



A Proposed Empirical Investigation Into the Role of NIMBYism on the Lack of Affordable Housing in California Cities

Rob Wassmer, Ph.D.

Chairperson and Professor

Department of Public Policy and Administration

California State University, Sacramento

Proposal Workshop on NIMBYism and the Future of Housing
Institute for Humane Studies at George Mason University

February 20, 2024

Redefine the Possible™

Content

- Introduction
- Lack of Housing Affordability in the US & CA
- CA's 50+ Years of Efforts to Increase Housing Affordability
- What Causes Lack of Housing Affordability
- Empirical Investigation
- Value of Expected Findings

Introduction

- Too many households in the US experience housing unaffordability
 - Most agree, but NIMBY, due to affordable housing being a LULU

HOUSING POLICY DEBATE
2019, VOL. 29, NO. 2, 343–358
<https://doi.org/10.1080/10511482.2018.1529694>

 **Routledge**
Taylor & Francis Group



Does the Likely Demographics of Affordable Housing Justify NIMBYism?

Robert W. Wassmer and Imaez Wahid

Department of Public Policy and Administration, California State University, Sacramento, USA

ABSTRACT

NIMBYism (not in my backyard) decreases the amount of affordable housing construction. A possible motivator for this is an existing homeowner's fear that proximity to affordable housing depresses property value. Using a hedonic regression analysis of the sales prices of homes in Sacramento County, California, this study finds that increases in the demographic characteristics in a census tract that are likely to increase if more affordable housing is built there lower the sales price of a home. This finding holds even after controlling for the percentages of racial/ethnic groups more likely to face discrimination. Policymakers should recognize this economic element of NIMBYism as they consider instruments to increase the amount of affordable housing built. We conclude with a suggestion for a knowingly controversial policy mechanism based upon cap and trade with the hope it will spur further debate on this issue.

ARTICLE HISTORY

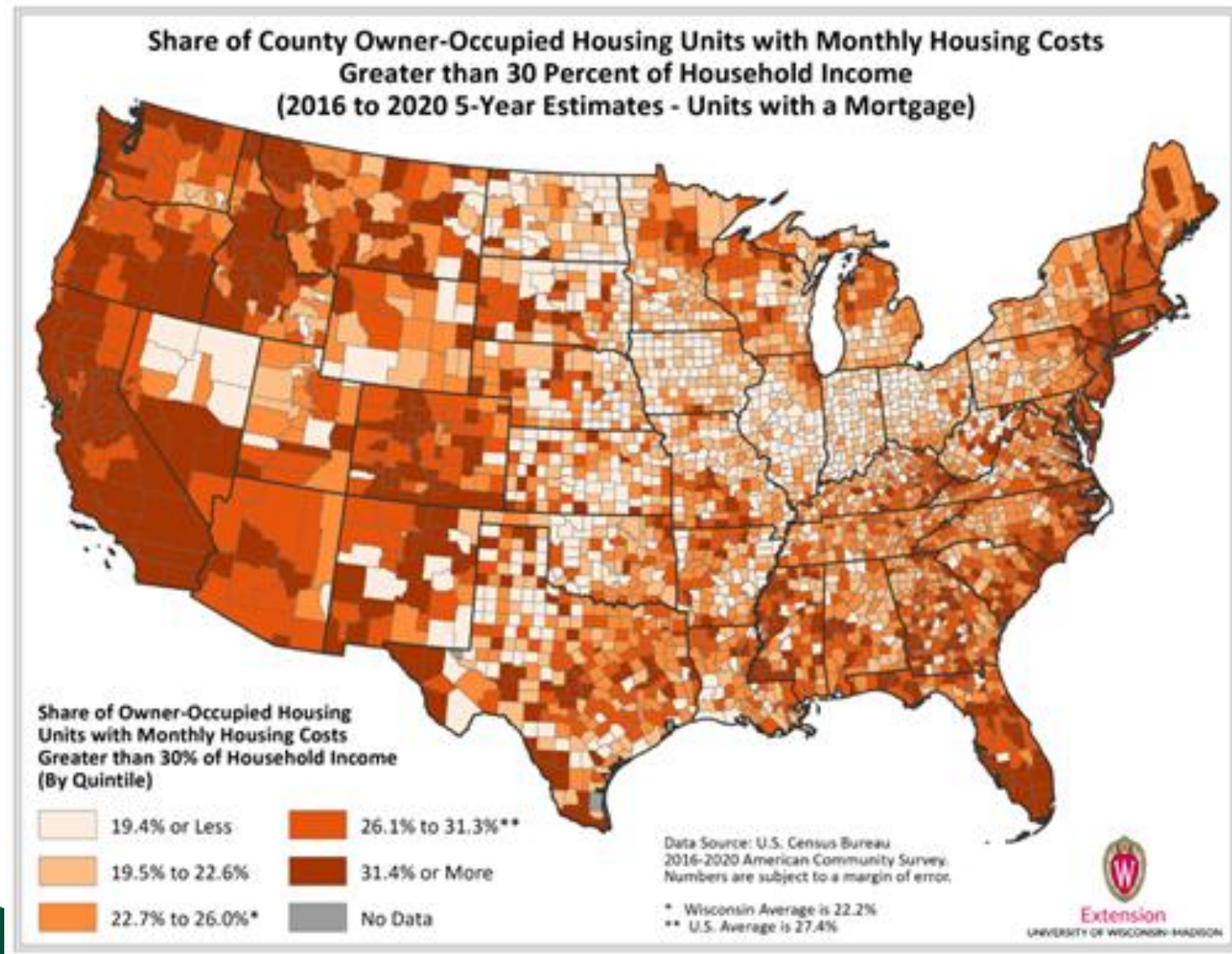
Received 7 January 2018
Accepted 25 September 2018

KEYWORDS

NIMBY; housing
affordability; public policy;
hedonic regression; cap and
trade

- Propose quant investigation
 - Is the lack of achieving state-set affordable housing goals in a jurisdiction correlated with characteristics identified with NIMBYism (view that affordable housing is a LULU)?
 - CA data used due to
 - Availability
 - 50+ years grappling with this issue
 - Set and measure achievement in state-required local housing affordability construction goals over the last 10 years

Lack of Housing Affordability in US & CA



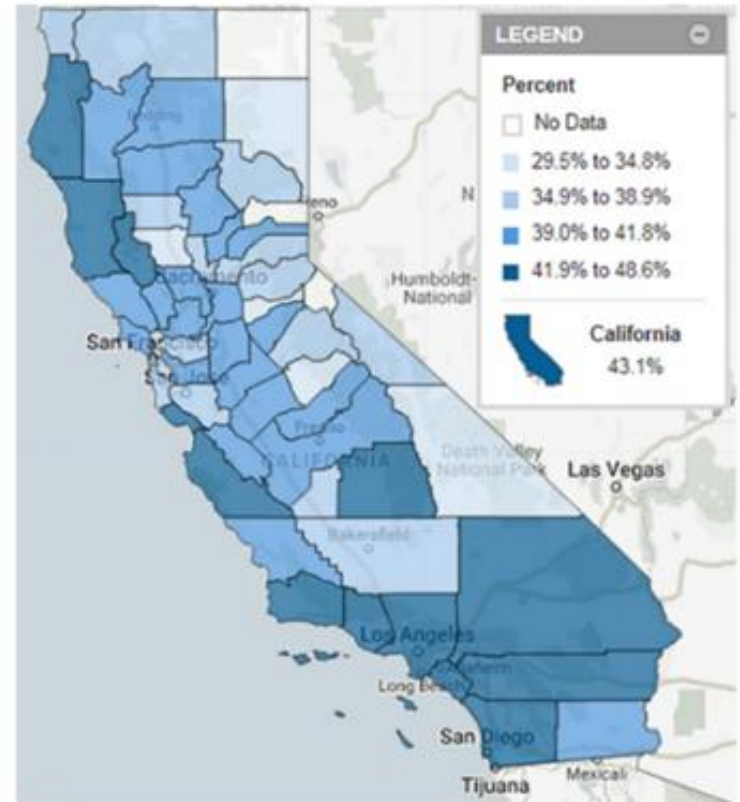
Lack of Housing Affordability in US & CA

Cost of median-priced 1-family house financed at prevailing mortgage rate, 20% down



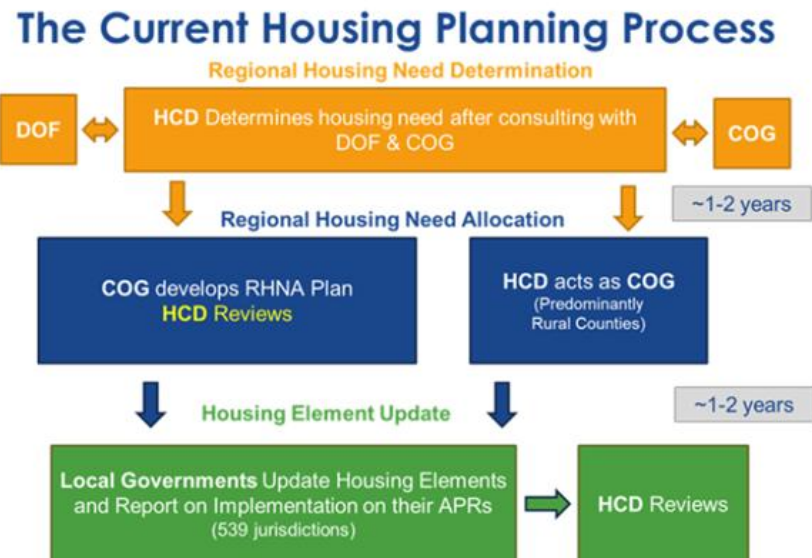
California house payments (Graph by Flourish)

Households with a High Housing Cost Burden: 2013-2017

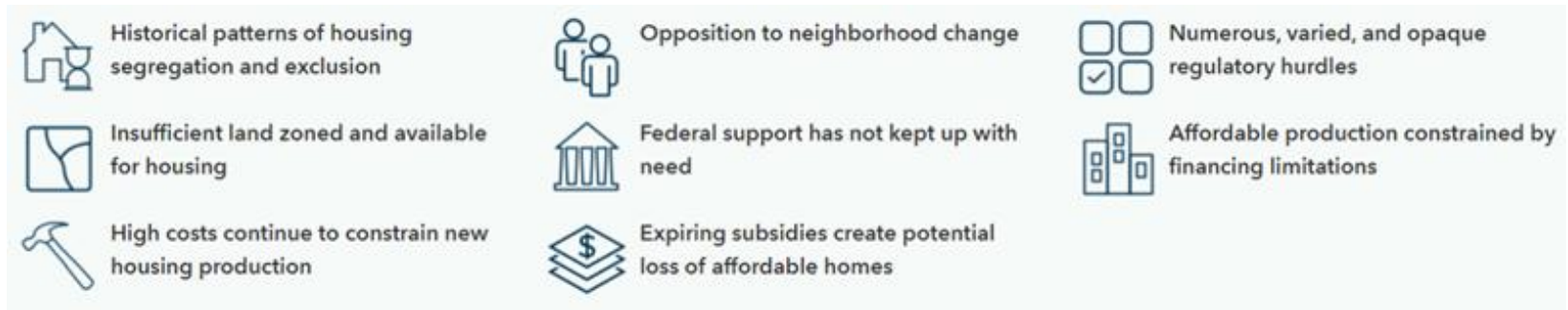


CA's 50+ Years of Efforts to Increase Housing Affordability

- 1969 Housing Elements Law
 - (a) Housing affordability is of vital statewide importance, (b) requires the cooperative participation of government and the private sector to produce low and moderate-income housing, and (c) is sufficient to meet a California region's housing needs at all income levels
 - Dept of Housing and Community Development (HCD) works with COGs or independent counties to determine Regional Housing Needs Allocation (RHNA)
 - Allocated among all jurisdictions in the form of Housing Elements to incorporate into 10-year general plans
 - 2013 – 2023 last completed
- Housing construction goals for shelter
 - New houses, apartments, mobile homes, a group of rooms, or a single room occupied as separate living quarters
- Allocated by
 - number of affordable units (< 30% household income) at the "very low" (< 50% local household median income), "low" (50 to 80%), "moderate" (80 to 120%), and "above moderate" (120% +)
- HCD dashboard for completed Fifth Cycle
 - 20.7% of all the state's RHNA had been satisfied for very low-income housing
 - 30.8% for low-income
 - 56.1% for moderate
 - 144% percent for above-moderate income



What Causes Lack of Housing Affordability



- HCD causes to note in the first column and row
 - NIMBYism (opposition to neighborhood change)
 - Fischel (2001) *Homevoters*
 - Einstein et al. (2020) *Neighborhood Defenders*
 - Controls for others

Empirical Investigation

$$\text{RHNA \% Attainment}_{i, \text{Inc Cat}} = f(\text{NIMBY Demographics}_i, \text{NIMBY Motivations}_i, \text{Housing Approval Institutions}_i, \text{Housing Segregation History}_i, \text{Housing Demand}_i, \text{Scale}_i), \quad (1)$$

where;

$$\text{NIMBY Demographics} = f(\% \text{ White}, \text{Median Household Income}, \% \text{ Households} > \$250\text{K Income}, \% \text{ College Educated}, \% \text{ Households in Owner-Occupied Home}, \% \text{ Age 60+}, \% \text{ Age 30 to 40}), \quad (2)$$

$$\text{NIMBY Motivations} = f(\% \text{ White}/\% \text{ Black}, \% \text{ White}/\% \text{ Latino}, \% \text{ Age 60+}/\% \text{ Age 30 to 40}, \text{Median Home Value}/\text{Median Household Income}, \% \text{ Adults College Degree}/\% \text{ Adults HS Diploma} <, \text{City Expenditure Per Capita}), \quad (3)$$

$$\text{Housing Approval Institutions} = f(\text{Charter City Dummy}, \text{Planning Department Capacity Measure(s)}, \text{Strong Mayor Dummy}, \text{Council Manger Dummy}, [\text{Equal Council Dummy excluded}], \text{Housing Element in Compliance}, \text{Public Meeting Type(s) for Housing Approval Dummy}), \quad (4)$$

$$\text{Housing Segregation History} = f(\text{HOLC Redlining Map Dummy}, \text{Suburb Dummy}, \text{Town Dummy}, [\text{Central City Dummy Excluded}], \text{Years Since Incorporation}), \quad (5)$$

$$\text{Housing Demand} = f(\text{County GDP Per Capita}), \quad (6)$$

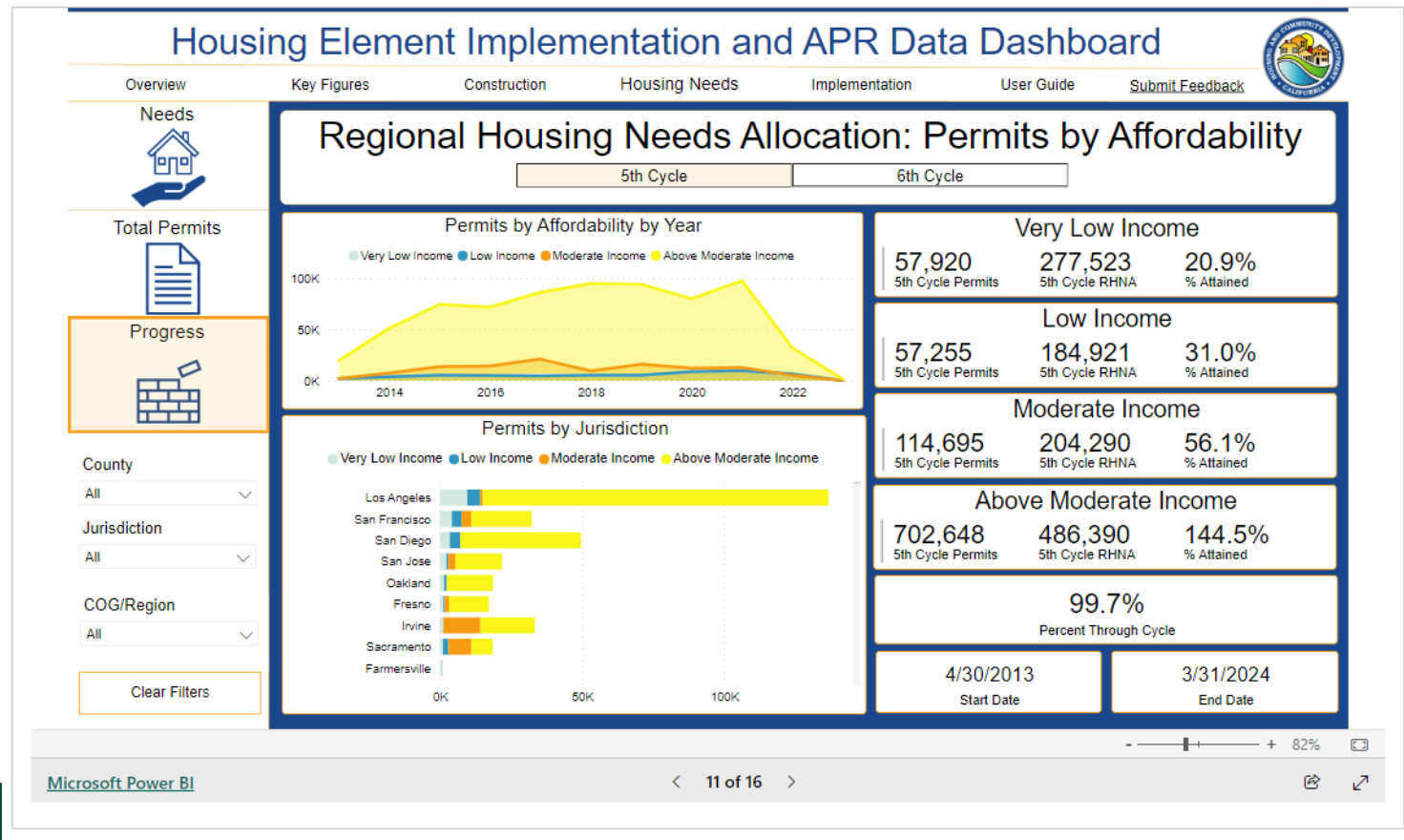
$$\text{Scale} = f(\text{Square Miles}, \text{Population}). \quad (7)$$

Empirical Investigation

- Dependent Variables

Housing Element Implementation and APR Dashboard

The dashboard below summarizes and displays data submitted on the APRs.



Value of Expected Findings

- Some of the first empirical-based evidence that either confirms or rejects previous notions of the influence of NIMBYism as a potential driver of the well-documented shortage of affordable homes
- Findings regarding the magnitudes of NIMBY-based influences relative to institutional ones that could be manipulated through policy changes