

Thanks for joining us last week!

If you'd like to <u>rewatch the discussion</u> or share the recording with friends, students, or colleagues, we encourage you to do so. We're grateful that Jim Burling and Richard Rothstein had an open, spirited discussion and were able to find points of agreement and disagreement—the purpose of honest dialogue.

To complement last week's discussion, Richard and Jim have each shared closing thoughts, below.

From Richard Rothstein—two points:

- 1. We can and should pursue multiple goals. First: expand housing supply; long term, it will lower prices. Another: remedy racial inequality. Next, support community stability. Rent control can help. American mobility was once mostly voluntary—families seeking new opportunities elsewhere. We also now have excessive involuntary mobility, displacement from communities in which families want to remain (and in which they are engaged citizens), because of gentrification. Rent control can diminish, not eliminate, displacement, but there are trade-offs; jurisdictions manage them differently. Jim gave examples where allowable rent increases are at or below inflation and don't account for unusual operational costs. A different example is California's statewide rules that limit increases to inflation plus 5 percent. That trade-off limits displacement. but less so, and does more to assure landlords of reasonable returns. Speculators seeking greater returns will be disincentivized, and should be.
- I know of no area except race where we claim that redressing harm to victims of unlawful practice entails

discrimination against people who were not victims. In our Substack column, Leah Rothstein describes a Washington State program that subsidizes homeownership for those (mostly African Americans) who, solely because of their race, ethnicity, or national origin, cannot inherit wealth that whites, in otherwise similar circumstances, now enjoy. Transfer taxes fund the subsidies. It's unreasonable to conclude that Washington discriminates against descendants of those who, solely because of their white skin color, were eligible for government homeownership subsidies that generated intergenerational wealth transfers.

From Jim Burling:

Solving the housing crisis requires more housing, not doubling down on more government interference with the housing market. For too long, misguided government initiatives have distorted the free market in housing. As Richard Rothstein's The Color of Law so ably demonstrates, throughout the 20th century, local, state, and the federal governments encouraged and subsidized white-only suburban development. And as my book, Nowhere to Live recounts, zoning began as a project designed to exclude minority populations, first explicitly and then through economic exclusion.

Today, we are living with the legacy not only of these misbegotten policies but also many other flawed government initiatives. The list is long. From rent control to excessive fees, to stultifying NIMBY-based litigation, to the abuse of eminent domain to destroy inner-city neighborhoods, and to ill-conceived and mismanaged government housing projects, the result has been the same: we're running out of homes. As a nation, we are millions of homes short of what we need. And every year we fall farther behind.

Some well-intentioned people advocate for more government interference with the market to undo the mistakes of past

interferences. It won't work. Directing massive subsidies for previously marginalized people with no meaningful increase in supply will only escalate the cost of housing further. More money chasing the same limited good will always result in higher prices. Nor can there be a moral justification for favoring one racial group over another: new government wrongs cannot right past government wrongs.

The solution: get government out of the way. Free up the myriad government restraints on home-buildings. Let builders build the homes people want and where they want to live.

If you'd like to learn more about this topic, check out these resources:

- Read PLF vice president of legal affairs Jim Burling's new book <u>Nowhere to Live: The Hidden Story of America's</u> Housing Crisis.
- Check out Richard Rothstein's latest book, co-authored with Leah Rothstein, <u>Just Action: How to Challenge</u> <u>Segregation Enacted Under The Color of Law</u>, as well as Richard's book, <u>The Color of Law: A Forgotten History of</u> <u>How Our Government Segregated America</u>.
- Learn more about our ongoing casework defending Americans' <u>property rights</u> including our efforts to <u>dismantle unreasonable government restrictions on building</u>.

If you're interested in engaging further with PLF on this issue, please contact Michael Slabinski.