



EmpireMUNC X

General Assembly

**United States Conference
of Mayors**

CHAIR

Charlie Schuyler

United States Conference of Mayors

Committee Background Guide

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Welcome Letters

Dear Delegates,

My name is Charlie Schuyler, and I will be your Chair for this committee. I am a Senior, majoring in Film and Television Production, History, and Politics. I am deeply interested in the topics being discussed here. The difference between driving everywhere in suburban Virginia to biking everywhere here in New York has shown me how much somewhere's transit infrastructure changes the way you interact with your community. More importantly, I have worked in a homeless shelter which showed me how dramatic the consequences of poor housing policy can be. Because of what I saw there, I have decided to go into legislative politics, and have already made my start by interning on Capitol Hill last spring. I also believe that the present is fundamentally informed by the past, so in my free time I read a lot of history, and my favorites include *The Power Broker*, *Gotham*, *The Color of Law*, and *Nixonland*. When not being a nerd, my hobbies include playing Subway Surfer and drinking Red Bull.

The topics of this committee, Mass Transit and Housing Programmes, are fundamentally interrelated. The suburbanization that followed the Second World War created the modern housing status quo but was also dependent on the car becoming the primary mode of transportation. This, in turn, affected zoning decisions and density. Single family homes replaced brownstones and apartments. Instead of the grocery store being at the ground floor of your building, it was now miles away. This distance required you to purchase a car, and in turn cities were designed for those with cars, creating parking requirements for new construction. As houses gained bigger yards and became more spread out, the feasibility of a rail stop that one could get to on foot became impractical. Thus, if you are going to have to drive to your subway stop, you might as well drive all the way to work. These topics are complicated, interrelated, and involve policy decisions made at every level of government as well as individual decisions made by people and businesses across the country. It cannot all be covered here, although this should give you enough to work with. I encourage you to do some research on your own, and feel free to email me with any questions you may have.

Thanks for reading,

Charlie Schuyler, Chair

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Statement of Diversity and Inclusion

Whilst EmpireMUNC is committed to maintaining as educational and historically accurate an experience as possible, we recognize that any debate around historical events will incorporate sensitive issues. Delegates are expected to discuss these issues maturely and appropriately. EmpireMUNC is committed to promoting a culture of diversity and inclusion in line with NYU's values; in the spirit of this commitment, EmpireMUNC will not tolerate any bigoted symbols, statements, or attitudes. Remember that by attending our conference you agree to our Terms and Conditions of Conference Attendance, which we suggest you read over. It is posted on our website and is in your Delegation Guide. If you have specific questions that you are not sure about in regard to appropriate topics, please don't hesitate to email or ask.

Committee Background

“All politics is local”

- Tip O’Neill

Origins and the Great Depression

1932. The Great Depression was raging across the country, and Detroit mayor Frank Murphy invited mayors across the United States to convene. They gathered in order to present a united front to congress, and fight for federal relief from the devastation. Following this first conference, seven of the mayors went to Capitol Hill to lobby for relief: Boston Mayor James Michael Curley, Cleveland Mayor Ray T. Miller, Milwaukee Mayor Daniel Hoan, New Orleans Mayor T. Semmes Walmsley, Minneapolis Mayor William A. Anderson, and Grand Rapids Mayor George W. Welsh.

Shepherded along by future New York City Mayor Fiorello LaGuardia, the Emergency Relief and Construction Act passed and was signed into law by President Herbert Hoover, providing massive relief to millions of Americans. “A few months later, on the eve of Franklin Delano Roosevelt’s inauguration, in the Mayflower Hotel just a few blocks from the White House, the charter of the U.S. Conference of Mayors was written.”¹

Another Crisis, Another Transition

2008. 75 years after the formation of the Conference of Mayors, the United States was once again embroiled in a financial crisis. The 2008 financial crisis hit state and local governments particularly hard, decimating their tax revenue while requiring increased spending on social services.

Urban Chaos, Urban Renewal

2023. As the COVID-19 Pandemic recedes, left in its wake are the stark realities of life in America. Rent and housing prices continue to skyrocket as paychecks remain relatively stagnant, forcing communities to make tough decisions. Meanwhile, the increasing price of gas means that car dependency is looking more and more like a questionable way of organizing our cities. That being said, crisis breeds opportunity.

The pandemic response has led to an influx of money and focus on local government. In November of 2021, Congress passed and President Biden signed the Bipartisan Infrastructure bill, which includes money to “repair the nation's roads, bridges and railways, bring high-speed

¹ <https://www.usmayors.org/>

internet to rural communities and more.”² The next year, in August of 2022, the Inflation Reduction Act was passed, again providing investment to cities and towns across the country. Mayors across the country are deciding how to spend this money, and what to spend it on.

² <https://www.npr.org/2023/01/01/1143149435/despise-infighting-its-been-a-surprisingly-productive-2-years-for-democrats>

Topic A: Mass Transit

Introduction

One of the most important issues for any city is how people get to, and from the city, and how they move inside it. America, more than most developed countries, is dependent on the car for most of its transportation needs. Car culture in America became synonymous with American individualism and the golden age of American consumerism. Critics on the other hand, note that car dependency creates increased reliance on fossil fuels, and makes it more difficult for poor Americans to escape from the cycle of poverty due to the price of car ownership and maintenance. America is built, in a very literal sense, on a car economy. From manufacturing driving economic prosperity to dealerships providing jobs in every county and city, approximately 4.5 percent of all U.S. jobs are supported by the strong presence of the auto industry in the U.S. economy. People in these jobs collectively earn over \$500 billion annually.³ Now, American cities are revisiting car reliance, and refocusing on the question of mass transit.

Historical Context

For most of human history, cities, towns, and villages were walkable. The baker, the tailor, and the blacksmith had to be within walking distance, as most people didn't have another way to get around. This changed slowly over time, with the horse and buggy making long distance travel more feasible, but it was an evolution that took place over centuries, not decades. This change began to accelerate in the 1800s.

Mass transit in America began in New York City, with a ferry connecting to New Jersey on the west and Brooklyn on the east, and the Omnibus, "a large horse-drawn wheeled carriage similar to a stagecoach yet open for service to the general public at a set fare."⁴ The Omnibus began to spread to other cities, and was soon a frequent sight in Boston, Philadelphia, Baltimore by the 1840s. While the Omnibus was too expensive to be used by everyone, it became popular amongst a certain population: the upper middle class. Those who could not afford a private stagecoach, but had the affluence and desire to commute to work instead of walking. They

³ <https://www.cargroup.org/publication/contribution-of-the-automotive-industry-to-the-economies-of-all-fifty-state-and-the-united-states/#:~:text=As%20previously%20mentioned%2C%20over%201.7,of%20nearly%208%20million%20jobs>.

⁴ <https://oxfordre.com/americanhistory/display/10.1093/acrefore/9780199329175.001.0001/acrefore-9780199329175-e-28?print=pdf>

developed a “riding habit” for the first time in history. Although getting around by foot remained the main source of mobility for most urban dwellers, “the walking city was slowly eroding.”⁵

The next major evolution was the “horsecar,” a horse powered railcar running along city streets. The horsecar was larger, cheaper, and provided a smoother ride than the previously available Omnibus. The horsecars were responsible for three important developments in the way Americans interacted with cities: they expanded the number of people who developed “riding habits” and they made it cheaper and easier to commute to the urban core from further out, paving the way for what would eventually become suburbs. Finally, “the street became more a place for mobility, diminishing the centrality of sociability, recreation, and other traditional street uses.” What was once a large urban market where people would walk became the home of streetcars and automobiles.

“No invention,” urban historian Kenneth Jackson has argued, “had a greater impact on the American city between the Civil War and World War I than the visible and noisy streetcar and the tracks that snaked down the broad avenues into undeveloped land.”⁶ By 1900, only one in ten American streetcars were still powered by the horse. The rest relied on electricity, often using the rails and cars formerly pulled by horses. The electric streetcar greatly increased the number of passengers able to ride on any car, increasing capacity, lowering fares, and opening up mass transit to broad swathes of the American public.

Most of these streetcars had been privately operated. That began to change when streetcars went underground. The first subway was constructed in Boston, financed publicly by The Boston Transit Commission. The New York Subway system also required massive public funding, “foreshadowing the growing role of the state in mass transit in the second half of the 20th century.”⁷ The hundreds of miles of subway and streetcar lines dramatically changed the shape of public life in America. The many streetcar lines that ran from to and from the central business districts increased accessibility to and from downtown, ironically increasing the density of downtowns, giving us the skyscrapers and department stores, but encouraging and enabling people to live far from where they worked and shopped. The electric streetcar allowed for a level of suburbanization that was simply impossible with the horse car. “The area of urban settlement expanded from two miles outside the old walking city core during the horsecar era to four miles during the first decade of electric streetcar service.” By the early 20th century, the “walking city” was all but extinct in America.

⁵ <https://oxfordre.com/americanhistorical/display/10.1093/acrefore/9780199329175.001.0001/acrefore-9780199329175-e-28?print=pdf>

⁶ Jackson, *Crabgrass Frontier*, 103.

⁷ <https://oxfordre.com/americanhistorical/display/10.1093/acrefore/9780199329175.001.0001/acrefore-9780199329175-e-28?print=pdf>

Of course, not everyone could afford the ten cent daily streetcar fare, forcing those who worked in the urban core but could not afford the fare to stay where they lived, slowly beginning the trend of impoverished inner cities.⁸ The outer boroughs, the proto-suburbs, were still far more dense than the suburbs spread across America today. These “streetcar suburbs” consisted of homes often set back from the street and surrounded by a yard, like our modern suburbs. Unlike modern suburbs, however, walkability remained important for at least some daily tasks and, crucially, for the journey to the nearby streetcar stop.

Mass transit saw its biggest growth from 1890 to 1905, when annual trips more than doubled from two billion nationally to five billion. The growth then began to slow, with only about a billion new trips added in the next decade. Mass transit in America reached its peak in 1926, with 17 billion annual trips. This slowdown in growth is directly related to the growth in use of the personal automobile. In 1910, Americans owned half a million automobiles. By 1920, they owned 8 million.⁹

The mere existence of the automobile was not enough to defeat American mass transit, and like all historical changes, a variety of factors are at play, with varying degrees of importance. One of the key drivers of mass transit's decline was the fact that while they often were funded with public money, they were almost always privately owned. This led to them not being seen as a public service, but as a profit seeking business. This led to a lack of public will to finance much needed upkeep and repairs, upkeep and repairs which the transit authorities could not afford because the public would not allow them to raise rates.¹⁰ The automobile was also suffering from poor public perception, viewed as an unsafe encroachment on streets that were still largely pedestrian dominated. The automakers successfully countered, appealing to the always effective “individual freedom” argument. This, combined with extensive lobbying of policymakers, allowed for the automobile to win key policy fights, often at the expense of pedestrians and the transit industry.¹¹ Busses also began to replace the streetcar in the early 1900s, complicating the argument that cars spelled the end of mass transit.

As discussed in Topic B, massive suburbanization occurred in the aftermath of the Second World War. Part of this was GI Bill funding Levittowns, but another key component was the expansion of the highways, allowing for people to work in the urban core while living miles away, spelling the end of American reliance on mass transit and marked the true beginning of America as “car country.”¹² This trend was cemented with the 1956 passage of the Federal Aid Highway Act, which dedicated twenty-five billion dollars to build more than forty thousand

⁸ Nye, *Electrifying America*, 96–97.

⁹ Cudahy, *Cash, Tokens, and Transfers*, 152.

¹⁰ . *Post*, *Urban Mass Transit*, 66–67.

¹¹ Peter Norton, *Fighting Traffic: The Dawn of the Motor Age in the American City* (Cambridge, MA: MIT Press, 2008), 8– 11.

¹² Christopher Wells, *Car Country: An Environmental History*.

miles of highways across the country, which was then followed, decade after decade, with billions more dollars and thousands more miles, often running right through the old cities.

The cities were carved up by these highways, with expressways running through and even demolishing thriving neighborhoods. The neighborhoods destroyed were often minority communities, who were then deprived of their economic core. Peter Norton notes that “many neighborhoods, predominantly black, were wiped out and turned into surface parking and highways.”¹³ Parking lots don’t generate economic growth, and as the car replaced the streetcar, “white flight” took tax dollars away from the cities, leaving them without the economic means to rebuild what the highways had destroyed.

Now, 85% percent of Americans drive to and from work, and while cities have rebounded, they remain defined by the highways that connect them. There is no going back. While some cities are tearing down their highways and rebuilding their transit infrastructure, cars remain a key part of American life, and many are happy with that. Even for those who are not, there is no way for someone who lives in New York to visit a relative who lives in rural or suburban America without using a car.

Current Issues

The central issue in reducing car dependency, if that is your goal (and it may not be) is access. Even if one lives somewhere where they do not need a car, if they wish to travel they will likely need one to either get where they are going, or to get around their destination upon arrival. You can fly from New York to LA, but you cannot take a subway, walk, or bike, to where you want to go.

Zoning

Zoning, which will be important in both of these topics, is very important in the mass transit conversation. Zoning has been used to promote car dependency “by requiring developers to finance and construct parking.”¹⁴ Another key density question is density. This is because density is often necessary for creating a mass transit system. In order for mass transit to be truly effective, it needs to be within walking distance of your home; if you have to drive to the metro station, you may as well drive all the way to work.

Intercity Connection and Intracity Connection

¹³ <https://www.vox.com/2015/5/14/8605917/highways-interstate-cities-history>

¹⁴ <https://urbandesigndesignforum.org/zone-for-mass-transit/#:~:text=Zoning%20has%20generally%20promoted%20automobile,entrances%20and%20improve%20station%20accessibility.>

Two related concepts are obstacles to mass transit. Intracity connection refers to how people get around inside a city, be it driving, taking the bus, or taking the metro to work. Intercity connection refers to the connective tissue that ties one city to another. This includes the interstate highway system, America's network of airports, and commuter rail lines like Amtrak. These are related, because without a solid intercity mass transit system, the intracity connection becomes less useful. This causes a lack of public pressure for intercity connectivity, "limited transit service available in most American cities means that demand will never materialize—not without some fundamental changes."¹⁵ This does not mean that the US has no intercity rail connection, nor does it mean one must come before the other. Another key problem with the intercity rail is "None of the nation's rail lines are built for trains to run 200 mph. Amtrak's Northeast Corridor — the busiest intercity U.S. passenger route by a wide margin — is filled with sharp curves, bottlenecks, decaying tunnels, bridges and overhead power lines that slow down trains. The corridor needs billions of dollars for basic improvements and to accommodate high-speed service."¹⁶ Solving this problem would not be inexpensive, and so policymakers must make decisions about where that money would come from.

Bloc Positions

Blocs will be shifting on each issue in the committee, large northeastern cities may wish to focus on connecting their cities together, while southwestern cities may wish to focus on the issue of creating mass transit inside their cities. Small cities may wish to ensure they are a stop on any transit developments, large cities may wish to have nonstop connection to each other. Cities with large automobile manufacturing may wish to oppose mass transit altogether, as may suburban cities who like their infrastructure the way it is. Additionally these blocs may shift from issue to issue, and there is no right answer.

¹⁵ <https://www.bloomberg.com/news/articles/2018-10-10/why-public-transportation-works-better-outside-the-u-s>

¹⁶ <https://www.scientificamerican.com/article/why-high-speed-bullet-trains-wont-work-in-the-u-s-right-now/#:~:text=They%20include%3A,lines%20that%20slow%20down%20trains.>

Topic B: Housing Programmes

“The day after Pearl Harbor, my grandfather signed up for duty, joined Patton's army, marched across Europe. Back home my grandmother raised a baby and went to work on a bomber assembly line. After the war, they studied on the GI Bill, bought a house through FHA and later moved west, all the way to Hawaii, in search of opportunity”

-Barack Obama

Introduction

The median rent price in New York City jumped 56%, over 12,000 dollars a year, between December 2020 and December 2022. Across the river in Jersey City, rents jumped 70%. This is not just a New York problem: in cities across the country rents are exploding.¹⁷ At the same time, home ownership is becoming increasingly difficult: only 11% of homes sold in the first quarter of 2023 were less than \$300,000.¹⁸ This is hitting cities the hardest, causing an estimated 582 thousand people to be homeless in 2022, disproportionately affecting racial minorities and people with disabilities.¹⁹

Historical Context

The New Deal

Large scale housing policy in America did not develop in America until the New Deal. The first action was the 1934 passage of the National Housing Act, which created the Federal Housing Administration (FHA) “to encourage improvements in housing standards and conditions.”²⁰ The FHA was enormously successful, and helped an estimated 12 million people improve their housing conditions by 1939. The law's effects, however, were not evenly distributed. According to author Richard Rothstein, the FHA was a “state-sponsored system of discrimination” that was, “primarily designed to provide housing to white, middle-class, [and] lower-middle-class families.”²¹ This policy, known as redlining, would establish many of the patterns that would recur throughout the next century.

¹⁷ <https://www.cnbc.com/2022/12/18/us-cities-expected-to-have-highest-rent-prices-in-2023.html>

¹⁸ <https://www.cnbc.com/2023/07/12/gen-z-and-millennial-homebuyers-arent-purchasing-starter-homes.html>

¹⁹ <https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness/#key-facts>

²⁰ <https://nurseledcare.phmc.org/advocacy/policy-blog/item/641-a-brief-history-of-housing-policy-in-the-u-s.html>

²¹ *The Color of Law*

The Patterns Continue

The aftermath of the Second World War led to massive suburbanization. When soldiers returned home from Europe and the Pacific, they faced a housing crisis. A Long Island building contractor named Arthur Levitt found the solution. He brought mass production techniques to suburban home construction, building as many as 150 homes a week.²²

The Servicemen's Readjustment Act of 1944, more commonly known as the G.I. Bill created the suburbs as we know them. Nearly 20% of all new homes built after the Second World War would be built with G.I. Bill funds. This money was not available to everyone, however. Black Americans were often denied money from the bill, denied home loans, and even when they could get the money, denied access to the new neighborhoods being built.²³ Cyd McKenna, whose father was a black veteran, wrote that "white veterans were able to use the home loan benefit to purchase a house and gain a foothold in the middle class, while blacks were systematically excluded from similar advantages."²⁴ This cemented two related phenomena that continue to this day: an enormous racial wealth gap and the segregated suburbs.

The Great Society

In his 1964 state of the union address, President Lyndon Johnson declared "unconditional war on poverty."²⁵ The 1965 Housing and Urban Development act was an important weapon in this war. It established the Department of Housing and Urban Development (HUD), as well as Section 23 programs, which "allowed HUD to pay housing owners on an annual basis"²⁶ in order to supplement the rents of those who could not afford the sticker price.

Another key Great Society development Title VIII of the Civil Rights Act of 1968 "prohibited discrimination concerning the sale, rental, and financing of housing based on race, religion, [and] national origin."²⁷ This section is now referred to as the Fair Housing Act. This was an enormous positive step in the right direction, ending de facto segregation in housing. It did not, however, end de jure segregation. Nor did it totally prevent the explicit discrimination it purported to outlaw. According to a Government Accountability Office report, "HUD's limited approach to establishing regulatory requirements, and its limited oversight and enforcement

²² <https://edsitement.neh.gov/lesson-plans/building-suburbia-highways-and-housing-postwar-america>

²³ <https://www.archives.gov/milestone-documents/servicemens-readjustment-act#:~:text=Signed%20into%20law%20by%20President,WWII%20and%20later%20military%20conflicts.>

²⁴ <https://dspace.mit.edu/bitstream/handle/1721.1/44333/276173994-MIT.pdf?sequence=2&isAllowed=y>

²⁵ [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4266933/#:~:text=In%20his%20first%20State%20of,prevent%20it%E2%80%9D%20\(1965\).](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4266933/#:~:text=In%20his%20first%20State%20of,prevent%20it%E2%80%9D%20(1965).)

²⁶ <https://www.forbes.com/sites/rogervaldez/2023/02/09/series-a-brief-history-of-the-section-8-housing-voucher-program/?sh=5f071dbe511f>

²⁷ https://www.hud.gov/program_offices/fair_housing_equal_opp/aboutfheo/history

approaches” created potential for illegal discrimination to go unnoticed by the department meant to regulate it.

Section 8

Section 8 of the Housing Act of 1937 authorizes the payment of rental housing assistance to private landlords on behalf of low-income households in the United States. This Section has been repeatedly amended, and covers a wide variety of housing assistance programs, including “the Housing Choice Voucher program and the project based rental assistance program.”²⁸ Vouchers are portable subsidies that low-income families can use to lower their rents in the private market. Vouchers are administered at the local level by quasi governmental public housing authorities (PHAs). Project-based rental assistance is a form of rental subsidy that is attached to a unit of privately owned housing. Low-income families who move into the housing pay a reduced rent, on the basis of their incomes.

These benefits are not universal and “because of funding limitations, only one in four households that are eligible for vouchers receive any form of federal housing assistance. Most areas have long and growing waiting lists for vouchers, and a 2004 study found that 40 percent of the housing agencies examined had closed their waiting lists to new applicants because the lists had become so long.”²⁹ While public housing is crucial for many families, it is also not a complete solution to the housing crisis unless one believes that the government should have complete control over the housing market.

Faircloth Amendment

In 1999, President Bill Clinton signed an amendment to the United States Housing Act of 1937, known as the Faircloth Amendment, in which Section 9(g)(3) says that “a public housing agency may not use any of the amounts allocated for the agency from the Capital Fund or Operating Fund for the purpose of constructing any public housing unit, if such construction would result in a net increase from the number of public housing units owned, assisted, or operated by the public housing agency on October 1, 1999, including any public housing units demolished as part of any revitalization effort.”³⁰ What does this mean in English? It means that the absolute number of units of Public Housing may not exceed the number of units which existed on October 1, 1999. This Amendment, buried in the bowels of the Federal Code, little noticed, has prevented construction of new public housing with federal funds for more than two decades.

²⁸ https://www.everycrsreport.com/files/20140207_RL32284_c06c87f7a9b055ade32ee0ca1e2bd69c17c89ecb.pdf

²⁹ <https://www.cbpp.org/sites/default/files/atoms/files/5-15-09housing.pdf>

³⁰ <https://www.avp.pr.gov/documentos/formularios-y-documentos/Manual-de-Procedimientos-2014/Apendices/U-S-Housing-Act-of-1937-Section-6c.pdf>

The 08' Financial Crisis

While most of this background guide has focused on federal intervention in the housing market, the vast majority of housing is not federally subsidized. There is not enough room here to discuss the complex causes and effects of the 2008 financial crisis, but it had a disastrous effect on home ownership rates. Among those homeowners who lost their home in the crisis, only about 35 percent have now purchased another home.³¹ Another part of the fallout is that while the crisis was caused by over-lenient lending to home buyers, the system has corrected into extreme caution. While this caution is not necessarily bad, it has made it more difficult for some to purchase homes. This is particularly true with regard to the focus on credit scores, “if your credit score is less than 620, you’re not likely to qualify for a loan at all and unless your score is 760 or above, you’ll pay a little extra in interest on a conventional loan.”³²

COVID

The Covid pandemic had an enormous impact on the rental market. Rental costs have increased across the country during the pandemic. “Virtually all areas of the United States experienced an acceleration in rental prices from the first part of the pandemic—May 2020 to May 2021—to the latter part—May 2021 to May 2022.”³³ During the pandemic large corporations began buying up enormous numbers of homes, depriving consumers of the opportunity to purchase these homes, instead renting them, often at a steeper monthly fee than a consumer would have paid monthly for their mortgage.

Current Issues

Zoning

The most popular and commonly cited solution to the housing crisis is zoning reform. The primary responsibility of urban governments,³⁴ zoning can take many forms: regulating the allowed usage of an area, limiting the number of people in a lot, controlling the transfer of property in a region, etc. A common type of zoning is usage-based zoning, which creates

³¹ <https://www.washingtonpost.com/news/business/wp/2018/10/04/feature/10-years-later-how-the-housing-market-has-changed-since-the-crash/>

³² <https://www.washingtonpost.com/news/business/wp/2018/10/04/feature/10-years-later-how-the-housing-market-has-changed-since-the-crash/>

³³ <https://www.americanprogress.org/article/the-rental-housing-crisis-is-a-supply-problem-that-needs-supply-solutions/>

³⁴ Peterson, 4.

different districts that have buildings with similar usages concentrated near one another.³⁵ This was originally intended primarily to separate residential areas from undesirable industrial waste, but it evolved into an urban planning catch all.³⁶ Now almost every plot of land in the United States is zoned by usage, strictly prohibiting any non-intended use on these properties.

Every municipality has a different process to change an area's zoning, however, most places have a petition system. First, if a group or individual desires to rezone an area and use it for a purpose other than the one it was originally designated for, they must petition the government themselves. Then, local officials review the petition and decide whether to approve it or not. This process is long and difficult. Most petitions take more than a year to be approved, there are many fees/costs involved, and many are also rejected, meaning that beginning the rezoning process is exceptionally risky.³⁷

In regards to the current housing problem, this means communities are unable to evolve and develop on their own. If the population in an area increases (and with it, demand for housing) it can take decades before the city's zoning allows for enough construction to match demand, thus prices are increased.³⁸ In addition to this, rezoning is a classic collective action problem, since residents are disincentivised to take part in rezoning petitions due to the associated high costs.³⁹ Therefore, large commercial establishments have an advantage in city planning, with large swathes of property zoned for commercial-use despite the detriment to the housing supply and therefore home prices.⁴⁰

YIMBYs and NIMBYs

Any discussion of housing policy in the United States is incomplete without discussing the two major camps, both highly localized, within the discussion. YIMBY, which stands for "yes, in my backyard" and NIMBY, which stands for "not in my backyard" dominate the battles that play out in town halls across America. NIMBYs want to keep density low and property values high. They worry that new housing construction, specifically low income housing, will reduce the value of their home. Because home ownership is one of the most important wealth generation mechanisms in America, this is not an insignificant concern. YIMBYs, on the other hand, believe in increasing density in order to reduce overall housing costs so that more people can afford housing.

³⁵ Vanessa B. Calder, "Zoning, Land-Use Planning, and Housing Affordability," Cato Institute Policy Analysis, no. 823 (October 2017): 2-3.

³⁶ Calder, 3-5.

³⁷ Salim Furth and Chris W. Ewen, "Mostly Invisible: The Cost of Valid Petitions in Texas," Mercatus Center George Mason University Policy Brief, February 2023, 3-6.

³⁸ Calder, 8-11.

³⁹ Furth and Ewen, 1-3.

⁴⁰ Furth and Ewen, 5-6.

Supply and Demand

The biggest issue facing cities as it relates to housing is a simple one: there are not enough houses. According to the most recent estimates from Freddie Mac, the country is short about 3.8 million units of housing, both for-rent and for-sale. This is in part due to a new player in the housing market: the large institutional investor. Large firms like Blackrock have the ability to purchase vast quantities of homes and use them as rental properties. Institutional investors purchased 13.2 percent of all properties sold in 2021, and bought those homes for 26 percent lower than the state median prices during that period.⁴¹ The ability of institutional investors to purchase in bulk places the average consumer at a disadvantage when looking to purchase a home, and specifically disadvantages those looking to own a home for the first time.

Renting

While most of this conversation has focused on home ownership, as of 2019 about 36% of Americans rented their homes, a number that has likely grown since then.⁴² In fact, home ownership is at a 50 year low. This is now, however, a matter of consumer choice. The vast majority of Americans see home ownership as a crucial part of their American Dream. Additionally, this lack of home ownership is not evenly distributed, “about 58% of households headed by Black or African American adults rent their homes, as do nearly 52% of Hispanic- or Latino-led households.”⁴³ Home ownership is not just a matter of pride, it is also an enormous boon to individual financial stability. According to Forbes, “a typical homeowner’s net worth was \$195,400, while that of renter’s was \$5,400 as of 2013.”⁴⁴ This, combined with the aforementioned speculation in the housing market by institutional investors is leading to a squeeze in rental prices, driving them through the roof. And, because wages have failed to keep up, Americans are paying ever larger chunks of their paychecks just to keep a roof over their heads.

⁴¹ <https://www.bankrate.com/real-estate/how-investors-affect-housing-shortage/>

⁴² <https://www.nytimes.com/2023/01/25/realestate/rent-burdened-american-households.html>

⁴³ <https://www.pewresearch.org/short-reads/2021/08/02/as-national-eviction-ban-expires-a-look-at-who-rents-and-who-owns-in-the-u-s/>

⁴⁴ <https://www.forbes.com/sites/lawrenceyun/2016/08/12/why-homeownership-matters/?sh=46f6640f480f>