

Housing affordability challenges: Prospects for policy reform

Jenny Schuetz

March 2022

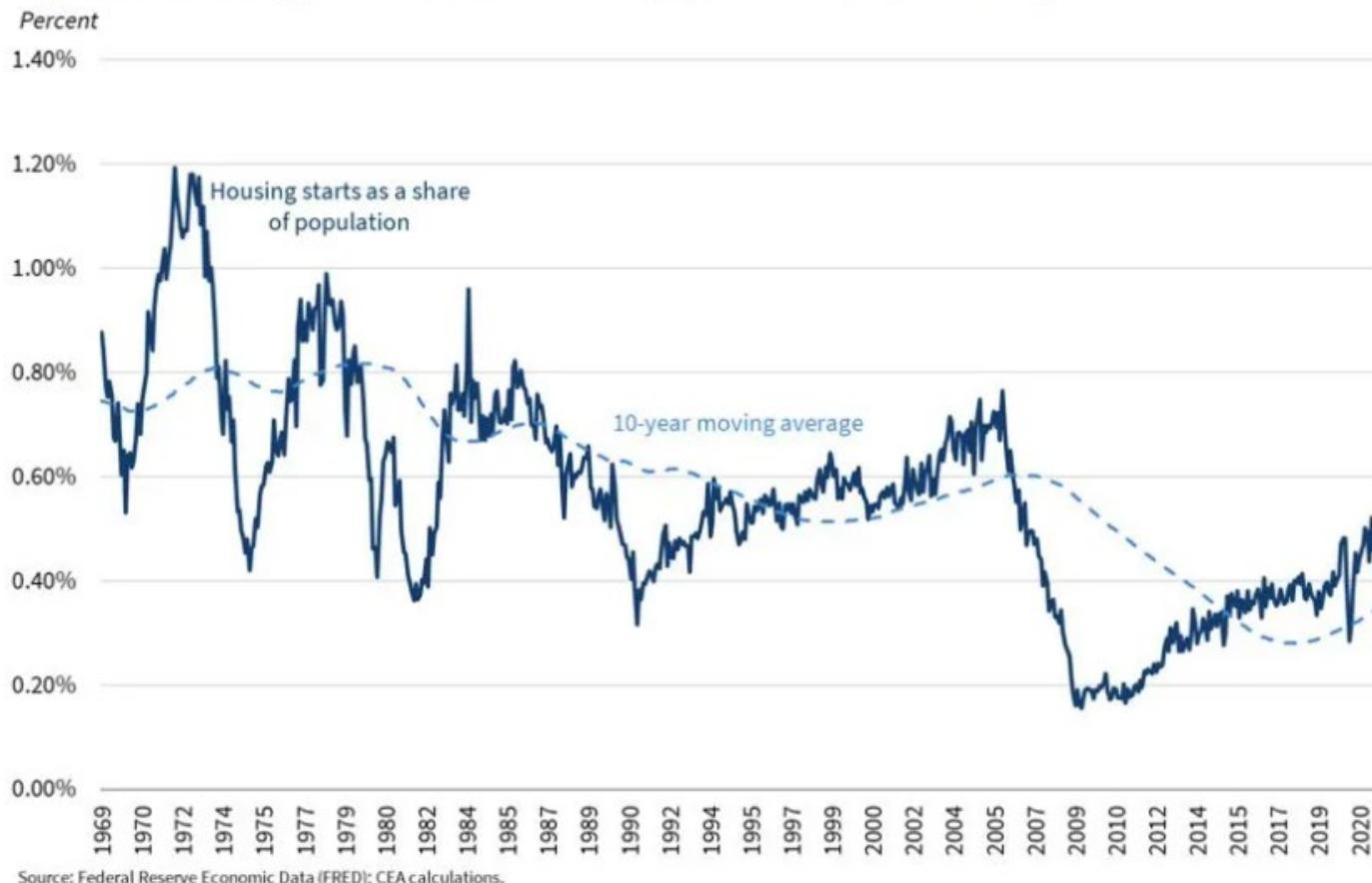


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Build more homes where people want to live

Figure 2: Housing production has not kept pace with population growth



Source: Federal Reserve Economic Data (FRED); CEA calculations.

Rigid, one-size-fits-all land use regulations prohibit diverse homes

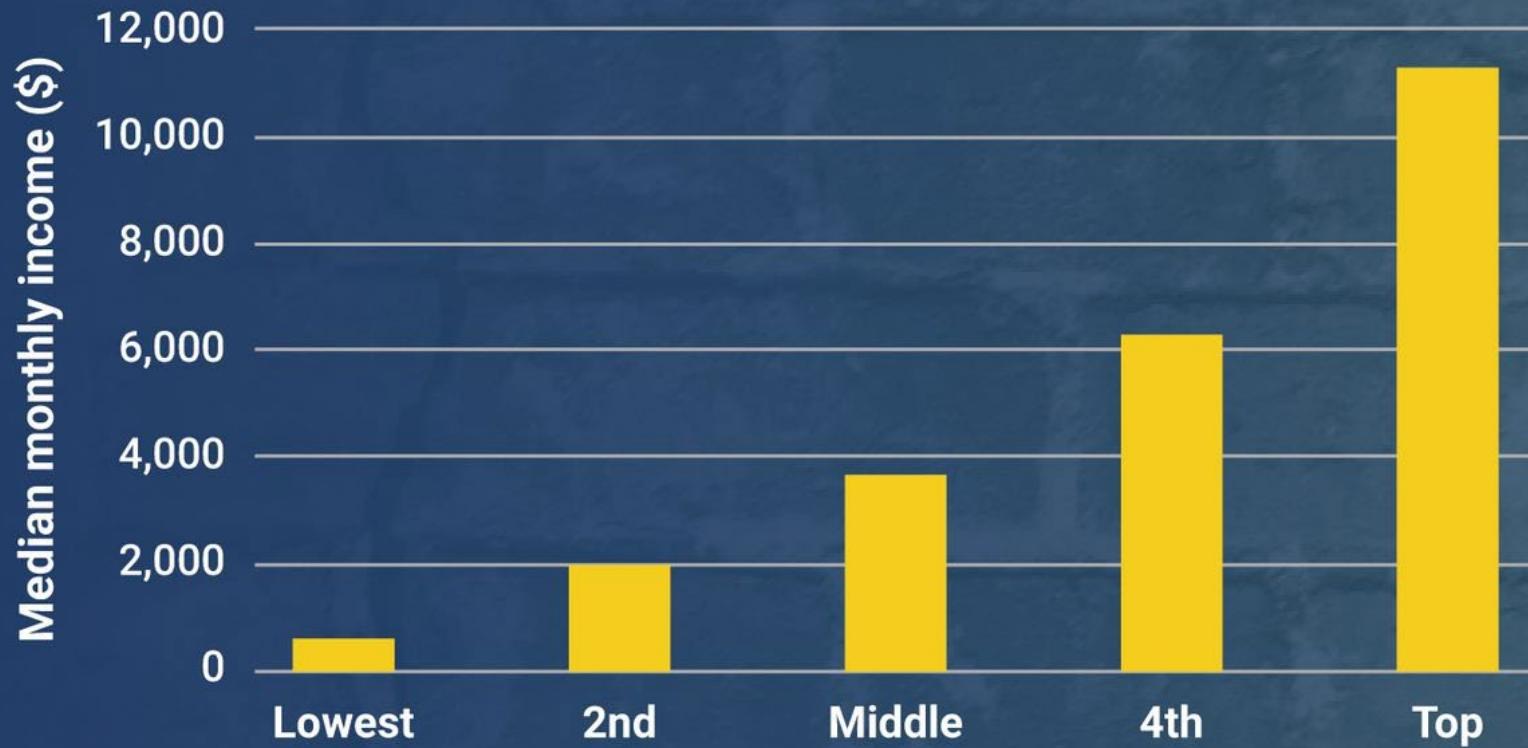


Existing residents exercise veto power over new development



Give poor people money

Figure 4.1: Low income renters have little cash left after paying rent



Stop building homes in the wrong places



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The U.S. has sustained 310 weather and climate disasters since 1980 where overall damages/costs reached or exceeded \$1 billion (including CPI adjustment to 2021). **The total cost of these 310 events exceeds \$2.155 trillion.**

Catastrophic costs of California wildfires

Brendan Montague | 7th December 2020 | © Creative Commons 4.0

**At least 22 killed and more than 50 missing
in Tennessee flood**

AUGUST 23, 2021 / 7:27 AM / C

**Flood Insurance Problems that Bedeviled
Sandy Homeowners Still Remain: Who Will Fix
Them?**

SCOTT GURIAN | NOVEMBER 20, 2019 | ENERGY & ENVIRONMENT

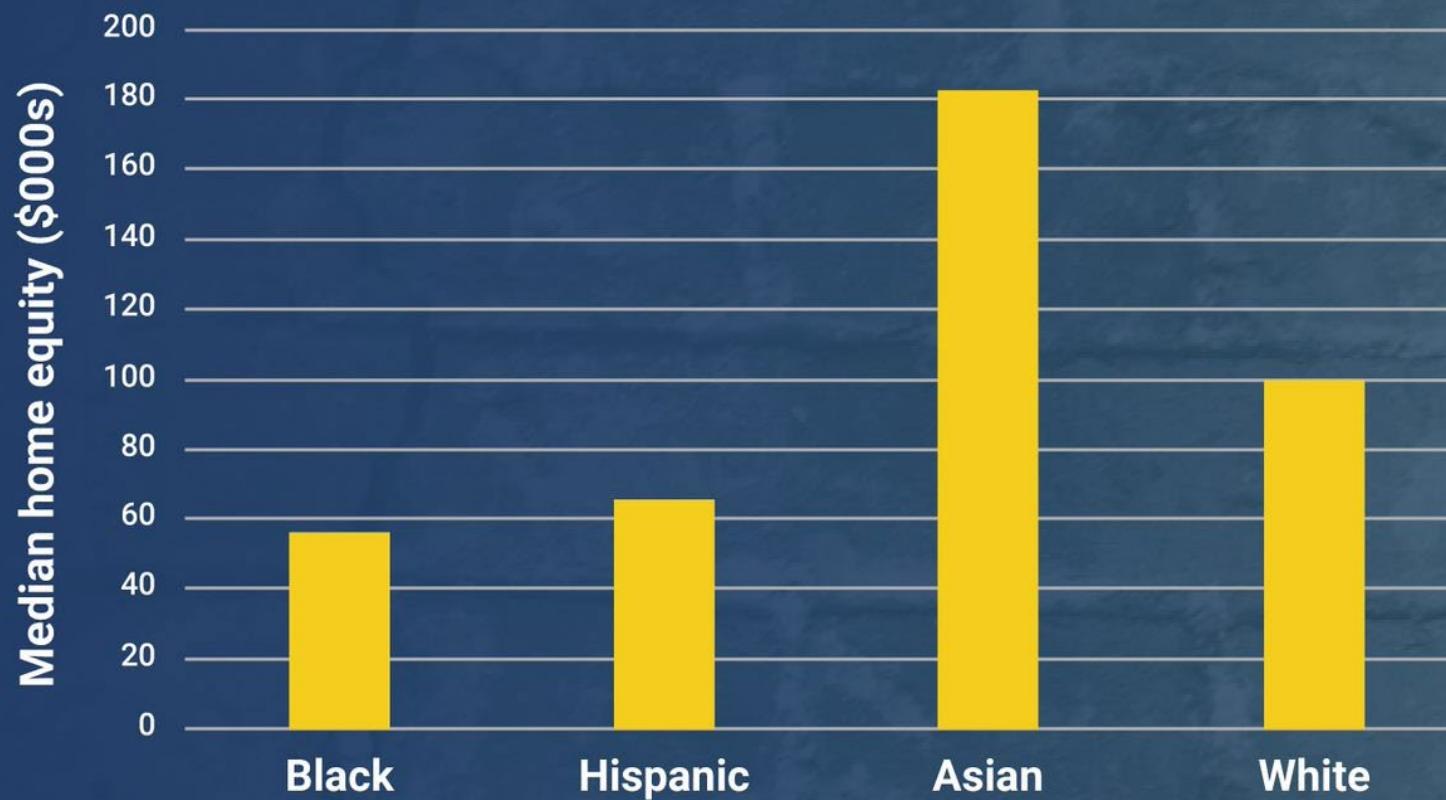
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Fixer Upper

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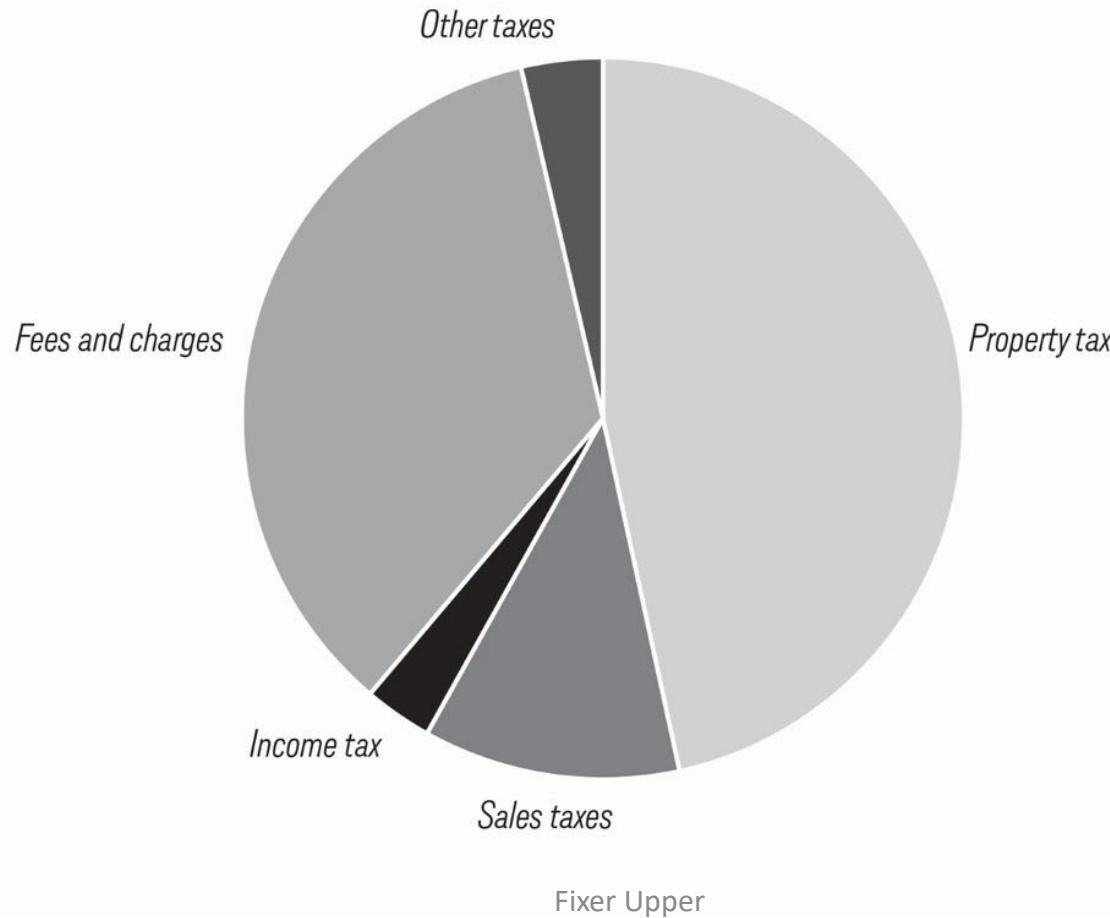
Homeownership is the root of the racial wealth gap

Figure 5.3: Black and Latino homeowners have less home equity



Reliance on property taxes encourages “fiscal zoning” by local govts

Figure 6.2 Local governments depend heavily on property taxes



We need systemic policy changes

- Local
 - Reform rules governing housing production
 - Allow diverse housing types at wider price range
- State
 - Create financial carrots & sticks that nudge localities toward pro-housing reforms
 - Share revenues & infrastructure costs regionally
- Federal
 - Expand financial support for low-income households
 - Encourage wealth-building outside homeownership

The main obstacle to better housing outcomes is not the absence of good policy ideas, but wicked hard politics.

CALIFORNIA

UC Berkeley may be forced by court to cut 3,000 undergraduate seats, freeze enrollment

NIMBYism Reaches Its Apotheosis

Phil Bokovoy thinks Berkeley the school is putting Berkeley the city at risk. And he sued to stop it.

By Annie Lowrey

Housing Choice brings the biggest changes to Massachusetts zoning laws in decades

It was one of Gov. Baker's biggest legislative priorities, and one of his biggest victories

By [Jon Chester](#) Globe Staff, Updated February 8, 2021, 7:20 p.m.



CITYLAB

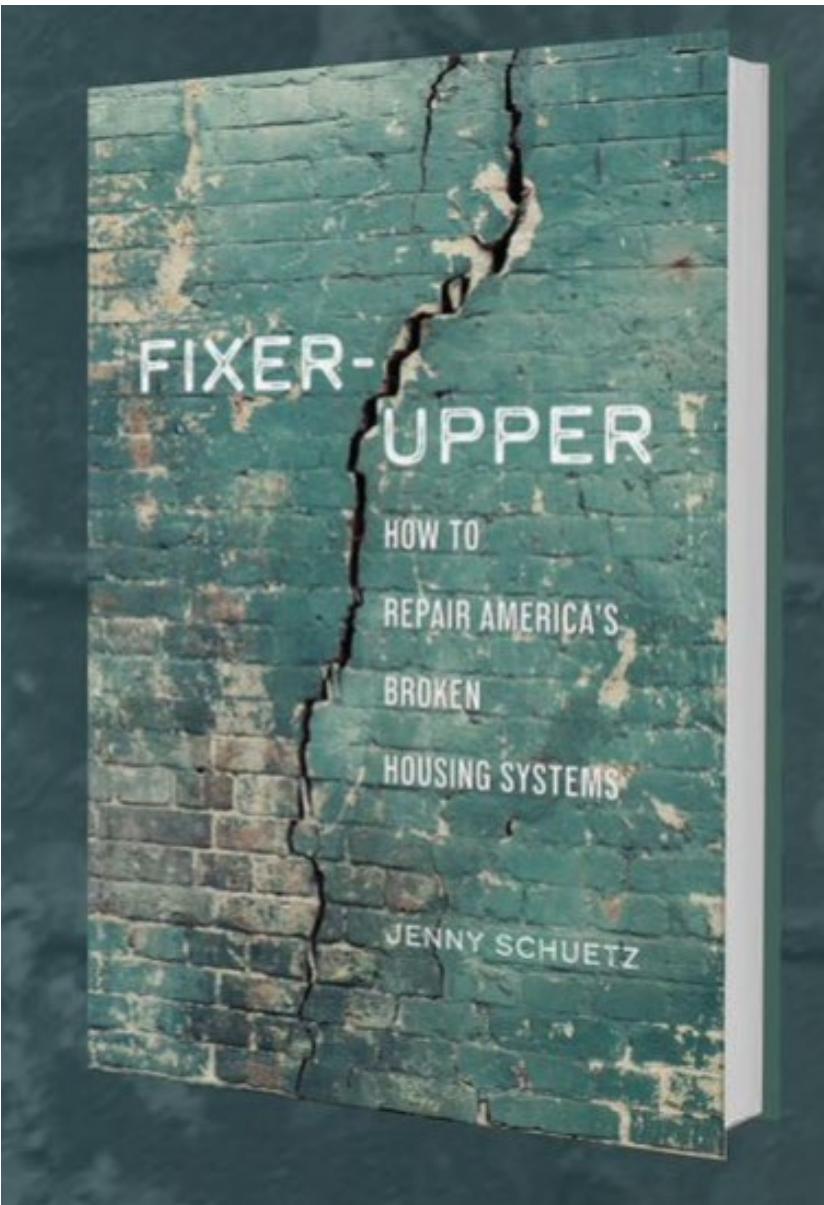
CityLab Daily: Inside the Virginia Bill to Allow Denser Housing

OREGON JUST VOTED TO LEGALIZE DUPLEXES ON ALMOST EVERY CITY LOT

The bill, which would also legalize fourplexes and cottage clusters in larger cities, cleared both House and Senate with wide, bipartisan majorities.

OPINION

North Carolina's SB 349 is the most ambitious state zoning reform yet



- 1 Housing Sits at the Intersection of Several Complex Systems
- 2 Build More Homes Where People Want to Live
- 3 Stop Building Homes in the Wrong Places
- 4 Give Poor People Money
- 5 Homeownership Should Be Only One Component of Household Wealth
- 6 High-Quality Community Infrastructure Is Expensive, But It Benefits Everyone
- 7 Overcoming the Limits of Localism
- 8 Build Political Coalitions around Better Policies