

Property rights are the key to equality in the United States

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by [Randy Bright](#)

It has been some time since I have addressed the property rights issue as it pertains to city government's propensity to adopt policies that deny people their rights, but I am no less interested in the subject than I have been in the past. The issue is alive and well, and placing pressure on housing markets most notably in cities that are dominated by progressive thinking.

The issue in particular that has surfaced recently has to do with "inclusionary housing" – a policy that many cities are adopting in order to create "affordable housing."

The Lincoln Institute of Land Policy, a proponent of inclusionary housing, defines it as "any programs or policies that require or incentivize the creation of affordable housing when new development occurs, including impact or linkage fees that generate revenue for affordable housing."

So who could be against affordable housing? As is often the case, euphemisms are used to gloss over the real meaning of a term in order to make it more acceptable. The real meaning of affordable housing is subsidized housing.

In an inclusionary housing program, housing developers are forced (at the risk of being issued building permits) to offer a certain percentage of their projects at below-market prices in order to allow people with lower incomes access to those markets. In addition, cities offer to allow developers the ability to build more units than their own codes permit if they will just comply with the inclusionary policies.

It is true that many cities don't have housing that is within the budgets of those in the middle and lower economic class, but this is not the result of ordinary market forces. Instead, it is a result of so-called "smart growth" policies that limit land by establishing urban growth boundaries.

As demographer Wendell Cox stated in a recent article entitled *Progressive Cities: Home of the Worst Housing Inequality*, "America's most highly regulated housing markets are also reliably the most progressive in their political attitudes, yet in terms of gaining an opportunity to own a house, the price impacts of the tough regulation mean profound inequality for the most disadvantaged large ethnicities, African Americans and Hispanics."

And it's not just those ethnicities that are being affected, but a broader range of those with low to moderate incomes, including those that rent their homes. In an article co-authored by Wendell Cox and Joel Kotkin entitled, *Rising Rents Are Stressing Out Tenants and Heightening America's Housing Crisis*, they state that, "rents as a percentage of income, according to Zillow, are now at a historic high of 29 percent, compared with the 25.8 percent rate that prevailed from 1985 to 2000", that "new (apartment) buildings tend to be too expensive for most renters" and that rents were so high that people "couldn't save for future purchases like homes."

Randall O'Toole, a senior fellow with the Cato Institute (which specializes in land use and transportation policy) puts it this way: "Thanks to greenbelt and slow-growth policies, Boulder, Colorado is the nation's most-expensive and least-affordable housing market of any city not in a coastal state. As a result, as noted in an op-ed in The Hill, the number of black residents in Boulder declined by 30 percent between 2010 and 2016, leaving less than 1.6 percent of the city with African-American ancestry." A resident of Oregon, O'Toole also states that "the Bend Bulletin argues that the state of Oregon "works against affordable housing by, among other things...artificially increasing(ing) the price of land through its urban growth boundary system" and that "although cities are required to maintain an inventory of developable land within their growth boundaries... permission to expand their boundaries takes years."

O'Toole also cites how the Oregon Legislature "passed a law allowing two cities to develop land on up to 50 acres of land outside their growth boundaries."

Progressive policies that encourage restrictive land use laws are at the root of the problem. Even so, the law of supply and demand still applies: urban growth boundaries artificially drive up the value of land by limiting how much is available. The high land prices make housing inaccessible to lower economic classes, but those in control still want access to cheap labor, so a shakedown of developers is the progressive answer to the problem they themselves caused.

This kind of progressive thinking simply adds more problems than it solves, and it creates the very situations that, ironically, progressives say they hate. Racial diversity and social justice? Not with progressives.

Allowing a free market, free of artificial controls, will open up the market to anyone who is willing to work for it. Property rights are the key to equality.



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