

Feature
California's "Yimbys"
The Growth Machine's Shock Troops

BY ZELDA BRONSTEIN | SEPTEMBER/OCTOBER 2018

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Zoning used to be a total snooze. Arguments about building heights and density were the eye-glazing preserve of planning wonks and people whose next-door neighbors were contemplating two-story additions. In 2018, zoning got sexy.

The catalyst for the makeover was the fight over Senate Bill 827, introduced in the California legislature by San Francisco's state senator, Scott Wiener, and drafted by Brian Hanlon, president of California YIMBY, an arm of the upstart pro-housing, market-friendly, millennial-led Yimby movement.

"Yimby" stands for "yes in my backyard," a play on the better-known term "Nimby," the "not in my backyard" tag applied to local opponents of development. Yimbys first appeared in the United States around 2014. They now have an international following. But it is in California and above all the Bay Area where they're arguably most influential. YIMBY Action, a self-described "hub of membership" headquartered in San Francisco, claims nearly 2,000 members.

SB 827 drastically curtailed local authority over land use by restricting limitations on the height of residential development near major transit stops and suspending local parking minimums and density caps for such projects. The bill was endorsed by stalwarts of the state's growth machine: the California Association of Realtors; the California Chamber of Commerce; the California Building Industry Association; the Silicon Valley Leadership Group; the Bay Area Council, which represents the region's largest businesses; and more than 120 tech executives, including Nat Friedman (Microsoft), Dustin Moskovitz (Facebook cofounder), Marc Benioff (Salesforce), Logan Green (Lyft), Jeremy Stoppelman (Yelp), Alexis Ohanian (Reddit), Jack Dorsey (Twitter), and Reid Hoffman (LinkedIn cofounder).

Opponents included the Black Community, Clergy, and Labor Alliance; 96 cities, including San Francisco and Los Angeles; and the Sierra Club; along with advocates for social equity, tenants' rights, and local control. Though it died in its first committee hearing, SB 827 sparked a national debate over urban housing policy, transit-oriented development, democratic governance, and the neoclassical take on housing markets.

SB 827 incorporated the tenets of Yimbyism: To ensure maximum opportunity and economic growth, everyone who wants to live in a place should be accommodated. Housing prices are determined by supply. Cities like San Francisco face a crisis of housing affordability because of onerous local regulations passed by elected officials kowtowing to Nimby constituents, who are primarily the owners of single-family homes. Local resistance to "densification" in the name of quality of life, aesthetics, fiscal constraints, or the environment is a sham; the real motives are the protection of homeowner property values and the exclusion of poor people of color from affluent single-family neighborhoods. To house everyone, the state must set residential building quotas for local jurisdictions and penalize localities that fail to meet their allocations. Otherwise, in hot markets, affluent consumers will buy homes in poor neighborhoods, bidding up real estate values, displacing existing residents, and sabotaging shared prosperity.

Yimbys present themselves as insurgents; in fact, their position accords with the housing policies espoused by the American Planning Association. And SB 827 embodies another dominant paradigm in U.S. city and regional planning: smart growth, or transit-oriented development. The idea is to reduce greenhouse gas emissions by getting people out of their private autos and onto buses, trains, bikes, and their own two feet. To be financially viable, mass transit needs ample patronage. As the theory has it, building denser development near transit hubs spurs greater transit use—hence the call to raise heights and densities, known as "upzoning."

Yimby support of smart growth is opportunistic. When the model facilitates more housing, as in SB 827, Yimbys push it. But in keeping with their "build baby build" agenda, they're happy to pursue residential development whose accessibility to transit is minimal. In 2015, the Yimby legal affiliate CaRLA, short for California Renters Legal Advocacy and Education Fund, sued the city of Lafayette over a housing project at a site 1.7 miles from the nearest light rail station and on a bus route with hourly service.

Darlings of Big Media and Big Tech

Like other political activists, Yimbys form political clubs, endorse candidates and ballot measures, raise money, run for office—CaRLA codirector Sonja Trauss is a candidate this November for the San Francisco Board of Supervisors—canvass voters, lobby, demonstrate, cultivate an online presence, and seek influence within established organizations, most notably so far, the Sierra Club.

But Yimby politicking has also taken sensational turns. Start with the movement's dizzying ascent, fueled by copious financial support from tech executives. Since its founding in summer 2017, California YIMBY has received \$500,000 raised by Nat Friedman and Zack Rosen (Pantheon); \$500,000 from the Open Philanthropy Project, mainly funded by Dustin Moskovitz and his wife Cari Tuna; and a million dollars from the online payment company Stripe. Equally impressive is the attention lavished on the young activists by the mainstream media, epitomized by the encomia churned out by *New York Times* reporter Conor Dougherty. These tributes ignore another distinctive aspect of Yimbyism: an aggressive political style that includes doxxing—online posting of private information about opponents—and in-your-face confrontation. In April, Yimby disruption of an anti-SB 827 rally provoked a near-riot on the steps of San Francisco City Hall. Amply documented by the local alternative press, the incident went unreported in the *Times* and the *San Francisco Chronicle*.

By contrast, the major media showcase the Yimby claim that market-friendly re-regulation of land use is inclusive. For more than a decade, the gospel of market-guided inclusivity has been preached by neoclassical economists and their acolytes in universities, think tanks, planning consultancies, and public agencies. The Yimbys have given that doctrine unprecedented currency in the area of housing policy. What they haven't provided is solid evidence of its validity, and for good reason: such evidence doesn't exist.

The primary cause of the Bay Area's stratospheric housing prices isn't regulation-constrained supply; it's prodigious demand. The price of residential real estate has been bid up by a flood of wealthy tech employees and by international investors looking for high yields in a world of ultra-low interest rates. Between 1990 and 2015, households with an income greater than \$150,000 constituted 80% of household growth in the Bay Area. In June, the Department of Housing and Urban Development (HUD) defined households of four people in San Francisco, Marin, and San Mateo counties with an annual income of \$117,400 as "low-income."

The Trouble with Trickle-down Housing

Yimbys assert that the provision of new market-rate housing allows less expensive residences to "filter" down to people of modest means. But researchers at UC Berkeley's Urban Displacement Project say that such dispersion can take generations. Meanwhile, communities are being destroyed and lives shattered, as the most economically vulnerable residents are forced out of their homes. SB 827's upzoning would have inflated property values and encouraged speculation, inviting private investors to buy relatively cheap land in poor "transit-rich" neighborhoods, typically populated by communities of color, and to redevelop it at prices and rents far beyond the reach of existing residents. Working with data generated by Zillow, Jeff Stein reported in the *Washington Post* in August that the luxury construction boom has coincided with rising rents for poorer city residents.

The promotion of high-end housing in the name of inclusivity has rankled some rank-and-file Yimbys. In November 2017, CaRLA sued Sausalito for denying a homeowner's application to replace the existing two-unit residence on his property with three condominiums. The litigation prompted an internal debate over the organization's commitment to social equity.

On an online discussion list, "Sterling" wrote:

I thought the point was to cut red tape to build more units for renters and more affordable housing. If this home were rented, it would be about \$10k/month....Seems completely contrary to [CaRLA's] stated objectives...

Sonja Trauss replied:

The point is to build everywhere....I'd love to sue on behalf of an apartment project in Sausalito, but for now, apartments in Sausalito are illegal almost everywhere....The point is to make sure that wherever new housing is proposed, especially in the most exclusive communities, it can be built. What this means is that the resulting housing is going to be expensive sometimes.

Sterling demurred:

But no one said this property owner couldn't build—it was simply about scale of the unit being built. The City denied a large home and said it needed to be smaller...The owner got pissed because he didn't get everything he wanted. He brought you in to simply get his way with a much larger home so he could generate much higher profit—which he clearly stated in the hearings...

After other Yimbys echoed Sterling's objections, Robert Tillman, a developer, Sausalito resident, and plaintiff in the lawsuit, ended the exchange by laying out the "strategic purpose" of the litigation:

to put all Marin [County] cities on notice that they are subject to the Housing Accountability Act, and can no longer ignore the law. The particular project was unimportant....

California's Housing Accountability Act forbids a local agency from conditioning approval of a housing project on reducing the density of that project to less than proposed and otherwise permitted by law, unless the agency determines that, absent the reduced density, the project would have "a specific adverse impact on public health or safety." Under the HAA, such an impact must be based on standards that are quantifiable, objective, and written.

Enacted in 1982, the law was rarely used until the Yimbys seized on it. In September 2017, Governor Jerry Brown signed into law another bill drafted by Hanlon, SB 167, which strengthened the HAA by raising the evidentiary standard for disapproving a project, increasing the fines for an agency found guilty of violating the law, and entitling "a housing organization," e.g., CaRLA, to reasonable attorney's fees if it prevailed in a lawsuit.

Sausalito's disapproval rested on the grounds that "the project's maximum build out of the site is out of scale with the village like character of Sausalito and not in harmony with neighboring structures." Neighborhood character is a subjective matter. CaRLA won. That was a victory for property capital, not "housing for everyone."

Real Supply-Side Constraints

A key culprit in the housing shortfall is the herky-jerky property-market cycle at large. Neoclassical economics holds that supply and demand exist in a self-regulating, price-mediated equilibrium. But as UC Berkeley professor of geography emeritus Richard Walker explains in his new book, *Pictures of a Gone City*, the supply of and demand for new buildings are usually out of sync. Unlike small consumer products such as cellphones, buildings—especially big ones—aren't suited to quick-response manufacturing. It can take a long time to find sites—a challenge heightened in the Bay Area by hilly topography—arrange financial backing, and assemble contractors. During a boom, builders tend to "overshoot," leaving a glut of new construction—excess space to be filled when the next upswing begins. Walker emphasizes that "the time lag exists apart from any delays in obtaining permits or planning approval—which get far too much of the blame for slow supply response." Even after getting official approval for their projects, developers may not pull a building permit. Or, having pulled a permit, they may not build at all and instead try to flip their entitlements for a profit.

Walker's analysis doesn't get traction among Yimbys, who blame pipeline delays in housing production on "exclusionary" zoning. In fact, all zoning excludes some kind of land use. The question is whether specific prohibitions are discriminatory. Zoning—specifically, bans on multi-unit housing that's affordable to the least affluent—has often been used to keep poor people of color out of white residential enclaves and to box them into poor, segregated neighborhoods. Cities that categorically reject such housing can be legitimately charged with discrimination.

None of the cities sued by CaRLA have enacted such regulations. Nor, outside of a few individuals, have local critics of projects whom the Yimbys target as "Nimbys" sought such laws. Rather, they've asked for refinements to entitlements and zoning regulations that make proposed developments more compatible with their environs. That usually means asking for reduced scale and more parking. But a project that's beyond redemption—for example, George Lucas's bid to plop 224 units of affordable housing into a remote Marin County setting with scant infrastructure—elicits wholesale opposition.

That said, misguided public policy is a major factor in the affordable housing debacle. Private developers don't build low-income housing because it doesn't yield the returns that they and their investors demand. Hence, public funding is indispensable. It has also been desperately inadequate: Since the Nixon administration, the federal government has stunted on financial support for affordable housing. In California, Proposition 13's limitations on property taxes have encouraged municipalities to pursue commercial development and to snub housing, which has a greater need for new services, particularly schools. Finances aside, the state's Costa-Hawkins Act forbids California cities from imposing rent control on single-family homes, condominiums, rental units built after 1995 or the date of an existing rent control ordinance, and newly vacated dwellings whose former tenants left voluntarily; and its Ellis Act authorizes landlords to evict residential tenants in order "to go out of business." In the Bay Area, as in other popular locales, many cities have allowed Airbnb hosts to freely deplete rental housing stock. (San Francisco is an exception.)

Yimbys hate Prop. 13 because it deters cities from approving housing, and it privileges long-standing homeowners, whose property is taxed at significantly lower rates than those levied on more recent buyers. In July, YIMBY Action Executive Director Laura Clark told me that members of her organization have collected signatures to put an initiative to reform Prop. 13 on California's 2020 ballot. The campaign is being run by Evolve California, a coalition of labor unions; civic groups, including the League of Women Voters; the California Democratic Party; and community and philanthropic organizations. The existing law calls for all property to be reassessed only when it changes hands. Since homes are sold much more often than commercial property, homeowners have shouldered the burden of the state property tax—just the opposite of what the law's authors promised—and big property-owners have been let off the hook. The ballot measure would split the tax roll by requiring large, nonresidential commercial property to be assessed annually, yielding an estimated \$10 billion in new revenues. It would also close a loophole that has saved big real estate investors millions of dollars: If no single owner has more than a 50% stake, a property is not reassessed when its sold. The measure specifically allocates the expected new monies to schools and "communities" and none to housing in particular.

Clark called the “Evolve split roll...a powerful first step to reining in Prop. 13.” She added that Yimbys’ disagreements as to whether it will “further incentivize cities and towns to permit commercial [development] and not housing” and thereby “exacerbate California’s jobs-housing imbalance” are more about strategy than philosophy.

Meanwhile, in November a measure to repeal the Costa-Hawkins Act, Prop. 10, will be on the California ballot. Last January, the Sacramento hearing on Assemblymember David Chiu’s bill to repeal Costa-Hawkins was packed with tenant activists from around the state. Just two Yimbys, representing East Bay for Everyone, spoke in support of the bill. Vehemently opposed by major real estate interests, including some endorsers of SB 827, AB 1506 died. A vigorous campaign led by Los Angeles-based Housing is a Human Right then put repeal on the ballot. Campaign director Damien Goodmon told me that to his knowledge no Yimbys had circulated the initiative petition. Writing in the San Francisco Examiner, Joe Fitzgerald Rodriguez reported that at a provisional YIMBY Action endorsement meeting in early August, the several dozen members present split on Prop. 10. Clark argued for “no endorsement,” warning that “mount[ing] a campaign one way or the other will be extremely divisive within the organization.” She also feared that in the wake of repeal, a debate over new rent control laws could see San Francisco “descend into madness”—as if the insanity of the city’s and state’s housing markets doesn’t warrant a hard fight for strong tenant protections. The members of YIMBY Action apparently heeded Clark’s advice: In late August, the organization took a “No Consensus” position on Prop. 10, meaning that support for or opposition to the measure each got less than 60% of members’ votes. At the same time, Brian Hanlon joined the Leadership Council of The Two Hundred, a statewide coalition that purports to be “working in behalf of low-income minorities who have been affected by California’s housing crisis and increasing wealth gap,” and that opposes Prop. 10.

Yimbys support publicly funded housing, preferably the mixed-income kind. That way, Clark told me, “we get more subsidized affordable units, cross-subsidized by market rate; we get way more total units; [and] we achieve a greater level of integration in this new housing.” YIMBY Action has called for San Francisco to build “permanently rent-controlled,” “city-owned social housing” comprising “mixed-income or middle income” homes on parking lots owned by the San Francisco Municipal Transportation Agency, with “predictable rent increases tied to inflation.” By contrast, the Council of Community Housing Organizations, San Francisco’s longtime coalition of affordable housing developers and advocates, argues that public land should be dedicated to affordable housing, and that 100% affordable is financially feasible.

YIMBY Action has endorsed a measure on San Francisco’s November ballot, Prop. C, that will fund homeless services by levying a tax of 0.5% on businesses’ gross taxable receipts over \$50 million. Opposed by almost all of the Bay Area’s biggest tech companies, Prop. C will raise an estimated \$300 million a year. Fifty percent will go toward the construction, rehabilitation, preservation, and operating subsidies of approximately 4,000 housing units affordable to low- and very low-income households; and 15% will go toward homelessness prevention, including eviction defense and rental assistance programs. The endorsement has to be read in connection with Trauss’s supervisory candidacy: The measure will be very popular with voters she needs to win.

Growth Machine Auxiliaries

Yimbys propagate the capitalist growth imperative. Using housing as a proxy for growth, they endow the limitless expansion of population with a seductive moral charge. “[E]veryone who lives in the Bay Area today,” writes Yimby pundit Kim-Mai Cutler, “needs to accept responsibility for making changes where they live so that everyone who wants to be here, can.” By this standard, current inhabitants who set limits to new housing are dodging their moral obligation to accommodate not only people fleeing oppression and brutality, but all would-be residents.

The fuller import of the Yimby behest for open-ended hospitality becomes clear when that injunction is read in tandem with the expansionary agenda of the region’s growth coalition: If the Bay Area is to remain competitive in the globalized economy, they claim, it must keep growing fast. Limit growth’s speed, and the region will become a West Coast Rust Belt.

In 2015, the Bay Area Council Economic Institute (BACEI) warned that sustaining the current breakneck pace of growth in the region requires residents to give up their “‘parochial’ attachments” to their “appealing[ly] diverse towns and neighborhoods.” “Manifest in local opposition to new development,” such fidelity “fosters an insular mindset” that “won’t accept ‘that change is normal’ and thus can’t ‘recognize the new opportunities that are emerging’ or ‘adapt to a new context.’”

We’ve seen this argument before in connection with the workplace: In the name of profit-enhancing efficiency, the enforcers of neoliberalism have busted unions, undermined worker solidarity, and shredded the social contract. The putative “normal” is arbitrary rule imposed from above, coded as “change,” while capitulation to that rule is hyped as the capacity to “adapt to a new context,” i.e., precarious employment.

Now the so-called flexibility visited on the workplace is being foisted on land-use governance, as growth machine operatives train their sights on neighborhood activists and local elected officials. Authority over development must be scaled up to the regional and state levels, so market-friendly officials can take steps to ensure that, in the words of BACEI board member Laura Tyson, who chaired Bill Clinton’s Council of Economic Advisors, the bases of the region’s “economic strength”—“the diversity of its innovative companies and its ability to attract the brightest from around the world”—are protected from democratic challenges at home as well as economic rivals abroad.

The credibility of this program rests on three suppositions: Change is always for the better, growth is the essential guarantor of the general welfare, and cosmopolitanism is inherently beneficent. The first two are undercut by the recent history of the Bay Area, where rapid growth has not only decimated the middle class and devastated the poor, but also degraded the environment: Since 2010, traffic on the region's freeways has grown 80%, and hellish commutes are routine. The third premise is disproved by the self-interested ruthlessness of the new global elite. The tech giants tout the worldwide connectivity they've afforded humankind; meanwhile, in their quest for market domination, they've trampled working people, cornered markets, ravaged privacy, and harbored pernicious hackers.

Yimbys put a sympathetic face on the depredations of competitive cosmopolitanism by leveraging their generation's economic disenfranchisement. That makes their alliance with the agents of disenfranchisement all the more dismaying. For now, they're on a roll. In June, the Yimby-endorsed candidate for San Francisco mayor, London Breed, won, albeit by a 1% margin. As of this writing, CaRLA has initiated three new lawsuits. California State Senator Wiener says that next year he intends to bring back SB 827 with its market-based foundations intact. Meanwhile, other bills that supplant local controls over land use with state mandates are sailing through the California legislature.

Fighting Back

Challenging the Yimbys and their allies is a formidable assignment. The growth machine is permanently mobilized—its cadres supported by vast financial resources, California law, and an asset even more potent than money: an ideological hegemony that transcends party divisions. The Spring 2018 issue of *Evidence Matters*, a HUD publication that purportedly “demonstrates [the agency's] commitment to evidence-based policymaking,” identifies local regulatory barriers and Nimbyism as “the primary causes of restricted housing supply and rising housing costs.” The Obama White House took the same line, as does the Democrat-controlled California legislature.

If evidence really mattered, blaming local regulations for the lack of affordable housing would be a butt of ridicule. The specious indictment owes its cachet to the suppression of public debate about the true sources of the housing crisis and their concomitant remedies. In 2016, then–Palo Alto Mayor Pat Burt made a bold move for an elected official in the Bay Area: He declared, “[W]e have to do away this notion that Silicon Valley must capture every job available to it.... We want metered job growth and metered housing growth.” He was pilloried in the national press.

Burt was right. The sky-high price of Bay Area housing is primarily driven by inordinate demand: People are drawn to the region by the tech boom's promise of jobs. To moderate demand, approvals of new offices should be minimized; tied to a commensurate amount of housing, services, and infrastructure; and guided by a housing strategy that reconciles legitimate state and regional concerns with distinctive features of each locale. While seeking to accommodate projected growth, the Council of Community Housing Organizations has compiled a useful list of such features:

- existing density (urban, exurban, or suburban?)
- the current stage of the property business cycle
- the kind of land available for development
- land costs
- proximity to jobs and transportation

And, “most critically, factors related to communities' privilege, power, and access”:

- demographics of race, class, and level of diversity
- the current risk and stage of gentrification of displacement
- the tenure and stability of existing residents (renters with or without rent control and eviction protections? small landlords or large corporate landlords and real estate trusts? foreclosure risk for homeowners?)
- history of exclusion, investment or disinvestment, good school and educational/economic opportunities
- the experience local residents have had (or not had) in deciding the policies that shape the future of their communities

I'd add: a local jurisdiction's financials, its vulnerability to sea level rise, the capacity of its schools, and the quality of its public transit.

What's at issue is more than distributive justice. Wiener amended SB 827 to require higher percentages of inclusionary housing—housing affordable to people with low to moderate incomes. That didn't satisfy the representatives of historically disadvantaged communities of color: they seek self-determination. Neither they nor the local governments, neighborhood activists, equity advocates, and environmentalists that also opposed SB 827 could stomach its assault on the local planning process.

The goal is equity and democratically accountable power and authority. That goal can be achieved only if the public realizes that the top-down, market-oriented, one-size-fits-all, growth-to-the-max paradigm is the source of, not the remedy for, the Bay Area's housing debacle. Given the growth machine's grip on public discourse, fostering that realization may be the toughest assignment of all.

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SOURCES: Zelda Bronstein, “Inside the Yimby Conference,” 48 Hills, July 20, 2017 (48hills.org); Zelda Bronstein, “Scott Wiener's War on Local Planning” 48 Hills, Feb. 1, 2018; Zelda Bronstein, “The Yimby Guide to Bullying,” *Berkeley Daily Planet* (berkeleydailyplanet.com), April 17, 2018; Zelda Bronstein, “When Affordable Housing Meets Free-Market Fantasy,” *Dissent*, Nov. 27, 2017 (dissentmagazine.org); Damien Goodman, “SB 827 is a declaration of war on South LA,” Crenshaw Subway Coalition, May 1, 2018

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