

# Seattle Illustrates How Big Cities' Limits on New Housing Contribute to Homelessness

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The Seattle City Council recently voted to allow the creation of up to 40 new tent cities, tiny house villages, or parking lots where people can live in cars and campers. The city first permitted nine encampments five years ago and the sharp increase demonstrates how much worse the city's homelessness problem has become in recent years. The move comes just a few weeks after the city cleared out a large unpermitted camp below an interstate cloverleaf.

Moving people from illegal camps into legal ones is clearly a band-aid on the problem. Although the city is making it easier to set up a tent or a basic shelter, it continues to add to the complexity of its land-use regulations making it even more difficult and more expensive to build new homes, thus exacerbating the problem they are looking to solve. A recent study from the University of Pennsylvania and Harvard ranked the city as having the fourth-most complex regulatory regime for housing in the nation.

In Seattle, the city regulates land use through the Building Code, Electrical Code, Energy Code, Fire Code, Mechanical Code, Plumbing Code, and Residential Code. The city requires permits for almost all construction and repairs. It also has extensive and complex zoning regulations regarding what can be built and where. This is on top of state and federal regulations.

An extreme example of how unpredictable Seattle's land use regulations are is the story of Thom Kroon. Kroon purchased a no-longer-used fire station from the city, which had advertised it as a "unique residential dwelling." After spending thousands of dollars on renovations over three years, Seattle sued him for using the property as a residential property—the city still zoned it to be a fire station. After accruing around \$400,000 in penalties for failing to use the property as a fire station, he sued the city, which quickly dropped its action against him. He is still trying to recover the \$50,000-\$80,000 in legal fees he spent because he took the city at its word.

Rather than simplify this irrational system, the city recently passed a "Mandatory Housing Affordability" program, which requires builders to add affordable housing to new development or pay into a city fund for affordable housing. The program's name suggests why it is unlikely to succeed. As Bill Maurer, the Managing Attorney in the Institute for Justice (IJ) Seattle office, puts it, "Housing does not become affordable because the government decrees it—housing is affordable when there is plenty of it. Mandating units and imposing fees make construction less likely."

In a recent paper published by the Federalist Society's Regulatory Transparency Project titled *The Land Use Labyrinth*, the authors catalog the cost regulatory uncertainty has on housing development. They conclude that existing land use rules create an unfair system that is stacked against the developer and excessively unpredictable.

Dana Berliner, IJ Senior Vice President, and one of the authors of the report, notes, "Cities frequently impose layers upon layers of regulations, and would-be entrepreneurs must spend enormous amounts of time and money navigating them instead of, you know, actually getting their businesses started."

If Seattle wishes to allow those who live on the streets an opportunity to find an affordable place to live in the city, it must reform its existing policies. Consolidating and relaxing permitting and zoning criteria, adopting "as-of-right" permitting (meaning that the city will grant an applicant

a permit when they meet published criteria), and creating deadlines for government land-use decisions are necessary.

There are legitimate concerns about how buildings are constructed and the conditions in which they exist. Land-use regulations can justifiably address these issues. But Seattle's regulatory thicket has become almost impossible to navigate. The result is a system that is literally driving people into living on the streets.

Creating a simple, fair, and predictable land use regime in Seattle will take a profound change in thinking. If blaming Amazon and creating new mandates could fix the housing crisis it would have done so already.