

# Community, Capital, and City Hall

---

NAVIGATING CONTESTED URBAN SPACES IN RISING PROPERTY MARKETS

Guanchi Zhang  
Vermont Law and Graduate School  
IOEA, Corsica, May 2025

# Road Map

Introduction: Rising Property Markets

Comparative Urban Political Economy: How

American Urban Vetocracy and A Community Fix

Chinese Urban Developmentalism and Its  
Community Turn

Conclusions and Discussions



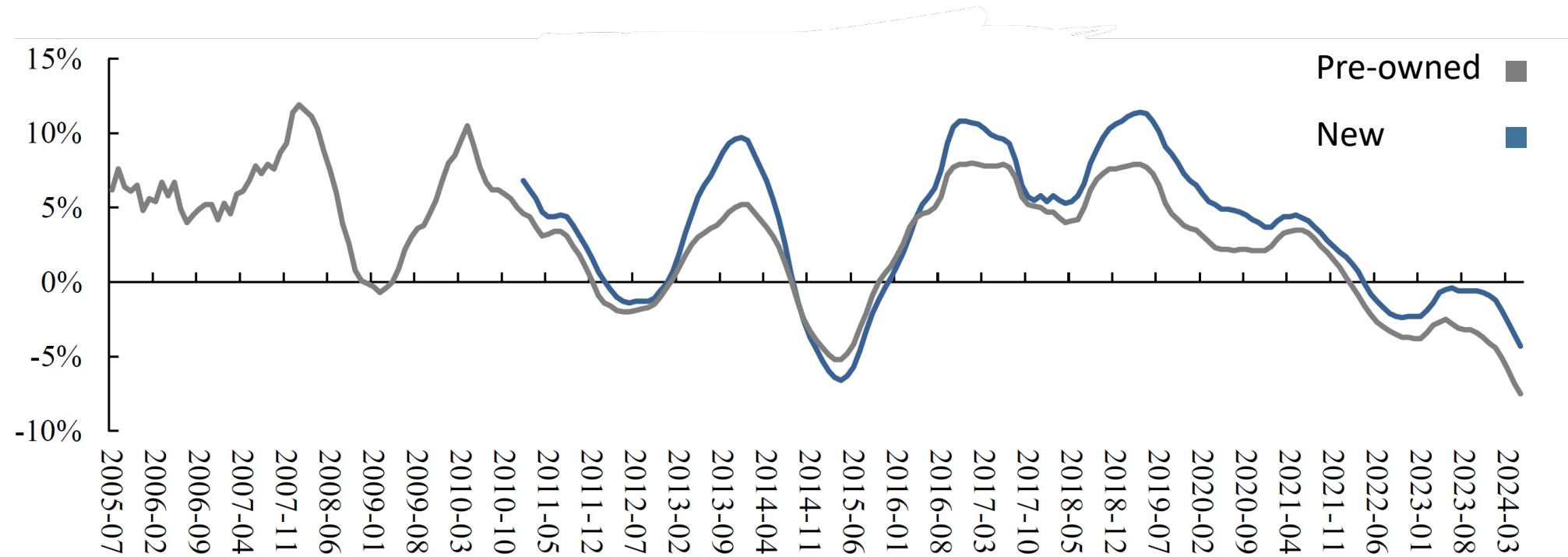
*Chai*



*Chai La*

# Hot Property Market: China

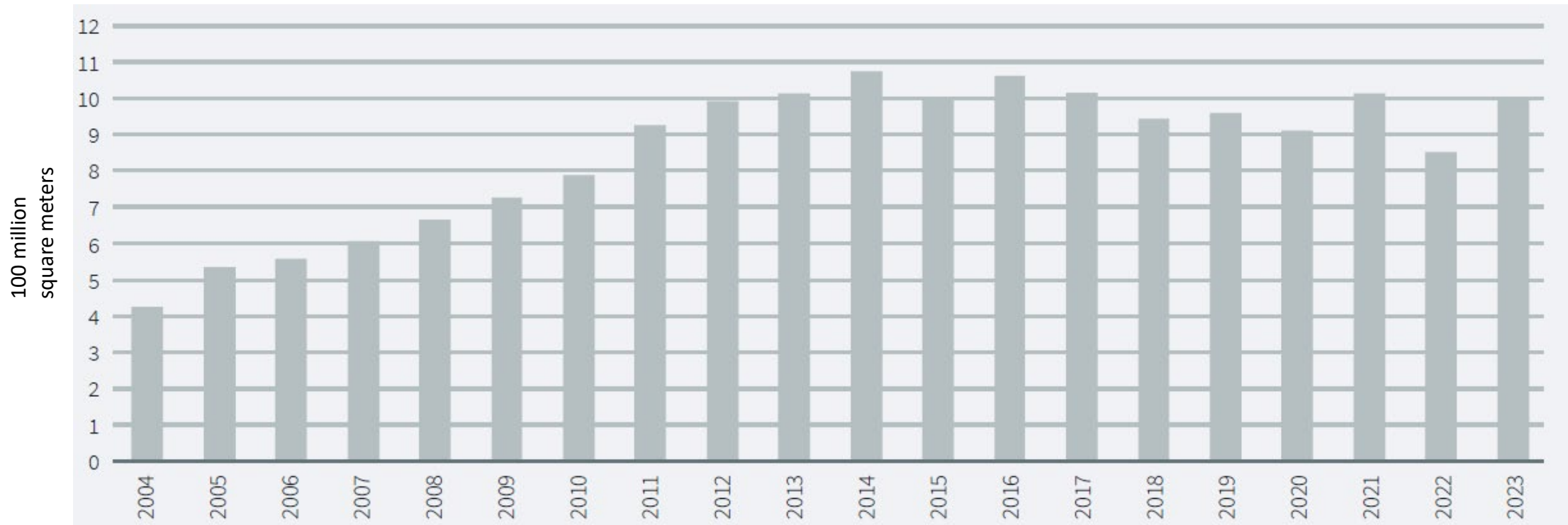
Average Residential Housing Year-on-Year Price Change in 70 Large and Medium-Sized Chinese Cities, 2005-2024



Source: National Bureau of Statistics

# And Housing is Built

---



Source: National Bureau of Statistics



# One Neighborhood in the City of Guangzhou

---



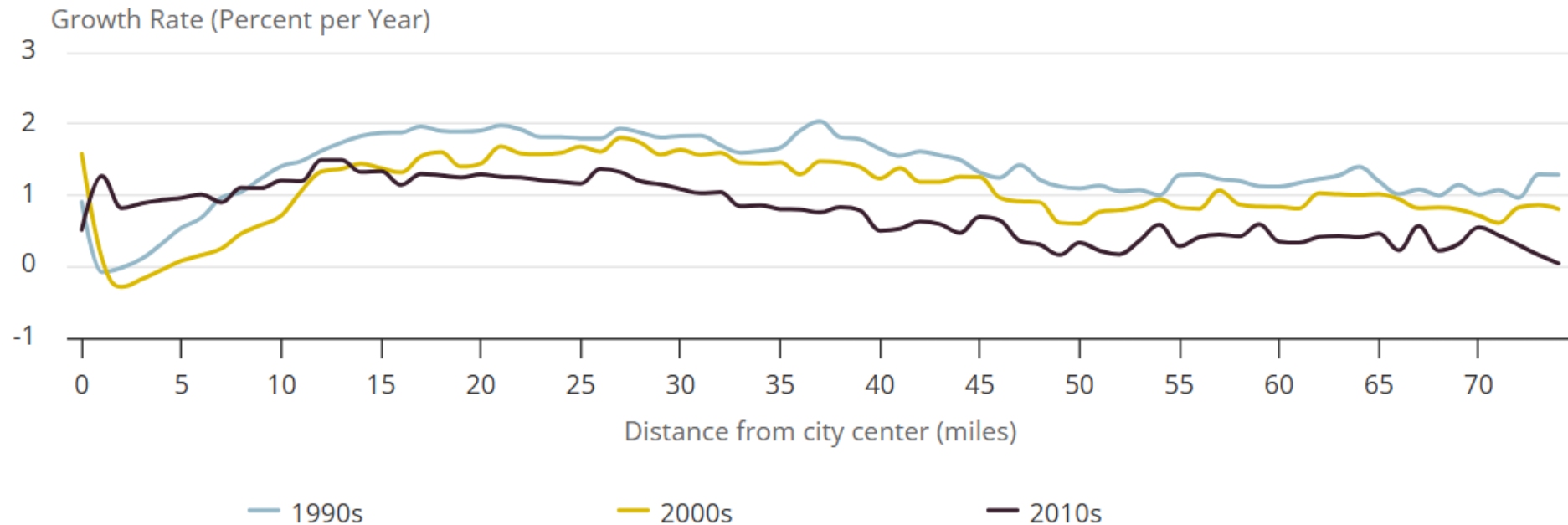
2009



2019

# Urban Renaissance in the US

## ANNUAL POPULATION GROWTH RATES BY DISTANCE FROM CITY CENTER



Source: Joint Center For Housing Studies of Harvard University

# Hot Property Market: The U.S.

U.S. Residential Housing Median Sales Price, 2000-2025



Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development via FRED



# But Less Housing is Built

New Privately-Owned Housing Units Started: Total Unit, 2000-2025



Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development via FRED

# The Question

---

What factors in urban political economy explain divergent outcomes in rising property markets?

# Road Map

Introduction: Rising Property Markets

Comparative Urban Political Economy: How

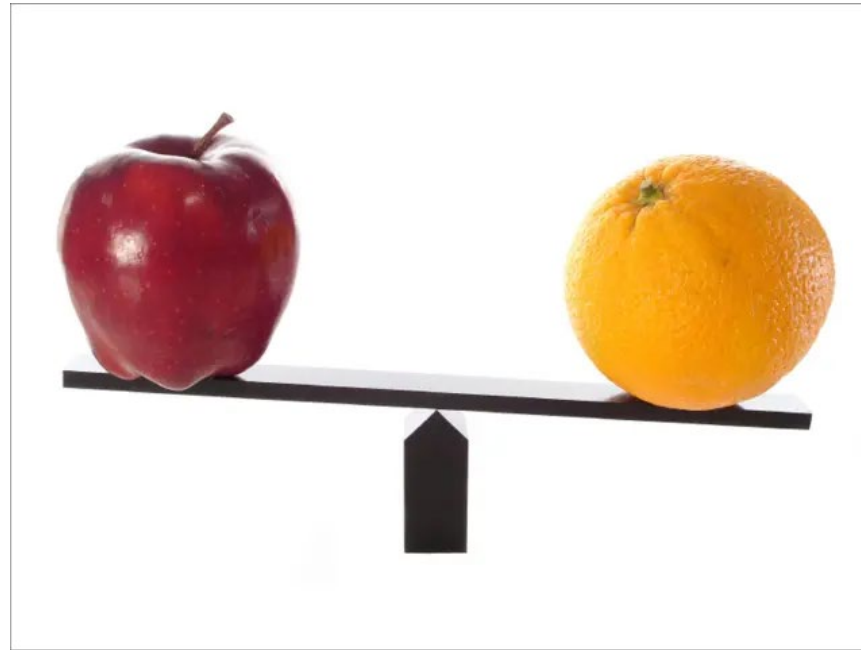
American Urban Vetocracy and A Community Fix

Chinese Urban Developmentalism and Its  
Community Turn

Conclusions and Discussions

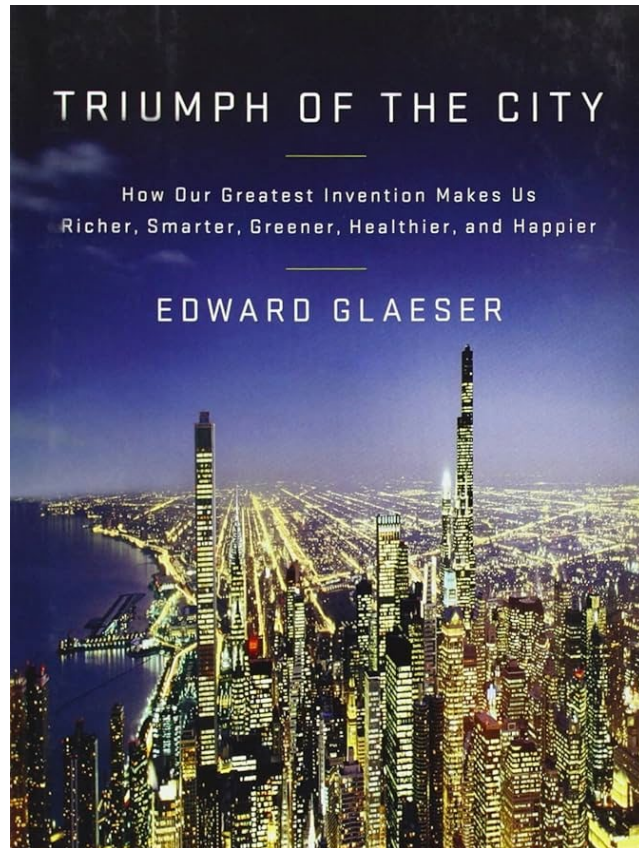
# Are Cities Comparable?

---



# Deregulation v. Gentrification

---



Too many regulations in the U.S.

- “America’s most important, hence costly regulations, are land use controls.” (Glaeser 2017)

Overregulation raises cost and suppresses housing supply

Deregulation to increase housing provision and attract more population to dynamic urban centers

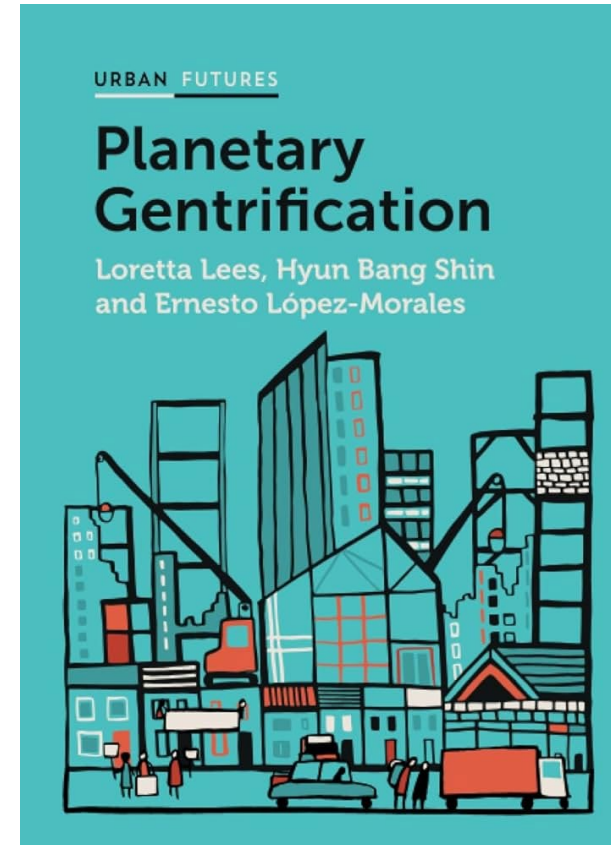
# Deregulation v. Gentrification

---

Not overall supply, but the type of housing!

Urban redevelopment replaces affordable homes with unaffordable ones.

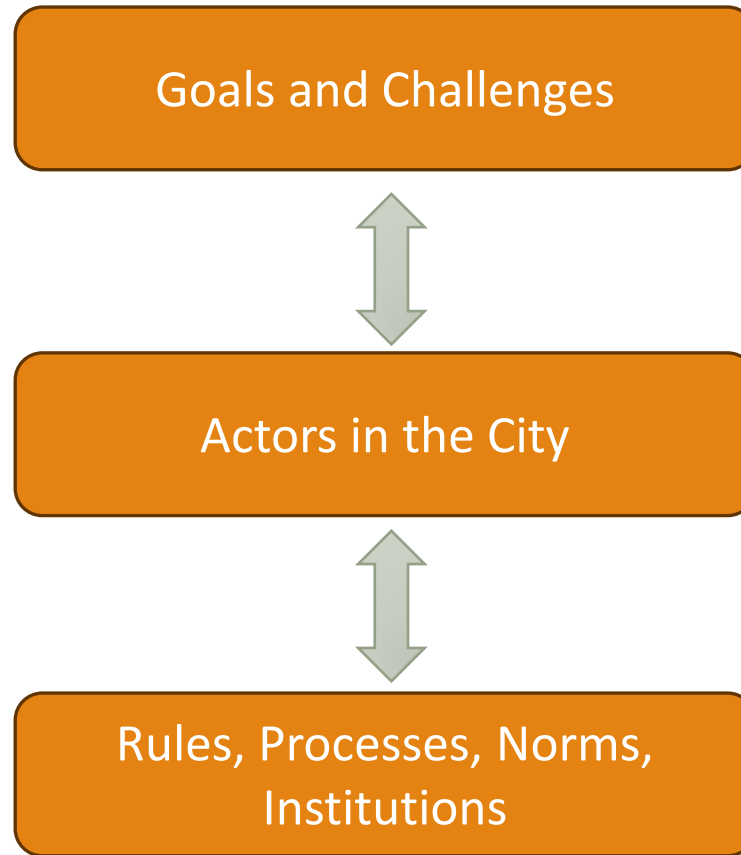
Deregulation will only push up inequality, as shown in the U.S., China, and many other countries.





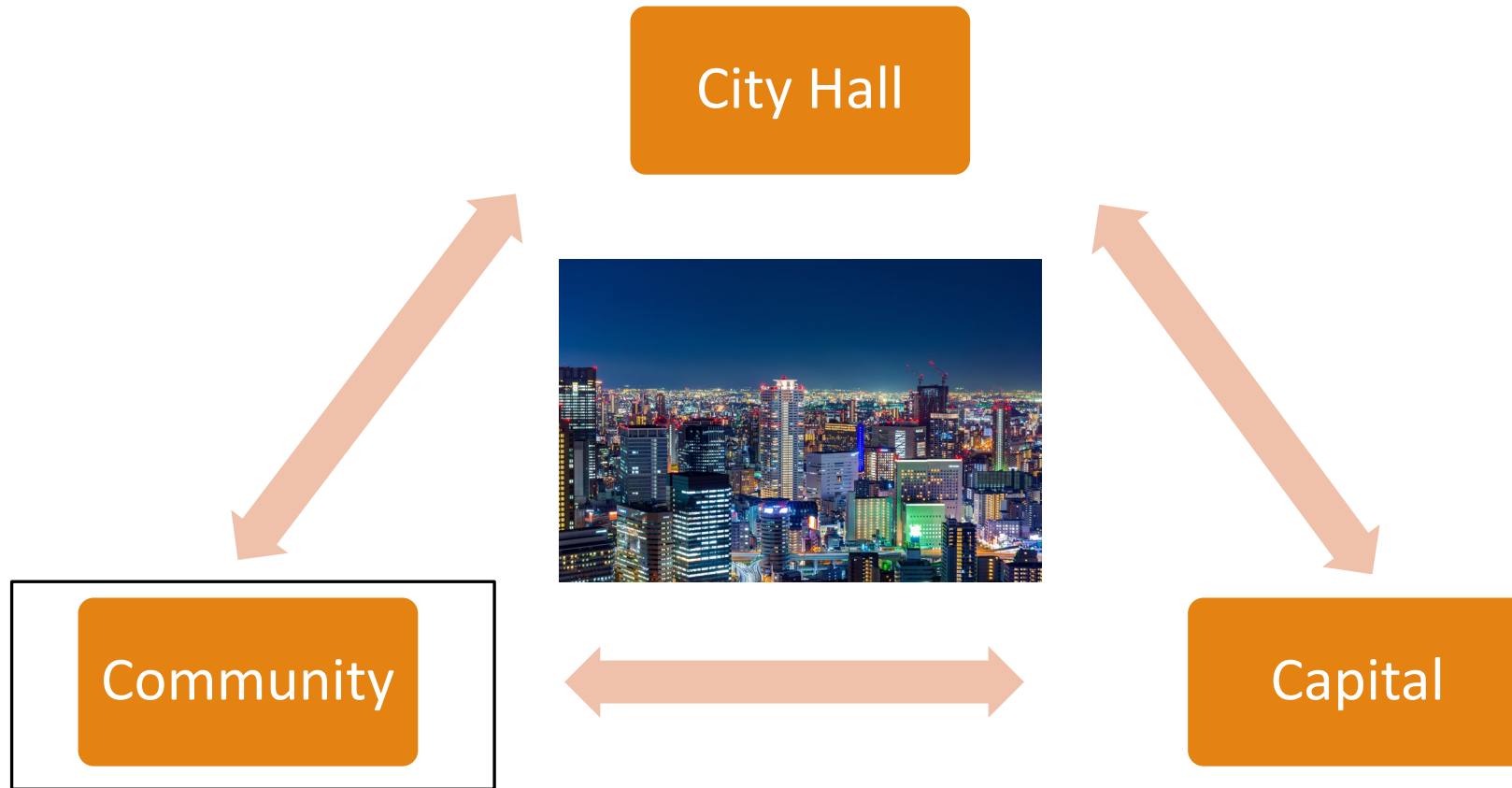
# Open the Urban Black Box

---



# The Governance of Urban Commons

---



# The Unique Roles of Urban Communities

---



# Road Map

Introduction: Rising Property Markets

Comparative Urban Political Economy: How

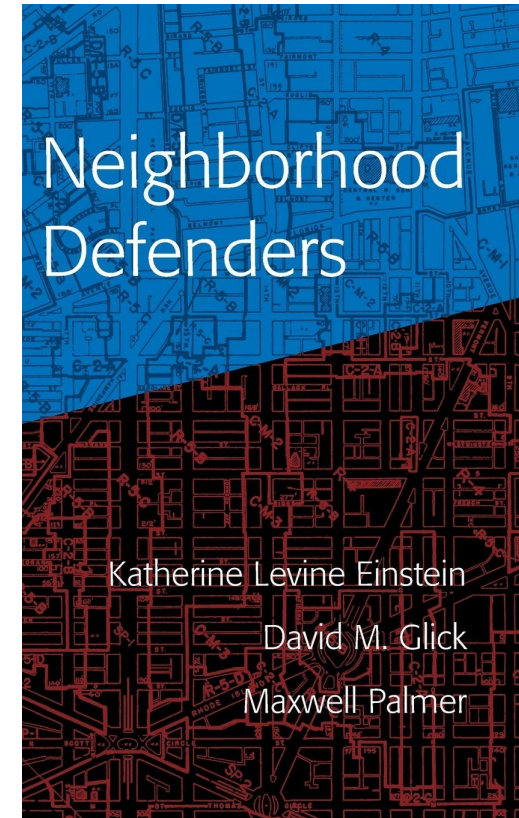
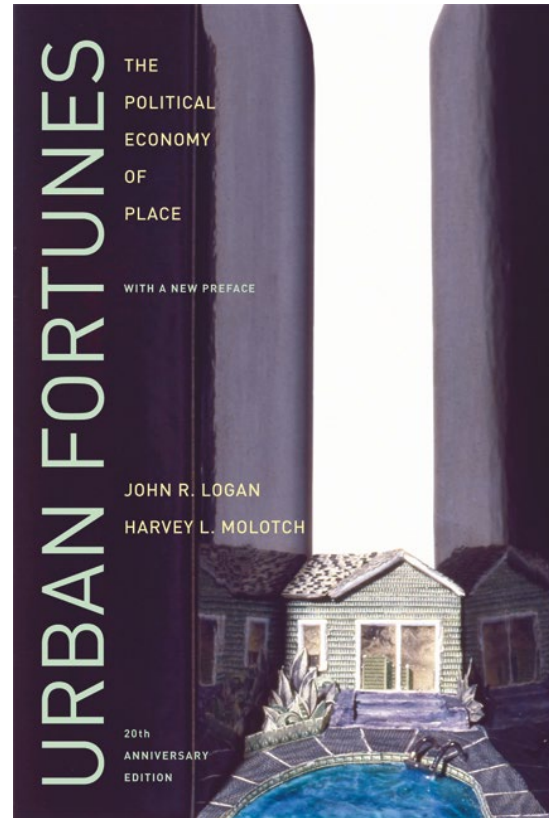
American Urban Vetocracy and A Community Fix

Chinese Urban Developmentalism and Its  
Community Turn

Conclusions and Discussions

# Growth Machine v. Neighborhood Defenders in Land Development

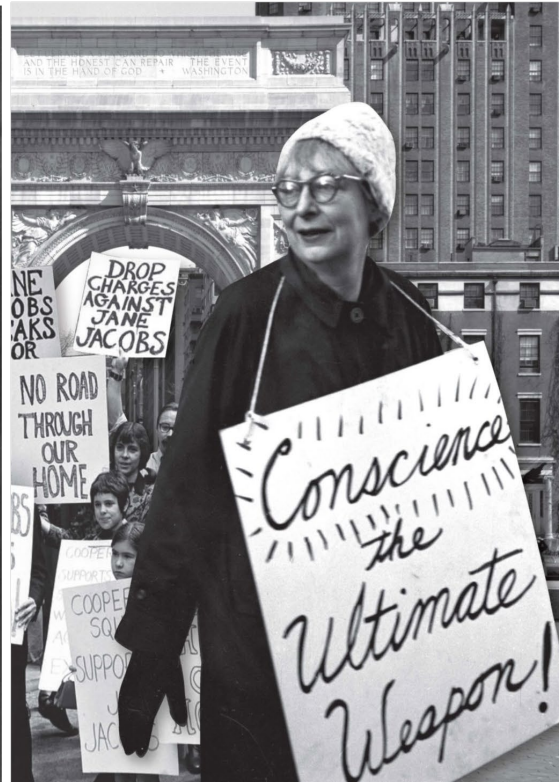
---





# The Liberal Origin of Local Control

---





# The Conservative Origin of Local Control

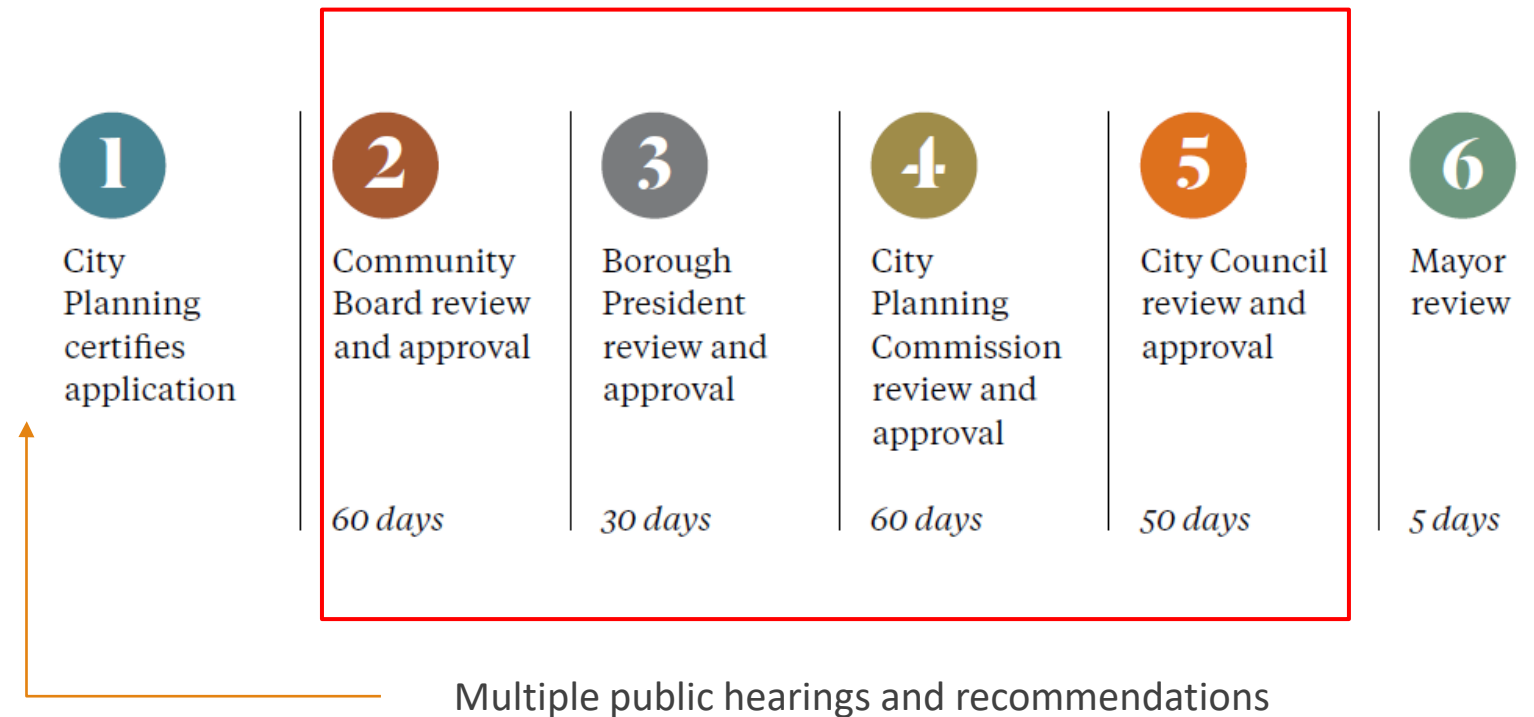
---



# Urban Vetocracy

Multiple veto points in land development process to ensure “local control”

## Uniform Land Use Review Procedure (ULURR) in New York City



# The Need for Change

---

Challenges that developers and communities face:

- Lengthy process and uncertain results raise cost and deter investment
- No assurance of community benefits if development proposals are passed

Community Benefits Agreement (CBA): certainty, clarity, and credibility



# A Case Study of Atlantic Yards/ Pacific Park

---



Source: CityLimits

# A Case Study of Atlantic Yards/ Pacific Park

---

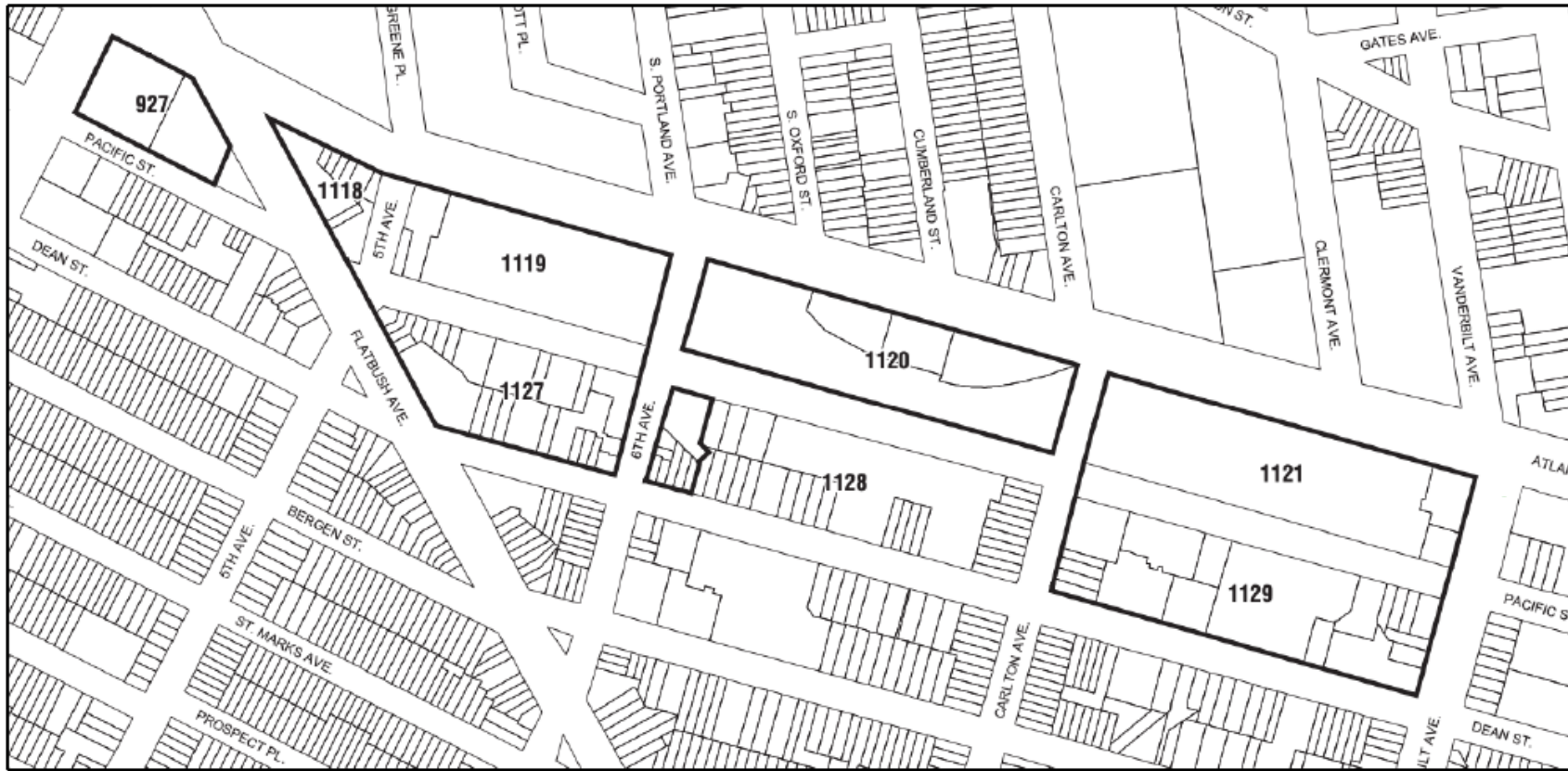


Source: Atlantic Yards/Pacific Park Report



# Original Properties on Atlantic Yards Site

---





# Promises

---

- A minimum of 35% of the jobs will be for minority workers and another 10% for women workers.
- 2,250 rental units will be for low and middle-income residents, with 10% of these set aside for seniors.
- 20% of total contract dollars will go to minority-women owned businesses for purchasing and service contracts.
- A health care center and inter-generational facility as part of the project.
- Fifty upper bowl tickets, four lower bowl tickets and one suite will be set aside for community use.

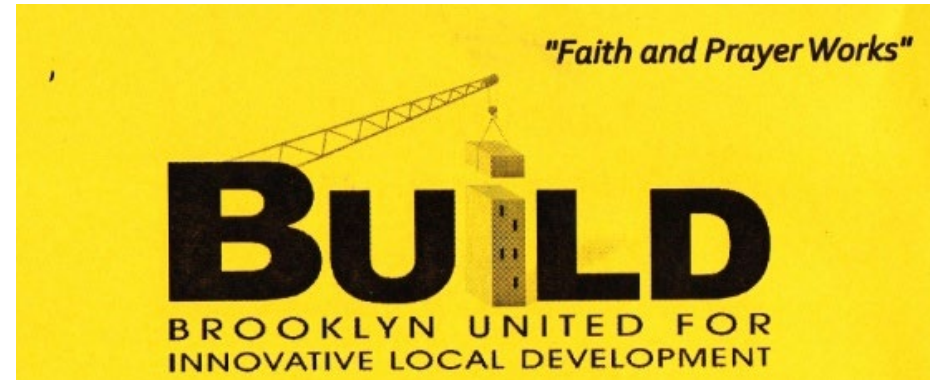
...



But who represents the community?  
Who can enforce it?



Downtown Brooklyn Oversight  
and Advisory Committee



Downtown Brooklyn  
Educational Consortium

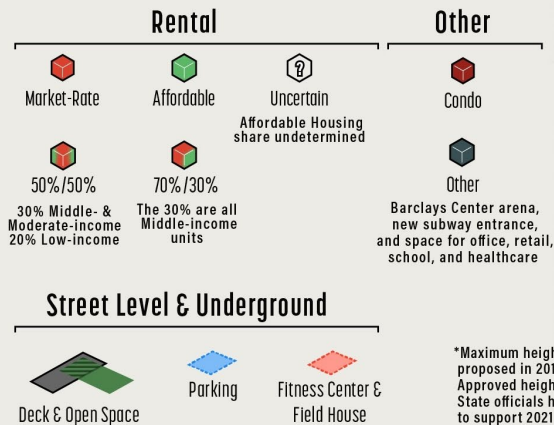


.....

# Reality

## Atlantic Yards/ Pacific Park Plans

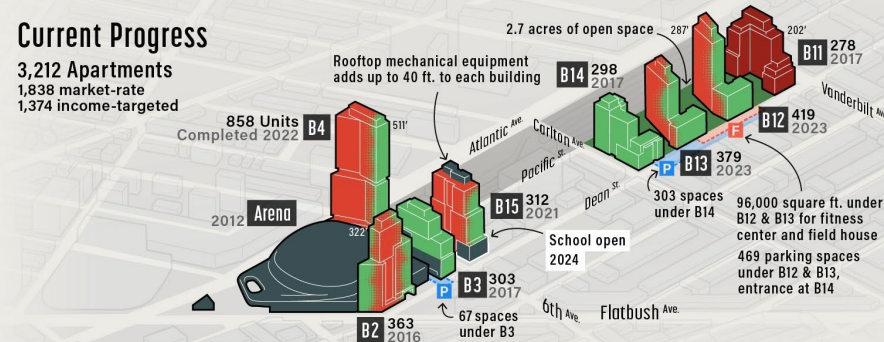
2003: Atlantic Yards announced, with ten-year buildout  
2006: first approval  
2009: second approval  
2010: New York State allows buildout to 2035  
2014: Affordable housing gets 2025 deadline  
2014: Project renamed Pacific Park



Version 13 - 03.29.2025 | Published on Atlantic Yards/Pacific Park Report  
Design by Ben Keel (bennkeel.github.io) | Editing by Norman Oder (normanoder.substack.com)

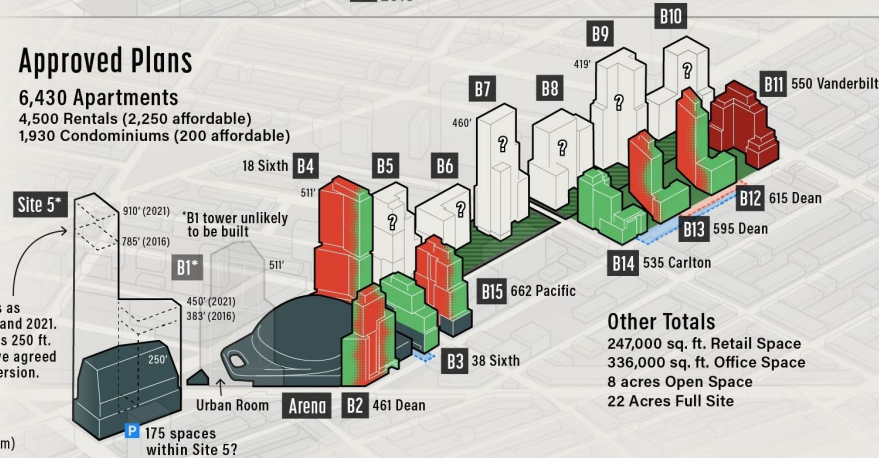
### Current Progress

3,212 Apartments  
1,838 market-rate  
1,374 income-targeted



### Approved Plans

6,430 Apartments  
4,500 Rentals (2,250 affordable)  
1,930 Condominiums (200 affordable)



Source: Atlantic Yards/ Pacific Park Report

# Broken Promises

---

## Major delay

- The project completion is delayed to 2035
- The affordable housing component is due 2025, but not sign of completion so far.

## Development changed hand for a few times

## Disappearing CBA signatories

- But one promise is kept. Can you guess which one?



# The Persistent Lack of Trust

---



# Road Map

Introduction: Rising Property Markets

Comparative Urban Political Economy: How

American Urban Vetocracy and A Community Fix

Chinese Urban Developmentalism and Its  
Community Turn

Conclusions and Discussions



# Fundamental Land Institutions in China

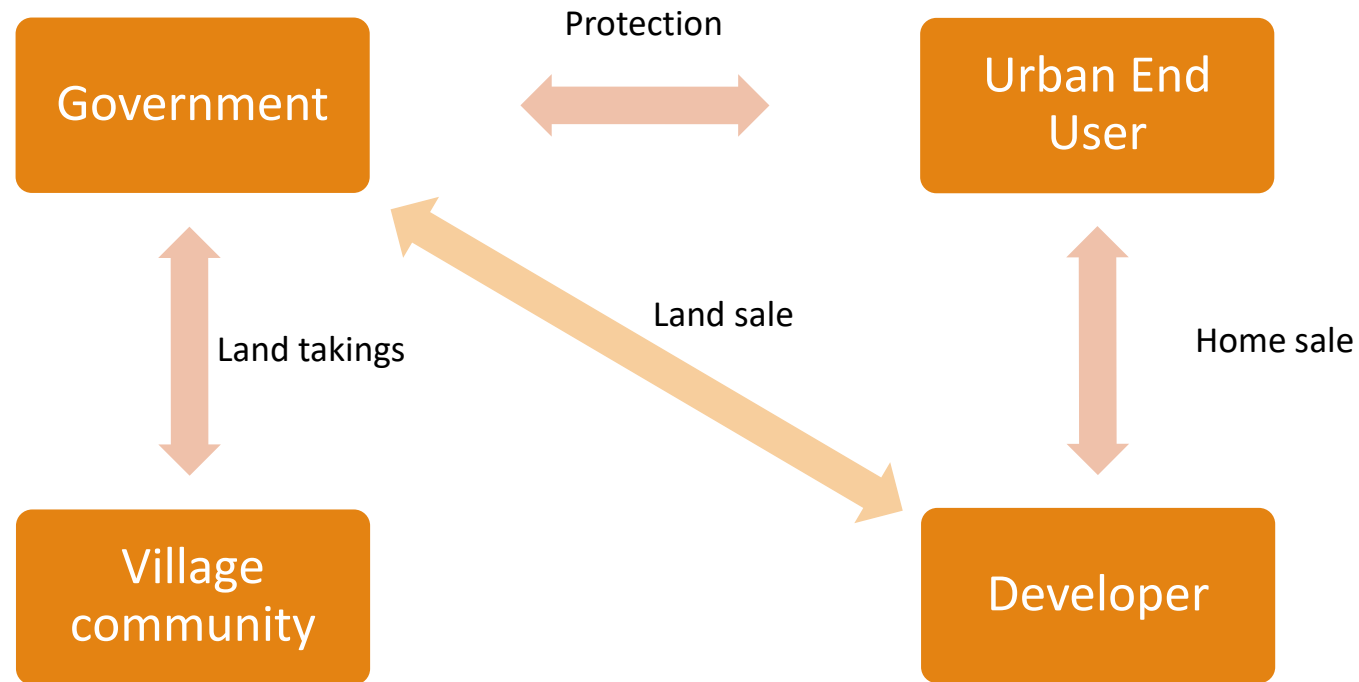
---

Urban land is owned by the state, while rural land is owned by village collectives.

State monopoly of rural-urban land conversion

# Rural-Urban Land Conversation and Developmentalism

---



# Developmentalism and Its Discontent

---

Lengthy and costly negotiations on the amount of compensation

- Number of negotiations
- Fragmented property ownership increases cost
- “Opening Pandora’s box” (Demgenski 2024)

Rampant informal housing/ “small property”

- 20% in Beijing and Tianjin, 20-25% in Xi’an, 49% in Shenzhen
- Informal housing as an “illegal solution” to law-created class problem (Hu 2019)

# Informal Housing and Urban Villages

---



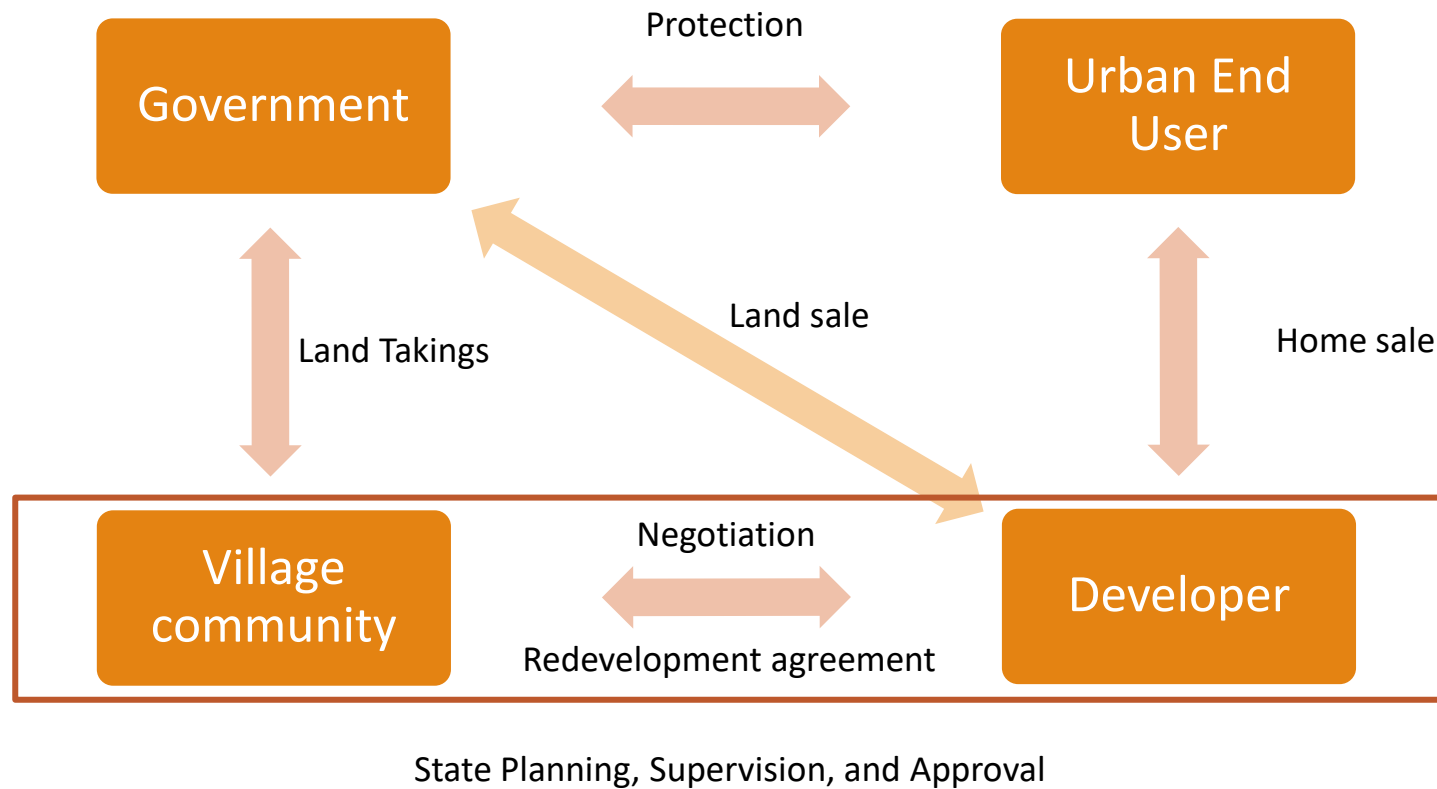
Urban Village  
(*Chengzhong cun*)



Hand-shaking buildings  
(*woshou lou*)

# A Community Turn

---



# Institutionalized Decision-Maker

---

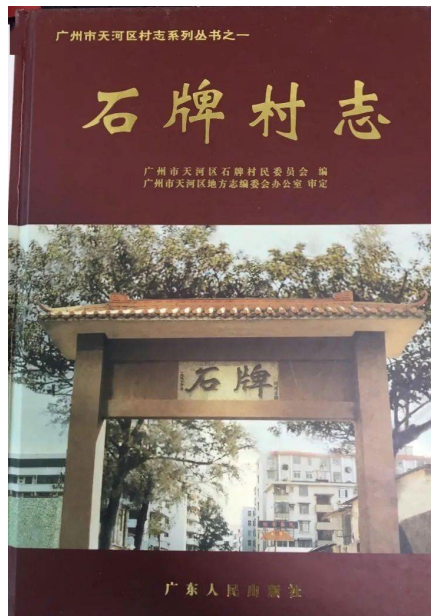
Community as the institutionalized decision-making authority

- At least two rounds of community-wide referenda
- 80-95% threshold for approval set by the law

Leverage social capital to coordinate collective action



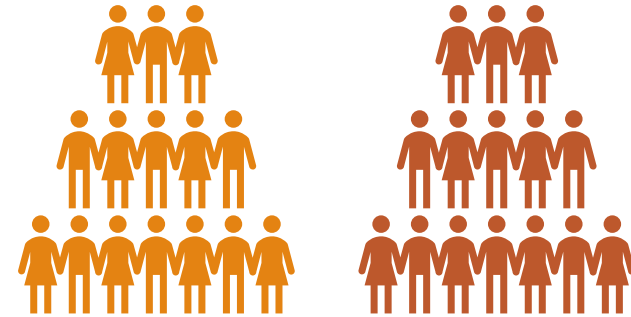
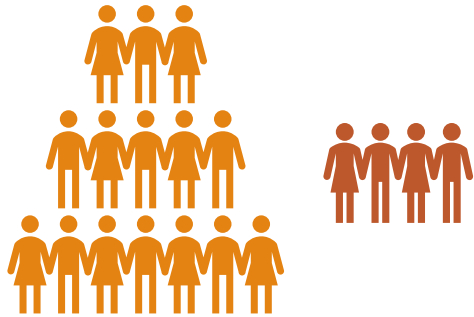
# Lineage Group and Social Capital





# Social Capital and Collective Action

---



# Cleavages within Communities

## In the village

A large construction site and a few nail houses



## The only village gate

Check point and securities

## Community newsletter

“The beautiful life is on the horizon”



## Statements by the minority

“40 billion RMB was stolen from our village”

# Road Map

Introduction: Rising Property Markets

Studying Comparative Urban Political Economy

American Urban Vetocracy and A Community Fix

Chinese Urban Developmentalism and Its  
Community Turn

Conclusions and Discussions

# Back to the Question...

---

	US	China
Mode of Land Governance	Vetocracy as political compromise	State-led developmentalism
Challenges	Delay, uncertain investment return, gentrification	Negotiation costs, housing informality, social unrest
Institutional Innovation	Community benefits agreement	Redevelopment agreement
Membership/ representation	NGOs, community organizations, civil society	Village collectives as territorially defined, membership-based communities
Enforcement	Insufficient enforcement, perpetuating the lack of credibility and trust	Enforcement through lineage groups if sufficient social capital



# Future Research Directions

---

Into the weeds of institutional economics

- Contract theory: credibility and trust in urban governance?
- (In)dependent variables?

Conceptualizing community in the political economy of land and space

- Varieties of community ownership or stewardship (Community Land Trust, Community Property, etc.)
- Policy design implication

Community power is urban austerity

# THANK YOU

gzhang@vermontlaw.edu