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Comment on “Does the Likely Demographics of Affordable Housing Justify NIMBYism?”

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Wassmer and Wahid (2019) ask whether not-in-my-backyard (NIMBY) attitudes are justified given the “likely demographics” of affordable housing. Given the extensive history of racial and class exclusion in American communities, the unequal access to homeownership and wealth building because of policy and banking rules, and the demonization of poor and nonwhite neighbors by real estate interests, suggesting that NIMBYists be compensated for their exclusionary behavior goes against everything that our current housing policies, urban planning theory, and basic fairness stand for. By framing the research question in this way they make invisible the racism, bigotry, and classism that produces the dynamic they profess to study.

The authors state:

Residents are appropriately concerned about neighborhood crime, congestion, or lower performing public schools regardless of whether they reduce residential property values. What we examine here is whether preservation of home value could also be a concern. This is not an unreasonable assertion given that Californians (and Americans) hold most of their wealth/savings in their home’s positive equity. Thus, we empirically check whether the characteristics of residents more likely to reside in affordable housing in a neighborhood (census tract) exert a negative influence on a home’s resale value in that neighborhood.

Stating that NIMBYists are motivated by protecting their own interests—particularly their home values—is not new. In fact, it is the basic premise in nearly all of the scholarly research on NIMBY behavior to date. The authors reason that if property values are indeed lower in neighborhoods with “demographic characteristics associated with greater affordable housing,” then there is a rational basis for opposition. Furthermore, they suggest that such attitudes, in such situations, would be “based less upon how they personally feel about it, and more upon their own perception of how others feel about it.” Thus, they intimate that not only would NIMBYism be “rational” but it would also, of course, not be personal, and might not even reflect any animus at all toward those who might occupy such housing. What they see as “a rational self-interest to protect one’s home value” is better understood, however, as selfish protection of white homeowners’ own market advantage, created by white supremacy, defended by seemingly race-neutral values of “local rule and community control,” and activated by the privileged political action of affluent/white homeowners.

Over the course of the 20th century, the United States developed a system of land-use regulation that promoted and protected the property rights of homeowners at the expense of renters. For most of the 20th century, the vast majority of these homeowners were white (Shapiro, 2006). As such, the systems of land-use regulation that concentrated power among existing residents of a community served to protect white property values at the expense of nonwhite civil rights. Any community that sought to exclude certain populations—particularly the poor, immigrants, or minority populations—had an arsenal of zoning, nuisance laws, and building codes.
available to them to do so. Each of these barriers kept nonwhite families in their place—and out of places where they were not welcome.

These realities—in which white homeowners live in the suburbs whereas minority tenants reside in the declining cities—has reinforced the view that tenancy walks hand in hand with blackness, dependency, and vice, whereas homeownership fosters self-reliance, whiteness, and virtue. As a result of this history, most American communities are deeply segregated by both race and class. Furthermore, land-use regulations and local government policies place considerable power in the hands of property owners. Because the home is the primary source of wealth for most middle-income families, owners are understandably concerned about their property values. However, their perceptions and fears are not sufficient reason (despite what the authors claim) to bow to their interests at the expense of the public good. It is one thing for a property owner to be concerned about reduced property values when affordable housing is proposed and to accept stereotypes and perceptions as fact. It is quite another for scholars to do so.

Faulty Assumptions That Taint the Research

The foundation of this article is that the “characteristics of residents more likely to reside in affordable housing in a census tract” will negatively affect property values. The authors state that these characteristics include “poverty (or greater percentages of people in lower income households), low educational attainment, and greater average household size.” However, no evidence is provided that these characteristics are more prevalent in affordable housing than in unaffordable housing. No explanation is provided as to why these characteristics rather than others (e.g., single-parent households, presence of children in the household, criminal record, racial minority, employment status) were selected.

Furthermore, the way that the authors write about this imbues the housing price dynamic with an unwarranted naturalism, as though the path from more low-income people or more people of color to lower sales prices is not inhabited by other people—people with money who make decisions about how to invest it and have expectations for profiting from those investments; business people who routinely discriminate against the poor and against people of color because there is profit to be made in doing so, but whose discrimination produces the outcomes attributed to the behavior and personal deficits of the other; government decision makers who heavily subsidize white affluent communities, while offering little more than (sometimes) benign neglect to communities of color or low-income neighborhoods. The dynamics that so concern NIMBYists are produced by the othering that simultaneously produces the advantages of white, single-family homeownership neighborhoods. The path from “demographic characteristics typical of affordable housing” to lower home prices is quite well populated, and the outcome is anything but natural. The public policy challenge should not be how to accommodate this dynamic but how to change it.

Methodological Concerns

Property values, and the values identified in hedonic models such as they employ, quantify the preferences of market actors. If market actors, on the whole, in the neighborhoods they study, prefer houses that have raised foundations (over the alternatives), then the variable that measures the existence of a raised foundation will be positive and statistically significant, which it is in their models. Similarly, if market actors prefer neighborhoods with fewer African Americans, then the variable measuring the presence of African Americans in the neighborhood will be negative and statistically significant, which it is in their models. It is the attitude of buyers, and what they prefer, that drives the hedonic values. The relationship between the demographic characteristics and value is driven by preference of buyers, so sellers wishing to avoid those characteristics are justified in their NIMBYism. If the NIMBYists are successful, then everyone seems to win: the seller gets his/her price; the buyer gets
a white neighborhood. And this behavior is then deemed rational by the economists. It is not called what it is: racist. Or classist. Or othering. Or protection of privilege. Or opportunity hoarding.

**Unsubstantial Review of the Literature**

Research using actual housing data, not modeling based on false assumptions, demonstrates that well-managed housing that fits the scale of the neighborhood seldom produces negative impacts (Freeman, 2002; Galster, 2002; Nguyen, 2005; Schaffer & Saraf, 2003; Werwath, 1996). Santiago, Galster, and Tatian (2001) specifically find that scattered-site housing (e.g., housing where landlords accept vouchers) largely has a positive effect on neighboring property values. Housing researchers have committed considerable time and money to studying these issues and producing evidence refuting claims by those opposing subsidized housing—including both project-based housing and vouchers. The authors of this piece chose not to cite the vast majority of this work in their four-paragraph literature review.

The authors instead enlist a literature that is much less dismissive of NIMBY attitudes. Although they cite only Hermansson (2007), they could have cited others (e.g., Gibson, 2005; McLymont & O’Hare, 2008) who argue that perhaps NIMBY attitudes are not as problematic as they have been regarded in the past, and that the potential loss of investment return by those living near locally unwanted land uses (LULUs) is a real sacrifice that warrants policy attention. The authors go on to argue that “it is unlikely someone would be labeled [NIMBY or morally bankrupt] if they tried to get out of mandatory participation in a medical experiment whose findings would benefit all society but that requires that the participant miss a substantial amount of work without compensation” indicating their support for the notion that opposition to affordable housing is rational if it will produce an economic loss for homeowners.

But there are important and essential differences between the Hermansson example and affordable housing NIMBYism. The latter is based on the social construction of others—a social construction that is both a rationale for exclusion and the result of exclusion. This othering is not present in the Hermansson example. The othering is the social production of difference, the devaluation that triggers the disadvantage that is then cited as the rationale for the next round of exclusion. A second critical distinction between Hermansson’s thought experiment and real-life NIMBYism is that in the medical experiment example, the person is being asked to forgo something that they earn—wages/income from employment. In affordable housing NIMBYism, people fret the loss of unearned appreciation in the value of their home. Why important policy objectives such as providing decent, safe, and affordable housing must be subordinated to the achievement of a suitable rate of appreciation for more affluent homeowners is a question that remains unasked and unexplored in the authors’ analysis.

**Race Coding of Affordable Housing**

The authors may object that much of this comment has been about race and that they were very careful to examine a different relationship while controlling for race. They don’t even mention that the coefficient for the variable measuring the presence of African Americans in a neighborhood is statistically significant and negative. The blacker the neighborhood is, the lower the home prices; another interesting finding but one that is ignored by the authors who have relegated race to a control variable. What is ignored here is how poverty and residential density are race coded in America (Burns, 2016; Dvorak, 1999; Hurwitz & Peffley, 2005; Khoo, 2017). The same dynamic that produces racist market outcomes produces the beliefs that high-density rental housing and poor people will harm property values. The authors seem to believe that they are not writing about racism when in fact they are. One can measure race and measure poverty/density with different
variables, and one can employ statistical methods to look at the independent effect of each variable, but that is a statistical independence, not a conceptual independence.

One of the most problematic aspects of this work is the blind acceptance that the fears of NIMBYists are legitimate enough to warrant compensation without any critical analysis of what those fears are, or how they are linked to racial prejudice. Considerable research suggests that the attitudes people have about subsidized housing (and those living in such housing) are based not on any reliable evidence, or on the realities of subsidized housing today, but rather on stereotypes derived from the public housing projects of decades past (Dear, 1992; Takahashi, 1997; Tighe, 2012, 2010).

The authors cite none of this literature. If they had taken the time to review this area of research, they might not have chosen to produce a work that does nothing to challenge stereotypes of affordable housing, does nothing to acknowledge the realities of such housing, and plays into fears just to promote a “controversial policy proposal based on cap and trade.” Research that directly addresses the question of how stereotypes affect opinions about subsidized housing has found that those fears about the people who might reside in subsidized housing is a primary factor driving opposition to such housing (Nguyen, Basolo, & Tiwari, 2013; Tighe, 2010, 2012). It also supports the assertion that negative attitudes about subsidized housing contain some element of racial prejudice (Goetz, 2008).

The authors state, “Even if unwarranted, if these fears are held by the typical home buyer they nonetheless motivate homeowners to oppose the construction of affordable housing in their neighborhood for the purely economic reason of preserving their homes’ resale value.” However, this statement ignores completely how their homes’ resale value was built on racial segregation and exclusion. Redlining, disinvestment, and white flight limited African American homeownership and stripped the homes of those who managed to purchase them of their value. If anyone is going to be compensated here, it should be African Americans whose generational wealth was undermined by racist public policies, banking rules, and private action by NIMBYists, who now have the audacity to claim that it is they who are the victims.

Conclusion

If, as the authors state, “Policymakers should recognize this economic element of NIMBYism as they consider instruments to increase the amount of affordable housing built,” they must also recognize the economic and historical realities of how NIMBYists gained their power and their prestige. It is irresponsible to suggest that NIMBYists are justified in their fears while simultaneously ignoring the history of exclusion that resulted in the exclusive communities they are trying to protect. That we now must subsidize housing for lower income Americans is the direct result of government banking policies during the 20th century. Failing to acknowledge this while presenting affordable housing as a danger—a threat, like pollution—is not only lazy scholarship, but accepts stereotypes of affordable housing as fact.

The authors offer a policy response that is not really as daring or controversial as they imagine. As they point out, cap and trade is essentially what the New Jersey Regional Contribution Agreements (RCAs) were about. We’ve been there and done that. What is objectionable about their policy advice is less the particular market mechanism they explore and more that the entire framework of their analysis and policy solution accepts, and adapts to the bigotry that generates opposition to affordable housing.

The failure to cite the large literature on the subject of property value change, NIMBYism, and public opinion compromises Wassmer and Wahid’s (2019) work. The failure to acknowledge the history of homeownership and segregation in this country also undermines the value of the article. That a work was published that does both of these as well as (a) legitimizing fear based on stereotypes and perceptions rather than evidence, (b) suggesting that such fears are a reasonable and rational justification for opposition to certain types of neighbors, and (c) failing to
contextualize these attitudes by reference to the long history of residential discrimination and exclusion in the United States is disappointing and regrettable.

**Disclosure Statement**

No potential conflict of interest was reported by the authors.

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