

Discussion of:

**Mandating Access to Affordable Housing, City by City:
Is France's Fair Share SRU Law a Model for U.S.
Metropolitan Areas?**

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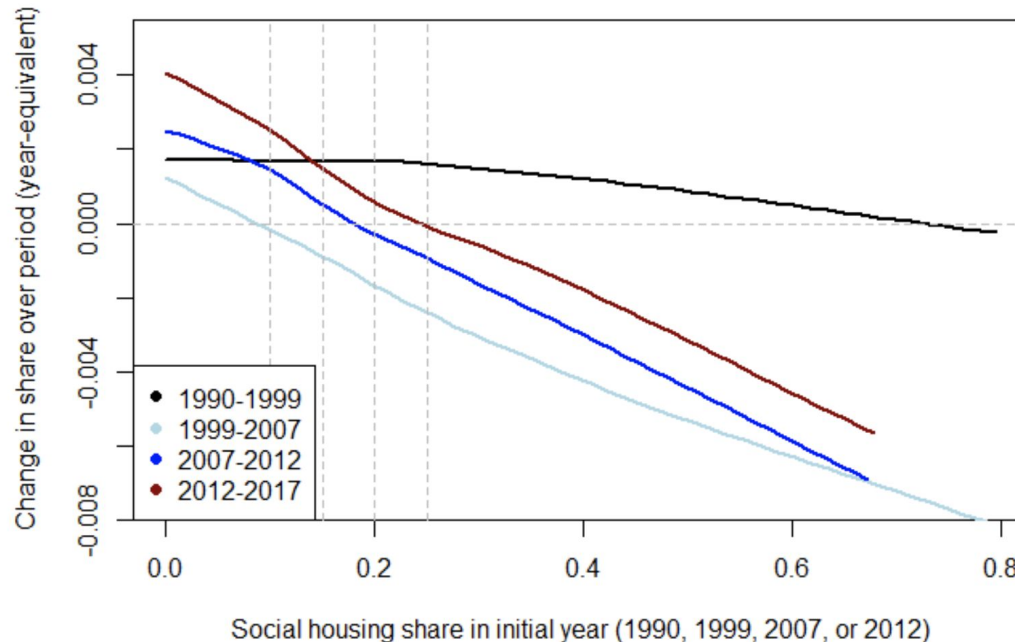
Lincoln Institute
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This paper

- Assess the impact of the SRU law in France on the supply of social rental housing across municipalities in France
- Main finding: SRU was effective at increasing the supply of rental housing in municipalities with low initial levels
 - Similar legislation could help to push affordable housing supply in the US
- This is very timely work both from the French and US perspective
 - March 14, 2021: Emmanuelle Wargon (French housing minister) announces law will be permanent

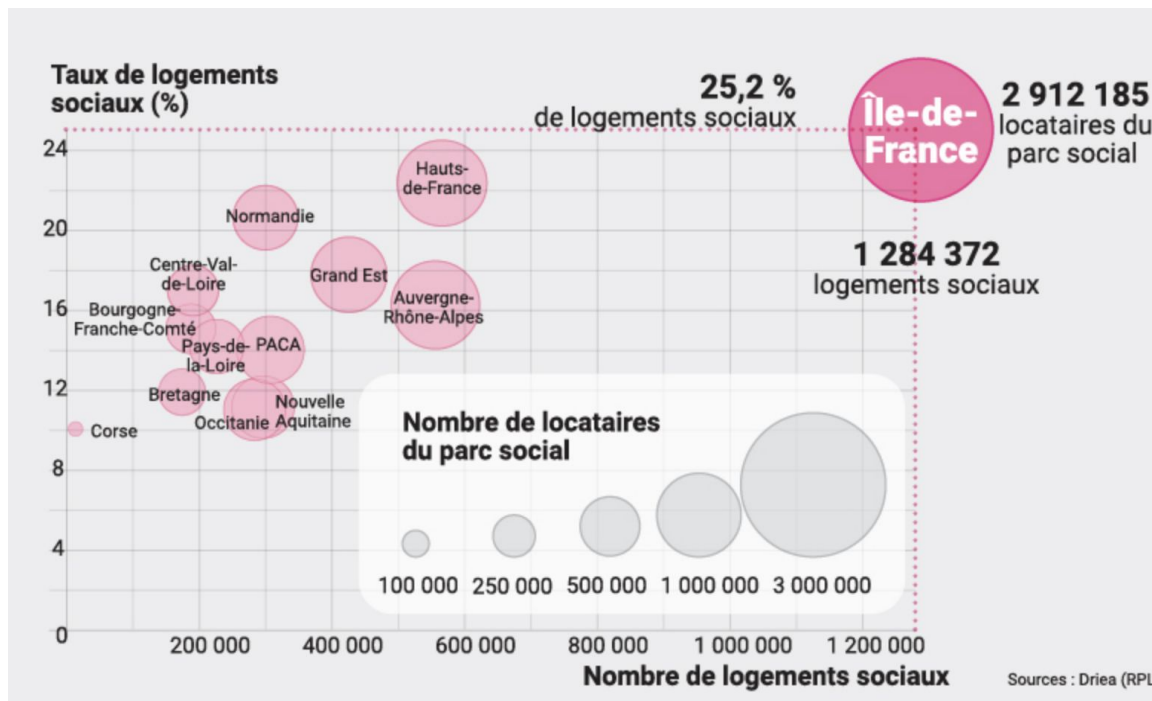
Comment 1: Why did municipalities exceeding the limit reduce their fraction of social housing?

- Pure diff-in-diff: only an impact of the policy on the treated municipalities (<20% / <25% social housing)
 - Here: also large negative impact on ‘untreated’ communities
 - Is this only a relative or also an absolute decline?
 - Alternative view: broader political push to create equity in social housing shares



Comment 2: What is the right % of affordable housing?

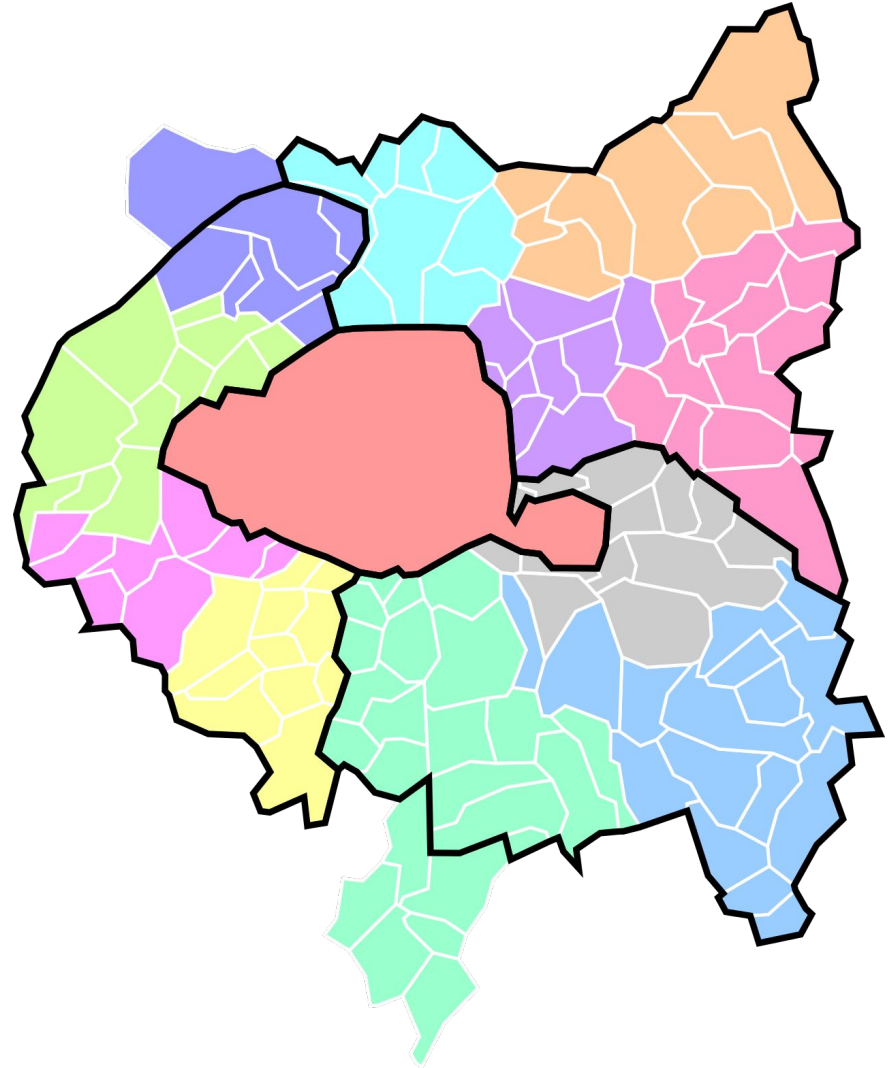
- As much a political as an economic question
 - Intuition: more needed in expensive / high-opportunity areas
 - French SRU law seems to induce convergence to 25%
 - This means less around Paris and more in the rest of France
 - But: waiting time 32 months in I-d-F, 13 months in France



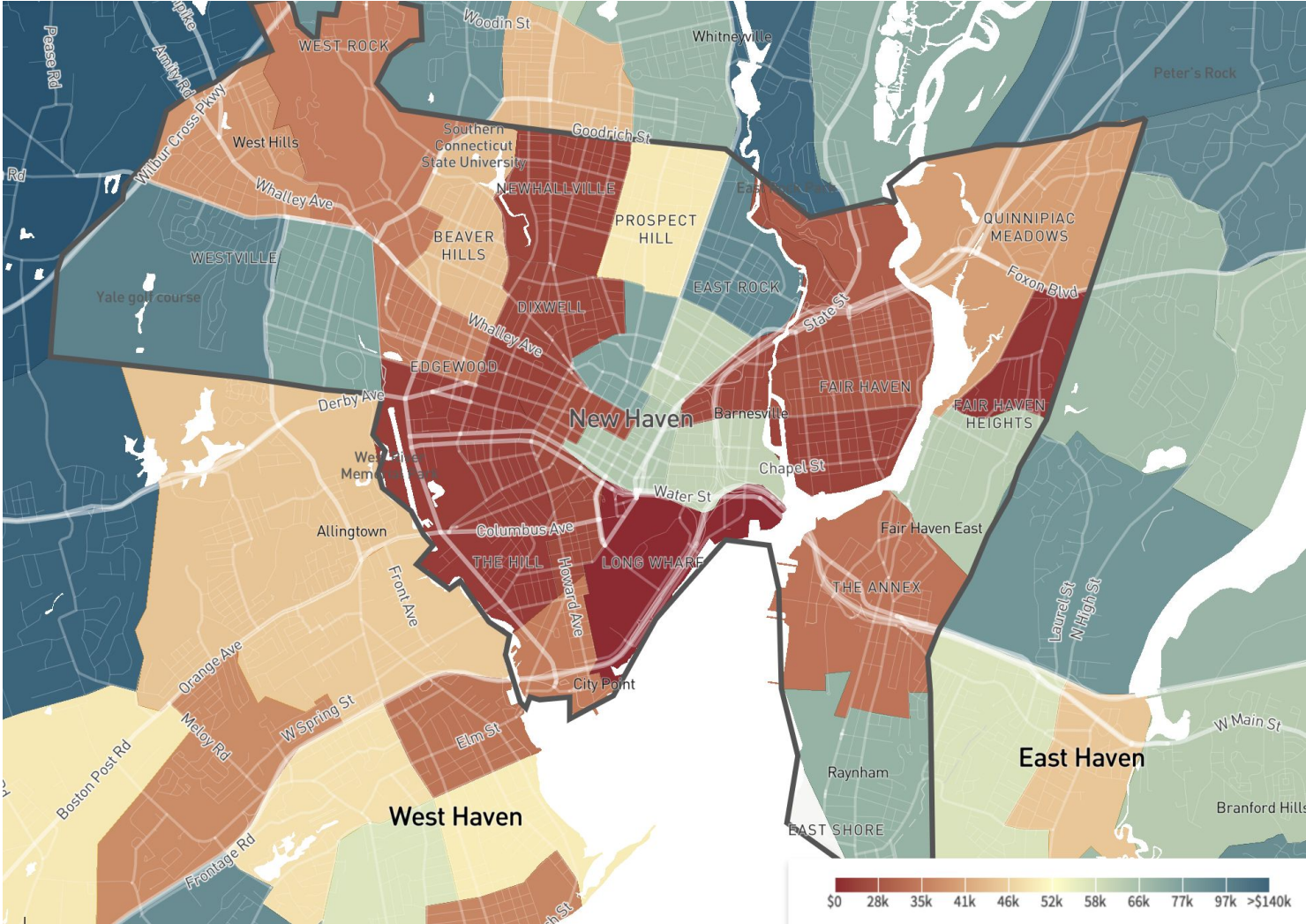
Source: AORIF

Comment 3: What is the right geographical unit?

- French communes vary strongly in size and population
 - Le Pre-St-Gervais (pop: 17,000)
 - Paris (pop: 2,200,000)
- If the aim is to reduce segregation, regulation should happen at the unit where segregation happens
- Kirszbaum (2021): SRU law not effective at reducing segregation



To Connecticut: Income differences within New Haven



Source: Opportunity Atlas. 2012-2016 median household income

New Haven: Fair Haven Heights

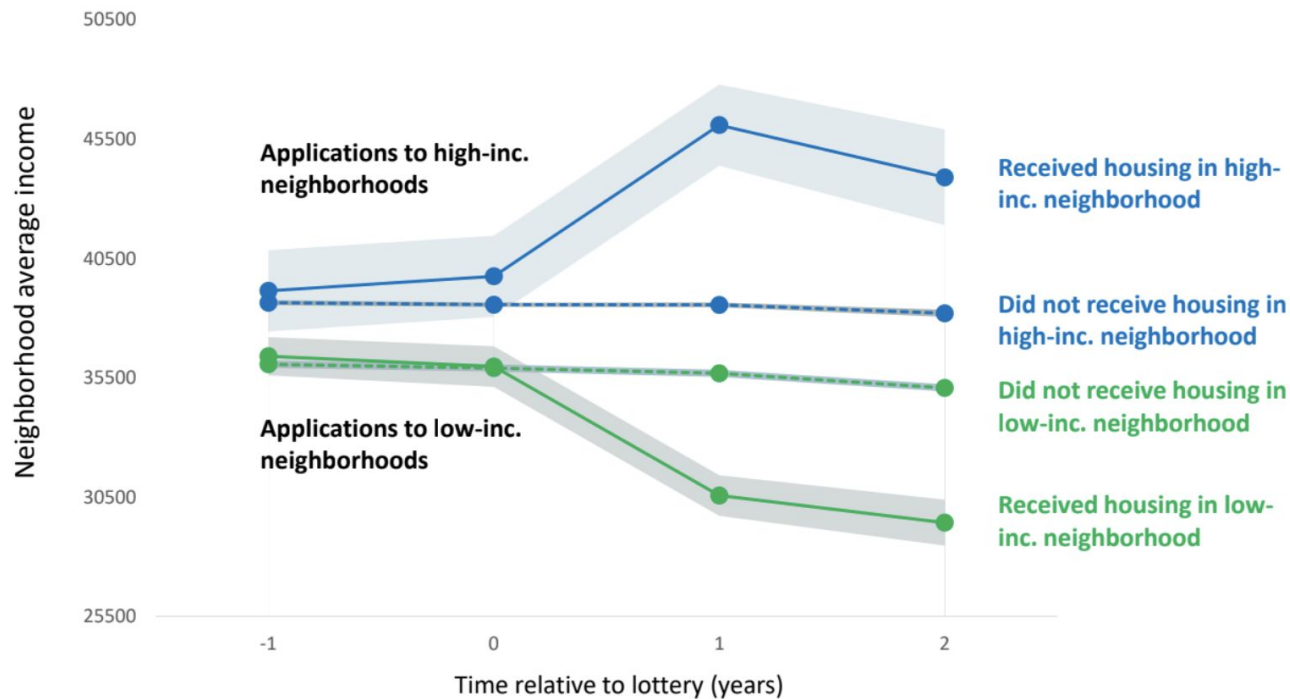


Source: Google Street View

The Causal Effects of Housing Assistance: Amsterdam

- Van Dijk (2019): compares winners and non-winners of housing lotteries for social housing in Amsterdam (41% affordable housing)
 - Negative average effect: causes moves to low-inc. Neighborhoods
- Suggestion: identify location of new housing within municipalities

(b) Lotteries in high-income vs. low-income neighborhoods.



Conclusions

- The paper shows SRU is an effective tool to increase the supply of affordable rental housing
 - The U.S. definitely needs more of it
- Main suggestion: go beyond the % of affordable housing per municipality as the key metric to assess the impact of the law
 - Metric likely doesn't capture the full impact on segregation and housing affordability

Minor suggestions: empirical identification

- The identification could be improved by making the treated and un-treated group look ex-ante more similar
 - Use matching methods to ensure a balanced sample of municipalities
 - Match on other observable characteristics (household income, unemployment rate, livability scores, population density, population size etc.)
- The effect of the law should be stronger for municipalities far below $< 20\%$. Is it possible to use 'distance to 20% in starting year 1999' as a continuous variable? This matches the loess specifications. It might also make your specification in Table 7 more significant
 - In theory, the effect should be close to zero for municipalities far above 20% (even though the data suggest otherwise), suggesting a dummy is fine, but the data do suggest otherwise.
- Table 6, column 3: it is not clear how the treatment dummy can still be estimated if there already are municipal fixed effects in the model (which should capture this)

Minor suggestions

- The political results are in line with intuition, but causality is hard to establish
 - To get closer to causal effects, one suggestion would be to focus on comparing municipalities with tight elections. If the left had a very narrow victory, do we get different changes in social housing than when the right scored a very narrow victory?
- For the loess plots, I would suggest to limit them to the range of observations that is commonly observed (e.g. range of 5%-95%) since it is difficult to estimate a precise trend for parts with few observations (e.g. > 60% social housing)
- It would be very useful to clarify *how* municipalities increased their housing share. The extent to which the law improves access to affordable housing and reduces segregation will depend on how municipalities increase supply:
 - Conversions from private rental / owner-occupancy to social housing
 - Construction of separate social housing projects
 - Mixed construction projects (seems optimal)