

The Man-Made Affordable-Housing ‘Crisis’

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In Los Angeles, they are “back houses.” In Connecticut, they are “garage apartments.” In Philadelphia, the grander ones are “carriage houses.”

In Dallas, they are “granny flats,” and they are, for the first time in a generation, legal.

In Mandarin English, these domiciles are “accessory dwelling units,” smaller secondary residences built on the lots of other houses. They have different origins: In places where detached garages are common, many homeowners built small apartments above them, sometimes to house elderly relatives or other family members who could not quite manage on their own (an arrangement that became much more common during the Great Depression); these eventually became popular short-term residences for older teenagers, the domestic quarantine of whom is generally found to be desirable. In older and tonier neighborhoods, many began as servants’ quarters. I don’t suppose I need to explain how carriage houses got their name.

Back houses have long been a go-to source of cheap housing in college towns and other places with substantial itinerant populations of temporarily penniless young people. I lived in one down the street from Texas Tech University — the neighborhood was affectionately known as the “Tech Ghetto” — for the very reasonable rate of \$185 a month. These are not places to raise families — many of them are not even places where a 20-year-old wants to live for more than a few months or a year. They are the residential equivalent of the thousand-dollar car and the minimum-wage job: not generally anybody’s Plan A.

Dallas, which I will take as a case study, prohibited the building and rental of these residences in the 1970s on the theory that this would help to improve the living conditions on the south side of town, which was at the time disproportionately poor and black. That is the political mind at work in its purest form: “Man, these poor people sure do live in crappy houses. I feel bad about that. Also, poor people are kind of gross, and they cause all sorts of problems that my people have to address. I have a great idea! Let’s prohibit the kind of houses that poor people live in, and then they’ll have no choice but to move into really nice ones!” You see approximately the same kind of thinking in the plans of urban-development gurus trying to figure out how we can replace every McDonald’s with a Whole Foods.

The thing about poor people is, they don’t have any money.

To the great surprise of nobody except politicians and their creatures, prohibiting the construction and rental of affordable housing did not do much to help poor people in Dallas connect with affordable housing. It did help to drive them out of neighborhoods such as Oak Cliff, where houses on formerly downscale blocks now sell for more than a half-million dollars and young-ish white professionals drive their European cars past the last few beto signs still buckling in the wind.

The politicians have decided that there is an affordable-housing crisis in America. They should know: They created it.

Homeowners vote. They go to meetings, they tend to have kids in neighborhood schools, and they will just bug the hell out of so-called public servants all day if they perceive the slightest threat to their property values. Bless them.

Homeowners have a great deal of clout, which is why we have such weird political attitudes toward housing: Among politicians, rising home values are almost universally considered a good thing. Why? Because people who own homes have more political power than people who might want to buy one at some point in the future but who are for the moment probably younger, lower-income, and less fixed in place than their older home-owning neighbors. Rising real-estate prices are, from the politician's point of view, a salutary development, practically a by-God public good. Two-cent hike in gasoline prices? The infernal work of Satan himself.

Nobody said democracy makes sense.

But there are an awful damn lot of renters and other non-homeowners, and they represent an important share of the electorate in the progressive heartland, i.e., any place within a 15-minute public-transit trip to a Trader Joe's. The average San Francisco resident is a millionaire (average household net worth is just over \$1 million), and the average household has a six-figure income (\$104,879) — and bully for San Francisco, except for the fact that nobody can afford to live there. San Francisco's average household wealth went up because a lot of rich people moved to San Francisco, but also because a lot of poor people (and people with more normal incomes) got chased out. You see the same thing in such urban oases as Austin, Seattle, and the parts of Brooklyn where the white folks are. (Brooklyn is an extraordinarily segregated place.) The same is true of Dallas — which, like every Texas city larger than Fort Worth, is a mostly progressive-leaning Democratic stronghold.

So Dallas has decided to legalize the granny flat — subject to enough rules and regulations to ensure that this has approximately zero impact on the housing market. The political mind at work again: Dallas studied Austin's granny-flat liberalization program, which over the course of several years saw 200 units come onto the market, some of them new construction but mostly the rental of properties that hadn't been rented before. Austin has almost 1 million people. Dallas copied the Austin model — on purpose, knowing that it would produce negligible results.

Let's summarize: The city, having prohibited a common form of affordable housing, decided to reverse that prohibition in the hopes of bringing back some of that affordable housing by following the example of another city whose efforts produced basically no affordable housing. Ingenious!

Down the road a bit in Houston, they've had some success with a radically different approach: building houses.