Swimming Against the Tide: 35 Years of Innovation in Affordable Housing

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Recent Housing Crisis

Rising Income Inequality

Percent Share of Income Growth Received

Bottom 90%

Top 10%

Note: Calculated from 1980 Decennial Census and ACS 2012 5 year sample. Dollars adjusted for inflation. Numbers and racial categories not directly aligned over time, so these should be taken as estimates of the distribution of households as opposed to exact proportions.
Loss of Middle Class...and Diversity

San Francisco 2012

Note: Calculated from 1980 Decennial Census and ACS 2012 5 year sample. Dollars adjusted for inflation. Numbers and racial categories not directly aligned over time, so these should be taken as estimates of the distribution of households as opposed to exact proportions.
Labor Market Restructuring

Median Annual Incomes of the Top Four Occupations in California, 2012

Surge in Rental Households

Average Annual Growth in Renter Households (Millions)

Source: Harvard Joint Center for Housing Studies, America’s Rental Housing, 2013, tabulations of US Census Bureau, Decennial Censuses and Housing Vacancy Surveys.
Loss of Affordable Units

Units with Expiring Affordability Periods (Thousands)

More than 2 million in 10 years

Declining Federal Funding

Percent change in annual funding, 2001 to 2014, adjusted for inflation

HOME: -58.4
CDBG: -48.6
Native American Housing: -25.1
Public Housing: -24.7
Section 521: 22.2
Section 8: 30.5

Actually, That’s Nothing New

HUD Allocations by Year

In billions (2014$)

Source: Author’s calculations of historical OMB data, data culled from housing reports. 2004 and 2006 are estimates.
Innovations in Finance Have Helped to Buffer The Impacts of These Cuts

LIHTC Unit Production in California

Source: Author’s calculations of data released by California’s Tax Credit Allocation Committee. More recent years include units under construction.
Governor Brown: Affordable housing is “a piece of the larger problem of the increased stratification of society”. California has “more important priorities” than affordable housing, like education and climate change.

UC Berkeley Fisher Center Forum
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I respectfully disagree

The **problem** of affordable housing is reflective of broader trends of social stratification, and in many ways, is shaped more by broader economic trends than by what we build.

But, the **provision** of affordable housing is not only a fundamental public good, it is also fundamentally related to our goals of a more just and sustainable society.
Education

Housing instability and involuntary moves

- Reduces educational achievement (by one year between students who changed schools four or more times in six years)
- Increases likelihood of expulsion or suspension and performing below or near the bottom of the class
- By fifth grade, the curricular pace at schools with highly mobile populations is so different from more stable schools that the math curriculum is typically one grade below grade level

Expanding access to fair housing

- Increased the number of hours children studied
- Children experienced greater parental involvement in their education
Health

Lack of affordable housing limits effectiveness of health care reform efforts

• Results from programs like CA’s Assisted Living Waiver and California Community Transitions locally show that the lack of available affordable housing is the #1 barrier that prevents people from moving out of costly institutions and into the community

Positive return on investment

• A CSH study in LA showed that every $1 spent on supportive housing saved the county $6 after the first year
• Moving 51 chronically homeless seniors out of skilled nursing facilities into housing saved $1.46 million in Medicaid and Medicare spending in one year
The Prison System

Source: Natasha Slesnick, “Treatment for Homeless Youth Pays off in the Long Run,” study reported online, http://researchnews.osu.edu/archive/homyouth.htm
Climate Change

65 percent of working poor in San Francisco MSA drive to work, commuting 60 miles per week

• Housing + transportation cost burdens undermine financial stability of working poor

Potential for affordability and sustainability

• Equitable transit oriented development
• Pre-1980 construction is responsible for approximately 70% of building GHG emissions
• Green building materials, techniques, and appliances reduce energy consumption by 33 percent and water use by 20 percent or more. This equates to significant savings in utility costs.
Sustainable Design

MidPen Housing’s Station Center in Union City
LEED Platinum Certification
TOD: Union City BART station
Conclusion
Reports Cited

• Mary Cunningham and Graham MacDonald (2012). “Housing as a Platform for Improving Education Outcomes among Low-Income Children,” The Urban Institute: Washington, D.C.
