Estimating the Political Feedback Loop of Local Housing Politics

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4.1 Existing Data on Housing Regulations

This project requires leveraging both existing data and the creation of a new dataset. First, a granular time-series of the regulatory stringency of housing policy on the community level doesn't exist. Any researcher seeking to use housing policy stringency as a model input must choose between the survey-based Wharton Land Use Regulatory Index and Bartik, Milo, and Gupta (2024)'s LLLM-created dataset (hereafter referred to as the 'LLM Index'). The Wharton Index has observations from two time periods: 2005 and 2018, whereas the LLM Index only has one period of observation – 2024. Also unfortunately, the two don't match in where they place communities in the distribution of regulatory stringency. And because their time periods don't match perfectly, it is

impossible to **definitively rule out** that some localities significantly changed their place in the distribution of housing policy stringency between 2018 and 2024.

This means estimating a model of feedback by using these indices is not possible; we need a time-series related to housing regulation on a more granular level to match high-frequency political changes. Ideally, we also want a panel dataset, composed of interconnected housing markets. To illustrate why this is necessary is straightforward. Imagine individual i prefers a low density community. They live in San Francisco, denoted as SF. They vote for a NIMBY candidate in period t. Then, their candidate loses and the planning commission uses its authority to approve a spate of new projects in i's neighborhood. Individual i then moves to Daly City, in San Mateo County. Intuitively, individual i hasn't changed housing markets; there is a clear and direct relationship between Daly City real estate and San Francisco real estate. If individual i would have moved to Stockton, California, however, we could effectively argue for strong geographical segmentation between the San Francisco and Stockton housing markets.

4.2 Creation of Planning Commission Dataset