favor the rich and abandon the poor, essentially creating gated communities that physically separate the already disenfranchised poor from the rich.

Joe Cortwright, director of Urban Institute, February 6, 2018, "Cities Alone Can't Fix What's Wrong With American Government," CityLab, <https://www.citylab.com/equity/2018/02/cities-alone-cant-fix-whats-wrong-with-american-government/552446/> (accessed 2/8/19)

If you care about cities and believe local initiative can lead to solutions, you need to be marching on Washington and fighting for a federal government that does its job well. The hollowing out of the federal government now underway is the clearest threat to creative, effective localism. Ultimately, the magic of our federal system is that both national and local government have important and complementary roles to play. It's not either/or. It is both/and. Innovative cities require a supportive federal government. Rather than turning their backs on the federal government and national debates, cities and civic leaders ought to be pooling their energy and efforts to kindle a new dialog about how we appropriately divide responsibilities between national and local governments. We must insist that the national government do its job well and that it provide the room and in some cases some of the resources to help cities tackle problems at a more local level. We need a 21st century federalism that envisions strong and mutually supporting actions at both the national and local levels, not a retreat to homogenous but balkanized localities.

Patrick Sisson, senior reporter, May 19, 2016, "Why the rent is too damn high: The affordable housing crisis," Curbed, <https://www.curbed.com/2016/5/19/11713134/affordable-housing-policy-rent-apartments> (accessed 2/8/19)

While increasing the supply of affordable housing is often a local issue, federal money does provide needed housing support in the form of housing choice vouchers, public housing units, and project-based rental assistance or low-income housing assistance tax credits. Yet it often falls far short of the need, which has been growing rapidly. According to the Furman Center, much of the growth of rental housing stock from 2006 to 2014 came from single-family homes, which often don't meet the needs, or budgets, of renters, all while the growth of the rental population is outpacing the growth of rental units in major cities.

Joe Cortwright, director of Urban Institute, February 6, 2018, "Cities Alone Can't Fix What's Wrong With American Government," CityLab, <https://www.citylab.com/equity/2018/02/cities-alone-cant-fix-whats-wrong-with-american-government/552446/> (accessed 2/8/19)

It's also worth noting that a key aspect of localism that has been effectively exempt from federal control—local control of zoning and land use—has worsened the economic segregation of our nation's metropolitan areas. In sprawling metros, separate suburban cities have used the power of land use regulation to exclude apartments, directly contributing to the problem of concentrated poverty that intensifies and perpetuates the worst aspects of income inequality. Cities have been implicated in the nation's housing affordability and segregation problems, but that's hardly mentioned in Katz & Nowak. The word "segregation" appears only once in the book (page 40). The word "zoning" occurs on 8 pages. Housing affordability is mentioned just once (page 28). The root of the problem here is too much localism. The most localized governments have the strongest incentives to exclude neighborhood groups within cities lobby against density. Suburbs within metropolitan areas do the same. Only larger units of government have the incentives and ability to challenge this kind of parochialism. Notably, two initiatives of the Obama administration—HUD's affirmatively furthering fair housing rule and the Council of Economic Adviser's critique of local zoning—represented important national steps pushing local governments to confront this issue. Both are going nowhere under the current administration.

Daniel C. Vock et al, infrastructure analyst, January 23, 2019, "Houses Divided." Governing, <http://www.governing.com/topics/public-justice-safety/gov-segregation-main-feature.html> (accessed 2/8/19)

Finally, residents in predominantly black neighborhoods routinely face more scrutiny from police and other government agencies, which reinforces the patterns of segregation that have already emerged. Government actions such as increased code enforcement, zero tolerance policies for drugs in public housing and disproportionately targeting black neighborhoods for traffic stops result in black residents facing more municipal fines or other minor punishments. Though seemingly small, those infractions, combined with the fact that blacks are far more likely to be arrested and imprisoned than whites, can make it harder for residents to clear their name and qualify for good-paying jobs that require criminal background checks. That barrier to jobs is significant for downstate communities: The Peoria, Decatur, Rockford and Carbondale metropolitan areas were all ranked among the top 10 for highest black unemployment rates in the country in 2017. Taken together, the policies of local governments have helped divide black and white residents into groups of citizens who are still separate, and still unequal.

Richard V. Reeves, journalist, June 10, 2017, "Stop Pretending You're Not Rich," New York Times, <https://www.nytimes.com/2017/06/10/opinion/sunday/stop-pretending-youre-not-rich.html> (accessed 2/8/19)

Things turn ugly, however, when the upper middle class starts to rig markets in its own favor, to the detriment of others. Take housing, perhaps the most significant example. Exclusionary zoning practices allow the upper middle class to live in enclaves. Gated communities, in effect, even if the gates are not visible. Since schools typically draw from their surrounding area, the physical separation of upper-middle-class neighborhoods is replicated in the classroom. Good schools make the area more desirable, further inflating the value of our houses. The federal tax system gives us a handout, through the mortgage-interest deduction, to help us purchase these pricey homes. For the upper middle classes, regardless of their professed political preferences, zoning, wealth, tax deductions and educational opportunity reinforce one another in a virtuous cycle. It takes a brave politician to question the privileges enjoyed by the upper middle class. Recently, there have been failed attempts to make zoning laws more inclusive in supposedly liberal cities like Seattle and states like California and Massachusetts. The handout on mortgage interest appears to be an indestructible deduction (unlike in Britain, where the equivalent tax break was phased out under both Conservative and Labour governments by 2000).

## Market Inclusionary Zoning

We have THREE responses

First, understand that Market Inclusionary policies aren't really promoting market-rate housing development – They're a convoluted way of promoting affordable housing, the OPPOSITE of what the resolution says. There's literally no possible way to say that price controls are somehow promoting market-rate development. By either piggybacking on existing developments or telling developers they don't get to build unless they do what the government says, they force the development of some affordable housing at the expense of raising prices on all other homes in the development.

Second, you can DELINK them because the development of market-rate housing has an effect that is independent of inclusionary housing programs. **Daniel Hertz** explains in 2016 that new market-rate developments reduced displacement not because it included low-income units, but because it helped keep prices lower overall. Hertz goes on to explain that the presence of inclusionary housing policies had a much smaller effect on displacement than market-rate developments.

Third, you can TURN the argument because Market Inclusionary zoning only works when market-rate housing markets are functioning. **David Hornstein** explains in 2014 that those policies are most effective when enacted by a community with a strong housing market because they require demand to work. He furthers that inclusionary policies push the burden of low-income housing onto developers, who in turn charge the middle-and-upper-class more to compensate.

Hertz '16 [Daniel Kay; Urban Economic, Housing Policy, and Neighborhood Change Writer; Market rate housing alleviates displacement, report says; Public Square; 15 February 2016; <https://www.cnu.org/publicsquare/market-rate-housing-alleviates-displacement-report-says>; retrieved 2 February 2019] And crucially, the LAO researchers found that this effect was independent of inclusionary housing programs. That is, new construction reduced displacement not because it included low-income set-aside units, but because it helped keep market prices lower. In fact, the presence or lack of an inclusionary housing policy had a much, much smaller effect on displacement than the amount of market-rate housing construction. That's the headline, but there's much more to see in the report. It covers the challenges to expanding many of the state's low-income housing assistance, and demonstrates the importance of filtering to creating "naturally occurring" affordable housing—and how zoning restrictions hamper that process. It bears close reading for anyone invested in creating affordable communities.

Hornstein '14 [David; Attorney; An unnecessary "solution": high-performance market-rate rental housing; University of Baltimore Journal of Land and Development; Fall 2014; page 93] First, inclusionary zoning ordinances are most effective when enacted by a community with a strong housing market. (7) If there is no demand for market-rate housing, inclusionary zoning generally will not work. (8) Second, the success of inclusionary zoning depends upon the structure of the program created to implement it. Specifically, the inclusionary zoning program must meet three criteria: 1) requirements should be mandatory, rather than voluntary, (9) 2) programs should incorporate sufficient developer incentives tailored to fit individual community needs, (10) and 3) the government must politically support affordable housing and provide the necessary administrative resources to oversee the program and ensure its success. (11)

Hornstein '14 [David; Attorney; An unnecessary "solution": high-performance market-rate rental housing; University of Baltimore Journal of Land and Development; Fall 2014; page 93] Inclusionary zoning is not without controversy. Many economists have criticized the practice as unwarranted government control over an area that should be regulated by the free market. (35) For example, in an early and influential analysis of the economic effects of inclusionary zoning, Robert Ellickson argued that inclusionary zoning actually decreases development and makes housing less affordable. (36) The ultimate question, economists agree, is who bears the cost of incorporating below-market units in residential projects otherwise priced at market rates. (37) Many developers and builders of residential projects believe inclusionary requirements unfairly force them to take on what should be a public burden of providing affordable housing. (38) Others argue that it is actually the buyers and renters of market-rate units that compensate the developers for having to build less-profitable inclusionary units by paying more for their own market-rate housing. (39)

## Market-Rate Housing Bad – AFFORDABILITY

First, TURN their argument – The city of Portland empirically proves that market-rate housing increases affordability. **Joe Cortright** with City Observatory explains in 2019 that after Portland began promoting economic growth, Portland saw increased pressure on their landlords to drop prices, and that’s exactly what happened.

Second, TURN it again because ZONING REFORM like we advocate for solves – **Emily Hamilton** explains in 2015 that over the past 30 years, restrictive zoning in cities has caused above-average growth in housing prices – She concludes that reducing those regulations lowers prices and increases GDP by 9.5%, so even if the houses being built aren’t affordable, it’s offset by the massive gains in GDP

Third, TURN it one last time because the houses built ARE affordable. A process called filtering means that over a short time period, additions at the high end of housing markets ripple down to the lower side. **O’Regan 17** explains that owners have an incentive to convert existing units to lower-income submarkets so that they can continue to rent the unit, and that 67% of units available to low-income people were filtered through this process. While it does take about 30 years for homes to start filtering, this means that in the long-run, prices go down more and future generations experience much better living conditions and quality of life as a result.

Joe Cortright, 10-26-2017, City Observatory, "Signs of the times", accessed February 6, 2019, <http://cityobservatory.org/signs-of-the-times/>

What’s happening here is a good example of how the market works. To be sure, Portland, like a lot of cities, has experienced a temporal mismatch between demand and supply. In the wake of the great recession, demand turned around quickly as more people moved to the region and job growth returned, but new apartment construction has taken several years to rebound from the downturn. For several years, culminating in 2015 and 2016, demand outpaced supply, and pushed down vacancy rates, causing rents to surge. Now it appears the reverse is true - the number of new units being delivered to the market is growing faster than demand for housing - which is producing this bumper crop of for rent signs. The more apartments stand vacant, and the longer they go unfilled, the greater the pressure on landlords to drop prices. Already, some newer apartments are offering move-in bonuses, like a months’ free rent. It’s a sign that the market is turning. What the signs mean Ultimately, we think this flowering of “for rent” signs disproves two of the most durable myths about the housing markets. The first myth is that you can’t make housing affordable by building more of it, particularly if new units are more expensive than existing ones. The surge in vacancies in existing apartments is an indication of the interconnectedness of apartment supply, and an illustration of how construction of new high end, market-rate units lessens the price pressure on the existing housing stock. When you don’t build lots of new apartments, the people who would otherwise rent them bid up the price of existing apartments. The reverse is also true: every household that moves into a new apartment is one fewer household competing for the stock of existing apartments. This is why, as we’ve argued, building more “luxury” apartments helps with affordability. As our colleagues at the Sightline Institute recently observed, you can build your way to affordable housing. In fact, building more supply is the only effective way to reduce the pressure that is driving up rents.

Emily Hamilton, Mercatus Center at GMU, "How Land-Use Regulation Undermines Affordable Housing | Mercatus Center", November 4, 2015, <https://www.mercatus.org/publication/how-land-use-regulation-undermines-affordable-housing>  
These effects are most pronounced in some of the most productive cities in the United States, where the high cost of housing has kept population growth relatively low despite the greater economic opportunities afforded by these cities. This foreclosing of economic opportunity could inhibit overall economic growth in the long term. For example, a recent study finds that, over the past 30 years, land-use regulations in high-productivity US cities have caused above-average growth in housing prices, which in turn have slowed the mid-20th century trend toward greater wage equality. Another study found that reducing the level of land-use regulation in New York, San Francisco, and San Jose alone would increase GDP by 9.5 percent.

## Market-Rate Housing Bad – LUXURY

We have TWO responses

First, you can MITIGATE THE IMPACT - Sure, it might be luxury housing, but they don't read you anything that says that the workers moving into these cities can't afford it. Remember we're bringing in innovative workers like tech engineers and doctors who all grow the economy when they're situated in cities because they're more productive.

SECOND, you can TURN it again because **McCormack** tells you that when you actually look at a lot of cities around the US, landlords have higher profits in poorer neighborhoods because there's lower maintenance and lower tax burdens as well. That's why **Hamilton** tells you that the real reason market rate housing is not low income is due to high building costs that force developers to sell and rent for more, but we solve this perfectly by zoning reform. That's why **Sisson** concludes in **2018** that tells you that zoning restrictions force more expensive building materials and methods that drive up construction costs. When you remove those, you enable low income building – Providing homes for everyone.

Scott Wiener, Democratic State Senator from California, "Market-Rate Housing Isn't a Bad Word, and We Won't Solve the Housing Crisis Without It" Apr. 16, 2017, <https://artplusemarketing.com/market-rate-housing-isnt-a-bad-word-and-we-won-tsolve-the-housing-crisis-without-it-ce67d06aff4d> And, let's be real. While the new apartment or condo project down the street is expensive, so is the 75-year-old house or apartment you're trying to buy or rent. It's "all" expensive, and that's not because it's "luxury." Which means: In addition to expanding the supply of subsidized income-based affordable units, we must increase the overall supply of housing, and that means — you guessed it — market-rate housing. Some describe all new market-rate housing as "luxury housing," because it's expensive. Well, of course it's expensive, since for decades we haven't built enough of it. According to California's Legislative Analyst, the state needs to produce about 180,000 units of housing a year to keep up with growth. In practice, we produce less than half that number.

J. W. McCormack, Vice, "Housing Vouchers Would Change the Face of Poverty - VICE", April 18, 2017, [https://www.vice.com/en\\_us/article/yp7ppi/housing-vouchers-would-change-the-face-of-poverty](https://www.vice.com/en_us/article/yp7ppi/housing-vouchers-would-change-the-face-of-poverty) I was really surprised by that, too. In a lot of cities in America, it's not that much cheaper to live in poor neighborhoods than the alternative. So what's the takeaway? One is that the profits for landlords are higher in poor neighborhoods, for the simple reason that there are fewer expenses or tax burdens, but the same amount of revenue, which tends to reinforce the same trends as far as demographics.

Emily Hamilton, Mercatus Center at GMU, "How Land-Use Regulation Undermines Affordable Housing | Mercatus Center", November 4, 2015, <https://www.mercatus.org/publication/how-land-use-regulation-undermines-affordable-housing> These effects are most pronounced in some of the most productive cities in the United States, where the high cost of housing has kept population growth relatively low despite the greater economic opportunities afforded by these cities. This foreclosing of economic opportunity could inhibit overall economic growth in the long term. For example, a recent study finds that, over the past 30 years, land-use regulations in high-productivity US cities have caused above-average growth in housing prices, which in turn have slowed the mid-20th century trend toward greater wage equality. Another study found that reducing the level of land-use regulation in New York, San Francisco, and San Jose alone would increase GDP by 9.5 percent.

Patrick Sisson, Curbed, "Rising labor costs send the price of house construction skyward - Curbed", December 17, 2018, <https://www.curbed.com/2018/12/17/18144657/construction-homebuilding-housing-costs-renovation-labor> Construction costs have jumped 23.6 percent since 2004, according to "What's Up With Construction Costs?" a new report by BuildZoom economist Issi Romem. The housing cost spike that started in the mid-2000s at the tail end of the pre-Recession building boom was initially caused by increases in material costs; the continued rise is now mostly a factor of rising labor costs. BuildZoom Romem notes that the key drivers of construction costs are still "lots and local regulations," the combination of high land prices and restrictive land-use policy. But in especially expensive metros, labor costs have also vastly accelerated the cost of construction.

## Market-Rate Housing Bad – PRICE DISCRIMINATION

We have TWO responses

First, DELINK them as **Stewart 11** indicates that federal laws prohibit price discrimination on several factors and **Jost 15** furthers that discrimination in sales and rentals have been illegal for over 40 years.

Second, DELINK them again as **Bayer 12** explains that literature explaining a link between housing prices and race neglect to take into account varying factors such as the quality of houses being purchased.

## Market-Rate Housing Bad – PRICE HIKES

We have THREE responses

First, DELINK them as **Leshnowe 18** explains that it makes no sense for landlords to jack up prices. There is a limit to charges for housing as competition in urban areas is very tight.

Second, MITIGATE THE IMPACT them as **Florida 15** finds that residents of gentrifying neighborhoods are less than 1% more likely to move out of neighborhoods than in non-gentrifying neighborhoods.

Third, DELINK them again as **Art 17** furthers that prices are high right now because housing is scarce in general in urban neighborhoods, not that landlords are raising prices.

## Mixed-Income Good – DESEGREGATION

**You can DELINK this argument because interactions between residents stay the same regardless of income diversity. Diane Levy explains in 2013 that interactions among residents across income groups are superficial and infrequent, and that there are no real social benefits to these interactions.**

Diane K. Levy, et al., Zach McDade, Kassie Bertumen. 2013. U.S. Dept of Housing and Urban Development, Office of Policy Development and Research; Urban Institute, Cityscape: A Journal of Policy Development and Research, Vol 15, Num 2. "Mixed-Income Living: Anticipated and Realized Benefits for Low-Income Households" Accessed 2.21.19 CB19 Economic desegregation occurs in mixed-income areas as a spatial fact—households of lower and higher income levels live near each other—but propinquity has led to little social or otherwise meaningful integration across lines of income. Research since the late 1990s has found that interactions among residents across income groups have been limited at best. Most research on this topic focuses on mixed-income developments, but research on income-diverse neighborhoods has drawn a similar conclusion. Most interaction occurs among neighbors of similar income levels. Researchers have described interactions among residents across income groups in mixed-income and income-diverse areas as superficial and infrequent. Early studies of resident interaction in mixed-income developments found greetings to be fairly common but any exchanges of longer duration to be limited (Brophy and Smith, 1997; Rosenbaum, Stroh, and Flynn, 1998). In their study of seven mixed-income developments, Brophy and Smith (1997) found that many respondents did not know the names of their immediate neighbors. More recent studies have found much the same. Brower's (2009) study of three developments found little resident interaction across income and tenure groups (owners and renters). Kleit and Carnegie (2011) similarly found that residents who moved to a mixed-income development did not expand their social networks across income lines. Studies conducted among residents of income-diverse neighborhoods have produced similar findings. Briggs's (2005) ethnographic work in Yonkers, New York, found few indications of meaningful interactions among people living in mixed-income neighborhoods. Duke (2009) cited a study by Clampet-Lundquist (2004) that found that women who were relocated to lower poverty neighborhoods faced barriers forming social ties. Popkin et al. (2000) also discussed the relative scarcity and superficiality of interactions across income groups within income-diverse neighborhoods.

## Mixed-Income Good – POVERTY

**You can DELINK this argument because there's no historical or empirical evidence of income diversity leading to changes in people's economic well-being. Diane Levy explains that the current research consensus is that mixed-income policy strategies have not led to significant changes in the economic well-being of low-income households, and that they are unlikely to achieve reductions in household poverty.**

Diane K. Levy, et al., Zach McDade, Kassie Bertumen. 2013. U.S. Dept of Housing and Urban Development, Office of Policy Development and Research; Urban Institute, Cityscape: A Journal of Policy Development and Research, Vol 15, Num 2. "Mixed-Income Living: Anticipated and Realized Benefits for Low-Income Households" Accessed 2.21.19 CB19 There is near consensus in the research since the 1990s that mixed-income strategies have not led to significant changes in the economic well-being of low-income households. Research on outcomes for lower income residents living in mixed-income developments and income-diverse neighborhoods has found some improvement in employment but little or no improvement in income. Studies of low-income households that moved with a voucher to low-poverty areas through the Gautreaux housing mobility program found increased job aspirations, job readiness, and higher employment rates compared with those of counterparts living in poor, urban areas, but the movers' wages were not higher than those of their counterparts (Briggs, 1997; Rosenbaum and Popkin, 1991). Briggs argued that, although lower income households moved to areas with more employment opportunities, they were not necessarily more likely to access and retain jobs or obtain jobs with higher wages. Similar results have been found from the MTO demonstration program. Households that moved to low-poverty areas as part of MTO had higher employment rates than families who had not moved, but they had about the same hourly wage (Johnson, Ladd, and Ludwig, 2001). More recently, Tach (2009) also found higher employment rates and educational attainment among lower income residents of mixed-income developments. Many researchers who found evidence of employment gains tempered their findings because of sample selection bias. Tach (2009) attributed the improvements in employment rates among her study participants to mixed-income developments' screening requirements that created a selection bias rather than to a change in work habits among the residents. Other studies whose findings of employment and earnings gains were affected by sample selection bias include Kleit (2002) and Galster et al. (2008). Kleit's (2002) study found that low-income women who moved to scattered-site public housing had employment and networking gains that women who remained in poverty-concentrated areas did not have. Galster's study of relocatees in Sweden found that low-income laborers who moved to higher income areas had higher earnings than counterparts who remained in lower income areas (Galster et al., 2008). In their reanalysis of MTO data, Clampet-Lundquist and Massey (2008) found that the length of time households resided in low-poverty areas correlated to better self-sufficiency outcomes. Each additional month living in a low-poverty neighborhood correlated with an increase in the likelihood of being employed. Each additional month living in a racially integrated low-poverty area correlated with a greater decrease in the likelihood of receiving Temporary Assistance for Needy Families compared with living in a segregated low-poverty area. Other MTO researchers have criticized this analysis and stand by previous findings that MTO has had little or no overall effect on employment and earnings (Ludwig et al., 2012, 2008). It is possible that additional research over longer periods might still show reductions in poverty correlated with mixed-income strategies. Evidence from more than 20 years of research suggests, however, that the door to this possibility is only slightly ajar. Without changes in other factors, such as the availability and quality of education and job supports and increases in the availability of jobs that pay a living wage and offer benefits, it seems safe to say that mixed-income strategies alone are unlikely to achieve reductions in household poverty.

## Nonprofits Good

We have TWO responses

First, you can TURN the argument because nonprofits in housing have a serious funding problem. **Alyssa Katz** explains in 2018 that housing credits supplied by nonprofit agencies have dropped in value seriously as a result of the 2017 Tax Act.

Second, you can TURN it again because **Paul Klein** explains in 2015 that nonprofits simply don't work due to their slow-moving, institutional model that places the needs of the organization above the needs of their clients.

Alyssa Katz, senior fellow with the Pratt Center for Community Development, June 28, 2018, "The Harm to Affordable Housing," The American Prospect, <https://prospect.org/article/harm-affordable-housing> (accessed 2/8/19)

A construction fence surrounds the decaying Church of the Redeemer in Flatbush, one of Brooklyn's many gentrifying neighborhoods. The congregation has provided the land to the nonprofit Mutual Housing Association of New York to create an oasis of 75 affordable apartments. Rents will start at \$935 a month, and will be guaranteed affordable for 30 years. The church, meanwhile, will build itself a new home, tapping \$5 million from selling construction rights to the housing group. The key subsidy making this deal possible is the Low-Income Housing Tax Credit, a better-than-nothing gimmick that helps the poor by rewarding the rich. Over the past three decades, LIHTC—pronounced lie-tek to people in the business—has helped finance more than two million affordable apartments, or about double the number of remaining traditional public housing units produced in its heyday from the 1930s to the 1970s. In this case, Bank of America will supply most of the \$20 million to finance construction of the Flatbush apartments, because the law allows the bank to use this credit to reduce its corporate taxes by one dollar for every dollar it provides to a developer of low-income housing. But thanks to the 2017 Republican Tax Act, the housing credit is suddenly worth a lot less. Why? Because the Tax Act dropped the corporate rate from 35 percent to 21 percent.

Paul Klein, news analyst, May 15, 2015, "Are Nonprofits Getting in the Way of Social Change?" Stanford Social Innovation Review, [https://ssir.org/articles/entry/are\\_nonprofits\\_getting\\_in\\_the\\_way\\_of\\_social\\_change](https://ssir.org/articles/entry/are_nonprofits_getting_in_the_way_of_social_change) (accessed 2/8/19)

According to the J.W. McConnell Family Foundation, business as usual isn't enough to deliver the results we need. "The nature of our times is such that the magnitude and degree of complexity of our challenges exceed the capacity of any one sector to resolve," said Stephen Huddart, McConnell's president and CEO. To support transformation of the nonprofit sector, McConnell created Innovave to help leaders of community organizations learn about, select, and implement new tools and approaches to generate greater impact and advance their missions. However, at a time when we need change more than ever, too many nonprofits are constrained by a slow-moving, institutional, and self-interested model. "One of the reasons that I left being a nonprofit executive director was that I realized that I was consistently putting the needs of my organization above the interests and the needs of the clients we were serving," said David Wertheimer, deputy director for the Pacific Northwest Initiative at the Bill & Melinda Gates Foundation.

## Pollution

**You can TURN the argument because when we promote market-rate housing and increase density, vehicle miles traveled reduces substantially. The California Department of Housing explains that for every doubling in density, vehicle miles travelled are reduced by 30%.**

California Department of Housing & Community Development, N.d. California Planning Roundtable Report "Myths and Facts About Affordable & High-Density Housing" <https://www.lsgatosca.gov/DocumentCenter/View/2716/Myths--Facts-about-Afford--Hi-Density-Housing> Accessed 2.24.19 CB19 In many high-density neighborhoods, and in most neighborhoods with a mix of housing types, traffic isn't a big problem. Fewer auto trips occur in higher-density areas. In a neighborhood of 15 homes to the acre, one-third fewer auto trips occur, compared to a standard suburban tract. A 1990 survey by the Sierra Club's Transportation Committee found that for every doubling of neighborhood density, vehicle miles traveled are reduced by 20 to 30 percent. Car ownership rates are less in higher density areas. According to recent American Housing Survey data, multifamily developments have lower car ownership rates than single-family home tracts.

## Property Values

We have TWO responses.

First, you can DELINK because the **California Department of Housing** points out that no study has ever shown a clear link between affordable housing developments and property values.

Second, you can TURN it because higher-density development has a positive impact on property values. **Richard Haughey** explains in 2005 that property values surrounding apartments and condos went up by 2.9% a year, compared to the 2.7% rate for homes without high-density housing nearby.

California Department of Housing & Community Development, N.d. California Planning Roundtable Report "Myths and Facts About Affordable & High-Density Housing" <https://www.lsgatosca.gov/DocumentCenter/View/2716/Myths-Facts-about-Afford-Hi-Density-Housing> Accessed 2.24.19 CB19 Fact #5 No study in California has ever shown that affordable housing developments reduce property values.<sup>7</sup> Many studies have been done. The truth is the single most significant factor affecting property values is the preexisting value of the land in a given community or area. This is true based on supply and demand, proximity to major urban centers, nearby attractions (beachfront property, panoramic views), any negative factors such as environmental contaminants, and availability of adequate infrastructure and services. Architectural standards and adequate maintenance also strongly influence property values, particularly as they apply to affordable rental properties. Properly maintained affordable housing developments, designed and built with sensitivity to the architectural and aesthetic standards desired by the community, may even increase property values.<sup>8</sup>

Richard M. Haughey, 2005. Urban Land Institute. "Higher-Density Development: Myth and Fact" [https://uli.org/wp-content/uploads/ULI-Documents/HigherDensity\\_MythFact.ashx.pdf](https://uli.org/wp-content/uploads/ULI-Documents/HigherDensity_MythFact.ashx.pdf) Accessed 2.24.19 CB19 The precise value of real estate is determined by many factors, and isolating the impact of one factor can be difficult. Although location and school district are the two most obvious determining factors of value, location within a community and size and condition of the house also affect value. Several studies have examined whether multifamily housing has any impact on the value of nearby single-family detached houses. These studies have shown either no impact or even a slightly positive impact on appreciation rates. For instance, one study by the National Association of Home Builders looked at data from the American Housing Survey, which is conducted every two years by the U.S. Census Bureau and the Department of Housing and Urban Development. It found that between 1997 and 1999, the value of single-family houses within 300 feet of an apartment or condominium building went up 2.9 percent a year, slightly higher than the 2.7 percent rate for single-family homes without multifamily properties nearby.<sup>18</sup> Another study, commissioned by the Family Housing Fund in Minnesota, studied affordable apartments in 12 Twin Cities neighborhoods and found "little or no evidence to support the claim that tax-credit family rental developments in [the] study eroded surrounding home values."<sup>19</sup> And a long-term study by Harvard University's Joint Center for Housing Studies published in 2003 also confirms that apartments pose no threat to nearby single-family house values, based on U.S. Census data from 1970 to 2000.<sup>20</sup> Not only is there compelling evidence that increased density does not hurt property values of nearby neighbors: researchers at Virginia Tech University have concluded that over the long run, well-placed market-rate apartments with attractive design and landscaping actually increases the overall value of detached houses nearby.<sup>21</sup> They cite three possible reasons. First, the new apartments could themselves be an indicator that an area's economy is vibrant and growing. Second, multifamily housing may increase the pool of potential future homebuyers, creating more possible buyers for existing owners when they decide to sell their houses. Third, new multifamily housing, particularly as part of mixed-use development, often makes an area more attractive than nearby communities that have fewer housing and retail choices.<sup>22</sup>

## Public Housing Good – GENERIC

We have BLANK responses

First, DROP THIS ARGUMENT because the two aren't mutually exclusive. Developing market-rate housing doesn't mean that all rental assistance programs will cease to exist – There's plenty of alternatives available in the world of the AFF, but voting NEG means you lose all the benefits of market-rate development.

Second, you can TURN the argument because the detriments of public housing outweigh the benefits. **Sharon Merkin**, writing for the Annals of Epidemiology in 2009, explains that living in low-income public housing was associated with greater biological risk factors, ie, disease. These factors were especially prominent among minority communities.

Third, you can DELINK it because it simply isn't feasible to produce public housing at a rate fast enough to solve the housing crisis. **Scott Wiener** explains in 2017 that even with mass public housing programs, California's urban areas still see over 1.5 million people without access.

Sharon Stein Merkin PhD, et al., Ricardo Basurto-Dávila PhD, Arun Karlamangla PhD, MD, Chloe E. Bird PhD, Nicole Lurie MD, Jose Escarce MD, PhD, Teresa Seeman PhD. March 2009. Annals of Epidemiology, Vol 19, Iss 13, pgs 194-201. "Neighborhoods and Cumulative Biological Risk Profiles by Race/Ethnicity in a National Sample of U.S. Adults: NHANES III" <https://www.sciencedirect.com/science/article/pii/S1047279708003657> Purpose To examine race/ethnic-specific patterns of association between neighborhood socioeconomic status (NSES) and a cumulative biological risk index in a nationally representative population. Methods The study sample included 13,199 white, black, and Mexican-American men and women, ages 20 and older, who attended the National Health and Examination Survey examination (1988–1994). Neighborhoods were defined as census tracts and linked to U.S. Census measures from 1990 and 2000, interpolated to the survey year; the NSES score included measures of income, education, poverty, and unemployment and was categorized into quintiles, with the highest indicating greater NSES. A summary biological risk score, allostatic load (AL; range 0–9), was created from 9 biological indicators of elevated risk: serum levels of C-reactive protein, albumin, glycated hemoglobin, total and high-density lipoprotein cholesterol, waist-to-hip ratio, systolic and diastolic blood pressure, and resting heart rate. Regression models stratified by race/ethnicity examined AL as a continuous and dichotomous (≥3 vs. <3) outcome. Results We found strong inverse associations between NSES and AL for black subjects, after adjusting for age, sex, U.S. birth, urban location, and individual SES. These associations were weaker and less consistent for Mexican Americans and whites. Conclusions Our results indicate that living in low NSES (neighborhood socioeconomic status) neighborhoods is most strongly associated with greater cumulative biological risk profiles in the black U.S. population.

CA State Senator Scott Wiener, Apr 16 2017. Art Plus Marketing. "Market-Rate Housing Isn't a Bad Word, and We Won't Solve the Housing Crisis Without It" <https://artplusemarketing.com/market-rate-housing-isnt-a-bad-word-and-we-won-t-solve-the-housing-crisis-without-it-ce67c06aff4d>

In San Francisco, over the past 10 years, we have produced 2136 subsidized income-based units for very low income people, 1017 units for low income people, and 1544 units for moderate income people. Putting that in context, San Francisco's population has grown by about 65,000 in the past decade and by 200,000 since 1980. So, while San Francisco is a leader among cities in building affordable housing, even our comparatively robust production numbers don't match up with either our need or our growth. For example, a few years ago, when 18 affordable income-based units came online in the Castro, nearly 2,600 people entered the lottery to win one.

Statewide, California has only 664,000 affordable, income-based rental homes for a population of about 40 million, leaving more than 1.54 million of California's lowest income households without access to affordable housing. Putting that in context, California has grown by 3.1 million people in the past decade and 16 million people since 1980.

These numbers don't add up, in terms of relying exclusively — or even dominantly — on subsidized income-based housing as our primary approach to solving the housing crisis even for our low income, very low income, and extremely low income residents:

## Public Housing Trade-Off

We have THREE responses

First, there's no reason we can't do both. None of their evidence says that building new market-rate housing will necessarily trade off with existing programs to put people in housing that already exists.

Second, you can NON-UNIQUE it because there's market rate housing now and their impacts haven't happened.

Third, recognize that subsidized and public housing can't solve the housing crisis without market-rate housing. California State Senator **Scott Wiener** writes in 2017 that absent a housing program to rival the Marshall Plan, we do not have the resources we need to shift to a dominant, public-subsidy based approach.

Scott Wiener, Democratic State Senator from California, "Market-Rate Housing Isn't a Bad Word, and We Won't Solve the Housing Crisis Without It" Apr. 16, 2017, <https://artplusmarketing.com/market-rate-housing-isnt-a-bad-word-and-we-won-t-solve-the-housing-crisis-without-it-ce67c06aff4d> Market-Rate Housing Isn't a Bad Word, and We Won't Solve the Housing Crisis without it.

On a pretty regular basis, someone makes the following statement to me: "We have a housing crisis and we definitely need more housing. But it has to be affordable housing." Some people will also add on something about how letting developers build housing is a "giveaway" to them, as if no one will live in those housing units. These attitudes breed skepticism — and even hostility — in political leaders and advocacy organizations toward market-rate housing, and drive support for housing policy that focuses either exclusively or largely on publicly subsidized, income-based affordable housing. The problem is that as much as I and others support and work to expand subsidized, income-based affordable housing, we will never — and I truly mean never — produce enough of that housing to satisfy all, or even most, of our housing needs. These subsidized units clearly play a critical role, particularly for our lowest income residents, and we need many more of them. But, absent a housing Marshall Plan by the federal government (not gonna happen in our lifetime), we simply do not and will not have the massive resources we would need to shift to a dominant public-subsidy-based housing approach.

## **Rent Controls Good – COMMUNITY BENEFITS**

DELINK them as **Misra 18** explains that rent controls are not feasibly implemented. She warrants that from the new housing being built this leads to natural loopholes from landlords not charging within the rent control in new complexes.

## Reservations

Even if you buy the argument that reservations need housing assistance, you can't vote on it because historically speaking, money given to tribes for housing is used for other purposes. **Julian Brave NoiseCat** writes in 2018 that the Navajo Housing Authority was given 1.6 billion in funding by the federal government, but produced only 1,000 units. A federal investigation into the matter is ongoing due to alleged mismanagement.

Julian Brave NoiseCat, Feb 5 2018. High Country News. "A tale of two housing crises, rural and urban" <https://www.hcn.org/issues/50.2/tribal-affairs-a-tale-of-two-housing-crises-rural-and-urban> Accessed 2.24.19 CB19 The Navajo Nation, however, is not one of these success stories. The tribe urgently needs to build or repair as many as 50,000 homes to shelter its 175,000 on-reservation members. According to a multi-part investigation by the Arizona Republic, Navajo households continue to suffer from poor quality or inadequate housing, while the Navajo Housing Authority (NHA) does little. The Housing Authority has received \$1.66 billion in federal funding since 1998, but built just 1,110 units. None at all were built between 2008 and 2011. The Republic's series prompted Sen. John McCain, R-Ariz., to launch his own investigation into alleged NHA mismanagement. (The housing authority's CEO, Aneva Yazzie, resigned pursuant to the investigations and did not respond to requests for an interview. Meanwhile, the NHA board released a statement disputing some of the investigations' most egregious findings, while acknowledging blunders and committing to transparency and accountability in the future.)

## State Governments

**When it comes to housing, state-level policies just don't work. Teresa Wilitiz explains in 2018 that state-level housing policies take a one-size-fits-all approach that doesn't work for communities.**

Teresa Wilitz, journalist, October 16, 2018, "Once Seen as a Local Issue, Affordable Housing Is Becoming a State Focus," *Governing*, <http://www.governing.com/topics/urban/sj-affordable-housing-state-legislation.html> (accessed 2/8/19)

State-mandated housing policy tends to take a one-size-fits-all approach that doesn't work for local communities, said Geoff Beckwith, executive director and CEO of the Massachusetts Municipal Association, an advocacy group representing cities and towns in the state. Beckwith isn't opposed to state legislation on zoning, but it's far better, he said, when state lawmakers collaborate with local governments to find a solution. "With zoning, one size misfits all," he said. For example, in the eastern part of Massachusetts, affordable housing is at crisis levels — even for the middle class, necessitating zoning changes to build more units. But in the more rural and suburban western Massachusetts, where finding housing isn't so fraught, strict zoning laws wouldn't make any sense, he said.

## Subsidies

We have TWO responses

First, you can CROSS APPLY our Contention 1 where we're telling you a couple things. We first say that governments misallocate resources, resulting in shortages (That's the **Hendrickson** card). **Feldman** tells you those shortages are massive, 50,000 units short. We give you two impacts to this misuse – Inequality that support the elites over the common man, and billions in lost opportunity costs.

Second, you can TURN the argument because historically speaking, subsidies have failed across a wide range of industries. The energy industry saw massive subsidies to promote clean energy, but **Christopher Schuetze** explains that unfair distribution hurt the industry overall. **Randal O'Toole** expands, writing that subsidies for public transportation utterly failed in their goal of lowering carbon emissions, and the **WWF** explains in 2014 that subsidies of the fishing industry led to overfishing, exploitation, and the collapse of entire species.

Ron Feldman & Mark Wright [both, Vice Presidents, Federal Reserve Bank of Minneapolis], STATES NEWS SERVICE, October 18, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP.

Arithmetic alone shows that increasing private market supply is critical to reducing the cost of housing. In 2006, the Metropolitan Council estimated that the Twin Cities would need to provide an additional 51,000 homes affordable to low-income households during the 2011-20 period. Government subsidies to builders have yielded only about 7,000 such affordable homes so far during that time frame. Even if governments had subsidized builders at quadruple that rate, we would still be 23,000 units short of what is needed by 2020. The record over a long period of time suggests that state and city budgets will not fund future building subsidies of a magnitude that would produce the needed units.

Ron Feldman & Mark Wright [both, Vice Presidents, Federal Reserve Bank of Minneapolis], STATES NEWS SERVICE, October 18, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP.

What about giving housing subsidies to households instead? Sounds appealing. But housing subsidies increase the demand for housing, so unless total supply also increases, prices will just go up. Current landlords and homeowners will get richer, but low-income families will have even fewer options.

Schuetze(Journalist)AUGUST 24, 2012(Christopher, "Solar Panel Trade War Highlights Subsidies", [http://rendezvous.blogs.nytimes.com/2012/08/24/solar-panel-trade-war-highlights-subsidies/?\\_php=true&\\_type=blogs&\\_r=0](http://rendezvous.blogs.nytimes.com/2012/08/24/solar-panel-trade-war-highlights-subsidies/?_php=true&_type=blogs&_r=0)) The company blamed poor revenues on a drop in prices brought about by price dumping by Chinese solar companies. Unsurprisingly, SolarWorld is a major supporter of EU ProSun's petition to investigate Chinese dumping. Before its woes, which started much before the latest earnings report, SolarWorld was the star of the European green industry. It showed investors that the green sector could be profitable, even as it benefited from generous state subsidies. If industry players are to be believed, much of the recent bad news in the global solar panel sector is due to unfair state subsidies, which in many cases were especially popular because of the sustainable nature of this clean new industry.

O'Toole, '09 (Randal O'Toole Senior Fellow Cato Institute, Washington DC before the Subcommittee on Housing, Transportation and Community Development Committee on Banking, United States Senate) <http://www.cato.org/testimony/ct-ro-20090707.html>

On Transit and Climate July 7, 2009 Urban transit is important for those who lack access to automobiles. But the history of the last four decades shows that transit cannot and will not play a significant role in saving energy or preventing climate change. Forty years ago, American cities were choked with air pollution, so Congress passed the Clean Air Act of 1970 and created the Environmental Protection Agency (EPA) to administer the law. The EPA adopted two strategies to reduce pollution. First, it required automakers to make cars that polluted less. Second, it also encouraged cities to promote transit and adopt other policies aimed at getting people to drive less. Today, we know what worked and what did not. Automotive air pollution has declined by at least two-thirds since 1970. This entire decline was due to technological changes in automobiles. Far from responding to transit investments by reducing driving and taking transit more, Americans today drive far more than they did in 1970. As the late University of California (Irvine) economist Charles Lave demonstrated in the October, 1979 *Atlantic Monthly*, investing in transit fails to save energy or reduce air pollution for two reasons: First, spending more money on transit does not significantly reduce driving. Second, transit uses just about as much energy as cars, so even if we could persuade people to take transit it would not save energy (see <http://www.theatlantic.com/doc/197910/197910>). Dr. Lave's arguments are as valid today as they were in 1979, and as valid for greenhouse gas emissions as for energy and other pollutants. The difference between 1979 and today is that today we have much more evidence to back up Dr. Lave's points. Transit Investments Do Not Significantly Increase Transit Ridership Transit subsidies have historically had only a trivial effect on ridership. Between 1987 and 2007, annual subsidies in real dollars grew by 68 percent. Yet annual ridership grew by only 18 percent. While capital subsidies increased by 1240 percent since 1970, yet ridership grew by only 45 percent. More importantly, despite total real subsidies of well over three-quarters of a trillion dollars since 1970, per-capita transit ridership and passenger miles actually declined. Figure one (on page 8) shows that per-capita transit travel declined more-or-less steadily from 1970 through 1995. Although per-capita transit usage has grown a little since 1995, it remains below 1988, and far below 1970, levels. Moreover, as figure two shows, while per-capita transit travel was declining, per-capita urban driving grew by 120 percent. Transit carried more than 4 percent of urban travel in 1970, but it fell below 2 percent in 1990 and now stands at 1.6 percent. Why former hometown of Portland, Oregon has invested more than \$2 billion in light rail and streetcars. Yet this has had almost no effect on Portland travel habits. In 1980, before Portland built its first light-rail line, the census found 9.8 percent of Portland urbanized area commuters took transit to work. Today, Portland has four light-rail routes and a streetcar line, yet the Census Bureau's American Community Survey says only 6.5 percent of Portland commuters take transit to work. The number of Portland-area residents taking transit to work actually declined between 2000 and 2007. These census numbers are confirmed by a 100-percent census of downtown employers conducted by the Portland Business Alliance in 2001 through 2007. More than two-thirds of all Portland-area transit commuters work in downtown Portland, but this census found that 7 percent fewer downtown workers took transit to work in 2007 than in 2001.

WWF '14 "Our oceans are being plundered" from "Unsustainable fishing" WWF, 2014. Access: 6/28/14 [http://wwf.panda.org/about\\_our\\_earth/blue\\_planet/problems/problems\\_fishing//ck](http://wwf.panda.org/about_our_earth/blue_planet/problems/problems_fishing//ck) Massive overfishing The global fishing fleet is 2-3 times larger than what the oceans can sustainably support. In other words, people are taking far more fish out of the ocean than can be replaced by those remaining. As a result, 53% of the world's fisheries are fully exploited, and 32% are overexploited, depleted, or recovering from depletion. Most of the top ten marine fisheries, accounting for about 30% of all capture fisheries production, are fully exploited or overexploited! Several important commercial fish populations have declined to the point where their survival is threatened. Unless the current situation improves, stocks of all species currently fished for food are predicted to collapse by 2048! Needless slaughter it's not just the fish we eat that are affected. Each year, billions of unwanted fish and other animals - like dolphins, marine turtles, seabirds, sharks, and corals - die due to inefficient, illegal, and destructive fishing practices. Why is this happening? Overfishing is largely due to: Poor fisheries management Pirate fishers that don't respect fishing laws or agreements Massive bycatch of juvenile fish and other marine species Subsidies that keep too many boats on the water Unfair Fisheries Partnership Agreements that allow foreign fleets to overfish in the waters of developing countries Destructive fishing practices

## Tech Homes Good

We have TWO responses.

First, **DROP THE ARGUMENT** because tech-driven homes are still going to be market-rate. They don't give you any clear evidence that they'll be anything but market-rate, so hold them accountable and don't vote on it until they do.

Second, **MITIGATE THE IMPACT** because these homes are still going to face the same issues that normal homes do, arguably to a greater extent. **Emily Badger** writes in 2019 that industry officials are skeptical that increased tech can change affordability because most costs come from needless bureaucracy as opposed to construction.

# Trump Deregulation

While it's true that deregulation has been a stated priority of the Trump administration, **Brookings 18** notes that deregulation has not taken the form of targeted deregulation of the housing industry, rather, it has taken three forms: **Reducing restrictions on conduct, removing outdated and unnecessary rules, and eliminating specific policies described as "job-killing"**.

<https://www.brookings.edu/research/what-does-deregulation-actually-mean-in-the-trump-era/>

**REDUCING RESTRICTIONS ON CONDUCT** Perhaps the most widely shared conception of deregulation is reducing the degree to which legal requirements command or constrain conduct of regulated entities. Perhaps the most widely shared conception of deregulation is reducing the degree to which legal requirements command or constrain conduct of regulated entities.<sup>[2]</sup> This conception often stems from the view that the government has exercised too much power and control over the behavior of private citizens, companies, non-profits, state and local governments, and other types of regulated entities. In practice, this notion of deregulation generally means reducing the stringency or the scope of federal rules. Reducing stringency entails maintaining a regulatory requirement but requiring less effort or cost to satisfy that requirement. For instance, the EPA could increase the cap on the amount of a pollutant that may be legally emitted or the Federal Reserve Board could reduce the amount of capital that banks are required to hold. Reducing stringency generally accepts the basic policy goal espoused in the original rule but argues that existing regulation went too far in pursuing that goal. Reducing scope may entail eliminating a regulation altogether or reducing the set of entities or conduct to which it applies. Eliminating a regulation altogether is likely to attract attention and opposition <sup>55</sup>, at least for rules that still serve a constituency. While deregulatory efforts that eliminate rules altogether attract much of the attention, those reducing the set of entities or conduct to which a rule applies may be more common. To take the examples above, the EPA may exempt small businesses from the pollution cap and the Federal Reserve may eliminate capital requirements for banks that do not engage in risky trading. This approach may attract less attention and opposition while still achieving much of the underlying deregulatory goal. But, as with reducing stringency, it accepts the basic regulatory goal while claiming that the prior rule went too far. Proponents of these conceptions of deregulation often define success in terms of reducing the measurable quantity of regulation. This impulse may have partially motivated the Trump Administration's "one in, two out" rule noted above. Common quantity measures of regulation in this vein include: 1) counting the number or reducing the number of rules (or perhaps high impact rules) repealed (as in the Trump executive order described above); 2) reducing the number of rules listed in the Unified Regulatory Agenda<sup>[3]</sup>; 3) reducing the number of words in the Code of Federal Regulations. The Trump administration has drawn upon these measures in arguing that recent growth in regulation necessitates deregulation. However, the Administration has not allowed these measures to be used to determine cost savings, instead requiring use of economic measures. This decision is likely motivated by the fact that these measures are blunt and do not account for the content of the regulation being repealed.<sup>[4]</sup>

**REMOVING OUTDATED, INCONSISTENT, OR OTHERWISE UNNECESSARY RULES** This next conception of deregulation seeks to maintain the same level of regulatory scope and stringency while making the rules more efficient and streamlined. The goal is making the regulatory process less costly while achieving the same underlying policy goal. On the surface, this conception of deregulation is the least controversial and the most difficult to oppose. This approach is embodied in some statutes requiring agencies to periodically reassess their rules. It was also the key impetus behind the Obama administration's executive order requiring agencies to review their rules. Cass Sunstein, who led the Obama effort, has frequently argued <sup>555</sup> that agencies can update and streamline rules to achieve their policy goals more efficiently. Even the Consumer Financial Protection Bureau, generally not known as a proponent of deregulation, has asked for suggestions on "updating, modifying, or eliminating rules because they are outdated, unduly burdensome, or unnecessary." One of the Trump executive orders gestures toward this conception of deregulation, urging agencies to eliminate rules that "are outdated, unnecessary, or ineffective." Time will tell whether the Administration focuses on deregulation of this mundane sort, which usually attracts little attention. Obama administration efforts in this vein produced relatively modest benefits, and in general such efforts may yield diminishing returns over time, particularly given that almost every administration since the 1970's has launched a similar initiative. Trump officials likely recognize this fact and are therefore likely to devote relatively little effort to this variant of deregulation.

**ELIMINATING SPECIFIC DISFAVORED REGULATORY IMPACTS** Another conception of deregulation is really a variant of either of the two approaches outlined above but with a focus on eliminating particular costs of federal rules. Issues wax and wane in importance but some costs tend to remain salient throughout the years, especially job losses, delays, and compliance costs. This conception of deregulation offers an overarching substantive emphasis rather than particular action items, as is the case with the two approaches outlined above. This conception may resonate the most with the public but not with insiders. Regulation has long been criticized as being "job-killing." Such critiques seem to especially resonate in the current debate over employment prospects for the working class. Perhaps for this reason, President Trump's Executive Order requires agencies to establish regulatory reform task forces that (among other things) "attempt to identify regulations that eliminate jobs, or inhibit job creation." The President has also frequently promised <sup>55</sup> to eliminate "job-killing regulations." While substantial empirical debate continues over whether regulation truly kills jobs, the issue is clearly at the forefront of at least the Trump administration's rhetoric regarding deregulation.

## Urban Sprawl

We have TWO responses

First, understand that urban sprawl is identified by suburban growth outside of cities – Promoting development in urban areas leads to the densification of cities, the exact opposite of what urban sprawl.

Second, there's an ALT CAUSE. Urban sprawl is caused by a lack of affordable housing in city limits – We've already shown that market-rate development lowers prices, so by focusing development in urban areas we solve.

## USFG Not Necessary

We have THREE responses

First, even if that's true, the government can help promote market-rate housing development even if it's not necessary. They don't say the private market can solve alone, and clearly, it isn't.

Second, the resolution doesn't say how the government should promote market rate housing. It can do so by regulation or deregulation; the resolitional question is just one about whether we should be promoting market-rate housing or not.

Third, there are many regulations the government could target to help promote market rate housing. Democratic State Senator **Scott Wiener** explains in 2017 that exclusionary zoning policies that reject height, density, and multi-unit buildings are commonplace in urban areas, and that unreasonably complicated approval processes can take multiple years, increase costs, and make projects smaller.

Scott Wiener, Democratic State Senator from California, "Market-Rate Housing Isn't a Bad Word, and We Won't Solve the Housing Crisis Without It" Apr. 16, 2017, <https://artplusemarketing.com/market-rate-housing-isnt-a-bad-word-and-we-won-t-solvethe-housing-crisis-without-it-ce67c06aff4d> Our anemic housing production as a state has two main origins: 1) stifling, exclusionary zoning that rejects height, density, and multi-unit buildings, 2) unreasonable housing approval processes that subject even zoning-compliant projects to years of bureaucratic hoops and hearings that increase costs and make projects smaller. This perfect storm of shortsighted policies and lack of political leadership has completely jacked up the cost of housing

## Vacancies

You can MITIGATE THE IMPACT of this because the [Lincoln Institute for Land Policy](#) 18 finds that vacancy is much bigger problem in so-called Legacy Cities. Mallach 13 explains that these are older industrial cities like Detroit and Flint that have seen sustained population and job loss over last few decades. There's a reason these houses are vacant - they're mainly in cities that are in terminal decline and there's less and less economic opportunity meaning they're not sustainable places to live

## Zoning Reform Bad – RACIST

We have THREE responses

First, you can TURN THE ARGUMENT because zoning regulations have historically been used to keep lower-income people and racial minorities out of wealthy white neighborhoods. **Elliot Rigsby** explains that density limits make it difficult to built apartments and duplexes that would allow lower-income residents to live in areas with high quality schools and employment – Zoning regulations concentrate poverty

Second, you can TURN IT AGAIN because not only do those policies concentrate poverty, they exacerbate inequality – **The Sightline Institute** associates the lack of opportunity with a cycle of disenfranchisement and poverty.

Finally, understand that WE SOLVE BETTER – the **EPI** concludes that ridding that inequality would lift 17.4 million people out of poverty, and this is empirically proven by the Brookings Institute who explain that zoning reforms in **Minneapolis** reduced housing costs and allowed for better social mobility.

Exclusionary zoning is a long-standing legal practice by policymakers that has been used for decades to keep lower-income people—disproportionately racial minorities—out of wealthy and middle-class neighborhoods across the country. [Elliot Rigsby](#) concludes that through the use of density limits in zoning restrictions makes it difficult to build multi-family rental units that would allow lower-income residents to live in wealthy suburban developments with access to quality schools and employment. This is why she concludes that these zoning policies lead to concentrated poverty which is really bad because the neighborhoods these individuals are pushed into have limited employment opportunities, underperforming schools and high crime rates making it nearly impossible for struggling families to achieve social mobility. For this reason, [Sightline Institute](#) concludes that exclusionary zoning policies are one of the greatest causes of America's income inequality epidemic, with the poor having less employment opportunity trapping them in the cycle of poverty.<sup>3,30</sup> The impact of these policies is huge [EPI](#) concludes that if this form of income inequality was not there and wages grew at the average pace there would be 44% or 17.4 million individuals out of poverty, which reducing zoning restrictions does at the grassroots level. The pro world does this exactly as [Brookings Institute](#) explains that when Minneapolis attempted zoning reforms it reduced housing costs and built cheaper, accessible houses in desirable areas allowing for the social mobility of underrepresented minorities.

**Negative**

## Affordable Housing Good – GROWTH

### **Affordable housing specifically generates economic growth**

Deborah **Talbot** (Deborah Talbot is a journalist and researcher specializing in urban and rural economies, development, and culture..), 5-1-2018, Forbes, "Housing Is Connected To Economic Growth -- But Only The Right Housing In The Right Place", accessed February 15, 2019, <https://www.forbes.com/sites/deborahatalbot/2018/05/01/housing-connected-to-economic-growth/#3e1979861e30>

A Report by Catherine Glossop for the Centre for Cities in 2008 - Housing and Economic Development: Moving Forward Together - highlighted **three** ways flagging housing supply **impacts on economic growth** Labour markets  
**the lack of availability, inflexibility and unaffordability of housing prevents labor mobility** Infrastructure - **high demand for housing leads to a strain on infrastructure, while areas of low demand often have poor infrastructure (for example, transport), again impacting upon labor mobility.** Business - **areas of high demand and spiraling prices make wages and rent higher for business** **Poor housing options make it difficult to attract people with the right skills** The report rightly argues that housing development should be considered alongside the employment, transport and business development as a central component of economic planning.

### **Fiscal benefits from housing development - can spur future development**

Keith **Wardrip**, Laura Williams, Suzanne Hague, 1-2011, Center for Housing Policy, "The Role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development: A Review of the Literature", accessed February 15, 2019, <https://providencehousing.org/wp-content/uploads/2014/03/Housing-and-Economic-Development-Report-2011.pdf>

**Cities and states benefit financially from the development** or substantial rehabilitation **of affordable housing** Some of **the most significant sources of revenue** during the construction or rehabilitation phase **are sales taxes on building materials, corporate taxes on builders' profits, income taxes on construction workers, and fees for zoning, inspections, and the like.**

### **Improves business competitiveness – retention and demographics**

Keith **Wardrip**, Laura Williams, Suzanne Hague, 1-2011, Center for Housing Policy, "The Role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development: A Review of the Literature", accessed February 15, 2019, <https://providencehousing.org/wp-content/uploads/2014/03/Housing-and-Economic-Development-Report-2011.pdf>

In surveys, many **representatives of the business community report that a lack of affordable housing makes it more difficult to recruit and retain employees** Surveys also indicate that **the business community recognizes the importance of affordable housing** when making location decisions, **and demographic trends suggest that given the alternative** mobile **individuals will abandon areas with the highest housing costs for opportunity-rich regions with lower housing costs** In addition, to the extent that an affordable housing shortage forces workers to "drive 'til they qualify," a region may be faced with congested roads, which can reduce economic competitiveness.

### **Economic benefits spill over - in New York alone, created 329,400 jobs**

Ron **Moelis**, 3-27-2017, Huffington Post, "The Impact of Affordable Housing", accessed February 15, 2019, [https://www.huffingtonpost.com/entry/the-economic-impact-of-affordable-housing\\_us\\_58d8088ee4b0f633072b38ce](https://www.huffingtonpost.com/entry/the-economic-impact-of-affordable-housing_us_58d8088ee4b0f633072b38ce)

As a developer of affordable housing, **I see the positive impact of affordable housing and its lasting effects** on the communities within which we work; **affordable development has economic benefits that go beyond the scope of housing, particularly in**

**terms of employment** Earlier this year, the **New York State** Association for Affordable Housing (NYSFAH) **released a study on measuring the impact of affordable housing in New York** State. The report found that **the development of affordable housing has** a positive impact not just on the families who are able to live in affordable apartments, but on the local economy as well. Between 2011 and 2015, affordable housing projects **created 329,400 total jobs** **This includes positions within construction, architecture, engineering, as well as local businesses like restaurants and retail.**

## **Affordable housing generates economic benefits for local region, significant benefits to households**

Christine Neal **Westover** (Ms. Westover has extensive experience practicing law in both the public and the private sector since her graduation from the University of Kentucky College of Law in 1984. She was hired immediately after law school by the Lexington Fayette Urban County Government, a merged urban county government, where she handled a wide variety of legal matters ranging from real estate, bankruptcy, personnel matters, litigation and providing legal advice to myriad governmental divisions, boards and agencies such as the Greenspace Commission and the Police and Fire Pension Board), 2-26-2015, Lexington Fayette Urban County Government, The National Law Review, "Affordable Housing is an Economic Development Benefit", accessed February 15, 2019, <https://www.natlawreview.com/article/affordable-housing-economic-development-benefit>

**Construction of new affordable housing as well as programs that rehabilitate existing housing stock to make it affordable create a host of jobs** from architects to contractors to others employed in the construction trade. Local businesses that supply building materials and other supplies benefit from the sale of such products or services to the building contractors. **Local governments reap the benefit of increased income in the form of occupational license fees or net profits from the jobs and services being provided** Often, **affordable housing is constructed on vacant** underutilized **parcels** because they are more cost-effective to develop. **This increases the value of the property,** which in turn means increased property taxes that flow to local and state governments and local school boards. **This** new or renovated **affordable housing often increases the value of neighboring properties and can stabilize marginal neighborhoods** Affordable housing provides economic benefits to those who live in it, too. **Households that pay less from their paychecks for housing costs can afford to spend more on other items** including groceries, clothing and health care. They can also afford to save more for emergencies or for major purchases such as a car or education. This provides these households with greater economic stability because it is easier to avoid living from paycheck to paycheck. They **are less likely to face eviction** or the stress of moving from place to place because they fall short of rental or housing payments. Persons who live in affordable housing **tend to be more stable** long-term employees because they do not need to move so often and face difficulties coming to work regularly. Businesses benefit by having a stable employee population because it reduces employee turnover and related costs in training new employees. It also reduces problems associated with lack of dependability as to whether a sufficient number of employees will show up to work their shifts.

## Gentrification Bad - GENERIC

### Gentrification definition

**National Center for Environmental Health**, CDC, "CDC - Healthy Places - Health Effects of Gentrification", October 15, 2009, <https://www.cdc.gov/healthyplaces/healthtopics/gentrification.htm>

Definitions **Gentrification** is often defined as **the transformation of neighborhoods from low value to high value. This** change  
**has the potential to cause displacement** of long-time residents and businesses. Displacement happens when long-time or original neighborhood residents move from a gentrified area **because of**  
**higher rents, mortgages, and property taxes**

## Gentrification Bad – HEALTH

**Gentrification comes with major health effects**

**National Center for Environmental Health, CDC, "CDC - Healthy Places - Health Effects of Gentrification",**  
October 15, 2009, <https://www.cdc.gov/healthyplaces/healthtopics/gentrification.htm>

Where people live, work, and play has an impact on their health. Several factors create disparities in a community's health. Examples include socioeconomic status, land use/the built environment, race/ethnicity, and environmental injustice. In addition, displacement has many

**health implications that contribute to disparities among populations including the poor women children the elderly and members of racial/ethnic minority groups. These populations are at increased risk for the negative consequences of gentrification. Studies indicate that vulnerable populations typically have shorter life expectancy; higher cancer rates; more birth defects; greater infant mortality; and higher incidence of asthma, diabetes, and cardiovascular disease. In addition, increasing evidence shows that these populations have an unequal share of residential exposure to hazardous substances such as lead paint. Other health effects include limited access to or availability of the following: affordable healthy housing healthy food choices transportation choices quality schools bicycle and walking paths, exercise facilities, etc. social networks Changes can also occur in: stress levels injuries violence and crime mental health social and environmental justice**

## Gentrification Bad – RACISM

### **Gentrification and racial segregation are significant causal factors for dismantling housing rights.**

Goetz, **Edward**. "Where Have All The Towers Gone? The Dismantling Of Public Housing In U.S. Cities." *Journal of Urban Affairs*, 33:3, 267-287. November 30, 2016. Web. February 06, 2017. <<http://www.tandfonline.com/doi/full/10.1111/j.1467-9906.2011.00550.x>>.

Several important findings stand out in Table 3. First, during the 1990s, crime and **gentrification pressures are significant predictors of more aggressive dismantling of public housing systems**. In cities where crime rates were higher, more public housing units were removed from the stock. Demolition and sale of public housing units was also greater in cities where the differential between public housing rents and market rate rents were the greatest. The greater the opportunity cost to developers and to the city of allowing public housing to stand, the more likely demolition and sale of that housing was to occur. These two models, as well as several others tested and not shown, indicate that where market rents are significantly higher than public housing rents, more demolition occurs. This suggests that market pressures to redevelop are an important determinant of the aggressiveness of local housing authorities in pursuing demolition and removal. Public housing removal during the 1990s is negatively associated with median home values, suggesting that controlling for other factors more public housing was demolished in lower-valued housing markets. None of other variables analyzed are statistically associated with the removal of public housing in these cities during the nineties. The quality of management, the degree of concentrated poverty, and racial variables were not statistically associated with public housing removal. The story of public housing demolition and sale is somewhat different after 2000. Though crime remains a significant predictor, and more demolition seems to be occurring in weaker housing markets (though in this case, it is vacancy rates, rather than home values that are associated with public housing removal), gentrification pressures are only marginally significant in these models. Several other variables, however, become more prominent and are statistically associated with the dismantling of public housing. The political variables that measure union strength and progressive policy are both statistically significant and negative, meaning that where union and progressive political strength are greater, fewer public housing units are lost. Furthermore, since 2000, public housing removal is occurring at greater rates in cities in which blacks are disproportionately represented among public housing residents. The greater the disparity in racial profile between public housing and the city's population at large, the greater is the public housing demolition effort. Finally, the record of public housing removal since 2000 seems to be a continuation of the approaches used by cities during the 1990s, in that there is a positive statistical association between the percentage of the public housing stock removed in the 1990s and the removal of stock since 2000.

## Market-Rate Housing Bad – AFFORDABILITY

**Market-Rate housing remains unaffordable for low income households and counteracts displacement less effectively than subsidized housing.**

Miriam **Zuk**, K. C. (2016). Housing Production, Filtering and Displacement: Untangling the Relationships. Retrieved from Berkeley IGS: Research Brief.

[https://www.urbandisplacement.org/sites/default/files/images/udp\\_research\\_brief\\_052316.pdf](https://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf)

In other words, instead of looking at the incidence of displacement in the same decade as housing production, **we evaluate the impact of market-rate and subsidized housing built in one decade** (e.g., 1990s) **on what happens to residents in a subsequent decade** (e.g., 2000s). We find that **market-rate housing built in the 1990s significantly reduces the incidence of displacement** from 2000 to 2013 (Table 3, Model 3), confirming the findings of the LAO Report: **Yet once again subsidized housing built in the previous decade has more than double the effect of market-rate development in that decade** (Model 4). When looking at housing production in both the 1990s and 2000s (Model 5), **subsidized housing continues to play a greater role in mitigating displacement in 2010s, while market development in the 1990s becomes insignificant**. In Table 5 we show the linear modeling results of housing development on median rent and housing cost burden for low-income households, finding that **subsidized units built in the 2000s are associated with a decline in median rent and housing cost burden, whereas market-rate developments are associated with greater housing cost burden.**

**Market-Rate housing empirically drives up net costs**

Alan **Boles**, 10-3-2016, The Blue Line, "More Market-Rate Housing Means More Market-Rate Housing, Not Cheaper Housing", accessed February 11, 2019, <http://www.boulderblueline.org/2016/10/03/more-market-rate-housing-means-more-market-rate-housing-not-cheaper-housing/>

At PLAN-Boulder County's annual dinner on September, 23, 2016, San Francisco community organizer Calvin Welch presented a persuasive case that creating **more housing units in booming housing markets, such as San Francisco or Boulder, does not lead to lower housing prices**. It just leads to more, high-priced housing. Welch was a founder of the Coalition for San Francisco Neighborhoods and the Council of Community Housing Organizations. He teaches classes at the University of San Francisco and San Francisco State University. He has served on various San Francisco task forces and advisory committees on issues ranging from affordable housing to financing to living wages. Welch noted that "unaffordable housing" is a phenomenon that has spread across the United States in the last few years and affects almost every city with a thriving economy. He claimed that **the free market** functions effectively to control prices over the long run for most goods and services, but that it **is not able to do so for** health care services and **housing in** highly prosperous **urban areas.** Welch marshaled an array of facts and figures to support his position. He asserted that **from 1960 to 2000, San Francisco's population increased by 64,561 people, and it also added a robust 91,933 housing units** - or one such unit for every 1.4 new residents. **From 2000 to 2009, substantially more market rate dwelling units had been built in San Francisco than the city had set as its goal, while** conversely, **"affordable" housing production drastically fell behind the goal**. From 2007 to 2016, 77% of the new units produced were "market rate" (that is, affordable by people with incomes above 120% of Area Median Income, or "AMI"), **4% were for "moderate income" residents** (120% to 80% of AMI), **and 19% were for "lower income" people** (less than 80% of AMI). **Yet** from 1996 to 2015, **while the median family income of San Francisco residents increased by 60%, the median price of a single family residence increased by a whopping 398%.**

**The immense demand for affordable housing makes it a higher priority than market rate housing.**

Hogan **Lovells**, L. B., Meghan Edwards-Ford, Joanna Huang, Deepika Ravi, Lisa Strauss, Mary Anne Sullivan. (2014). Unfulfilled Promises: Affordable Housing in Metropolitan Washington. Retrieved from Washington Lawyers' Committee: For Civil Rights and Urban Affairs

Sturtevant and Chapman (2013) predict that **if every jurisdiction in the DC region is to provide enough housing for its** future **workforce** over the next two decades, **the entire** metropolitan statistical **area will need to add 548,298 housing units** between 2012 and 2032. This averages out to **27,415 housing units per year**. **That level of production has not been seen in the DC region** since 2006 (figure 4). The region needs to not only produce and maintain that

level of production moving forward but also make up for the deficit it continues to run yearly. **New York City is still hundreds of thousands of units short of meeting demand for affordable housing despite the preservation or addition of approximately 165,000 affordable housing units during the 12 years of the Bloomberg administration. In Philadelphia, where 26.9 percent of the City's 1,500,000 residents live at or below the federal poverty line, there are only 37 affordable rental units available for every 100 households classified as extremely poor.**

## Market-Rate Housing Bad – COLLAPSE

**Housing market crash causes economic decline --- no checks.**

**Roe 17** (Mark Roe, professor at Harvard Law School, 3-15-2017, "If the housing bubble bursts, is the US ready? ", World Economic Forum, <https://www.weforum.org/agenda/2017/03/if-the-housing-bubble-bursts-is-the-us-ready>, accessed 7-11-2018) ml

**The 2008 financial crisis exposed a serious weakness in the global financial system's architecture: an overnight market for mortgage-backed securities that could not handle the implosion of a housing bubble. Some nine years later, that weakness has not been addressed adequately.** When the crisis erupted, companies and investors in the United States were lending their extra cash overnight to banks and other financial firms, which then had to repay the loans, plus interest, the following morning. Because bank deposit insurance covered only up to \$100,000, those with millions to store often preferred the overnight market, using ultra-safe long-term US Treasury obligations as collateral. (chart omitted) But overnight lenders could command even higher interest rates if they took as collateral a less-safe mortgage pool, so many did just that. Soon **America's red-hot housing market was operating as a multi-trillion dollar money market**. It soon became clear, however, that **the asset pools underpinning these transactions were often unstable, because they comprised increasingly low-quality mortgages. By 2009, companies were in a panic. They balked at the idea of parking their cash overnight, with mortgage pools as collateral. This left the financial system frozen. Lending dried up, fear intensified, and the economy plunged into recession.** That experience has prompted efforts to make the financial system safer. One key objective is to ensure that mortgage-pool lenders will be repaid, thereby discouraging them from running off at the first sign of trouble. It seems likely that this objective can be achieved if one or two banks fail. But if an economy-wide financial event triggers the simultaneous collapse of multiple financial firms, all bets are off. This is bad news. After all, the housing market overheats every decade or two. If the system is stable enough, it can cool off without catastrophe. **Now, however, the trillion-dollar overnight repo market in housing mortgages is so large that, when the housing market retreats, financial stability could be threatened. Existing reforms do not adequately mitigate this risk, largely because they depend on the authorities and the banks to complete a complex and untested repayment process within 48 hours of a bank's collapse. This would be extremely difficult to achieve** if multiple banks failed simultaneously. In the face of a housing crisis, it is plausible that **lenders would again panic, deciding that they cannot depend on untested processes to stabilize the banks and withdrawing their overnight loans. Banks, stripped of cash, would then cut lending** as they did in 2008 and 2009, **plunging into a recession**, yet again. The grim irony here is that, prior to such a shock, preparing for restructuring encourages lenders to provide more overnight loans. This expands the overnight market, makes mortgage lending easier, and increases the costs of collapse. **This is not mere speculation** Most observers of the mortgage market believe that its growth accelerated in 2005, after Congress exempted mortgage bonds from most bankruptcy procedures – a move that would eliminate waiting time for repayment. That change convinced mortgage lenders that their activities were ultra-safe: they no longer even had to worry about the quality of the borrower. **When crisis struck, that confidence quickly faded, and investors fled.**

**Housing Market will collapse the economy**

**Roe 3/15/17** (Mark, Professor at Harvard Law, "If the housing bubble bursts, is the US ready?", <https://www.weforum.org/agenda/2017/03/if-the-housing-bubble-bursts-is-the-us-ready>)

But overnight **lenders could command even higher interest rates if they took as collateral a less-safe mortgage pool**, so many did just that. Soon, America's red-hot housing market was operating as a multi-trillion dollar money market. **It soon became clear, however, that the asset pools underpinning these transactions were often unstable, because they comprised increasingly low-quality mortgages** By 2009, companies were in a panic. They balked at the idea of parking their cash overnight, with mortgage pools as collateral. This left the financial system, which had come to depend on that cash, frozen. **Lending dried up, fear intensified, and the economy plunged into recession.** That experience has prompted efforts to make the financial system safer. One key objective is to ensure that mortgage-pool lenders will be repaid, thereby discouraging them from running off at the first sign of trouble. **It seems likely that this objective can be achieved if one or two banks fail. But if an economy-wide financial event triggers the simultaneous collapse of multiple financial firms, all bets are off.** This is bad news. After all, **the housing market overheats every decade or two.** If the system is stable enough, it can cool off without catastrophe. Now, however, **the trillion-dollar overnight repo market in housing mortgages is so large that, when the housing market retreats, financial stability could be threatened. Existing reforms do not adequately mitigate this risk** largely because they depend on the authorities and the banks to complete a complex and untested repayment process within 48 hours of a bank's collapse. **This would be extremely difficult to achieve if multiple banks failed simultaneously.** In the face of a housing crisis, it is plausible that **lenders would again panic, deciding that they cannot depend on untested processes to stabilize the banks and withdrawing their overnight loans. Banks, stripped of cash, would then cut lending** as they did in 2008 and 2009, plunging into a recession yet again. The grim irony here is that, prior to such a shock, preparing for restructuring encourages lenders to provide more overnight loans. **This expands the overnight market, makes**

**mortgage lending easier, and increases the costs of collapse.** This is not mere speculation. **Most observers of the mortgage market believe that its growth accelerated in 2005** after Congress exempted mortgage bonds from most bankruptcy procedures – a move that would eliminate waiting time for repayment. That change convinced mortgage lenders that their activities were ultra-safe: they no longer even had to worry about the quality of the borrower. When crisis struck, that confidence quickly faded, and investors fled. I recently compared this situation to that of a hurricane zone like the Florida Keys. A tougher building code means that, in the event of a flood, buildings are more likely to stand. But that (and other hurricane planning) also draws more residents. If a hurricane hits, those residents may still panic – especially if buildings prove less reliable than anticipated. If more residents flee simultaneously, the escape route could quickly become congested, putting everyone in danger.

# Market-Rate Housing Bad- COST

## Market-Rate Housing doesn't lead to cheaper housing

Alan **Boles**, The Blue Line, "More Market-Rate Housing Means More Market-Rate Housing, Not Cheaper Housing | The Blue Line", February 6, 2019, <http://www.boulderblueline.org/2016/10/03/more-market-rate-housing-means-more-market-rate-housing-not-cheaper-housing/> //THS

At PLAN-Boulder County's annual dinner on September, 23, 2016, San Francisco community organizer Calvin Welch presented a persuasive case that **creating more housing units** in booming housing markets, such as San Francisco and Boulder, **does not lead to lower housing prices**. It just leads to more, high-priced housing. Calvin Welch speaking at the PLAN-Boulder forum Calvin Welch speaking at the PLAN-Boulder forum Welch was a founder of the Coalition for San Francisco Neighborhoods and the Council of Community Housing Organizations. He teaches classes at the University of San Francisco and San Francisco State University. He has served on various San Francisco task forces and advisory committees on issues ranging from affordable housing to financing to living wages. Welch noted that **unaffordable housing** is a phenomenon that **has spread across the United States in the last few years and affects almost every city with a thriving economy**. He claimed that the free market functions effectively to control prices over the long run for most goods and services, but that it is not able to do so for health care services and housing in highly prosperous urban areas. Welch marshaled an array of facts and figures to support his position. He asserted that **from 1960 to 2000 San Francisco's** population increased by 64,561 people, and it also **added a robust 91,933 housing units**—**one such unit for every 1.4 new residents** **From 2000 to 2009 substantially more market rate dwelling units had been built in San Francisco than the city had set as its goal, while, conversely, "affordable" housing production drastically fell behind the goal**. From 2007 to 2016, **77% of the new units produced were "market rate"** (that is, affordable by people with incomes above 120% of Area Median Income, or "AMI"), **4% were for "moderate income"** residents (120% to 80% of AMI), **and 19% were for "lower income" people** (less than 80% of AMI). **Yet** from 1996 to 2015, **while the median family income** of San Francisco residents **increased by 60%, the median price of a single family residence increased by a whopping 398%**. He shared a graph showing that from 1997-2013 **the more** condominium **units that were built** in San Francisco, **the higher their average price rose**, and that, inversely, the fewer such units were built, the lower their average price dropped. Welch asserted that from 2011 to 2013, 113,000 low or very low income residents moved away from San Francisco.

## Non-Market-Rate housing is key to fixing unaffordability

Patrick **Condon** (James Taylor chair in Landscape and Livable Environments at the University of British Columbia's School of Architecture and Landscape Architecture.), The Tyee, "Fixing Unaffordability Means Embracing Non-Market Housing | The Tyee", 5 June 2018, <https://thetyee.ca/Solutions/2018/06/05/Fixing-Unaffordability-Means-Embracing-Non-Market-Housing/> //THS

Taxing land makes sense, but how can this solve Vancouver's housing crisis? Given the apparently inexorable increase in the asset value of land (as detailed in part one of this series), secure and decent housing seems impossibly out of reach, especially for Vancouver's working millennials. **It's time to revive a type of housing we've all but abandoned: non-market housing**. Non-market housing is not the same as social housing or public housing. Non-market housing is any housing protected from market forces, thus offering affordable rents or ownership in perpetuity. **Housing co-ops, land trusts and nonprofit housing corporations are all variants of non-market housing**.

But sadly, we no longer supply much in the way of non-market housing. Why? It's partly because "public housing" — particularly the kind built in the U.S. — gave it a bad name. Destruction in the name of urban renewal Urban designers, architects, politicians and community activists have been highly critical of non-market housing for at least five decades. In the U.S., public housing was virtually non-existent before the Second World War. Very poor immigrants flooded into American urban areas and found lodging wherever they could, mostly in crowded and dilapidated urban districts, forming slums. Slums were originally called tenement districts for their many walk-up apartment buildings. These were attractive areas when they were built, but over time became the housing of last resort for the poor. After the Second World War, public officials collectively decided that these decaying urban districts were beyond saving. For the first time, laws were passed that allowed public agencies to purchase "derelict" buildings at "fair market value" without consulting owners. If owners argued, the courts would adjudicate their claims and, as records show, would largely side with government. Owners, often derided as "slum lords," had few defenders, so political opposition to "slum clearance" was weak. Thousands of individual buildings were bulldozed during this era of "urban renewal," along with the tight interconnected street networks which served them. In their place came widely spaced tower blocks in the Radiant City model. Streets were minimized to make way for pedestrianized green spaces, inspired by Le Corbusier's illustrations. The results were disastrous. Most U.S. urban renewal public housing districts became dangerous zones that all avoided, all but those who had no other housing option. Why? Jane Jacobs, author of The Death and Life of Great American Cities, had the answer. She deftly described how traditional city streets worked and why eliminating them and the buildings attached to them was such a bad idea. She used the Greenwich Village district of Manhattan as her alternative case study to prove her points. The district was very similar to those bulldozed by the champions of urban renewal. In short, Jacobs taught us to hate public housing. But it wasn't public housing that was bad; it was the way it was done, from urban design to social policy. Reader, a word of caution is in order before proceeding. The failures of American urban renewal were extreme. In other countries, the results of post-war urban redevelopment efforts were not so tragic. English new towns, often antiseptic and dull to the eye, were not as dangerous. Swedish housing blocks, just as slavish to the Radiant City model as their U.S. counterparts, did not rapidly decay. Canadian public housing projects were not the tool of racial and class segregation they became in the U.S. Architecture and urban design certainly contributed mightily to the failures of public housing projects in the U.S. But many argued rightly that the greater problem was the extent that U.S. housing projects concentrated only those who were hopelessly mired in poverty, and that this concentration of social handicaps in one place only made them more crippling. Fuelled in part by Jacob's prescient critique, many notorious U.S. housing projects were abandoned, deemed irredeemable by virtue of their ignorant design. The most notorious example was the Pruitt Igoe housing project in St. Louis — designed by Minoru Yamasaki of Hellmuth, Yamasaki, & Lehrnbeber, also architect of New York's World Trade Center towers — which was completed to great fanfare in 1956, only to be blown up 20 years later by the housing authority. The site still sits vacant, a symbol of both a social and urban design failure (see here). Our Vancouver example of this style housing can be seen at the Raymur Street housing project in the Strathcona neighbourhood. This large project is the only completed portion of what was to be a much larger urban renewal effort, the bulk of it never executed. Were it executed as designed, there would be nothing left of Strathcona, once considered a slum, but now one of the most desirable neighbourhoods in the city. Raymur-Housing.jpg The Raymur Housing project at the intersection of Raymur and East Hastings. Vancouver's example of a "Radiant City" prototype. Originally this project was to

be 10 times its current size and wipe out all of the Strathcona neighbourhood. City of Vancouver archives, CVA 181-24. Slum repair? **While many people remember the housing failures, there have been numerous successful housing project rehabilitations that are less well-known In the 1990s, the U.S. Department of Housing and Urban Development led an effort to correct the glaring deficiencies of** Radiant City-inspired U.S. **housing projects**. The initiative was called Hope VI. Some of the most poorly designed buildings, usually tower blocks, were demolished under this program. Many low-rise structures were kept, redesigning them with tweaks like private front yards and private entries protected by modest porches, making them compatible with Jane Jacobs's principles so they looked like townhouses on a traditional city street. New streets were inserted across parking lots and greenswards to recreate a traditional city small block pattern. **And to overcome the stigma and ill effects of concentrated poverty, the projects**

**required residents to be from a mix of incomes. Consequently, many of the new rehabilitated units were to be sold. Residents would be homeowners not renters**. Ironically, this successful attempt to improve public housing made it less public. By this we mean no criticism.

**We** mean only to show that we find ourselves — planners, designers, and involved citizens — **agree**ing **with those who argue that the only good housing is**

## **privately owned housing**

be it market rental, condo or single-family house. A deteriorated public housing complex in New Orleans that had 724 units, of which only 144 were occupied, was redeveloped with HOPE VI funds and other financing. The new development has 460 rental units (193 public housing units, 144 units for residents with local median incomes, 123 market-rate units). Another 22 units, scattered throughout the development, were offered for sale at prices affordable to residents with incomes up to 60 per cent and 80 per cent of the area median income. U.S. Housing and Urban Development Market failure? So what are we to do when the market pushes land prices out of reach for wage earners? Is density the solution? In a previous Tye article, co-author David Beers and I suggested a strategy called "hiving," that would allow any family making an average income or above to (just barely) afford to buy a Vancouver home. The thinking is simple. Land costs are too high for our average wage earners. The solution is to split up the land pie. In order to make the typical single-family lot affordable, you need to cut into five or six pieces. These could be rental or strata or some combination. This may sound like a lot of density on a lot, but you can find the same density in craftsman-style homes in Vancouver's Kitsilano neighbourhood. But sadly, even with extreme effort, our computations showed that such homes would still only be affordable for those with median incomes or above. What of everyone else? Perhaps we could wait for a global recession to bring land prices back within the reach of wage earners. To be fair, it could happen, as it did in

the U.S. in 2007. But since then, land values regained lost ground and are back to what was then considered stratospheric heights. Or we could consider accepting a difficult possibility: a healthy housing market may never come back. **We haven't seen this kind of struggle for secure housing in the past 100 years. In Canada, Australia and New Zealand this past decade, average housing costs in major metropolitan areas jumped between 100 and 200 per cent! If evidence of market failure becomes more apparent, our assumptions about the housing market must change. We must move beyond the simple reading**

many understood from Jacobs: public housing bad, private housing good. Image atom In a Housing Crisis, No Love for Lazy Land READ MORE In line with economist Henry George's thinking (see part one in this series), we now have a situation where the rentiers are able to extract maximum gain by acquiring, holding and collecting rents from land, up to the almost limitless point where urban crowding returns to levels not seen since the 1920s. Average rents and mortgages are beginning to consume well over half of average incomes. Developers are building increasingly smaller homes to squeeze as much as possible out of the land. The housing situation for millennials today is

nothing like what their parents had to face. In such times, ideas that were once the ravings of radicals are now both practical and necessary. **To house wage earners we must**

as Henry George would suggest, tax land — both to reduce speculative pressures and to **supply the funds necessary to build non-market housing** or the disappearing middle class. **Happily there is a precedent for this. It is Vienna, where for exactly 100 years they have taxed land to build housing. Sixty per cent of Vienna residents now live securely in non-market housing.**

We examine their model in the third and final part of this series here.

[Tye]

# Market-Rate Housing Bad – GENERAL

## Market-Rate Housing is too expensive

Robbie **Nelson** (Robbie Nelson is a contributor for Jacobin Mag and a member of Democratic Socialists of America), Jacobin Mag, "Capitalism Can't Give Us Affordable Housing", 11.21.2018, <https://jacobinmag.com/2018/11/capitalism-affordable-housing-rent-commodities-profit>

The rallying cry "the rent is too damn high!" animates much of the popular and policy discourse around the twenty-first-century housing crises from San Francisco to Shanghai, Lagos to London. As a resident of the Bay Area, I can personally confirm that, indeed, the rent is too damn high. While it makes for a good slogan, it opens up a potential pitfall. Liberal politicians and "new urbanist" think tanks promise to solve the problem of the too-damn-high rent with technocratic solutions that they say will lower or stabilize the steep rise in rents. They circulate policy papers and blog posts, debating supply and demand, inclusionary zoning, and tax incentives. And many working people in hyperinflated urban rental markets see these technical tweaks as the only available options for alleviating our housing crisis. Certain reform-oriented struggles, especially those around rent control and expanded provision of social housing, offer important opportunities for on-the-ground socialist organizing. But we also shouldn't be shy about our big-picture diagnosis. Socialists have to make the case, loudly, publicly, and globally:

**capitalism can never meet our needs for high-quality, affordable housing** The reason is straightforward: the profit motive. In a capitalist society, land and housing stock are treated as commodities, basic goods and services that can be bought, rented, and sold for a profit. And like all commodities under capitalism, it is the profit motive that rules the production and maintenance of housing. Profit is the lifeblood of the capitalist system. Karl Marx described the process of capital accumulation using the letters M-C-M', or Money-Commodity-More Money. This abstract formula points us to a really important conclusion. The purpose of capitalist production and exchange is not to create commodities; commodities are only a means to achieve more money than a

capitalist began with. In other words, capitalists don't stay in business based on the quality or quantity of the commodity they produce — they stay in business based on whether they turn a profit. What does this mean for housing? **Creating and maintaining housing is decidedly not the primary goal of developers, construction firms, mortgage lenders, and landlords. Housing is just a convenient medium through which capital can reproduce**

**itself** — through which these developers, construction firms, lenders, and landlords can make more money. While socialists challenge the profit motive in consumer and industrial production, from cars and computers to steel and soybeans, it is just as important that we challenge the profit motive in the realm of what's called "social reproduction." Social reproduction encompasses the activities and services (like housing, health care, childcare, elder care, education, etc.) that are necessary to maintain the existence of a productive working class. This realm of human labor has been historically unpaid or underpaid, and its burdens have tended to fall on working-class women. Under neoliberalism, the privatization and commodification of social reproduction, expanding the free market into that realm of care work, has been a primary capitalist growth strategy. The expansion of charter schools, the selling off of water systems and other basic infrastructure, the huge rise of college tuition, "public-private partnerships" for basic services, for-profit elder care, and the rise of 401(k) retirement plans are just a few examples of this dynamic. The hyper-financialization of home mortgages in the mid-2000s is perhaps the most dramatic example of how treating housing like a speculative commodity can spiral out of control, grotesquely distorting the provision of a basic necessity. After the 2007–2008 financial crash, many liberal capitalists argued that better regulations on the secondary mortgage market might have prevented the worst aspects of the crisis. There might even be good reason to welcome such regulations. But the constant oscillations of housing prices will never disappear under capitalism, because these boom-bust cycles are inherent to any kind of capitalist commodity. In this sense, gentrification and white flight are two sides of the same coin. Instead of fighting each phase of the commodity cycle on its own terms, we should address the system of commodified

housing that lies at its root. It will never be as profitable to construct or lease housing stock intended for poor and working-class people as it will be for the high end of the market. **When housing prices fall, there is little incentive for landlords to deliver the proper upkeep and maintenance on rental stock, and many working-class homeowners find themselves underwater, meaning they owe more on their mortgage than their home is worth on the market.** Moreover, local governments that rely on property taxes to fund social services are forced to slash them when they are needed most. Public schools, employment programs, and health care in these communities — all funded by those property taxes — suffer, resulting in even lower property values and further disinvestment. **When housing prices rise** — like the bubble we are currently experiencing in the urban

areas in countries like the United States — **working-class people have their bank accounts squeezed, are displaced from their homes, and subjected to intensified policing.** And in such an upswing, the profit motive acts as a powerful limiting factor in a capitalist society's ability to meet our housing needs. It will never be as profitable to construct or lease housing stock intended for poor and working-class people as it will be for the high end of the market. Investors, mortgage bankers, developers, and landlords don't screw over working-class tenants and homeowners just because capitalists are mean people (though many of them are). It's because if they don't continually accumulate profit and reinvest it, then they will be thrown out of business. This tension is ratcheted up in urban areas where land prices are particularly high. **Why would a private housing developer purchase an expensive one-bedroom rental in San Francisco, then rent it at the below-market rate** of \$1,130 per month when the median rent for a one-bedroom is almost \$3,300 per month? That's just bad business sense. Investors, mortgage bankers, developers, and landlords don't screw over working-class tenants and homeowners just because capitalists are mean people (though many of them are). It's because if they don't continually accumulate profit and reinvest it, then they will be thrown out of business. Even if they wanted to, landlords, developers, and investors can't afford to look out for the best interests of poor and working-class tenants in a cutthroat urban housing market filled with other capitalists looking to edge them out. The high cost of land in urban areas is one of the primary reasons that we can't "build our way out" of the current crisis by slashing regulations and giving huge tax breaks to private developers, like a lot of liberals and conservatives claim. The only way for developers to make good profits in this circumstance is to invest in high-end housing whose sale or rents will make them profits beyond the massive costs of land, materials, and labor for construction. The only way to engineer affordability in this kind of housing market is for governments to heavily subsidize capitalist developers and landlords. Wouldn't it just make more sense for governments to cut out the middleman and construct or finance that housing themselves, pledging to provide it at affordable rates to anyone who wants it? This kind of publicly built and publicly run "social housing" is far superior to the privately owned and publicly subsidized "affordable" housing. That subsidized housing will also be confronted by the pressures of the profit motive. These developments will be less likely to undergo proper maintenance, and if

the underlying land continues to rise in value, there will be pressure to convert those units to market-rate rent or sell them off as condominiums. **Since the 1970s, private developers have constructed more than three million affordable units using public financing** from HUD and the Low-Income Housing Tax Credit. **But** because many of the affordability requirements tied to that financing expire after fifteen years, **over 350,000 of those units have been converted to "market-rate" housing**

since 1995. **And** the National Low Income Housing Coalition estimates that **we lose about 15,000 affordable units per year to market-rate conversion, a number that will only continue to accelerate as the cost of housing rises in urban areas**

Socialists should avoid the "not in my backyard" (NIMBY) trap of opposing new housing construction on the grounds of ruining homeowners' nice views or "changing the character" of the neighborhood. This is especially important given our project of building massive amounts of beautiful social housing in dense, livable urban neighborhoods. But we also need to steer clear of a noxious "yes in my backyard" (YIMBY)-ism which insists that capitalist developers would love to provide us with abundant, secure, and affordable housing if only we allowed them to build more. Many zoning regulations are stupid and not broadly conducive to healthy and sustainable urban space, but we shouldn't buy the argument that places technical zoning legislation at the root of our housing crises. The actual root is capitalism. The capitalist class, through its monopoly on investment, is holding our society hostage over basic human needs like housing. Our society has the resources to produce stable, secure, and free or nearly free shelter for all. Capitalists refuse to meet this human need because it will never make them the profits they require to stay in business. We have to demand massive investment in democratically planned and maintained social housing. Capitalist housing developers will never do it. We'll have to take their ill-gotten gains — through taxing them and all the other obscenely wealthy people in our society — and do it ourselves.

## The market rate is going up

Mike **Maciag** (Mike analyzes databases and works on data journalism projects for the magazine. He writes on a variety of topics and manages the Governing Data portal for Governing.com. Prior to joining Governing, Mike worked at local newspapers in Erie, Pa., Fort Lauderdale, Fla., and Atlanta. He holds a master's degree in public administration from George Mason University and undergraduate degrees in journalism and computer science from the University of Dayton.), Governing, "As Affordable Housing Shrinks, Where Can Families Live?", November 2015, <http://www.governing.com/topics/urban/gov-urban-affordable-housing-families.html>

For more than a century, Boston's iconic triple-deckers have served as inexpensive housing for families of modest means striving to secure a place in the middle class. One of these triple-deckers is currently home to **Gosia Tomaszewska**, who **lives with her husband and 1-year-old daughter on the bottom floor of a house in the Brighton**

**neighborhood** She loves it there and would like to stay. But **the family is running out of room, and they're having trouble finding a place that meets their needs** Just about every month, Tomaszewska and her husband hold a conversation about whether they'll have to move. "We're in limbo," she says. "Ideally we'd like to stay in the neighborhood, but I don't think

it's realistic." As recently as **a year ago, Boston real estate brokers were still able to find properties matching the**

**family's criteria. These days,** Tomaszewska says, **there is scarcely anything in their price range. For the typical** triple-decker

**unit sale prices have soared 85 percent since 2009** according to the Dukakis Center for Urban and Regional Policy at Northeastern University. **Many families can't**

**afford to rent either.** as a large share of the cheaper units have been snapped up by college students and unmarried millennials living in groups. **Housing costs are climbing rapidly** in

neighborhoods all over Boston, and city living is now an idea that's out of reach for many young families who would otherwise prefer to remain. "As the core has become strong, the economy is attracting lots of young people," says Barry Bluestone, the Dukakis Center's director. "It's been

**driving up home prices, and a portion of working families have had to relocate.** It's not just Boston. **Other** pricey **cities**

**have experienced similar consequences** of high housing costs. Governing compiled data gauging the extent to which middle-income family-sized housing is available in the nation's 25 largest cities. For each city, we

calculated the amount that families earning the local median family income could afford to spend on housing and utilities without exceeding the standard 30 percent of their earnings. Data provided by the real estate website Trulia depicts a wide affordability gap between the hottest

urban centers and the rest of the country. In the top 10 most expensive cities, **an average of just 17 percent of all home listings** have three or more bedrooms and **are**

**affordable** **That compares to a much higher 63 percent of listings in other cities** **The outlook isn't any**

**better for families who rent. On average, more than half** (52 percent) **of renters in all cities reviewed already**

**spend more than 30 percent of household income on gross rent costs** according to the latest Census estimates, **and only a small**

**fraction of rentals are big enough to accommodate larger families.** Booming cities such as Boston have served as magnets for millennials in recent years. Countless

surveys suggest that this demographic prefers living in cities to distant suburbs. But whether they can afford to raise families in these cities is a fundamentally different question. "It's great that we're having urban revival, but at the same time, we need to be very cognizant and cautious of what [urban revival] means for our

children."/> click\_to\_tweet **rents have** The housing crunch isn't the same everywhere. The fact that inflation-adjusted incomes remain flat, though, has complicated matters even in areas where costs aren't quite as high. In Boston, median listed

**increased at an annual rate of 13.2 percent** since 2010, **while incomes have risen by only 2.4 percent** annually, according to a city

housing report.

## Market-Rate Housing Bad - JOBS

### **Market Rate Housing Forces Families to Relocate Farther from Jobs**

Jonathan **Reckford** (CEO, Habitat for Humanity International), World Economic Forum, "3 ways to stop the housing crisis killing our cities | World Economic Forum", 09 January 20**18**, <https://www.weforum.org/agenda/2018/01/luxury-housing-is-killing-our-cities/>

**The success for lower-income families requires long-term investment** The city of Atlanta, for example, demolished ageing public housing high-rises in an effort to decrease crime, replacing them with low- and medium-rise mixed-income communities. **The residents who stayed in the neighborhoods received a real boost, as they became a part of a much more diverse economic population with better schools and flourishing social networks** However, those who moved further towards the city's periphery and became reliant on an inadequate transit system face diminished opportunities. The incentives that were offered to the developers around transit stops are about to run out, and studies show that, for successful developments, **prices will revert to market rate when income restrictions expire. Then families will once again be forced to relocate further from jobs in the city, with even fewer transit options, to find a naffordable place to live.**

## Market-Rate Housing Bad – OVERHEATING

**Housing price inflation causes market overheating.**

**Kusisto 17** (Laura Kusisto, reporter covering housing and the economy, 4-26-2017, "Rising Home Prices Raise Concerns of Overheating", Wall Street Journal, <https://www.wsj.com/articles/rising-home-prices-raise-concerns-of-overheating-1493128355>, accessed 7-10-2018) ml

**The U.S. housing market's red-hot recovery from the depths of the crash five years ago is fueling concerns among economists and real-estate brokers that home prices are overheating.** A dearth of new construction and strong demand from buyers are pushing up prices twice as fast as the rate of income growth, the latest data show, a level economists said is unsustainable.

The S&P CoreLogic Case-Shiller **U.S. National Home Price Index** released Tuesday **showed that in February home prices rose 5.8%** from the same month a year earlier. **That put prices nearly 40% above their level at the bottom of the housing crash in February 2012.** At the same time, incomes rose 3% in February from the same month a year earlier, and are up 12% since February 2012, according to the Labor Department. Some local markets have experienced extreme swings: **Home prices in San Francisco have vaulted 98% from their low point** during the bust and now stand nearly 7% above their earlier record in 2006 at the height of the previous housing boom. **In Dallas, home prices have risen by nearly 53%** from their low during the recent bust and are now 35.5% above their previous high. **In Denver, prices are now 59% above their previous lows** and 36.5% above their previous high. **In some markets, bidding wars are breaking out.** Agents said some buyers are kicking in extra cash when properties don't appraise for the asking price, and some are waiving their right to home inspections. **"It can't be sustained,"** said David Berson, chief economist at Nationwide Insurance and a former chief economist at mortgage giant Fannie Mae, referring to the frenzied buying. "It can't go on forever." **During a bubble fueled by low-interest rates and easy access to credit, home prices soared to highs in 2006 before tumbling 27%** over the following six years. The five-year stretch since the 2012 bottom marks the third-fastest period of home-price growth in data going back to 1895, according to David Blitzer, managing director of S&P Global. One of the main drivers has been the lack of home construction. Labor shortages, zoning regulations, rising prices of lumber and other building materials, and caution among builders have kept a lid on construction activity in recent years. The supply of homes for sale in March was down 6.6% from a year earlier, the National Association of Realtors reported last week. Now, even as the nine-year anniversary of the current economic expansion approaches, the level of home construction relative to the number of U.S. households is at its lowest level since the U.S. Census Bureau began tracking such data in 1957, according to an analysis by the Federal Reserve Bank of Kansas City from earlier this month. To be sure, there are few signs of an imminent housing bust that would lead to steep national declines in home prices, economists said. Unlike the last boom, lending standards are stricter, and many buyers have pristine credit scores and are putting down large down payments, agents said. What's more, while prices have risen rapidly over the past several years, that is partly because they were making up ground lost during the bust. **With little risk of a supply glut in the near future, economists generally expect prices to continue rising quickly in most markets for a couple more years, if the economy keeps expanding.**

## Public Housing Good – HOMELESSNESS

### **Affordable Housing solves homelessness**

Eillie **Anzilotti** (Assistant editor for Fast Company), Fast Company, "America's Affordable Housing Crisis Is Driving Its Homelessness Crisis", 12.07.17, [//THS](https://www.fastcompany.com/40504605/americas-affordable-housing-crisis-is-driving-its-homelessness-crisis)

The rise in rates of homelessness illustrates the devastating reality obscured by economic growth and a drop in national poverty levels. In 2016, 13.5% of Americans were living in poverty—a rate on par with the pre-2008 recession levels. But it would be a mistake to look at the decline in poverty and assume it means that people's lives are back on track. The way we measure poverty in the U.S., as Vox has reported, is woefully out of date, and based on three times the "subsistence food budget" for a family. This measure was developed in 1961, using family consumption data from 1955. In no way does it capture the needs of a household in 2017. Nor does the poverty measure capture the fact that **the median hourly wage has remained stagnant since the 1970s**, increasing just 0.2% per year when accounting for inflation, according to the Harvard Business Review. **Wages have fallen so far behind housing costs** (in New York, for instance, **you'd need at least an hourly wage of \$27.29 to comfortably rent a one-bedroom**, but the median is just over \$20) that many Americans are now forced to spend nearly half their income on rent—far over the 30% deemed reasonable. **The solution is clear: Cities need to build affordable—truly affordable, not just below-market-rate—housing and they need to do so quickly. As noble as the efforts of mayors like de Blasio, Garcetti, and Lee are to funnel more money into shelters and homeless-services programs, they won't be real solutions until they also make investments in building and preserving more affordable units. San Francisco, for instance, is facing an affordable-housing shortfall of at least 40,000 units.** Cities should be turning to alternative funding streams—like Seattle's proposal to introduce an extra tax on corporations that will go toward homeless housing—and investing in permanently affordable housing options like community land trusts. Especially as the Republican Party's tax plan threatens to gut the financial resources of the lower and middle classes for the benefit of the already wealthy, **it's crucial that cities take more care to account for the reality of living in them, and provide a way for everyone to do so safely and securely.**

## **Answers to Affirmative**

## **OV – Gov doesn't dereg**

Edward Lazear, Heritage, "Promoting Stronger Economic Growth: What Public Policy Can Do to Improve Productivity | The Heritage Foundation", March 19, 2007, <https://www.heritage.org/budget-and-spending/report/promoting-stronger-economic-growth-what-public-policy-can-do-improve>

First, we must make sure that marginal tax rates stay low. The most important way to encourage growth in an economy is to maintain the smallest possible difference between the before-tax and the after-tax rates of return to investments, both in physical and human capital. Raising the level of capital per worker makes workers more productive and leads to higher wages in the long run. Second, we must ensure that we do not discourage investment in human capital. The strength of our economy depends to a large extent on the capital that is embodied in people through their skills. If individuals see little return to investments in their skills because of high tax rates on moderate to high wage earners, the incentives to invest in human capital will be dampened. The President has outlined a competitiveness initiative to make sure that Americans have the skills to compete in the modern world. We must continue to push for reform in K-12 education, which has been the weakest component of our human capital investment structure. Fortunately, our colleges and graduate schools are the best in the world, but we must also make sure that those Americans who do not go on to college also get the skills that allow them to compete in a modern American economy. Strengthening K-12 education, reducing our dropout rates, and ensuring that all of our young citizens receive high-quality education will be important not only in the near future, but for the rest of the 21st century. Third, we must remain open to trade. Countries that have closed their borders in attempts to shelter domestic industries have suffered in productivity growth, which has cost their citizens dearly in terms of their living standards. It is important to ensure that those who are adversely affected by trade have a safety net available to them, but we must not use the losses of some as a justification for protectionist policies that will harm us and our children. Finally, foreign investment has been an important source of capital for the United States. Openness to foreign capital has given the United States the flexibility it needs to deepen its capital stock and improve its productivity. We must make sure that we maintain our long tradition of allowing investment to flow freely into our economy.

FindLaw, FindLaw, "Land Use and Zoning Basics - FindLaw", 2019, <https://realestate.findlaw.com/land-use-laws/land-use-and-zoning-basics.html>

oning regulations and restrictions are used by municipalities to control and direct the development of property within their borders

## **OVERVIEW – Government Stimulus Bad**

Judge, you first need to recognize that our opponents have conceded to our definitions and framework in this debate. This is crucial because IN CASE we tell you that the Federal Government doesn't have any authority over how states and local municipalities handle zoning, meaning that THE ONLY WAY the federal government can promote the development of market-rate housing is through subsidies, a part of the Keynesian theory of economics.

This theory has been debunked TIME-AND-TIME AGAIN. The **Hendrickson** card IN CASE gives you two reasons that it simply doesn't work.

A is government ignorance. Governments essentially only boost demand in areas of their choice, not actually knowing the economic preferences of their people. B is that governments have to make sacrifices elsewhere. When the government spends on these specific areas of their choice, they have to divert the resources and money from elsewhere, thereby harming the general population.

In the end, we DON'T DISAGREE that more market-rate housing is a good thing, in fact, we think it should actively be built and encouraged. We simply disagree with the AFF that the United States should be promoting its growth – Leave that to local municipalities and developers to do on their own.

## Construction Lowers Prices

We have THREE responses.

First, you can MITIGATE THE IMPACT because the effects of this take decades to surface – By the time the rent has lowered enough for poorer people to move in, they will already have been displaced. **Amee Chew** explains in 2018 that in the Bay Area, significant displacement had occurred by the time prices lowered.

Second, you can TURN the argument because while it is true that rents declined for higher-end rentals, they increased for low-end housing. **Jeff Stein** writes in 2018 that rents increased in San Francisco, Atlanta, Denver, and Portland among others.

Third, you can TURN it one more time because a **University of Oxford** study revealed that in some urban areas such as London, despite nearly 30,000 new apartments being built in the last 10 years, prices have increased by 60%.

Amee Chew, Nov 5 2018. ShelterForce. "Here's What We Actually Know About Market-Rate Housing Development and Displacement" <https://shelterforce.org/2018/11/05/heres-what-we-actually-know-about-market-rate-housing-development-and-displacement/> Accessed 2.6.19 CB19 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.

Jeff Stein, Aug 6 2018. The Washington Post. "In expensive cities, rents fall for the rich — but rise for the poor" [https://www.washingtonpost.com/business/economy/in-expensive-cities-rents-fall-for-the-rich-but-rise-for-the-poor/2018/08/05/a16e5962-96a4-11e8-80e1-00000001f443\\_story.html?hpid=hp\\_hp-top-table-main\\_rent-rises%3Arents-fall-for-rich-but-rise-for-poor%3Ahomepage%2Fstory&utm\\_term=.af21e06f4489](https://www.washingtonpost.com/business/economy/in-expensive-cities-rents-fall-for-the-rich-but-rise-for-the-poor/2018/08/05/a16e5962-96a4-11e8-80e1-00000001f443_story.html?hpid=hp_hp-top-table-main_rent-rises%3Arents-fall-for-rich-but-rise-for-poor%3Ahomepage%2Fstory&utm_term=.af21e06f4489) Accessed 2.24.19 CB19 U.S. cities struggling with soaring housing costs have found some success in lowering rents this year, but that relief has not reached the renters most at risk of losing their housing. Nationally, the pace of rent increases is beginning to slow down, with the average rent in at least six cities falling since last summer, according to Zillow data. But the decline is being driven primarily by decreasing prices for high-end rentals. People in low-end housing, the apartments and other units that house working-class residents, are still paying more than ever. Since last summer, rents have fallen for the highest earners while increasing for the poorest in San Francisco, Atlanta, Nashville, Chicago, Philadelphia, Denver, Pittsburgh, Washington and Portland, Ore., among other cities. In several other metro areas — including Los Angeles, Las Vegas, Houston and Miami — rents have risen for the poor and the rich alike. The ongoing increase in prices for low-end renters poses a challenge for city officials who have vowed to lower housing costs for working-class residents already struggling with tepid wage growth in the U.S. economy. City officials have said a boom in luxury housing construction would cause rents to fall for everyone else, arguing that creating new units for those at the top would ease competition for cheaper properties. In part based on that theory, cities have approved thousands of new luxury units over the past several years, hoping to check high rents that have led more than 20 million American renters to be classified as "cost burdened," defined as spending more than 30 percent of one's income on housing. But although some advocates say the dividends could still pay off for low-income renters, others say more direct government action is needed to prevent poor residents from being forced out of their cities or into homelessness. They have called for the federal government to help construct more affordable units, or offer greater rental assistance for poor families.

University of Oxford, N.d., Oxford University Research. "PropTech 3.0: the future of real estate" pg 43. Accessed 2.17.19 CB19 In the real estate space, we can gather examples of tech-driven propositions enabling the shared use of houses, rooms in houses, office buildings, restaurants, storage space, car parking and shops. Millennials have been forced to assume that home renting, and not ownership, is the order of the day. This is because house purchase in increasingly densified urban centres is prohibitively expensive, requiring large capital down payments. Real estate has a high capital cost: even if debt is used, an initial equity payment of around 10-30% of the total outlay, including fees and transfer taxes, is needed. In London, despite over 30,000 new city apartments having been built since 2008, prices have increased by 60%. The average house price in London is around £660,000. Typical minimum deposits are at least 20% - or £135,000.

## Data Flawed – DISPLACEMENT

**Judge, understand that you can't weigh this argument in round if you want us to have an honest debate. Most displacement studies showing no link between gentrification and displacement have seriously flawed data. Ingrid Ellen, writing in 2017, found that most papers focus on the 80s and 90s, not the present day. When the present day is examined, the link becomes clearer. Terra McKinnish explains in 2008 that studies have data constraints including incorrect definitions of neighborhoods, overly broad definitions, and focusing on a single location.**

Ingrid Gould Ellen, April 2017. Joint Center For Housing Studies, Harvard University. "Can Gentrification Be Inclusive?" [http://www.jchs.harvard.edu/sites/default/files/a\\_shared\\_future\\_can\\_gentrification\\_be\\_inclusive\\_0.pdf](http://www.jchs.harvard.edu/sites/default/files/a_shared_future_can_gentrification_be_inclusive_0.pdf) Accessed 2.8.19 CB19 Another issue is that most of the existing papers on displacement focus not on the present but on the 1980s and 1990s. During these earlier decades, the gentrification that took place involved higher-income households moving into neighborhoods that had been decimated by population losses during the 1970s. Consider that the neighborhoods that gentrified between 1990 and 2010 in New York City had lost 26 percent of their population during the 1970s (while the population citywide shrank by 10 percent). Thus, as higher-income and college-educated households moved into these neighborhoods in the 1990s, high vacancy rates meant that the neighborhoods could accommodate additional residents without directly displacing existing residents or even putting much upward pressure on prices and rents. As the population in central neighborhoods has continued to grow, housing markets have been growing tighter and thus the risk of displacement has likely become higher.

Terra McKinnish, et al., Randall Walsh, and Kirk White. May 2008. National Bureau of Economic Research. "WHO GENTRIFIES LOW-INCOME NEIGHBORHOODS?" <https://www.nber.org/papers/w14036.pdf> Accessed 2.8.19 CB19 Surprisingly, many questions regarding the distributional impacts of gentrification remain unanswered. Some recent studies have examined the issue of displacement, and have found little to suggest that low-income households exit gentrifying neighborhoods any faster than they exit other neighborhoods. These studies, however, have been severely constrained by data limitations. As a result they either define neighborhoods as rather large geographic areas (regions on the order of 100,000+ in population), use overly broad definitions of gentrification, and/or focus on a single location – raising issues about what broader inferences can be drawn from their results.<sup>4</sup> Even less is known about the role of in-migration in gentrification and the impact of gentrification on residents who remain in neighborhoods that experience gentrification.

## Housing Crisis

We have THREE responses

First, you can TURN the argument because market-rate housing makes the crisis worse. **Time Redmon** writes in 2018 that if a market needs less than 40% affordable housing, the net impact of market-rate construction is to make the housing market worse. A study by **Keyser Marston Associates** concluded that every time the city allows 100 new high-end market-rate buildings, it needs to build 43 new affordable units to stop prices from rising, and even more to lower them.

Second, WE SOLVE TOO. Public housing works just as well to solve the crisis, it's just stigmatized more. **Maria Elkin** explains in 2017 that public housing developments deliver on their promise of providing adequate, affordable housing, but stereotypes and stigmatization stops them from reaching their full potential.

Finally, MITIGATE THE IMPACT because a housing crisis isn't probable. **Kriston Capps** explains in 2018 that the housing market today is different than it was the last time we experienced a crash, and Nobel Laureate **Mark Kolakowski** explains that there simply isn't evidence for a housing crisis in the near future.

Redmon, Tim. "Building Market-Rate Housing Makes Crisis Worse – San Francisco Tenants Union." San Francisco Tenants Union, San Francisco Tenants Union, 4 Apr. 2018. [www.sftu.org/2018/04/market-rate-housing-makes-crisis-worse/](http://www.sftu.org/2018/04/market-rate-housing-makes-crisis-worse/).

"In fact, they note, the money that market-rate developers pay to subsidize affordable units doesn't even cover the housing impacts that their projects create. Let me say that again, because it's critical (and not easily understood, and should have a profound impact on policies like the Mission Moratorium): if you require less than about 40 percent affordable housing, the net impact of high-end construction is to make the housing market worse. For the most part, they result in net additions to the number of people in the city: if the person who buys a new condo moves out of a rental unit, someone else will move into that rental. Quickly. The people with high disposable incomes who fill those condos or luxury rentals will spend money in town, creating a demand for jobs – restaurant workers, grocery clerks, cops and firefighters, bank tellers ... and those people will also need a place to live. So according to the study, by Keyser Marston Associates, every time the city allows 100 new high-end housing units, it needs to build between 20 and 43 new affordable units – just to keep the housing balance the way it is now. Put the affordable units in the main complex and the impact is lower (because fewer millionaires move in). Built them, as is common, somewhere else and the impact is greater. In summary, for every 100 market rate condominium units there are 25.0 lower income households generated through the direct impact of the consumption of the condominium buyers and a total of 43. 31 households if total direct, indirect, and induced impacts are counted in the analysis. If the city demands 15 percent affordable set-asides, then every market-rate building adds more demand for affordable housing than it supplies. That means every new building makes the housing crisis worse."

Warrant: There already exists a perfectly good solution on the market Elkin, Maria. "What Everyone Gets Wrong About Affordable Housing." New America, New America Weekly, 24 Aug. 2017. [www.newamerica.org/weekly/edition-174/what-everyone-gets-wrong-about-affordable-housing/](http://www.newamerica.org/weekly/edition-174/what-everyone-gets-wrong-about-affordable-housing/). "Today, most public housing developments do, in fact, deliver on their promise of providing adequate, affordable housing to people in need, but they remain stigmatized because of the negative associations with distressed public housing. Also important to remember is that only about one in four families who qualify for public housing assistance actually get it; most are left to fend for themselves in the cutthroat private rental market. One particularly pernicious myth centered around affordable housing is that, if people can't afford to live in the city, they should simply pick up and move. But let's quash that red herring. People struggle to make rent all over the country, not just in cities like San Francisco, D.C., and New York. Besides, moving takes money, energy, time off work—in other words, resources people in poverty already don't always have. They may also face discrimination from quality affordable housing because of their race, their children, past eviction records, or unstable income. And in the big cities, as rents in the center become more expensive, people do move to the fringes, driving up demand, and therefore rent, in those places as well. Meanwhile, suburban poverty, too, is on the rise."

Kriston Capps 18, 8-7-2018, "America's Back to Peak Housing Prices. Now What?," CityLab, <https://www.citylab.com/equity/2018/08/home-prices-index/566768/> 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 18, 10-30-2018, "Why the Housing Market Won't Crash Like 2008: Robert Shiller," Investopedia, <https://www.investopedia.com/news/why-housingmarket-wont-crash-2008-robert-shiller/> 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 have 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.

# Keynesian Economics – Gov Spending Good

We have THREE responses

First, Keynesian theory of gov't stimulus is inherently flawed. **Hendrickson** 16 of Forbes gives you 3 reasons:

**A** is government ignorance. Governments essentially only boost demand in areas of their choice, not actually knowing the economic preferences of their people, as they aren't logically doing intensive marketing research like their corporate and business counterparts.

**B** is that governments have to make sacrifices elsewhere. When the government spends on these specific areas of their choice, they have to divert the resources and money from elsewhere, thereby harming the general population.

**C** is that governments basically mess up free market competition. When the government jacks up spending on certain goods, it jumbles up price signals and distorts present production.

Second, you can TURN the argument because Keynesian economics overall hurts the economy. In a meta-analysis of 228 different economic models, **Heim** from the University of Albany quantifies in 2018 that for every one-dollar growth in the deficit, consumer spending is reduced by 45 cents.

Third, realize that Keynesian economics hasn't been used an instrument to improve the economy, as **Edwards** of the Hill finds in 2010 that it has just given politicians a license to spend more money.

Mark Hendrickson, Aug 26 2016. Forbes. "Debunking 'Government Stimulus'" <https://www.forbes.com/sites/markhendrickson/2016/08/26/debunking-government-stimulus/#1f8b1d124554> Accessed 12.9.18 CB18

The Keynesian theory of government stimulus was based on several flawed premises. 1) The notion that "aggregate demand" was more important than the specific demand for each good and service traded in the economy is pernicious. The ineluctable problem with government boosting demand in an attempt to strengthen the overall economy is that government officials only boost demand in areas of their choice. Because government officials don't know as well as the people do what their economic preferences are, they produce less of what people want, and so "the economy" (that is, the people) ends up poorer than otherwise would be the case. If government planners knew better than the people themselves what they want, then socialist central planners would be able to engineer prosperity for the masses and we would have opted for socialism by now, but, of course, planners lack that knowledge and therefore cannot possibly engineer widespread prosperity. 2) When governments spend more in some areas, they achieve increased activity there, but only by diverting scarce resources from producing what consumers value more highly, thereby making the general population poorer. Truly, there is no free lunch in economics. 3) The constellation of market prices signals to producers what consumers want most, coordinating production in the present and showing their time preferences for how much consumption they wish to defer to the future. When government intervenes by jack[ing] up spending on certain goods, it jumbles up those price signals, distorts present production, and robs the future in unrecoverable but very definite ways. In short, then, government attempts to stimulate economic growth by increasing government spending and up[er]discombobulating and misdirecting production thereby impeding rational economic growth and making the population poorer. Some "stimulus!"

Heim J.J. (2017) Summary of Findings and Conclusions. In: Crowding Out Fiscal Stimulus. Palgrave Macmillan, Cham [https://books.google.com/books?id=AO-iDQAAQBAJ&pg=PA253&pgs=PA253&dq=Using+the+best+science+available,+this+study+tested+228+sophisticated+economic+models+of+what+determines+consumer+and+business+spending+and+borrowing,+and+the+GDP.+and+source=bl&ots=3vT0mxtq&ig=ycIjQuRkicFYE68eTos\\_umaj&hl=en&sa=X&ved=2ahUKEwim7O18PFAHWD\\_IQKHQpdABAQ6AEwAHoECAoQAQ#v=onepage&q=U+sing%20the%20best%20science%20available%2C%20this%20study%20tested%20228%20sophisticated%20economic%20models%20of%20what%20determines%20consumer%20and%20business%20spending%2C%20and%20borrowing%2C%20and%20the%20GDP.&f=false](https://books.google.com/books?id=AO-iDQAAQBAJ&pg=PA253&pgs=PA253&dq=Using+the+best+science+available,+this+study+tested+228+sophisticated+economic+models+of+what+determines+consumer+and+business+spending+and+borrowing,+and+the+GDP.+and+source=bl&ots=3vT0mxtq&ig=ycIjQuRkicFYE68eTos_umaj&hl=en&sa=X&ved=2ahUKEwim7O18PFAHWD_IQKHQpdABAQ6AEwAHoECAoQAQ#v=onepage&q=U+sing%20the%20best%20science%20available%2C%20this%20study%20tested%20228%20sophisticated%20economic%20models%20of%20what%20determines%20consumer%20and%20business%20spending%2C%20and%20borrowing%2C%20and%20the%20GDP.&f=false)

Using the best science available, this study tested 228 sophisticated economic models of what determines consumer and business spending and borrowing, and the GDP. The intent was to see if government deficits and crowd out were factors affecting consumer and investor spending decisions. In most of these tests, the state of the economy was controlled for, so that Krugman effects (declining economy causing both rising deficits and declining private spending) could not be accidentally misconstrued as a crowd out effect. Chapter 3 provides details of the testing methodology used. Distinguished members of the econometric community have offered comments on it, which have been incorporated where appropriate. When evaluating the effects of deficit-driven stimulus programs and crowd out, large numbers of other variables were controlled for. This was done to ensure that if these variables were correlated with government deficits, as well as consumer or investment spending, (e.g., stock market movement or company profits), their effects could not accidentally be counted as deficit effects, simply because they were not controlled for. Exhaustive controls are an ineluctable requirement for good science. A list of these other control variables is provided at the beginning of Chaps. 5 and 6. Chapters 5, 6, 7 and 8 present the tests and findings of this study for four main groups of tests undertaken. Results are presented showing both the direct and indirect effects of crowd out, per dollar of deficit incurred. The first effect is the direct reduction in private spending. In Table 5.5, repeated immediately below, the tests indicate a \$1.00 growth in government deficits directly reduces consumer spending \$0.45 on average (and the same deficit causes additional declines in investment spending).

Chris Edwards, Dec 10 2018. The Hill. "Ballooning debt harms our youth, but Trump doesn't care" <https://thehill.com/opinion/finance/420555-ballooning-debt-harms-our-youth-but-trump-doesnt-care> Accessed 12.12.18 CB18

The second invention was Keynesian economics, which informed politicians that deficit spending was good for the economy, replacing the older view that debt was immoral and damaging. Today, the economics of Keynesianism are hotly debated, but there is no doubt that it has given politicians a license to spend, spend, spend.

## Market Inclusionary Housing

DELINK them as **Bento 19** explains that there is not enough of a sample size to even determine that MIZ lowers prices, evidence given that says MIZ lowers prices has been based off of studies that are not statistically significant.

## Market-Rate Housing Good – AFFORDABILITY

We have TWO responses.

First, IT ISN'T FEASIBLE. Studies that say housing will become affordable over time ignored key aspects of that process. **Miriam Zuk** of UC Berkeley concluded in 2016 that this filtering process can take generations, many properties deteriorate too much to be livable, and in urban areas specifically, older houses are more popular, meaning they'll be more expensive anyway.

Second, TURN the argument because filtering won't keep up with demand. **Zuk** continues that units become occupied at a faster rate than rents are falling, ultimately resulting in heightened housing cost burdens for those families.

Miriam Zuk, B.A. in Environmental Sciences from Barnard College, M.S. in Technology and Policy from MIT, and a Ph.D. in City and Regional Planning from UC Berkeley, & Karen Chapelle, Ph.D., B.A. in Urban Studies from Columbia University, an M.S.C.R.P from the Pratt Institute, and a Ph.D. from UC Berkeley, Housing Production, Filtering and Displacement: Untangling the Relationships, Berkeley IGS: Research Brief, May 2016, [www.urbandisplacement.org/sites/default/files/images/udp\\_research\\_brief\\_052316.pdf](http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf)

Using our data, the LAO report concluded that the most important solution to the housing crisis in California's coastal communities is to build more market-rate housing. The report found that new market-rate construction reduced displacement of low-income households across the region. After outlining the challenges and limited funding for subsidized units, the report argued that filtering, or the phenomenon in which older market-rate housing becomes more affordable as new units are added to the market, was the most effective way to exit the affordable-housing crisis. The report neglects the many challenges of using market-rate housing development as the main mechanism for providing housing for low-income households, in particular the timing and quality of the "filtered" housing stock.<sup>2</sup> The filtering process can take generations, meaning that units may not filter at a rate that meets needs at the market's peak, and the property may deteriorate too much to be habitable. Further, in many strong-market cities, changes in housing preferences have increased the desirability of older, architecturally significant property, essentially disrupting the filtering process.

Yet in strong housing markets such as California and New England the rate is much lower and researchers find that filtering rates have an inverse relationship with housing price inflation; in other words, places that have rapidly rising housing prices have slower filtering rates.<sup>4</sup> Using the estimates of Rosenthal (2014) and an annual appreciation rate of 3.3% over the last 20 years, the pace at which units filter down to lower-income households for the Bay Area's rental market is estimated at roughly 1.5% per year. 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.

## Market-Rate Housing Good – CRIME

**Delink them because market rate housing is generally built in richer area and is unaffordable for the poor. **Oana 18** explains that rising construction costs mean that tax cuts and subsidies are no longer sufficient incentives for contractors to build affordable projects, and thus apartment supply is concentrated in high end areas.**

Oana 18 <https://www.rentcafe.com/blog/rental-market/market-snapshots/curbing-displacement-in-gentrifying-cities/>

The question remains as to who will channel enough resources towards building affordable housing in a real estate climate that overwhelmingly favors luxury over necessity. More urgently, as a recent Wall Street Journal article discusses, what is being done to stem the displacement of families in areas where costs have already spiked untenably high? 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.

## Market-Rate Housing Good – DISPLACEMENT

We have TWO responses

First, you can TURN the argument because market-rate housing increases displacement through rising prices and the inevitable gentrification that frequently occurs. **Ron Leshnow** writes in 2018 that market-rate housing is mostly beneficial for landlords, allowing them to charge as much as they want. **Amee Chew** expands on this, writing in 2018 that market-rate housing caters to the rich, driving up rent and pushing low-income households out.

Second, you can MITIGATE THE IMPACT because even if you buy that market-rate housing decreases displacement from the region, it boosts displacement at the neighborhood level. A **UC Berkeley** report from 2016 revealed that even if people stay in the region, it's in neighborhoods segregated by class and race.

Leshnow, Ron. "What Exactly is Market-Rate Housing?" The Spruce, The Spruce, 9 July 2018, <[www.thespruce.com/market-rate-apartment-155986](http://www.thespruce.com/market-rate-apartment-155986)>

"Market rate housing is an apartment that has no rent restrictions. A landlord who owns market-rate housing is free to attempt to rent the space at whatever price the local market may fetch. In other words, the term applies to conventional rentals that are not restricted by affordable housing laws. Market rate housing can be beneficial for landlords, as it is less complicated and they may be able to generate higher rent income as a result. But if you're a tenant looking for an apartment you can afford, a living in a market with a high cost of living can make things tricky. Here are a few things you should know about market rate housing and how to find an apartment you can afford."

Chew, Amee. "What We Know About Market-Rate Housing Construction and Displacement." Shelterforce, 19 Dec. 2018, [shelterforce.org/2018/11/05/hereswhat-we-actually-know-about-market-rate-housing-development-anddisplacement/](http://shelterforce.org/2018/11/05/hereswhat-we-actually-know-about-market-rate-housing-development-anddisplacement/).

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.

Bond, Graham, Darwin. "UC Berkeley Report: Affordable Housing Is Best Way to Combat Gentrification." East Bay Express, 27 May 2016, <https://www.eastbayexpress.com/SevenDays/archives/2016/05/27/uc-berkeleyreport-lao-wrong-about-market-rate-housing-panacea>.

According to a new report by UC Berkeley researchers, the best way to prevent gentrification and displacement is to build affordable housing in cities and neighborhoods where rents and home prices are rising fastest. The Berkeley report is a rebuttal to an earlier, widely circulated report by the state Legislative Analyst Office that claimed the best way to prevent displacement of low-income households is to simply build more market rate housing as fast as possible. According to UC Berkeley researchers Miriam Zuk and Karen Chapple, the LAO report was not a "nuanced" study capable of determining how the construction of new market-rate housing affects different groups at the neighborhood-level. Zuk and Chapple cite prior research that found "market-rate construction can simultaneously alleviate housing pressures across the region while also exacerbating them at the neighborhood level."

## Market-Rate Housing Good – FILTERING

We have TWO responses

First, TURN the argument because **Hertz 15** explains that filtering doesn't happen evenly over time, meaning that once a house hits around 50 years old it's likely to "filter up" and become occupied by wealthy person rather than a poor person.

Moreover, filtering is nuanced by strong regional housing cost inflation where in some cities housing prices can inflate to where filtering happen at a much slower rate or not at all.

Second, you can MITIGATE THE IMPACT because **Alpert 13** furthers that the effect of all the new supply is dependent on the wealthy, meaning that in reality that even if you soak up the demand for the top class demand will still stay high in the middle class which makes those units more expensive

## Market-Rate Housing Good – GENTRIFICATION

We have THREE responses

First, you can TURN the argument because gentrification is a major cause of homelessness. **Dawn Foster** explains in 2017 that homelessness in England has risen by 250% since 2009, due to gentrification there – Why should we repeat their mistakes? In addition, **Micheal Shrooen** expanded on this in 2017, writing that gentrification leads to higher costs and less jobs, ultimately trapping the poor into a vicious cycle of oppression

Second, you can TURN it again because gentrification also increases general displacement, creating communities segregated by class and race. **Richard Florida** explains in 2015 that 8.5% of urban families were displaced from their homes in a 7-year-period due to the changing neighborhood layout. He goes on to explain that in San Francisco, a city noted for having high-gentrification, over a quarter of households are at risk for displacement.

Finally, DELINK them because inclusive gentrification is nothing more than a concept that doesn't line up with reality. For inclusive gentrification to happen in a rich community, the supply of houses needs to suddenly significantly higher than the demand. This will never happen because it loses the contractors a lot of revenue and results in no incentive for the increased construction to happen.

Foster, Dawn. "Gentrification Isn't a Benign Process: It Forces People from Their Homes | Dawn Foster." The Guardian, 24 Mar. 2017. www.theguardian.com, <https://www.theguardian.com/housing-network/2017/mar/24/gentrification-kings-cross-forces-people-from-housing-crisis>.

This week's report from Crisis and the Joseph Rowntree Foundation, the 2017 Homelessness Monitor: England, threw this into sharp relief. So-called "out-of-area placements", where homeless people and families are housed in other boroughs and sometimes halfway across the country, account for 28% of all homelessness placements, up from 11% since 2010. The number of families in bed and breakfast accommodation has risen by 250% since 2009; and nearly 58,000 people were accepted as homeless by their council in 2015/16 – 18,000 higher than 2009/10. This is a crisis, and anyone arguing it is not has no grasp of statistics never mind a moral compass. It is a crisis that is due, in part, to gentrification – but also to the attitude that excuses or erases the violence of gentrification. It's more comfortable to argue that gentrification is little more than a slight sprucing up of a place and the growth of independent shops offering to relieve you of your cash, whose perks you can enjoy if you're flush with cash and don't feel your job or housing is precarious.

Shrooen, Michael. What Causes Homelessness. 2017, <http://web.pdx.edu/~shrooen/Webpage/critical%20thinking%20link%202.htm>.

How do gentrification and the reduction of jobs affect the homeless population? A family living in a gentrifying neighborhood will see a rise in the cost of living and while this is happening so is the reduction for chances to get a better job. It is a vicious cycle that is affecting many people and in my eyes the main reason for the overpopulated homeless. There are many ways in which our growing homeless population could be controlled and cut down immensely. Three ways that author Robert Hayes believes controlling the homeless are he wants to see the housing market balance out, the income of dependent people needs to be increased and publicly funded initiatives like schools and day care must be found. (67) According to a report by Andrew Macleod, Canada has started to address the problem of homelessness and the minister of Housing Columbia is starting to give money to help build and run shelters for the homeless. (Macleod) Homelessness is a problem not only in our country but around the world and needs to be controlled. It's not often you see a person who is financially doing well in line with hundreds of others trying to get one meal during the day. However, it is likely to see someone well off voting that our government's money be spent somewhere else rather than to helping those people. Gentrification's benefits don't do anything for the people who can't afford any taxes on a home, or can't afford paying the garbage bill, the only way it affects the poor or lower income society is negatively. Analysis: This is a good response because it provides a significant counterweight to the pro's impact and in fact offers a reason to vote con on this issue. It doesn't matter if businesses are helped if many people are forced into utter destitution as a result and are forced to live on the streets.

Florida, Richard. "The Complex Connection Between Gentrification and Displacement." CityLab, 8 Sept. 2015, <http://www.citylab.com/housing/2015/09/the-complicated-link-between-gentrification-and-displacement/404161/>.

The earliest studies of displacement conducted in the 1980s generated widely varying estimates of how many people are displaced by gentrification. A 1982 study found that roughly 1 percent of all Americans, 5 percent of families, and 8.5 percent of urban families were displaced from their homes between 1970 and 1977 by either eviction, public action, sale or reoccupation, or the changing state of their neighborhood. A 1983 study of five cities (Boston, Cincinnati, Richmond, Seattle, and Denver) found that nearly a quarter (23 percent) of residents in these urban neighborhoods were displaced due to eviction, increased rent, or the fact that the house they were renting was sold between 1978-1980. Similarly, a 2001 study of gentrifying areas of Boston by Jacob Vigdor found evidence of heightened housing turnover in gentrifying neighborhoods.

Florida, Richard. "The Complex Connection Between Gentrification and Displacement." CityLab, 8 Sept. 2015, <http://www.citylab.com/housing/2015/09/the-complicated-link-between-gentrification-and-displacement/404161/>.

That said, displacement can be and is a big issue in places where gentrification is occurring at a feverish pace. In her coverage of related research by the UC Berkeley Urban Displacement Project, my CityLab colleague Tanvi Misra points to the strong link between gentrification and displacement in a high-gentrification city like San Francisco. Over a quarter of San Francisco's neighborhoods (422 of the nearly 1,600 surveyed) are at risk of displacement. The study's lead author, Karen Chapple, writes that by 2030, San Francisco, Oakland, "and many other Bay Area communities may realize that their neighborhood has turned the corner from displacement risk to reality." Indeed, displacement is becoming a larger issue in knowledge hubs and superstar cities, where the pressure for urban living is accelerating. These particular cities attract new businesses, highly skilled workers, major developers, and large corporations, all of which drive up both the demand for and cost of housing. As a result, local residents—and neighborhood renters in particular—may feel pressured to move to more affordable locations.

## Market-Rate Housing Good – PROPERTY DEVELOPMENT

**Delink them because market rate housing is generally built in richer area and is unaffordable for the poor. Oana 18 explains that rising construction costs mean that tax cuts and subsidies are no longer enough incentive for contractors to build affordable projects, and thus apartment supply is concentrated in high end areas. Yardi Matrix data notes only 10% of buildings were considered affordable.**

Oana 18 <https://www.rentcafe.com/blog/rental-market/market-snapshots/curbing-displacement-in-gentrifying-cities/>

The question remains as to who will channel enough resources towards building affordable housing in a real estate climate that overwhelmingly favors luxury over necessity. More urgently, as a recent Wall Street Journal article discusses, what is being done to stem the displacement of families in areas where costs have already spiked untenably high? 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.

## Market-Rate Housing Good – SCHOOLS

We have TWO responses

First, MITIGATE THE IMPACT because municipalities are moving away from property taxes as primary funding for schools. **Daniel Thatcher** writes in 2018 that many states have shifted to have more state oversight over education spending, including placing limits on property tax growth. **Renu Zaretsky** explains in 2018 that property taxes only provide about 1/3 of the budget for schools and are being slowly phased out in many places.

Second, you can MITIGATE THE IMPACT again because the **CED Program** finds in 2017 that there is minimal correlation between affordable housing developments and property values. A study of 20 major urban markets concluded there was a negative impact in only 2 markets, with no impact or a positive on in 18. **Tracy Jan** expands in 2017 that federal tax credit funded housing developments leads to boosted property values.

Thatcher, Daniel. The Role of the Property Tax in Public Education Funding. 2018, <http://www.ncsl.org/research/education/funding-approaches-the-property-tax-and-public-ed.aspx>.

No state has completely abandoned the use of the property tax as a source of revenue for public schools. States have shifted from a reliance on local property tax revenues as a substantial source of funding. In these cases (e.g., Indiana and Michigan) the state took on a larger role in the administration of the property tax revenues, in essence shifting from local property tax reliance to state property tax oversight. By oversight, I mean that the state sets the tax rates or tax ceilings or floors for local school districts (or parent governments). For instance, when Indiana, made this transition, the state eliminated a number of special local property tax levies and replaced the lost revenue with an increase in state sales and use tax rates (from six percent to seven percent). More on Indiana House Bill 1001 (2008) is available here. Instead of eliminating the local property tax, many states have placed limits on local property tax growth, California's Proposition 13 being the most well-known. The Significant Features of Property Tax database housed on the Lincoln Institute of Land Policy website contains an entire section on property tax limits.

Zaretsky, Renu. "School Days, School Funding Haze." Tax Policy Center, 5 Sept. 2018, <https://www.taxpolicycenter.org/taxvox/school-days-school-funding-haze>.

For starters, funding schools includes far more than just property taxes. I took an informal poll of my friends a while back, asking how they thought public schools were funded. Out of a dozen people, most guessed "property taxes." One parent at our middle school commented recently, "I can't believe we pay so much in property taxes but we have to get volunteers to weed." True enough, local property taxes provide a substantial amount, about one-third, of the money used to finance public education. It has remained a significant source of funding for public schools. But its role has changed over the years in many states, including my home state of Michigan. Property taxes fell at the end of the 1970s and into the 1980s as local governments faced "property tax revolts". During the Great Recession of 2007 as property values fell, property tax growth slowed. For a while, in 2010-2011, property tax revenues actually fell. At the same time, judges, who worried about unequal educational opportunities across school districts, pushed many states to shift away from local property taxes as a main source of funding. Some states have taken primary responsibility for school funding, favoring state-imposed taxes over local property taxes.

CED Program Interns & Students. "Does Affordable Housing Negatively Impact Nearby Property Values?" Community and Economic Development in North Carolina and Beyond, 26 Jan. 2017, <https://ced.sog.unc.edu/does-affordable-housing-negatively-impact-nearby-property-values/>.

Despite public perceptions of affordable housing negatively impacting nearby property values, there is evidence to suggest that the impact is minimal if at all. Trulia, an online residential real estate site, recently conducted a study indicating that low-income housing tax credit (read more on LIHTC here) projects have no impact on the value of nearby properties. According to Trulia's study, there was no significant effect from 1996 to 2006 on home values located near a LIHTC project. Trulia studied 20 markets across the country and of the 20, there was a negative impact in only 2 cities, Boston and Cambridge. There was a drop of near \$20 per square foot in housing prices; however, this was explained by quick bursts in the construction of affordable housing. In Denver, there was actually an \$7 per square foot increase in value. Based on available literature, negative perceptions of affordable housing potentially outweigh research suggesting that affordable housing does not negatively impact property values. This blog post will dive into some of these academic studies to better understand the monetary and social facets of affordable housing and its impact.

Jan, Tracy. "A Surprising Way to Increase Property Values: Build Affordable Housing." Washington Post, 6 July 2017, <https://www.washingtonpost.com/news/wonk/wp/2017/07/06/a-surprising-way-to-increase-property-values/>.

Despite the lawsuits, media spotlight and conventional wisdom, affordable housing developments built in poor, heavily black communities can lead to greater racial and income integration, according to new research by Stanford economists. Such housing, funded by federal tax credits, also raises property values and lowers crime in surrounding neighborhoods as higher-income white residents move in, the researchers found. "When a corporate developer comes in and builds nicer, new housing, it makes the neighborhood more desirable as a potential place to live," said Rebecca Diamond, a professor at Stanford's Graduate School of Business who authored the study with her colleague Tim McQuade. The surprising findings, to be published in the Journal of Political Economy, are being widely circulated this week among academics following a New York Times story asserting that federal tax credits for affordable housing promotes racial segregation despite the program's intent. While it's true that such housing is disproportionately located in minority communities, the federal program actually results in more racially desegregated neighborhoods over time, said the researchers who analyzed a decade's worth of relevant data around more than 7,000 developments built with federal tax credits in 15 states.

## Public Housing Bad – GENERIC

We have THREE responses

First, you can NON-UNIQUE the argument because we have public and subsidized housing now so even if you buy their negative impacts, they'll exist no matter what.

Second, you can MITIGATE THE IMPACT because there are many types of public housing and they focus on a specific one. Other forms of social housing include middle-income projects built with tax breaks and government-subsidized buildings from the 1960s through the 1980s.

Third, there's no reason that we should promote market-rate just because our current public housing isn't good. **Peter Drier** writes in 2018 that we can look towards cities like Vienna for examples of public housing that work, and reform our system instead of trashing it.

Peter Dreier, B.A., Syracuse University M.A., Ph.D., University of Chicago, Why America Needs More Social Housing, The American Prospect, Apr. 16, 2018.

The idea of having a permanent sector of social housing, protected in perpetuity from market pressures, has a bad reputation in the United States, in part because of misleading stereotypes about public housing. But other forms of social housing are being depleted as well, including middle-income projects built with tax breaks, such as Stuyvesant Town and Peter Cooper Village in Manhattan, which were sold to the highest bidder and converted to market housing; and government-subsidized buildings from the 1960s through the 1980s, built under federal housing programs but allowed to be converted to market-rate apartments once their original mortgages were paid off or the 20-year subsidy contract expired.

Government policymakers have made almost no provision to protect the stunted social sector that exists, much less add to it. There are some exceptions to this dismal pattern, such as land trusts that preserve a social housing sector in perpetuity, in cities like Burlington, Vermont. But for the most part, the place to look for models is abroad. And no place does it better than Vienna.

## **Public Housing Bad – HEALTH**

DELINK them as **Ruel 10** explains that residents entered public housing with a preexisting illness, meaning that there is not causality of public housing to health issues. He furthers that long tenure in public housing did not have an association with increased risk of any health conditions and the issue had to do with lack of income and employment rather than living in public housing.

## Public Housing Bad – POVERTY

We have TWO responses

First, remember overall public housing just means that your housing is less than 30% of your income. At that point overall you're not going to see the adverse impacts they show you.

Second, DELINK them as **Pianin 15** explains that the cycle of poverty is furthered by government programs like welfare that have a direct impact in income, not affordable housing.

## Public Housing Bad – VALUE

TURN them as **Diamond 15** finds that when median incomes fell below \$26,000, we saw home values appreciate 6.5% within one tenth of a mile, as a poorer neighborhood creates “revitalization effect” where it makes the surrounding neighborhood look more desirable in comparison, and when median income increased to over \$54,000 per year this decreased surrounding home prices by 2.5%

## **Refurbishing**

**Judge, DROP THIS ARGUMENT. The entire idea of promoting refurbishing is based off a couple of grants and subsidies offered by the federal government, grants and subsidies that are a single drop of water in the ocean that is the HUD. Look back to our Fischer card where we tell you there are \$190 billion in housing subsidies – This would do absolutely nothing and it'd be ridiculous to weigh it in round.**

## Rent Controls Bad – DETERIORATION

We have THREE responses

First, **DROP THIS ARGUMENT** because it doesn't make sense. If landlords want to make a profit, they still must maintain their properties. In addition, Make them prove actual causality, there can be several reasons of why property is in poor deterioration and just because rent control exists in an area does not mean the property is in bad condition because of it, this is correlation at best, not causation.

Second, **DELINK it** – The studies the AFF cites are heavily criticized. **Nandinee Kutty** explained in 2007 that the impact of rent control on housing maintenance is ambiguous. She concludes that the level of reinvestment in properties is the same before and after rent controls are enacted.

Finally, **MITIGATE THE IMPACT** – **Shanti Singh** writes in 2018 that the increased long-term stability for residents in rent-controlled buildings suggests tenants are fine with the housing quality – If the impacts are as bad as they claim, why aren't we seeing them?

Kutty, Nandinee. "The impact of rent control on housing maintenance: A dynamic analysis incorporating European and North American rent regulations." Cornell University. 4/12/07. <https://www.tandfonline.com/doi/abs/10.1080/02673039608720846>

This paper examines the widely accepted view that rent control leads to lower reinvestment in housing and, hence, lower housing quality. This view is based on fairly simple housing models and a very simple form of rent control that rarely occurs in practice. We consider the impact of rent control on housing maintenance within the framework of a dynamic model of housing reinvestment developed in Kutty (1995) that incorporates adjustment costs, durability of housing, uncertainty, and the role of future expectations. This paper develops a range of cases of rent control, incorporating particular features of actual rent control regulations prevalent in Europe and North America. We find that the impact of rent control on housing maintenance, within the theoretical framework of our dynamic model, is ambiguous. In most cases that we consider, though not in all, the level of reinvestment under rent control is lower than the level of reinvestment in the absence of rent control. Adjustment costs and future expectations play an important part in the response of landlords to rent control and, together with features of actual rent control ordinances, contribute to the theoretical ambiguity of the impacts of rent control on housing maintenance. We find that the discouraging effect of simple rent control on housing maintenance can be mitigated by provisions in rent control ordinances that reward quality improvements, and/or include the enforcement of housing quality codes. An important result in this paper is that when rent control ordinances allow increases in the level of housing services to be valued at their market price, the level of reinvestment under rent control is the same as the level of reinvestment in the absence of rent control.

Singh, Shanti and Preston, Dean. "Dear Business School Professors: You're Wrong, Rent Control Works." Shelterforce. 3/28/18. <https://shelterforce.org/2018/03/28/rent-control-works/>

The Stanford paper fully supports the conclusion that rent control works to keep people in their homes: "We find that rent control increased the probability a renter stayed at their address by close to 20 percent." The stabilizing effects are "significantly stronger among older households and among households that have already spent a number of years at their treated address." In other words, seniors and long-term tenants find longer-term stability because of rent control.

## Rent Controls Bad – ECONOMY

We have TWO responses

First, DELINK them as **Medium 18** explains that rent control does not actually distort the economy. A study on 100 urban cities show rent controls have no impacted the quantity or quality of rental units and in 2011 more housing was built after rent controls were enacted, remember we aren't saying this must be direct causality we are just saying that there is no link to rent control and negative economic growth.

Second, remember the scope to their impact. We have had major sways in rental control in the past and have not seen the whole US economy coming crashing down, remember even if you end up buying their argument it is very limited on scope.

## Rent Controls Bad – MINORITIES

We have TWO responses

First, you can TURN the argument because rent controls have empirically helped minority groups. **Nathan Miller** explains in 2018 that rent control comes with social benefits in the form of increased financial security and stability. **Rebecca Diamond** in 2018 expands on this, saying that rent controls significantly reduce displacement for minority groups. Black and Hispanic renters were 10% more likely to stay in their neighborhoods in San Francisco after rent control.

Second, you can TURN it again because rent controls alleviate poverty for those most affected in urban areas: Minority groups. **Will Fischer** writes in 2018 that almost four-fifths of low-income households saw reduced housing instability and reduced homelessness as a result of rental assistance.

Miller, Nathan "Rent Control: What It Means For The Real Estate Marketplace" Forbes. May 31, 2018. <https://www.forbes.com/sites/forbesrealestatecouncil/2018/05/31/rentcontrol-what-it-means-for-the-real-estate-marketplace/#be293cb76706>

"Rent control has good intentions. The purpose of these policies is to try and ensure that a city has a certain amount of affordable housing options for lower- and middleclass renters. Rent control policies allow larger cities to maintain economic and social diversity, rather than forcing all lower- or middle-class individuals to live in specific low-cost areas. Tenants are able to have some stability and security with rent control. Besides paying an affordable rent, they are able to budget for the future without the fear of large or unexpected rent increases."

Diamond, Rebecca. "The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco." Stanford.edu, Stanford University, 21 Dec. 2018. [web.stanford.edu/~diamondr/DMQ.pdf](http://web.stanford.edu/~diamondr/DMQ.pdf).

"These estimated overall effects mask economically interesting heterogeneity. We begin by repeating our analysis separately within each racial group. Racial minorities may face discrimination in the housing market, indicating that rent control may be especially impactful on limiting their displacement. Figure 7 shows the treatment effects of remaining in one's 1993 address for whites, and then the differential effects for each racial group. Since our sample sizes within any given racial group are smaller, we will focus on the overall "post" impact of rent control, not separating out the short-, medium-, and long-term effects. Whites are 2.1 percentage points more likely to remain at their treated address due to rent control. For both blacks and hispanics, we find larger treatment effects of 10.7 and 7.1 percentage point increases for these groups, respectively.<sup>14</sup> This suggests these minority groups disproportionately valued rent control. In contrast, the effect for asians is statistically indistinguishable from the whites effect, with a point estimate of 0.9 percentage points. We see further evidence that racial minorities disproportionately benefited from rent control when looking at the impact of the law on remaining in San Francisco. Rent control leads treated whites to be 2.8 percentage points more likely to remain in San Francisco, while blacks, hispanics, and asians are 10.7, 10.1, and 6.4 percentage points more likely to remain in San Francisco, respectively.<sup>15</sup> This suggests that rent control had a substantial impact on limiting displacement of minorities from the city, an additional sign that rent control strongly benefits the initial cohort of renters who are covered by the law."

Fischer, Will. "Chart Book: Rental Assistance Reduces Hardship, Promotes Children's Long-Term Success." Center on Budget and Policy Priorities, 9 Feb. 2018. [www.cbpp.org/research/housing/chart-book-rental-assistance-reduceshardship-promotes-childrens-long-term-success](http://www.cbpp.org/research/housing/chart-book-rental-assistance-reduceshardship-promotes-childrens-long-term-success).

Over 5 million low-income households receive help affording modest homes through federal rental assistance, primarily in the form of Housing Choice Vouchers, Section 8 Project-based Rental Assistance, or Public Housing. Rental assistance sharply reduces homelessness, housing instability, poverty, and other hardships. A growing body of research also finds that rental assistance can improve families' health, as well as children's chances of long-term success, particularly if it enables families to live in safe, low-poverty neighborhoods with good schools. A large body of research finds that rental assistance sharply reduces homelessness, housing instability, and overcrowding. For example, a rigorous study found that among families with children, vouchers reduced housing instability (living doubled up with family or friends or homeless) by four-fifths and reduced homelessness (living in a homeless shelter or on the street) by three-quarters.

## Rent Controls Bad – PROPERTY RIGHTS

**You can DROP THIS ARGUMENT because it simply isn't true. Adam Cohen explains in 2018 that the Supreme Court has upheld rent control as constitutional multiple times – In 1921, 1988, and 1992. In addition, Adam Liptak 2012 tells us that the Supreme Court has actually stopped hearing cases about rent control altogether. In the end, it's an established legal fact that rent control doesn't violate property rights.**

Cohen, Adam. "What if the Supreme Court Kills Rent Control?" Time. 03/19/12. <http://ideas.time.com/2012/03/19/what-if-the-supreme-court-kills-rent-control/>

Rent control has a long history. New York City adopted its law after World War I, when a shortage of housing and a glut of renters — including soldiers returning from the war — put extreme pressure on rents. Many other localities have rent-control laws, including dozens in New York State and California. Along with New York City, some of the largest are San Francisco, Oakland and Washington, D.C. The Supreme Court has repeatedly upheld rent control, going back to 1921. In 1988, in *Pannell v. San Jose*, it ruled 6-2 that San Jose's law did not violate the Constitution — in an opinion written by the very conservative then Chief Justice William Rehnquist. In 1992, in *Yee v. City of Escondido*, the court unanimously rejected a claim that a rent-control ordinance was an unconstitutional taking of property — just the issue Harmon is raising. These rulings should settle the question. But rent-control opponents clearly think they have a chance, given how pro-corporation the court is today. Harmon's challenge is attracting strong support from real estate interests and conservative groups like the Cato Institute. They argue that rent control unconstitutionally deprives landlords of the right to charge as much rent as they want. They like to point to extreme cases of people benefiting who do not need it — like the actress Faye Dunaway, who until recently had a \$1,048.72-a-month one-bedroom on the Upper East Side of Manhattan.

Liptak, Adam. "U.S. Supreme Court Declines to Hear Suit Challenging the Rent Stabilization Law." NYTimes. 04/23/12. <https://www.nytimes.com/2012/04/24/us/supreme-court-declines-to-hear-rent-control-challenge.html>

A lawyer for the city, Alan Krams, said it was pleased with the ruling. "Rent regulation in New York City has a long history," he said in a statement, "and the court properly left it to elected state and city officials to decide its future." Last year, the United States Court of Appeals for the Second Circuit, in New York, ruled against the Harmons. A three-judge panel of the appeals court said the couple knew what they were getting into when they acquired the building. It was that decision that the Supreme Court declined to consider. The Court of Appeals added that the couple retained important rights under the regulations: they could in some circumstances reclaim the apartments for their own use; they could demolish the building so long as they did not replace it with housing; and they could "evict an unsatisfactory tenant." All of that meant, the panel said, that the city's regulations did not amount to "permanent physical occupation of the Harmons' property" and so did not run foul of the takings clause of the Fifth Amendment, which says private property shall not "be taken for public use, without just compensation." The Supreme Court has said that government regulation of private property can be "so onerous that its effect is tantamount to a direct appropriation or ouster." Analysis: Rent control does not constitute a taking, and the Supreme Court has ruled this on multiple occasions. Even if rent control were a taking, takings can be justified so long as the government has a legitimate purpose as ruled in *Kelo v. New London*.

## Rent Controls Bad- SHORTAGES

We have THREE responses

First, you can TURN the argument because rent controls increase supply in distorted markets. **Gary Painter** writes in 2019 that when housing developers have too much power in the market, they raise rents. Rent controls solve by forcing them to build more houses if they want to make more money. Painter goes on to say that real estate developers have actively fought against rent controls because they wish to maintain market power.

Second, you can MITIGATE THE IMPACT because a recent **USC** report explains that rent control ordinances have a minimal impact on supply but see major benefits to low-income people by giving them access to housing

Finally, you can MITIGATE THE IMPACT again because even if you buy that rent control negatively affects supply, it's proven that it has non-supply benefits. **Brinley Bruton** writes in 2018 that rent control provides tenants stability by increasing the probability they stay at the address by 20%. In addition, the aggregate benefit to the population was over 7 billion dollars, which doesn't even take into account welfare benefits.

Painter, Gary. "No, Rent Control Doesn't Always Reduce the Supply of Housing." latimes.com. Accessed February 3, 2019. <https://www.latimes.com/opinion/oped/la-oe-painter-rent-control-economist-20181031-story.html>.

"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. So is that the situation we have in the California housing market? Research suggests it is. 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."

Painter, Gary. "No, Rent Control Doesn't Always Reduce the Supply of Housing." latimes.com. Accessed February 3, 2019. <https://www.latimes.com/opinion/oped/la-oe-painter-rent-control-economist-20181031-story.html>.

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. Looking at how previous rent control ordinances affected housing markets can help us see how cities might respond to the freedoms afforded by Proposition 10. A recent USC report on rent-stabilization ordinances found that their impact on the supply of housing supply is small (mostly through condo conversions), but that the benefits to the low-income population can be substantial. These findings echo what we've seen after minimum wage increases: A few low-wage jobs are lost, but the benefits to those paid the minimum wage are larger than the costs of lost jobs.

Bruton, Brinley. "The U.S. Wants the Saudis to End War in Yemen. And It Has Leverage." NBC News, 5 Nov. 2018. <https://www.nbcnews.com/news/world/u-s-wantsyemen-war-end-will-it-stop-selling-n929921>.

The Stanford paper fully supports the conclusion that rent control works to keep people in their homes: "We find that rent control increased the probability a renter stayed at their address by close to 20 percent." Stanford Paper, page 1. The stabilizing effects are "significantly stronger among older households and among households that have already spent a number of years at their treated address." In other words, seniors and long-term tenants find longer term stability because of rent control. Equally importantly, the study confirms how rent control prevents displacement from the city: "We can see that tenants who receive rent control protections are persistently more likely to remain at their 1993 address relative to the control group. Not only that, but they are also more likely to be living in San Francisco." Effects of Rent Control Expansion, page 12. The paper also acknowledges the substantial financial benefit conferred on tenants because of the expansion of rent control in San Francisco in 1994: "Across the entire population, the aggregate benefit was \$7.085 billion dollars, reflecting an annual average of \$394 million dollars. Note also that these welfare numbers are only for the 1994 population impacted by the rent control expansion. It does not take into account the welfare benefits for renters who moved into the impacted properties in later years, which presumably were also quite large." Effects of Rent Control Expansion, Page 40. The \$7 billion savings for tenants is the tip of the iceberg, relating only to the studied group — tenants in small buildings who lived in their homes in 1994 when they became rent controlled. As the authors note, it does not measure the benefit for all of the tenants that moved into the studied properties after they gained rent control."

## Studies Conclude Market-Rate

We have TWO responses

First, this argument makes literally no sense – We have studies and PhDs supporting our position too, or else we wouldn't be arguing it in a high-level academic debate round.

Second, you can DROP THEIR STUDIES because **Miriam Zuk and Karen Chapple** tell us in 2016 that studies on market-rate housing are unreliable because they omit subsidized housing production data, meaning production numbers skew far lower than reality.

Miriam Zuk, B.A. in Environmental Sciences from Barnard College, M.S. in Technology and Policy from MIT, and a Ph.D. in City and Regional Planning from UC Berkeley, & Karen Chapple, Ph.D., B.A. in Urban Studies from Columbia University, an M.S.C.R.P from the Pratt Institute, and a Ph.D. from UC Berkeley, Housing Production, Filtering and Displacement: Untangling the Relationships, Berkeley IGS: Research Brief, May 2016, [www.urbandisplacement.org/sites/default/files/images/udp\\_research\\_brief\\_052316.pdf](http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf)

While numerous critiques of the LAO report have circulated,<sup>6</sup> we believe that the omission of subsidized housing production data from the analysis has the greatest potential to skew results.<sup>7</sup> 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.

## Subsidies

We have TWO responses

First, you can MITIGATE THE IMPACT because **Feldman & Wright** explain in 2018 that in Minneapolis, government subsidies failed completely, falling nearly 50,000 units short of what was necessary. They conclude that in order to produce enough units for just that one city, the government would need to quintuple their production. That simply isn't feasible

Second, you can TURN the argument because **Feldman & Wright** go on to explain that because housing subsidies increase the demand for housing without increasing supply enough, prices go up, meaning we're worse off in the world of the AFF.

Ron Feldman & Mark Wright (both, Vice Presidents, Federal Reserve Bank of Minneapolis), STATES NEWS SERVICE, October 18, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP.

Arithmetic alone shows that increasing private market supply is critical to reducing the cost of housing. In 2006, the Metropolitan Council estimated that the Twin Cities would need to provide an additional 51,000 homes affordable to low-income households during the 2011-20 period. Government subsidies to builders have yielded only about 7,000 such affordable homes so far during that time frame. Even if governments had subsidized builders at quadruple that rate, we would still be 23,000 units short of what is needed by 2020. The record over a long period of time suggests that state and city budgets will not fund future building subsidies of a magnitude that would produce the needed units.

Ron Feldman & Mark Wright (both, Vice Presidents, Federal Reserve Bank of Minneapolis), STATES NEWS SERVICE, October 18, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP.

What about giving housing subsidies to households instead? Sounds appealing. But housing subsidies increase the demand for housing, so unless total supply also increases, prices will just go up. Current landlords and homeowners will get richer, but low-income families will have even fewer options.

# Supply and Demand

**We have BLANK responses**

**First, you can DELINK them because the laws of supply & demand don't apply to housing. Katherine O'Regan of NYU explains in 2018 that the rule doesn't apply to housing because housing is tied to a specific plot of land, and the supply of demand is limited because of either existing development or geographical constraints.**

**Second, you can TURN them because O'Regan goes on to explain that even if a supply increase fuels more demand, it doesn't fully offset the new supply. She notes that studies conclude similarly as well.**

**Third, you can TURN the argument again because in some cases, new construction increases prices. New York City saw increased housing prices in areas surrounding new developments that replaced abandoned buildings and vacant lots.**

Katherine O'Regan (Professor of Public Policy and Planning at NYU Wagner, formerly served as Assistant Secretary for Policy Development and Research at HUD, previously taught at Yale School of Management, received teaching awards from Berkeley, Yale, and NYU, served on the editorial board for the Journal of Policy Analysis and Management, Ph.D. in Economics from UC, Berkeley), Ingrid Gould Ellen (Professor of Urban Policy and Planning at NYU Wagner, held visiting positions at the Department of Urban Studies and Planning at MIT, the U.S. Department of Housing and Urban Development, the Urban Institute and the Brookings Institution, Ph.D. in public policy, Master's degree in Public Policy, and bachelor's degree in applied mathematics, all from Harvard University.), and Vicki Been (Professor of Law at NYU School of Law), October 26, 2017, NYU Furman Center, NYU Wagner School, and NYU School of Law, "Supply Skepticism: Housing Supply and Affordability", accessed February 9, 2019, [http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20Supply\\_affordability\\_Oct%2026%20revision.pdf](http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20Supply_affordability_Oct%2026%20revision.pdf)

In virtually all markets, increases in demand initially increase price, as producers face short-run constraints on their ability to increase supply. In the longer run, however, increases in price should induce investment and an expansion in supply, which should dissipate the initial increase in price. Some argue that those 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).

Katherine O'Regan (Professor of Public Policy and Planning at NYU Wagner, formerly served as Assistant Secretary for Policy Development and Research at HUD, previously taught at Yale School of Management, received teaching awards from Berkeley, Yale, and NYU, served on the editorial board for the Journal of Policy Analysis and Management, Ph.D. in Economics from UC, Berkeley), Ingrid Gould Ellen (Professor of Urban Policy and Planning at NYU Wagner, held visiting positions at the Department of Urban Studies and Planning at MIT, the U.S. Department of Housing and Urban Development, the Urban Institute and the Brookings Institution, Ph.D. in public policy, Master's degree in Public Policy, and bachelor's degree in applied mathematics, all from Harvard University.), and Vicki Been (Professor of Law at NYU School of Law, Affiliated Professor of Public Policy of the NYU Wagner Graduate School of Public Service, Faculty Director of NYU's Furman Center for Real Estate and Urban Policy, served as Commissioner of Housing Preservation and Development for the City of New York, recipient of the MacArthur Award for Creative and Effective Institutions in 2012.), October 26, 2017, NYU Furman Center, NYU Wagner School, and NYU School of Law, "Supply Skepticism: Housing Supply and Affordability", accessed February 9, 2019, [http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20Supply\\_affordability\\_Oct%2026%20revision.pdf](http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20Supply_affordability_Oct%2026%20revision.pdf)

While building additional highways does appear to induce more demand (Duranton & Turner, 2011), in the case of housing, additional demand is unlikely to offset the new supply. Such an offset requires demand curves to be perfectly elastic; in other words, it assumes that neighborhoods and jurisdictions are perfect substitutes and that there are no constraints on the ability and willingness of households to move. This is clearly unrealistic. 10 Moving homes is not like driving a few extra miles (Lewyn, 2016). Any additional demand for housing is limited by personal and economic constraints on the ability and willingness of households to move, restrictions on immigration, and uncertainty about all the other factors that may determine a market's trajectory. Thus, in the long-run, while some additional households may be drawn from outside (or from within the city) to buy or rent homes as supply increases, it is highly unlikely that prices will end up at the same level they would have reached absent any new supply. Finally, as noted below, the empirical evidence shows that allowing for more supply leads to lower housing prices; if adding supply induced sufficient additional demand to offset the increased supply, the studies would not find an association between supply and prices.

Katherine O'Regan (Professor of Public Policy and Planning at NYU Wagner, formerly served as Assistant Secretary for Policy Development and Research at HUD, previously taught at Yale School of Management, received teaching awards from Berkeley, Yale, and NYU, served on the editorial board for the Journal of Policy Analysis and Management, Ph.D. in Economics from UC, Berkeley), Ingrid Gould Ellen (Professor of Urban Policy and Planning at NYU Wagner, held visiting positions at the Department of Urban Studies and Planning at MIT, the U.S. Department of Housing and Urban Development, the Urban Institute and the Brookings Institution, Ph.D. in public policy, Master's degree in Public Policy, and bachelor's degree in applied mathematics, all from Harvard University.), and Vicki Been (Professor of Law at NYU School of Law, Affiliated Professor of Public Policy of the NYU Wagner Graduate School of Public Service, Faculty Director of NYU's Furman Center for Real Estate and Urban Policy, served as Commissioner of Housing Preservation and Development for the City of New York, recipient of the MacArthur Award for Creative and Effective Institutions in 2012.), October 26, 2017, NYU Furman Center, NYU Wagner School, and NYU School of Law, "Supply Skepticism: Housing Supply and Affordability", accessed February 9, 2019, [http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20Supply\\_affordability\\_Oct%2026%20revision.pdf](http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O'Regan%20Supply_affordability_Oct%2026%20revision.pdf)

Hankinson (2017) theorizes that renters' opposition to local additions to supply is driven by such worries; he argues that it is plausible that the construction of an attractive new building will increase prices locally (by improving the physical landscape, bringing new amenities to the neighborhood, and signaling that the neighborhood is improving), even as it reduces them citywide. Testing this proposition empirically is quite challenging, given that developers will naturally be attracted to areas where prices and rents are rising. There is evidence from New York City that improvements to blighted housing can, in some circumstances, increase surrounding property values, even when the new or improved housing is subsidized, low-income housing (Diamond & McQuade, 2016; Schwartz, Ellen, Voicu & Schill, 2006). The new housing studied, however, replaced large swaths of vacant, abandoned buildings and littered vacant lots, in essence removing a disamenity.

## **Indicts to Affirmative**

## Freeman & Braconi – Displacement

**Judge, drop the argument because their EVIDENCE IS FLAWED. Freeman & Braconi's survey data did not count residents who doubled up, moved out of the city, or became homeless. When Ameer Chew performed a finer analysis of the same data in 2018, it was discovered that rents rose an average of 43%, and that evidence existed for displacement and migration flows.**

Ameer Chew, Nov 5 2018. ShelterForce. "Here's What We Actually Know About Market-Rate Housing Development and Displacement" <https://shelterforce.org/2018/11/05/heres-what-we-actually-know-about-market-rate-housing-development-and-displacement/> Accessed 2.6.19 CB19  
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).