



UP FOR GROWTH

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Thank you. My name is Mike Kingsella, Executive Director of Up for Growth Action. We are a Washington, DC-based 501(c)(4) coalition that advocates for more housing for the communities that need it the most, because we believe that communities should grow for the benefit of *every* person.

Up for Growth Action and the New Democrat Coalition understand our national housing crisis and share many views on how to solve it. As Congressman Denny Heck says, we're facing a crisis of a lack of housing supply; not a crisis of a lack of housing demand.

This reality is reflected in the New Democrats' *Missing Millions of Homes* report¹, as well as in Up for Growth National Coalition's report on *Housing Underproduction in the U.S.*²

Whether the shortage of homes totals 5.5 million or 7.3 million, it is clear that we aren't building enough housing. And when we don't build enough housing, the cost of rent and starter homes rise, people are forced to live farther away from work, more cars are on the road causing air quality to decline, the economy can't reach its full potential, and people can't pursue new job opportunities.

The causes for the housing shortage and affordability crisis are myriad. But I'm here today to discuss a major factor behind our shortage of homes, exclusionary zoning and other artificial barriers to housing.

Exclusionary zoning refers to municipal zoning codes that allow only for single-family construction or contain onerous building requirements, regardless of community needs or land-owner preference.

¹ Denny Heck, Stephanie Murphy, Juan Vargas, and Scott Peters, *Missing Millions of Homes*, <https://newdemocratcoalition.house.gov/download/missing-millions-of-homes>. (June 2018).

² Up for Growth National Coalition, *Housing Underproduction in the U.S.*, https://www.upforgrowth.org/sites/default/files/2018-09/housing_underproduction.pdf. (April 2018).

Artificial barriers to housing were defined by the Obama administration's White House Housing Development Toolkit as largely a range of policies that increase costs to deliver housing - including land use restrictions that make buildable land more costly than it inherently is, onerous off-street parking requirements, arbitrary or antiquated preservation regulations, and unnecessarily slow permitting processes as some of the primary roadblocks to housing affordability.³

Exclusionary policies have sordid origins. In the 1930s, the federal government created the Home Owners' Loan Corporation ("HOLC"), which produced Residential Security Maps, commonly known as redlining maps. The attitudes and language in HOLC appraisal sheets and Residential Security Maps was overtly racist. Despite an earlier Supreme Court ruling outlawing racial and economic segregation in housing, redlining, by design, relegated African American and Latino citizens to the least-desirable and least-upwardly mobile parts of a city.⁴

Taken together, exclusionary zoning and other artificial barriers to housing constitute systems that perpetuate social inequity. They can and must be addressed at the federal level. But to do that, we recognize that policy makers require more and better information to craft policy that eliminates the most significant barriers.

To that end, Up for Growth National Coalition is developing a national database of artificial barriers to housing in cities throughout the country. This new research will help federal policymakers like you better understand how local housing policies contribute to national affordability issues in aggregate, and ultimately help you design legislation and promulgate rulemaking to encourage local housing policies that support national affordability goals.

So, what *can* Congress do to increase housing affordability?

To start, improve the programs that already work. One of the most effective ways that the federal government currently spurs affordable housing development is the Low-Income Housing Tax Credit.

A New Democrat – Congresswoman Suzan DelBene – is leading the House charge to reauthorize and expand that the housing credit to enable the construction of over 380,000 additional affordable homes. Up for Growth Action is proud to support the Affordable Housing Credit Improvement Act, which was introduced yesterday.⁵

While critical, increasing funding for affordable housing has limited utility if zoning laws restrict the delivery of needed homes.⁶

³ The White House, *Housing Development Toolkit* (page 2), https://www.whitehouse.gov/sites/whitehouse.gov/files/images/Housing_Development_Toolkit%20f.2.pdf (September 2016).

⁴ Mike Kingsella, "The Legacy of Redlining Lives on Today Through Exclusionary Zoning," <https://www.upforgrowth.org/news/legacy-redlining-lives-today-through-exclusionary-zoning>, (May 17, 2019).

⁵ Up for Growth Action, "Introduction of Affordable Housing Credit Improvement Act is Welcome Step in Combating the Housing Shortage and Affordability Crisis," <https://www.upforgrowth.org/news/introduction-affordable-housing-credit-improvement-act-welcome-step-combating-housing-shortage>, (June 4, 2019).

⁶ *Missing Millions of Homes*.

Federal policy leaders are beginning to recognize that federal action must be part of the national housing solution. Both leading Democratic candidates for President⁷ and current administration officials including HUD Secretary Ben Carson are “ready to take on the NIMBYs,” with plans to combat exclusionary zoning policies.⁸

Certain states and local governments are already tackling this issue, indicating a policy window is opening. Last year, the City of Minneapolis took the extraordinary step of eliminating exclusionary zoning as a part of its comprehensive plan.⁹ This year, Oregon House Speaker Tina Kotek introduced legislation that would do the same across her state.¹⁰

And though it was ultimately unsuccessful this year, California’s SB 50, which would have upzoned areas near transit stops in California’s large cities, dominated the housing conversation in this year’s legislative session – an indication that the state is ready for a conversation about density, even if some members of the legislature and local leadership are not.¹¹

Because municipal leaders are by nature more vulnerable to local opposition to housing, state legislation like SB 50 that establish minimum standards for housing are an essential part of the solution. And like the federal government incentivized states across the country to finally increase the drinking age through The National Minimum Drinking Age Act of 1984, the federal government today can catalyze state legislatures across the U.S. to move pro-housing policies.

An effective way for Congress to get involved is to amend Section 5309 to make “land use” criteria quantitative under DOT Programs, requiring that localities have adequate zoning and demonstrate streamlining of project permissions on land within one-half mile of transit station areas and along transit alignments to ensure adequate housing is built to meet housing needs. I’ve discussed these ideas extensively with Congressman Scott Peters, who is leading efforts in this area.

More generally, we believe Congress and relevant federal agencies should take a place-based approach for eliminating barriers to housing. This approach would maximize investments in the places that are job- and opportunity-rich but housing-poor, and areas with robust existing transportation and community infrastructure – most often the places where exclusionary zoning has prevented the construction of needed housing. It would also enable more housing using less land *and* ensure the country’s growth comports with important climate change and environmental stewardship goals.

⁷ Mike Kingsella, “Housing 2020,” <https://www.upforgrowth.org/news/housing-2020>, (March 22, 2020).

⁸ Noah Smith, “Ben Carson and HUD Get Ready to Take on the NIMBYs,” *Bloomberg*, <https://www.bloomberg.com/opinion/articles/2018-09-12/ben-carson-and-hud-get-ready-to-take-on-the-nimbys>, (September 18, 2018).

⁹ City of Minneapolis, “Minneapolis 2040,” <https://minneapolis2040.com/>, (December 2018).

¹⁰ Michael Andersen, “Here’s Oregon’s New Bill to Re-Legalize ‘Missing Middle’ Homes Statewide,” *Sightline Institute*, <https://www.sightline.org/2019/01/10/oregon-missing-middle-homes-hb-2001/>, (January 10, 2019).

¹¹ Liam Dillon, “The revenge of the suburbs: Why California’s effort to build more in single-family-home neighborhoods failed,” *Los Angeles Times*, <https://www.latimes.com/politics/la-pol-ca-california-sb50-failure-single-family-homes-suburbs-20190522-story.html>, (May 22, 2019).

Up for Growth Action is in the process of developing proposals that address these objectives that I hope to share in the coming months.

The primary cause of our housing crisis is largely policy driven. While a frustrating reality, it also means that the housing crisis is not out of our control and is imminently solvable.

I'll end my testimony with a simple charge. Use your leadership to provide the means and the motivation for states and local governments to move pro-housing policies into law.

I look forward to working with this esteemed group to enact these pro-housing solutions.