

Local Interest Group Participation in the Housing Entitlement Process

Michael Hankinson*

Asya Magazinnik[†]

Anna Weissman[‡]

February 15, 2024

Abstract

Interest groups typically mobilize in the pursuit of particularistic benefits that they can extract via the political process. However, are groups responsive to the amount of benefits available for extraction? We approach this question through the context of the local housing entitlement process, where construction unions use public meetings to pressure developers into pro-union project labor agreements. Using data from 164 cities across the United States, we find that cities with more extractable benefits — as measured by their “zoning tax” — are more likely to experience construction union participation in local meetings. While the entrance of these groups into participatory institutions may signal a robust, pluralist local democracy, competition among these groups risks further increasing housing costs to the detriment of both group members and unorganized residents.

Keywords: interest groups, local politics, housing

All authors contributed equally.

*Assistant Professor, Department of Political Science, GWU. hankinson@gwu.edu

[†]Professor of Social Data Science, Hertie School. a.magazinnik@hertie-school.org

[‡]PhD Candidate, UC-Berkeley. anna.weissman@berkeley.edu

Introduction

Interest groups have long been seen as a vehicle for pursuing particularistic benefits (Baumgartner and Leech 1998; Gray and Lowery 1996; Olson Jr 1971). Within the context of local government, such competition has been seen as widely accessible and an indication of a robust, pluralist democracy (Dahl 1961). However, while local interest groups like public sector unions organize around city spending (Anzia 2022), less is known about how interest groups respond to non-budgetary streams of benefits. Do interest groups use the participatory institutions of local government to extract particularistic benefits from the private sector? If so, are these interest groups responsive to the amount of benefits available for extraction?

One stream of private sector benefits comes through the housing entitlement process. Local interests — such as labor unions and community groups — often negotiate with housing developers to extract particularized benefits from new residential development (Been 2010; Hankinson and de Benedictis-Kessner 2022). The leverage of these groups comes from their political power. Developers are willing to compensate these groups in exchange for their public support of the development as it moves through the political approval process.¹

However, if interest groups “overfish” in the entitlement process and ask for too many benefits, the development may no longer be profitable, leading the developer to withdraw their proposal. Not only does this interest group behavior scuttle the immediate project, but it may engender a reputation of unpredictability in the entitlement process and have a chilling effect on future development. When less new housing is built, not only do interest groups leave potential benefits on the table, but local housing prices increase, raising the cost of living for both the group’s own members and unorganized residents.

Of all of the local interest groups, construction unions are uniquely cross-pressured between maximizing the number of housing developments built and extracting the maximal volume of particularistic benefits from each development deal via favorable project labor agreements. This tension has even led to large cleavages within the construction labor movement regarding whether to support regulatory streamlining reform to increase the housing supply or maintain the status quo to maximize their political leverage over individual projects (Christopher 2023).

¹Many developments and nearly all multifamily developments require approval by the city planning commission and, if appealed, the city council.

In this paper, we test whether construction unions are aware of and responsive to the sum of benefits available for capture via the entitlement process. As our dependent variable, we have generated a measure of local interest group activity in the regulatory process via LocalView (Barari and Simko 2023), a database of public comment in local government meetings. For our independent variable, we use an estimate of the local “zoning tax” per quarter acre (Gyourko and Krimmel 2021). As we discuss, this quantity is a proxy for the amount of value that interest groups can extract from the development process without causing the proposal to be financially unprofitable.

Using data from 164 cities across the United States, we cross-sectionally test whether cities with large amounts of extractable benefits generate more interest group activity in local political contexts, as theorized by Anzia (2022) and Gray and Lowery (1996). We find that cities with more extractable benefits are more likely to experience construction union participation in local meetings. Even controlling for each city’s political ideology, a standard deviation increase in the local zoning tax is associated with an 11 percentage point increase in a construction union appealing to local legislative bodies for more favorable project labor agreements.

While our empirical analysis focuses on the appearance of construction unions in the public record, we also include multiple examples of how union representative use rhetoric to pressure public officials. Additionally, we set an agenda for the advancement of our theory, including how a lack of coordination among competing interests can stymie the collective provision of the housing supply. More broadly, our finding advances the discipline’s understanding of interest group mobilization in local governments and in response to material benefits, writ large.

Theory

Literature & Our Contribution

The large and influential literature on interest groups in American politics has focused almost exclusively on the national level. But many of the insights generated by this literature are not transportable to local politics (Anzia 2022). For instance, scholars have stressed the importance of resources (Schattschneider 1960; Schlozman, Verba, and Brady 2012), a lens that has less explanatory power at the local level. Institutional settings — and thus the tools groups have at their disposal to influence government — are also meaningfully different: at the national level, personal

contacts and testifying at hearings are used strategically by groups (Baumgartner et al. 2009), but at the local level, groups have direct access to representatives through participatory institutions like public meetings.

The literature’s almost exclusive focus on the federal government has hindered scholarly advancement toward a deep understanding of how interest groups function, in two ways. First, we have an incomplete picture of how groups operate across the entire range of political settings that constitute the American federal system. And while the policies local governments make create a constellation of organized interests distinct from those that coalesce around national issues (Anzia 2022), it is also the case that the *same* nationally organized groups are increasingly treating national and subnational governments as substitutes when deciding in which venue to participate (Hertel-Fernandez 2019). Second, Anzia points out that focusing attention on the federal government alone — with its fixed set of institutions, organized interests, and policy outcomes at a given time — does not provide the variation needed to test theories about when groups mobilize and exercise influence over the political process. Thus, she writes, “the enterprise of testing for interest group influence has been developed and pursued in a setting where it is perhaps most difficult to detect” (Anzia 2022, p. 12).

We heed the call to devote attention to interest group participation at the local level, in particular by exploiting variation across local governments to learn more about the conditions under which groups participate. Our starting point is a simple, foundational question: are interest groups mobilized to make demands on local government by the size of the potential gains that are at stake? Our expectation is that, all else equal, the share of particularistic benefits available for a group to capture will be a key driver of that group’s decision to participate in the political process.

While this is an intuitive proposition — in line with a broad scholarly consensus that interest groups form in order to secure particularistic benefits from government (Hacker and Pierson 2014) — there is not, to our knowledge, empirical evidence of the sensitivity of groups that have already formed to the size of the potential benefits. The work that has been done in the local context has focused on other explanations for interest group mobilization. For instance, Cooper, Nownes, and Roberts (2005) have analyzed whether local institutions like nonpartisan elections and initiatives predict interest group activity, finding no effects. Oliver, Ha, and Callen (2012) suggest that interest groups will be more active in larger municipalities that have more issues on the agenda, which is

also what Anzia (2022) finds in a survey of officials from large and small municipalities.

However, having an issue that concerns an interest group on the local legislative agenda is neither necessary nor sufficient to induce participation: groups may mobilize to bring certain issues to their representatives' attention when sufficient gains are at stake, and they may choose to accept the status quo on issues already on the table where significant gains from their participation are not anticipated. By measuring groups' sensitivity to potential benefits, we hope to contribute to a richer theory that is microfounded in interest groups' desires and incentives.

Our focus on this particular mechanism is motivated by its important implications for representation. On the one hand, responsiveness to the groups that are most deeply affected by a particular issue should be a goal of democratic government. But the conditions that determine how much groups stand to gain or lose from a policy — and therefore who mobilizes to shape the outcome of that decision — may well be exogenous to the considerations that a policymaker who is interested in overall social welfare would prioritize. For instance, as the ensuing discussion will show, the benefits that labor unions can extract from the housing approval process are likely driven not by considered policies that balance the competing demands of organized labor and demand for new housing, but rather by the degree to which preexisting regulatory and political barriers have distorted housing prices in the city.

Union Participation in the Local Context

We restrict our focus to one particularly active interest group on the local political stage: construction unions. In so doing, we are following Anzia's 2022 policy-centered approach to the study of local interest group participation: we take the core functions of local governments as our starting point, and we trace from there the issues that are likely to drive interest group activity. Given that land use, in particular the approval of new housing developments, is one of the most important — and most contested — functions of city councils and planning boards, construction unions have strong incentives to lobby their local representatives for favorable conditions such as guarantees that projects will use union labor and agreements about overtime pay and benefits.

More concretely, the share of benefits available for any organized interests to secure in the housing approval process is determined by the expected profitability of a development: the difference between the building costs to the developer and the expected revenue from the new units.

In a perfectly competitive market, developers would supply housing units to meet demand until the profitability of the marginal development is driven down to zero, or marginal revenue equals marginal cost. But regulatory and political barriers to building new housing have led to significant undersupply in some cities, driving up prices and thereby increasing the profitability of the next development that makes it through the gauntlet of the discretionary review process.

This gap between the actual market price of a unit and what developers would have made in a counterfactual free market — in equilibrium, the unit’s marginal cost — is sometimes referred to in the housing literature as the “regulatory tax” (Glaeser, Gyourko, and Saks 2005). While we are interested in precisely this quantity, in this paper we refer to it using the broader term “zoning tax” (Gyourko and Krimmel 2021), which absorbs other mechanisms by which zoning hinders the approval of new developments. In particular, we wish to include the political barriers created by participatory institutions such as public meetings that allow “neighborhood defenders,” labor unions, and other organized groups to block new housing or delay it until they extract concessions (Einstein, Palmer, and Glick 2019; Brenzel 2023; Brouwer and Trounstein 2024). As construction costs are generally less variable from city to city (Gyourko and Krimmel 2021), it is mainly this zoning tax — a function of local housing demand coupled with the degree to which local institutions constrict supply — that drives variation in the expected profitability of proposed projects to developers.

If participatory local institutions give organized interests the means to demand particularistic benefits in the housing approval process, the zoning tax provides the incentive for them to do so. In principle, a rational developer will move forward with a project as long as it clears a minimal threshold of viability. In cities where there is a sizeable zoning tax, developers can clear this minimal threshold, with some additional surplus available for interest groups to vie for in the approval process. For instance, nearby community members may demand that the new development include public green space, resources for recreation, or community centers (Been 2010; Hankinson and de Benedictis-Kessner 2022). Other advocates request more private benefits, such as affordable housing units or promises from mixed-use developers to hire local residents (Wolf-Powers 2010).

As long as groups do not “overfish” in the common surplus pool, bringing the project below the developer’s viability threshold, councilmembers may broker mutually beneficial arrangements between developers and organized interests — and interest groups have a strong incentive to stake

a claim on their share of the available surplus.

An important way in which construction unions stake their claim on their share of the surplus is by negotiating the proportion of the building work that must be done with union labor. Additionally, union representatives bargain for better conditions for their members under Project Labor Agreements (PLAs), which are project-specific collective bargaining agreements between union representatives and construction management firms stipulating the conditions of employment. While wages are not usually on the table — they are more likely to be set by schedules from local collective bargaining agreements — many other important working conditions are negotiated in PLAs, such as overtime pay, benefits, pay for time not worked, and work rules (Belman, Bodah, and Philips 2007).

We expect that construction union members are more likely to show up to city council meetings to advocate for concessions from developers when the pool of potential benefits on the table — the zoning tax — is large. In order for this hypothesis to hold, union members must have some (even imperfect) awareness of the size of the zoning tax. While unions may not conceptualize the amount as a zoning tax, they are likely aware of how differences in profit allow developers to recoup the costs of union project labor agreements (Cohen 2023).

While cities give us the necessary variation to identify this effect in theory, it is important to carefully consider the other factors that may covary with the treatment and outcome. Figure 1 summarizes these effects. To start, the zoning tax is a direct combination of both local housing demand and the local regulatory institutions. Absent strict regulations, a high level of local demand would lead to an increase in the local supply of housing. In contrast, absent local demand, strict zoning regulations would not have much effect on the local housing market. Instead, the zoning tax emerges when high demand faces strict regulations, pushing prices — and thus the extractable benefits — higher.

But, the relationship between the zoning tax and union activity may be confounded by local ideology. More liberal cities may both adopt more stringent zoning taxes while simultaneously incentivizing union activity, despite there being no causal connection between the two variables. In short, to identify the relationship between the zoning tax and union activity, we must control for either the local political ideology or the local zoning institutions. We discuss data that helps us do so below.

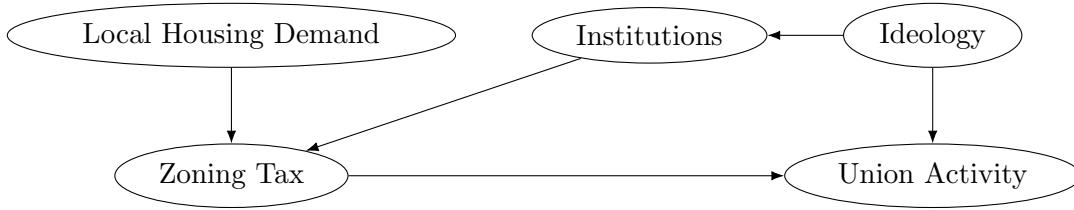


Figure 1: Causal DAG summarizing the relationship between the zoning tax and union activity, with major confounders.

Data and Measurement

Union Activity

Our dependent variable is a binary indicator for construction union participation in city council and planning board meetings. To code this, we rely on LocalView (Barari and Simko 2023), the largest database of transcripts from local meetings in municipalities across the United States. The LocalView database includes transcripts from all local meetings from 2006 to the present that have been uploaded to YouTube: to date, 78,118 city council and planning board meetings across 798 municipalities.² We subset this broader sample to cities with at least ten transcripts on file over the period from 2006 to 2023. Although this reduces our effective sample to 590 cities, we think the result is more representative of city council “business as usual”: for cities that do not routinely share their meetings on YouTube but have one or two posted online, we run the risk of relying on meetings that are dominated by outlying agenda items or occurrences, and in which the usual participants are less likely to appear.³

To generate the dependent variable, we start with any minutes in this subset that include the terms “construction” and “union,” “building” and “union,” or “carpenter” and “union” within twenty words of one another. After excluding irrelevant uses of the word “union,” as in names of streets or landmarks, we read the text surrounding the remaining occurrences and manually identify cases in which a construction union member speaks at a meeting advocating for union interests, particularly in the context of new developments. Finally, we collapse these mentions to a cross-sectional binary indicator for whether there was at least one mention in a city over the study

²For more detail on this sample of municipalities, see Barari and Simko (2023).

³See Appendix Figure A-1 for a distribution of the number of minutes per city.

period.⁴ Overall, 59 of the 590 municipalities (10%) have at least one meeting in which construction union members show up to advocate for their interests.

Union representatives speak to advocate for the use of union labor generally, to support specific developments that promise favorable contracts for their members, and to block those that do not. For instance, a positive case we identified in the city of West Covina, California reads as follows:

My name is Manuel Salcido. I'm a member of the Southwest Regional Council of Carpenters. Proud union carpenter. I live in the local area. I live, work, and recreate here in the vicinity... I believe that I will be impacted by the environmental impacts of the housing element update. The city should require the project to be built utilizing a local and skilled trained workforce. Local hiring and skilled trained workforce requirements reduce construction-related environmental impacts while benefiting the local economy.⁵

In another case, a union member spoke in favor of a proposed development that planned to use a union contract:

Honorable Council, thank you so much for the opportunity to speak tonight. My name is Jason Baez and I'm a proud member of Labor's International Union of North America. I fully support this project. First, I would like to say that any strong long-term relationship is built on give and take and trust. Whenever the city of Moval needs infrastructure improvements, utility improvements, buildings — we the union construction force, Local Union 2672, we get in there and tie it all up. I hope this council is going to do the right thing tonight and vote for this.

In a third case, the union representative did the opposite: threatened to withhold support from a project unless the developer committed to using union labor:

Developer La Piara has a very bad track record from past completed projects. They are very irresponsible contractors that cheated their workers by not paying [according to] area standards — no overtime, and even in some cases cash pay to avoid paying proper taxes. That is why we, the carpenters' union, oppose this project until the developer commits to hiring a responsible contractor that would respect the area standards and pay the workers correctly and provide benefits for the workers and their families.

⁴Although the number of construction union mentions per city is quite variable (see Appendix Figure A-2 for a distribution), there is not much we can do with this variation, since we do not have a reliable denominator of meetings that actually took place in a city. In other words, because we cannot rely on LocalView having all of a given city's meetings on file, we would not trust a dependent variable such as a proportion of minutes in LocalView that have a construction union appearance.

⁵Excerpts have been lightly edited for clarity, as the transcription process introduces errors.

Zoning Tax

To capture the amount of benefits available to be claimed by interest groups in the local housing entitlement process, we use estimates of the zoning tax generated by Gyourko and Krimmel (2021). The authors start with the premise that the price of a house, $P(H)$, is the sum of physical construction costs, CC , and the price of land, $P(L)$.

$$P(H) = CC + P(L) \tag{1}$$

In turn, the authors define the value of land as being composed of two parts. The first is the price an existing homeowner places on having an extra quarter acre of land (q) times the amount of land on which the house sits (A). The second part represents the value created by winning the political approval to build a home on that land. This is the value created by zoning regulations, Z .

$$P(L) = qA + Z \tag{2}$$

To measure Z , Gyourko and Krimmel (2021) assume that absent local zoning regulations, a quarter acre of land would be valued identically by both an existing homeowner and a developer. In this scenario, were the developer to place greater value on the land compared to the existing homeowner, then the homeowner would subdivide and sell their land to the developer.

But in areas with strict zoning regulations, the developer cannot seamlessly build. Instead, the value of the land to the developer would come from the right to build on that land. In this scenario, developers would bid up the price of land that comes with development rights, whereas homeowners would only bid up land based on its non-development “use value.”⁶ This differential bidding between developers and homeowners would lead to a gap between the value of land based on its inclusion of development rights. This gap represents the value of land attributable to local zoning regulations (Z).

Returning to our focus on interest group behavior, Z represents revenue created by the political approval process — which can either accrue as profit to the developer or be extracted by interest groups. Imagine two developers, both working in a community with a high zoning tax. Developer

⁶To borrow the dichotomy between the use value versus exchange value of land (Logan and Molotch 2007).

A is a well-connected builder with the ability to deftly navigate the approval process, facing little public pushback. After gaining permitting approval for a new single-family home, Developer A's profit from the project is the home's sale price ($P(H)$) minus construction costs (CC) and land costs (qA). Because Developer A passed through the zoning process with fewer additional costs, then much of Z will accrue to them as profit.

In contrast, Developer B is a less well-connected developer who often faces substantial pushback and an unsympathetic city council. In fact, the city council pushes Developer B to offer more benefits to local interest groups in order to win approval for their project. While Developer B eventually gets through the zoning process, these community benefits come out of their profit. Because the construction costs (CC) and land costs (qA) are the same for Developers A and B, the community benefits are paid for from the zoning tax and thus are extracted from the developer's profit. In fact, this may be why some large, well-connected developers favor complex zoning regulations as a way to limit competition from smaller, less-connected firms (Schleicher 2013).

But while Developer A benefits more than Developer B, neither developer would profit much in a city with a small zoning tax. Developer A's connections would not yield large profits, as the sale price of the home would be close to the land and construction costs. For Developer B, any community benefits suggested by the city council likely eclipse their profit, removing any incentive to build. In short, the larger the zoning tax, the more interest groups can extract via the zoning process without leading the builder to walk away from the development.

Using transaction data from 2013 to 2018, Gyourko and Krimmel (2021) calculate this zoning tax at the CBSA level. Their estimates match both conventional wisdom and survey-based measures of the local zoning environment (e.g., Gyourko, Hartley, and Krimmel 2021). For example, the largest regulatory tax can be found in the San Francisco metro area where zoning regulations increase the value of a quarter acre of land by over \$400,000. Other metro areas with regulatory taxes include San Jose, Los Angeles, New York, and Seattle. In contrast, there are no significant zoning taxes in Cincinnati and Detroit. In total, Gyourko and Krimmel (2021) estimate this zoning tax for 24 CBSAs, 20 of which are represented in our LocalView data.⁷

⁷See Table A-2 for the CBSAs included in our data and the number of municipalities we use within each CBSA.

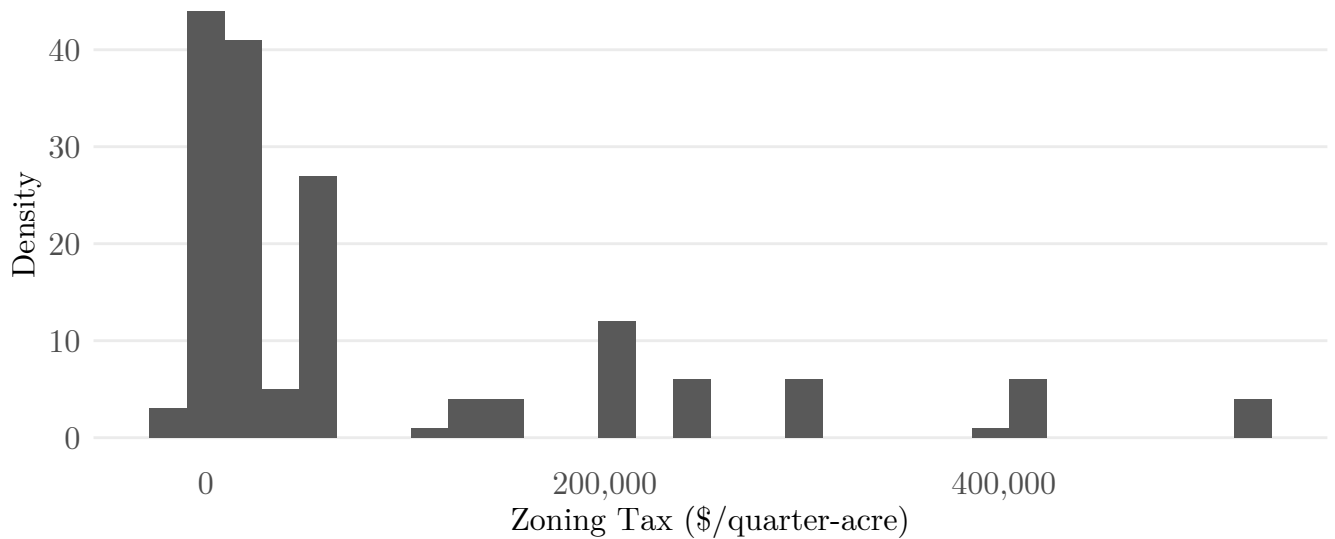


Figure 2: Distribution of zoning tax across cities in our data. Negative values should be interpreted as non-significant zoning taxes (Gyourko and Krimmel 2021).

Institutions

To measure the local regulatory regime, we use the Wharton Residential Land Use Regulatory Index, known as WRLURI2018 (Gyourko, Hartley, and Krimmel 2021). The index is drawn from a survey sent to local government officials asking about the nature of the regulatory process, the rules on housing supply, and specific outcomes faced by housing developers in the municipality. While WRLURI2018 is correlated with the zoning tax, the index does not incorporate housing prices. The index is centered at a mean of 0 with a standard deviation of 1, with higher values implying more regulation.

Ideology

To measure municipal political ideology, we use data from the American Ideology Project (Warshaw and Tausanovitch 2022). The authors draw on data from 18 large-scale surveys of the American public to calculate estimates of respondents’ ideal points using a two-parameter item response theory (IRT) model. From these individual-level estimates, the authors then estimate the mass public’s ideology in each municipality using multilevel regression and post-stratification (MRP) (Park, Gelman, and Bafumi 2004; Tausanovitch and Warshaw 2013). The MRP estimates are not specific to any year but rather apply to the overall time period. Lower values correspond with politically left-

wing/liberal positions, higher values with right-wing/conservative positions. The data are mean centered at 0 with a standard deviation of 1. As a robustness check, we also present results using each municipality’s presidential vote share in the 2016 election (Warshaw and Tausanovitch 2022).

Data Construction

Our final analysis dataset is a cross-section of municipality-level observations. To assign the zoning tax, our independent variable, to municipalities, we first geocode Census places within their respective CBSAs. For the places within the CBSAs covered by Gyourko and Krimmel (2021), we measure the distance from each place centroid to the center of its CBSA using the same method as Gyourko and Krimmel.⁸ We then assign to each place the zoning tax per quarter-acre as defined at the CBSA’s three distance bands: less than 15 miles away, 15 to 30 miles away, and more than 30 miles away from the urban core. Finally, we append municipal-level ideology and the WRLURI2018 index.

Of the 590 municipalities from LocalView, 164 have data on their CBSA zoning tax. We provide summary statistics of these measures and completeness in Appendix Section A, as well as a map showing their spatial distribution across the United States.

Methods

Our theoretical framework makes clear how to identify the causal effect of the zoning tax on union activity. Following Pearl (2009), we find the minimally sufficient adjustment sets needed to close all backdoor paths between the zoning tax and union activity, isolating the causal effect of interest. This is achieved by conditioning on either ideology or institutions (not both, which would introduce collider bias). Although we attempt both approaches, we favor adjusting for ideology, as it allows us to get the most out of our data; by contrast, controlling for institutions brings us down to less than one third of our sample. Still, we present both sets of estimates for comparison. For each

⁸The definition of the CBSA center is somewhat subjective. As stated in Gyourko and Krimmel (2021, 11): “There is no agreed upon answer to what the centroid of a large metropolitan area should be. We use the address that Google provides when you ask the question ‘what route should I take to travel from City A to City B?’. For New York City, that is City Hall, which is located at 11 Centre Street in Lower Manhattan near the Wall Street area; in San Francisco, the centroid is near the Marconi Center in the downtown of the city. Neither of these places is near the physical center of the group of counties that make up the CBSA. Atlanta is different, as it turns out that that the Georgia state capitol building in downtown Atlanta (which is where Google directs us to if we ask it for a route from our hometown of Philadelphia to Atlanta) is near the physical center of that metropolitan area.”

model, we regress a binary indicator for the appearance of a construction union representative on our continuous measure of the local zoning tax. Each model uses Huber-White standard errors.

Estimation. For city i , we estimate our flagship model as:

$$\text{UnionMention}_i = \beta_0 + \beta_1 \text{ZoningTax}_i + \beta_2 \text{Ideology}_i + \varepsilon_i \quad (3)$$

where the coefficient β_1 represents our estimated effect of the local zoning tax on interest group mobilization. As a robustness check, we also swap ideology with Democratic vote share in the 2016 presidential elections.

In our second approach, we control for the local regulatory institutions using the WRLURI2018. Our model is as follows:

$$\text{UnionMention}_i = \beta_0 + \beta_1 \text{ZoningTax}_i + \beta_2 \text{WRLURI2018}_i + \varepsilon_i \quad (4)$$

Results

Figure 3 shows the bivariate relationship between the estimated zoning tax and union activity, with municipalities grouped by quartile of the zoning tax. In local governments with higher zoning taxes, we find a higher probability of a construction union representative speaking at a city council or planning commission meeting.

Model 1 of Table 1 summarizes this bivariate relationship: cities with a standard deviation greater local zoning tax have a 13 percentage point greater probability of union activity. In Models 2 and 3, we control for municipal-level ideology, first using the Warshaw and Tausanovitch (2022) estimates (Model 2) and then using 2016 presidential vote share (Model 3). Doing so, we continue to find that cities with a standard deviation higher zoning tax have a 10 to 11 percentage point higher probability of activity among construction unions.

In Model 4, we attempt an alternative analytical design, controlling for the local regulatory institutions as measured by WRLURI2018. As shown in Figure 1, this control should also account for any confounding caused by local political ideology. But under this specification, there is a null relationship between the zoning tax and labor union activity. However, we have far less data to



Figure 3: Relationship between zoning tax and probability of a union mention, by quartile zoning tax. The probability of a union mention (0, 1) is jittered for visualization only.

	Model 1	Model 2	Model 3	Model 4
Zoning Tax (std.)	0.128*** (0.037)	0.109* (0.045)	0.096* (0.045)	0.005 (0.069)
Dem. Ideology		0.282 (0.173)		
Dem. Pres. Vote (2016)			0.457* (0.187)	
WRLURI2018				0.028 (0.066)
Intercept	0.183*** (0.029)	0.178*** (0.030)	-0.079 (0.105)	0.181** (0.066)
R ²	0.108	0.132	0.151	0.006
Adj. R ²	0.103	0.120	0.139	-0.046
Num. obs.	164	144	144	41
RMSE	0.367	0.378	0.373	0.410

*** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$

Table 1: Effect of zoning tax on probability of having a union mention, all meetings.

work with: using the survey-based WRLURI2018 index brings us down to less than one-third of the previous sample.

Limitations

Measurement

Our dependent variable is designed to capture the appearance of construction unions at local participatory meetings. While we are confident that we have gleaned the most information we could from LocalView’s data, we are also limited by which cities choose to post their meetings online. Additionally, it is possible, although unlikely, that there are construction union speakers who have appeared at these meetings and did not use the term “union,” but instead referred to their local organization by its abbreviated name. These appearances would lead to false negatives in our dependent variable as currently constructed.

Additionally, Gyourko and Krimmel (2021)’s estimates of the local zoning tax are based on the valuation of a quarter acre of land for the construction of single-family homes. At the same time, the construction unions we capture using LocalView typically negotiate over multifamily and mixed residential-commercial projects. This disconnect between the type of housing considered would bias our results if the zoning tax for single-family housing development were unrelated to that of multifamily housing. We think this is unlikely, as the strictness of specific regulations tends to move in tandem (Gyourko, Saiz, and Summers 2008; Gyourko, Hartley, and Krimmel 2021). In other words, it is very likely that cities with high zoning taxes for single-family home development have similarly high zoning taxes for multifamily housing.

Other Strategies of Influence

An inherent limitation of our analytical strategy is the reliance on appearances in city council and planning board meetings to measure interest group activity. Construction unions may fail to show up at meetings under two conditions. First, if union power is particularly low within a city, then the political act of speaking at a meeting will be unlikely to compel the developer to sign a project labor agreement. Even a large amount of potential benefits on the table would not draw union representatives to a meeting if they are unlikely to succeed. In contrast, if construction unions

are very powerful in city politics, they may not need to appear at a local meeting in order to pressure developers to sign project labor agreements. Instead, the union may rely on the threat of withholding campaign contributions and endorsements to city council members, who can in turn pressure developers behind closed doors. Both cases of low and high union power would appear in our data as an absence of union participation.

To work around these challenges, one can use other data sources with substantially more variation. For example, the California Environmental Quality Act (CEQA) allows for citizens and organizations to request more stringent environmental review from developers under the premise that building new housing risks environmental damage. Many groups that use CEQA are alleged to be shell organizations representing construction unions or other local interest groups seeking “community benefits” agreements (Elmendorf and Duncheon 2022). As leverage, these groups file CEQA demands designed to delay development for months or even years. But, if a developer signs a project labor agreement with the unions, these requests are withdrawn. Future research may investigate whether the frequency of CEQA filings is also correlated with the amount of benefits available to extract from a project, controlling for the area’s observable environmental sensitivity.

Competition with Other Groups

Our study captures the participation of construction unions in local politics. However, there are many interest groups in local government that may use public hearings as a venue to vie for benefits, including neighborhood organizations, homeowner associations, and affordable housing advocates. While these groups may present a united front for community benefits, they are also in competition with one another for a fixed (maximum) sum. On one hand, this may mean that the most politically savvy interest group will be rewarded while others will not. On the other hand, absent deft mediating skills by elected officials, the clamoring of multiple interest groups for benefits risks “overfishing,” causing either the current developer to walk away from the project or deterring future developers from proposing new housing.

Our data do not allow us to observe this inter-group competition. We are limited to testing whether the size of available benefits spurs construction union activity. But if other interest groups are as responsive as labor unions, then unions may be forced to strategically adjust their demands downward to keep from collectively demanding too much and causing the developer to walk away,

leaving everyone worse off. Are interest groups aware of the coordination problem they face, and do they strategically respond? Are they able to communicate with one another? Do they view competition as a zero-sum, one-shot game or a repeated game in which they would benefit from cooperation? Future research may build our theory in these directions, for instance by interviewing elite members of these interest groups about their perspectives on the challenges and opportunities of inter-group competition.

Discussion

In this paper, we have outlined a theory of how local interest groups, specifically labor unions, enter the political process of housing entitlement in hopes of extracting particularistic benefits. Our theory predicts that construction unions will be more active in local politics when there are more benefits that may be extracted without making the development financially unprofitable. We have found evidence for this theory by combining a direct measure of the extractable benefits with transcript data from the city council and planning board meetings of 164 cities. Even after controlling for the local political ideology, municipalities with higher zoning taxes (i.e., more benefits available for extraction) experience more construction union activity within their participatory institutions.

A large zoning tax presents a policy challenge for the supply of local infrastructure. A complex entitlement process creates both large profits as well as the means by which benefits can be extracted. This context may dissuade interest groups from supporting reforms designed to lower the cost of infrastructure provision. In the case of housing, some of these groups may feel cross-pressured, benefiting from the project-by-project extractions but suffering from the high housing costs the zoning tax creates. But for every cross-pressured group, there are many citizens who are not organized but rather left out of the entitlement process entirely. Lacking the ability to seek their own particularistic benefits, they ultimately bear the cost of this extractive process.

More broadly, our findings advance our understanding of interest group mobilization and participation writ large. In this context, the regular business of the city council and planning boards should be of interest to construction unions. However, even accounting for the local political climate, we find that union participation in local government is driven not by long-term policy

debates, but by the material benefits up for grabs with each development decision. That these benefits are the mobilizing factor for interest groups is not an indictment of the groups' behavior, but rather a symbol of the transactional politics created by discretionary review. Whether these ad hoc negotiations embody the pluralist ideals of competition or systematically disadvantage those unorganized is a foundational concern of local democracy.

References

- Anzia, Sarah. 2022. *Local interests: Politics, policy, and interest groups in US city governments*. University of Chicago Press.
- Barari, Soubhik, and Tyler Simko. 2023. “LocalView, a database of public meetings for the study of local politics and policy-making in the United States.” *Nature Scientific Data* .
- Baumgartner, Frank R, and Beth L Leech. 1998. *Basic interests: The importance of groups in politics and in political science*. Princeton University Press.
- Baumgartner, Frank R, Jeffrey M Berry, Marie Hojnacki, Beth L Leech, and David C Kimball. 2009. *Lobbying and policy change: Who wins, who loses, and why*. University of Chicago Press.
- Been, Vicki. 2010. “Community benefits agreements: A new local government tool or another variation on the exactions theme?” *The University of Chicago Law Review* pp. 5–35.
- Belman, Dale, Matthew M Bodah, and Peter Philips. 2007. Project Labor Agreements. Technical report Electri International: The Foundation for Electrical Construction.
- Brenzel, Kathryn. 2023. “Building leverage: The labor groups that shape NYC’s skyline.” *The Real Deal: Real Estate News* .
- Brouwer, N R, and Jessica Trounstine. 2024. “NIMBYs, YIMBYs, and the Politics of Land Use in American Cities.” *Annual Review of Political Science* 27.
- Christopher, Ben. 2023. “Cracks in California labor coalition raise hopes for YIMBY breakthrough on housing bill.” *Cal Matters* .
- Cohen, Rachel M. 2023. “How YIMBYs won over unions in California.” *Vox* .
- Cooper, Christopher A, Anthony J Nownes, and Steven Roberts. 2005. “Perceptions of power: Interest groups in local politics.” *State and Local Government Review* 37(3): 206–216.
- Dahl, Robert A. 1961. *Who governs?: Democracy and power in an American city*. Yale University Press.

- Einstein, Katherine Levine, Maxwell Palmer, and David M. Glick. 2019. "Who Participates in Local Government? Evidence from Meeting Minutes." *Perspectives on Politics* 17(mar): 28–46.
- Elmendorf, Christopher S, and Timothy G Duncheon. 2022. "When Super-Statutes Collide: CEQA, the Housing Accountability Act, and Tectonic Change in Land Use Law." *Ecology LQ* 49: 655.
- Glaeser, Edward L, Joseph Gyourko, and Raven E Saks. 2005. "Why Have Housing Prices Gone Up?" *American Economic Review* 95(2): 329–333.
- Gray, Virginia, and David Lowery. 1996. "A Niche Theory of Interest Representation." *The Journal of Politics* 58(feb): 91–111.
- Gyourko, Joe, and Jacob Krimmel. 2021. "The impact of local residential land use restrictions on land values across and within single family housing markets." *Journal of Urban Economics* 126: 103374.
- Gyourko, Joseph, Albert Saiz, and Anita Summers. 2008. "A new measure of the local regulatory environment for housing markets: The Wharton Residential Land Use Regulatory Index." *Urban Studies* 45(3): 693–729.
- Gyourko, Joseph, Jonathan S Hartley, and Jacob Krimmel. 2021. "The local residential land use regulatory environment across US housing markets: Evidence from a new Wharton index." *Journal of Urban Economics* 124: 103337.
- Hacker, Jacob S, and Paul Pierson. 2014. "After the "master theory": Downs, Schattschneider, and the rebirth of policy-focused analysis." *Perspectives on Politics* 12(3): 643–662.
- Hankinson, Michael, and Justin de Benedictis-Kessner. 2022. "How Self-Interest and Symbolic Politics Shape the Effectiveness of Compensation for Nearby Housing Development."
- Hertel-Fernandez, Alex. 2019. *State Capture: How Conservative Activists, Big Businesses, and Wealthy Donors Reshaped the American States—and the Nation*. Oxford University Press.
- Logan, John R, and Harvey Molotch. 2007. *Urban fortunes: The political economy of place, with a new preface*. Univ of California Press.

- Oliver, J Eric, Shang E Ha, and Zachary Callen. 2012. *Local elections and the politics of small-scale democracy*. Princeton University Press.
- Olson Jr, Mancur. 1971. *The Logic of Collective Action: Public Goods and the Theory of Groups, with a new preface and appendix*. Vol. 124 Harvard University Press.
- Park, David K, Andrew Gelman, and Joseph Bafumi. 2004. “Bayesian multilevel estimation with poststratification: State-level estimates from national polls.” *Political Analysis* 12(4): 375–385.
- Pearl, Judea. 2009. *Causality: Models, Reasoning and Inference*. Cambridge University Press.
- Schattschneider, E.E. 1960. *The Semisovereign People: A Realist’s View of Democracy in America*. New York: Holt, Rinehart and Winston.
- Schleicher, David. 2013. “City Unplanning.” *Yale Law Journal* 122: 1670.
- Schlozman, Kay Lehman, Sidney Verba, and Henry E Brady. 2012. *The unheavenly chorus: Unequal political voice and the broken promise of American democracy*. Princeton University Press.
- Tausanovitch, Chris, and Christopher Warshaw. 2013. “Measuring constituent policy preferences in congress, state legislatures, and cities.” *The Journal of Politics* 75(2): 330–342.
- Warshaw, Christopher, and Chris Tausanovitch. 2022. “Subnational ideology and presidential vote estimates (v2022).”.
- Wolf-Powers, Laura. 2010. “Community benefits agreements and local government: A review of recent evidence.” *Journal of the American Planning Association* 76(2): 141–159.

Online Appendix for “Local Interest Group Participation in the Housing Entitlement Process”

A Descriptives

Table A-1: Summary Statistics

Variable	N	Mean	Std. Dev.	Min	Pctl. 25	Pctl. 75	Max
Minutes (All)	164	144	238	10	32	170	2546
Binary (All)	164	0.18	0.39	0	0	0	1
Minutes (City Council)	164	136	230	10	31	166	2526
Binary (City Council)	164	0.16	0.37	0	0	0	1
Minutes (Planning Commission)	164	8.4	26	0	0	2	201
Binary (Planning Commission)	164	0.043	0.2	0	0	0	1
Zoning Tax (quarter area)	164	87355	128644	-9668	5868	134437	533703
Median Home Value (2020)	162	373371	255762	73100	194275	463925	1452100
Wharton Index (2018)	41	0.5	1	-1.7	-0.38	0.99	3
Democratic Ideology (2016)	144	0.071	0.19	-0.42	-0.062	0.18	0.62
Dem. Pres. Vote Share (2016)	144	0.61	0.18	0.18	0.48	0.72	0.97

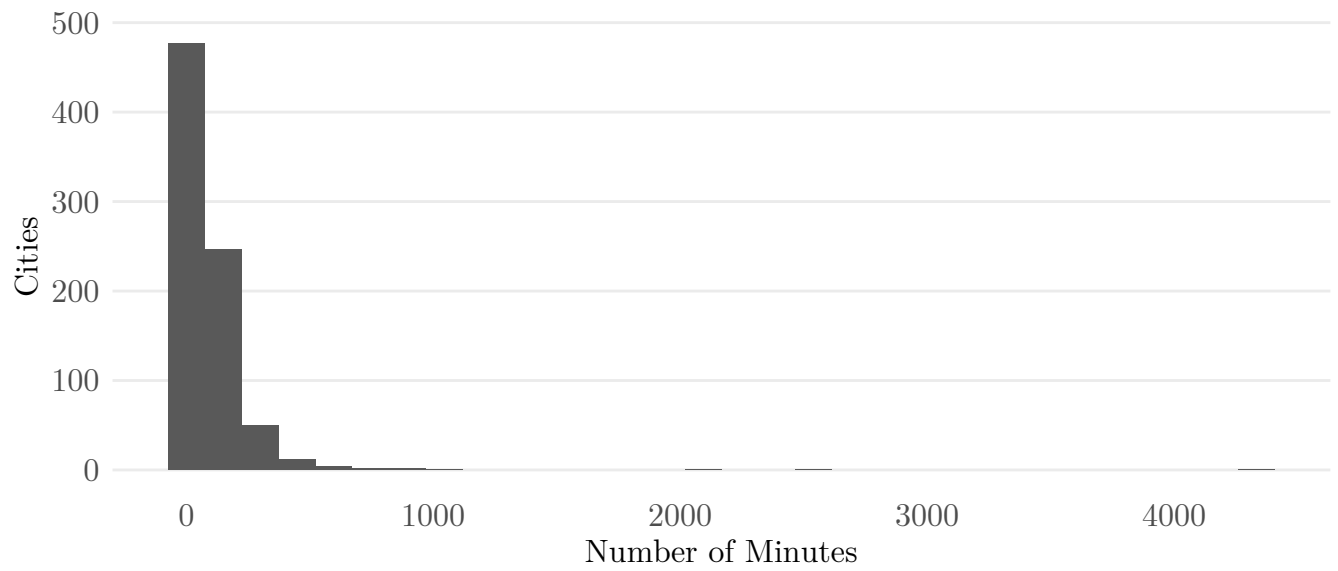


Figure A-1: Distribution of the number of city council and planning meetings per city, full LocalView data

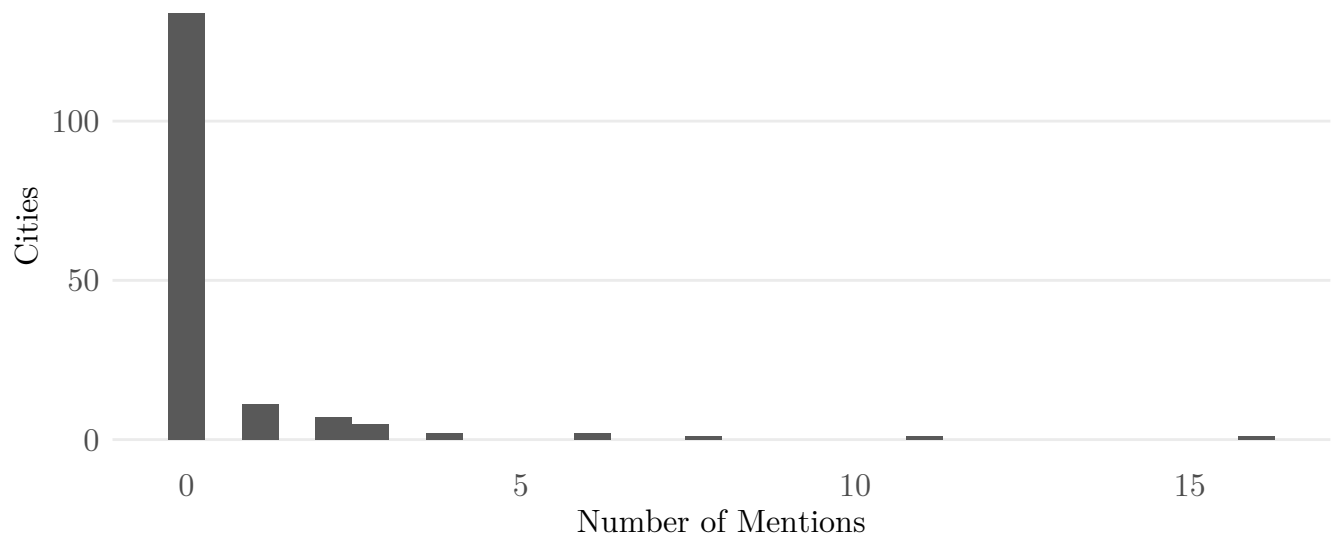


Figure A-2: Distribution of union mentions within each local government, subsetting to governments.

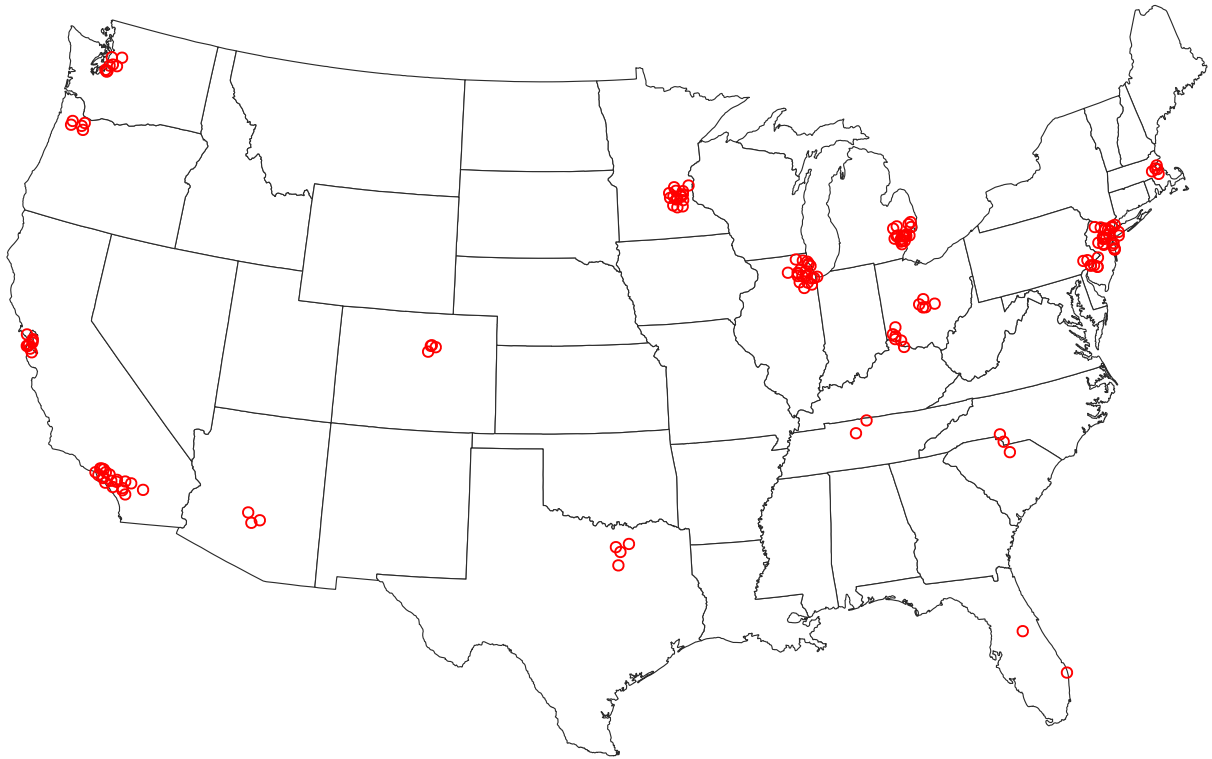


Figure A-3: Cities with zoning tax estimates from Gyourko and Krimmel (2021) and with at least 10 meetings posted to LocalView.

Table A-2: Number of cities per CBSA in LocalView data

CBSA	Number of Places
New York-Newark-Jersey City, NY-NJ-PA	24
Chicago-Naperville-Elgin, IL-IN-WI	21
Detroit-Warren-Dearborn, MI	19
Minneapolis-St. Paul-Bloomington, MN-WI	16
Los Angeles-Long Beach-Anaheim, CA	12
San Francisco-Oakland-Berkeley, CA	9
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	8
Riverside-San Bernardino-Ontario, CA	8
Seattle-Tacoma-Bellevue, WA	8
Cincinnati, OH-KY-IN	6
Boston-Cambridge-Newton, MA-NH	5
Columbus, OH	5
Portland-Vancouver-Hillsboro, OR-WA	5
Dallas-Fort Worth-Arlington, TX	4
Denver-Aurora-Lakewood, CO	4
Charlotte-Concord-Gastonia, NC-SC	3
Phoenix-Mesa-Chandler, AZ	3
Nashville-Davidson-Murfreesboro-Franklin, TN	2
Miami-Fort Lauderdale-Pompano Beach, FL	1
Orlando-Kissimmee-Sanford, FL	1

B Results by Meeting Type

	Model 1	Model 2	Model 3	Model 4
Zoning Tax (std.)	0.094*	0.082	0.068	-0.005
	(0.036)	(0.044)	(0.044)	(0.069)
Dem. Ideology		0.189		
		(0.164)		
Dem. Pres. Vote (2016)			0.369*	
			(0.182)	
WRLURI2018				0.011
				(0.064)
Intercept	0.159***	0.158***	-0.053	0.166*
	(0.028)	(0.030)	(0.102)	(0.066)
R ²	0.066	0.079	0.096	0.001
Adj. R ²	0.060	0.066	0.083	-0.052
Num. obs.	164	144	144	41
RMSE	0.355	0.367	0.364	0.391

*** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$

Table B-3: Effect of zoning tax on probability of having a union mention, city council meetings only.

	Model 1	Model 2	Model 3	Model 4
Zoning Tax (std.)	0.057*	0.054	0.052	-0.005
	(0.027)	(0.031)	(0.030)	(0.019)
Dem. Ideology		0.068		
		(0.105)		
Dem. Pres. Vote (2016)			0.097	
			(0.073)	
WRLURI2018				0.019
				(0.019)
Intercept	0.043**	0.042*	-0.012	0.040
	(0.015)	(0.017)	(0.039)	(0.029)
R ²	0.078	0.084	0.086	0.008
Adj. R ²	0.072	0.071	0.073	-0.045
Num. obs.	164	144	144	41
RMSE	0.195	0.208	0.208	0.223

*** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$

Table B-4: Effect of zoning tax on probability of having a union mention, city planning meetings only.