

# Housing Policies in Practice: A Dive into the Evidence

## Housing Policies in Practice

Hussain Hadah (he/him)

08 April 2025



# Overview of the Evidence

We will go over several papers that study the effect of housing policies on affordability

Will will cover the impact of:

1. Exclusionary Zoning
2. Homeowners Associations
3. Redlining
4. Upzoning

# Exclusionary Zoning



# Definition

Exclusionary zoning refers to the practice of using zoning ordinances to exclude certain types of land uses from a given community

It has been used to exclude low-income families and minorities from living in certain neighborhoods

First laws were passed in 20th century to prevent the construction of affordable apartments



Aaronson Et Al. (2020) & Aaronson Et Al. (2021)



# Overview

What is the long-run effects of the 1930s Home Owners' Loan Corporation (HOLC) redlining maps on socioeconomic status and economic mobility?

# Overview

What is the long-run effects of the 1930s Home Owners' Loan Corporation (HOLC) redlining maps on socioeconomic status and economic mobility?

Redlining reduced home ownership rates, house values, and rents and increased racial segregation in later decades

People born in 1970s and 1980s were significantly affected by the HOLC maps

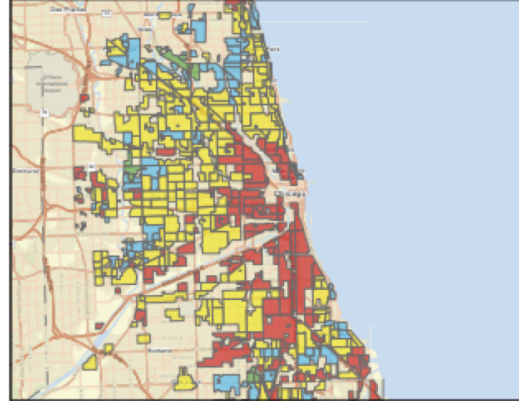
# Background: Redlining

## Redlining

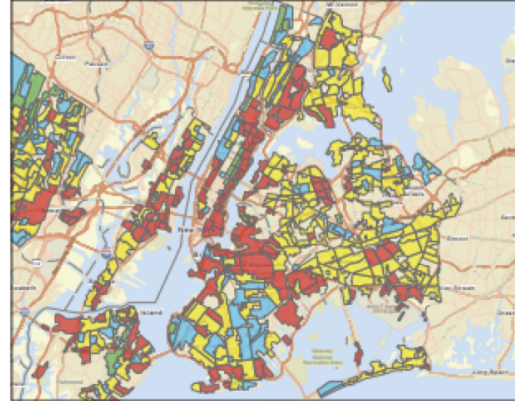
Derived from the red shading that demarcated the lowest-ranked D neighborhoods in which the racial makeup of neighborhoods were explicit factors that were often pivotal in assigning grades.

# HOLC Maps

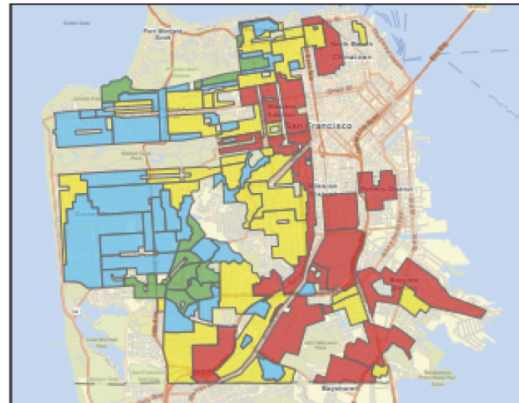
Panel A. Chicago



Panel B. New York



Panel C. San Francisco



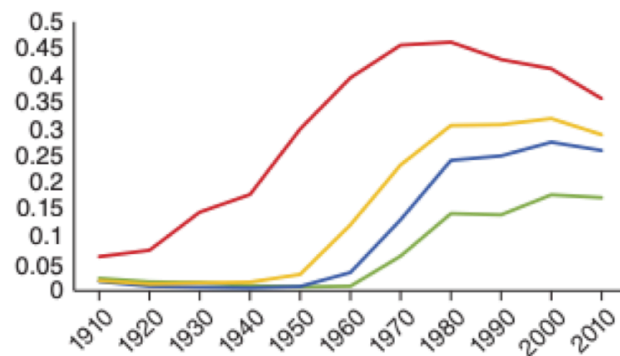
HOLC grades  
(in order of riskiness):  
A = green (least)  
B = blue  
C = yellow  
D = red (most)  
Not colored = unclassified

FIGURE 2. HOLC MAPS FOR CHICAGO, NEW YORK, AND SAN FRANCISCO

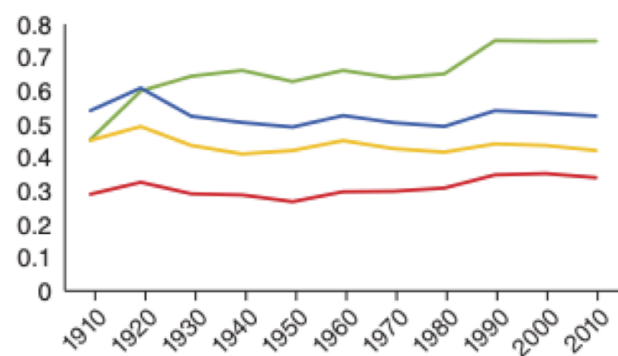
*Note:* Maps digitized by the Digital Scholarship Lab at the University of Richmond.

# Summary Statistics

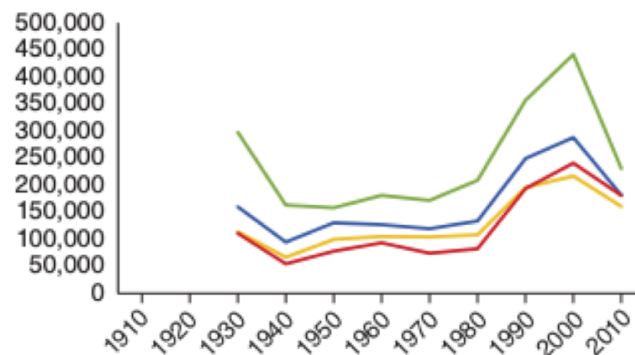
Panel A. Share African American



Panel B. Home ownership



Panel C. House values



Panel D. Rent

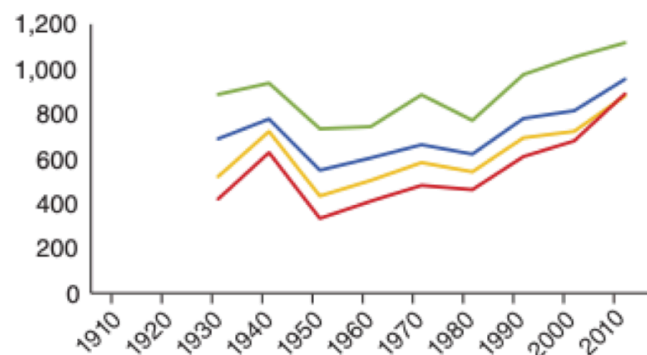


FIGURE 3. MEAN OUTCOMES, BY HOLC NEIGHBORHOOD GRADE AND TIME

# Effect of Redlining: D-C Border



FIGURE 4. MAIN EFFECTS ALONG D-C BOUNDARIES, BY OUTCOME

*Notes:* The treatment estimates (blue lines) are derived from a quarter-mile buffer zone around the D-C boundaries. The comparison boundaries are based on a quarter-mile buffer zone drawn around grids over each city and weighted by propensity scores to mirror pre-map trends (see text for more detail). Vertical bands denote 95 percent confidence intervals.

# Effect of Redlining: C-B Border

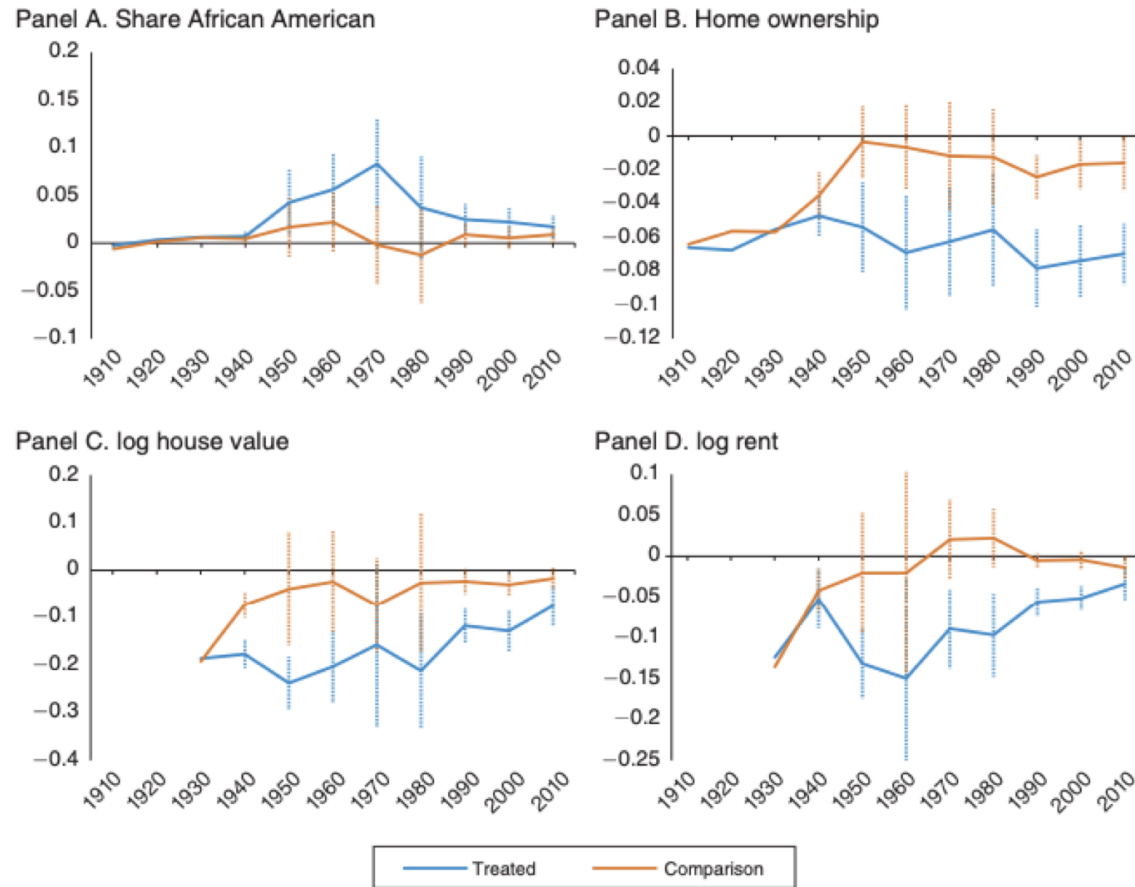
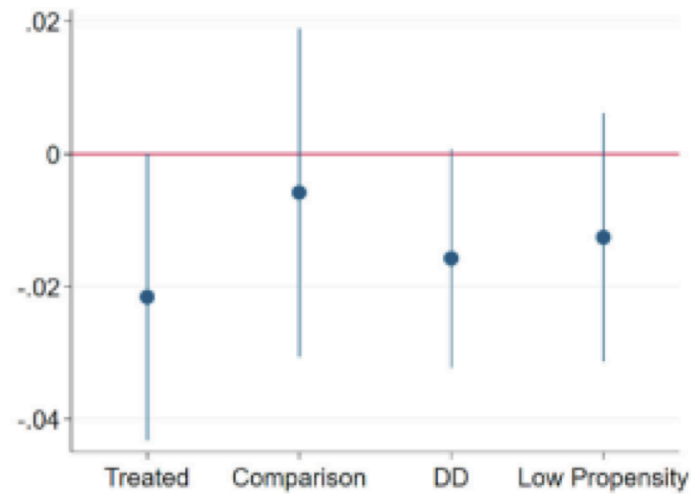


FIGURE 5. MAIN EFFECTS ALONG C-B BOUNDARIES, BY OUTCOME

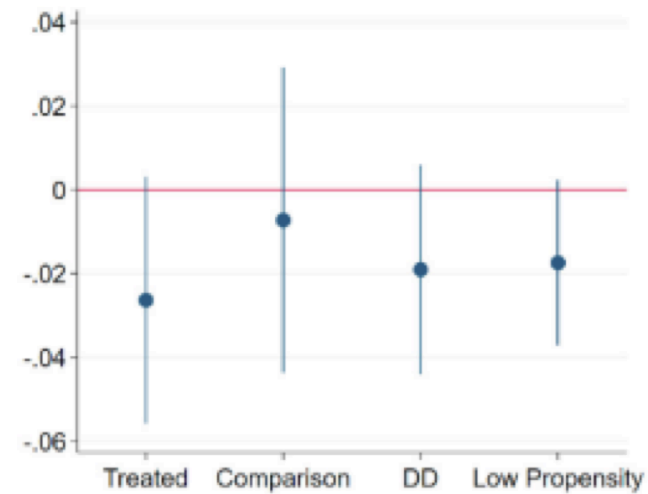


# Effect of Redlining: Income & Upward Mobility

Panel A: Household Income Rank at Age 29

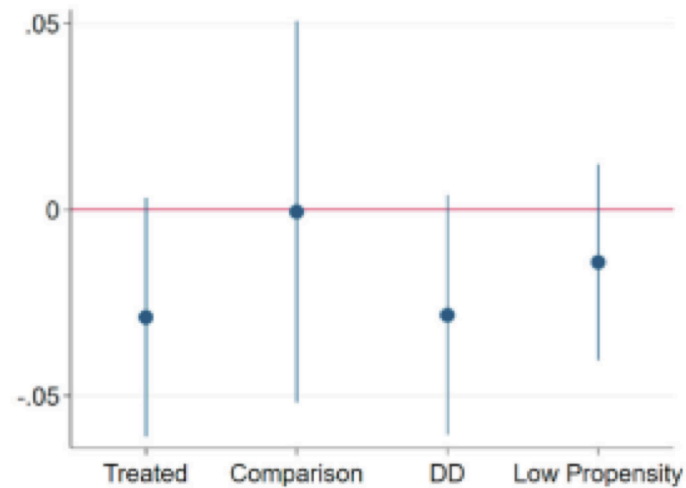


Panel B: Probability of Reaching Top Quintile

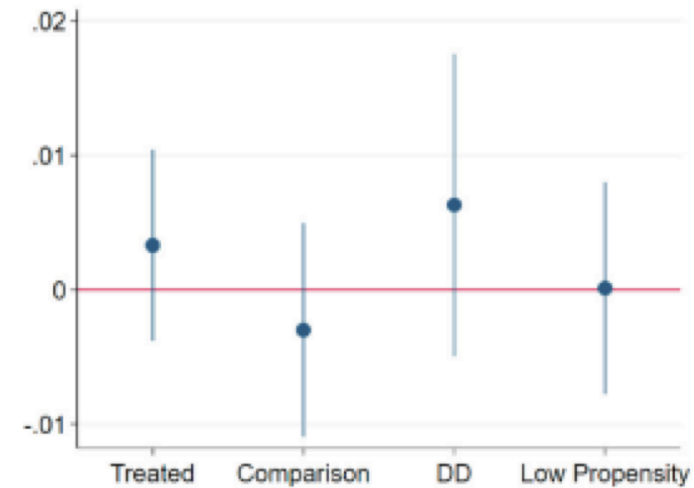


# Effect of Redlining: Poverty & Incarceration

Panel C: Fraction Living in a Low Poverty Tract

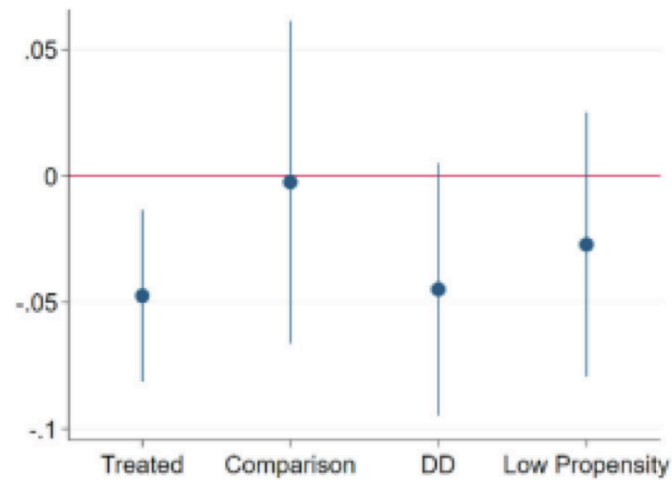


Panel D: Fraction Incarcerated

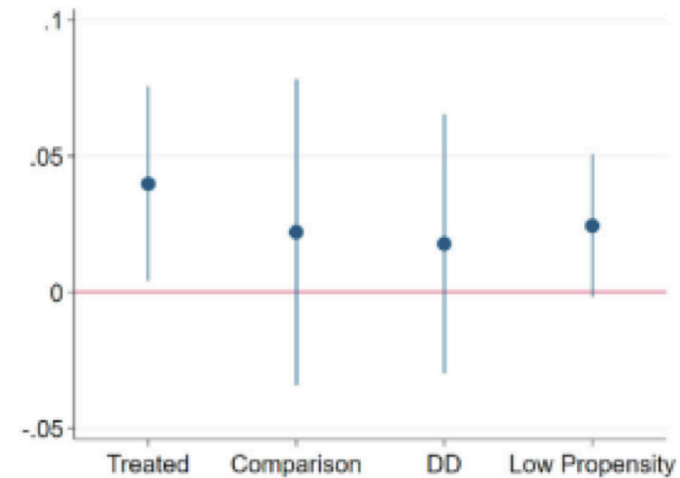


# Effect of Redlining: Family Structure

Panel E: Fraction Claimed by Two Adults



Panel F: Fraction of Women with Dependent when Age 13-19



# Clarke and Freedman (2019)



# What is the relationship between being in a homeowners association and housing prices?

Having an HOA increases housing prices by 4.2% on average

HOAs has a large effect on income and racial segregation

# Relationship between HOAs and Diversity

**Table 4**  
Racial diversity of HOA blocks.

	Diversity			
HOA block	0.062*** (0.007)	0.013* (0.007)	−0.011*** (0.004)	−0.018*** (0.003)
Log population		0.063*** (0.004)	0.054*** (0.002)	0.041*** (0.001)
State FEs			✓	
County FEs				✓
Observations	3.6 M	3.6 M	3.6 M	3.6 M

Notes: Unit of observation is a census block. Diversity represents the probability that any two randomly drawn individuals from a census block are of different races (where the races include white, black, Asian, and other). Standard errors (in parentheses) are adjusted for heteroskedasticity and clustered at the county level. Significant at the \*10% level, \*\*5% level and \*\*\*1% level.

# Song (2021)



# How do zoning restrictions affect housing prices, construction, and segregation?

Zoning restrictions increases:

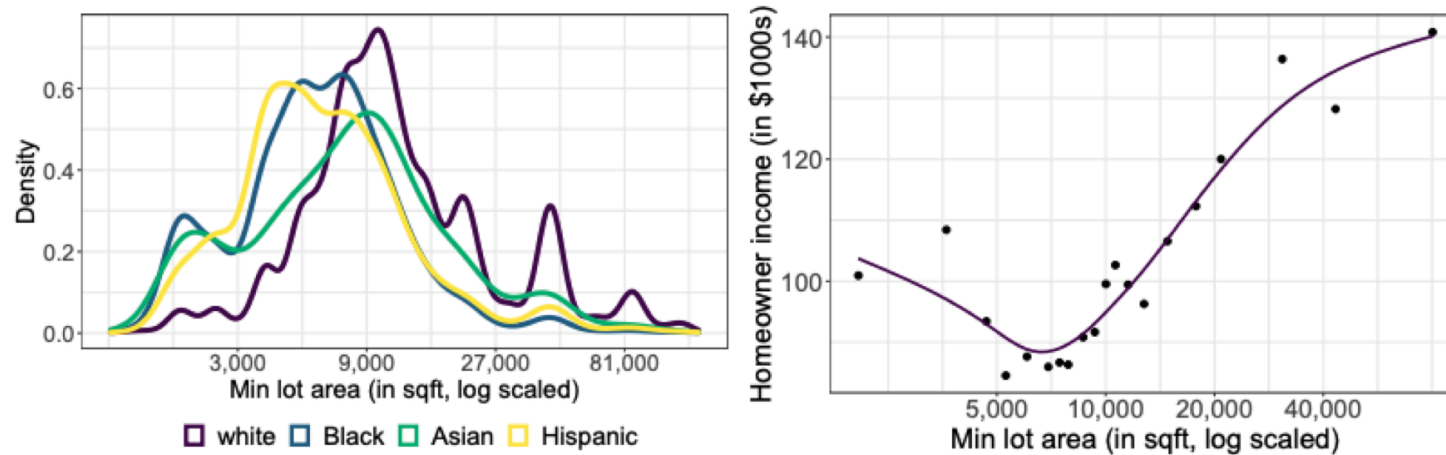
**A 100% increase in minimum lot size increases:**

1. Housing prices by 14%
2. Rent by 6%
3. Intensity of segregation



# Minimum Lot Size and Segregation

**Figure 4 — Patterns of Residential Sorting by Zoning Stringency**



# Minimum Lot Size and Housing Prices and Rent

**Table 2—Decomposing the Effects of Minimum Lot Areas on Sales Price and Rent**

	Outcome variables									
	log sales price					log rent				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b><i>Zoning stringency</i></b>										
log min lot area	0.184 (0.006)	0.103 (0.007)	0.063 (0.004)	0.108 (0.005)	0.024 (0.003)	0.080 (0.006)	0.040 (0.007)	0.032 (0.004)	0.049 (0.005)	0.015 (0.004)
<b><i>Building characteristics</i></b>										
log lot area		0.119 (0.006)	0.055 (0.004)		0.053 (0.004)		0.060 (0.005)	0.028 (0.003)		0.027 (0.003)
log building area			0.613 (0.007)		0.593 (0.007)			0.369 (0.009)		0.360 (0.009)
age (50 years)			−0.151 (0.003)		−0.145 (0.003)			−0.110 (0.005)		−0.109 (0.005)
<b><i>Neighborhood characteristics</i></b>										
% white				−0.005 (0.047)	0.178 (0.053)				0.044 (0.066)	0.056 (0.065)
% Black				−0.281 (0.065)	−0.308 (0.066)				0.003 (0.102)	−0.001 (0.100)
% Asian				0.266 (0.064)	0.153 (0.068)				0.321 (0.090)	0.417 (0.092)
log median income				0.942 (0.012)	0.492 (0.011)				0.474 (0.020)	0.442 (0.020)

# Jarvis (2021)



# What is the effect of NIMBYism on local planning?

## What is NIYMBYism?

- Not In My Backyard (NIMBY) is a term used to describe opposition by residents to a proposal for a new development close to them

# What is the effect of NIMBYism on local planning?

## What is NIYMBYism?

- Not In My Backyard (NIMBY) is a term used to describe opposition by residents to a proposal for a new development close to them
- The author finds strong local opposition to wind projects
- Increased wind power deployment costs by 10-29%

# What is the effect of NIMBYism on local planning?

## What is NIYMBYism?

- Not In My Backyard (NIMBY) is a term used to describe opposition by residents to a proposal for a new development close to them
- The author finds strong local opposition to wind projects
- Increased wind power deployment costs by 10-29%
- Similar opposition could and does apply to local housing projects

# Example of NIMBYism

- Tree Murder Song
- Egg Lady
- New apartments mean new housing but what about the poor Zucchini in her backyard
- The Falafel Gambit
- Right here in Nola opposition to zoning law change that could create 150 to 200 new jobs

# Example of NIMBYism

- Tree Murder Song
- Egg Lady
- New apartments mean new housing but what about the poor Zucchini in her backyard
- The Falafel Gambit
- Right here in Nola opposition to zoning law change that could create 150 to 200 new jobs

So, is local opposition to projects democratic?





# Greenaway-McGrevy and Phillips (2023)



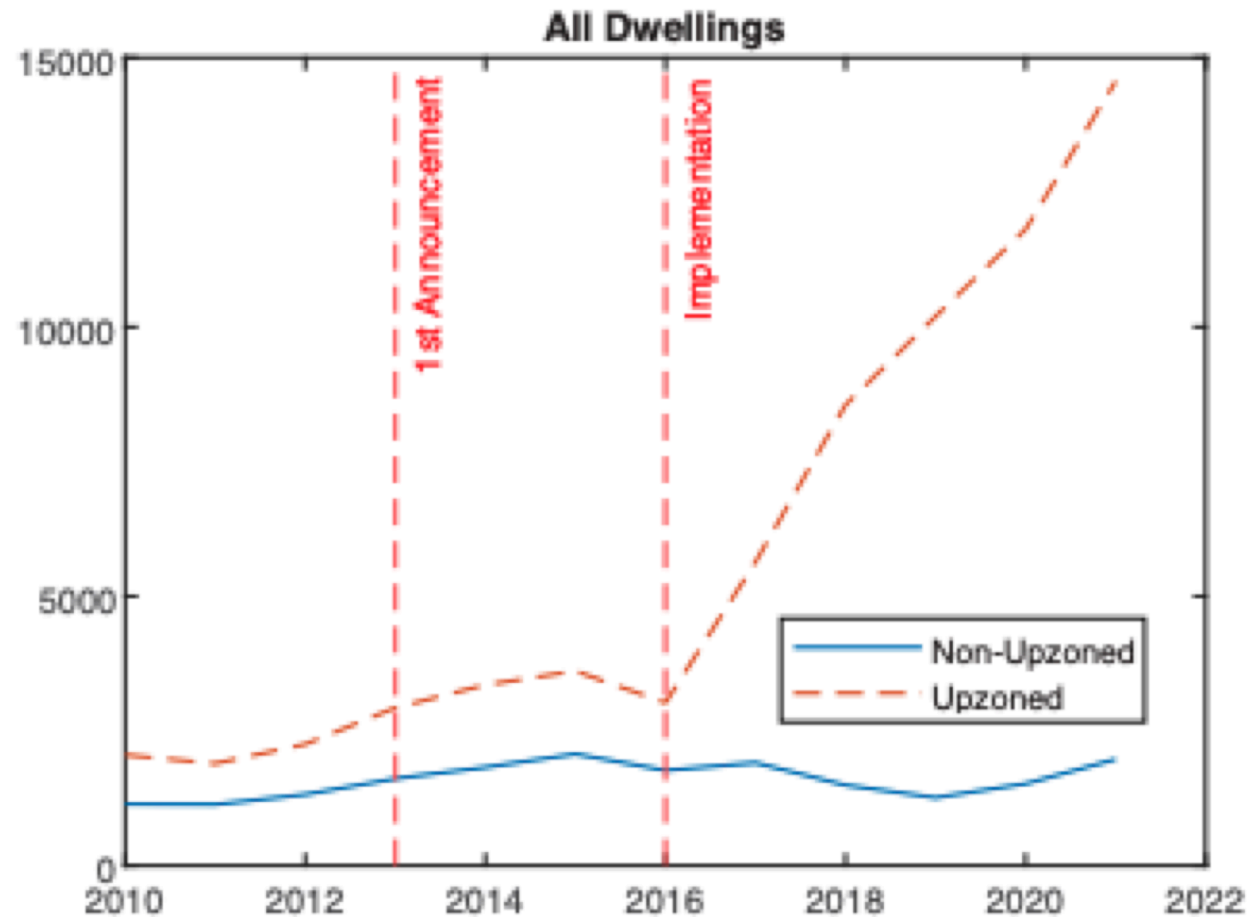
# What is the impact of upzoning on construction?

- Upzoning is when single family zoning restrictions are loosened

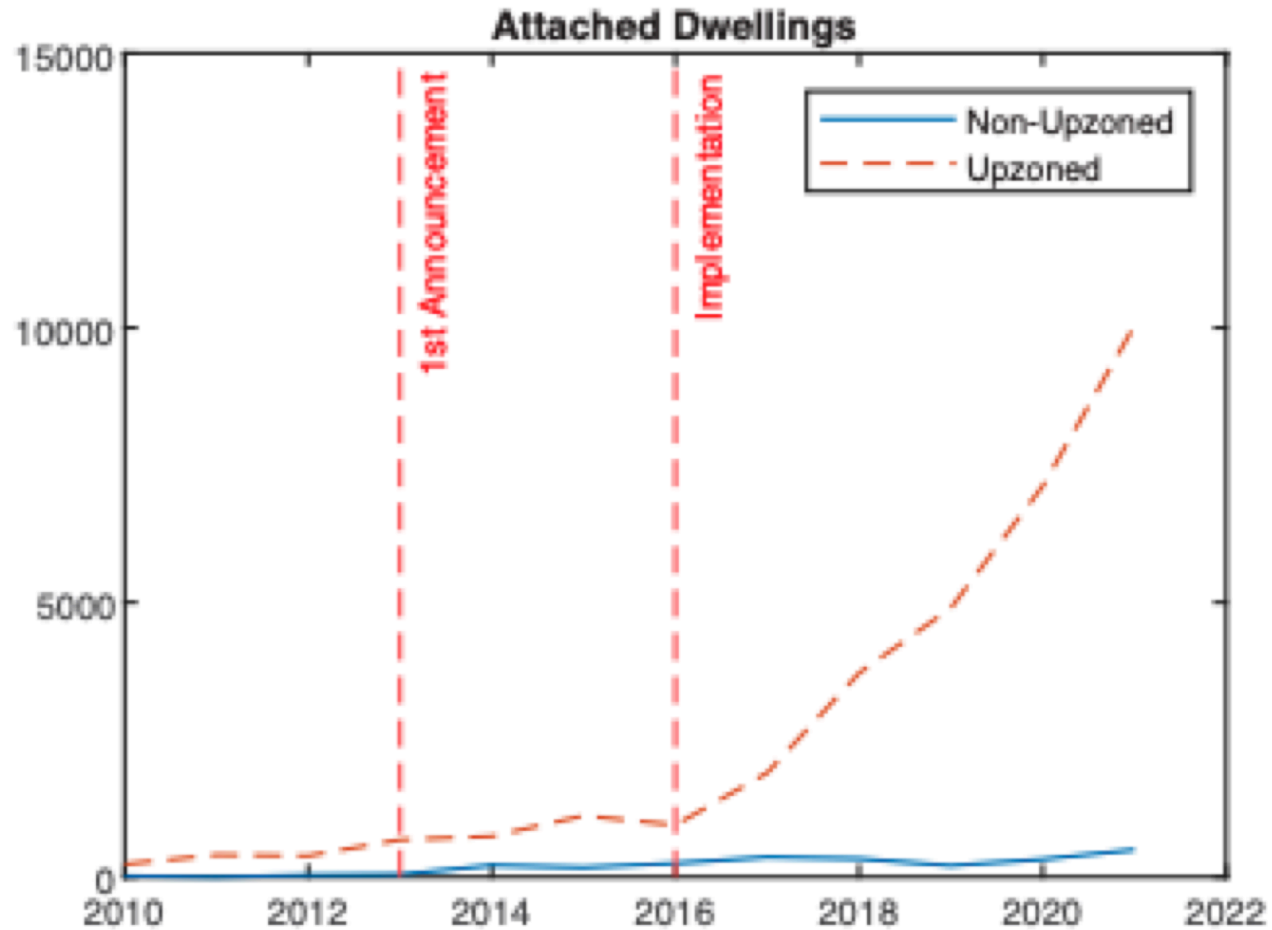
Upzoning stimulated construction

Upzoning can stimulate housing supply

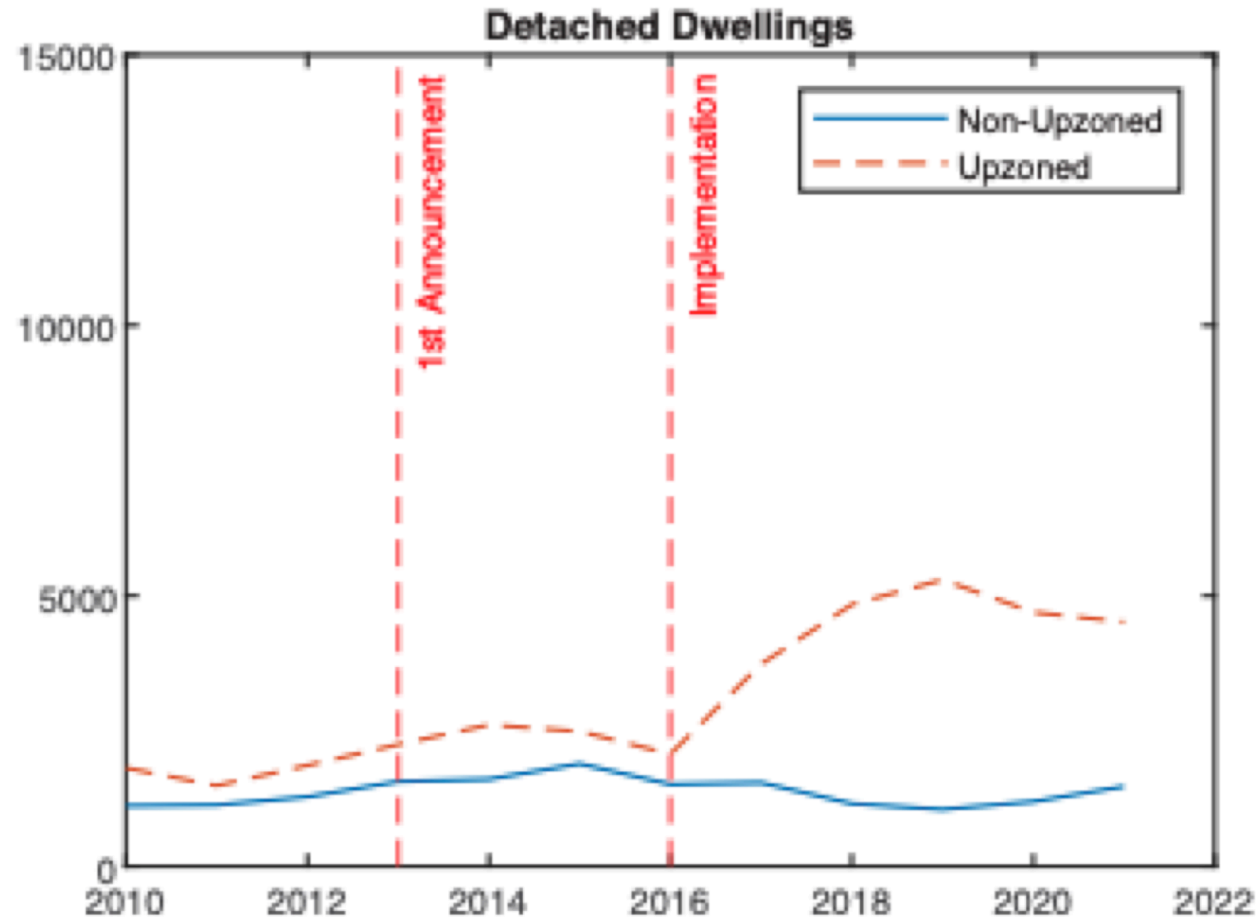
# Upzoning stimulates construction



# Upzoning stimulates construction



# Upzoning stimulates construction



# Upzoning stimulates construction

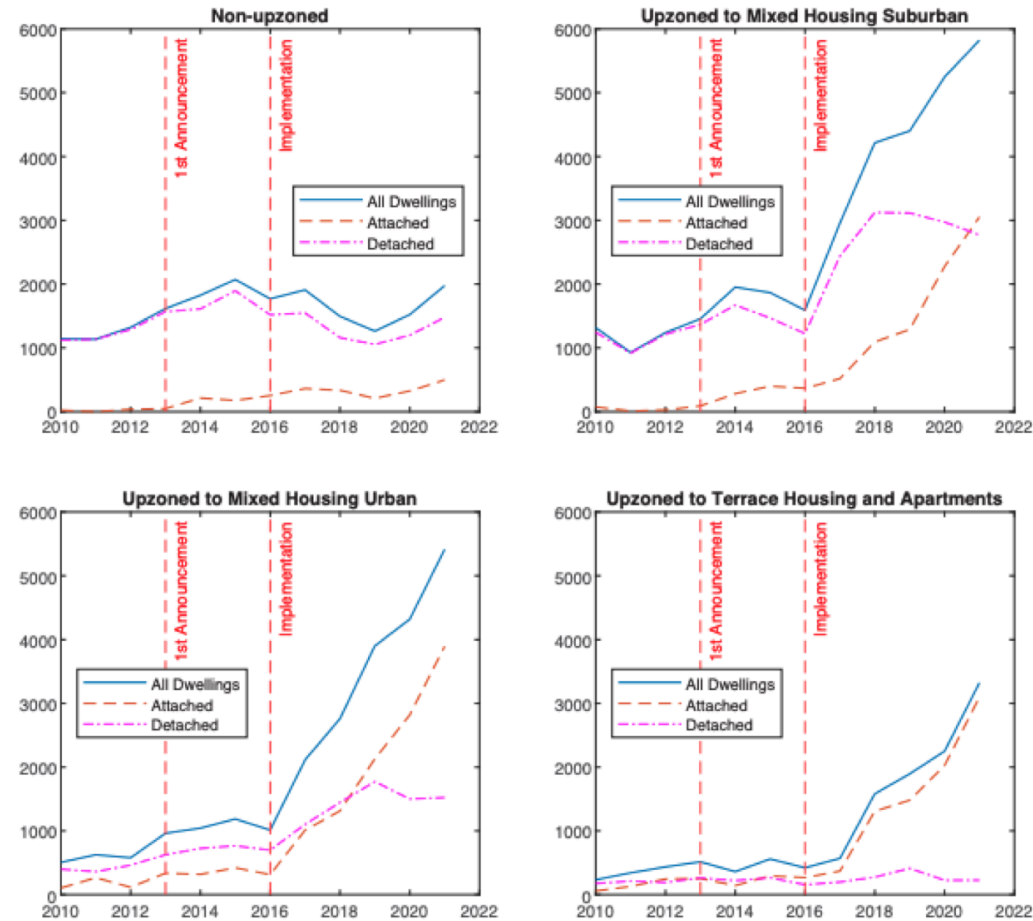


Fig. 5. Dwelling permits by residential zone, 2010–2021. Notes: Dwelling permits issued in non-upzoned and upzoned residential areas.