

AFFORDABLE CITIES: AN ALL-OF-THE ABOVE APPROACH

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THE YUCCA-ARGYLE

40 rent-stabilized units replaced by 200 new apartments, including 40 income-restricted

That's a win!

But what happens to the existing tenants?

We must find ways to benefit from projects like this without accepting the individual harms that often accompany them

¿A donde irás cuando no puedas pagar la renta en tu barrio?
¿Por qué no luchar para quedarte?



PRO-HOUSING VS PRO-TENANT

The stereotypical pro-housing advocate sees the Yucca-Argyle development and asks: **Who benefits?**

The stereotypical pro-tenant advocate sees the Yucca-Argyle development and asks: **Who is harmed?**

**We all need to start asking both questions.
Better policy will follow.**

THE THREE S's

- **Supply, Stability, and Subsidy**

1. Building enough homes to meet all needs
2. Protecting renters and other vulnerable households
3. Funding to fill the gaps left by #1 and #2

- Each serves a different purpose and each must be a priority

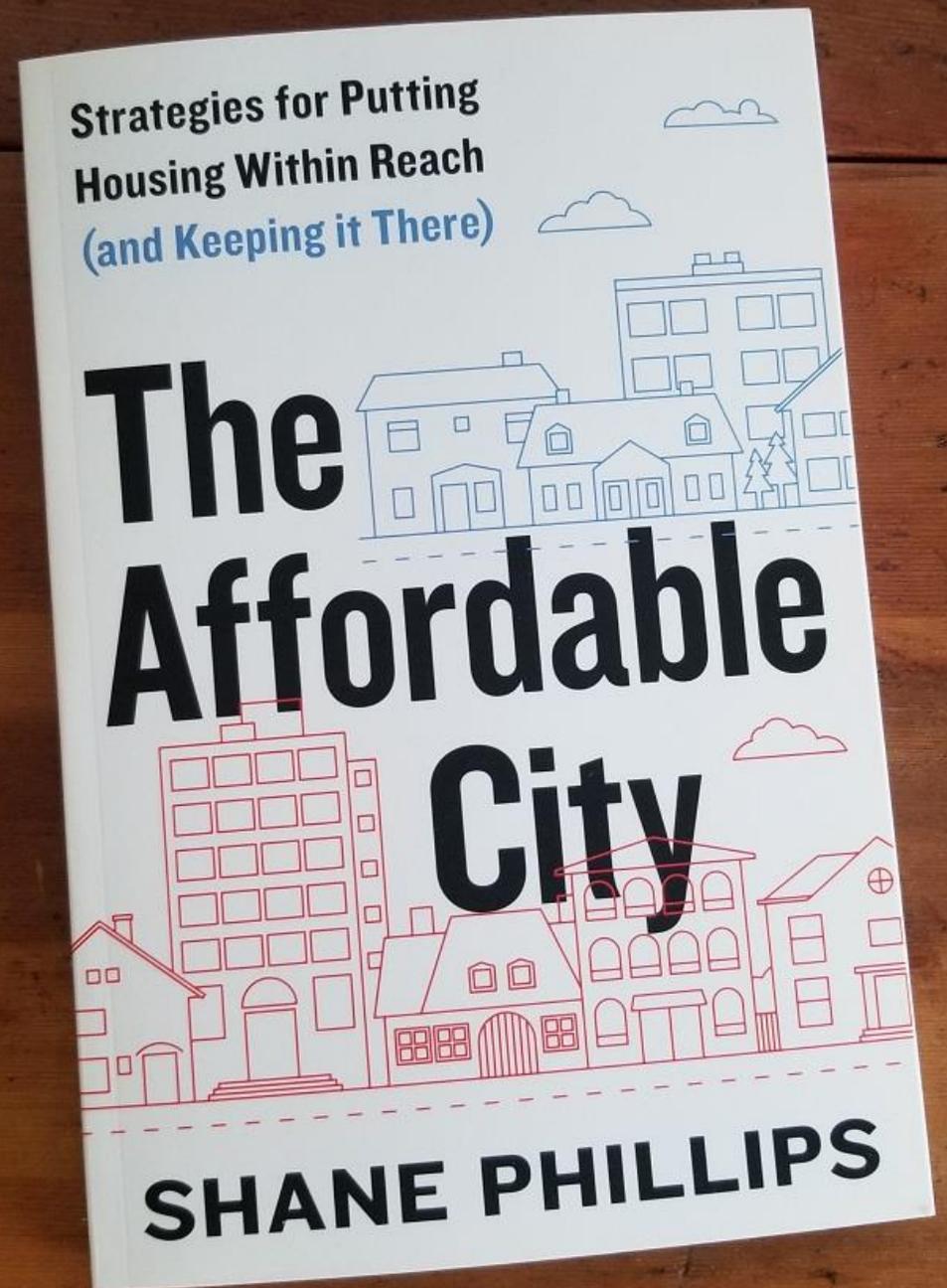
- This is a policy statement as well as a political one:

We won't build the coalitions needed to solve our biggest challenges so long as renters, young people, lower-income households, and others fear what new development will bring

WHAT'S IN THE BOOK

Two main sections

- **Part 1:** Introducing the Three S's and establishing some global principles and recommendations
- **Part 2:** Deeper discussion into why Supply, Stability, and Subsidy are so important and about a dozen specific policies to consider for each



WHY **SUPPLY** MATTERS

- **Supply is about acknowledging physical and economic constraints**
- We can't have affordable, accessible housing if we don't have enough homes for everyone (physical)
- Scarcity empowers landlords at the expense of tenants and sellers at the expense of buyers (economic)

What it can do: Stabilize prices and create new resources (taxes, affordable housing, etc.)

What it can't do: Bring median home prices from \$700,000 to \$300,000 (e.g.)

For more on the role of supply, see:

- Been, V., Ellen, I. G., & O'Regan, K. (2019). Supply skepticism: Housing supply and affordability. *Housing Policy Debate*, 29(1), 25-40.
- Not pay-walled at <https://furmancenter.org/research/publication/supply-skepticism-bsp-housing-supply-and-affordability>
- Phillips, S., Manville, M., & Lens, M. (2021). Research Roundup: The Effect of Market-Rate Development on Neighborhood Rents. UCLA Lewis Center for Regional Policy Studies. <https://www.lewis.ucla.edu/research/the-effect-of-market-rate-development-on-neighborhood-rents/>



WHY **STABILITY** MATTERS

- If Supply is about responding to physical and economic realities, **Stability is about meeting our moral obligations**
- A person shouldn't lose their home simply because they have the bad luck to live in a newly-popular (gentrifying) neighborhood

What it can do: Shield people from rising rents and eviction — keep things from getting worse

What it can't do: Make things *better*, or do much to help people who don't already have a home

WHY **SUBSIDY** MATTERS

- **Subsidies are a tool to apply where Supply and Stability fall short (which they will)**
- Almost as important as how we spend subsidy funding is how we *raise* it
 - Well-designed taxes can reduce housing speculation and encourage production, e.g.

What it can do: Help the people for whom Supply and Stability aren't enough (millions and millions of people)

What it can't do: Help everyone, or solve the problems caused by inadequate Supply or Stability policy

SO HOW DO ALL OF THESE GOALS WORK TOGETHER?

“Won’t Stability policies undermine housing production?”

“Won’t Supply policies cause displacement?”

Yes!!! They can! Actions have consequences, and there are always trade-offs!

But if we take those trade-offs seriously, we can design policies that maximize the benefits of change and minimize its harms.

WHAT POLICIES SHOULD WE BE LOOKING AT?

Supply: Why Housing Ma

- 15. Upzone a Lot (
- 16. Upzone Many F
- 17. Focus Upzones
- 18. Find the Upzon
- 19. Allow Housing |
- 20. Make It Expens
- 21. Eliminate Dens
- 22. Eliminate Parki
- 23. Let Renters De
- 24. Make Developm
- 25. Speed Up the E
- 26. Explore Other \
- 27. Promote Count

Stability: Why Tenant Protections and Rental Housing Preservation Matter

- 28. Place Moderate Restrictions on Rent Increases for Nearly All Housing (Anti-Gouging)
- 29. Place Stronger Restrictions on Rent Increases for Older Housing (Rent Stabilization)
- 30. Be Careful with Vacar

- 31. Implement Inclusiona
- 32. Discourage Redevelop
- 33. Implement Replacem
- 34. Make Affordability Re
- 35. Buy Naturally Occurri
- 36. Require Transparency
- 37. Prioritize Displaced Te
- 38. Limit the Ability of La
- 39. Use Just-Cause Prote
- 40. Require Government
- 41. Offer Free or Reducec
- 42. Enforce Housing and Building Codes
- 43. Eliminate Discrimination against People with Housing Choice Vouchers
- 44. Prioritize Stability over Wealth Creation (Homeownership Assistance)

Subsidy: Why Government Spending and Public Programs Matter

- 45. Institute a Progressive Tax on Home Sales (Real Estate Transfer Tax)
- 46. Tax "Flipped" Houses at Higher Rates
- 47. Utilize Property Taxes
- 48. Tax Underutilized and Vacant Property
- 49. Don't Sell Public Land; Lease It (Public Land and P3s)
- 50. Minimize Impact Fees and Charge Them Equitably
- 51. Don't Let Small Buildings off the Hook (Missing Middle)
- 52. Reform or Eliminate Most Homeowner Subsidies
- 53. Reform and Increase Funding for Affordable Housing Construction
- 54. Increase Funding for Direct Rental Assistance
- 55. Fund Low- and Zero-Interest Loans for Housing Acquisition and Development

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UPZONING AND OTHER SUPPLY POLICIES

- **How do we create more housing with sensitivity to impacts on vulnerable populations?**
 - Upzone many places at once to avoid concentration of development
 - Upzone in higher-income communities, and where homes are mostly owner-occupied to avoid involuntary displacement
 - Upzone/rezone commercial corridors where no one currently lives
- **More general policies to support supply and reduce housing cost:**
 - Allowing more unit types (e.g. micro-units), eliminating or reducing parking minimums, eliminating or increasing density maximums, **permit streamlining...**

RENT CONTROL AND OTHER STABILITY POLICIES

- **How do we stabilize rents without making housing development financially infeasible?**
 - Don't apply rent control to housing less than 15-20 years old
 - Don't set the annual cap on rent increases *too* low
 - Be *very* careful with any policies that include vacancy control
- **More general policies to support stable housing:**
 - Just cause eviction protections, “right to return” at previous rent *or* one-time relocation payout (tenant’s choice), right to counsel for tenants facing threat of eviction...

SUBSIDY POLICIES AND REVENUE SOURCES

- **Some notes on subsidies and taxes/fees:**
 - The U.S. built much more public/subsidized housing 50 years ago, despite having 100 million more residents today
 - Property taxes are good – they're a wealth tax and they discourage speculation (Vancouver BC has the lowest prop tax in North America, ~0.26%)
 - Homeowner subsidies actually increase the price of housing, making it harder for first-time buyers to purchase a home
 - Impact fees assessed by the unit (as opposed to square footage or even room) discourage smaller and more affordable housing types

Some concluding thoughts...



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- **Ask yourself: Who benefits from rising property values?** Prices are rising for all the homes around you too, so rising prices don't help you upgrade your home, they're probably increasing your property taxes, and they're keeping your kids out (until you die anyway). On top of that, your city will end up spending a lot more money to address worsening housing affordability and homelessness. If your city's residents want to cash out and leave for another city or state, rapidly rising values can be good for them. But is that who our housing policies should be serving?



- **Fairness arguments are usually effective.**

- Is it fair that future generations should pay a larger share of their income on housing than past generations (on top of student loans and lower real minimum wage and everything else)?
- Is it fair that people with stable housing and often significant housing wealth should dictate what types of housing are “appropriate” for those less well off?
- Is it fair that property owners (richer, on average) should capture all the benefits of home value appreciation and renters (poorer) should pay all the costs, when these changes are mostly out of individuals’ power to influence?
- Is it fair that the places with the best jobs and schools, and most climate-friendly lifestyle options, are also where we’re most anti-growth?

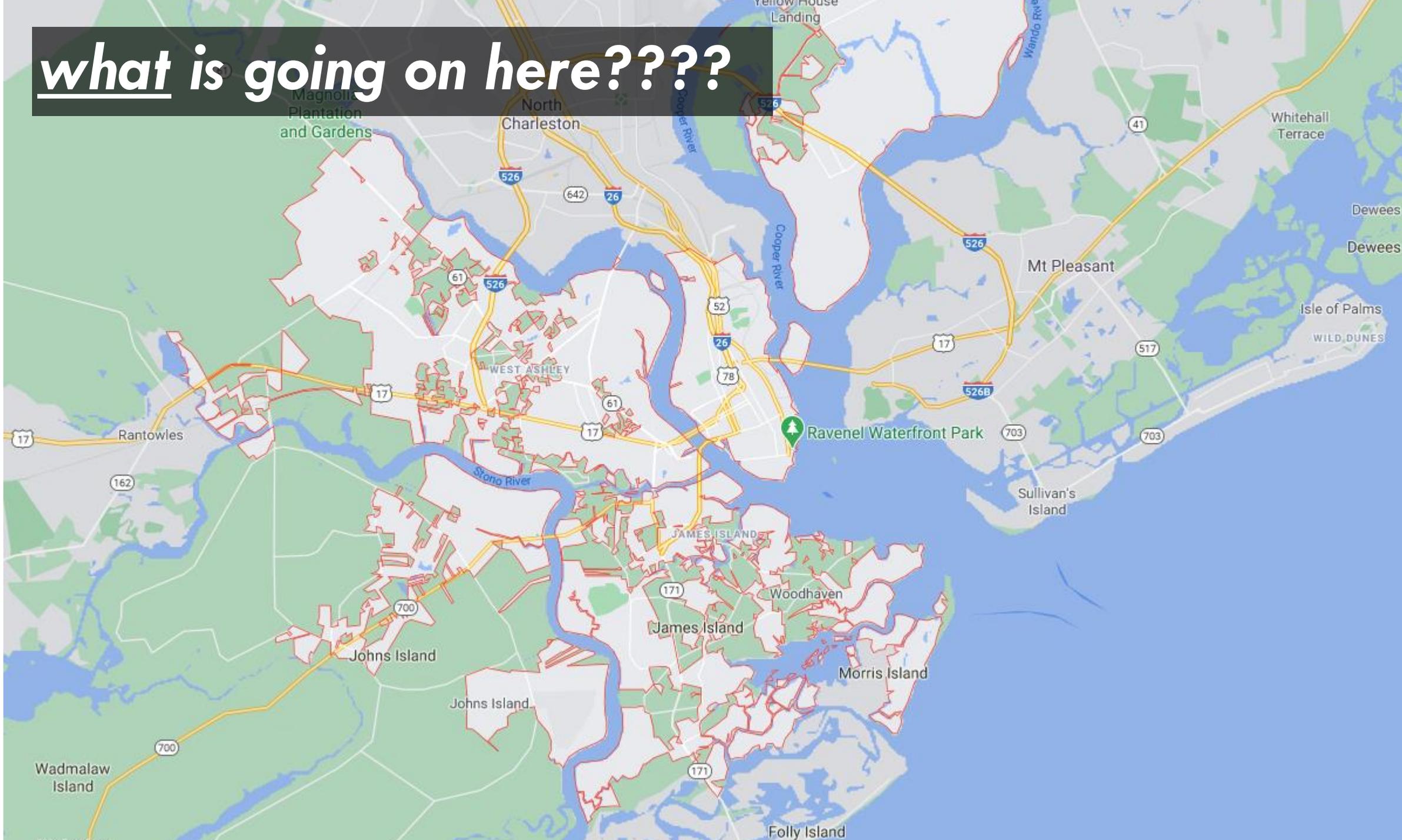
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- **Acknowledge systemic harms without blaming the individual.**
 - Is single-family zoning rooted in racism, and does it perpetuate racist and racially inequitable outcomes? Absolutely.
 - Does that make people racist for living in single-family homes, or enjoying single-family neighborhoods? Absolutely not.
 - The question is: Once you know how our housing policies originated and the harms they inflict and perpetuate today, are you willing to accept the changes necessary to stop those harms? And not just stop them, but take proactive steps to reverse them?

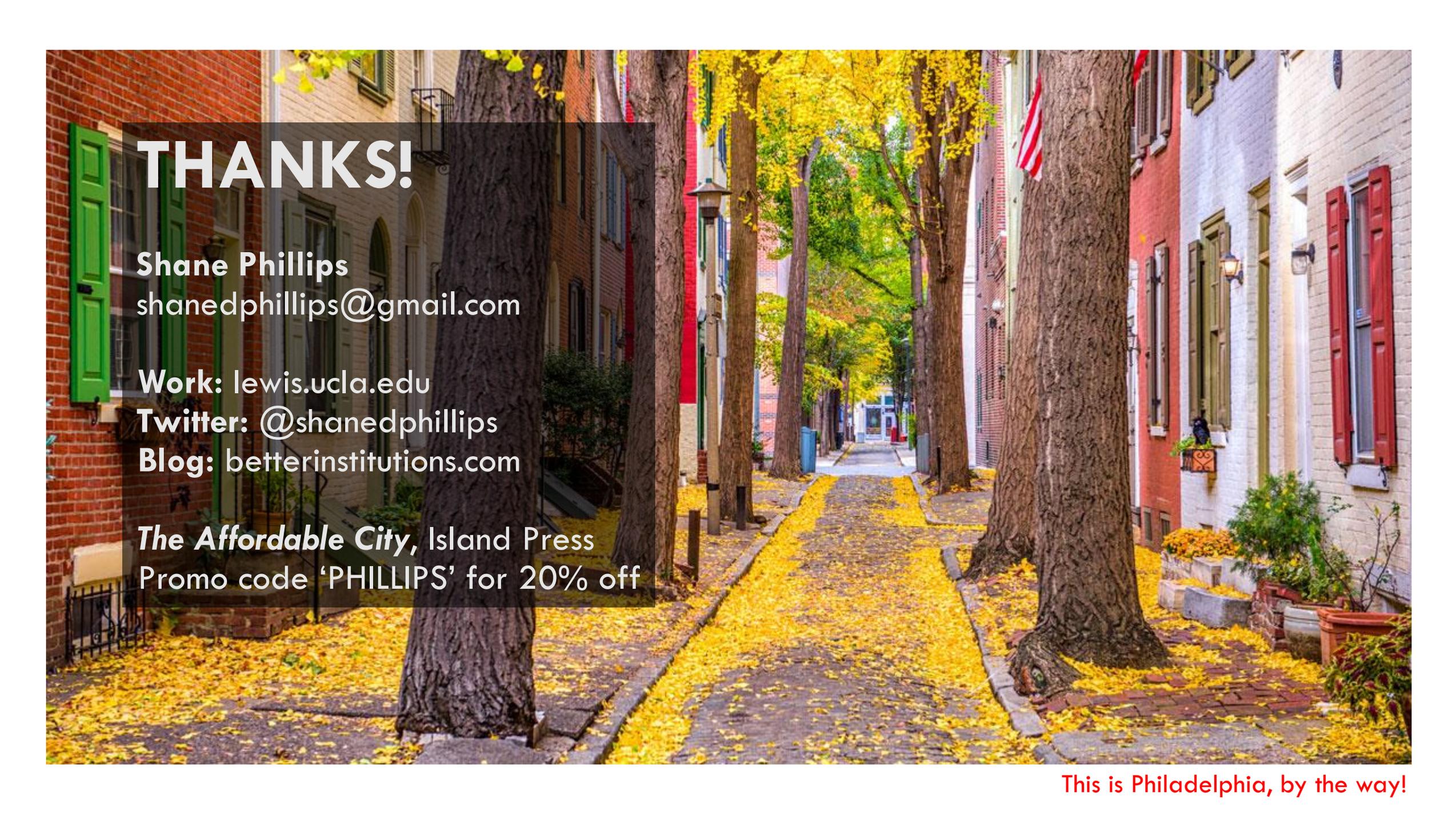
AND FINALLY...

- **Don't wait to act!**
- Finding solutions that clearly benefit most residents is *much* easier when the costs of market-rate and income-restricted housing are relatively similar.
- So much of our time is spent worrying about how to hold onto the present, **but we can make things better** — not just better than they are today, but better than they were in the past, too

BUT BEFORE I GO...

what is going on here????





THANKS!

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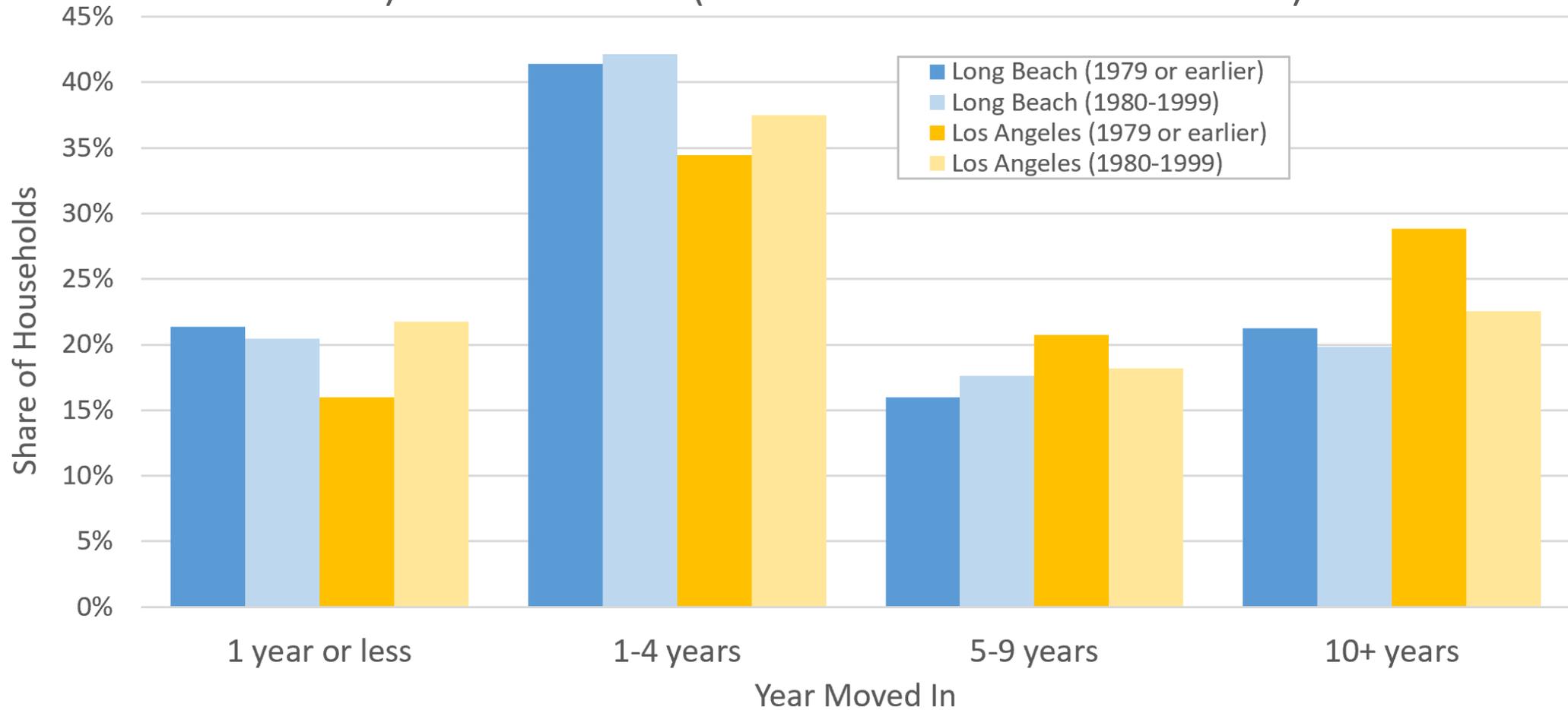
The Affordable City, Island Press
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This is Philadelphia, by the way!

OVERSIGHT / ACCOUNTABILITY POLICIES

- **Protections are only as good as their implementation and enforcement**
- **Rental registries**
 - Creates valuable dataset on rents and vacancies, and be used as tool to keep tenants informed of their rights – esp. important during COVID-19
 - Require landlords to notify (but not receive approval from) local govt when evicting tenants or raising rents – accountability measure
 - Can include a “voluntary buyout program” (see San Francisco)
 - Support proactive building / code inspections

Length of Time in Rental Unit, Los Angeles and Long Beach,
For Multifamily Housing Built Before 1980 (rent-stabilized in LA but
not LB) and 1980-1999 (non-rent-stabilized in both cities)



Difference in Length of Tenure Between Pre-1980 and 1980-1999 Multifamily Housing, Los Angeles and Long Beach

