

## **NC – DemocRATS are communists**

We negate the resolution Resolved: The UNITED STATES should promote the development of market rate housing in urban neighborhoods.

# Framework

**Observation 1) In the Resolution United States refers to the federal government**

**Observation 2) The federal government has no legitimate means  
of control over local and state jurisdictions**

**Observation 3) Subsidies have historically failed**

# Contention 1) Feds shouldn't be trusted to subsidize housing

**The theory that government stimulus will lead to increased development is flawed**

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

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

**AND - When it comes to housing, the federal government subsidizes unfairly**

Will **Fischer**, CBPP, "Chart Book: Federal Housing Spending Is Poorly Matched to Need | Center on Budget and Policy Priorities", 8 Mar 2017, <https://www.cbpp.org/research/housing/chart-book-federal-housing-spending-is-poorly-matched-to-need>

**The federal government spent \$190 billion in 2015 to help Americans buy or rent homes**, but little of that spending went to the families who struggle the most to afford housing. As the charts below show, **federal housing expenditures are unbalanced** in two respects: **they target a disproportionate share of subsidies on higher-income households and they favor homeownership over renting**. Lower-income renters are far likelier than homeowners or higher-income renters to pay very high shares of their income for housing and to experience problems such as homelessness, housing instability, and overcrowding. Federal rental assistance is highly effective at helping these vulnerable families, but rental assistance programs are deeply underfunded and as a result reach only about one in four eligible households.

**AND – Even with unfair distribution, production still falls way short when subsidy-funded**

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

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

## THE IMPACT IS TWOFOLD

### First is Opportunity Cost

Michael D. **LaFaive**, Mackinac Center For Public Policy, "Why Government Fails at Economic Development – Mackinac Center", 9 June. 2017, <https://www.mackinac.org/why-government-fails-at-economic-development>

The record gets worse when you consider opportunity costs. That is, **if billions of dollars weren't spent trying to create economic development, might they be used more effectively through across-the-board tax cuts or infrastructure improvements? A 2000 tally by professor Kenny Thomas said the annual value of incentives offered reach as much as \$50 billion.** That's a lot of money that could be redirected. In all of my research, I've only encountered one paper – and from a consultant – that looked at the opportunity cost of a program from a broad-based perspective. **If, instead of handing out a tax credit or subsidy, we made across-the-board tax cuts of the same amount** what would happen? In most instances, and for the biggest program examined, **the net result would be more jobs with broad-based tax cuts.** Yet none of the academic studies I've read attempt to factor in opportunity costs. Most of them still report zero to negative impacts, meaning that in real-world terms, they overestimate the (already meager) benefits of government-directed development programs.

### Second is when the government picks the winners

Michael D. **LaFaive**, Mackinac Center For Public Policy, "Why Government Fails at Economic Development – Mackinac Center", 9 June. 2017, <https://www.mackinac.org/why-government-fails-at-economic-development>

Let me drive this point home with an example, though more of an extreme one. In 2010 **the Michigan Economic Development Corporation saw fit to offer a \$9.1 million subsidy to a company called RASCO,** which promised to create 765 jobs over five years in Flint, Mich. Keep in mind that state law mandates that the state jobs officials ensure "the plans for the expansion, retention, or location are economically sound." **But** as it turns out, **RASCO was apparently invented from thin air** from a rented single-wide trailer near Flint **and the products it was said to offer may have never existed**. But it gets better. **The head of the company was actually a convicted felon out on parole.** By the terms of his release, **he was not even allowed to have a debit card.** This very state government that failed to catch this felon, we are told, is supposed to be able to pick winners and losers in the marketplace and ensure that the plans for the relocation of this alleged business were economically sound. Yet it did not even have the good sense to Google the CEO's name, Richard Short. If the economic development officials had, they would have seen him profiled in a Flint Journal article about how hard it is for convicted felons to re-enter society.

# Contention 2: The Alternative

## There are already states acting to reform zoning

Edward Glaeser, Brookings, "Reforming land use regulations", 24 April 2017, <https://www.brookings.edu/research/reforming-land-use-regulations/>

The right strategy is to start in the middle. **States do have the ability to rewrite local land use powers, and state leaders are more likely to perceive the downsides of over regulating new construction. Some state policies, like Massachusetts Chapter 40B, 40R and 40S, explicitly attempt to check local land use controls.** In New Jersey, the state Supreme Court fought against restrictive local zoning rules in the Mount Laurel decision.

## AND - Zoning reform is a prerequisite to Market Rate development

LAO, 2016 <https://lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf>

**With state and local policies limiting the number of housing projects that are permitted,** home builders often compete for limited opportunities. One result of this is that: **subsidized construction often substitutes for—or "crowds out"—market-rate development** Several studies have documented this crowd-out effect, generally finding that the construction of one subsidized housing unit reduces market-rate construction by one-half to one housing unit. These crowd-out effects can diminish the extent to which subsidized housing construction increases the state's overall supply of housing.

## AND - Promoting market-rate housing increases anti-reform sentiment preventing zoning reform from taking effect locally

Olga Baranoff, BA in Economics from John Hopkins University, 2016 [http://econ.jhu.edu/wp-content/uploads/sites/27/2016/07/Olga\\_Baranoff\\_senior\\_thesis.pdf](http://econ.jhu.edu/wp-content/uploads/sites/27/2016/07/Olga_Baranoff_senior_thesis.pdf)

Research on zoning and land use restrictions, described in Section III below, shows that **higher-income individuals often have an outsize effect on maintaining restrictive land use and housing policies. These restrictive policies likely increase with rising income inequality.**

## AND - It prevents zoning reform from passing as it removes compromises key to bipartisan support.

Christian Britschgi, Associate Editor at Reason, 4/2/2018 <https://reason.com/blog/2018/04/02/californias-sb-827-is-a-progressive-back>

**The bill would also defer to local** demolition controls, and to local inclusionary zoning **mandates that require developers to offer a certain percentage of units at below market rates** **These provisions make the bill more politically palatable** They also risk blunting its effectiveness by watering down its free market approach.

## THE IMPACT IS CLIMATE CHANGE – This is accomplished by removing density limitations

Patrick Sisson, Journalist with Curbed focusing on urbanism, culture, and urban life, 2018 <https://www.curbed.com/2018/12/11/18136188/city-density-climate-change-zoning>

Research suggests that simply increasing density could be a place to start—and get cities much of the way toward their carbon emission-reduction goals. A 2014 London School of Economics study determined that large global cities, with a "modest blend of pro-density housing and transit policies," could cut their emissions by a third by 2030. Urbanist Peter Calthorpe calculated that **through urban densification alone, the United States could achieve half the carbon reductions needed to hold global temperatures** o a rise of 2 degrees Celsius (4 degrees Fahrenheit).

## AND - Even a small reduction in global warming saves us from these impacts.

Brad Plumer, reporter covering climate change, 2018, <https://www.nytimes.com/interactive/2018/10/07/climate/ipcc-report-half-degree.html>



Each time the Earth heats up an extra half-degree, the effects aren't uniform across the planet. Some regions, such as the Arctic, will heat up two to three times faster. **The Mediterranean and Middle East regions could see a 9 percent drop in water availability at 1.5 degrees of warming and a 17 percent drop at 2 degrees** according to one major study cited in the report. "If you're looking at this one region, which is already water-scarce today and sees a lot of political instability, **half a degree makes a really big difference**," said Carl-Friedrich Schleussner, the head of climate science and impacts at Climate Analytics and the lead author of that study. "It's a good reminder that no one experiences the global average temperature."