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What Post-Fire Rebuilding Teaches Us About Housing Policy

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What Post-Fire Rebuilding Teaches Us About Housing Policy



[Official White House Photo by Shealah Craighead \(17 November 2018\)](#)

PARADISE, CA – As wildfires once again devastated communities across the Los Angeles region earlier this year, they exposed not just climate risk but a deeper crisis: California's inability to build housing quickly, especially in disaster zones.

As the housing debate grows more fierce and urgent with every passing year, policymakers for years have talked about the need for regulatory reform. Recent publications, like [Abundance by Ezra Klein and Erik Thompson](#), zero in on California and other urban states as key examples of well-intentioned regulations getting in the way of necessary progress and building. To see how these regulations impact rapid rebuilding in disaster zones that are, unfortunately, becoming all too common in California, I single out zoning regulations for closer examination. I will use the town of Paradise which was devastated by the 2018 Camp Fire, California's most destructive and deadliest

wildfire to date, [according to the California Department of Forestry and Fire Protection](#).

[Zoning](#) is how cities decide what kind of buildings can go where, like homes, stores, or apartment complexes. Each type of zone comes with its own rules about what can be built there. Excessive and strict zoning has been [criticized by some](#) for limiting density in urban areas and thus limiting the supply of housing.

In this study, I used the price per square foot, basically how much one square foot of a home costs, as a stand-in for affordability. But that doesn't tell the whole story. A big house might have a low cost per square foot but still be too expensive overall. Larger homes on larger lots may have lower \$/sqft, but higher total prices, so this metric could misclassify such homes as 'affordable.' [As housing scholars have noted](#), simplified measures like these often miss important factors like total cost, household income, or debt burden. For this introductory study, I took a sample of roughly 1,000 parcel-level data points from Paradise as of 2023. It is worth noting the significant limitations of such a study. Zoning and parcel data is notoriously difficult to access in bulk for researchers, making definitive statements of causation difficult. However, with the data available, I attempted to shed some light on this important issue.

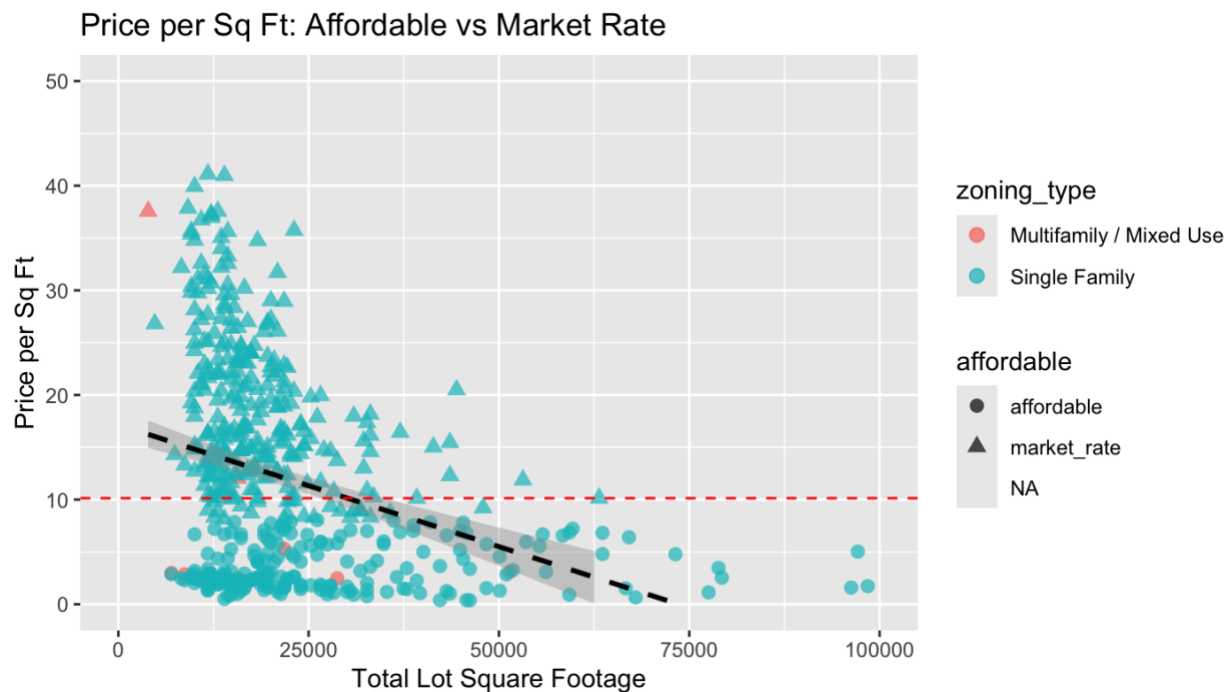
The deeper affordability challenge in disaster recovery zones, like Paradise, is not high per-unit prices — it's limited supply.

Preliminary results indicate that while there may be some connection between housing affordability and zoning designation, the picture painted is far more complicated when additional variables are introduced. The data showed that zoning rules account for a big chunk, over a third, of why home prices vary from one area to another. Certain zones consistently yield higher or lower per-unit prices, suggesting zoning plays a powerful role in structuring the housing market, affirming a basic policy intuition: how we regulate land use affects what gets built, and at what costs.

Once we dive deeper into the data, however, some more surprising results emerge. When I used a statistical test to see whether a home was likely to count as affordable, it produced a unique result that runs counterintuitive to the traditional housing narrative. Contrary to popular narratives, homes in single-family zones were associated with lower price per square foot than other zones, with this pattern shown in the graph below: homes in single-family zones tend to

have lower prices per square foot. That doesn't mean they're more affordable, but rather these homes often sit on larger lots, which can drive up total costs, even if per-unit pricing appears low.

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A result affirmed strongly in this analysis, however, is that zoning doesn't necessarily predict affordability; at least not in a meaningful way. But when I checked whether certain zones were more likely to include affordable homes, that pattern didn't hold up. Zoning doesn't directly determine how affordable homes are. Instead, it affects how many homes can be built, and that limits what's available.

Although the results were far more nuanced than I expected, the results still have some critical takeaways. The biggest of which gets to the heart of this deeply complicated issue: what really matters in housing affordability? The answer: [supply](#), not just price per square foot or any other similar threshold. If

¹ Affordability in this graph is measured by price per square foot. Homes above the red line are considered "less affordable" or "market_rate" because they exceed the median price per square foot in Paradise, CA, as of 2023. While this is a common way to compare housing prices, it doesn't reflect total home cost or whether a home is truly affordable to residents based on income. For example, a large single-family home may have a low price per square foot but still be out of reach for most families.

zoning determines what gets built, and how many homes, then focusing solely on price per unit misses the biggest picture.

Interestingly, the graph suggests that lot size may be a better predictor of price per square foot than zoning. Most parcels below 25,000 square feet cluster tightly above the affordability threshold (shown in red), while larger lots tend to fall below it, but not necessarily because they're cheaper overall.

While deeper analysis is necessary to make definitive determinations, one clear takeaway from this is that municipalities, in disaster prone zones or otherwise, need to take a serious look at the rules and codes that shape how housing gets built. This may include zoning reform but it may also mean taking a closer look at lot size regulations and building regulations. This also means taking into account state regulations and may even require action from state policymakers.

State leaders appear to be heading in the right direction with the passage of AB 130 in the state legislature, [which removed one of the biggest hurdles to housing in the state](#). However, environmental regulations are just one piece in the larger housing puzzle. If increasingly destructive and deadly wildfires are the new normal, policymakers can't afford to treat rebuilding as an afterthought. Every disaster is a chance to rethink housing supply, and every municipal code is a place to start.