

Policy Brief: Federal Support for Local YIMBY Housing Policies

Overview

In the United States, it's essential that the housing sector is affordable for families. Today, there are many metro areas that have high rent burdens, spending more than 30% of their income, while having low housing growth that isn't sufficient for the demand.

This brief proposes Federal Support for local YIMBY Housing Policies to offer local governments incentives to increase the housing growth and protect people from the extreme rent burden.

Proposed Congressional Sponsors

Primary Sponsor - Austin (Dallas-Forth Worth-Arlington, TX Dallas Metro Area)

Austin is a city with successful YIMBY policies that has experienced high housing growth. With growing population they have managed to build new housing at a high pace, including its peak of 78705 new housing permits in 2021 [\(1\)](#). These changes have led to more affordable rent and in return, residents can spend more on the local economy.

Co-Sponsor - New York City, NY (New York-Newark-Jersey City Metro Area)

New York is in comparison to Austin, experiencing a NIMBY crisis. The residents have faced high rent burdens, and there are extensive zoning restrictions, leading to low supply for new housing and high rents for families and young adults below the national baseline. This is a city where policies are blocking progress.

Benefits for Industries and Generations

Construction (NAICS 23)

With an increase in housing permits, workers in the construction industry can support job growth within the city. This includes jobs for engineers, local suppliers, staffing, leasing jobs etc. [\(2\)](#) This in turn, improves the local economy.

Hospitals(NAICS 622)

Many residents in the medical field have been priced out from the cities due to high rent burden. In areas where rent burdens are lower, these workers will be able to live nearby to provide medical services more timely [\(3\)](#). The importance of this was especially shown during the pandemic.

Generation Z

The Generation Z (born 1997–2012) is currently the most important for driving rental demand [\(4\)](#). However, the younger audience is also starting off their careers with lower than average income. As a result, moving into their own homes and working in cities with high rents becomes difficult.

In 2023, 49% of Gen Z individuals lived in rent-burdened households in the New York Metro area, spending more than 30% of income on rent [\(5\)](#). With increased housing that can support lower rent, the younger generation can move into their own homes, driving the local economy by having more money to spend on activities in the city.

Metrics Used

Rent burden

Used amount of household income that goes to the rent. When going beyond 30% of the income, it's viewed as a burden. The metric identifies what cities have high rent burdens that haven't met the housing demand and cities with lower rent burden to show how YIMBY policies have supported housing costs.

Housing Growth

Used how many housing permits per capita compared to population growth. This identifies cities with low housing growth to see if there are restrictions that can need YIMBY incentives and cities with high housing growth to receive grants to continue its work.

Goal and Target

This bill's aim is to encourage successful cities to continue their progress, and motivate those facing challenges to strengthen their commitment to improvement.

Federal funding will allow cities to focus on housing growth where supply is demanded. In addition, with a lower rent burden, residents will be more inclined to spend locally, leading to stimulated economies. We have seen how YIMBY policies have positively impacted job growth in industries and supporting affordability for the younger generation and families.

References

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