A2 Aff

# Overviews

## OV: No Space

1. **Welborn of The M Report 2017- Cities are running out of space**
2. **Becker of The Star Tribune 2018- companies tear down affordable housing to construct market rate housing**
3. **Hayward of Housingwire 2017- 2 million units at risk of conversion**
4. **FL to UCLA:**
	1. **They ignored units where apartments were demolished and created less units, and ONLY accounted for instances where more were constructed. OF COURSE they’ll conclude this way**

[**Welborn 17**](https://themreport.com/daily-dose/05-22-2017/big-cities-running-space) **of The M Report**

**Cities are starting to run out of space**, according to a report on Bloomberg. Especially space-constrained cities like New York have started to run out of room for builders, **leading them to move to city-center** areas where high-density building is allowed, and charging much higher prices for it. Bloomberg notes that historically, cities expanded outward, but as land ran out, builders moved outside the city. Cities like Dallas saw new home sales decrease within a 30-mile radius of the city, but increase outside that radius. The same trend has played out to varying degrees in Phoenix, Atlanta, and San Antonio, among other cities. Meanwhile, more expensive cities like New York have seen the opposite trend. Unlike Dallas, cities like New York have run out of space to expand, leaving builders to move their construction focus toward downtown areas with high-density construction. Builders must utilize sparse lots plagued by land price increases in order to build inside the existing boundaries. **This means builders focus more on high end apartments with better profit margins, leaving only the wealthiest residents as the ones who can buy**. “As long as these cities continue to do well economically, you’re going see poorer folks replaced by richer folks,” said Issi Romem, chief economist at BuildZoom. “You’re going to read stories about teachers not being able to find place to live.”

[**Becker ‘18 of The Star Tribune**](http://www.startribune.com/the-market-will-not-fix-twin-cities-affordable-housing-crisis/498361491/)

**to develop new [market-rate] housing, companies have to tear down old housing. [However,] The most cost-effective housing to tear down is lower-value housing — exactly the affordable housing we need.**

[**Hayward of Housingwire 2017**](https://www.housingwire.com/blogs/1-rewired/post/40202-fannie-mae-exclusive-the-crisis-in-affordable-rental-housing-part-1)

**the National Low Income Housing Coalition, about 360,000 privately owned, federally subsidized [affordable housing] units have been converted to market-rate housing since 1995, with another 10,000 to 15,000 units leaving this inventory every year. In addition, [and] more than 2 million units are at risk of loss over the next decade.**

[**UCLA**](https://www.lewis.ucla.edu/luxury-apartments/)

But there is also cause for concern. First, because we wanted to see what new multifamily developments replaced, **we bypassed demolitions that did not result in new rental apartments. If an apartment building was demolished to make way for a single-family home, which does occasionally happen, or for an as-yet unbuilt apartment, we did not include it in this analysis.** Second, there is a clear geographic pattern to new multifamily housing construction, and very little is being built on the Westside. The densifying neighborhoods are concentrated in central and south Los Angeles, communities that are on average poorer than the rest of the city. LA’s wealthier neighborhoods are not making room for the new housing everyone agrees must be built.

## OV: Only Luxury Housing Built

**Only luxury housing is built because of high costs from 2 places**

1. **Labor Costs**
	1. **Khater Freddie Mac 2018- U.S. has a shortage of construction workers**
	2. **NAHB 2018- Shortage of workers makes it so they have to pay them more, meaning builders must raise cost of houses to compensate**
2. **Land Costs**
	1. **Khater continues land is 70% of the cost of building a house**
	2. **NREI 2015- cost of land rising in urban areas**

**Olick CNBC 2018- developers can only afford to make luxury housing, which doesn’t help the poor**

**Only luxury houses built for 2 reasons**

**FIrst, labor costs**

[**Kater of Freddie Mac 2018**](http://www.freddiemac.com/research/insight/20181205_major_challenge_to_u.s._housing_supply.html%2C//ZS)

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

[**NAHB 2018**](http://nahbnow.com/2018/10/labor-shortages-are-raising-home-prices/)

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

**Second, land costs**

[**Khater continues**](http://www.freddiemac.com/research/insight/20181205_major_challenge_to_u.s._housing_supply.html%2C//ZS)

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

[**NREI 2015**](https://www.nreionline.com/development/why-are-development-costs-getting-higher-major-us-cities)

**In most major U.S. urban markets, the cost of land has risen aggressively**, in line with the greater demand for urban living by millennials and empty nesters. In Los Angeles, for example, land for industrial developments—many of which are changing from industrial use to residential mixed-use—have averaged approximately $23 per sq. ft. at the beginning of 2014 and  by year‘s end, asking prices were as high as $32 per sq. ft. There has been and continues to be keen competition for every developable site, with the urban core expanding into previously blighted areas.

**For these reasons**, [**Olick CNBC 2018**](https://www.cnbc.com/2018/02/16/major-apartment-developer-there-is-an-acute-crisis-headed-our-way.html) **finds**

That is not happening outside the luxury market, where rent increases are still strong due to low supply. **Developers say they simply can’t afford to add anything but luxury.** “The two-by-four doesn’t care whether it’s in a luxury building or in an affordable building. It costs the same,” said Bozzuto. “**The differential of course, is the rent and there’s a huge disparity in high-end rent versus low-end rent.** **So the issue is for us to develop an economically viable, feasible project, it has to be, by its very nature, high end. The rents have to be high to support the cost.**

# A2 Filtering

1. **Chew of Shelterforce 2018- filtering takes way too long. In the meantime, people are still displaced**
2. **Zuk of Berkeley 2016- even after filtering, it’s too expensive.**
	1. **Affordable housing is more immediate and effective**

[**Chew of Shelterforce 2018**](https://shelterforce.org/2018/11/05/heres-what-we-actually-know-about-market-rate-housing-development-and-displacement/)

Real estate interests and some scholars argue that unaffordable housing costs are primarily due to a shortage in housing supply, and that any increase in supply—including luxury development—will ultimately help depress rents. While there is some evidence new housing production does eventually help lower median rent in the neighborhoods where construction occurred compared to other areas, these effects take decades to surface (Zuk and Chapple 2016; Rosenthal 2014). **Worse, by the time such price effects register, large numbers of low-income residents have likely already been pushed out: as one study of construction in the Bay Area found, the increased cost burdens which market-rate production puts on low income residents are far more immediate than any long-term decrease in rents** (Zuk and Chapple 2016). And even if median rent is eventually, somewhat, lower than in areas without construction, who is to say that the median rent is actually affordable? In the above study, **researchers noted median rents of all areas might still be out of reach for low-income households. During the decades analyzed, significant displacement had already occurred and median rents were hiked up** by gentrification. In contrast, the production of subsidized housing had more than double the impact on eventually reducing rents at a regional level, compared to market-rate units. Thus, **the production of non-market rate housing matters deeply.**

[**Zuk of Berkeley 2018**](http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf)

We  examined  the relationship  between market-rate  housing construction, rents, and housing cost burden (Table 1). Initial results indicate a filtering effect for units produced in the 1990s on median rents in 2013. Yet market-rate devel-opment in the 2000s is associated with higher rents, which could  be expected as areas with higher rents are more lu-crative places for developers to build housing. Furthermore, development in both the 1990s and 2000s is positively as-sociated with housing cost burden for low-income house-holds. **Thus, while filtering may eventually help lower rents decades later, these units may still not be affordable to low-income households.**

# A2 Supply/Demand

1. **Prices will remain the same even with increased supply**
	1. **Painter LA Times 2018- housing prices actually increase because of lack of competition due to industry consolidation**
	2. **Desmond of Harvard 2015- landowners coordinate prices to keep them the same and avoid competition**
		1. **Neither of these factors change when you affirm**
2. **TURN: Stein WP 2018- rents continue to rise for the poor even if prices decrease for the rich because only luxury housing is made**
	1. **Chew Shelterforce 2018- luxury housing causes a ripple effect of displacement due to rising costs**
3. [**Badger 2016**](https://www.washingtonpost.com/news/wonk/wp/2016/07/26/the-basic-reason-why-there-just-isnt-enough-decent-housing-for-the-poor/?noredirect=on&utm_term=.cf497c8be382) **writes that even if you could build an apartment for free, it still wouldn’t be available to low-income renters because of the high cost of maintenance. This is why the market alone will never be able to produce truly low-income housing.**

[**Painter LA times 2018**](https://www.latimes.com/opinion/op-ed/la-oe-painter-rent-control-economist-20181031-story.html)

But here’s a simplified Econ 101 lesson that comes shortly thereafter: Price controls can actually spur an increase in supply. When housing developers have too much power in the market, they can maximize profits b y raising rents on the apartments they already own. But if rent control limits that option, developers have to go to Plan B if they want to make more money: Build more units. Two factors — the burdensome process of getting projects approved and the housing market crash of 2008 — substantially reduced the number of firms developing new housing. **A recent paper shows that, compared to the composition of the home building industry in 2006, there are 24% fewer firms accounting for 90% of the building nationwide. The study further suggests that about half of the increase in housing prices over the last decade can be attributed to industry consolidation among home builders.**

[**Desmond 2015**](https://scholar.harvard.edu/files/mdesmond/files/desmondshollenberger.demography.2015.pdf) **of Harvard**

Rising housing cost burden and stark compression of rents are compatible trends.First, rising utility costs—which are unaffected by neighborhood variation—contributeto increases in housing cost burden. In Milwaukee and across the nation, most rentersare responsible for utility costs, but since 2000, the cost of fuels and utilities hasincreased significantly, owing to global demand and the expiration of price caps(Carliner2013 ). **Second, in recent years the professionalization of the rental market,the spread of information technology, and the rise of rent-setting algorithms have madeit easier for landlords to coordinate prices, which likely contributes to price compres-sion** (Alexander and Muhlebach2009 ; Gilderbloom and Appelbaum1987 ). Third, iflandlords at the bottom of the market have not slashed rents to avoid the inefficienciesof missed payments and evictions, it is likely because it is less expensive to deal withthe cost of those inefficiencies than to maintain properties, and it is possible to skimp onmaintenance if tenants are perpetually behind, given that being in arrears preventstenants from taking advantage of legal protections designed to keep their housing safeand decent (Desmond2016 ).14Future research is needed to more fully investigate therelationship between rising housing costsand price compression in urban rentalmarkets. However, rents in poor neighborhoods historically have been similarto, or more than, rents for better housing in nicer regions of the city (e.g.,Hunter2013; Riis 1890/1997). In a way, then, we should not be surprised bythe fact that rent is not significantly cheaper in distressed neighborhoods. Inmany cities, it has long been that wa

[**Jeff Stein**](https://www.washingtonpost.com/business/economy/in-expensive-cities-rents-fall-for-the-rich--but-rise-for-the-poor/2018/08/05/a16e5962-96a4-11e8-80e1-00e80e1fdf43_story.html?utm_term=.543a80554008) **of the Washington Post 2018**

“**For-profit developers have predominantly built for the luxury and higher end of the  market, leaving a glut of overpriced apartments in some cities,”** said Diane Yentel, pres-ident and chief executive of the National Low Income Housing Coalition, an advocacy group. “Some decision-makers believed this would ‘filter down’ to the lowest income people, but it clearly will not meet their needs.” Poorer city residents have experienced significant rent increases over the past several years. In **Portland, average rents for the poor have risen from about $1,100 to $1,600** — or by more than 40 percent — since 2011.In S**an Francisco, the average rent at the boĴom of the market has soared from $1,700 to $2,600, a nearly 50 percent increase**. SeaĴle’s poor have also had their rents rise by close to 40 percent. **Nationwide, rents for those at the boĴom have increased by 18 percent.**

[**Chew 2018**](https://shelterforce.org/2018/11/05/heres-what-we-actually-know-about-market-rate-housing-development-and-displacement/) **Shelterforce**

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.”] Even worse, however, new construction actually fuels displacement in the short term, even when no already existing housing is knocked down. Why? Numerous studies show that **market-rate housing development has price ripple effects on surrounding neighborhoods, driving up rents and increasing the burden on lower-income households.**Many residents in communities transformed by gentrification can already attest to the connection between for-profit development, rising living costs, and the mass exodus of lower-income residents. Maybe this won’t play out in Malibu, or a sparse neighborhood with very few low-income folk, but otherwise the above effects are widespread in our cities.

[**Badger 2016**](https://outline.com/96z65W)

**Even if you could build an entire property for free, an apartment meant for extremely low-income renters (those making 30 percent of area median income or less) probably wouldn't work at the end of the day. Those apartments could still cost more to maintain over time than the families living in them would yield in rent.**

**Developers often say the same of luxury housing like** [**much of what's rising right now in Washington**](https://www.washingtonpost.com/news/wonk/wp/2015/12/09/why-its-so-hard-to-afford-a-rental-even-if-you-make-a-decent-salary/) **— that they can't make any other kind of project pencil out. And where that's true, cities are starting to ponder** [**this same calculation**](http://sanfrancisco.cbslocal.com/2016/03/22/250k-per-year-salary-could-qualify-for-subsidized-housing-under-new-palo-alto-plan/)[**for the middle class**](http://www.newyorker.com/culture/cultural-comment/welcome-to-the-future-middle-class-housing-projects)**. But the low-income math that the Urban Institute illustrates applies effectively everywhere. Even the cheaper cost of land or labor -- or low regulations -- won't save a community from this problem.**

# A2 Tax Revenue Increase

1. **US HUD 2018- Benefits are only there for people who stay, so they need to win displacement first**
2. **Madden of the Guardian 2013- The rich bend policies to their own favor at the city level, so increased revenue never actually helps the poor**
3. **Brown WP 2017- Obama spent billions on failing schools and accomplished nothing**

[**US HUD 2018**](https://www.huduser.gov/portal/sites/default/files/pdf/DisplacementReport.pdf)

To be sure, **the research has demonstrated that potential benefits accrue from gentrification. However, many of those benefits are available only to those who stay in changing neighborhoods. With rising housing costs often associated with neighborhood improvements, it is likely that a smaller proportion of lower-income residents have the means to stay.** Federal housing policies, such as public housing and HCVs, have had a meaningful impact on protecting some renters from displacement but are not the only solution to a multifaceted issue.

[**Madden the Guardian 2013**](https://www.theguardian.com/commentisfree/2013/oct/10/gentrification-not-urban-renaissance)

Another myth is that gentrification actually trickles down to help everyone. Evangelists for elite-dominated urbanismc sometimes argue, as New York's mayor Michael Bloomberg did recently, that attracting the super-rich is the best way to help those city-dwellers he quaintly calls "those who are less fortunate"**. But the trickle-down argument for gentrification ignores the fact that the "very fortunate" invariably seek to bend municipal priorities and local land uses towards their own needs, usually to the detriment of their less powerful neighbors. And the more that urban governments become obsessed with gutting welfare policies and punishing the poor, the less the trickle-down theory of gentrification makes sense.**

[**Brown WP 2017**](http://www.washingtonpost.com/local/education/obama-administration-spent-billions-to-fix-failing-schools-and-it-didnt-work/2017/01/19/6d24ac1a-de6d-11e6-ad42-f3375f271c9c_story.html?utm_term=.940cbdba8ab9)

**One of the Obama administration’s signature efforts in education, which pumped billions of federal dollars into overhauling the nation’s worst schools, failed to produce meaningful results, according to a federal analysis. 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.”

# A2 Bidding Up

**Hayward of Housingwire 2017** **finds the rich are choosing to rent apartments even though they can afford houses**

**Kotkin Forbes 2017- Only 3% of individuals making above $75,000 actually live in urban core areas, whereas the vast majority choose to live in the suburbs. There’s barely any competition now**

[**Hayward of Housingwire 2017**](https://www.housingwire.com/blogs/1-rewired/post/40202-fannie-mae-exclusive-the-crisis-in-affordable-rental-housing-part-1)

**High-income renters, typically those who can afford to buy a house, are choosing to rent an apartment instead. They now represent more than 20% of all renter households. Collectively, this contributes to a 26% increase in estimated national rent levels since 2005.**

# A2 Removing NIMBY Regulation

1. **Florida of Citylab 2017- Removing these regulations would perpetuate geographic inequality, as people would move to better economies like NY and CA, while others who remain in places like the Rust Belt will be left dry. This is especially worse since the poor can’t afford to move to better areas**

[**Florida Citylab 2017**](https://www.citylab.com/equity/2017/10/the-flip-side-of-nimby-zoning/543930/)

 **[NIMBY zoning and] land-use restrictions** can and do stifle overall economic productivity, they have also kept **[keep] geographic inequality between states from growing worse.** The widening gap between thriving coastal superstar cities and tech hubs and the rest of the country could be even bigger, if not for these restrictions. The study looks at the effects of land-use policy on the 48 contiguous U.S. states over the six-plus decades between 1950 and 2014. It compares the effects of tight land-use restrictions in California and New York to Texas, the state with the most relaxed restrictions of those studied, as well as five other broad groups of states: the South; the Rust Belt; the Northeast/Mid-Atlantic region; the Midwest region; and the Pacific/Mountain region. The study finds that tighter land-use restrictions in California and New York have created a vast spatial misallocation of resources. The authors’ analysis reveals that reverting urban land regulations from 2014 levels back to 1980s levels would vastly improve productivity. If all U.S. states moved just halfway from their current regulation levels to the current Texas level, both productivity and economic output nationwide would be roughly 12 percent higher. However—and this is important—such **deregulation would bring substantial geographic consequences.** While it would make the **[making] superstar economies** of California and New York, as well as that of the Northeast/Mid-Atlantic region,**even stronger**, it would also draw **[while drawing] people and jobs away from the Rust Belt, worsening the already bad economic situation** of those states. And**it would potentially draw people and jobs away from the Sunbelt, as well as draining the already dwindling economic activity in that area.**

# A2 Removing Zoning Regulations

1. **Gowan 2018 of People’s Policy Project- removing regulation is ineffective**
	1. **Only luxury housing is built anyways, links to overview**
	2. **Affordable housing can be replaced by more expensive housing when regulations are removed, pushing people out**
	3. **Wealthy residents can block affordable development due to local policy influence even when regulations are removed**
2. **TURN, because Madden of the Guardian in 2013 finds when the rich move in, they bend policies to cut welfare for the poor**
3. **Freemark of Urban Affairs Review 2019- In Chicago, 5 years after regulations were removed to allow more construction density, there was no more construction but higher prices**

[**Gowan People’s Policy Project 2018**](https://www.peoplespolicyproject.org/wp-content/uploads/2018/04/SocialHousing.pdf)

**Many** liberals and libertarians **argue** these sorts of **housing regulations are actually a major culprit behind the affordable housing crisis.**28 In traditional economic models, if there is a spike in demand but restrictions on supply—in the form of a slow permitting process, low-density zoning requirements mandating single-family homes, parking requirements, setbacks, rent control, and so forth— then the price will increase. **Therefore cities should deregulate their housing markets and enjoy cheaper rents. There are many problems with this argument**, however. First, “deregulation” is a questionable concept in general as all economic activities of any kind, market ones included, are fundamentally backstopped by the state. American zoning restrictions are often ludicrously anti-density and pro-automobile,29 but that could easily be ameliorated by changing the zoning rules rather than removing them altogether. **Second, even in a best-case scenario it's not at all clear that removing restrictions on private market activity will lead to a more affordable neighborhood. If a desirable neighborhood is removed from all market controls, builders will naturally build new luxury units due to greater profits and the simple fact that new buildings command higher rents**, as seen above. Construction takes a long time and buildings last even longer—even if market processes do work, it could take decades for such units to “filter” down to lower market segments.30 Private market construction is also self-limiting: it puts downward pressure on rents, which reduces expected future profits. Indeed, that appears to be precisely what has happened in the rental construction market over the past year, long before all potential profitable buildings have been built. (Whether private real estate investors are consciously colluding or not, it is clear that private real estate investors are quite happy with very tight rental markets and a steady stream of easy profits.) **In practice, a simple “deregulatory” agenda can easily create a worst of all worlds scenario that simply replaces affordable neighborhoods with expensive ones, pushing poor and working-class families into far-flung exurbs or older houses built with hazardous materials.** **Owners of new high-end housing will naturally resist new affordable construction that might cut prices and lower their wealth** (very often fueled by racist resentment of disproportionately-minority rental households31), **as will owners of luxury businesses attracted by new development.** Indeed, they will push for any new building to be similarly high-end, so as to keep property values up. **And wealthy people living in a neighborhood naturally have far more political influence than low-income people who might someday move into that neighborhood, making it relatively easy to block new development once the whole area has been re-developed. In other words, a neighborhood that is “deregulated” from explicit zoning and rent control can quickly become re-regulated by influential private residents.** It is one major method by which neighborhoods become locked in a high-rent, no-change equilibrium—that is, gentrification. Several neighborhoods in New York City selected by then-Mayor Michael Bloomberg for deregulation, notably former industrial neighborhoods in Greenpoint and Williamsburg, have experienced precisely this process.32

[**Freemark of Urban Affairs Review 2019**](http://sci-hub.tw/https%3A//doi.org/10.1177/1078087418824672)

What are the local-level impacts of zoning change? I study recent **Chicago upzonings that increased allowed densities** and reduced park- ing requirements in a manner exogenous of development plans and neighborhood characteristics. To evaluate outcomes, I use difference- in-differences tests on property transaction prices and housing-unit construction permits. I detect significant, robust increases in values for transactions on parcels that received a boost in allowed building size. I also identify value increases for residential condominiums, indicating that upzoning increased prices of existing housing units.**I find no impacts of the reforms, however, on the number of newly permitted dwellings over five years. As such, I demonstrate that the short-term, local-level impacts of upzoning are higher property prices but no additional new housing construction.**

[**Madden the Guardian 2013**](https://www.theguardian.com/commentisfree/2013/oct/10/gentrification-not-urban-renaissance)

Another myth is that gentrification actually trickles down to help everyone. Evangelists for elite-dominated urbanismc sometimes argue, as New York's mayor Michael Bloomberg did recently, that attracting the super-rich is the best way to help those city-dwellers he quaintly calls "those who are less fortunate"**. But the trickle-down argument for gentrification ignores the fact that the "very fortunate" invariably seek to bend municipal priorities and local land uses towards their own needs, usually to the detriment of their less powerful neighbors. And the more that urban governments become obsessed with gutting welfare policies and punishing the poor, the less the trickle-down theory of gentrification makes sense.**

# A2 Inclusionary Zoning

1. **TURN: Hamilton of Strongtowns 2018- Inclusionary zoning requirements disincentivize construction overall due to high costs**
2. **Hamilton continues- Inclusionary zoning makes extremely few units and even then, they help well off residents making up to $81,000 dollars instead of the poor**
	1. **This is because IZ is designed to be affordable to 50-80% of median income, not the poor**
3. **TURN: Hamilton of Strongtowns 2018- Inclusionary zoning policy encourages the few developers who eventually build to make houses even more expensive to recoup costs. This is why average rents increased in areas with inclusionary zoning overall**
4. **Beyer of Forbes 2015- Inclusionary zoning produces barely any housing and many remain vacant because they aren’t actually affordable**
5. **Tuller of Health Affairs 2018- for these reasons, many states are actually banning inclusionary zoning**

[**Hamilton of StrongTowns 2018**](https://www.strongtowns.org/journal/2018/4/10/is-inclusionary-zoning-creating-less-affordable-housing)

[**Tom Means and Ed Stringham**](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2638698) **also measured the effects of inclusionary zoning in California. They found that jurisdictions with inclusionary zoning saw their housing supply reduced by 7 percent and prices increased by 20 percent due to the policy.**

[**Hamilton of StrongTowns 2018**](https://www.strongtowns.org/journal/2018/4/10/is-inclusionary-zoning-creating-less-affordable-housing)

While**inclusionary zoning** potentially reduces access to market-rate housing, it **typically provides very few units for a city’s most vulnerable residents.** Montgomery County, MD has the country’s longest history with inclusionary zoning. After having been in effect for 40 years, the program has produced one below-market-rate unit per one hundred residents. **The units are designed to be accessible to households making** [**$30,000 to $81,000 annually**](http://nlihc.org/article/40-years-ago-montgomery-county-maryland-pioneers-inclusionary-zoning)**, so they do nothing to help the county’s least-well-off citizens.**

[**Market Urbanism 2014**](http://marketurbanism.com/2014/05/29/how-affordable-housing-policies-backfire/)

**This is in part because IZ units, priced to be affordable to those making between 50% and 80% of the Area Median Income, are not the most cost effective choice for many people in this income range,**

[**Hamilton of StrongTowns 2018**](https://www.strongtowns.org/journal/2018/4/10/is-inclusionary-zoning-creating-less-affordable-housing)

1. Some developers also argue that **inclusionary zoning creates** [**incentives to build luxury housing**](http://www.marketurbanism.com/2012/10/10/the-renewed-debate-on-inclusionary-zoning/) **that make it feasible for developers to subsidize their projects’ below-market-rate units.** Inclusionary zoning's supply effects are therefore largest for modest new construction.
2. [**Bento et al.**](http://www.jstor.org/stable/20868701?seq=1#page_scan_tab_contents) **found that inclusionary zoning in California caused prices to increase 2 to 3 percent faster relative to jurisdictions without the policy**

[**Beyer of Forbes 2015**](https://www.forbes.com/sites/scottbeyer/2015/05/27/inclusionary-zoning-is-rent-control-2-0/#18e650e2561c)

**In ten years, New York City’s program produced 2,800 affordable units, a measly number in an 8.5-million-person city that issues tens of thousands of new housing permits annually. And by 2012, DC’s program failed to produce a single unit that was either bought or rented. Instead, the handful of units that were built sat empty, for reasons explained by economist Emily Washington.**

[**Tuller** **2018**,](https://www.healthaffairs.org/do/10.1377/hpb20180313.668759/full/%2C//ZS) **Health Affairs**

New Jersey’s law, in fact, arose out of a court ruling in 1974 that jurisdictions had to provide their share of affordable housing—a result of a legal challenge to exclusionary zoning policies. Yet such local exclusionary zoning policies continue to constrain affordable housing development in some states. In the fall of 2017, California passed legislation designed to restrict the use of exclusionary zoning. **In contrast, several states have considered or passed laws restricting or barring IZ, arguing that such policies can impede rather than promote development and lead to higher overall housing costs.** In 2016, Oregon eliminated a law that had barred the use of IZ in the state.

# A2 Transit

1. **Kelly of Princeton 2013- even if our emissions go to 0, the world still warms for centuries**

[**Princeton 2013**](https://www.princeton.edu/news/2013/11/24/even-if-emissions-stop-carbon-dioxide-could-warm-earth-centuries)

**Even if carbon dioxide emissions came to a sudden halt, the carbon dioxide already in Earth’s atmosphere could continue to warm our planet for hundreds of years**, [according to Princeton University-led research](http://www.nature.com/nclimate/journal/vaop/ncurrent/full/nclimate2060.html) published in the journal Nature Climate Change. The study suggests that it might take a lot less carbon than previously thought to reach the global temperature scientists deem unsafe.

A2 Neg

# Overviews

**OV:** **Walker of Gizmodo 2016 says the reason why there is a rise in housing prices right now is because of lack of supply, so aff is the only side that provides a solution in the long term**

[**Walker 2016 of Gizmodo**](https://gizmodo.com/how-building-expensive-new-housing-actually-helps-creat-1763423240%2C//ZS)

Although there are many contributing factors to what makes rents or housing prices specifically (and often artificially) high, **all of these issues come down to a shortage of housing stock. This wasn’t a problem for many years as cities built plenty of new places to live. But now, increased demand is driving housing prices up:** There are more people who want to live there than there are housing units available. And there hasn’t been enough new housing built over the last few years—decades, even—to “trickle down” to these new residents.

#

# A2 General Affordable Housing

**Rent controls actually lower availability of affordable housing for 3 reasons**

1. **Property abandonment**
	1. **Malik of Market Urbanism 2016- landlords can’t profit due to cost restrictions, so nobody builds houses and existing ones go to disrepair**
		1. **Existing landowners exit the market and new ones disincentivized**
	2. **Beyer of Forbes 2015- over 10 years, rent controls caused 300,000 homes to be abandoned in NYC**
2. **Property redevelopment**
	1. **Guarnieri Newsweek 2018- under rent control, landowners convert houses to condos since they can't profit off restricted costs.**
	2. **Misra of Citylab 2018-** **15% less residents as a result of conversion and less affordable housing**
3. **Increasing prices**
	1. **Cortright Citylab 2017- affordable housing is so expensive to build bc of regulations and govt bureaucracy that it will never be able to make a dent in the affordable housing problem**
	2. **Poethig of The Urban Institute 2014- only 1 in 4 who qualify for housing assistance actually get it**

**Because of these reasons, Edwards concludes the vast majority of renters in need never access affordable housing under rent controls.**

**Due to lower supply, price for everyone else goes up which is worse on net**

**First is causing property abandonment**

[**Caleb Malik of Market Urbanism in 2016 finds**](http://marketurbanism.com/2016/04/02/rent-control-bad-landlords-tenants/)

Furthermore, not only does **rent control** have an effect on the housing that would be developed, but the housing that currently exists is either reduced in quality or eliminated entirely. Because **[makes it so] landlords no longer profit from their property, [so] they are no longer able or willing to make necessary repairs. Normally, they would** [**improve a property to get more profit**](https://www.activerenter.com/rent-it-blog/51-ways-increase-your-rental-property-cashflow)**, or because it would allow them to compete for a larger pool of tenants.**

**The** final **effect is that affordable housing isn’t built and current housing goes into disrepair.** In Basic Economics, Sowell suggests that there are four times more abandoned units in New York than there are homeless people. **Building owners** simply **abandon**ed the **units because they** could **[can] no longer profit from ownership.**

[**Scott Beyer of Forbes corroborates in 2015**](https://www.forbes.com/sites/scottbeyer/2015/04/24/how-ironic-americas-rent-controlled-cities-are-its-least-affordable/#14280bc148c6)

**Rent-control** does, however, lead to abandonment. In San Francisco, a combination of rent control and strict eviction laws force many landlords to accommodate long-time tenants who pay well below market rate, leaving little revenue available to cover expenses. This has caused landlords to abandon an estimated [31,000 units](https://www.baycitizen.org/columns/elizabeth-lesly-stevens/small-time-landlord-vs-big-time-tenants/)—or one-twelfth of the city’s stock. Mayor Lindsay’s late-1960s rent-stabilization measure, which came right before an era of high taxes and inflation, **caused New York City landlords to** [**abandon**](http://www.city-journal.org/2014/24_3_nyc-government.html) **300,000 units from 1974-1984.**

**Second is property redevelopment**

[**Grace Guarnieri Newsweek 2018**](https://www.newsweek.com/rent-control-income-inequality-research-777098)

The Stanford researchers looked at the long-term effects of a 1994 ballot initiative in San Francisco that protected low-income families living in buildings constructed before 1980. **To make up for financial losses from rent-controlled units, landlords began converting properties to condos or redeveloping buildings to exempt them from rent control, with the prices skyrocketing over the years**. "**This substitution** toward owner occupied and high-end new construction rental housing **likely fueled the gentrification of San Francisco, as these types of properties cater to higher income individuals**," the researchers wrote. Even though some low-income families benefitted, according to the Stanford paper, rent control laws cost renters across San Francisco $2.9 billion from decreased rental housing and increased prices on existing units between 1995 and 2012. However, California state lawmakers want to bring back rent control amid the affordable housing crisis.

[**Misra of Citylab in 2018**](https://www.citylab.com/equity/2018/01/rent-control-a-reckoning/551168/)

The researchers found that rent-controlled properties were 10 percent more likely to be converted into condos or renovated drastically, so that they’d be exempt from rent control. Other landlords avoided the regulations by moving into the property themselves, taking advantage of California’s Ellis Act and saying they were taking the building off the rental market, or buying off the tenants. Landlords probably pursued these tactics more readily in expensive areas, where they had more to gain, according to the paper, and were more successful in cases where tenants put up less resistance.

**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.**

**Third is increasing prices**

[**Cortright Citylab 2017**](https://www.citylab.com/equity/2017/10/why-is-affordable-housing-so-expensive-to-build/543399/)

It’s a problem that isn’t going away: **the so-called “affordable” housing we’re building in many cities—by which we mean publicly subsidized housing that’s dedicated to low- and moderate-income households—is so expensive to build that we’ll never be able to build enough of it to make a dent in the housing affordability problem.**

[**Poethig Urban Institute 2014**](https://www.urban.org/urban-wire/one-four-americas-housing-assistance-lottery)

Unfortunately, affordable housing is a scarce resource in many cities. America’s housing policy has never fully met the demand for affordable rental housing, and the number of households served by federal rental assistance has essentially plateaued. **Today, only 24 percent of the 19 million eligible households receive assistance—basically, only one in four households wins the housing assistance lottery.**

**That’s why** [**Edwards of Business Insider 2015**](https://www.businessinsider.com/does-rent-control-work-no-it-actually-increases-rent-prices-for-most-people-2015-9) **concludes**

Rent control actually drives up the price of most rents by restricting the supply of new units onto the market. **While some renters may get a bargain, most people never get access to rent-controlled flats.** Once people move into a rent-controlled place, they are incentivised to never move out, because it is so cheap.

The classic rent-control lease in New York lasts indefinitely, so once someone is in, they can stay for the rest of their life**.** (In New York, it's commonplace inside rent controlled apartments to see cookers, radiators, and kitchen fittings that date back to the 1960s because landlords just won't replace them, and tenants won't move out.) People can even sub-let their apartments or pass them on to next-of-kin which is why personal connections in the market are so important.

That removes a huge chunk of available housing from the market. Demand for new housing remains the same, but now **the supply of new housing is reduced. So prices everywhere else go up.**

# A2 Destroying old houses/no space

#### **Badger WP 2016- Still space, underutilized land like abandoned lots and former industrial sites can be used**

* 1. **McPherson of Tishman Center 2012- 25% of land in cities with 100,000 or more residents is vacant**
1. **Been of Furman Center 2018- Land can be used more intensively, even in constrained markets supply can increase, causing prices to fall**
2. **UCLA 2018- 13 times as many houses were constructed than were destroyed**

[**Been** **2018**, **Furman Center**](http://furmancenter.org/files/Supply_Skepticism_-_Final.pdf%2C//ZS)

**,** Some argue that the normal rules of supply and demand don’t apply to housing because housing is tied to a specific plot of land, and unlike other inputs into the production of housing that may be in plentiful supply, the supply of land is limited in many jurisdictions by existing development and by geographical constraints like coasts or mountains (Angotti & Morse, 2016). Indeed, critics argue that because land is inherently limited, the development of market rate housing consumes scarce land that could otherwise be used for affordable housing. 4 The argument often is accompanied by demands that high percentages (such as 50 percent or more) of all housing developed on private sites should be restricted as affordable housing (Durkin, 2016). Whereas land is limited in supply, it is not necessarily the case that the land where market-rate housing (or a mixture of market rate and affordable housing) is proposed would otherwise be used entirely for affordable housing. The land might continue to be too costly to support affordable housing, even if the land could not be used for housing for higher income households, because there are other uses competing for the land. Also, the reasons affordable housing is not provided in larger quantities go far beyond the lack of land and include the inadequacy of funding to pay for construction, financing costs and operating costs. Further, programs like mandatory affordable housing can ensure that developments using land for market-rate housing also include some affordable housing, although no inclusionary program imposes requirements as high as 50 percent of the units (Thadden & Wang, 2017). More fundamentally, although **it is surely true that land is constrained, especially in certain markets (Saiz 2010), land can be used more intensively to allow for more housing. The limits on the land with which housing is bundled make housing different from many goods, but the difference is one of degree: the supply of housing can and does increase even in constrained markets, and prices should generally fall in response** (see the review by DiPasquale, 1999; Mayer & Somerville, 2000).

[**Badger of WP 2016**](https://www.washingtonpost.com/news/wonk/wp/2016/02/12/the-poor-are-better-off-when-we-build-more-housing-for-the-rich/?utm_term=.88d85be3443d)

Adding one more point: None of this dismisses the fact that **displacement from specific homes happens when low-income housing is literally knocked down to build high-end towers. A good amount of new supply in cities, though, can rise on under-utilized land (former industrial plots, surface parking lots, abandoned properties, etc.). And the cumulative effect of all that new supply can hold down rents across neighborhoods and cities, including for the poor.**

[**Professor Timon McPherson of the Tishman Center for Design in 2012 quantifies that**](https://www.thenatureofcities.com/2012/08/21/vacant-land-in-cities-could-provide-important-social-and-ecological-benefits/)

Vacant lands constitute a large fraction of urban land area. In fact, **vacant land in U.S. cities of more than 100,000 people varies between 19 and 25% of total land area** — our research papers are in review in journals now — while for cities with populations greater than 250,000, vacant land makes up between 12.5 and 15% of total land area.

[**UCLA 2018**](https://www.lewis.ucla.edu/luxury-apartments/)

**In our analysis of 104 new multifamily developments, we found that more than 13 times as many units were constructed across the city than were demolished** (see Table 1). We also found that 22 percent of the new units were affordable — income-restricted and/or permanent supportive housing for formerly homeless people. There were 460 such units, which is more than six times greater than the number of multifamily units lost to demolitions. This is important because older multifamily units are the sort of naturally-occurring affordable housing that most concerns activists.

# A2 LIHTC

1. **Edwards of Cato 2017 -There’s no oversight, so only $0.35 of every dollar is used to build houses**
2. **Edwards furthers because of complex bureaucracy, it takes twice as long to construct and approve LIHTC housing, while construction costs rise due to delays**

[**Edwards of Cato in 2017 finds**](https://www.cato.org/publications/tax-budget-bulletin/low-income-housing-tax-credit-costly-complex-corruption-prone)

**Lack of oversight has also made the LIHTC program susceptible to abuse. The NPR investigation found that “little public accounting of the costs exists, even among government officials and regulators charged with monitoring the program.**

**Furthering**

**An analysis by Missouri’s state auditor of the state’s own LIHTC found that it was “costly and inefficient.”**[**43**](https://www.cato.org/publications/tax-budget-bulletin/low-income-housing-tax-credit-costly-complex-corruption-prone#_idTextAnchor043) **The auditor estimated that “only $0.35 of every tax credit dollar issued is actually used to build low income housing.”**[**44**](https://www.cato.org/publications/tax-budget-bulletin/low-income-housing-tax-credit-costly-complex-corruption-prone#_idTextAnchor044)

**Experts agree that these LIHTC complexities increase project costs and delays.12 A study on the costs of affordable housing projects by the state of Washington found, for example, that “it generally takes twice as long to assemble the financing as market-rate projects, and contributes to increased legal and other transaction costs.”**

# A2 Vouchers

1. **It’s not topical**
2. **Vouchers only work when we actually have enough houses available**

# A2 Labor Shortage

[**Richardson of Aquicore**](https://aquicore.com/blog/fix-construction-labor-shortage/)

So, what should be done about the construction labor shortage? Probably a combination of all three should be applied. **In the short term, wages will likely rise in response to increased demand for skilled labor, and that should prompt at least some workers to re-enter the industry.** However, there is still the danger that the next recession will wipe out some of those wage gains, and even more workers could exit construction.

# A2 Luxury Only

1. **White of Politico from case postdates everything and says luxury market is declining due to oversupply**
2. **That’s why Dougherty of NYT from case finds builders are looking to shift to cheaper home construction**
3. **Even if you buy housing is only luxury, it's still good**
	1. **Hills of WP 2018- Housing filters down, and 45% of low income housing was filtered**
	2. **Cortright CO 2017- MRH stops bidding up of old housing that low income households could afford otherwise**
		1. **UI 15- half units are occupied by high income homes**

[Perine](https://juantornoe.blogs.com/hispanictrending/2009/01/dwellings-or-deathtraps-sinking-economy-may-be-behind-rise-in-illegal-housing-conversions.html) of the Citizens Housing Council explains that**[when] there is not enough market-rate housing in one neighborhood, higher income households start [buy up houses in] the more affordable neighborhoods and displace the residents already there.**

15This buyup has already begun, as the [Urban Institute 2015 finds that](https://ggwash.org/view/37070/why-the-left-is-wrong-about-affordable-housing)

about affordable housing in the region. I**t shows that nearly half of the units that could be affordable to lower-income people are instead occupied by higher-income residents:** Basically, the people who make up the green bars in the above chart could afford to be in a higher-priced unit. **[however, with]** If there were **more new construction units, many [higher-income residents] would [move]**.That would **leav[ing]** more **lower-priced housing** left **for those who don’t earn as much.**

[**Roderick Hills of the Washington Post in 2018 explains**](https://outline.com/V85ayj) [actual](https://www.washingtonpost.com/outlook/2018/09/18/why-do-so-many-affordable-housing-advocates-reject-law-supply-demand/?utm_term=.c69d8ba41146)

**Filtering is the process by which, as housing ages, it becomes less desirable to wealthier residents, thereby becoming affordable to the middle class and poor.** A huge share of affordable housing is hand-me-down housing: One study, by the Hudson Institute’s John C. Weicher and Econometrica Inc.’s Frederick J. Eggers and Fouad Moumen, found that **between 1985 and 2013,** **45.2 percent of the rental units that were affordable to very low-income renters** in the United States — that is, those making less than 50 percent of the area median income — **had filtered down from owner-occupied or higher-rent categories.**

As Syracuse University’s Stuart Rosenthal wrote in an American Economic Review article in 2014, the “direct evidence that housing filters down, on average,” is so indisputable that “there should no longer be debate on this point.”According to Rosenthal, **market-rate housing filters down at a rate of almost 2 percent per year — fast enough to make a big difference**. Housing filters fastest in the middle of the country, but it filters down on the expensive coasts, too, he found

[**Joe Cortright of City Observatory in 2017**](http://cityobservatory.org/the-end-of-the-housing-supply-debate-maybe/) **adds that**

**Building more market rate housing** isn’t so muchabout “trickle down” as it is building enough new housing to **keep[s] higher income households from moving down-market and bidding up the price of older housing that would otherwise be affordable to moderate and lower income households.** When there isn’t enough supply, demand from higher income households floods down to older housing stock, driving up rents and reducing housing options for those with lesser means.Which, as why, as we’ve observed, in some markets, modest 1950’s-era [ranch homes](http://cityobservatory.org/back-at-the-ranch/) are a mainstay of affordability, while in others, they cost more than a million bucks.

# A2 Discrimination

1. **Turn - Rent Controls actually promote racial bias (CK)**

[**The National MultiFamily Housing Council**](https://www.nmhc.org/news/articles/the-high-cost-of-rent-control/) **gives 2 warrants**

By eliminating rents as the basis of choosing among a pool of potential consumers, rent control opens the door to discrimination based on other factors**.** As noted earlier, **rent control forces housing providers to look to income and credit history in choosing among competing consumers, factors which sharply bias the selection process against poor and** young consumers. In some cases, consumer selection decisions also may be **based on a potential consumer's race, sex, family size** or other improper or unlawful factors. This may occur notwithstanding the rigorous enforcement of Fair Housing laws.

**He continues that...**

**The reduction in housing** **caused by rent control** also  **can slow the process of racial and economic integration** of many communities, **by limiting the opportunities of certain classes of consumers to reside in rent-controlled communities.** In fact, **in many middle-class communities rent control has raised** a relatively **impenetrable barrier to economic and racial integration.**

**2.** [Been 2017 NYU](http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O%27Regan%20supply_affordability_Oct%2026%20revision.pdf) (JL)

The effects are intertwined: **supply constraints raise housing prices, and increases in housing prices in turn have a variety of other negative consequences,** including interference with the functioning of regional and national economies. After all, interdependencies in housing markets are not limited to submarkets of a given city. **As housing prices continue to increase in a city as a result of supply restrictions, some of those who are priced out will opt to live elsewhere**, perhaps in surrounding suburbs, or perhaps in exurban areas or other markets altogether. **If many choose to live further away but in the same metropolitan area, commute times are likely to increase, and income and racial segregation in the region could potentially rise as lower income and minority households disproportionately move further away from the central city.**

**3.** [Been 2017 NYU](http://www.law.nyu.edu/sites/default/files/Been%20Ellen%20O%27Regan%20supply_affordability_Oct%2026%20revision.pdf) (JL)

Further, **to the extent that land use regulations restrict the supply of housing and raise prices, they make it more difficult for workers to move to the cities with more productive businesses. Interstate mobility rates have fallen significantly since the 1980s** (Frey, 2009; Kaplan & Schulhofer-Wohl. 2017; Molloy, Smith, & Wozniak, 2011), **even from areas with declining employment opportunities** (Autor, Dorn, Hanson & Song, 2014), **and especially for those with the lowest incomes and skills** (Notowidigdo, 2013). **Areas that are seeing especially high productivity gains, like New York, San Francisco, San Jose, and Boston, have not seen population growth to match those gains** (Glaeser, 2011).