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

**OVERVIEWS, WEIGHING, INDICTS** 

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### A2 GENERAL

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A2 Market collapse

A2 Gentrification

A2 Racism

A2 Displacement

### A2 PRO (YOU ARE CON)

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A2 W - Supply and demand

A2 W - Freeing up housing

A2 W - Zoning

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A2 W - Redistribution

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A2 W - Recession

A2 W - Raising revenue

A2 Education funding

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A2 I - Gentrification

A2 I - Displacement

A2 Specific programs

A2 Density bonuses

A2 Inclusionary zoning

A2 Public housing bad

A2 General

A2 Government interventionist

A2 High rise towers bad

A2 Property value

A2 Crime

A2 Health

A2 Rent control

A2 Bad

A2 Construction

A2 Deterioration

A2 Unconstitutional

#### A2 CON (YOU ARE PRO)

A2 MRH bad

A2 Demolitions

A2 Price discrimination

A2 Luxury homes only

A2 Increases demand

A2 Expensive housing good

A2 Redlining

A2 Upzoning bad

A2 Tradeoffs

A2 Construction costs

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A2 I - Increased prices

A2 I - Concentrated poverty

A2 I - Gentrification

A2 Specific programs

A2 General

<u>A2 LIHTC</u>

A2 Rent control

A2 Vouchers/subsidies

A2 Public housing

### OVERVIEWS, WEIGHING, INDICTS

## Final OV AFF A2 NEG

### Outweigh on two counts.

- Scope. Government-imposed housing affordability in rent-controlled buildings touches maximum 30/100 low-income renters. We can't keep helping only some at the expense of everyone else. <u>O'Reagan</u> - 100-study meta analysis, increased housing development prevents rent increases, making housing more affordable for the middle and lower class. Seattle - 6% rent drop the VERY NEXT YEAR.
- 2. Timeframe. We're the only team that doesn't kick the problem down the line. Valdez root cause of the crisis is a lack of supply. Even if you buy that we increase displacement in the short term, by increasing supply in the long term, we prevent the market from becoming so skewed again and a larger crisis down the road. Don't vote for a bandaid on a bullet wound.

### Final OV NEG A2 AFF

- 1. In this round, we should prioritize impacts to the poor the most as the Chronic Poverty Research Center explains that poverty often transfers from generation to generation, leading to long term effects of inadequate health, decreased quality of education, and a complete absence of opportunity.
- 2. Even if you buy their entire case, what Chappale tells you is that any price reductions that materialize as a result of increased supply take decades to drop, and even then, don't fall enough to become affordable to those who need these houses the most. Remember, right now the status-quo is providing for low-income renters and the housing crisis is declining. That means that if you're voting for who can help those impoverished first, you're going to always be voting neg, since we most directly impact to and assist those who need housing.

## OV P2C Clarification

1. Voting aff does not necessarily mean rolling back the programs that the neg world advocates for. For example, in San Francisco, the city was able to have rent control in some places while also incentivizing market rate housing which as a byproduct, also created more affordable units through inclusionary zoning. Promoting market rate housing is just that, not a rollback of other programs.

## OV C2P Poverty first weighing

1. In this round, we should prioritize impacts to the poor the most.

- a. Irreversibility. Children's Village further explains that even in wealthier countries, children who grow up in poverty are more likely to die prematurely and have more disease in adulthood due to irreversible health changes from growing up impoverished.
- b. Magnitude. Those impoverished suffer the full brunt of higher housing costs because they have not as much economic savings to fall back on. And in terms of the social safety net, the Urban Institute reports in 2019 that nearly 13 million people living below the poverty line, a quarter of those living in poverty, are completely cut off from any social assistance.
- c. Timeframe. The Chronic Poverty Research Center explains that poverty is often transmitted from one generation to the next, leading to long term effects of poor nutrition, inadequate education and health care, and a lack of opportunity.

https://www.washingtonpost.com/business/economy/13-million-people-in-poverty-are-disconnec ted-from-the-social-safety-net-most-of-them-are-white/2019/02/04/807516a0-2598-11e9-81fd-b 7b05d5bed90\_story.html?noredirect=on&utm\_term=.6f106ef67009

More than a quarter of the people living in poverty in the United States receive no help from food stamps and other nutrition programs, subsidized housing, welfare and other cash benefits, or child-care assistance, according to a new Urban Institute analysis examining the reach of the social safety net.

The analysis found that 13 million people living below the poverty line — a household income of less than \$25,100 a year for a family of four — were disconnected from federal programs for the neediest Americans.

Among the very poorest — for instance, a family of four making less than \$13,000 a year — nearly a third receive no benefits from the federal safety net.

"There are a lot of people in this country who are not attached to our major systems of support, and they are in desperate need," said Gregory Acs, vice president for income and benefits policy at the Urban Institute.

No Author, xx-xx-xxxx, "Irreversible health damage due to Childhood Poverty," No Publication, <u>https://www.soschildrensvillages.ca/irreversible-health-damage-due-childhood-poverty</u> Studies show that the health effects of child poverty extend into adulthood regardless of the social status a child obtains later on in life.

Even in a wealthy country such as Canada, children born in Saskatoon's low-income neighbourhoods are 448 per cent more likely to die in their first year compared with children born elsewhere in the Province.

Research has shown that, even among those who live, low-income youth in Saskatoon are much more likely to have depression, anxiety, suicidal thoughts and so on, as well as being more likely to engage in risky behaviour such as drug use and alcohol abuse.

A number of longitudinal studies have followed large groups of children over long periods of time into adulthood, and the results have been shocking in highlighting the permanent damage that occurs due to childhood poverty.

Children that grow up in poverty are more likely to die prematurely and have more disease in adulthood. What is surprising is that they were not only more likely to die prematurely as adults from all-cause mortality, cardiovascular mortality and overall cancer mortality but they were also more likely to die prematurely from accidents, violent deaths and alcohol and drug-related causes.

No Author, xx-xx-xxxx, "Intergenerational Transmission of Poverty," No Publication, http://www.chronicpoverty.org/page/igt

A defining characteristic of chronically poor people is that they remain in poverty over a long period. This can mean that poverty is transmitted from one generation to another, with poor parents having poor children, who are more likely to become poor adults themselves. This intergenerational transmission of poverty can be the long term effects of poor nutrition, inadequate education and health care, few assets or a lack of opportunities. Policies and programmes can help to break this cycle.

OV C2P - Affordability the issues

1. In the status quo, enough houses exist. What don't exist is the affordability component. Conerly of Forbes in 2017 explains that this year, we are on track to build 1.3 million new houses while demand for new housing units is only 1.2 million. He thus concludes that the market doesn't need an increase in construction. Dobbs of Medium further quantifies in 2018 that when empirically comparing the amount of regulation in an area and the costs of houses, there is no association between the score and the cost of housing in a metro area. He thus concludes that the policies that the aff is advocating for won't change housing prices as the housing market isn't actually dictated by supply-side economics. Overall, Sole in 2015 concludes that the root cause behind the housing crisis isn't lack of supply, it is instead income inequality. The wealthy can afford more than one home while the improvised struggle to pay rent on an apartment. What it needs is more supply of affordable housing, not more supply in general insofar as disadvantaged people can't access housing at all.

Andrew Dobbs, 2-28-2018, "Debunking the Housing Supply Myth – Andrew Dobbs – Medium," Medium, https://medium.com/@andrewdobbs/debunking-the-housing-supply-myth-857c2ecc30a We also have some data that land use regulation does NOT seem to correlate to rising unaffordability. At this point the best empirical measure for local land use regulation is the Wharton Residential Land Use Regulatory Index (WRLURI). Developed by two researchers at the Wharton School of Business in 2007, the WRLURI uses survey data about the complexity and costs of residential development and public information about state land use policies and elections to develop a score for how restrictive various metropolitan areas are.

So how do the scores match up to affordability outcomes? The worst metro area of all identified in the study was Providence, RI — in fact, by their score they were TWICE as restrictive as urbanist boogeyman San Francisco. But since 2010 Providence has gotten MORE affordable — the ratio of average fair market rent to average weekly earnings is nearly 13% lower in 2017 than it was in 2010.

Across the board there is little association between WRLURI score and the cost of housing in a metro area. Pittsburgh and Chicago both had the same score, and since 2010 Chicago has gotten 5.7% less affordable and Pittsburgh has gotten 7.6% more affordable. Metro Boston is second only to Providence in its restrictiveness and indeed, it got 4.4% less affordable, but the St. Louis metro area was the third LEAST restrictive and it got more than 15% less affordable — nearly four times worse than Boston.

Measuring affordability by comparing fair market rents to average earnings means that some areas got less affordable not because their rents went up but because wages went down. But again, most restrictive of all Providence saw rents DECLINE by more than 8% when adjusted for inflation, and Oklahoma City — the sixth least restrictive — saw rents go up 11.7% in that same period.

If supply is a problem, it isn't because of regulatory interference or "NIMBYs" unless there has been a rush for regulation in Oklahoma City and libertarian principles overtaking Providence and Boston.

I2 45% filtered

1. Only 2.6% followed the process where units move from high to affordable rent, and 80% of these units were never high rent during the period studied.

### No Author, xx-xx-xxxx, "," No Publication,

https://s3.amazonaws.com/media.hudson.org/files/publications/AffordableRentHousing2017.pdf Often filtration is thought of as a smooth process in which units move from high rent to moderate rent to affordable. We found only 1.1 million units that followed this path and they accounted for 2.6 percent of all affordable rental housing. Further analysis shows that 80 percent of these units were never high rent during the period studied. o The remaining 7.5 percent of all affordable rental housing were accounted for by private units that were always affordable, units that were always affordable except for one survey, and units that gentrified from affordable to moderate or high rent units. o Finally, 65.7 million units were never rental and another 3.3 million units were always either moderate or high rental.

### I2 LAO study

- 1. Berkeley study omitted subsidized housing production data, and when that data is included, the path to reducing displacement is more complicated than relying on MRH dev and concluding that affordable housing is the best way to help the poor.
- 2. Berkley 18 says "the omission of subsidized housing production data from the analysis has the greatest potential to skew results. 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."
- 3. Shoag of Washignton Post points out that the report doesn't differentiate from big housing markets and cities on the outskirts of town with little displacement pressure

displaced from their neighborhoods.1

In this research brief we present a more nuanced view to contribute to this debate. We correct for the omission of subsidized housing production from the LAO Report and find that both market-rate and subsidized housing reduce displacement at the regional level, yet subsidized housing has over double the impact of marketrate units. After evaluating the impact of marketrate and subsidized housing built in the 1990s on displacement occurring in the 2000s, to ensure that we are examining before and after relationships, we find that market-rate development has an insignificant effect on displacement. Finally, when looking at the local, neighborhood scale in San Francisco, neither market-rate nor subsidized

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housing production has the protective power they do at theiiregional scale, likely due to the extreme mismatch betweenYdemand and supply. These findings provide further supportEfor continuing the push to ease housing pressures by pro-toducing more housing at all levels of affordability throughoutiistrong-market regions. These findings also provide supporth

Daniel Shoag [Washington Post], 02-19-2016, How To Make Expensive Cities Affordable For Everyone Again, <u>https://outline.com/Vc8gK8</u>

The LAO report is correct that there is a housing shortage across California. It's also correct that existing affordable-housing programs are inadequate. But the report errs in several ways, and for that reason we should think twice before taking its results seriously. Most importantly, the report claims that constructing market rate units will protect low-income communities against displacement. But it relies upon a single imperfect definition of displacement and doesn't distinguish between parts of the Bay Area that are growing rapidly and where land is cheap from the tight housing markets in San Francisco, Oakland, and San Jose. These three cities account for about a third of new market-rate units in areas the report focuses on. But other top producers include cities on the urban fringe as well as unincorporated areas where displacement pressures are minimal. Grouping together these very different places can make it appear as though new market-rate units prevent displacement, when in fact the opposite might be true. The report also ignores clear evidence from other sources of ongoing shortfalls in affordable housing supply. The state tracks how well cities perform on the goal of providing housing affordable to all income levels. Between 2007 and 2014, fully 99 percent of the Bay Area's need for high-end units was met. Conversely, building permits lagged far behind need for low- and moderate-income units.

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### I2 Newman/Wyly

### I2 Freeman/Braconi

1. Chew of Shelterforce in 2018 - These studies don't account for residents who had doubled-up, moved out of the city, or became homeless. In fact, Freeman and Braconi concede rent burden increases and disparities widen with gentrification.

Amee Chew, 11-5-2018, What We Know About Market-Rate Housing Construction and Displacement,

https://shelterforce.org/2018/11/05/heres-what-we-actually-know-about-market-rate-housing-dev elopment-and-displacement/

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).

### A2 GENERAL

## A2 Increased accessibility squo

 CNBC explains that the continued rise of rents has lead buyers, who still want a house, to become disillusioned and drop out of the active search for a house, explaining the stats the Neg gives. But at the same time, CNBC reports that the number of new houses being listed for sale has continued to drop while prices are rising. And insofar as we currently have a shortage of 7.2 million affordable units, it's wishful thinking to believe that a couple isolated incidents of funding in liberal states is enough to end the crisis. Don't put a bandaid on a bullet wound. Diana Olick, xx-xx-xxxx, "Housing demand sees biggest drop in more than 2 years," CNBC, <u>https://www.cnbc.com/2018/08/01/housing-demand-sees-biggest-drop-in-more-than-2-years.htm</u> 1

The long list of housing headwinds is finally taking its toll on potential buyers. Housing demand fell 9.6 percent in June, compared with June 2017, according to a monthly index from Redfin. That is the largest decline since April 2016. Red-hot home prices, rising mortgage interest rates, very few listings at the entry level and a high rate of student loan debt have weighed on buyers for a while, but a strong economy and growing employment had mitigated those factors. Now, however, a market stalemate is developing as rates and prices continue to rise, further weakening affordability. As a result, the number of people requesting home tours fell 6.1 percent annually in June, according to Redfin's index, which is seasonally adjusted and covers 15 large metropolitan housing markets. There were 15 percent fewer offers made on homes as well. The supply of homes for sale increased very slightly nationally in June, according to the National Association of Realtors, but in Redfin's major market index, the total number of homes for sale was 3.8 percent lower than a year ago and there were 1.6 percent fewer new listings.

## A2 Market collapse

- 1. Not the same. Riquier of MarketWatch in 2018 explains that current high housing prices are caused by lean supply, not speculation. Additionally, bubble-era home buyers jumped at rising prices; however, today, they avoid such purchases. Thus, Riquier concluded that for the handful of economists calling the present moment a cycle top, it simply means that from here on, sales will stop growing, and possibly even decline, as will home prices. Not a recession.
  - a. [NEG] Riquier goes on to explain that usually, over-supply is what causes a housing downturn.

Andrea Riquier, 6-30-2018, "We're probably at peak housing. Here's what that means.," MarketWatch,

https://www.marketwatch.com/story/were-probably-at-peak-housing-heres-what-that-means-201 8-06-27

Usually, over-supply is what causes a housing downturn, Khater said. Remember home builders throwing up development after development in 2005-2006, farther and farther away from city centers, in the expectation that there would be an endless supply of people to buy them?

"Here we are nine years in, we've had three straight years of inventory decline," Khater said in an interview. "It's not only not-expanding, it's contracting. The consensus is that if there's a recession, it's a modest, plain-vanilla recession. If that's the case, I think what it might do is cause inventories to rise modestly and home price growth to slow. My base case is that – an economic recession but not a real estate recession."

For economic history wonks, Khater likens his "base case" to the 2000-2001 downturn, which was a recession caused in part by the implosion of the dot-com sector – but which didn't really hit the housing market.

Andrea Riquier, 6-30-2018, "We're probably at peak housing. Here's what that means.," MarketWatch,

https://www.marketwatch.com/story/were-probably-at-peak-housing-heres-what-that-means-201 8-06-27

(It's also worth noting that many voices have spent the last several years, seemingly ever since the last bubble burst, squawking about a new bubble. And it's true that prices in many metros keep pushing higher and higher, defying the laws of logical market dynamics. But that's been driven by outsize demand and lean supply that can't keep up, not speculation.)

Also read: Bubble-era home buyers jumped at rising prices; today, they're turned off

For the handful of economists calling the present moment a cycle top, it simply means that from here on, sales will stop growing, and possibly even decline, as will home prices.

Here's how Nationwide Chief Economist David Berson put it in May, in response to the Realtors' April sales figures: "We project that existing home sales will edge up by around 1% in 2018 to around 5.56 million units, which would be the strongest pace of sales since 2006. We expect that this will be the high-water mark for sales in this cycle."

## A2 Gentrification

A2 Racism

- 1. Delink McKinnish of the Journal of Urban Economies in 2009 finds that gentrification draws in people of similar demographics, especially because they are attracted to the diversity of gentrifying neighborhoods
- 2. Delink Gouldellen of NYU in 2010 finds that even though sometimes people coming into gentrifying neighborhoods are disproportionately white, the people leaving are also white, which means no net change
- 3. [AFF] Turn Friedman explains that free markets prevent discrimination as government discriminate groups whereas historically, the growth of the free market has majorly reduced the social handicaps placed on various disadvantaged groups.

Mark J., 10-16-2018, "How free market capitalism often acts as a solvent for racism and discrimination," AEI,

http://www.aei.org/publication/how-free-market-capitalism-often-acts-as-a-solvent-for-racism-an\_d-discrimiantion/

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.

Ingrid Gouldellen [NYU], 2010, How low income neighborhoods change: Entry, exit, and enhancement, https://www.sciencedirect.com/science/article/pii/S0166046211000044 Finally, we find no evidence that the populations in gaining neighborhoods became more white in the course of change. While new entrants to such gaining neighborhoods were more likely to be white than those entering non-gaining neighborhoods, so too were those leaving these neighborhoods. The stereotypical story of white inmovers and minority outmovers, perhaps based more in the history of white flight, was not the typical experience in the 1990s. While gaining neighborhoods attracted a greater share of whites than other low-income neighborhoods, they did not actually gain white residents, as the stylized story of gentrification suggests. In short, the picture our analyses paint of neighborhood change is one in which original residents are much less harmed than is typically assumed. They do not appear to be displaced in the course of change, they experience modest gains in income during the process, and they are more satisfied with their neighborhoods in the wake of the change. To be sure, some individual residents are undoubtedly hurt by neighborhood change; but in aggregate, the consequences of neighborhood change – at least as it occurred in the 1990s – do not appear to be as dire as many assume

Terra Mckinnish [Journal of Urban Economies], 2009, Who Gentrifies Low-Income Neighborhoods?, <u>https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2802068/</u> Our findings suggest that rather than dislocating non-white households, gentrification of predominantly black neighborhoods creates neighborhoods that are attractive to middle-class black households, particularly those with children or with elderly householders. One reasonable interpretation, particularly given recent work by Bayer and McMillan (2006) and Bayer, Fang and McMillan (2005), is that because these neighborhoods are experiencing income gains, but also more racially diverse than established middle-class neighborhoods, they are desirable locations for black middle-class households. In contrast, for the gentrifying tracts with low black populations, we find evidence of disproportionate exit of black high school graduates. It is possible that in these neighborhoods, for black high school graduates, the rising housing costs are not offset by the same benefits of gentrification as in the predominantly black neighborhoods. Despite the exit of black high school graduates, in-migration of this group is sufficient to increase its proportion of the population slightly in these tracts, suggesting some sorting among households in this group with different neighborhood preferences. Perhaps even in the predominantly black neighborhoods, displacement has not occurred yet, but will in the future. It is of course, impossible for us to address this empirically. However, we point out that the neighborhoods we define as gentrified have already experienced massive income growth (in absolute and percentage terms), yet still have very sizeable fractions of non-white and non-college educated households, and sizeable in-migration of these same demographic groups.

## A2 Displacement

- 1. Delink Gouldellen of NYU in 2010 quantifies that there is no evidence of higher exit rates for renters or poor households, even among original residents.
- 2. Delink Buntin of Slate explains in 2015 that gentrification the way the aff/neg describes it just isn't that common. They found in an analysis of past examples of "true" gentrification, when compared to neighborhoods nearby that "weren't gentrified" they found that poor people moved out of "gentrifying" neighborhoods at a lower than normal rate. They conclude that this is the case because as neighborhoods gentrify, they also improve in many ways that may be as appreciated by their disadvantaged residents as by their more affluent ones."
- 3. [AFF] Turn Gentrification increases quality of life for poor families.
  - a. Gentrification increases income. Gillespie of CNN in 2015 reports that the influx of new businesses to lower-income areas offers new, usually higher-paying jobs for residents. In fact, Hurst of the University of Chicago in 2011 quantifies that poor neighborhoods see a 11% increase in income when surrounded by richer amenities, and Cortright of the Atlantic in 2015 confirms that low-income households in gentrifying areas see an average increase in income of \$4,500 a year.
  - b. General improvements. Freeman of Columbia University finds that because wealthier residents demand and fund better facilities, gentrification is associated with better schools and education, healthcare facilities, and less crime. In fact, one MIT study concluded that gentrified neighborhoods saw 16% less crime than non-gentrifying areas.

Critically, this increased access to resources incentivizes and enables low-income families to stay in gentrified areas. Thus, Freeman quantifies that poor residents are 15% less likely to move in gentrified areas, and Hurst of the University of Chicago furthers that gentrifying areas have 23% less poverty.

4. [AFF] Weighing - Vigdor of Brookings in 2002 finds that poverty is more indicative to displacement than gentrification of neighborhoods, so if we decrease rent and therefore decrease poverty, people are less likely to leave. Thus, Kay of the CNU in 2016 confirms that that market rate housing empirically lowers probability of displacement by 20% because of construction lowering prices.

Erik Hurst, 08-12-2011, "Endogenous Gentrification and Housing Price Dynamics," University of Chicago,

http://faculty.chicagobooth.edu/erik.hurst/research/gentrification\_final\_august2011\_submit.pdf The results from estimating (21) are shown in Table 7. In response to a city-wide housing demand shock, it is the poor census tracts that are in close proximity to the rich census tracts that are much more likely to experience rising incomes, declines in the poverty rate, and rising educational attainment of residents relative to poor census tracts that are farther from the rich census tracts. Specifically, in response to a one-standard deviation Bartik shock, poor census tracts that were 1 mile from rich neighborhoods experienced income growth that was 1.7 percentage points higher than poor neighborhoods that were 4 miles away. Given that the average census tract in our sample experienced income growth of 14.9 percent during the decade, this *represents an increase in income of 11.4 percent for poor neighborhoods that are close to rich neighborhoods in response to a one standard deviation Bartik income shock. Likewise, poor neighborhoods that are 1 mile from the rich neighborhoods experienced 23 percent lower increases in the poverty rate and 25 percent higher increases in the fraction of residents with a college degree or more relative to otherwise similar poor neighborhoods that are 4 miles from the rich neighborhoods* 

Richard Florida, Citylab, 09-16-2015, "This Is What Happens After a Neighborhood Gets Gentrified," Atlantic,

https://www.theatlantic.com/politics/archive/2015/09/this-is-what-happens-after-a-neighborhood -gets-gentrified/432813/

Perhaps the foremost student of gentrification and displacement *is Lance Freeman of Columbia University. His 2004 study with Frank Braconi <u>found that</u> poor households in gentrifying neighborhoods of New York City were less likely to move than poor households in non-gentrifying neighborhoods.* This of course may have to do with the fact that there are fewer poor households in gentrifying neighborhoods to begin with. Still, the authors concluded that "a neighborhood could go from a 30% poverty population to 12% in as few as 10 years without any displacement whatsoever." *In a subsequent 2005 study, Freeman <u>found that</u> the probability that a household would be displaced in a gentrifying neighborhood was a mere 1.3 percent.* A follow-up <u>2007 study</u>, again with Braconi, examined apartment turnover in New York City neighborhoods and found that the probability of displacement declined as the rate of rent inflation increased in a neighborhood. *Disadvantaged households in gentrifying neighborhoods were actually 15 percent less likely to move than those in non-gentrifying households*. And, in a <u>2009 study</u>, Freeman found that gentrifying neighborhoods are becoming more racially diverse by tracking neighborhood change from 1970 to 2000 (although he does note that cities overall are becoming more diverse as well

https://phys.org/news/2017-12-gentrification-triggers-percent-city-crime.html December 27, 2017 by Rebecca Linke, MIT Sloan School of Management

Gentrification reduces crime rates and increases public safety in city neighborhoods, according to a new study by MIT researchers. The paper, authored by MIT Sloan assistant professor Christopher Palmer, along with MIT professors David Autor and Parag Pathak, all economists, looked at what happened when gentrification accelerated after rent-controlled housing abruptly ended in Cambridge, Massachusetts, in 1995. They found that not only did crime drop 16 percent—it resulted in measurable economic gains for the city. Prior to 1995, more than one-third of Cambridge housing was subject to rent control—those units rented at 25-40 percent below what other comparable units did. After rent control ended, property values in Cambridge rose significantly: 18-25 percent for previously rent-controlled units and 12 percent for units that had not previously been rent control that found that, overall, it accounted for nearly \$2 billion of the value appreciations of Cambridge residential properties by 2004.

Hurst 11 Erik Hurst, 08-12-2011, "Endogenous Gentrification and Housing Price Dynamics," University of Chicago,

http://faculty.chicagobooth.edu/erik.hurst/research/gentrification\_final\_august2011\_submit.pdf Finally, we explicitly show that the neighborhoods that appreciate the most during the exogenous city-wide housing demand shock also gentrify. Gentrification - the out migration of poor residents and the in migration of rich residents - is the key mechanism for the within-city house price dynamics we highlight. For this analysis, we again explore the within-city response to a Bartik-style shock. In particular, we show 3 that in response to an exogenous city-wide demand shock, *poor neighborhoods close to rich neighborhoods experience larger increases in neighborhood income, larger increases in the educational attainment of neighborhood residents, and larger declines in the neighborhood poverty rate than do otherwise similar poor neighborhoods that are farther away from the rich neighborhoods.* For example, *average neighborhood income grows by roughly 11 percent more in response to a one standard deviation Bartik shock for poor neighborhoods that are more than 3 miles away from the rich neighborhoods.* Lasty, we highlight that during both the 1980s and 1990s, almost all the poor neighborhoods that did in fact gentrify by some ex-post criteria were neighborhoods that were directly bordering existing rich neighborhoods.

[1] Those who live in public housing in gentrifying areas see increases in wealth – in NYC, for example, between \$3-4,500

Joe Cortright, 10-31-2015, "In Defense of Gentrification," Atlantic,

https://www.theatlantic.com/business/archive/2015/10/in-defense-of-gentrification/413425/ First, a study from NYU's Furman Center suggests that residents of public housing in wealthier and gentrifying neighborhoods make more money, live with less violence, and have better educational options for their children, despite also facing some challenges. Second, a study from the Philadelphia Federal Reserve Bank finds that there has been much less displacement of existing residents from gentrifying neighborhoods than is commonly feared—and that those who do leave aren't necessarily more likely to move to lower-income neighborhoods. And finally, a Columbia University study on gentrification in London also failed to find evidence of widespread departures in neighborhoods with rising average incomes. Together, these stories suggest that while gentrification can cause social discord and make residents anxious about the future, it neither produces measurably more departures from neighborhoods, nor does it

Patrick Gillespie, 11-12-2015, "How gentrification may benefit the poor," CNNMoney, https://money.cnn.com/2015/11/12/news/economy/gentrification-may-help-poor-people/index.ht ml

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. Freeman conducted a nationwide gentrification study in 2005, which also came up with similar conclusions reached by the Philly Fed's findings that gentrification does not lead to higher chances of low-income residents being pushed into another neighborhood. Related: Innovative Cities: Philadelphia The Fed's study -- which focused on Philadelphia -- found that people in gentrifying neighborhoods tend to move more often than those in non-gentrifying neighborhoods. But it's not who you might think. It's the people with high credit scores -- who tend to have high incomes -- that move out of the neighborhood more frequently and often to wealthier parts of the city or suburbs. Related: Who's to blame for gentrification in San

Daniel Kay, xx-xx-xxxx, "Market rate housing alleviates displacement, report says," CNU, <a class="vglnk"

href="<u>https://www.cnu.org/publicsquare/market-rate-housing-alleviates-displacement-report-say</u> We've known for a long time that housing shortages are a major driver of high housing prices—and that, as a result, places that prevent new construction also tend to have big affordability problems. But now, for the first time that we're aware of, researchers have taken the next step to showing directly that places like that prevent new construction end up inducing more displacement of their low-income residents. That finding comes from California's Legislative Analyst's Office, which just released a new report on the state's ever-growing affordability crisis. Using a broad definition of displacement—any decline of a neighborhood's low-income population relative to its total **population—the LAO shows that, even controlling for other demographic factors, Bay Area communities with the greatest expansion of market-rate housing also see the least low-income displacement. The effect is strong: changing from a low-construction neighborhood to a high-construction neighborhood was associated with a decline in the probability of displacement from 46 percent to 26 percent. 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" public housing—and how zoning restrictions hamper that process. It bears close reading for anyone invested in creating public communities.

## Jacob L. Vigdor [Brookings Institution Press], 2002, Does Gentrification Harm The Poor?, https://www.jstor.org/stable/25067387?seq=1#page\_scan\_tab\_contents

The literature review is followed by a broader analysis of the question, using data from the American Housing Survey (AHS) to consider gentrification in the Boston area between 1970 and 1998. Overall, the data point to no obvious conclusion, which is not surprising considering the difficulty of the task. The greatest empirical difficulty in assessing gentrification is determining what would have happened to individuals had gentrification not occurred. Notwithstanding these difficulties, the empirical work here presents some striking patterns. There is no evidence to suggest that gentrification increases the probability that low-status households exit their housing unit. Poor house holds are more likely to exit poverty themselves than to be replaced by a nonpoor household. Nonetheless, low-status households have experienced increased housing costs without sufficient compensation in terms of increased income, and without discernible changes in self-assessed housing unit qual ity, public service quality, or neighborhood quality. Census tract demographic data do suggest, however, that gentrification promotes the socioeconomic integration of metropolitan areas.

### John Buntin, 1-14-2015, "Gentrification Is a Myth," Slate Magazine,

http://www.slate.com/articles/news\_and\_politics/politics/2015/01/the\_gentrification\_myth\_it\_s\_r are\_and\_not\_as\_bad\_for\_the\_poor\_as\_people.html

One of the first people to explore this question in a sophisticated way was University of Washington economist Jacob Vigdor. In 2002, Vigdor examined what had happened in Boston between 1974 and 1997, a period of supposedly intense gentrification. But Vigdor found no evidence that poor people moved out of gentrifying neighborhoods at a higher than normal rate.

In fact, rates of departure from gentrifying neighborhoods were actually lower. It wasn't just Boston. In 2004, Columbia University economists Lance Freeman and Frank Braconi conducted a similar study of gentrification in New York City in the 1990s. They too found that low-income residents of "gentrifying" neighborhoods were less likely to move out of the neighborhood than low-income residents of neighborhoods that had none of the typical hallmarks of gentrification.

Of course, displacement is not the only way in which gentrification could harm the poor. Residents of gentrifying neighborhoods might stay put but suffer from rising rents. Freeman and Braconi found that rents did rise in gentrifying neighborhoods in New York. But rising rents had an unexpected effect: As rents rose, residents moved less.

"The most plausible interpretation," the authors concluded, "may be the simplest: As neighborhoods gentrify, they also improve in many ways that may be as appreciated by their disadvantaged residents as by their more affluent ones."

## Advertisement

In 2010, University of Colorado–Boulder economist Terra McKinnish, along with Randall Walsh and Kirk White, examined gentrification across the nation as a whole over the course of the 1990s. McKinnish and her colleagues found that gentrification created neighborhoods that were attractive to minority households, particularly households with children or elderly homeowners. They found no evidence of displacement or harm. While most of the income gains in these neighborhoods went to white college graduates under the age of 40 (the archetypical gentrifiers), black high school graduates also saw their incomes rise. They also were more likely to stay put. In short, black households with high school degrees seemed to benefit from gentrification.

# Ingrid Gouldellen, 2010, How low income neighborhoods change: Entry, exit, and enhancement, <u>https://www.sciencedirect.com/science/article/pii/S0166046211000044</u>

This paper uses a unique data source to provide new evidence on residential changes in low-income neighborhoods nationally during the 1990s. Five stylized facts are worth highlighting. First, we find no evidence of heightened exit rates for renters or for poor households, even among original residents. This holds true regardless of the time period or the length of elapsed time, and after controlling for other household characteristics and the individual metropolitan area. It also holds true for both the neighborhoods that experienced the largest economic gains economically and those that began the decade with the lowest incomes. The only evidence of heightened exit in gaining neighborhoods is for original homeowners. This type of selective exit has not been the focus in the gentrification discussion, and the normative implications are surely less certain.36 Second, we find that selective entry and exit among homeowners are both key drivers of neighborhood change. We find much smaller, and typically statistically insignificant differences between the incomes of new renters moving into neighborhoods and the incomes of those moving out.

### A2 PRO (YOU ARE CON)

### A2 Cutting costs

## A2 W - Supply and demand

- 1. Delink No crisis/squo solving. Olick nationwide demand for housing in urban areas have fallen as buyers are finally getting homes
- 2. Delink Luxury homes only. Pop of RENTCafe in 2018 explains that explains that rising construction costs mean only luxury houses are built. This means low income people whose homes will be stripped away still cannot access the houses the aff builds.
- 3. Delink No decrease price. Our opponents oversimplify the housing market. Federal Reserve reports in 2018 that empirically, there is no evidence to support any determination about how much new supply it will take to lower the cost of housing. This is proven by San Francisco. Ruiz of Truthout in 2014 explains that wealthy customers and foreign investors constantly buy up new housing, preventing middle-class and low-income families from reaping the potential benefits of increased construction, because supply can never catch up to the constantly increasing demand.
- 2. Delink Supply sufficient squo. Conerly of Forbes in 2017 explains that this year, we are on track to build 1.3 million new houses while demand for new housing units is only 1.2 million. He thus concludes that the market doesn't need an increase in construction. Sole in 2015 furthers that the root cause behind the housing crisis isn't lack of supply, it is instead income inequality. The wealthy can afford more than one home while the improvised struggle to pay rent on an apartment. This is why Bagli of the New York Times in 2016 continues that despite continual housing production, entry-level apartment rents have climbed by 50% while high end rents have fallen by 4%. What it needs is more affordability programs, not more supply.
  - a. Bronson of Huffington Post 2010 3.3 million homeless and 19 million vacant homes. Building doesn't solve the underlying problem of affordability.
- 3. Delink Luxury homes only. Pop of RENTCafe in 2018 explains that 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. Thus, Ong reports that that even as supply of houses grow, these houses are still too expensive to buy because 80% of the new house approvals are in the top 40% of areas with high prices. This means low income people whose homes will be stripped away still cannot access the houses the aff builds.

- 4. Delink No decrease price. Our opponents oversimplify the housing market. Federal Reserve reports in 2018 that empirically, there is no evidence to support any determination about how much new supply it will take to lower the cost of housing, similar to how selling millions of IPhone X's don't cut decrease costs, because rent is inelastic. That's because demand for housing always exists-- people always want to live in certain cities and are willing to pay the price for it. For example, if you add 50 houses to Philadelphia, 50 more people will come in and buy those houses. Landlords don't reduce prices because people are still willing to pay high rents.
  - a. This is proven by San Francisco. Ruiz of Truthout in 2014 explains that wealthy customers and foreign investors constantly buy up new housing, preventing middle-class and low-income families from reaping the potential benefits of increased construction, because supply can never catch up to the constantly increasing demand.

Dyan Ruiz, 10-8-2014, "Developers Aren't Going to Solve the Housing Crisis in San Francisco," Truthout,

https://truthout.org/articles/developers-aren-t-going-to-solve-the-housing-crisis-in-san-franciscothe-definitive-response-to-supply-side-solutionists/

One can't blame the insatiable demand for housing in San Francisco soley on techies. It's also from high-paid executives and managers in other sectors, and from foreign investors. The Chinese real estate market is soft, leading many Chinese investors to buy housing in the United States. A recent investigation found that nearly 40 percent of condos have absentee owners from around the United States, including Silicon Valley.

This is not an indictment of tech workers, the tech industry, foreign investors or even developers. It's an acknowledgement of the macro-economic forces driving the housing prices in one of the world's most desirable cities.

Doug Engmann explains why trickle down housing doesn't work.

Take it from a person who knows supply and demand very well, the president of the San Francisco-based start-up and real estate investment firm, Engmann Options Inc. "You can't build enough housing units to meet that insatiable demand in order to get the price down where it can become more affordable," Engmann said.

Richard 'Skip' Bronson, 8-24-2010, "Homeless and Empty Homes," HuffPost, <span class="skimlinks-unlinked"><u>https://www.huffingtonpost.com/richard-skip-bronson/post\_733\_b\_692546.html</u></span>

About 3.5 million US residents (about 1% of the population), including 1.35 million children, have been homeless for a significant period of time. Over 37,000 homeless individuals (including 16,000 children) stay in shelters in New York every night. This information was gathered by the Urban Institute, but actual numbers might be higher.

Fox Business estimates, there are 18.9 million vacant homes across the country.

3.5 million people without homes; 18.9 million homes without residents.

While an array of legal and logistical obstacles present themselves, the math is staggering. It's time to sort out the regulations and rates that would facilitate the solution: turning empty houses into homes for those in need.

Charles V. Bagli, 8-29-2016, "'The Market Is Saturated': Brooklyn's Rental Boom May Turn Into a Glut," No Publication,

https://www.nytimes.com/2016/08/30/nyregion/the-market-is-saturated-brooklyns-rental-boommay-turn-into-a-glut.html

Gary Barnett, founder of Extell Development Company, plans to start the third tower at City Point by the end of the year, but he is unsure whether it will be rentals or condominiums. The units, he said, will not be "superluxury." The Brodsky Organization, another developer, is finishing the second tower at the City Point complex with 440 apartments.

Indeed, in a study of Brooklyn rents, Mr. Miller found that while median rents on entry-level apartments had climbed by 50 percent to \$2,481 from 2009 to 2016, those at the borough's highest end had fallen by about 4 percent, to a median of \$4,783.

But nearly one-quarter of the apartments — a total of 1,654 units — in the Flatbush corridor are reserved for low-, moderate- and middle-income tenants under the city's 421-a housing program, which offered developers generous property tax breaks for setting aside 20 percent of a project's apartments for such tenants.

The Hub, at 333 Schemerhorn Street, is another residential tower under construction near the Atlantic Yards transit hub in Brooklyn. Credit Victor J. Blue for The New York Times

Image

Rachel Ong, 5-18-2017, "Data Confirms Houses Near Jobs Are Too Expensive," The Conversation,

https://phys.org/news/2017-05-houses-jobs-expensive.html?fbclid=IwAR0FsfmUCv8T3MfNJD dy5kiaXJpLLxxq3079AEQBhvdLt-9zceHkgJWsPFI

The issue of housing affordability has traditionally been pitched in terms of supply failing to keep pace with growing demand, and house prices rising in response to the imbalance. Yet, house price inflation has surged even in metropolitan areas where housing supply exceeds population growth. The evidence suggests a complex relationship between supply, population growth and price that is shaped by both supply and demand-side factors. As prices and rents rise, housing costs continue to eat up larger shares of household incomes, particularly in moderate and low-income groups. The study shows 80% of new unit approvals were located in the top 20% of local government areas with the highest unit prices. This is while 80% of new house approvals were in the top 40% of local government areas with the highest house prices. There is very little new supply in areas where house prices are lower, where households on low to moderate incomes can afford to live.

Oana Pop, xx-xx-xxxx, "Curbing Displacement in Gentrifying Cities: Small Answers to a Booming Crisis," RENTCafé rental blog,

https://www.rentcafe.com/blog/rental-market/market-snapshots/curbing-displacement-in-gentrify ing-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.

Tania Solé,, 4-13-2015, "DID YOU KNOW that The Difference Between Affordable Housing and Fair Market Housing Is Often a Function Of Income," Redwood City-Woodside, CA Patch, <u>https://patch.com/california/redwoodcity-woodside/did-you-know-difference-between-affordable</u>-housing-and-fair-market-housing-often-function-income

Assuming that the problem of affordable housing is based on supply and demand of housing, affordable housing activists have decided that the way to assure affordable rents is to increase supply drastically and let the market lower the rates back to where the differential between fair market rate and affordable is either small or negligible. This belief leads to a push for more and more building and increasing density. Unfortunately the problem of affordable housing is not due to an imbalance in the supply and demand of housing, it is actually a problem as Paul Krugman has called it of the great divergence of incomes.

For low, low income people minimum wage incomes means that the actual hard costs of paying the monthly rent requires more and more people to share small spaces. For the really affluent whose income is disproportionately high in relation to their housing expenses; it means that they can own several homes most of which stand empty year around as regardless of their affluence they can still only be at one place at a time. In fact so strong is the divergence between low income people and affluent elite's that not only have high outright earnings but also power that a City Manager, like the City Manager of Redwood City who earns almost twenty thousand dollars a MONTH (more than a minimum wage earner earns in a year) not including benefits, tries to negotiate for a housing allowance of eight thousand dollars (

Bill Conerly, 7-10-2017, "Housing Forecast 2018-2019: Declining New Demand," Forbes, https://www.forbes.com/sites/billconerly/2017/09/20/housing-forecast-2018-2019-declining-new -demand/#3424ca7e58c6

The ability to live on one's own, whether that means moving out from parents or from an ex-spouse, ties to employment and wage rates. As we noted in our article on the consumer spending forecast, job growth has been moderately slow, and wage inflation has not accelerated. I expect wage rates to improve next year, but not soon enough to change the trend in household size. So new demand for housing units will be (under these assumptions) 1.183 million units. For comparison purposes, so far this year we are on pace to build 1.287 million single family houses, apartment and condo units, and manufactured homes. Looks like we're building too much, at least nationwide.

Nonetheless, I'm comfortable saying that we don't need an increase in home construction, and would be just fine with a five percent reduction in housing starts next year and in 2019, which is my forecast.

Erik Sherman, 8-3-2018, "Additional Building Won't Make City Housing More Affordable, Says Fed Study," Forbes,

https://www.forbes.com/sites/eriksherman/2018/08/03/additional-building-wont-make-city-housing-more-affordable-says-fed-study/#170854d4218b

Erik Sherman shares a recent study from the Federal Reserve [pdf] that attempted to determine the amount of "elasticity" in the housing market—that is, how much new supply would be required to affect the price of housing. The study casts more than a little doubt on the notion that new supply will result in a commensurate lowering of prices (a position adopted by YIMBYs and policy makers in the Trump and Obama administrations alike)—in fact, the study argues that there is no evidence to support any determination about how much new supply it will take to lower the cost of housing.

"No one knows how much housing you'd have to add to have any significant impact on costs," explains Sherman of the ongoing question that launched the study. "So, the researchers built a simulation to estimate, directly from data, the elasticity of rent with respect to housing supply."

The key idea at the core of the findings is that elasticity isn't a simple phenomenon. "There are products where changing the price doesn't necessarily result in big shifts of demand. Look at the Apple iPhone X: \$1,000 for the device and tens of millions purchased it."

## A2 W - Freeing up housing

- 1. In the squo, Conerly of Forbes reports that demand has finally matched supply in the middle/high end housing market, with demand for 2019 set at 1.2 million and supply 1.3 million houses. Where the problem lies is in a shortage of 7.2 million affordable houses which only the neg world can provide.
- 2. Delink Alpert of Washington in 2013 explains that because market-rate housing is primarily geared at the wealthy, new construction is soaked up by the wealthy who own multiple homes but demand stays high in the middle class.

Developmentby David Alpert (Executive Director) May 8, 2013102, xx-xx-xxxx, "Will "filtering" keep housing affordable?," No Publication,

https://ggwash.org/view/31177/will-filtering-keep-housing-affordable

Another obstacle to filtering is that demand is rising at all tiers of the housing market. Gallagher says,

Low-wage jobs are expected to grow at a rapid pace, particularly in the retail trade and the construction sectors, increasing demand for Class B apartments. ... In sum, the Class B apartment market in the Washington area faces obstacles in the near-term because of the amount of new supply being added to the Class A market. However, Class B vacancy should remain low, driven by demand from newly created jobs in modest-wage industries.

Few people are building Class B anywhere in the region, least of all in popular areas like DC, Arlington, and downcounty Montgomery. Owners (perhaps rightly) feel they can get top dollar

for their properties. Lenders most want to finance luxury projects. And even if the market doesn't quite support Class A in an area now, people may (perhaps rightfully) think they can wait a little while.

Unfortunately, the effect is that almost all of the new supply is in the Class A tier. If we build enough, it might soak up demand for Class A, but as long as more and more people are coming into the market who want Class B, then those units will get more expensive as well.

## A2 W - Zoning

- 1. Delink Freemark of Urban Affairs Review in 2019 finds that there is no impact of zoning changes because there is a riskiness to adapting to new density allowances among developers.
- 2. Delink Medium in 2017 finds that zoning has been around forever, but the real reason prices started to rise for construction is because a)cities are simply running out usable land and b) are using land that has already been developed which is very expensive. This is because of the usage of things like parks and green spaces, and those things can't get removed when you affirm. Even if you upzone an entire city to remove regulations, the majority of cities have already been developed to the point where it would have little effect.
- 3. Delink GGW in 2017 finds that even if we remove zoning regulations there is a certain point at which prices can't fall below. In fact they find that even if you take steps to decrease costs like removing regulations and decreasing construction costs, it would only cut the gap between costs and affordability by half. More density doesn't solve as the GGW furthers, that building things such as high rises is actually more expensive because it uses materials like concrete and steel.

Housingby Cheryl Cort (Contributor) May 4, 201727, xx-xx-xxxx, "Why the right is wrong about affordable housing," No Publication,

https://ggwash.org/view/63303/why-right-is-wrong-about-affordable-housing

Even if cities roll back many land use regulations, squeeze down construction costs, and leverage new financing tools, the cost of building new housing won't fall below a certain point. This report from McKinsey found that even if you take all of these steps together, it will only cut the gap between what housing costs and what people can afford to pay in half (assuming people spend 30% of their income on housing — a generally-recommended level). Even if land is free (which it's not) and regulations offer unlimited density, buildings still cost money to build. And taller buildings cost more money per unit than short ones. In the DC Office of Planning's study on DC building heights, Anita Morrison, a principal with Partners for Economic Solutions, found

that while regulations might reduce potential development, unlimited height and density is not the simple solution to affordability.

Freemark, Y. (2019). Upzoning Chicago: Impacts of a Zoning Reform on Property Values and Housing Construction. Urban Affairs Review, 107808741882467. doi:10.1177/1078087418824672

The real-estate development process is arduous, encompassing negotiation between developers, funders, communities, councilors, and city staff, and requiring site acquisition, design, financing, and public review—all before a permit is issued. This might explain this study's finding of no shortterm impact on permit volume for new housing units. But I also find no medium-term effect—over five years—on construction permitting, a surprising result given commonly held expectations about how upzonings work. Developer reactions to an unexpected zoning change may be limited given the riskiness of adapting to new density allowances.

Making Comparatively, 5-30-2017, "A Not-So-Brief Thought on Zoning – In a State of Migration – Medium," Medium,

https://medium.com/migration-issues/a-not-so-brief-thought-on-zoning-9b8cb1298de3

Kind of, yes. But more simply than that, my suggestion is that (1) land use regulations are in fact quite old, (2) to the extent they have bitten recently, the proximate cause is actually physical land constraints, (3) many of those physical land constraints are in fact socially constructed. We can choose more or fewer parks, more or fewer streets, more or fewer plazas, and these choices are probably not that much more or less contentious than zoning codes themselves in most cities.

## A2 I - Mobility

1. Not related. The Brookings Institution in 2016 does a statistical analysis on the degree of zoning regulations in cities and find that there is no statistical evidence of its effect on labor mobility. Rather the Federal Reserve in 2013 finds the most significant factor as to why worker mobility has actually decreased is because the incentive to switch jobs has actually decreased.

### https://www.federalreserve.gov/pubs/feds/2013/201327/revision/201327pap.pdf

We conclude that the decline in job transitions appears to be related to a decline in the return to job changing over this period. Because wage growth that accrues while a worker remains within the same firm has been roughly constant over time, it appears that the average quality of the worker-firm match has not changed (unless match quality does not affect a worker's wage profile). Instead, the interaction of workers with the external labor market—and the effects of this interaction on wage setting behavior within a firm—must now be somehow different than it was in earlier decades. In support of this interpretation, in the spirit of Beaudry and Dinardo

(1991) we find that the connection between wages and labor market conditions at the time the worker was hired has strengthened, while the connection between wages and the best labor market conditions since hire has become weaker. We interpret these results as suggesting that the distribution of wage offers that workers consider at a point in time has either shifted or narrowed in a way that makes transitions across employers less advantageous.

### https://www.brookings.edu/wp-content/uploads/2016/03/molloytextspring16bpea.pdf

In this paper, we first document a clear, downward trend in labor market fluidity that is common across a variety of measures of worker and job turnover. This trend began in the early 1980s, if not somewhat earlier. Next, we present evidence for a variety of hypotheses that might explain this downward trend, which is only partly related to population demographics and is not due to the secular shift in industrial composition. Moreover, this decline in labor market fluidity seems unlikely to have been caused by an improvement in worker–firm matching or by mounting regulatory strictness in the labor or housing markets. Plausible avenues for further exploration include changes in the worker–firm relationship, particularly with regard to compensation adjustment; changes in firm characteristics, such as firm size and age; and a decline in social trust, which may have increased the cost of job searches or made both parties in the hiring process more risk averse.

## A2 W - Filtering

- Delink The Washington Post in 2016 finds that filtering in high demand cities will never occur because there will always be an incentive to renovate those houses for use. This is why in hot real estate cities, even after 30 years, the average price of houses will only fall 9%. Houses built today will not filter down, unlike houses from the 1980s.
- 2. Turn Houses that do filter down are thus of poor quality. The DSA reports that filtering only "worked in cases where housing deteriorated to substandard conditions," which are not fit to house anyone
- Delink Chew of Shelterforce in 2018 quantifies that it takes decades for houses to depreciate, if they do at all, taking far too long. Hertz of City Observatory continues in 2015 that once a house hits 50 years old, it is just as likely to become occupied by wealthier people as by those who are younger. Indeed the Washington Post in 2016 finds that filtering in high demand cities will never occur because there will always be an incentive to not let old houses decrease in price, but rather an incentive to renovate those houses for use. This is why in hot real estate cities, even after 30 years, the average price of houses will only fall 9%.

- 2. Turn Alpert of GGWash explains in 2013 that filtering isn't enough to keep these units affordable. He explains that landlords simply continue to upgrade housing in order to attract wealthier tenants over time, meaning that market-rate housing actually becomes more expensive as time goes on.
  - a. And the houses that do filter down are thus of poor quality. The Democratic Socialists of America report that filtering only "worked in cases where housing deteriorated to substandard conditions." These "slum conditions should not be held up as a model to house our most vulnerable citizens."
- 3. [Old houses have filtered down] University of Oregon in 2017 finds that when looking at real affordability, not just looking at rents and prices but also the purchasing power of the average buyer, houses on the market between 2000 and 2014 have actually become less affordable. This is because even when accounting for the process of filtering wages have fallen faster than real rents, meaning affordability goes down.

http://cassites.uoregon.edu/econ/wp-content/uploads/sites/4/2017/07/Bazzle-Delira S2016.pdf City planners often rely on filtering as a vector for producing affordable rental properties. In the past three years Eugene, Oregon has seen an explosion of new high-profile luxury rentals. This research delves into the effect such luxury construction has on rental housing affordability through a critical examination of rental housing filtering. Unlike many similar analyses, this paper examines affordability in real terms so as to more accurately understand the effect rental housing affordability has on purchasing power. We examine individual cities to identify trends in rental housing prices across time. Then, using real income data for renters, we calculate the percentage of the renting population in these cities that spent over thirty percent of household income on rent in 1990, 2000, and 2014. We find that real rents for properties newly introduced into the market have risen over time. We also find that these properties tend to demand higher real rents than older properties throughout their time on the market. Additionally, we find rental housing affordability to be relatively stable between 1990 and 2000, during which time real incomes tend to keep pace with real rents. After 2000, real incomes begin to fall. Rental housing thus becomes relatively less affordable in real terms across every market between 2000 and 2014. Hence, filtering appears effective during periods of stable real income, but insufficient during periods of falling real income. Additionally, the filtering of relatively more expensive new properties makes us weary of overbuilding for luxury markets, as those properties appear to demand higher rents proportional to their market-entry value over the course of their time on the market

Washington Post, xx-xx-xxxx, "Outline," No Publication, https://outline.com/Vc8gK8

"Filtering," where older housing units trickle down to lower-income families as they age, can happen in the broader metropolitan context. But it can take decades for filtering do deliver truly affordable units to lower-income households. As apartments age, the rent of a typical unit – not in a hot area - declines an average of 0.31 percent per year so even after 30 years, the rent will have fallen by only 9 percent. Moreover, as apartment buildings get old – if they are not in hot neighborhoods – they can deteriorate to the point of becoming substandard units, as owners see little return in reinvesting in the properties. The result, eventually, is low-quality housing and neighborhood decline.

# Housing & amp; Homelessness, 3-1-2018, "Statement in Opposition to SB 827," DSA-LA, <u>https://www.dsa-la.org/statement\_in\_opposition\_to\_sb\_827</u>

The bill's proponents insist that greater housing construction, even if it's all luxury, filters down to the lower end of the market and brings costs down for everyone. However, a team of Berkeley economists found that this filtering process could take "generations," especially for market-rate development and especially in tight housing markets. Historically, filtering worked in cases where housing deteriorated to substandard conditions or was subsidized by the federal government to backstop such deterioration. In a just society, slum conditions should not be held up as a model to house our most vulnerable citizens.

## David Alpert, 5-8-2013, "Will "filtering" keep housing affordable?," No Publication, https://ggwash.org/view/31177/will-filtering-keep-housing-affordable?fbclid=IwAR2vn-3sSI4Lv bGXS23Rixq78mq8LbPP5iN6583FppmowH72a0gey8n2Ha0

If the top tier isn't full, rents won't go up there so fast. People who can afford those luxury units will want to buy in a new building, so the owners of an older building will have less incentive to renovate and less market upside from doing that. That will keep lower-tier rents more reasonable, and "filter" down to successively lower-price levels of the housing market. However, that doesn't happen if the Class B and C apartment building owners instead respond in something of a counter-intuitive yet psychologically sensible way. They could decide to renovate their buildings to Class A, with new granite countertops and other high-end finishes, so they can get Class A rent. Gallagher writes, As deliveries of Class A units increase in 2013, pressure on Class B market rents could mount if owners of the higher-end buildings offer concessions to lease their new projects quickly. In other words, if a new building owner can't get the building leased, they will offer specials like 2 months' free rent. An apartment that's a little cheaper, but not so nice or in a less desirable location, doesn't now seem like a better deal. That could lead the Class B owner to decide now is a good time for a renovation. Some Class B building owners have responded by refreshing their units. Nearly 32,000 units are under renovation at this writing, at an average renovation budget of \$21,000 per unit. If the market pressure is affecting the owner's bottom line, they might look at the property and think about how they could turn it into more of a money-maker. Even if Class A rents are not extremely strong, they're still considerably better,

and there's a good chance they will rise again in the future (and even if they won't, some owners will decide to take the risk).

ANDREW AURAND, Ph.D., 03-2017, "A Shortage of Affordable Homes," The National Low Income Housing Coalition, https://nlihc.org/sites/default/files/Gap-Report 2017.pdf Filtering, however, fails to increase the availability of housing affordable to the lowest income renters (Apgar, 1993). Housing rarely becomes cheap enough for them to afford. In strong markets, owners have an economic incentive to redevelop their properties for higher income renters. In weak markets, owners have an incentive to abandon their properties when rent revenues no longer cover basic operating costs and maintenance. From 2003 to 2013, filtering increased the supply of lowcost rental units with monthly rents of less than 800 by 4.6%, which was not enough to offset the permanent loss of of other similarly priced units (Joint Center for Housing Studies, 2016). Meanwhile, federal subsidies on which developers most often rely to produce new affordable rental housing are not designed to serve ELI households. These programs include LIHTC, the HOME Investment Partnerships Program (HOME), and the Federal Home Loan Bank's Affordable Housing Program (AHP). While these programs serve an important purpose, fewer than 48% of LIHTC units are occupied by ELI households (U.S. Department of Housing and Urban Development (HUD), 2016a); since 1992, less than 44% of rental homes funded by HOME have been initially occupied by ELI households (HUD, 2016b); and in 2014 and 2015, 23% and 27% of new rental units receiving AHP funding were affordable to ELI households (Federal Housing Finance Agency (FHFA), 2015; FHFA, 2016).

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

But that average nationwide figure obscures a lot of important variation. For one, owner-occupied homes filter much more slowly: just 0.5 percent per year, compared to as much as 2.5 percent for rentals. (Though homes that begin as owner-occupied are often converted to renter-occupied as they age.) Moreover, filtering doesn't happen evenly over time: it's much more dramatic over the first 40 years or so of a home's life. That means the difference between a house that is brand new and one that's 20 years old is much bigger than the difference between one that's 60 years old and one that's 80 years old. In fact, once a home hits the half-century mark, it's as likely to "filter up" (become occupied by wealthier people) as filter down.

Amee Chew [Shelterforce], 11-5-2018, What We Know About Market-Rate Housing Construction and Displacement,

https://shelterforce.org/2018/11/05/heres-what-we-actually-know-about-market-rate-housing-dev elopment-and-displacement/

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. [See: "Trickle Up Housing: Filtering Does Go Both Ways."]

## A2 W - Property development

 Delink - Pop of RENTCafe in 2018 explains that 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. Market rate housing concentrates in rich areas that don't need property development.

Oana Pop, xx-xx-xxxx, "Curbing Displacement in Gentrifying Cities: Small Answers to a Booming Crisis," RENTCafé rental blog,

https://www.rentcafe.com/blog/rental-market/market-snapshots/curbing-displacement-in-gentrify ing-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.

## A2 W - Redistribution

1. Delink - Bratt of Temple in 2016 finds that the higher demand for housing only makes housing less affordable, thus, redistribution wouldn't solve because people still can't access houses.

Bratt, Stone, and Hartman Bratt, Rachel G., Michael E. Stone, and Chester Hartman. "A Right to Housing: Foundation for a New Social Agenda." Choice Reviews Online 44.02 (2006): n. pag. Temple.edu. 6 Apr. 2006. Web. 16 July 2016.

Furthermore, the efficiency that in theory attaches to competitive "free markets" is at best a one-dimensional efficiency that has no place for distributive justice and neighborhood effects. For example, sharply escalating housing prices in many parts of the country are in fact the response of the free housing market to demand from ever-richer households at the top of the increasingly unequal income distribution (see chapter 1 and chapter 4). While taxing away some of this speculative wealth would dampen price increases, thereby making housing generally more affordable, and generate some revenue that could be used for low-income housing, such redistribution would ostensibly reduce the efficiency of the housing market. Yet, to add insult to injury, the tax system actually provides incentives for such speculation (see chapter 5). Inefficiency on the upside of the market (for instance, windfall profits that the market would not generate without public assistance) does not seem to bother free-market ideologues.

## A2 W - Shadow housing

- 1. Mitigate Shaver of Muti Family reports in 2014 that the majority of shadow market houses are too far into the hinterland to provide any source of competition for urban or even suburban apartments.
- 2. Delink Shadow housing has been on the decline since the recession. UpNext reports that between 2013 and 2014, there were 5 million less shadow houses on the market, with estimates that the quantity will continue to decrease by 23% each year.

Les Shaver, 5-20-2014, "Why You Shouldn't Fear the Shadow Market," Multifamily Executive, <u>https://www.multifamilyexecutive.com/property-management/why-you-shouldnt-fear-the-shado</u> <u>w-market\_o</u>

Despite the fear in the market, both during the downturn and since, there remains many reasons why the highest-level apartment owners shouldn't lose any sleep over the matter. First and foremost, many of the foreclosed single-family homes popping up in recent years have been too far into the hinterland (think the Inland Empire in California) to provide any sort of competition for urban, or even close-in suburban, apartments. And as stories began to circulate about renters in single-family homes being booted out when their residences went into foreclosure, signing that lease became a little more of a perilous undertaking.

UpNest, xx-xx-xxxx, "Where Did All The "Shadow Inventory" Homes Go?,"

https://www.upnest.com/1/post/where-did-all-the-shadow-inventory-homes-go/

Certainly, Core Logic's 2014 National Foreclosure Report can clue you in on what the real estate atmosphere has been looking like. Foreclosed housing units have been on the decline: that may

be a good thing for the industry, but a lot of struggling prospective homebuyers will have some difficulty in finding the great deals. That's the business, though — and sometimes you've got to have some difficulties before experiencing a lot of good growth all around, right?

2013 Saw 2.2MM "Shadow Inventory Homes Reported

2014, However, Only Saw 1.7MM

Year-Over-Year Estimations Say That It'll Keep Decreasing by 23%

In other words, everyone's losing money — unless they shed those so-called "money pits" and cut their losses.

### A2 W - Recession

- 1. They are muddling two different parts of the market together, the housing recessions have always been causes by the flipping houses in suburbs and defaults on mortgages to buy houses. They have never been caused by the collapse of urban neighborhoods rental market. Affirming means more rentals not new houses that are made in suburbs, they don't solve.
- Brightline Kearns of Bloomburg '18 <sup>2</sup>/<sub>3</sub> of economists believe a recession is coming by the end of 2020. Need to prove that houses are built fast enough to alleviate the coming recession, and they very likely won't.

Jeff Kearns, 10-1-2018, "Two-Thirds of U.S. Business Economists See Recession by End-2020," Bloomberg,

https://www.bloomberg.com/news/articles/2018-10-01/two-thirds-of-u-s-business-economists-se e-recession-by-end-2020

Two-thirds of business economists in the U.S. expect a recession to begin by the end of 2020, while a plurality of respondents say trade policy is the greatest risk to the expansion, according to a new survey.

About 10 percent see the next contraction starting in 2019, 56 percent say 2020 and 33 percent said 2021 or later, according to the Aug. 28-Sept. 17 poll of 51 forecasters issued by the National Association for Business Economics on Monday.

Forty-one percent said the biggest downside risk was trade policy, followed by 18 percent of respondents citing higher interest rates and the same share saying it would be a substantial stock-market decline or volatility.

### A2 W - Raising revenue

- 1. Delink The FBF in 2014 finds 2 things a) property taxes are used for a lot of local things such as municipal services and things such as school funding not public housing b) because so much PPT goes towards schools, the more PPT in an area the more valued the land becomes and prices start to rise. This is another link into a displacement.
- 2. Delink Cohen in 2019 that due to loopholes, tax breaks, and subsidies to builders, market-rate housing project don't even pay for the mitigation of market-rate housing impacts, let alone "produce" any net new affordable housing. Cohen thus quantifies that years with less market-rate development actually had more affordable housing units built than years where market-rate development was high.
- 3. Turn Market rate housing actually decreases private investment into subsidized housing. Richmond of the San Francisco Tenants Union in 2015 writes that in 2011, when market rate housing offered low returns, private and public investment into subsidized housing boomed, with 59% of all new units being affordable. But in 2014, as market rate units offered larger profits, private investment was diverted away from subsidized housing and into market-rate units and only 14% of all units were affordable. This exacerbated the affordable housing shortage, displacing hundreds.

### https://freefrombroke.com/what-do-your-property-taxes-pay-for/

This is the largest single line item in nearly any property tax bill. (It is for us.)

In fact, it's usually greater than 50%, and much higher still in areas with large student populations or a strong local commitment to providing a premium education. Such a commitment often leads to higher local property values since areas with higher rated schools generally command higher house prices.

Public school systems get their funding from a variety of sources—federal government, state government, fund raising efforts—but the largest source is generally from property taxes. This is also why any tax reduction attempts meet strong resistance from both school employees and parents of school-aged children.

Sftu, 4-4-2018, "Building Market-Rate Housing Makes Crisis Worse – San Francisco Tenants Union," No Publication, <u>https://www.sftu.org/2018/04/market-rate-housing-makes-crisis-worse/</u> In 2011, at the low-point of market-rate housing production, The City produced (i.e. paid for) 207 affordable housing units, which was 59 percent of all housing built that year! While market-rate development was stalled because of a lack of finance capital from investors (who seem to refuse to finance any construction unless they can be guaranteed at least 25 percent returns on their investment), The City with its public funding sources continued to invest in affordable housing production. By contrast, there were 3,454 housing units built in 2014 of which 490 were affordable housing units, a mere 14 percent of total production. In other words, the "housing balance" was terrible. Affordable housing on balance got worse, not better, as the real estate market boomed.

There are other funding sources for BMR units – not enough, by a long stretch. But it's not market-rate housing funding an increase in affordable units, and a moratorium on luxury units in the Mission won't in any way damage affordable housing production, in that or any other neighborhood.

Peter Cohen, 2-27-2019, "Don't Believe the Hype: Affordable Housing does NOT depend on Market Rate Development," San Francisco Examiner, <a class="vglnk"

href="<u>http://www.sfexaminer.com/dont-believe-the-hype-affordable-housing-does-not-depend-o</u> <u>n-market-rate-development/</u> " rel="nofollow

That myth conveniently ignores the fact that inclusionary fees on residential development are not even at the level of the "nexus" to simply mitigate the demand for new affordable housing that is generated by the market rate housing. The City's Residential Nexus sets the mitigation level at between 25 percent and 30 percent if the affordable units are provided on-site, or between 33 percent and 43 percent if those units are provided off-site, allowing the primary project to be fully built out as luxury housing. So, the 17 percent to 20 percent in inclusionary fees, which the developers are touting, DON'T EVEN PAY FOR THE MITIGATION of market-rate housing impacts, let alone "produce" any net new affordable housing.

Moreover, The City's housing production data shows how false the argument is that somehow affordable housing is dependent upon market-rate development. In 2011, at the low-point of market-rate housing production, The City produced (i.e. paid for) 207 affordable housing units, which was 59 percent of all housing built that year! While market-rate development was stalled because of a lack of finance capital from investors (who seem to refuse to finance any construction unless they can be guaranteed at least 25 percent returns on their investment), The City with its public funding sources continued to invest in affordable housing production. By contrast, there were 3,454 housing units built in 2014 of which 490 were affordable housing units, a mere 14 percent of total production. In other words, the "housing balance" was terrible. Affordable housing on balance got worse, not better, as the real estate market boomed. With market-rate housing not even paying its way to mitigate the affordable housing demand it creates, this outcome is not a surprise.

A2 Education funding

- 1. Delink Thatcher of the NCSL in 2018 explains that states are moving away from using local property tax as a way to fund schools.
- 2. Delink Brown of the Washington Post in 2017 further explains that Obama's increase of billions in federal education funding failed to produce meaningful results to the point that test scores graduation rates and college enrollment were no different between schools that received funding and those that didn't.

https://www.washingtonpost.com/local/education/obama-administration-spent-billions-to-fix-fail ing-schools-and-it-didnt-work/2017/01/19/6d24ac1a-de6d-11e6-ad42-f3375f271c9c\_story.html? noredirect=on&utm\_term=.68c14c62e66b

Test scores, graduation rates and college enrollment were no different in schools that received money through the School Improvement Grants program — the largest federal investment ever targeted to failing schools — than in schools that did not.

The Education Department published the findings on the website of its research division on Wednesday, hours before President Obama's political appointees walked out the door.

"We're talking about millions of kids who are assigned to these failing schools, and we just spent several billion dollars promising them things were going to get better," said Andy Smarick, a resident fellow at the American Enterprise Institute who has long been skeptical that the Obama administration's strategy would work. "Think of what all that money could have been spent on instead."

Dan Thatcher, xx-xx-xxxx, "The Role of the Property Tax in Public Education Funding," No Publication,

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.

### A2 I - Inclusive gentrification

1. Delink - Makes no sense. 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 the contractors would have no incentive for the increased construction to happen.

## A2 I - Gentrification

- Turn Chew of Shelterforce in 2018 finds that market rate housing empirically displaces people; the only people who remain are those in rent-controlled neighborhoods; in fact, only 1 out of 15 poor renters in New York who were able to resist gentrification lived in market rate houses. The warrant is that when market rate houses are built, property taxes and living costs skyrocket, uniquely forcing poor people out
  - a. [Zuc of UC Berkeley concludes in an analysis of all literature concerning gentrification and displacement that there is a link between the two. This is where you can turn the argument because Marguerite Spencer of the University of Minnesota explains in 2002 that displacement causes long-term concentrations of poverty, whereby displaced residents are locked into worse neighborhoods in terms of education and employment opportunities.]

https://scholarship.law.berkeley.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=2038&c ontext=facpubs

In fact, with its displacement of low-income residents, gentrification and perpetuation of concentrated poverty are not opposite trends, but actually operate similarly and recursively. Both push lowincome people of color away from resources, opportunities and vital institutions. Displaced low-income families are given no other option

43. Id.; see also DAVID LEY, THE NEW MIDDLE CLASS AND THE REMAKING OF THE CEN-TRAL CITY 310 (1996) ("The argument for historic preservation conceals the fact that with gentrification almost nothing is preserved. The original households are replaced, and the meaning of the structure is redefined from a working-class use value to an aestheticized symbolic value."). 44. STEPHEN NATHAN HAYMES, RACE CULTURE, AND THE CITY: A PEDAGOGY FOR BLACK URBAN STRUGGLE 101 (1995).

45. Id. at 101 (citing M. CHRISTINE BOYER, DREAMING THE RATIONAL CITY 16 (1986)).

49. Byrne's description of his wife's efforts to tidy up the modest yard sale wares of his nonwhite neighbors may reflect this same desire. See Byrne, supra note 2, at 431.

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in today's housing market than to relocate to other areas where affordable housing exists, areas which are more often than not, as a result of regional forces, also unstable, declining, and economically isolated from the opportunities of high performing schools, employment growth, and a strong municipal tax base. Moreover, these relocations adversely affect them to a greater degree than those with more economic resources.

#### No Author, xx-xx-xxxx, "," No Publication,

#### http://iurd.berkeley.edu/uploads/Displacement Lit Review Final.pdf

Scholarly interest in the relationship between investment and displacement dates back to the 1970s, in the aftermath of displacement related to urban renewal. More recently, a new wave of scholarship examines gentrification, primarily in strong market cities, and its relationship to public investment, particularly in transit. The results of these studies are mixed, due in part to methodological shortcomings. However, the following findings emerge across the literature: Despite severe data and analytic challenges in measuring the extent of displacement, most studies agree that gentrification at a minimum leads to exclusionary displacement and may push out some renters as well. Previous studies have failed to build a cumulative understanding of displacement because they have utilized different definitions, compared different populations, and adopted a relatively short timeframe; there is not even agreement on what constitutes a significant effect. Existing studies rarely account or proxy for regional market strength, which undermines their relevance to particular contexts

<sup>41.</sup> Id. at 17-18.

<sup>42.</sup> Id. at 10-11.

<sup>46.</sup> See id. at 102. 47. Id. at 103.

<sup>48.</sup> Id.

Influential early models of neighborhood change present processes of succession and segregation as inevitable, underemphasizing the role of the state. Neighborhoods change slowly, but over time are becoming more segregated by income, due in part to macro-level increases in income inequality. Racial segregation harms life chances and persists due to patterns of in-migration, "tipping points," and other processes; however, racial integration is increasing, particularly in growing cities. Neighborhood decline results from the interaction of demographic shifts, public policy, and entrenched segregation, and is shaped by metropolitan context.

Amee Chew, 11-5-2018, What We Know About Market-Rate Housing Construction and Displacement,

# https://shelterforce.org/2018/11/05/heres-what-we-actually-know-about-market-rate-housing-dev elopment-and-displacement/

Studies show that market-rate housing development is linked to the mass displacement of neighboring low-income residents (Davidson and Lees 2005, 2010; Pearsall 2010). Such displacement occurs even when low-income housing is not directly demolished and destroyed to make way for new development—because it operates through indirect and exclusionary means, such as "price shadowing" (Davidson and Lees 2005, 2010). Market-rate housing production causes significant price impacts in surrounding neighborhoods, raising area rents and real estate taxes (Oliva 2006; Pearsall 2010; Zuk and Chapple 2016). These price impacts have resulted in higher housing cost burdens for low-income residents, as well as their displacement (Davidson and Lees 2005, 2010; Pearsall 2010). In fact, a study of displacement in New York City based on a survey of 18,000 housing units found that most displaced households were forced to move due to cost considerations; in contrast, low-income residents who managed to remain in gentrifying neighborhoods overwhelmingly lived in public housing or rent stabilized units insulated from price dynamics (Newman and Wyly 2006, 29, 41, 43). Rent burdens rose considerably in gentrifying areas, so that only 1 out of 15 poor renters remaining in these New York City neighborhoods rented in the unregulated market (40-1).

The influx of higher-income residents, whom market-rate developments are typically geared toward, is itself associated with the displacement of vulnerable groups from the same area. Studies in London, Sydney, and Melbourne using longitudinal census data found that increases in high-income and professional households in a neighborhood were correlated with greater losses or displacement of low-income, family, and working-class households, as well as elderly, disabled, and unemployed residents, from that community (Atkinson 2000a, 2000b; Atkinson et al. 2011). One study found that in neighborhoods with an influx of higher-income residents, working-class residents moved at three times the rate compared to in other areas—and usually out of the neighborhood (Atkinson 2000a, 159).

#### A2 I - Displacement

 Delink - The National Low Income Housing Coalition in 2016 explains that market rate housing doesn't help the specific low-income areas where displacement is prevalent. Thus, through an analysis of low income household displacement from 2000 to 2013, the NLIHC found that subsidized housing production was much more effective than market-rate production at preventing displacement of low income households.

State, 7-18-2016, "Subsidized Housing Production Prevents Regional Displacement Better than Market-Rate Production," National Low Income Housing Coalition, <u>https://nlihc.org/resource/subsidized-housing-production-prevents-regional-displacement-better-</u> market-rate-production

IGS also examined the impact of subsidized and market-rate housing production during the 1990s on low income household displacement from 2000 to 2013. This analysis provides a better timeframe to ensure housing production preceded the potential displacement the researchers studied. Subsidized housing production was much more effective than market-rate production at preventing displacement of low income households in the subsequent decade. IGS did a third analysis of housing production and displacement to test a hypothesis put forward by Rick Jacobus in a Shelterforce article titled "Why We Must Build." Jacobus suggested that housing markets work differently at different geographic scales, that market-rate housing production may reduce low income household displacement at a regional scale but increase or have no impact on displacement in a given neighborhood. IGS compared their regional results with an analysis of production and displacement in census block groups in San Francisco. The results support the hypothesis. Neither subsidized nor market-rate production appear to impact neighborhood-scale displacement of low income households, either positively or negatively. The study's authors did not, however, examine the displacement impact of preexisting subsidized housing built prior to the 1990s.

### A2 Specific programs

#### A2 Density bonuses

Density bonuses still aren't enough. The <u>NRIE</u> finds that density bonuses don't provide enough of an actual compensation for builders to actually do more compact construction. That's why the <u>Curbed in</u> <u>2017</u> finds that only 329 affordable units were created in 6 years due to density bonuses, in LA.

#### A2 Inclusionary zoning

1. Topicality - Bento of Cornell in 2009 explains that cities with inclusionary zoning policies saw slower growth in market rate housing than cities without. When you vote aff,

cities would need to roll back their inclusionary zoning policies since they are actually inhibit the development of market rate housing.

- 2. Delink The City Observatory in 2016 finds that IZ has a scaling problem, it just can't provide enough affordable housing and exists in only a few states. In Washington DC for example 46% of the population is cost burdened by IZ policies only created 80 houses per year.
- 3. Weighing Inclusionary policies only mandate that developers sell some houses below-market rate, but The NHC in 2016 finds that only 2% of all IZ targets actually go to poor people and their targeted social class, the rest get funnelled up. We should focus on helping the poor as that is who needs housing the most. The only way to do that is in the negative world where you are directly prioritizing affordable housing.
- 1. Topicality Bento of Cornell in 2009 explains that cities with inclusionary zoning policies saw slower growth in market rate housing than cities without. When you vote aff, cities would need to roll back their inclusionary zoning policies since they are actually inhibit the development of market rate housing.
- 2. Delink The City Observatory in 2016 finds that IZ has a scaling problem, it just can't provide enough affordable housing. In Washington DC for example 46% of the population is cost burdened by IZ policies only created 80 houses per year, even in San Francisco a place with aggressive expansion of IZ laws, the zoning law only created 140 new houses per year. The only city to every historically see actual sustainable amounts of affordable housing, are cities that had their population literally double in size, and even then they still didn't get close to solving the problem as 78,000 people are still cost burdened. Furthermore, the affordability problem becomes even worse if we have more displacement pressures and displacement. That's why the CO concludes that even if we have rapid increases in market rate construction, we still won't solve the problem.
- 3. Turn Bento goes on to explain that cities with inclusionary zoning policies actually saw an increase in the cost of a single family home and a decrease in size of the construction. Specifically, he quantifies that cities that adopted inclusionary zoning policies saw prices rise 2-3% faster than in cities that did not because developers passed on the increased cost of construction onto customers.
- 4. Alt solvency The Urban Development Institute explains in 2018 that the Federal government has provided so many federal income tax credits to incentivize the creation of affordable housing, which has lead to the creation of over 3 million new affordable houses. This goes away in their world, which is really unfortunate, because this tax credit has created more housing than inclusionary zoning ever will.
- 5. Weighing Inclusionary policies only mandate that developers sell some houses below-market rate, but The NHC in 2016 finds that only 2% of all IZ targets actually go to poor people and their targeted social class, the rest get funnelled up. We should focus

on helping the poor as that is who needs housing the most. The only way to do that is in the negative world where you are directly prioritizing affordable housing.

#### http://media.wix.com/ugd/19cfbe\_2b02286eba264acd872fd2edb3d0cb8f.pdf

The majority (53%) of local IZ programs require units to be affordable to households with incomes between 51 and 80 percent of the local area median income (AMI). IZ programs are very unlikely to require housing affordable to very low-income households; only two percent of programs target households with incomes below 50 percent of AMI. About 28 percent of homeownership IZ programs target households with incomes between 101 and 140 percent of AMI (compared to 19 percent of rental programs

Daniel Hertz, 11-2-2016, "Inclusionary zoning has a scale problem," City Observatory, <u>http://cityobservatory.org/inclusionary-zoning-has-a-scale-problem/</u>

Arguably the most successful inclusionary zoning program is in Montgomery County, Maryland, outside DC. Montgomery County's IZ program, the first in the country, has created over 14,000 affordable units since 1974, or more than 350 a year. But while that's relatively impressive, it's hardly met the need: according to the County itself, there are at least 78,000 households that are still cost-burdened. Moreover, Montgomery County's relative success has been predicated on truly massive population growth, nearly doubling from 564,000 to over a million people from 1974 to 2013. Without that kind of growth, the County would be unable to produce as many IZ units—and, indeed, as population growth has slowed, so has the number of new units. While Montgomery County produced an average of 441 units per year from 1976 to 1999, from 2000 to 2013, it has averaged just 245. Cities that are unable or unwilling to accommodate very rapid market-rate housing construction won't be able to replicate these results—which still haven't come close to solving the problem.

https://www.urban.org/sites/default/files/publication/98758/lithc\_how\_it\_works\_and\_who\_it\_ser\_ves\_final\_2.pdf

The Low-Income Housing Tax Credit (LIHTC) is a complex but crucial tool for the production and preservation of affordable rental housing. Through this program, private investors receive a federal income tax credit as an incentive to make equity investments in affordable rental housing. Since 1986, nearly 3 million affordable housing units have been placed in service. In this report, we outline the basics of the LIHTC program, including how it works, the various partners involved, how financing is structured, how investors benefit from the program, and who lives in the LIHTC properties. We also highlight successes of the program and examines the challenges it faces. This report is a companion to The Low-Income Housing Tax Credit: Past Achievements, Future Challenges (Scally, Gold, et al. 2018).

Daniel Hertz, 11-2-2016, "Inclusionary zoning has a scale problem," City Observatory, <u>http://cityobservatory.org/inclusionary-zoning-has-a-scale-problem/</u>

And while DC is a particularly egregious example, the other cities are hardly exemplars themselves. San Francisco looks relatively impressive at 1,560 units—until you realize that's under 140 units per year in a city of over 800,000 people where median home prices are well above what even upper-middle-class, let alone low-income, households can afford. (Indeed, San Francisco's "affordable" units go to families of four making as much as \$91,700.) Nor do the city's in-lieu fees make up much of a difference: about \$5 million a year, which, according to numbers from Kim-Mai Cutler, might buy about 20 units.

Peter Cohen, 3-4-2019, "Don't Believe the Hype: Affordable Housing does NOT depend on Market Rate Development," San Francisco Examiner, <a class="vglnk"

href="http://www.sfexaminer.com/dont-believe-the-hype-affordable-housing-does-not-depend-o n-market-rate-development/"

Another flaw in the myth is the argument that market-rate developers are part of an affordable housing solution by "feeing out" on their inclusionary housing requirement. At the same time, those same City Hall and development boosters contradict themselves by making a big deal out of "mixed-income" development. And yet that is precisely what the inclusionary housing program does and why below-market-rate (BMR) units are essentially aimed at moderate income households: people making salaries from clerks to teachers who are also priced out of "the market." That was the vision of the inclusionary housing requirement, not a simple "in lieu" fee payment program, and yet there are some who celebrate the fees that come from developers when they DON'T build BMRs for moderate income households. The contradiction is profound.

No Author, xx-xx-xxxx, "Housing Market Effects of Inclusionary Zoning on JSTOR," No Publication,

https://www.jstor.org/stable/pdf/20868701.pdf?ab\_segments=0%252Ftbsub-1%252Frelevance\_c onfig\_with\_defaults&refreqid=excelsior%3A805219f76c98ee0f3de9872b606a4ed4

#### Abstract

This article presents an empirical analysis of the effects of inclusionary zoning policies on housing prices and starts in California during the period from 1988 through 2005. The analysis compares cities with and without such policies and isolates the effects of inclusionary zoning programs by carefully controlling for spatial and temporal conditions, such as the neighborhood or school district within which the house is located and changing market conditions over time. The analysis found that inclusionary zoning policies had measurable effects on housing markets in jurisdictions that adopt them; specifically, the price of single-family houses increases and the size of single-family houses decreases. The analysis also found that, although the cities with such programs did not experience a significant reduction in the rate of single-family housing starts. they did experience a marginally significant increase in multifamily housing starts. The magnitude of this shift varied with the stringency of the inclusionary requirements. Finally, the analysis found that the size of market-rate houses in cities that adopted inclusionary zoning increased more slowly than in cities without such programs. The results are fully consistent with economic theory and demonstrate that inclusionary zoning policies do not come without costs.

Findings also indicate that housing prices in cities that adopted inclusionary zoning increased approximately 2 to 3 percent faster than in cities that did not adopt such policies. In addition, our findings show that housing price effects were greater in higher priced housing markets than in lower priced markets. That is, housing that sold for less than \$187,000 (in 1988 dollars) decreased by only 0.8 percent, but housing that sold for more than \$187,000 increased by 5.0 percent. These findings suggest that housing producers, in general, did not respond to inclusionary requirements by slowing the rate of construction of single-family housing but did pass the increase in produc tion costs on to housing consumers. Further, housing producers were better able to pass on the

# R. Vh., Prescott, Az, 2-7-2018, "Portland's Inclusionary Zoning Failure," No Publication, <u>http://www.hfore.com/inclusionary-zoning-update</u>

Prior to the law taking effect, Kurt Creager – former director of the Portland Housing Bureau -stated that he expected developers to be able to absorb the cost of affordable units if they achieved the highest possible rents in their market rate units. With rent growth beginning to flatten, developers, investors and banks are wary of this assumption. Last fall, the Bureau of Planning and Sustainability (BPS) recently released its 6-month review of the IZ program. BPS struck an optimistic note in their report, pointing out that the 19,000 units currently in the pipeline represent a four-year supply of new housing. They also note no increase in developers submitting 15- to19-unit projects for parcels that could support higher densities. Tyler Bump, the senior economic planner for BPS, said he will not worry about diminished supply unless the pipeline falls below 10,000 units. However, only 5,000 of the 19,000 units in the pipeline have received building permits. It is likely that not all the projects will be built, especially with a growing shortage of skilled construction labor. Material costs have also been increased alongside the cost of labor, raising the possibility that some projects submitted before February will no longer be feasible if the city's approval process takes longer than expected. Behind the scenes, the city now appears to realize that inclusionary zoning will not produce the anticipated affordable units.

## A2 Public housing bad

## A2 General

1. Turn - Madden of the Washington Post quantifies in 2015 that more people want to enter public housing than escape and that public housing residents develop important netowrks of solidarity and mutual aid that they want to maintain, not abandon. Thus, Semuels of the Atlantic in 2015 explains that public housing is a quiet success drowned out by loud failures. Public housing gives the poor a chance to get back on their feet and are able to participate in society. What the aff is proposing is no housing at all, which is worse.

David Madden, The Washington Post Sep. 14, 2015, 10, 9-14-2015, "5 myths about public housing," Business Insider,

https://www.businessinsider.com/5-myths-about-public-housing-2015-9

From the nearly universally negative coverage of public housing, you'd never know that far more people are trying to get into it than leave it. Nearly all of the nation's more than 3,000 public housing authorities have waiting lists. New York City's public housing has a 1 percent vacancy rate and more than 270,000 families waiting for a spot. Surveys consistently show that most residents of public housing developments (many reject the word "project" as stigmatizing) are satisfied overall with their homes, even as they demand solutions to pressing problems with maintenance and management. Ethnographic research has shown that public housing residents tend to develop important networks of solidarity and mutual aid that they want to maintain, not abandon.

Alana Semuels, xx-xx-xxxx, "Public Housing Doesn't Have to Be Terrible," Atlantic, https://www.theatlantic.com/business/archive/2015/09/public-housing-success/406561/ It can be hard to remember, among the multiple stories of neglect and crime in the nation's public-housing complexes, and amid the efforts to dismantle the buildings over the last few decades, that for millions of Americans over the past century, public housing has worked well. Today there are 1.2 million Americans living in housing managed by some 3,300 public-housing authorities, many of which have received scores of 98 or higher out of 100 in HUD's public-housing assessment system. "The story of American public housing is one of quiet successes drowned out by loud failures," writes Ed Goetz, a professor at the University of Minnesota, in his book New Deal Ruins: Race, Economic Justice and Public Housing Policy.

### A2 Government interventionist

1. Madden of the Washington Post in 2015 explains that public housing actually was demanded by activists and furthermore, public housing provides an avenue for political participation and activism, often with women of color taking the lead.

David Madden, The Washington Post Sep. 14, 2015, 10, 9-14-2015, "5 myths about public housing," Business Insider,

https://www.businessinsider.com/5-myths-about-public-housing-2015-9

But the history of American housing activism shows that public housing was not only a creation of bureaucrats. It was demanded by generations of activists, from Yiddish-speaking rent strikers on the Lower East Side of New York in the early 20th century to the Black Panther Party, which included government-supported housing in its 10-point program. And as historian Rhonda Williams and others have shown, public housing provides an avenue for political participation and activism, often with women of color taking the lead. The residential public sector that exists today is not a top-down imposition. It's a result of struggles between activists and the powerful institutions that have sought to shape it for their own ends.

A2 High rise towers bad

1. Madden of the Washington Post in 2015 explains that right now, only 27% of public housing buildings are high rises, and furthermore, around the world, millions rich and poor live in high-rise buildings. They aren't inherently harmful.

David Madden, The Washington Post Sep. 14, 2015, 10, 9-14-2015, "5 myths about public housing," Business Insider,

https://www.businessinsider.com/5-myths-about-public-housing-2015-9

But the notion that public housing is unlivable because it takes the form of high-rise towers is doubly false.

First of all, a relatively small number of public housing developments are high-rise buildings. Even in 1994, when the number of units was at its peak, only 27 percent of public housing buildings were high rises, and that number has decreased since. In comparison, 32 percent were garden apartments in 1994, 16 percent were walk-ups and 25 percent were single-family homes. These buildings were constructed in a variety of architectural styles, from art deco to brutalism to neo-traditionalism. Besides, high-rises exhibit huge diversity. Around the world, millions of people, rich and poor, live in high-rise buildings. If towers were inherently unlivable, presumably wealthy condo-dwellers who have plenty of other options wouldn't be buying into them throughout New York, Chicago and other highly vertical cities. As researchers Fritz Umbach and Alexander Gerould point out, there have been some times and places when public housing has had a crime rate that is higher than that of private housing, and other times and places when it has had a lower rate. Scholars have also questioned Newman's methodology and the spatial determinism upon which his study was based.

## A2 Property value

1. Turn - The Stanford Graduate School of Business finds in 2015 that when a new building is built in a poorer area through affordable housing, the neighborhood views more desirable, empirically leading home values to appreciate by 6.5%.

September 15,, 9-15-2015, "Is Affordable Housing Good for the Neighborhood?," Stanford Graduate School of Business,

https://www.gsb.stanford.edu/insights/affordable-housing-good-neighborhood In low-income neighborhoods, where median incomes fell below \$26,000, the researchers saw home values appreciate 6.5% within a tenth of a mile of an LIHTC project. Crime rates also fell, and more non-minorities moved into the area, increasing diversity. In higher-income neighborhoods, those with median incomes above \$54,000, housing prices declined approximately 2.5% within a tenth of a mile of a project, and segregation increased (the

researchers noticed no crime impact).

Why the difference? In many cases, a new building in a poorer neighborhood created a "sort of revitalization effect," Diamond says. "These areas don't tend to have a lot of investment in them. It makes the neighborhood appear more desirable." That, in turn, drew more homebuyers, particularly non-minorities.

## A2 Crime

2. Turn - The Stanford Graduate School of Business finds in 2015 that when a new building is built in a poorer area through affordable housing, the neighborhood views more desirable, empirically leading crime rates to fall as more people moved into the area.

September 15,, 9-15-2015, "Is Affordable Housing Good for the Neighborhood?," Stanford Graduate School of Business,

https://www.gsb.stanford.edu/insights/affordable-housing-good-neighborhood

In low-income neighborhoods, where median incomes fell below \$26,000, the researchers saw home values appreciate 6.5% within a tenth of a mile of an LIHTC project. Crime rates also fell, and more non-minorities moved into the area, increasing diversity. In higher-income neighborhoods, those with median incomes above \$54,000, housing prices declined approximately 2.5% within a tenth of a mile of a project, and segregation increased (the researchers noticed no crime impact).

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### A2 Health

1. Delink - Ruel in 2010 quantifies 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.

Erin Ruel,, xx-xx-xxxx, "Is Public Housing the Cause of Poor Health or a Safety Net for the Unhealthy Poor?," PubMed Central (PMC),

https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2937128/

Research has shown that public housing residents have the worst health of any population in the USA. However, it is unclear what the cause of that poor health is among this population. The purpose of this paper is to investigate the association between public housing and health conditions: specifically, we ask if residents entered public housing already ill or if public housing may cause the poor health of its residents. The data used for this study come from the GSU Urban Health Initiative, which is a prospective, mixed-methods study of seven public housing communities earmarked for demolition and relocation (N = 385). We used the pre-relocation, baseline survey. We found that, while health was not the main reason residents gave for entering public housing conditions, long tenure in public housing, and having had a worse living situation prior to public housing were not associated with an increased risk of a health condition diagnosed after entry into public housing. Our findings suggest that public housing may have provided a safety net for the very unhealthy poor.

#### A2 Rent control

## A2 Bad

- 1. Literally only exists in a few cities in four states. The scope of any other policy that we talk about in this round will have a far larger impact than rent control.
- Delink Blumgart of the Pacific Standard in 2015 outlines that most studies on rent-control look at hard ceilings, whereas most real-life examples of rent-control are more measured approaches that move with inflation, meaning that empirically
  - a. Cities with rent control, when compared to the surrounding areas, actually saw less of a decline in housing construction, as renters needed more units to make the same amount of profits.
  - b. In tight housing markets that are already heavily developed, as most major cities are, rents aren't driven by supply thus building more houses doesn't make a difference. Thus, rent control is the best policy as it provides immediate relief.

Thus, overall, Stanford quantifies that rent control has increased the probability that a renter will stay at their address by close to 20%.

## DEAN PRESTON & SHANTI SINGH, 03-2018, "A RESPONSE TO BUSINESS SCHOOL PROFESSORS' MISGUIDED ATTACK ON RENT CONTROL," TENANTS TOGETHER CALIFORNIA'S STATEWIDE ORGANIZATION FOR RENTERS' RIGHTS,

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.

Jake Blumgart, xx-xx-xxxx, "In Defense of Rent Control," Pacific Standard, https://psmag.com/economics/in-defense-of-rent-control

But a comprehensive review of literature by New York housing lawyer Timothy Collins found that the received wisdom regarding rent regulations is overly simplistic—partially because hard ceilings on rents are often imagined, while the reality is more often (as in New York's case) a more measured approach meant to discourage landlords from dramatically **raising rents and displacing tenants**. Collins argues that New York's two largest building booms took place during times of strict rent controls: the 1920s and the post-war period between 1947 and 1965. (He is not arguing that the regulations provoked the building, just that they didn't restrain it in the same way strict zoning codes did in the mid-1960s.) "New York's moderate rent regulations have had few, if any, of the negative side effects so confidently predicted by industry advocates," Collins writes. "More important, rent regulations have been the single greatest source of affordable housing for middle- and low-income households. I should note that many of these findings came as a surprise to me. When I first joined the Rent Guidelines Board staff in 1987, I believed that rent regulations in New York City probably did have some long-term harmful effects. I was proven wrong." **Outside** 

the city, one economist found that housing construction in New Jersey fell by 52 percent in cities that enacted rent control regulations in the early 1970s—but fell 88 percent in those that didn't. The policy also did not affect the landlords' desire to keep their properties in good condition. One study from 1988 found that "there is no basis for economists' strongly-held belief that rent control leads to worse maintenance." collins also found that all the apartments that

experts expected to open up with the introduction of rent regulations did not materialize after rent control was removed from Boston. In 1994, real estate interests in Massachusetts organized a statewide referendum to end rent control—which only existed in Boston, Cambridge, and Brookline—and just barely won. But Census data shows that Boston's vacancy rate was four percent before the regulations were phased out and 2.9 percent four years after they were done away with—scrapping rent control had, at the very least, not generated a measurable effect on apartment availability. The median price for a two-bedroom apartment doubled in the meantime. An Economist article on the end of rent control in Cambridge reported that 40 percent of covered tenants moved out of their apartments after the end of rent regulations in the city—rents had increased by 50 percent—and reports of evictions rose by a third. A 2012 study seems to show that the

removal of rent regulations did nothing to lower housing prices and ended Cambridge's tenure as a mixed-income neighborhood. Simply building more units to bring down overall prices might work in some settings. But in tight housing markets that are already heavily developed, as most major Northeastern or West Coast cities are, it's unclear whether rents are primarily driven by supply. In neighborhoods that are in commuting distance of economically vibrant areas, the level of demand may be too high to accommodate by simply building new units. This is especially applicable to mass transit nodes near job centers like New York or San Francisco:

There are far too few of both for supply to reliably set prices that working class—let alone impoverished—residents can afford. Rent regulations only helps incumbent tenants, of course, so new construction is needed to address the full range of housing needs in an area like San Mateo—both affordable and market rate. Traditional public housing long ago fell out of favor (if for often

unjust reasons), but affordability subsidies like Section 8 vouchers and low-income housing tax credits have largely taken their place. A newer tool for creating

affordable housing is inclusionary zoning, which requires developers to offer a certain percentage of their new units as affordable (this is a cornerstone of Bill DeBlasio's housing plan). But these newer forms of ensuring stability and a mix of incomes are less reliable. Landlords in booming areas reject Section 8, while inclusionary zoning requires new buildings—and a lot of them if substantial amounts of affordable housing are to be created.

That takes a lot of time-time in which families who need access to good neighborhood schools, convenient mass transit, and longtime community connections can be displaced. The

#### promise of rent control or stabilization policies is that these tenants will have relief when

**they need it.** "Rent regulation is a response to the power imbalance between landlords and tenants, which creates an opportunity for landlords to exploit tenants that certainly exists in tight market cities like New York," says Tom Waters, housing and policy analyst for the Community Service Society of New York. "And one of the most important benefits of rent regulation in New York City is that organizers can go and form tenant associations and have tenants withhold rent in order to deal with leaks or problems like that. If the landlord had the power to evict everyone who complains it would be a lot harder to do that."

#### A2 Construction

- Delink Rent control had no effect on construction when it was implemented in Berkeley. Urban Habitat in 2018 reports that the best available evidence shows that rent control had little or no effect on the construction of new housing but in fact construction actually hit a high after the rent control law passed perhaps due in part to the availability of financing has a larger impact on construction that market price.
- 2. Turn Increased supply. Painter of the LA Times explains in 2018 that rent control can actually spur development since when housing developers have too much power, they can maximize profits by raising rents on apartments they already own. But if rent control limits that option, they have to turn to plan B which is building more units.

Gary Painter, 10-31-2018, "No, rent control doesn't always reduce the supply of housing," latimes,

https://www.latimes.com/opinion/op-ed/la-oe-painter-rent-control-economist-20181031-story.ht ml

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.

## https://urbanhabitat.org/sites/default/files/UH%202018%20Strengthening%20Communities%20 Through%20Rent%20Control\_0.pdf

A comprehensive 1998 report by Berkeley's Planning and Development Department looks at rent control's effects on new construction in Berkeley and concludes that "the best available evidence shows that rent control had little or no effect on the construction of new housing."21 Analyzing new construction across the decades, the report shows that building permits hit their highest levels since 1971 in 1989—nine years after the passage of rent control.22 It asserts that "private-sector interest in building in Berkeley changes with economic conditions," and has more to do with the availability of financing than rent control.23 Land use policies, such as zoning laws, also have a significant impact on new construction. According to a New York Times interview with the current mayor of Berkeley, for example, there are 4,000 new apartments in the city's pipeline.24 Several news reports indicate that Santa Monica has struggled to build new multi-unit properties, but these problems are attributed to local zoning laws and approval processes, with no mention of rent control.25 There are, however, significant rates of renovation among existing apartments, which suggests that landlords feel confident that they will receive returns on capital investments. As another example, Los Angeles, which also has a rent stabilization ordinance, saw a 61% increase in new construction in the past year, with 10,000 new units built from July 2016 to June 2017.26 The causal factor behind new construction rates in the Berkeley, Santa Monica, and Los Angeles regions does not seem to be rent control

### A2 Deterioration

1. Delink - Kutty in 2007 explains that the impact of rent control on maintenance is ambiguous, or nonexistent in cities that have provisions rewarding housing maintenance or even laws that enforce building codes.

Nandinee Kutty., 4-1-2007, "The impact of rent control on housing maintenance: A dynamic analysis incorporating European and North American rent regulations," Taylor & amp; Francis, <u>https://www.tandfonline.com/doi/abs/10.1080/02673039608720846</u>

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.

#### A2 Unconstitutional

1. Delink - Cohen of Time in 2011 writes that the Supreme Court has upheld rent control since 1921, most recently unanimously rejecting a case in 1922 that rent-control constitutes the unconstitutional taking of property.

Adam Cohen, 8-2-2011, "What if the Supreme Court Kills Rent Control?," TIME, <u>http://ideas.time.com/2012/03/19/what-if-the-supreme-court-kills-rent-control/</u>

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.

## A2 CON (YOU ARE PRO) A2 MRH bad

### A2 Demolitions

- Delink Incentives. Beyer of Forbes in 2016 explains that the US government has made a shift from subsidies to promote MRH but to decreasing restrictive zoning laws, encourages companies to build on vacant land instead of tearing down existing houses. Layfield explains that many of the demolished projects have been largely abandoned, because they were uninhabitable.
- 2. Delink We have the land. The Washington Post in 2015 finds that cities cannot run out of space, as cities either just expand the city limits, change restrictive zoning requirements, or literally just build up. Turn UCLA in 2019 finds that building up resulted in 22% of the new units being affordable and overall creating six times more affordable housing than units lost to demolition.
- 1. Delink We have the land. The Washington Post in 2015 finds that cities cannot run out of space, as cities either just expand the city limits, change restrictive zoning requirements, or literally just build up.
- 2. Delink Alt Causal. Layfield explains that many of the demolished projects have been largely abandoned, with vacancy rates up to 30%, because they were uninhabitable.
- 3. Delink Vacancies. Mallach of the Lincoln Institute of Land Policy says that non seasonal vacancies increased between 05 and 2010 by 2.5 million units, so there's no reason why they'd choose to knock down existing houses.
- 4. Delink Incentives. Beyer of Forbes in 2016 explains that the US government has made a shift from subsidizing increased construction of housing to promote MRH but is now instead decreasing restrictive zoning laws, bureaucratic delay, and other regulations. Thus, this allows and encourages companies to build on vacant land instead of tearing down existing houses.

- 5. Delink The US Housing Department mitigates the effects of displacement. Freddie Mac reports in 2017 that currently, a program called "Choice Neighborhood" awards grants to developers who help with the affordable housing crisis. The bill mandates that if developers destroy any affordable housing, they must rebuild the same number of units elsewhere. And, if they displace any individual, they must reimburse them and make sure they relocate to a good neighborhood.
- 6. Turn UCLA in 2019 finds that looking at over 104 developments, that 13 times the units were constructed then demolished. 22% of the new units that were made, were labeled as affordable, and after the subsequent development the overall supply of affordable housing was 6x the overall amount of units lost to demolition.

No Author, xx-xx-xxxx, "Outline," No Publication, https://outline.com/w7mMTA

And so, from an economist's point of view, there is no such thing as a full place. Especially not in America, where our neighborhoods, as urban planning professor Sonia Hirt puts it, are "astonishingly low density" compared to the rest of the industrialized world. Maybe your particular geology can't handle the foundation of a mile-high skyscraper. But, for the most part, we can always make choices to make more room, to build taller and denser, to upgrade schools and rethink roads to let more people in.

Eve Bachrach,, xx-xx-xxxx, "Is Los Angeles Destroying Its Affordable Housing Stock to Build Luxury Apartments?," UCLA Lewis Center for Regional Policy Studies, https://www.lewis.ucla.edu/2019/02/08/luxury-apartments/

Table 1: Units lost and gained in a random sample of developments from 2014-2016<sup>[1]</sup>

Housing Units Demolished	Housing Units Constructed
152	2061

Multifamily Units Demolished	Affordable Units Constructed
74	460

This is good news — according to our findings, new housing development is mostly replacing single-family housing, creating many more units than it is demolishing and even producing many more strictly affordable units than what is demolished. Yet there are other factors to consider. The distribution of new units across the city matters, as does the match between unit and neighborhood types.

Jasmine Coleman, 4-1-2016, "Why is America pulling down the projects?," BBC News, <u>https://www.bbc.com/news/magazine-35913577</u>

Another 42,000 units have been lost since then, government figures suggest, leaving the volume of public housing at a level last seen in the 1970s. David Layfield, an affordable housing expert, says it is important to remember that many of the projects being demolished have been largely abandoned - with vacancy rates of up to 30% in some places - because they were so uninhabitable. "The reality is that public housing is being improved drastically - being made more durable and more energy efficient," he says. "And in many cases the developers have diversified the income levels

Scott Beyer, xx-xx-xxxx, "The Verdict Is In: Land Use Regulations Increase Housing Costs," Forbes,

# https://www.forbes.com/sites/scottbeyer/2016/09/30/the-verdict-is-in-land-use-regulations-increa se-housing-costs/

This past Monday, September 26, could prove to be a landmark day in the political discussion about urban America's housing woes. On that day, the connection between land-use regulations and higher housing costs, long made by urbanist bloggers and think-tankers, was finally acknowledged by a sitting president, when the Obama administration published the report "Housing Development Toolkit." Rather than echoing past presidential administrations, and thinking up all the ways that the federal government could subsidize homeownership, the report listed why homes are so expensive in the first place: restrictive zoning, bureaucratic delay and other regulations. The report laid out a 10-point plan for how expensive major metro areas can reduce their housing prices, mainly by liberalizing their markets to increase supply.

The surprising thing was that this call for deregulation came from a Democratic president whose answer for other government-imposed problems--from expensive health care to failing inner city schools to slow economic growth--is to advocate for more government interference. So what inspired Obama's unusual position?

#### Alan Mallach, The Empty House Next Door,

https://www.lincolninst.edu/sites/default/files/pubfiles/empty-house-next-door-full.pdf As figure 1 showed, vacancy rates gradually inched up from the 1960s onward, rising faster as many markets were overbuilt in the early 2000s and peaking inthe years after the housing bubble burst in 2006 and 2007. Figure 3 shows the number of nonseasonal vacant units in the United States by year from 2005 through 2016 from the annual American Community Survey, which has been conducted each year since 2005. While these numbers may be overestimated, they provide a good picture of recent trends. The number of vacant units rose sharply after 2005, going from 9.5 to 12 million between 2005 and 2010, an increase of roughly 2.5 million units. Since then, the number has gradually declined but remains significantly higher, at 11.2 million units, than in 2005. The increase in the category of "other vacant" units over the past decade is even more pronounced. Those vacant units increased from 3.7 million in 2005 to 5.5 million in 2011, and to 5.8 million in 2016. Thus, even though the total number of vacant units in the United States is 25 percent higher today than in 2005, the number of "other vacant" units is 56 percent higher. Since 2005, the share of the total vacant unit inventory made up of "other vacant" units has steadily risen even as the total vacant inventory has begun to shrink, going from 39 percent of the nonseasonal inventory in 2005 to 49 percent in 2016

## A2 Price discrimination

1. Delink - Banned under the federal Fair Housing Act of 1968.

Marcia Stewart, xx-xx-xxxx, "What Kind of Housing Discrimination Is Illegal?," nolo, https://www.nolo.com/legal-encyclopedia/free-books/renters-rights-book/chapter5-2.html The federal Fair Housing Act of 1968 and the federal Fair Housing Act Amendments Act of 1988 prohibit discrimination on the basis of the following criteria (called "protected categories"): race or color; religion; national origin; familial status or age—includes families with children under the age of 18 and pregnant women; disability or handicap, or sex. The federal Fair Housing Acts apply to all aspects of the landlord-tenant relationship. A landlord may not:

advertise or make any statement that indicates a limitation or preference based on race, religion, or any other protected category  $\Box$ 

falsely deny that a rental unit is available  $\square$ 

set more restrictive standards for selecting tenants or refuse to rent to members of certain groups  $\square$ 

before or during the tenancy, set different terms, conditions, or privileges for rental of a dwelling unit, such as requiring larger deposits of some tenants or adopting an inconsistent policy of responding to late rent payments

terminate a tenancy for a discriminatory reason.  $\Box$ 

## A2 Luxury homes only

- 1. According to Danzinger of Forbes, the high-end housing market is becoming increasingly less profitable, with the median price for low end homes rising significantly faster.
- 2. W A lack of housing actually creates more displacement due to a lack of supply. Even if the new housing is luxury, it relieves pressure on the rest of the market which is why the

LAO finds that neighborhoods with high construction have 21% less of chance to be displaced than low construction neighborhoods

No Author, 2-9-2016, "Perspectives on Helping Low-Income Californians Afford Housing," No Publication, <u>https://lao.ca.gov/Publications/Report/3345</u>

Our Model. We use probit regression analysis to evaluate how various factors affected the likelihood of a census tract experiencing displacement between 2000 and 2013. This type of model allows us to hold constant various economic and demographic factors and isolate the impact of increased market–rate construction on the likelihood of displacement. The results of our regression are show in Figure A1. Coefficient estimates from probit regressions are not easily interpreted. While the fact that the coefficient for market–rate housing construction is statistically significant and negative suggests that more construction reduces the likelihood of displacement, the magnitude of this effect is not immediately clear. To better understand these results, we used the model to compare the probability that an average census tract would experience displacement when its market–rate construction was low (0 units), average (136 units), and high (243 units). As shown in Figure A2, with low construction levels, a census tract's probability of experiencing displacement was 47 percent, compared to 34 percent with average construction levels, and 26 percent with high construction levels.

Pamela N. Danziger, 4-17-2018, "Real Estate Market Is Hot, Except At The High-End: Disruption Coming In the Luxury Home Market," Forbes,

https://www.forbes.com/sites/pamdanziger/2018/04/17/real-estate-market-is-hot-except-at-the-hi gh-end-disruption-coming-in-the-luxury-home-market/#2cd6fbbd3b5a

But even with many more potential wealthy buyers, demand just isn't there. The prices at the top 5% of the housing market, which Realtor.com says started at \$804,000 in 2017, increased at a slower rate than the bottom 95% of homes. In 2017 high-end home prices rose only 5.1% from 2016, whereas the median price for the remaining 95% of housing inventory rose 6.9%.

The high-end housing market is location dependent, so some markets will remain strong, like San Jose, CA, the fastest-selling market last year where the typical home sold in 41 days. By contrast, it took an average of 134 days to sell a home in the high-end New York/Northern New Jersey market, the slowest of the 35 markets Zillow analyzed.

A2 Increases demand

1. Illogical. Kaufman explains in 2017 that if you accept their argument that when you increase housing supply, you also increase demand, which is bad, then all things being equal you should favor destroying existing units, which, based on their case, they obviously aren't. The increase in demand that they point to isn't people who have never wanted to buy a house before getting interested, it's disillusioned buyers suddenly seeing

for the first time that housing might be affordable and expressing interest once more. This is analogous to how those unemployed but not seeking employment due to disillusionment with the job market aren't counted as legally unemployed. That doesn't mean they don't want or need a job.

# Making Residential, 1-23-2017, "Induced Housing Demand," No Publication, <u>https://www.jefftk.com/p/induced-housing-demand</u>

Their argument is something like: when you build housing supply goes up. Demand also typically goes up as well, because you've made the area nicer, which we'll call induced demand. In most places, increasing supply by one housing unit induces some demand but less than one unit's worth. San Francisco is not most places, however, and here building one more unit induces more than one unit of demand. So building more only makes things worse.

If you accept this, then all things being equal you should favor destroying existing units, say when the current tenants move out. The idea is that each unit destroyed would decrease demand by more than one unit, lowering rents. My guess is, however, that the people who make this argument believe that each unit destroyed decreases demand by less than one unit, and so also raises rents and makes the problem worse. This isn't possible: adding a unit and removing a unit can't both result in higher rents.

### A2 Expensive housing good

1. Delink - McCarthy of the Federal Reserve finds that during the 90s stock boom with higher residential investment, there was no increase in consumption or massive economic growth.

### http://oww-files-public.s3.amazonaws.com/a/af/ShloSteindel2.pdf

Residential investment has risen briskly in this expansion. The annual rate of increase in real residential investment from the start of 2002 through 2006Q1 has been 7.9 percent, more than twice that for GDP as a whole. Nonetheless, this growth pace is about the same as that for the corresponding period of the expansion of the 1990s and is well below the gains seen in prior expansions. Residential investment on average contributed about 0.4 percentage point to overall GDP growth over 2002Q1 to 2006Q1 (Chart 1). This is a somewhat larger growth contribution than in the comparable period of the 1990s expansion, but less than in the economic expansions of the 1970s and 1980s.

### A2 Redlining

1. Alt causal - zoning policies exacerbate segregation even more by restricting of housing that appeal to certain types of minorities. In fact Harvard in 2013 empirically finds that

half of the difference in segregation between strictly regulated Massachusetts and loosely regulated Houston can be attributed solely to zoning regulations.

### http://scholar.harvard.edu/files/resseger/files/resseger\_jmp\_11\_25.pdf

Local zoning regulations such as minimum lot size requirements and restrictions on the permitting of multi-family housing may exacerbate racial segregation by reducing in some neighborhoods the construction of units that appeal to prospective minority residents. Although this hypothesis has long been recognized by urban economists and other social scientists, the lack of uniform land use data across jurisdictions has made empirical progress difficult. Using detailed spatial data available for all municipalities in Massachusetts I investigate the impact of density zoning regulation on location choices by race. Capitalizing on the geographic detail in the data, I focus on variation in block-level racial composition within narrow bands around zone borders within jurisdictions, mitigating omitted variable concerns that arise in studies focusing on larger geographic units. My results imply a large role for local zoning regulation, particularly the permitting of dense multi-family structures, in explaining disparate racial location patterns. Blocks zoned for multi-family housing have black population shares 3.36 percentage points higher and Hispanic population shares 5.77 percentage points higher than single-family zoned blocks directly across a border from them. Using the results to simulate an equalization of zoning regulation across the metro area suggests that over half the difference between levels of segregation in the stringently zoned Boston and lightly zoned Houston metro areas can be explained by zoning regulation alone.

A2 Upzoning bad

- 1. Turn Comparative analysis is very clear, USA Today in 2017 finds cities with low regulations have 40% more affordable housing compared to high regulation cities.
- 2. Turn Doctrow of BB finds in 2015 that even if it increases the cost of land it also increases the amount of units built on the land due to more density regulations, which overall decreases prices of the houses.
- 3. Turn Zoning regulations that they talk about have actually negatively affect minorities. Sightline finds that since zoning regulations directly restrict affordable housing, it creates concentrations of urban poverty segregating entire cities on income. Infact, The Brookings Institution finds that zoning such as density restrictions perpetuate and excartebate racial and class inequality. However, affirming solves by removing regulations and promoting more affordable housing. Indeed Ewing finds that a doubling in compactness increases the likelihood of upward mobility by 41%.

Reidewinga, xx-xx-xxxx, "Does urban sprawl hold down upward mobility?," No Publication, <u>https://www.sciencedirect.com/science/article/pii/S016920461500242X</u>

Direct, indirect, and total effects of variables on one another are shown in Table 3. The net indirect effect of compactness on upward mobility is negative due to the increase in income segregation that accompanies compactness. However, the indirect effect of compactness through the mediating variable is small compared to the direct effect of compactness on upward mobility. Using upward mobility data from a credible source, and a validated compactness/sprawl index, we conclude that upward mobility is significantly higher in compact than sprawling metropolitan areas/commuting zones. The point elasticity of upward mobility with respect to compactness is 0.41. As the compactness index doubles (increases by 100%), the likelihood that a child born into the bottom fifth of the national income distribution will reach the top fifth by age 30 increases by about 41%. For the average poor kid in our sample, with an 8% chance of moving up into the top quintile, this represents an increase of 3.2% in absolute terms, well within the range of upward mobility differences from metropolitan area to metropolitan area. The extreme values in our sample are a 2.6% chance of upward mobility in Memphis, TN, and 14.0% in Provo, UT.

Tiepolo M., xx-xx-xxxx, "Density Zoning and Class Segregation in U.S. Metropolitan Areas," PubMed Central (PMC), <u>https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3632084/</u> Metropolitan areas with suburbs that restrict the density of residential construction are more segregated on the basis of income than those with more permissive density zoning regimes. This arrangement perpetuates and exacerbates racial and class inequality in the United Statess

Author, 4-20-2016, "Exclusionary Zoning Robs Our Cities of Their Best Qualities," Sightline Institute,

https://www.sightline.org/2016/04/20/how-exclusionary-zoning-robs-our-cities-of-their-best-qua lities/

Density restrictions are associated with the segregation of wealthy and middle-income households. Such restrictions do not appear to lead directly to the concentration of poverty but rather to the concentration of affluence, a finding which adds important nuance to the way in which exclusionary zoning techniques isolate the poor.

Cory Doctorow, xx-xx-xxxx, "Zoning and the housing crisis: at Manhattan densities, San Francisco could house 100 million people," Boing Boing, https://boingboing.net/2017/10/24/build-housing.html

A common objection to increasing a lot's permitted housing density or – loosely speaking – upzoning it, is that it simply raises the value of the land in reaction to the increase in density rather than resulting in cheaper homes. Although there is truth to the observation, it is a poor argument against raising density. When upzoning raises land values it indicates that the scarce factor drawing a premium is not land per se, but the units zoned upon it. It is mistaken to think

that upzoning will reduce the land value component of homes simply by dividing a fixed land value over a greater number of units. The value of land depends on its characteristics, one of which is the number of units it is zoned for - i.e. the number of households allowed to call it home - and changing that number affects the land's value. But upzoning also increases the number of zoned units in the housing market as a whole, and in so doing will contribute to easing their scarcity.

Paul Davidson,, 6-9-2017, "Home building slowed as cities try to tame growth," USA TODAY, <u>https://www.usatoday.com/story/money/2017/06/09/home-building-slowed-cities-try-tame-growt</u> <u>h/102109754/</u>

A new analysis of 189 metro areas by Federal Reserve economist Raven Molloy finds that, in the top third of most-regulated areas,27% of owner-occupied homes are affordable to low- to moderate-income buyers. In the lowest third of least-regulated areas, 67% are affordable for that group. Regions with the most regulations and fewest starter homes include coastal cities like Baltimore, Boston and Seattle as well as Denver, Fresno, Calif. and Phoenix. Areas in the South and Midwest -- including Fort Wayne, Ind.; Myrtle Beach, S.C.; and Des Moines, Iowa -- have the fewest regulations and the most affordable units.

#### A2 Tradeoffs

### A2 Construction costs

 Deregulating solves. Banister of Bisnow in 2018 explains that current restrictive policies, like harsh zoning laws and a bad lending environment, drive up the cost of construction. Fortunately, when you affirm and market rate housing is promoted, these policies change and the environment becomes more conducive to increased housing. At that point realize that all their argument dissipitate and there can be more housing—market rate and affordable.

## Jon Banister and Miriam Hall, 8-19-2018, "Middle-Class Misery: Housing Crisis Hitting Cities, Working Americans Harder Than Ever Before," Bisnow,

https://www.bisnow.com/national/news/multifamily/middle-class-housing-crisis-91946 Developers are often seen as a major cause of the problem, viewed as avaricious operators who only want to build luxury condominiums. The reality, developers told Bisnow, is far more complex. *Their ability to build housing is stymied by the price of land, rising construction costs, few tax incentives and, ultimately, a lending environment that simply does not* 

support workforce housing. When it comes to building housing, developers said, they don't set the rent. "The reality is, the bank is saying, 'If all else fails, we need to make sure we are not losing money,'" said Bueno, who is developing 17 buildings in Lansing, Michigan, that have both affordable and workforce units. "[They say] here's where your rents need to be, and here's the cap rate we are applying to the project." Bueno feels he and many of his colleagues are lumped into the "greedy developer bucket," but he is keenly aware of how many people have been squeezed by the housing crisis. He developed an affordable housing project in East Wenatchee, Washington, and said it was painful to see people earning just above the average median wage have their applications denied, putting affordable housing just out of reach. While development of affordable housing is supported by tax incentives like the Low Income Housing Tax

#### Credit, developers said there are few policies that make building housing with middle-income rents

*viable.* "I'm the product of middle-class parents from Brooklyn ... I went to public schools in Flatbush. I would love to be able to produce housing for the next generation of people like me," said Slate Property Group principal David Schwartz, whose residential development firm has 10 projects under development in New York City. "The challenge is the developer doesn't control

#### A2 Losing land

- Delink Rezoning solves. The problem isn't that land itself is scarce, but that land specifically set aside for residential purposes is limited. Valdez of Forbes in 2016 confirms that these restrictive zoning laws, or laws that designate specific purposes to sections of land, contribute to high construction costs and, consequently, high housing costs. But when you affirm and promote market-rate housing, the government can rezone cities, increasing the supply of land, thus decreasing the costs and enabling companies to build more houses.
  - a. Indeed, such policies are already being implemented in New York City, suggesting that they're likely to be passed nationwide in an affirmative world.

Roger Valdez, 07-12-2016, "When Will Affordable Housing Advocates Push For More Supply, Fewer Rules?," Forbes,

https://www.forbes.com/sites/rogervaldez/2016/07/12/when-will-affordable-housing-advocates-push-for-more-supply-fewer-rules/#1a482c404bcb

Advocates for subsidized, low-income housing are good at calling for more money to build subsidized housing to offset high housing prices. But why are housing prices so high in the first place? The lack of market rate supply contributes to high prices that puts market rate housing out of reach, and as long as that problem goes unaddressed, more and more subsidies will need to be wrung out of funding sources already spread thin. Affordable housing advocates need to start calling for fewer rules and regulations that slow the production of market rate housing and add costs to subsidized housing as well. Based on a report I wrote about last year, in California the average cost of a subsidized unit is about \$288,000. Even if those 3.5 millions units cost half the California average, that still would be \$500 billion. While unit cost for housing varies widely be geography, most estimates for market rate housing in a city like Seattle are in the \$150,000 to \$200,000 range. And as the California report points out subsidized housing costs more to produce. One project in Seattle, 12th Avenue Arts, had a \$47 million price tag for 88 units, about \$500,000 per unit. It has been well researched and established that regulation and rules and public process in land use and zoning codes contribute to the costs and thus the price of housing. The California report found that, neighborhood opposition, design review, and parking requirements drove up costs and limited production. The study also found that dense projects with more and smaller units are also less costly per unit to build. And as housing prices rise in the market because of lack of supply, the gap between what people earn and what they can afford to pay for housing widens. It's in this way that affordable housing advocates are making their own mission harder to achieve. When they don't argue for cities to lower self imposed costs and for more market rate supply that would have an ameliorative impact on overall price, they are increasing the need for more subsidies. Buffering the poorest families from the impact of high housing prices in the market will always require some subsidy for capital investments in building housing. But when affordable housing advocates ignore costs and actually push for measures that lessen supply and increase costs they only make things harder for the people they claim they want to help, pushing

*those people into needing a subsidy that they wouldn't otherwise need which then inspires the advocates to ask for more money. It's a vicious cycle*. The real answer is a collaborative effort among all housing producers in increase the production of all housing by lowering regulatory barriers not adding more.

#### A2 I - Increased prices

 Delink - According to Badger of the Washington Post in 2016, even after factoring in price hikes, "All existing peer-reviewed academic studies — including work done at Harvard University, UPenn, and UC Berkeley — find that more housing supply results in lower rents and house prices."

https://www.washingtonpost.com/news/wonk/wp/2016/02/19/how-to-make-expensive-cities-affortable-for-everyone-again/?noredirect=on&utm\_term=.aa7f4a5a9e42

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.

#### A2 I - Concentrated poverty

- Turn Market rate housing increases mixed income housing. Freddie Mac reports in 2017 that construction companies receive monetary incentives to build mixed-income housing, or housing with both luxury and affordable units. In other words, if you increase market-rate housing, those same companies will build more mixed income housing too. This forces different socioeconomic classes to live together, which Hartley of the Bank of Cleveland in 2014 confirms de-concentrates poverty, reduces crime, and overall improves the quality of life for thousands.
  - a. Critically, Freddie Mac continues that solely building affordable housing will only make matters worse, as affordable housing is generally located in worse-off neighborhoods, and relocating the poor there simply concentrates poverty even more. The only solution is mixed-income housing, which is achieved through market-rate housing.

Freddie Mac Multifamiliy, 2017, "Mixed-Income Housing in Areas of Concentrated Poverty An Overview of Demographic and Housing Characteristics," Freddie Mac Multifamily, https://mf.freddiemac.com/docs/Affordable\_Housing\_in\_Areas\_of\_Concentrated\_Poverty.pdf Residential economic diversity includes mixed-income in ACPs and affordable housing projects in high opportunity areas. Our market overview of mixed-income housing in ACPs aims to provide a basis for future work on this topic. Through our research, we have found that ACPs are in great need of affordable housing based on rent and income measures, but the *programs that attempt to provide only affordable* 

housing might not be the optimal solution on their own since they can concentrate poverty and hinder intergenerational economic mobility. Property-level mixed-income is still a relatively new concept, especially in the context of Duty to Serve's specific definition, but may be part of a solution to turn ACPs into areas of opportunity for their current and future residents. However,

## Daniel Hartley, 10-6-2014, "Public Housing, Concentrated Poverty, and Crime," Federal Reserve Bank of Cleveland,

https://www.clevelandfed.org/newsroom-and-events/publications/economic-commentary/2014-e conomic-commentaries/ec-201419-public-housing-concentrated-poverty-and-crime.aspx A number of studies have explored the relationship between public housing policy, poverty, and crime. This Commentary discusses the results of a recent study, which investigated the effects of closing large public housing developments on crime. To see if the demolitions—and the associated deconcentration of poverty—reduced crime or merely displaced it, researchers examined the case of Chicago. They found that closing large public housing developments and dispersing former residents throughout a wider portion of the city was associated with net reductions in violent crime, at the

*city level.* In the 1980s and early 1990s public housing in many US cities was associated with high levels of crime. In places such as Chicago, public housing developments suffered some of the highest poverty rates in the city. But since the 1990s, public housing has changed dramatically. The old model of large, concentrated public housing developments managed by local public housing authorities has given way to a mixture of mixed-income developments that **are privately managed and vouchers for private-market housing**. In many cities, the large public housing developments built after World Wars I and II are being torn down. Part of the rationale behind razing these developments is that doing so will eliminate areas of concentrated poverty and reduce some of the problems associated with it, such as high crime. However, critics have argued that the program will simply displace crime to other parts of the city. Several studies have suggested otherwise. Researchers who have studied recent changes in public housing have generally found that the changes are associated with lower levels of concentrated poverty and certain kinds of crime. We add to this body of research with a study of the effects of Chicago's program to **demolish its public housing developments** and relocate residents to other areas of the city. We find that *by spreading recipients of housing aid throughout more of the city, overall levels of violent crime were* 

*lowered. Property crime levels were less affected.* Our results show that higher concentrations of poverty are associated with more crime. They also suggest that programs or incentives that result in greater integration of poor and nonpoor households may reduce violent crime without increasing property crime

Freddie Mac Multifamiliy, 2017, "Mixed-Income Housing in Areas of Concentrated Poverty An Overview of Demographic and Housing Characteristics," Freddie Mac Multifamily, https://mf.freddiemac.com/docs/Affordable\_Housing\_in\_Areas\_of\_Concentrated\_Poverty.pdf In an effort to learn from HOPE VI, HUD created the Choice Neighborhoods Initiative (CNI) in Fiscal Year (FY) 2010. This competitive grant program provided funding to housing providers for large implementation grants as well as smaller planning grants. Unlike HOPE VI, CNI requires grantees to: 1) provide one-for-one replacement of all public and private HUD-assisted units, 2) maintain a right of return for all prior households, 3) track existing residents during relocation, 4) maintain continuous resident involvement in the redevelopment efforts, and 5) develop a more comprehensive plan that takes into account other aspects of neighborhood distress including violent crime, failing schools, and capital

*disinvestment*. Research is still yet to be completed on the outcomes of CNI. The Home Investment Partnerships Program (commonly known as the HOME program) provides block grants to states for developing and preserving affordable housing projects. This grant is designed to be flexible so that localities can best allocate the funds based on their community's needs.12 *Mixed-income housing has been a popular outlet for these funds*, and HOME has enabled many communities around the nation, including in South Dakota and Prince George's County in Maryland, 13,14 to implement mixedhousing initiatives.15 Per South Dakota's Home Allocation Plan, *projects that consist of restricted lowincome units and unrestricted market rate units will be eligible for up to 30 points, with more points being awarded to projects with a high percentage of mixed-income units.* For comparison, the amount of points for extending affordability restrictions for another 10 years is also 30 points, demonstrating the importance of mixed-income in South Dakota's allocation process. Prince George's County has listed the creation of new mixed-income quality affordable and workforce housing as a priority in their 2018 allocation of HOME funds.

#### A2 I - Gentrification

- Turn Gentrification decreases displacement by increasing incentives to stay. Gillespie of CNN in 2015 reports that the influx of new businesses to lower-income areas offers new, usually higher-paying jobs for residents. In fact, Cortright in 2015 confirms that low-income households in gentrifying areas see an average increase in income of \$4,500 a year. This incentivize and enables low-income families to stay in gentrified areas. Thus, Freeman quantifies that poor residents are 15% less likely to move in gentrified areas, and Hurst of the University of Chicago furthers that gentrifying areas have 23% less poverty.
- [AFF] Weighing Scope. At best, they impact out to the 30 in 100 low income families who have access to housing that is affordable. This is crucial, because if you vote for MRH, you lower prices across the board and prevent more displacement on net. Thus, Kay of the CNU in 2016 confirms that that market rate housing empirically lowers probability of displacement by 20% because of construction lowering prices.
- Mitigate The US Housing Department mitigates the effects of displacement. Freddie Mac reports in 2017 that currently, a program called "Choice Neighborhood" awards grants to developers who help with the affordable housing crisis. The bill mandates that if developers destroy any affordable housing, they must rebuild the same number of units elsewhere. And, if they displace any individual, they must reimburse them and make sure they relocate to a good neighborhood.
  - a. (if impact is concentrated poverty) At that point realize that you're not seeing these "bubbles of poverty" insofar as families are relocating to good, or even better, neighborhoods.
  - b. (if impact is worsening affordable housing crisis) At that point realize that you're not worsening the affordable housing crisis insofar as companies are replacing any houses lost to market-rate housing

2. Turn - if you want to prevent new residents from displacing lower-income residents, build more housing so everyone has somewhere to stay. Cross-apply our first contention about the housing shortage.

Freddie Mac Multifamiliy, 2017, "Mixed-Income Housing in Areas of Concentrated Poverty An Overview of Demographic and Housing Characteristics," Freddie Mac Multifamily, https://mf.freddiemac.com/docs/Affordable Housing in Areas of Concentrated Poverty.pdf In an effort to learn from HOPE VI, HUD created the Choice Neighborhoods Initiative (CNI) in Fiscal Year (FY) 2010. This competitive grant program provided funding to housing providers for large implementation grants as well as smaller planning grants. Unlike HOPE VI, CNI requires grantees to: 1) provide one-for-one replacement of all public and private HUD-assisted units, 2) maintain a right of return for all prior households, 3) track existing residents during relocation, 4) maintain continuous resident involvement in the redevelopment efforts, and 5) develop a more comprehensive plan that takes into account other aspects of neighborhood distress including violent crime, failing schools, and capital disinvestment. Research is still yet to be completed on the outcomes of CNI. The Home Investment Partnerships Program (commonly known as the HOME program) provides block grants to states for developing and preserving affordable housing projects. This grant is designed to be flexible so that localities can best allocate the funds based on their community's needs. 12 Mixed-income housing has been a popular outlet for these funds, and HOME has enabled many communities around the nation, including in South Dakota and Prince George's County in Maryland, 13,14 to implement mixedhousing initiatives.15 Per South Dakota's Home Allocation Plan, projects that consist of restricted lowincome units and unrestricted market rate units will be eligible for up to 30 points, with more points being awarded to projects with a high percentage of mixed-income units. For comparison, the amount of points for extending affordability restrictions for another 10 years is also 30 points, demonstrating the importance of mixed-income in South Dakota's allocation process. Prince George's County has listed the creation of new mixed-income quality affordable and workforce housing as a priority in their 2018 allocation of HOME funds.

#### A2 Specific programs

#### A2 General

 Turn - Gentrification increases funding for affordable housing. Professor Byrne of Georgetown University in 2003 explains that the reason why affordable housing is disappearing right now is because of a lack of funding—the government doesn't have enough money to subsidize housing. Fortunately, he writes that the influx of higher-income residents means increased tax revenues for the city, which he concludes could increase affordable housing units. Thus, he finds that on net, market rate housing is beneficial to poor residents.

Professor of Law, Georgetown University Law Center. J. PETER BYRNE\* https://pdfs.semanticscholar.org/2321/2ea16f315b5d68b4d0a396f6d44df48f281d.pdf 2003 This essay takes issue with this negative judgment about gentrification. That a number of individuals have lost affordable apartments that were home to them cannot be denied.2 Yet, increases in the num- ber of affluent and well-educated residents is plainly good for cities, on balance, by increasing the number of residents who can pay taxes, purchase local goods and services, and support the city in state and federal political processes.' My contention here goes somewhat further: gentrification is good on balance for the poor and ethnic minorities. The most negative effect of gentrification, the reduction in affordable housing, results primarily not from gentrification itself, but from the persistent failure of government to produce or secure affordable housing more generally. Moreover, cities that attract more affluent residents are more able to aggressively finance affordable housing. Thus, gentrification is entitled to "two cheers,"4 if not three, given that it enhances the political and economic positions of all, but exacerbates the harms imposed on the poor by the failures of national affordable housing policies.

## A2 LIHTC

- 1. Delink No inherent tradeoff, can exist in a world with more market rate housing just like inclusionary zoning.
- 2. Mitigate The Journal of Real Estate Economics Finds that only 35% of the tax credit actually goes to low income renters.
- 3. Weighing NPR in 2017 finds that since there is little oversight into the actual program, there is rampant corruption, with many reported instances of developer stealing from the problem itself, in fact even though the subsidy costs more than 50% of tax credits it is leading to less and less units every year.

### https://sci-hub.tw/https://onlinelibrary.wiley.com/doi/pdf/10.1111/j.1540-6229.2010.00287.x

The rent savings is only 26.7%–51.3% as large as the magnitude of the tax credit costs, with the overall rent savings/cost ratio of 35.1%. Framing the results in a per-unit basis is illustrative. The present value cost, on average, is nearly \$40,000 per unit, whereas the present value rent savings stream is just under \$14,000. Also, for reasons discussed previously, the \$40,000 figure likely represents an extreme lower-bound measure of the programs costs, potentially moving the ratio for the program in an even more unfavorable manner. This is 92 Burge disturbing when combined with the previously described literature that suggests neither of the other two sources of benefits to low-income households of the program (stimulation of additional rental housing production and the possibility that affordable rental housing will be built in better areas) are very large

Laura Sullivan, 8-1-2017, "Housing Program Worth Billions Lacks 'Basic Accountability,' Says GAO," NPR.org,

https://www.npr.org/2017/08/01/540960951/housing-program-worth-billions-lacks-basic-accountability-says-gao

But an investigation in May by NPR and the PBS program FRONTLINE found that LIHTC is producing fewer new units of housing each year while costing taxpayers 50 percent more in tax credit dollars – even after accounting for increasing construction costs.

Garcia Diaz said there is no way for government auditors to determine whether the projects are costing too much, whether developments are completed on time, or if the buildings are in compliance — because the IRS does not collect or maintain that data.

Diaz noted that the IRS has only audited seven of the 58 state agencies that administer the program in more than 30 years, and when audits were completed, significant problems were found.

## A2 Rent control

- Remember, there's a reason why 81% of economists agree that rent-control hurts low-income renters. Rent control incentivizes landlords to upgrade housing into condos or pull properties from the market, while decreasing new construction in the long term. Thus, Diamond from case finds that rent control decreases rental housing supply by 15% while causing a 5.1% city-wide rent increase, and Stanford quantifies that rent controlled buildings see a 25% decline in renter residents. This is crucial because it means when you vote neg.
  - a. Landlords pull properties and force 25% of their residents out of their homes, increasing displacement.
  - b. Housing prices continue to increase across the board, accelerating the crisis, especially for those 70 out of 100 low-income families who don't live in rent controlled buildings.
- Turn Stanford University quantifies in 2018 that because landlords can escape requirements of rent control, rent control, while effective in the short term, in the long term actually worsens the affordability crisis in the long term by encouraging landlords to pull properties from the market. That's why rent controlled buildings saw a 25% decline in renter residents
- Turn Increased income inequality. Diamond of Brookings explains in 2018 that rent control causes landlords to upgrade existing rental properties into higher end housing which attracted residents with at least 18% higher income, resulting in increasing income inequality of San Francisco.

Rebecca Diamond, 10-18-2018, "What does economic evidence tell us about the effects of rent control?," Brookings,

## https://www.brookings.edu/research/what-does-economic-evidence-tell-us-about-the-effects-of-r ent-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. DMQ find that this high-end housing, developed in response to rent control, attracted residents with at least 18 percent higher income. Taking all of these points together, it appears rent control has actually contributed to the gentrification of San Francisco, the exact opposite of the policy's intended goal. Indeed, by simultaneously bringing in higher income residents and preventing displacement of minorities, rent control has contributed to widening income inequality of the city.

# [Stanford] Tanvi Misra, 1-29-2018, "Is It Time to Reform Rent Control?," CityLab, <u>https://www.citylab.com/equity/2018/01/rent-control-a-reckoning/551168/</u>

A new working paper published in the National Bureau for Economic Research provides a complicated answer: While these policies are a boon to many low-income tenants who directly benefit, they worsen the affordability crisis in the longterm. "It's somewhat of a transfer from future tenants to incumbent tenants," said Rebecca Diamond, an assistant professor of economics at Stanford University, who authored the paper along with colleagues Timothy McQuade and Franklin Qian.

Rent control policies impose limits on rent increases for the duration of a tenant's stay. But since landlords have many loopholes for escaping those requirements, the Stanford researchers found that that they ended up pulling properties from the rental market—shrinking the rental housing supply overall.

As a result of these landlord reactions, rent-controlled buildings saw a 15 percent decline in the number of renter residents, and a 25 percent decline in those living in the rent-controlled units, compared to 1994 levels. In other words, rent control had a counterproductive effect.

### A2 Vouchers/subsidies

1. Mitigate - Weiner in 2018 explains that there are not enough public funds to subsidize housing for the middle class. If we were to attempt to house the middle class with public subsidies, we would simply be taking funds away from low-income people without actually solving the problem for either low-income or middle-income people.

- 2. Turn- Turner of the Urban Institute finds that government housing aid leads to increases in rent. This is because landlords exploit voucher recipients by squeezing more money out of their pockets. Proprietors raise rent to not only cover voucher money, but disposable income as well. Lucas Waldron of the Oakland City Council writes that numerous counties, voucher usage increased rents by 14.1%, hurting people on and off the program.
- 3. Weighing Taylor in 2016 writes that affordable housing programs help only a fraction of those needing a house, thus making the encouragement of more private housing development a better solution to low-income households that are unable to secure assistance.

Waldron, Lucas. "Despite Housing Subsidies, a Majority of Alameda County Recipients Are without Section 8 Housing." Oakland North. Oakland City Council, 16 Oct. 2015. Web. 17 Apr. 2016.

<https://oaklandnorth.net/2015/10/16/hud-housing-subsidies-were-miscalculated-majority-of-ala meda-county-recipients-without-housing/>.

In a request for HUD to reevaluate the subsidy reduction, the Housing Authority of the County of Alameda (HACA) said the federal agency calculated the adjustments using two-year-old data that does not account for rapidly rising rents across the East Bay. Using the old data, HUD calculated that the rent for a two-bedroom apartment in Alameda County has decreased by 1.45 percent for fiscal year 2016. But county officials said up-to-date data shows the average rent in Alameda County actually increased by 14.1 percent from 2014 to 2015. They report that the average monthly rent for a two-bedroom apartment in Alameda County is really \$2,172. When a woman in McKinney, Texas, told Tatiana Rhodes and her friends to "go back to your Section 8 homes" at a public pool earlier this month, she inadvertently spoke volumes about the failure of a program that was designed to help America's poor. But the fair market rent cut-off point often consigns voucher-holders to impoverished neighborhoods. This is in part because of how that number is calculated: HUD draws the line at the 40th percentile of rents for "typical" units occupied by "recent movers" in an entire metropolitan area, which includes far-flung suburbs with long commutes and, as a result, makes the Fair Market Rent relatively low. In New York City, for example, the Fair Market Rent for a one-bedroom is \$1,249, a price that would relegate voucher-holders to the neighborhood of Brownsville in Brooklyn, one of the most dangerous places in the city, and where the most public housing is located. Technically, voucher holders can live anywhere in a region that meets the price restrictions. But the tendency is for people to stay in neighborhoods that are familiar to them, though a few areas have created robust mobility-counseling programs to try and mitigate this. Additionally, as Eva Rosen has detailed, landlords in low-income areas aggressively recruit voucher-holders, as the vouchers are a much more reliable source of rent than other low-income tenants have available. The failings of Section 8 go far beyond flaws in how the program was designed to how the the states have

implemented it. People can argue all they want about the merits of subsidized housing, but given that Section 8 exists, it would seem advantageous for states and municipalities to take advantage of federal funds to help families find better housing. **But many states seem especially determined to keep voucher-holders in areas of concentrated poverty.** "The whole idea of Section 8 in the beginning was that it was going to allow people to get out of the ghetto," said Mike Daniel, a lawyer for the Inclusive Communities Project, told me. (Daniel has sued HUD over the way it is carrying out the program in Dallas.) "But there's tremendous political pressure on housing authorities and HUD to not let it become an instrument of desegregation." For **example, in much of the country, landlords can refuse to take Section 8 vouchers, even if the voucher covers the rent.** And, unlike the landlords in poor neighborhoods in Eva Rosen's study, many landlords of buildings in nicer neighborhoods will do anything to keep voucher-holders out. The result is that Section 8 traps families in the poorest neighborhoods.

Turner, Margery. "Housing and Economic Mobility." Urban Institute. Urban Institute, 13 Apr. 2015. Web. 17 Apr. 2016. <<u>http://www.urban.org/debates/housing-and-economic-mobility</u> >. I'd like to offer an additional perspective. Millennials are creating substantial pressure on rental housing supply, increasing rents and further reducing rental affordability. Paying more of their income for rent means they have less to save and may be forced into unfortunate choices about where and how to live. Older millennials who may be credit-worthy still can't get mortgages, blocking their access to the economic stability and mobility that can come from homeownership and further crowding the rental market. Federal housing policy that addresses these fundamentals of housing supply and demand through support for homeownership and rental housing finance therefore would directly and indirectly support economic stability and mobility. Balancing the demand for rental with new supply would also slow rent increases, which are quickly depleting the limited budget for tenant-based housing assistance.

Mac Taylor, 02-09-2016, Perspectives on Helping Low-Income Californians Afford Housing, https://lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf

The current response to the state's housing crisis often has centered on how to improve affordable housing programs. The enormity of California's housing challenges, however, suggests that policy makers look for solutions beyond these programs. While affordable housing programs are vitally important to the households they assist, these programs help only a small fraction of the Californians that are struggling to cope with the state's high housing costs. The majority of low-income households receive little or no assistance and spend more than half of their income on housing. Practically speaking, expanding affordable housing programs to serve these households would be extremely challenging and prohibitively expensive. In our view, encouraging more private housing development can provide some relief to low-income households that are unable to secure assistance. While the role of affordable housing programs in helping California's most disadvantaged residents remains important, we suggest policy makers primarily focus on expanding efforts to encourage private housing development. Doing so will require policy makers to revisit long-standing state policies on local governance and environmental protection, as well as local planning and land use regimes. The changes needed to bring about significant increases in housing construction undoubtedly will be difficult and will take many years to come to fruition. Policy makers should nonetheless consider these efforts worthwhile. In time, such an approach offers the greatest potential benefits to the most Californians.

Scott Wiener [San Francisco Business Times], 3-1-2018, Market-rate housing vs. affordable: It's not either-or. It's both,

## https://www.bizjournals.com/sanfrancisco/news/2018/03/01/guest-opinion-market-rate-housingvs-affordable.html

By the same token, we will never subsidize our way out of our massive middle-income housing problem. California has a housing deficit in the millions — the root cause of explosive housing costs — and that large deficit grows by an additional 100,000 units each year. It's due to over 97 percent of California cities falling short of their housing goals and the general collapse of housing production in our cities over time. We don't have nearly enough public funding to subsidize housing for the middle class. If we were to attempt to house the middle class with public subsidies, we would simply be taking funds away from low-income people without actually solving the problem for either low-income or middle-income people. The Trump Administration just made it even harder to fund low-income housing with the recently passed tax bill, which further underscores the importance of focusing scarce housing subsidies on low-income residents.

### A2 Public housing

 Turn - Husock in 2016 explains that public housing projects collapse the local economies around the area and hurt cities from recovering by attracting higher-income homesteaders and business investment. Which is why when Chicago housing was demolished, Chyn of University of Michigan found that children evicted were more 9% more likely to be employed and had a 16% higher annual income.

Tanvi Misra, 3-31-2016, "The Surprising Silver Lining of Being Kicked Out of Chicago's Demolished Public Housing," CityLab,

https://www.citylab.com/equity/2016/03/what-demolitions-of-chicagos-projects-in-1990-reveal-a bout-housing-vouchers/475809/

In the 1950s, several high-rise complexes were constructed in Chicago with the seemingly noble aim of creating affordable housing for the city's poor. But these "projects," it soon became clear,

were more like warehouses than homes, and continued the long tradition of segregating and isolating poor, black Chicagoans in the worst parts of town. By the 1990s, bad design, neglect, and mismanagement had made some of these buildings unlivable. In the Robert Taylor Homes on the South Side, for example, pipes burst in 1999, causing flooding and shutting down the heat in several buildings. In the 1990s, these structural issues (and lawsuits challenging this housing strategy as racist) forced then-Mayor Richard M. Daley to tear down many of thestructures that had gone up under the watch of his father and predecessor, Mayor Richard J. Daley. Being kicked out of their homes, imperfect as they were, undoubtedly shook up the lives of these families. But the households that moved to slightly better neighborhoods with the help of Section 8 housing vouchers saw striking longterm economic benefits for their children. That's what Eric Chyn, an economist at the University of Michigan, finds in his new research paper. Chyn analyzed the adult economic profiles of more than 5,000 kids in public housing who were between 7 and 18 years old at the time of demolitions in 1995 through 1998. The ones whose families were forced to move ended up with a 16 percent higher annual income and earned around \$45,000 more over their lifetime compared to their peers who stayed behind. The relocated kids were also 9 percent more likely to be employed.\*

Husock, Howard. "How Public Housing Harms Cities." City Journal. N.p., Winter 2003. Web. 05 July 2016.

Most policy experts agree these days that big public housing projects are noxious environments for their tenants. What's less well understood is how noxious such projects are for the cities that surround them. Housing projects radiate dysfunction and social problems outward, damaging local businesses and neighborhood property values. They hurt cities by inhibiting or even preventing these rundown areas from coming back to life by attracting higher-income homesteaders and new business investment. Making matters worse, for decades cities have zoned whole areas to be public housing forever, shutting out in perpetuity the constant recycling of property that helps dynamic cities generate new wealth and opportunity for rich and poor alike. Public housing spawns neighborhood social problems because it concentrates