Non-Central City Support for, and Resistance to, Affordable Housing: Evidence from Southern California

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July 17, 2007

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Abstract

This article examines the variation in support for affordable housing among cities in Southern California using two voting analyses: 1.) voting on a housing bond, 2.) voting on a constitutional initiative involving the siting of low-income housing. Local support for housing is key in California, where cities determine whether or not housing actually gets built. In the multivariate analysis we test two key hypotheses about voter support for affordable housing at the city level; economic self-interest in the form of protecting homeowner assets, and partisanship, or the political leaning in the city. Our main finding is that partisanship plays a clear and dominant role in community support for affordable housing. Elements of economic self-interest also play a role, but not always in a straightforward or predictable way.

Keywords: housing, affordability, local, policy

Affordable housing policy in California is developed at the state level, but implementation occurs primarily at the local level, which often leads to a disconnect between policy goals and outcomes. The state legislature has pursued, and the courts have upheld, a fair share housing policy, where every local jurisdiction is expected to supply a reasonable share of units to low-income households, yet an equitable provision of affordable housing throughout the southern California region remains an elusive goal. While we know that central cities tend to allow much more affordable housing development than suburbs, (Downs, 1994, for example, p. 47) additional research into why and when communities will support or resist affordable housing development is lacking. We test in particular whether partisanship or economic self-interest will have a

more significant effect on how communities vote on housing ballot propositions. The literature on proposition voting emphasizes the effect of partisanship on voting behavior. Economic self-interest in the form of protecting homeowner assets, has also been found to factor into voting on certain types of ballot propositions. In addition, economic self-interest has been one of the main theories in literature on housing, cities and exclusion.

This study examines the variation in housing support among southern California communities with two related yet distinct analyses 1.) The vote on a housing bond in 1990, and 2.) the vote on a constitutional initiative involving the siting of low-income housing which was on the ballot in 1993. While these are not the most recent housing propositions in California[i] we chose them because they represent two distinct voter preferences on housing within a similar time frame. The bond vote represents a more general level of support for affordable housing in which voters approve a bond that provides money for housing programs, which cities can become eligible to receive. The constitutional initiative represents a more specific indicator of support in which voters agree to relinquish some of their community's veto power over siting such developments in their backyard. We expect there will be a difference in the factors that underly support for each of these types of propositions, as one expresses general support for funding affordable housing development, which may not affect any particular city that does not want it, while the other effectively limits one of the tools jurisdictions can use to block affordable housing development in their city. California's proposition voting system provides us the unique opportunity to see how community characteristics affect the vote on these two distinct housing propositions. We look particularly at southern California, where the distribution of affordable housing is less than equitable and

resistance to low-income housing is often very strong at the local level.[ii] The Southern California region is defined as the five county region of Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties.[iii i]

In our analysis we exclude the three largest central cities in the Consolidated Metropolitan Statistical Area[iv] (although definitions vary, in general the census defines central cities as the largest cities, usually identified in the title of the MSA, or Metropolitan Statistical Area). We do this for several reasons. First of all, Census data indicates that most population growth between 1990 and 1998 was outside central cities (U.S. Census Bureau, 2000). The Census Summary of U.S. Housing Market Conditions also indicates that in suburban areas the increase in total housing units was 13.6 percent, versus 7.5 percent for large central cities of 100,000 or more (U.S. Dept. of Housing and Urban Development, 2001). In Southern California we also find the majority of new housing growth in the suburbs. Only 9 percent of the total housing increase in the region occurred in the three largest cities that we excluded from the dataset (HUD User). Secondly, the majority of the literature describes resistance to affordable housing in the suburbs. Excluding the largest cities in the region leaves us with a sample of cities that more closely approximates suburban cities, even though there are still several sizable cities that were included. As Downs notes, "In a few places suburbs themselves achieve very large populations" (1994, 20). He notes that Los Angeles is one of these areas of suburban character despite high-density development. (We should note that in one model we excluded all cities with populations over 100,000, to test for differences due to city size, but found the results to be very similar. See table 2a). Overall we are looking at cities as political units involved in supporting or rejecting affordable housing, and the

literature on suburbs helps us do that, even if the units of analysis – suburbs and non-central cities - are not exactly comparable. And finally, we already know that central cities already provide a disproportionately high share of affordable housing in many regions (i.e. Downs, 1994, 47), so it is more interesting to determine why other areas are so resistant.

The paper is organized into 3 parts. Part one covers the voting literature as well as the literature on communities and housing. Part two describes some aspects of housing policy in California, including fair share housing, and the distribution of housing in Southern California. The final sections of the paper describe the analysis and results.

The Voting Literature: Individual and Contextual Factors

We begin the framework for our analysis with some explanation of individual voting behavior, as our analysis relies on examining voting results. However, we also explain the importance of context for influencing individual level voting behavior, and how cities provide a context for attitudes toward affordable housing development.

Proposition Voting

Partisanship

The state of California provides a unique opportunity to examine public support for various types of public policy. The initiative, referendum and recall process has allowed voters to participate directly in creating legislation. Several studies have examined the relationships between individual attributes and voting on various types of ballot initiatives. While early research suggested that the lack of partisan labels in ballot elections reduced the impact of partisanship, more recent work indicates that partisanship

is often the strongest predictor of votes on propositions (see for example, Smith and Tolbert, 2001; Branton, 2003). Although ballot propositions in California are not linked with a political party, studies suggest that voters do pick up on partisan "cues" to guide their votes. These cues come from various sources, such as political parties, candidates, media messages, and peer groups (Branton, 2003). This research indicates that political party will be key in voting on housing propositions.

Economic conditions

Economic conditions also have an effect on voting for tax and bond issues. Bowler and Donovan (1994) have found that negative voting increases when per capita state income growth is low, and also when state unemployment is high. More specifically, they found that negative voting on bond issues is associated with lower per capita state income growth over the year prior to the election, up to the election year. The economic conditions in a particular city could also influence voting on a housing bond.

Economic Self-Interest

In a separate literature Fischel (2001) presents evidence that homeowners are motivated to be "homevoters" – "homeowners whose voting and other local political activities are guided by their concerns about home values" (157). Within the voting literature, research on voting for school vouchers in California supports this claim, finding that homeowners in California voted to protect their property values on ballot propositions in 1993 and 2000. (Brunner and Sonstelie, 2003; Brunner, et al, 2001).

Context

In a somewhat similar vein to our research, Tolbert and Hero (1996) examined support for Proposition 187 (1992) at the county level in California. In explaining their choice for using county level data they argue that "context is critical beyond individual level factors; social context shapes individual perspectives on politics and policy" (809). Just as economic conditions such as unemployment rates can affect voting behavior, the social context of an individual's surrounding environment can also shape views on policy.

This view echoes that of Foladare (1968) who emphasized the effect of social forces in the neighborhood, particularly the reinforcing effect of living near others similar to one's own group and how that affects voting behavior. While cities may be larger social contexts than neighborhoods, they often do have a specific social character that defines them, and can be characterized by income, ethnic makeup, partisanship, etc. As political units they are particularly important to research on housing in California as city officials have ultimate say on whether or not housing actually gets built, and their decisions often reflect the views of residents.

Cities and Housing Literature

The urban politics literature offers several explanations as to why cities often exclude low-income housing. Both homeowners and city officials are often opposed to having affordable housing in the community. Suburban communities in particular tend to cater to wealthier families and exclude lower income households. Although the majority of the literature focuses on opposition to housing, a few studies look at why some cities

institute more progressive housing policies, and even use their own funds for housing development.

Community Resistance to Affordable Housing

Homeowner Resistance

Suburban local governments in particular tend to be politically dominated by homeowners concerned with maintaining high property values. Explaining housing affordability problems in the U.S., Downs (2002) notes***:*** **"**most suburban governments are politically dominated by homeowner majorities and … most of those homeowners do now want affordable housing near them, largely because they fear it would depress the market value of their homes" (1). William Fischel has gone so far as to rename homeowners as homevoters (2001a). He theorizes that it is the riskiness of homeownership that drives homeowners to dominate local politics. They fear any community change that may harm the value of their largest investment – their home. His 2001 book "The Homevoter Hypothesis" demonstrated how in California, separating the property tax from local school support (which increased property values) drove voters to support property tax reform in the form of Prop 13 (2001b). Previous attempts at limiting the property tax had failed because voters saw those taxes capitalized into high performing local schools, and thus higher property values.

Fischel's work comes out of the public choice perspective. Public choice theory explains how residential homogeneity functions to maintain preferred tax and service packages in a community. Living in a city with others who have similar service needs and a similar ability to pay for these services does have its advantages. Charles Tiebout

(1956) first explained that having many cities with varying tax/service packages allows citizens to "vote with their feet" and choose the jurisdiction that most closely provides their service needs at a level they are able to pay. For example, Fischel (2000) also explains how suburban residents prefer to incorporate their own cities, rather than consolidate with larger entities, noting that suburban residents "want to be governed by a unit of government in which people like them – people who own their own homes and who have similar demands for local services – get to call the shots about local government. They are choosing the median voter model and accepting most of the competitive rigors of the Tiebout system" (16).

City Resistance

Maintaining high property values and attracting high-income residents has advantages for local governments as well. Most of this research also comes from the public choice school. James Buchanan (1971) first recognized the "strategic" aspects of city fiscal problems. Regardless of the political majority, "rational strategy" dictates that higher income individuals with more highly valued assets, who could most potentially migrate, must be given prime consideration. From a city's perspective, Schneider (1989) notes that excluding low-income housing is a "rational goal." While high home values increase a community's wealth, a concentration of renters slows income growth and increases the cost of service provision (increased costs for crime, education, social services). The wealth of newcomers has a positive effect on the local tax base in a community and is clearly the key to better tax/service ratios (Schneider, 1989). Paul Peterson (1981) agrees that the higher than average taxpayer is most mobile and most crucial to the economic health of the community, forcing cities to concentrate on

retaining these valuable citizens. These practices have the benefit of raising the local tax base of the community.

There is also ample literature on cities and the methods they use to exclude low-income residents and retain above average taxpayers. Danielson (1976) points out that city zoning and building codes are inherently exclusionary. Their aim is to exclude land uses that the jurisdiction decides are inappropriate. These decisions are often based on keeping out low-income groups. Danielson believes that the middle class often equates sought-after city characteristics such as security, good schools, high property values and overall desirability with the absence of low-income groups. As Muller (1981) explains it, exclusionary zoning is a legal tool that allows local government to enforce laws that guarantee that sale and rental prices are not affordable to low and moderate-income individuals. Restrictive residential zoning includes attempts to exclude apartments, impose a large lot requirement for new housing (adding significantly to the purchase price of a new home) or stop building altogether. (Although our model does not include any measure of zoning or building codes, the outcome of these devices is generally a high percentage of single-family homes in a community, which is included as a variable in the analysis).

A city's exclusionary policies serve to maintain socioeconomic, cultural and lifestyle status quo in a city. Downs (1994) explains that most Americans prefer to live in neighborhoods with others like themselves. Homeowners want to live in neighborhoods that are economically homogenous, while white homeowners in particular want to live in racially homogenous neighborhoods. Race is an important factor in city exclusion. Any overt form of exclusion by race is prohibited by law. But as minorities

often have lower incomes than whites, exclusion by income, through land use controls, often works to maintain homogenous communities. Pendall (2000) concluded that the use of low density zoning and building permit caps often results in fewer Black and Hispanic residents living in the cities that use these land use controls. Research has also indicated that "while all groups prefer neighborhoods dominated by co-ethnics, this preference is strongest among Whites… Moreover, Whites are the group most likely to prefer entirely same-race neighborhoods…" (Charles, 2000, 11; see also, Farley, 1993, Farley, et al, 1994, Farley, et al 1999, and Zubrinsky and Bobo, 1996, for example).

In sum, the literature places most affordable housing resistance in suburban cities, and it explains this resistance as a function of maintaining wealth and exclusivity. Homeowners want to maintain property values and social status, whites want to maintain white neighborhoods, and politicians want to maintain a strong tax base. Excluding lower income housing works to achieve all of these goals.

Local Support for Housing

To explain support for affordable housing in cities, some studies have tested Peterson's (1981) city limits theory. Part of this theory states that community expenditures for redistributive programs, including affordable housing, will be based not on need but on a community's fiscal capacity (1981, 48). This theory seems to contradict the exclusion literature, which explains why wealthier communities will focus on services for higher income residents. However, there are some indications that wealthier communities will use local funds for housing. Goetz has looked at which cities (population greater than 100,000) are more likely to institute progressive housing policies

(1994) and which cities restored housing funds after losing federal funds in the early 1980s (1995). Although wealth (measured as median and per capita income) was positively correlated with the use of local housing funds, it proved statistically insignificant in the regression analysis. However, in the case of cities instituting progressive housing policies, income was positive and significant in the regression analysis. In both analyses the poverty rate was also positive and significant, indicating that in some instances both wealth and poverty, or what Goetz calls "uneven development" (a term borrowed from the urban geography literature) is an important factor for instituting progressive housing policies. Thus, need for, and capacity to pay for, affordable housing, proved important.

Basolo (1997, 1999) identified factors that account for city expenditures for affordable housing. While income was not significant, high housing values were significant, increasing the likelihood that cities spent funds for affordable housing. And finally, Lewis (2002), examining city incentives for new development, found that income was positively associated with granting incentives for multifamily development. Noting that this runs counter to most of the exclusion literature cited above, Lewis reasons that low-income cities are less likely to support apartment development because of the cost burden associated with additional low-income population. Lower land costs in these communities may also lessen the need for incentives.

So research on cities that support affordable housing actually contradicts the exclusion literature to some extent. However, Goetz's work focused on large (population greater than 100,000) cities, which tend to be central cities, and also tend to be more supportive of low-income housing development. They may also be segregated

(economically, racially) by neighborhood, and have high income residents as well as high rates of poverty. Smaller cities may behave more as the exclusion literature predicts, although Basolo does include smaller cities (as small as 25,000), and her results also question the accepted theory. In contrast, Lewis (2003) has looked at city compliance with housing element law in California (see more on housing element law below) and he did find that noncompliant cities (those more resistant to accommodating lower income housing) tend to be smaller and slightly wealthier. So results so far are contradictory.

One final point is worth noting – affordable housing in California is not always about the poor. During periods of high housing values, as experienced in southern California in the late 1980s the middle class is often shut out from the housing market. The particular bond proposition examined in this analysis included money for first time homebuyer programs as well as low and moderate income housing. This could certainly influence the nature of support in this analysis.

Affordable Housing in California: State Policy Meets Local Resistance

State Policy

An important aspect of housing policy in California is the idea that all local jurisdictions should provide a range of housing options, including their "fair share" of housing that is affordable to the region's low and moderate-income residents. According to the state's Department of Housing and Community Development (HCD), "The basic philosophy behind housing element law is that citizens of all economic levels should have the opportunity to live where they choose in decent, safe and sanitary housing…" (1988, 23-24, qtd in Lewis, 2003, 17). Spreading low-income housing throughout a

region allows communities to share the social and economic burden of accommodating a region's low-income population. It provides advantages for low-income residents as well, as they can move to safer neighborhoods with better schools and more job opportunities. Despite numerous policies supporting fair share housing, progress toward achieving it has been limited.

One way the state tries to meet the fair share goals is by allocating housing goals to each region based on projections of future household growth. A regional planning authority (a COG, or council of governments) allocates those units among the local jurisdictions. If a city fails to create a housing element that plans for its fair share of housing units, including low and moderate-income units, HCD will regard that jurisdiction as "out of compliance." In the early 1980s the state also pushed cities to adopt Inclusionary Housing (IH) ordinances, which link affordable housing to market rate housing to further both economic and racial integration. About thirty programs were adopted in various cities and counties throughout the state, with wide diversity in the requirements. However HCD changed its position on IH in the late 1980s and early 1990s, eventually opposing the ordinances because they use private builders to subsidize affordable housing instead of government (Calavita, et al., 1997). More recently the city of Los Angeles has been debating requiring an inclusionary housing ordinance for new developments in the city.

California also has an anti-NIMBY law (Government Code Section 65589.5) that encourages affordable housing proposals and makes it difficult for local governments to automatically deny approval for affordable housing developments. To disapprove any development the city must find that one of six narrow conditions exist, such as an

unavoidable impact on health and safety which cannot be mitigated, or the project is inconsistent with an approved housing element (California Housing Law Project). The statute was approved in 1991 (and upheld by the Fifth District Court of Appeals). Redevelopment law also requires that a portion of redevelopment funds be set aside for affordable housing.

Local Resistance

The five county southern California region contained a total of 179 cities and 16.4 million people in 2000 and 175 cities and 14.6 million people in 1990. The population of the region's cities varies widely, from Los Angeles, with a population of over 3 million, to the industrial city of Vernon, with only 91 residents. In addition to excluding the census designated central cities of Los Angeles, Long Beach, and Santa Ana, for reasons we explained previously we also excluded the three smallest cities in the dataset, (mostly industrial cities, such as Vernon, each with populations under 1,000). Minus those six cities the average population of cities in Southern California was about 50,000 in 1990. (More city characteristics can be seen in Table 1). Local officials in these cities determine the mix of land use in their community and they do not always follow the state policy on housing.

Table 1: Descriptive Statistics

Dependent Variables	**Mean**	**S.D.**
Percent Yes Prop 107 (1990 bond)	0.52	0.09
Percent Yes Prop 168 (1993 Constitutional Initiative)	0.38	0.09
Source: California Secretary of State		
Independent Variables 1990		
All variables are from 1990 Census data unless otherwise noted		
Retail Sales Tax Per Capita (average 1990-1992)	126	222
Source: California State Board of Equalization		
Percent White	0.59	0.25
Percent in Poverty	0.10	0.063
Population	49,953	43,962
Population Density	0.002	0.002
Median Home Value	229,712	112,622
Percent Single Family Homes	0.67	0.16
Unemployment Rate	0.06	0.03
Percent Democrat *Source: California Secretary of State*	0.45	0.15

Despite the state's fair share goals cities in southern California have made little progress toward an even distribution of affordable housing. Lewis (2003) found that in 2002 about one third of cities were out of compliance with housing element law according to the State Department of Housing and Community Development. He also noted persistence in the status of city compliance with housing element law over time. Penalties for noncompliant housing elements include ineligibility for certain housing funds and vulnerability to lawsuits by developers. A judge may also order the city to refrain from issuing any building permits until their housing element is in compliance. While these penalties are a motivation for many cities to revise their housing elements, other cities have little reason to respond. Lewis (2003), found widespread agreement among policy practitioners that

> in largely built-out cities with little development activity occurring, no sizeable low-income population, and no active redevelopment effort, the local government appears largely immune from litigation under the housing element law… The exclusive communities also may not mind that their noncompliant housing element disqualifies them from certain housing assistance programs, given that they do not wish to have subsidized housing in the first place" (footnote, p.33).

Several reports have also indicated that NIMBYism has hindered affordable housing projects in California (Myers and Park 2002; California Budget Project 2002). For example, A *Los Angeles Times* article on redevelopment and affordable housing in southern California cited the following incident in Ventura County in the late 1990s:

> The political problems interfering with the construction of new low-income housing were demonstrated by the August battle in Oxnard over a planned 94-unit affordable housing development. When dozens of people showed up to protest the project, the City Council reversed its planning commission and rejected the plan on a 4-to-1 vote. The council cited technical grounds, but a group suing the city claims that politics was the deciding factor. (Takenouchi 1998, B1).

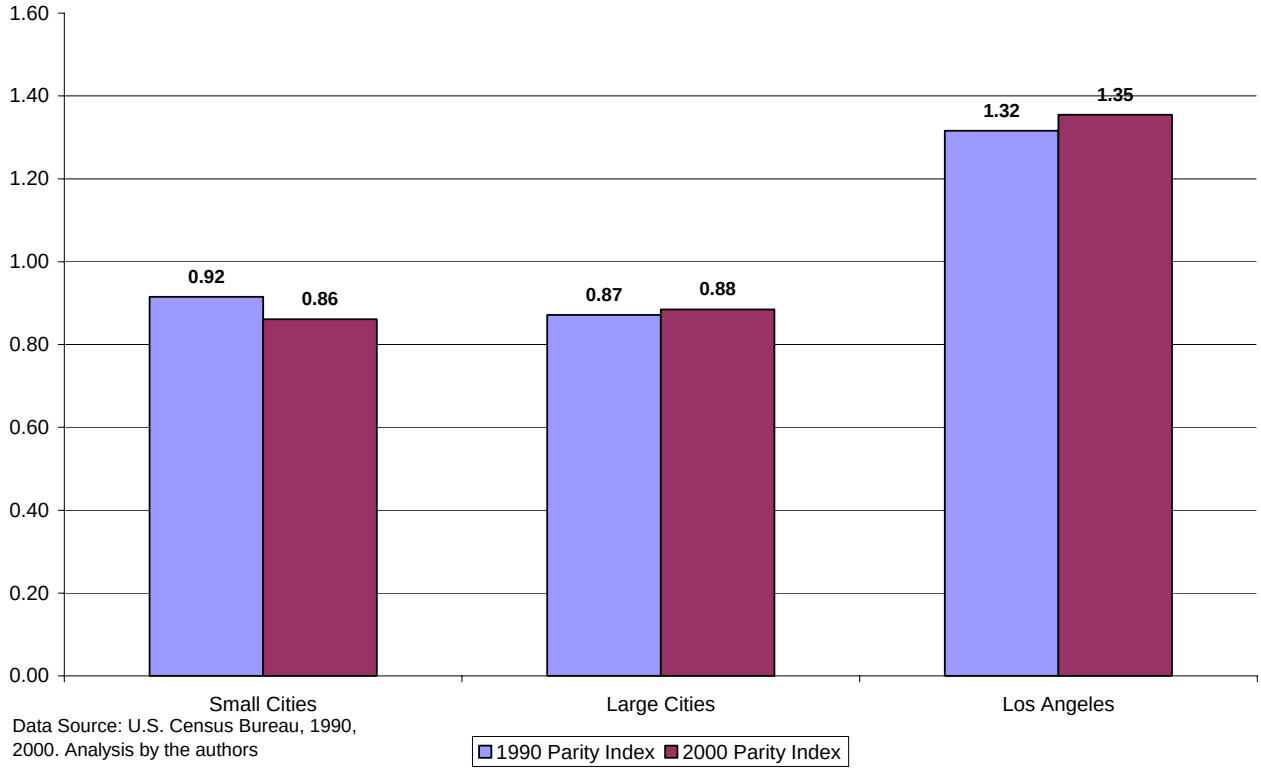
The article went on to quote Dan Hardy, executive director for a nonprofit housing group. "Neighborhood opposition to housing for low-income housing, not cost, is often the deciding factor in whether affordable housing gets built" (Takenouchi 1998, B1). NIMBYism continues to be a factor working against affordable housing development in the region today.

This resistance at the local level helps explain why the region still lacks an equitable distribution of affordable housing despite the state's fair share goal. To demonstrate the lack of an equitable distribution of affordable housing we looked at where the bottom 20 percent of income earning households reside in Southern California.[v] This low-income population effectively serves as a proxy for low-income housing. This methodology is based on the way the state's Housing and Community Development Department calculates county-level income distribution of the projected housing need (State of California, Department of Housing and Community Development, 2001). Although the state uses the bottom 25 percent of houses as the "very low" income group, we used the more conservative estimate of 20 percent. Others have also noted that most low-income renters and homeowners fall into this portion of the income distribution (Leonard, 2002).

We divided the region into two groups based on population (above or below 50,000). We chose the 50,000 cut-off because cities with populations over 50,000 in a metropolitan area are known as "Entitlement cities" and are eligible to receive an automatic federal allocation of CDBG (Community Development Block Grant) funds[vi]. By law, the primary beneficiaries of CDBG funds are persons of low and moderate income. We kept the city of Los Angeles as its own category. We calculated a parity

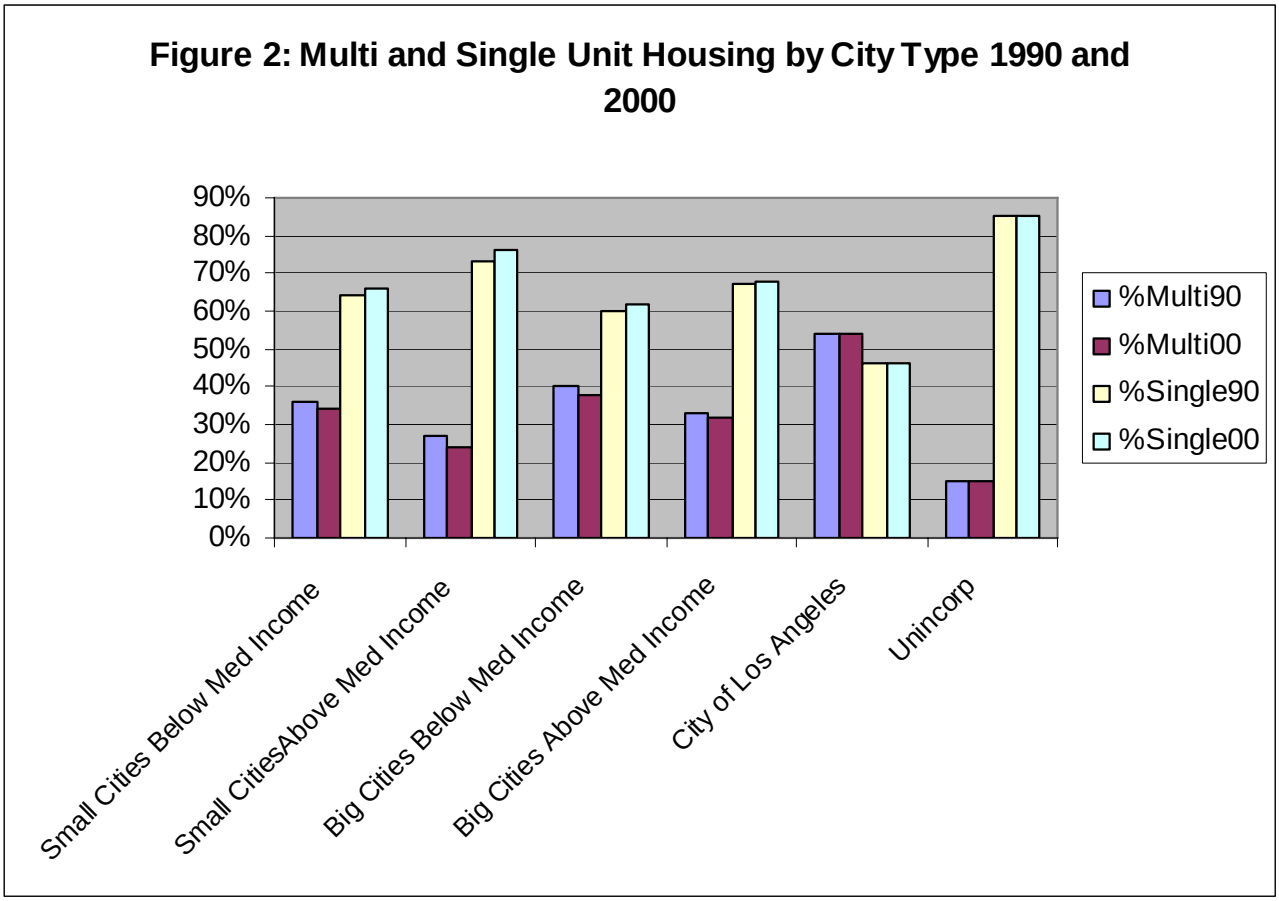
measure by dividing the percentage of CMSA low- income households in each city group by the percentage of total CMSA households in each group. A ratio of 1.0 equals parity. Using low-income households as a proxy for affordable housing, a number higher than one indicates a city has more low-income housing than average for the region. The results for 1990 and 2000 are displayed in Figure 1. The difference between the small and large cities is negligible. However, there is a significant difference between these cities and the city of Los Angeles, which, at over 3 million people is several times larger than any other city in the region. What is also significant about these results is the lack of change over time. While the small cities actually moved further away from parity over the ten year period, there is actually very little change overall. This is consistent with Lewis (2003), who found a persistence in the status of city compliance with housing element law over time. It appears that change comes slowly, if at all.

Figure 1: Parity Index, Distribution of Affordable Housing, 1990 & 2000



Data Source: U.S. Census Bureau, 1990, 2000. Analysis by the authors

The individual parity indexes for cities in the region vary from a low of 0.11 to a high of 1.98. A separate analysis conducted by the authors, using multi-unit housing as an indicator of affordable housing levels, found that smaller cities with a higher percentage of affluent residents are least likely to accommodate low-income households. These cities have higher median incomes, which we acknowledge is a product of lacking low-income households, but it is possible that the percentage of low and middle-income households in affluent communities could vary. However, the percentage of multi-unit housing in these smaller, wealthier cities is so low (24 percent, down from 27 percent in 1990) that it appears a much smaller percentage of low-income residents are able to reside in these communities than in other areas. Though some cities may argue that low-income households simply will not locate in their community because they lack transportation and other services for them, it is possible that those amenities are purposely not provided to exclude low-income residents.



Lack of land is also used as an excuse for avoiding low-income housing development, but an analysis of the increase in housing units in Southern California between 1990 and 2000 confirmed that land shortages are not hindering housing production. Single unit housing construction continues. It is the more affordable multi-unit production that is in short supply. While in Los Angeles the breakdown between new multi and single unit dwellings was about 50 percent, in the other cities in the region over 80 percent of new housing production was single unit housing. In small cities with above average median incomes, the percentage of existing multi-unit housing actually dropped from 27 percent in 1990 to 24 percent in 2000. Only 2,300 multi-unit structures were built in these cities over the ten-year period while over 50,000 single unit structures

were added (analysis by the authors, based on Census data). Land may well be in short supply but it appears that only multi-unit housing has been affected by the shortage.

Data and Analysis

Why are some cities more supportive of affordable housing at the ballot box than others? Is partisanship a major influence or is it more a factor of economic self-interest? We test the impact of partisanship versus economic self-interest along with several additional variables suggested by the literature in a multivariate model.

The Dependent Variables

Prop 107: The 1990 Housing Bond

The dependent variable in each regression is the percent yes vote on the particular housing measure. First, we looked at Proposition 107, the Housing and Homeless Bond Act of 1990. As noted, this is not the most recent housing bond in California, but for purposes of comparison with the constitutional initiative of 1993 we needed a general housing bond from the same time period. Proposition 107 provided funds for housing programs to assist low-income persons, homeless persons, and first time homebuyers. It managed to pass with 52 percent of the vote. We examine this vote as a general indicator of support for affordable housing development. Voters in any particular city may support funding affordable housing under the assumption it will be built elsewhere in the region.

Prop 168: The Constitutional Initiative

In addition to voting on housing bonds, California voters have also decided on the rules for siting affordable housing. In 1950 voters approved an amendment to the California Constitution (Article XXXIV) that requires voter approval before any “state

public body" develops, constructs or acquires a "low rent housing project." A majority of voters in the jurisdiction must approve the project. Although all cities, counties, and housing authorities are considered a "state public body", not all low and moderate income housing is considered a "low rent housing project." For example, non-profits that develop property with only certain types of federal assistance do not require Article 34 authorization. Other types of development are also exempt, including private housing and affordable housing intended for owner occupancy (the anti-NIMBY law, mentioned above, is meant to facilitate these types of developments not subject to Article XXXIV). A "Public Housing Implementation Law" enacted by the legislature as California Health and Safety Code 37000-37002 clarifies the requirements.

Efforts to repeal or modify Article XXXIV were voted down in 1974, 1980, and 1993. Our second dependent variable, Proposition 168, on the ballot in 1993, attempted to modify the constitution to change the definition of low-income housing and remove the vote requirement unless a certain number of qualified voters in the area signed a petition. This effort failed, 40 percent to 60 percent. We analyze voting on this proposition as a more specific indicator of support for affordable housing, as passage of Proposition 168 would make it more difficult for cities to veto certain types of low-income housing developments in their jurisdiction. To facilitate comparison across outcomes we tested the same models for both the bond and the constitutional initiative. Although the range of our dependent variable is constrained (0-100), most of the values are fairly close to 50 percent. Thus, we used OLS regression in our analysis.

The Independent Variables

Our primary variables of interest in the model are median home value, percent single-family homes, percent white (all measuring economic self-interest in the form of homeowner assets and exclusivity) and percent Democrat (partisanship). Communities with predominantly single-family neighborhoods are more likely to oppose having affordable housing. Percent single-family homes also proxies for percent homeowners in a city, (the two variables were virtually interchangeable in the model, Pearson correlation = .738, but the single family home variable was a better fit), and as we noted in the literature, homeowners are motivated to protect their property values and should vote accordingly. White homeowners are also more likely to exclude lower income housing to maintain racial and economic homogeneity. In both cases, there may not necessarily be opposition to the bond, but there should be more opposition to the constitutional initiative. How median home value will effect the vote is less clear. According to the exclusion literature, wealthier homeowners should be more motivated to exclude low income housing in their community, and would likely vote against the constitutional initiative, but perhaps approve the housing bond as a measure that would enable the building of such housing elsewhere. However the literature on city support for housing indicates that higher home values can mean more support for affordable housing in that community.

Percent Democrat is the measure of partisanship in the city. According to the voting literature, partisanship is often a strong predictor of votes on propositions. Traditionally, liberals are more supportive of government efforts to intervene in the market to increase the supply of affordable housing, while conservatives are more

resistant to government provision of goods and services (Hays 1995). Republicans also tend to be more fiscally conservative than Democrats, which could influence the vote on any state spending measure. A largely Democratic city should be more supportive of both propositions.

The multivariate analysis also included some of the variables used in the studies of local support for housing and in the voting literature. City economic conditions include a measure of fiscal capacity and unemployment rates. To test the influence of fiscal capacity we included the city's retail sales taxes (per capita)[vii]. Retail sales taxes, along with property taxes, are one "one of the major sources of discretionary revenue for cities" (Lewis & Barbour, 1999). Property taxes were not included here as Proposition 13 limits the city share, whereas many cities compete for retail dollars. As the state has taken a larger share of property taxes, cities have turned to their percentage of sales taxes to replace lost revenue (see for example, Fulton, 1999, 235). A city with a high level of retail sales per capita may be fiscally secure enough to support additional housing development. However, high retail sales may also indicate that a city is more interested in retail development than housing development. The unemployment rate is included here because of the influence of economic conditions on voting behavior. High unemployment can increase negative voting and also strain a city's fiscal resources, making it less likely to support affordable housing measures.

As a measure of need we used percent in poverty, as in the analysis by Goetz. Cities with low-income populations may support both propositions as a result of needing more affordable housing, but on the other hand, they may vote against the propositions fearing that their own city could become increasingly burdened by low-income residents.

Finally, as larger and more densely populated areas (such as central cities) often have higher levels of support for affordable housing development we included population and population density measures as well.

Results

Table 1 presents the primary results from the regression analysis, comparing across the two indicators of affordable housing support. Overall we found the percent Democrat to be the most consistent indicator of support for affordable housing, followed by median home value and percent single-family homes. The results were somewhat stronger for the bond vote (adjusted R^2 = .711) than for the constitutional amendment (adjusted R^2 = .504).

Table 2: Regression Results

		Bond 1990		Constitutional Initiative 1993	
Economic Self-Interest	Median Home Value[b]	.035	***	0.035	***
	Percent Single Family Homes	-.073	**	-0.024	
	Percent White	.018		-0.007	
Partisanship	Percent Democrat	.695	***	0.482	***
Economic Conditions	Unemployment rate	-.336		-0.146	
	Fiscal Capacity - Retail Sales Tax[c]	-5.3		4.093	
Need	Percent in Poverty	.055		0.164	
Other	Population (log)	.002		-0.003	
	Population Density	-12.095	***	-5.434	
R squared		*.728*		*.532*	
Adj R Squared		*.711*		*.504*	

Turning first to the bond, the percent Democrat in each city has the strongest influence on the vote for Prop 107, as the voting literature predicted. Partisanship apparently outweighs economic concerns in voting on housing bonds. However the median home value and percent single-family home variable were both significant as well, though oddly enough with differing signs. Median home value was positive, indicating that cities with higher residential property values are supportive of housing bonds, validating other findings on city support for housing, but contradicting the exclusion literature. The single-family home variable on the other hand was negative, indicating cities with more single unit housing and fewer apartments are more opposed to

housing bonds. The only other significant variable was population density, which was also negative. This runs counter to the usual finding that denser areas, such as central cities, are more supportive of affordable housing.

As for the 1993 Constitutional Amendment, our results were consistent in finding both percent Democrat and median home value to be positive and significant indicators of support. Other variables proved insignificant in this model. Assuming areas that lack affordable homes would be most resistant to this initiative we found it surprising that the median home value variable was again positive and that the percent single family homes variable was not significant here. This initiative would have much more of an impact on a city's ability to decide whether or not to allow specific housing developments, so we expected to see significant support for the economic self interest argument here.

Discussion

Both partisanship and homeowner economic self-interest play a significant part in voting on housing propositions but partisanship is the overriding factor. The higher the percent of Democrats in a city the more likely a city is to support affordable housing propositions. Economic self-interest did not affect the vote in a predictable fashion. Contrary to the exclusion literature, wealthier areas do support housing bonds, yet areas with a higher percentage of single-family homes, which are generally wealthier areas than communities with more multi-family homes, are less supportive. This could be explained by the general nature of support indicated with housing bonds. Wealthier cities vote in favor of affordable housing propositions if they know their community is exclusive enough that any actual housing development will be pursued elsewhere. It is

likely that homeowners in mainly middle class communities, which are generally less expensive single-family neighborhoods, are most threatened by affordable housing development in their backyard and behave as the exclusion literature predicts. However this leaves the question of why the single-family home variable was not also significant in the model for the constitutional amendment. We have no explanation at the moment, but plan to address this in future research. We should also add that the percent in poverty variable was not significant in the model. Other research has found that cities with both wealth and poverty may be more supportive of policies such as affordable housing development but that did not prove to be the case here.

The population density variable in our model was negative and significant for the bond vote, contrary to most findings. Perhaps in 1990 some densely populated cities were starting to fear that more housing money would mean attempts to add more low-income housing in their communities and an additional burden of low-income residents. One example is the city of Santa Ana in Orange County. Although it is one of the most affordable places in the county it is also intensely overcrowded with low wage immigrant families. Harwood and Myers (2002) explain how the city added a significant amount of high density housing in the early 1980s, but were finally pressured to stop by neighborhood leaders whose communities were overrun with crime, traffic, trash, graffiti, and congested parking. The city was also burdened by service demands. According to Harwood and Myers, planners now believe that promoting high-density development was a mistake, despite the tremendous need for housing among city residents. The city of Santa Ana voted against both housing propositions examined here (though it was not part of the analysis because it is the third largest city in the region).

Results may also be affected by other factors, such as timing. By 1990 home sales were already about halfway into a serious decline that peaked by about 1992-93 and lasted until about 1996 (but did not fully recover until the early 2000s). Per capita income had already dipped by 1990 and unemployment was on the rise, the beginning of a serious recession in the region that lasted through a good part of the decade. In 1988, with the housing market at its peak, another housing bond did pass with a greater level of support (Prop 107 passed by only 52 percent of the vote, versus 58 percent for Prop 84 in 1988). Voters may simply have been more inclined to support affordable housing development in that market climate. By 1990, with economic and housing market conditions on the decline, support overall probably declined in all cities as economic concerns increased. Voters in the most densely populated cities, which also tend to have a greater percentage of multi-unit housing, may have felt the impact of the drop in housing values before other areas, and voted according to economic concerns. (Having another housing bond on the ballot so soon could have also dampened support for the 1990 measure).

Finally, as the analysis here looks at voting behavior it is also important to recognize that the election itself can also affect the vote. The two ballot measures examined here are from two different types of elections, a primary election and a special election (a general election is a third type). While general elections have much higher turnout than other types, special elections seem to be particularly unique in having the lowest turnout, (all models here were weighted by the total vote), with only the most consistent voters casting their ballots, as these elections only come up under special circumstances. Proposition 168, the Constitutional Amendment on the ballot in 1993,

was part of a special election. The nature of special elections, in which only the most passionate voters, which tend to be older, more affluent, and white, turn out to vote, can affect the results (and should stand as a lesson to affordable housing advocates putting such measures on the ballot). However, our analysis still stands as an explanation of voting for housing measures at the city level.

Conclusion

The conclusion here may be that there are no simple explanations of which communities will be most supportive of affordable housing. It seems clear that political party and median home value are good predictors of support for affordable housing at the ballot box. But there may be many more complexities on this issue than we see in discussion of suburbs versus central cities or wealthy versus lower income communities. The initial analysis of the distribution of affordable housing in the region indicates that city attitudes toward affordable housing development are fairly persistent over time, as the mix of housing types tends to remain the same. However, the multivariate regression results indicate that voter partisanship is clearly key to support for affordable housing at the ballot box. Of course, more research is needed to sort out some of these complexities, and we do acknowledge that southern California may be unique when it comes to affordable housing development. Comparative research in other regions would be useful. But ultimately much of the literature on cities and housing may be too generalized in its explanation of attitudes toward affordable housing.

Table 2a: Regression Results for cities with pop <100,000

		Bond 1990		Constitutional Initiative 1993
Economic Self-Interest	Median Home Value[b]	.032	***	0.034
	Percent Single Family Homes	-.068	**	-0.031
	Percent White	.025		-0.01
Partisanship	Percent Democrat	.650	***	0.447
Economic Conditions	Unemployment rate	-.291		-0.035
	Fiscal Capacity - Retail Sales Tax[c]	-.647		4.464
Need	Percent in Poverty	.062		0.16
Other	Population (log)	.003		-0.006
	Population Density	-9.187	**	-3.528
R squared		*.702*		*.539*
Adj R Squared		*.681*		*.508*

[i] There was a housing bond on the ballot in 1993 but it would have directed money to one specific housing program that was being reworked. The 1990 bond was more general, with money for several types of housing programs, and more similar to other housing bonds that have been on the ballot over the past few decades. More recent housing bonds were on the ballot in 2002 and 2006 but voters have not revisited the Constitutional amendment since 1993.

[ii] This research was also made possible by funding from the Lewis Center for Regional Policy Studies and the Ziman Center for Real Estate Studies, both of which provide funds for research on southern California.

[iii] This is the census designated CMSA and also the area covered by the regional COG, the Southern California Association of Governments (SCAG), although the mostly rural Imperial county is included in SCAG as well.

[iv] Consolidated Metropolitan Statistical Area – this census designated area encompasses the five county area used in the analysis. Census terms have since changed, but the data for the five county southern California region still exists.

[v] Technically, we denoted the bottom 20.7 percent of households as low-income, as this coincided with the Census income category cut off of $19,999 in 2000. The adjusted income figure for 1990 was very close to another Census income category cut off of $14,999, which was also used. 18.5 percent of households fell into this category in 1990.

[vi] While smaller cities can compete for the funds through the States and Small Cities Program, and by forming consortiums with other cities and counties, 70 percent of all CDBG funds go to the larger entitlement cities, providing extra funding to assist low-income residents

[vii] The retail sales amount is the average (to account for fluctuations by year) of retail sales taxes returned to the city in 1990-1991and 1991-1992. (Unfortunately 1989-1990 data were not immediately available). The average retail sales taxes were then converted into a per capita figure using 1990 population figures from the Census.

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