

# How France overcame NIMBYism to create affordable housing

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In 2000, France passed the “Loi relative à la Solidarité et au renouvellement urbains” (SRU). The legislation, or “law on urban solidarity and renewal,” required most cities to dedicate 20% of their housing stock to affordable housing, and imposed penalties if they didn’t comply. The move represented a return of control over housing policy to the centralized government, after being left to regional authorities for years.

France, like many other wealthy countries with expensive housing markets, has struggled to build enough affordable housing for low-income residents. Despite funding extensive social housing projects, most relegated low- and middle- income communities into distant suburbs. Deprived of the critical services enjoyed by wealthier neighborhood such as better access to transport, work and transport, people living in these communities, called *banlieues* remained trapped in a cycle of poverty.

The new law promised to disrupt this dynamic, rebalancing affordable housing between cities, and deliver city services to everyone.

It worked, argues a new report by Yonah Freemark, a senior research associate at the Urban Institute, a policy think tank based in Washington DC. Freemark found the law forced the cities with the least amount of social housing to make more over an 18-year span. The wealthiest places increased their affordable housing five-fold, even as some cities remained far short of their affordable housing requirements.

While not perfect, Freemark sees the law as a model for other nations needing to address their affordable housing shortages. Affordable housing’s crucial element? The order needs to come straight from the top.

## **Making affordable housing accessible across cities**

France’s SRU law is unique in that it gave municipal governments a clear directive, and backed it up with strict penalties: Cities that fail to meet the 20% affordable housing target face budgetary fines, lose the power to issue building permits, and the central government could enact eminent domain to get affordable housing built. Reforms made in 2013 made the law even stronger: the affordable housing minimum was upped to 25% by 2025, and fines were increased.

Cities responded and social housing became more evenly dispersed between 2000 and 2017, Freemark found. The data showed that the wealthiest cities increased their share of social housing to 4.4% by 2017. That’s more than five times the amount of social housing as before the law was enacted in 1999.

“Penalties really matter when you’re trying to encourage more integration and access to affordable housing,” says Freemark. “This law is saying that it’s not on poor people to better themselves or figure their way into other communities, but rather, it’s on the wealthiest communities to make sure they are open to everybody, that there are options for everybody.”

## **The ongoing challenge of exclusionary zoning**

While this law did more evenly distribute social housing among cities, this alone has not been sufficient to accomplish the goals of making affordable housing more widespread. Construction of affordable housing in cities didn't fast enough for places to be on track to their 25% goal by 2025. Freemark attributes this to the possibility that even the increased penalties levied on cities in 2013 may not be strict enough to compel them to build social housing. Some cities have even opted to pay fines rather than build.

Still, the law can be a model for rebalancing the distribution of affordable housing in other countries. In the US, for example, housing segregation along racial and class lines is even more entrenched, due to a history of exclusionary zoning policies like redlining.

Freemark applied this concept to the state of Connecticut, where affordable housing is highly concentrated—nearly 40% of the state's affordable housing stock is in just four cities. In the city of New Haven and its surrounding area, an SRU-like effort to rebalance affordable housing would require 26,000 new units—an unprecedented number for federally-funded affordable housing throughout the entire state.

## **Taking affordable housing global**

Affordable housing has become a global crisis. As housing costs outpace income around the world, at least 88 housing markets around the world have been deemed unaffordable (pdf) to the average resident. To construct more housing, political will is as necessary as funding. Cities, especially wealthier enclaves, have fiercely resisted affordable housing developments, often precisely because exclusivity drives their appeal.

Breaking this means legislators at higher levels of government may need to attach costly conditions for local exclusion of affordable housing. California's state government recently passed a contentious pair of bills that allow for more affordable housing by changing zoning laws to allow for more density. Proponents of the bills look to it as a way to ease the state's affordable housing crisis.

“Creative state and local governments are trying to create more integrated communities,” says Freemark, “But we need to be forcing those wealthiest, most exclusive communities to take their obligations seriously.”