

Millennials just scored a housing victory over boomers in the California legislature. The fight to solve America's affordability crisis is on.

Business Insider, by Ben Winck and Andy Kiersz, Aug 28, 2021, 3:20 AM



The Golden Gate Bridge frames a shot of San Francisco's Richmond neighborhood, full of NIMBY-friendly single-family homes. Reuters/Robert Galbraith

- **A new California bill aims to ban single-family-home zoning, upending a century-old norm.**
- **It's a battleground between pro-housing millennials and older Americans clutching to the status quo.**
- **Replacing single-family homes with denser developments would chip away at the housing shortage – and eat into property values.**

California is the epicenter of America's housing crisis.

For years, the Golden State just hasn't provided enough affordable homes, for the simple reason that it's just not dense enough. It's largely illegal to build anything that's not a single-family home in the state.

That just might be changing.

On Thursday, state lawmakers voted to advance Senate Bill 9, which would permit the construction of two-unit buildings on lots that have long been zoned for single-family homes.

The legislation will now make its way back to the California Senate for a concurrence vote before it reaches Gov. Gavin Newsom's desk.

At the root of the affordability problem is a lack of new housing, with construction not keeping up with population or jobs growth.

According to Census Bureau population and housing unit estimates, California's population grew 5.9% between 2010 and 2019, while the number of housing units only grew by 5.0%. That suggests not enough new homes for the Golden State's new residents:

When you factor in the explosive job growth over the decade — a 22% increase in the number of nonfarm payroll jobs between 2010 and 2019, fueled by the ongoing concentration of the tech industry in places like Silicon Valley — the lack of new construction is even more apparent:

While Newsom hasn't indicated whether or not he'll sign the bill into law, its passage would represent a colossal shift in attitudes toward housing and a potential breakthrough in the generational warfare over housing pitting the NIMBYs, or "not in my backyard" boomers against the YIMBY, or "yes in my backyard" millennials.

Before SB9, the millennial YIMBYs have taken L after L, as NIMBYs have protected their property values at the expense of nearly anyone trying to find an affordable home. Maybe the next generation of American housing could look very different.

It began in Berkeley

The YIMBYs' first key victory was in Berkeley, the heartland of NIMBYism, earlier this year. Over 100 years ago, in 1916, the Bay Area city was the first in the US to enact a single-family zoning law. It did so on explicitly racist grounds, as whiter families could more easily afford single-family homes.

Yet after decades of inaction, the Berkeley City Council voted unanimously last February to end single-family zoning. (Oregon is so far the only state to ban single-family zoning.)

Berkeley's mayor, Jesse Arreguin, is himself a NIMBY-turned-YIMBY. As recently as 2018, he called an upzoning bill "a declaration of war against our neighborhoods," but a year later he told East Bay Express that his "thinking around the housing crisis has definitely changed."

This June, Arreguin told NBC that Berkeley's history of zoning was "rooted in racism" and the city's lack of affordable housing was an "emergency." But Berkeley was just a warmup.

An analysis of SB9 by the Turner Center estimated it would lead to just 700,000 more units in the state, a sharp contrast with just around 100,000 new housing units each year, The New York Times reports.

Ali Wolf, chief economist at housing analytics firm Zonda, told Insider that California will probably remain undersupplied for another decade, "so there will be people who will be very excited about the zoning changes. I, for one, am in support of it."

Homeowners and local officials have long cheered zoning as a way to protect property values and ensure neighborhoods don't become too densely populated, but YIMBYs argue that limiting home supply leads to a surge in prices and several related issues, such as super-commuting and mass migrations to smaller cities. During the pandemic, the Bay Area's housing crisis saw tech workers flood into cities such as Austin and Denver, driving prices up there.

The YIMBY movement allows millennials and Gen Zers to tackle several economic problems at once, because improving home affordability can have knock-on effects throughout the US economy. Greater residential density would be more energy-efficient, thus helping curb climate change. It would improve congestion by funneling more travel to public transit and begin to address gentrification by keeping prices at sustainable levels.

Zoning, then, sits at the center of some of millennials' biggest economic concerns, and SB9 is a major development in the long-running NIMBY wars.