


Affordable Housing Policy

By: Kendall Chin

Major: Public Policy

5/12/24

Intro to Affordable Housing

- ❖ Affordable housing is the availability of housing that is sufficient in both quality and price within communities
 - ❖ Housing should be a fundamental aspect of society in which everyone has access to
 - ❖ Adequate housing provides families everywhere with stability and a proper sense of belonging within a community
 - ❖ A lack of proper housing is what leads to unhealthy cycles and poverty within communities, and translates to a long term negative effect on communities that are affected
- 

Policy Streams Model

Problem Streams:

- ❖ Rising Housing Costs
- ❖ Homelessness
- ❖ Insufficient Amount of Affordable Housing Units
- ❖ Disparity of access within communities

Policy Streams:

- ❖ Affordable Housing Incentives
- ❖ Financial Assistance Programs
- ❖ Rent Control
- ❖ Housing Subsidies (Vouchers, Tax Credits)
- ❖ Public Housing

Political Streams:

- ❖ Political leaders at the federal, state, and local levels
- ❖ Interest Groups/Lobbying
- ❖ Public attitudes
- ❖ Policy maker government interactions
- ❖ Electoral campaigns


What is Affordable Housing?



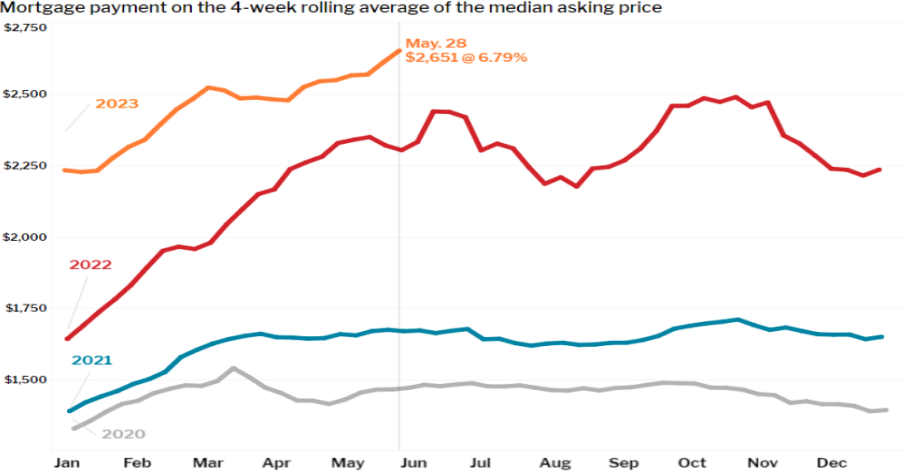
The government says housing is "affordable" if a family spends **no more than 30%** of their income to live there.



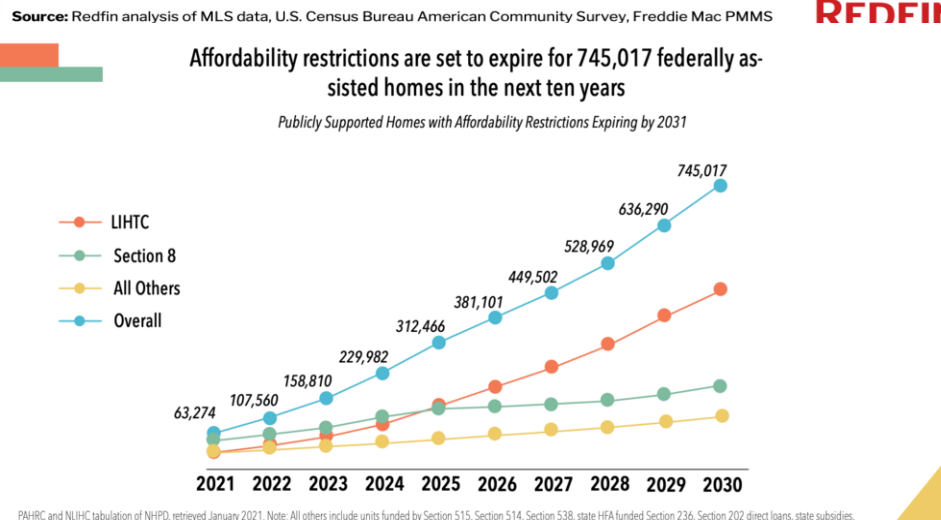
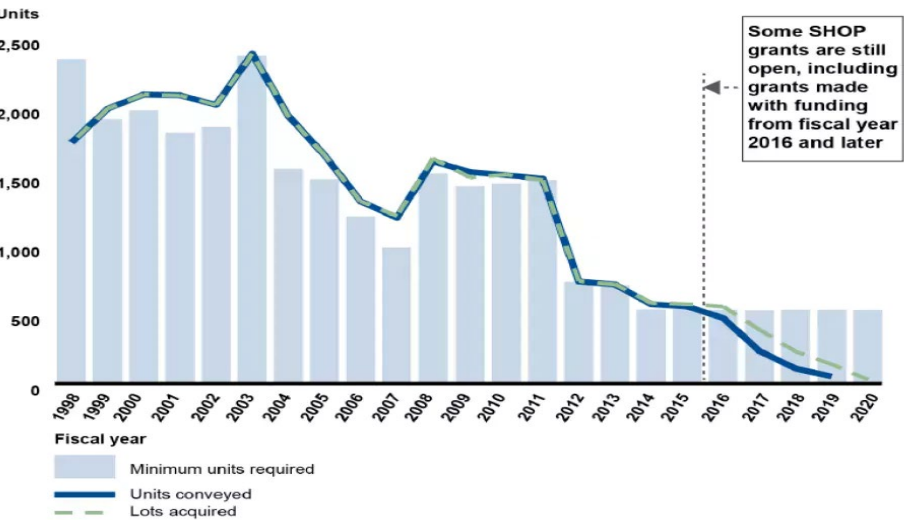
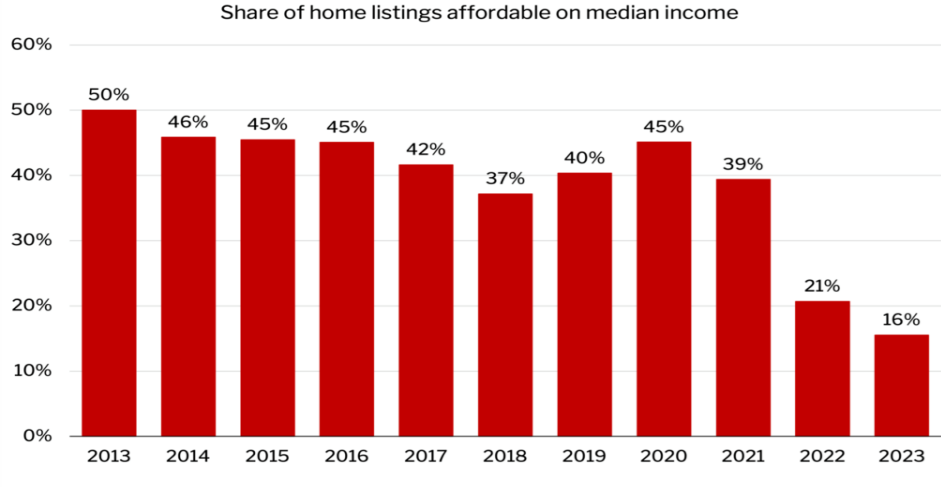
The History of Affordable Housing

- ❖ Urbanization and industrialization specifically throughout the 19th to 20th centuries has resulted in extreme changes in housing demand and access
 - ❖ This immense and rather fast change in demand led to unsanitary and overcrowded housing units particularly within cities
 - ❖ Low income individuals and immigrants were of the most affected groups during this industrialization era
 - ❖ Since then, cities and urban areas have become major hubs for employment opportunities, which is a big reason why there are housing shortages and a lack of affordability
- 

Homebuyer Housing Payments +15.1% Year Over Year



Just 16% of Homes for Sale in 2023 Were Affordable



Source: GAO analysis of Department of Housing and Urban Development (HUD) data. | GAO-23-106628

PAHRC and LIHTC tabulation of NHPD, retrieved January 2, 2021. Note: All others include units funded by Section 515, Section 514, Section 538, state HFA funded Section 236, Section 202 direct loans, state subsidies, HOME assistance, and units funded by multiple programs. Properties are excluded if their latest subsidy end date is after 2030.

Federal/state/local laws and regulation

- ❖ **Delaware State Housing Authority (DSHA):** DSHA is the official organization in charge of carrying out statewide affordable housing policies and managing federal housing programs.
- ❖ **Delaware Housing Trust Fund:** The Delaware Housing Trust Fund was created to encourage the establishment and upkeep of affordable housing. It offers grants, loans, and financial support to local governments, nonprofits, and developers for affordable housing projects.
- ❖ **Delaware's Local Housing Authorities:** Public housing services, such as rental assistance and affordable housing projects, are managed at the municipal level through a number of local housing agencies spread throughout Delaware. To meet the housing needs of their communities, these authorities frequently work with nonprofits and state agencies.

- ❖ **Low-Income Housing Tax Credit (LIHTC):** Which is the main federal program that promotes the construction and renovation of rental housing that is affordable. Developers and investors that fund affordable housing projects are given tax advantages.
- ❖ **Section 8 Housing Choice Voucher Program:** Rental assistance vouchers are given to qualifying low-income individuals and families by the Department of Housing and Urban Development (HUD), allowing them to search for suitable housing in the market for privately owned rentals.
- ❖ **Fair Housing Act (FHA):** Established as an aspect of the Civil Rights Act of 1968 and subsequently modified, the Fair Housing Act (FHA) forbids discrimination on the grounds of race, color, religion, sex, national origin, handicap, and familial status in the purchase, leasing, and financing of housing

Official Actors/Unofficial Actors

Official:

- ❖ Department of Housing and Urban Development
- ❖ Regulatory agencies
- ❖ Federal Housing Administration
- ❖ Public-Private Partnerships

Unofficial:

- ❖ Community Development Corporations (CDCs)
- ❖ Fair Housing Organizations
- ❖ Tenant Rights Organizations
- ❖ Environmental Health Advocacy Groups



Sustainability

- ❖ Energy efficient home designs should be implemented as a standard method to decrease utility costs for residents
- ❖ Materials and appliances should as well be energy efficient to reduce as much energy usage
- ❖ Affordable housing would be best built near public transportation in order to combat gas emissions from transportation vehicles.
- ❖ Using cost effective finance programs and mechanisms (PPP's, tax credits, community financing) can help to expand availability of affordable housing
- ❖ The switch to energy efficient materials and appliances will not only help the environment but will help to reduce technological operating costs and simultaneously give more financial stability to individuals
- ❖ Housing assistance should be devoted to those whose earnings are below their areas median income amount
- ❖ Maintaining the affordability of housing units is very important over the course of time. Government can implement possible restrictive measures to ensure this.



Sustainability (Equity)

- ❖ **Affordability and Livability:** To create lively, diverse neighborhoods that are affordable for residents of all income levels, this includes strategies like rent stabilization laws, investments in transit-oriented development, and mixed-income housing developments.
- ❖ **Environmental Justice and Resilience:** Social and environmental sustainability are enhanced by policies that tackle environmental justice issues, such as reducing the effects of pollution and climate change on communities with low incomes. Furthermore, investing money into affordable, energy-efficient housing can lower utility bills for residents and increase their resistance to risks that associated with climate change.
- ❖ **Community Engagement and Empowerment:** In order to achieve sustainable fairness, excluded groups should be given the authority to speak up for their housing needs and have a say in the decision-making process. Policies that place a high priority on resident-led projects, community-driven development, and participatory planning procedures encourage social sustainability by giving residents a feeling of pride in and connection to their community.

Addressing the Problem Through Policy

❖ **Status Quo:**

- ❖ There are programs currently set in place such as Public Housing, Low Income Housing Tax Credits etc. that are governed by the Department of Housing and Urban Development
- ❖ States are trying rent stability mechanisms
- ❖ Community initiatives such as affordable housing developments
- ❖ Homelessness prevention programs

Evaluating Effectiveness:

- ❖ **Access:** While it is true that affordable housing programs currently exist, the improved “access” they bring is only to a lucky few households. The majority of access is still extremely limited.
- ❖ **Cost of Housing:** Affordable housing programs aim to provide a larger supply of affordable housing, but the fact is that the cost of housing still continues to outpace income growth
- ❖ **Community:** The existence of affordable housing developments is vital to the resurgence of marginalized communities, and enables positive social cohesion and economic investment for these developments. However many affordable housing units and developments are poorly designed with no community investment

Recommending a Solution

- ❖ **Brand New Housing Plan:** A completely brand new fully comprehensive Affordable Housing Plan would be an excellent policy recommendation regarding affordable housing
- ❖ This solution will take into account supply and demand and explore strategies on each side of the market
- ❖ An increase in supply of affordable housing will be the result of construction projects with funding from all levels including federal and state
- ❖ Incentives will be given to Developers who place their efforts in affordable housing
- ❖ A more efficient regulatory led system will be implemented to speed up the process of developments and housing.

Implications:

- ❖ **Social:**
 - Improved Housing Stability
 - Enhanced social inclusivity
- ❖ **Political:**
 - Increased collaboration amongst government agencies
 - Advocates will work to pursue the legislative and regulatory changes required for the creation of the new plan
- ❖ **Economic:**
 - New housing will help to stimulate the economy
 - Affordable Housing will be a pathway for economic mobility

Reference

- <https://www.destatehousing.com/>
- Schindler, Seth. *Fair and Affordable Housing in the US: Trends, Outcomes, Future Directions*. Routledge, 2018.
- Squires, Gregory D., and Larry R. Rosenthal (Eds.). *The Fight for Fair Housing: Causes, Consequences, and Future Implications of the 1968 Federal Fair Housing Act*. Routledge, 2018.
- United Nations Human Settlements Programme (UN-Habitat). *State of the World's Cities 2020: The Value of Sustainable Urbanization*. Routledge, 2020.
- <https://www.gao.gov/blog/affordable-housing-crisis-grows-while-efforts-increase-supply-fall-short>