

## Addressing the Lack of Affordable Housing

By: Andrew Romano, Yahoo News



“The rent is too damn high” as perennial New York candidate Jimmy McMillan has been shouting for the last 25 years.

The backlash against rising rents — and unaffordable housing more broadly — is a familiar problem in cities like New York, San Francisco, Los Angeles and Washington, where limited housing stock, sky-high demand and commercial speculation have pushed less-affluent residents to the periphery.

But the issue has spread beyond gentrifying metro areas — even reaching places such as Montana, where home prices have increased as much as 30 percent since 2010 and 68 percent of extremely low-income renters spend more than 30 percent of their paychecks on housing.

Nationwide, half of all renters — or roughly 50 million Americans — now find themselves in the same “rent-burdened” situation. (In 1960, only about a quarter of renters spent that much on housing.) To meet current demand, America would have to build another 9 million rental homes overnight — 7 million of them for lower-income families. Homelessness is on the rise, with as many as 600,000 Americans now sleeping in shelters or on the streets. Meanwhile, overall homeownership has fallen to a 50-year low, as economically insecure millennials are buying houses at a much lower rate than earlier generations.

For the last century or so, U.S. housing policy has given short shrift to renters, who are disproportionately lower-income and minority, while giving preferential treatment to homeowners. But the Democratic Party’s leftward policy lurch in the wake of the 2016 presidential election — combined with the widening effects of the affordability crisis and a field of 2020 Democratic contenders that includes several former mayors and an expert in personal finance and bankruptcy law — is transforming housing into a more potent issue than ever before.

“Previously, affordable housing could sort of just be swept into the corner as an ‘urban issue,’” says Henry Kraemer, a progressive organizer and advocate who last year co-authored a story in the *Nation* exhorting Democrats to campaign on housing. “But now it’s a suburban phenomenon, a rural phenomenon, and a national problem — and it’s getting the attention of policymakers at every level.”

So far, three 2020 contenders — Massachusetts Sen. Elizabeth Warren, California Sen. Kamala Harris and New Jersey Sen. Cory Booker.— have put forward concrete housing affordability proposals; a fourth, Julian Castro, former San Antonio mayor and secretary of Housing and Urban Development, has signaled that he’s likely to follow.

The three existing plans all began life as bills in the Senate.

## Addressing the Lack of Affordable Housing (Cont'd)

Harris's legislation, called the Rent Relief Act, was first proposed in July 2018; it is the least complex (and most cautious) of the three. Basically, Harris would provide immediate relief to cost-burdened renters by allowing taxpayers who make less than \$100,000 per year (or \$125,000 in high-cost areas) to claim a refundable tax credit for the rent and utilities they pay over 30 percent of their income. The poorer the taxpayer, the more generous the tax credit.



“America’s affordable housing crisis has left too many families behind who struggle each month to keep a roof over their head,” Harris said when she announced the plan. “This bill will ensure no family is priced out of the basic security of a place to live. Bolstering the economic security of working families would strengthen our country and increase opportunity.”

Booker’s bill, called the Housing, Opportunity, Mobility and Equity (HOME) Act, materialized shortly after Harris’s. It goes a bit further. Like Harris, Booker would provide a refundable tax credit to cost-burdened renters; unlike Harris, Booker would also attempt to tackle the low supply of affordable units, one of the main causes of the crisis. He would do so via what Curbed calls “a laundry list of progressive urbanism practices” designed to curtail exclusionary zoning and stimulate affordable housing construction. It would authorize high-density and multifamily zoning; eliminate off-street parking requirements for new development; shorten the permitting process; remove height limitations; tax vacant land and/or donate it to nonprofit developers; allow accessory dwelling units; and require that no less than 20 percent of all new units be affordable. Booker’s bill would enforce these changes by withholding subsidies from jurisdictions that refuse to comply; it would also allow renters to defer 20 percent of their tax credit into a savings fund.

Warren’s proposal was the last to appear. It is also the most comprehensive. First floated in September 2018 and reintroduced, in revised form, earlier this month, the American Housing and Economic Mobility Act does not include direct relief for renters in the form of a refundable tax credit; it would, however, do more to address the structural causes of the crisis than either Booker or Harris’s bills by dedicating \$470 billion over 10 years to fund the construction of more private affordable housing for extremely low-income households; adding \$3.6 billion in new capital funding for public housing; creating an incentive fund to combat local restrictive zoning laws and encourage strong renter protections such as rent control or stabilization; limiting institutional investors’ ability to buy single-family homes; and addressing decades of racism in federal housing policy.

“In the same way that we think about health care, as a basic human right, having a decent and safe place to live should be a basic human right,” Warren said during a recent CNN town hall in Mississippi.

Warren’s bill is also the only one, according to Moody’s, that has a funding mechanism. Warren plans to pay for it by restoring estate-tax rates to Bush administration levels and increasing rates for estates worth \$10 million or more.

The politics of housing will always be complicated and controversial. On the Democratic side, however, the appeal of these proposals is clear: renters are a growing and ever more geographically diverse segment of the population, and demographically, there’s a lot of overlap with the party’s increasingly minority and millennial base.

## **Knock, Knock, It's the Apartment Industry**

More than 700 members of the National Apartment Association (including the AAGW) converged on Capitol Hill in Washington, D.C. on March 5-6 to participate in NAA's largest Advocate conference to-date.

NAA members and staff visited the offices of all 535 members of Congress carrying our industry's message on working closely with policymakers to create an environment where safe, affordable housing is available to all.

NAA's membership gathered at the beginning of Advocate to network, to renew connections and to prepare for their day on the Hill. With so many of America's leaders on state, local, and federal apartment housing policy gathered to inform the nation's policy leaders, the only thing to do was to get started.



*AAGW & AAKC Members with  
Sharice Davids, Rep-KS*

## **Prior Proper Preparation**

Newcomers in D.C. benefited from the Congressional Management Foundation's yearly insight on best practices for making the most of their time in Congressional offices. This year, the presentation was augmented by live polling that helped synthesize those practices by revealing responses and statistics from the audience in real time.

At the Issues Briefing, NAA Legislative Committee Chairman Brian Chase, owner of Richmond, Va.-based Landmark Property Services, brought to the stage NAA's foremost experts on federal legislative issues, SVP, Government Affairs Greg Brown, and NAA's two new Directors of Federal Legislative Affairs, J. Maurice Jackson and Jason Lynn, who join NAA with over 20 years of combined experience on Capitol Hill.

They walked through three policy priorities for Advocate 2019, including the role federal infrastructure legislation could play in reducing barriers to apartment construction, shoring up and protecting the National Flood Insurance Program and making smart, common-sense reforms to the Section 8 Housing Choice Voucher Program to help incentivize more private sector participation in the program.

"The difference now [from in the past] is that members of Congress are talking about those issues. These are no longer municipal and state issues," said Brown, opening the briefing.

"While partisanship will be a major issue, members [of Congress] will be looking for opportunities to legislate and work across the aisle. Infrastructure and housing issues could provide those opportunities," said Lynn.

## Knock, Knock, It's the Apartment Industry (Cont'd)

### Bringing Forces Together

NAA's expansion in to the world of federal lobbying has opened a slew of new possibilities in its mission to represent, protect and grow the apartment industry.

Now more than ever, as NAA advocates directly to our federal policymakers, our members and affiliates are our most important resource when it comes to making a good first impression on Capitol Hill. NAA's members and affiliates helped connect us directly with over 340 offices by scheduling meetings and strengthening the relationships they had developed during the course of the year with their representatives. That inside perspective, combined with the expertise and experience represented on our team of lobbyists, is a powerful tool to effect change at the federal level.



*AAGW's Samantha Dubree and Ryan Farrell with Steve Watkins, Rep-KS*

### So, What Happened?

Together, we laid a new cornerstone in our mission to advocate on behalf of the industry.

"I was very pleased to be able to meet with Elizabeth Connolly, Economic Policy Advisor to Senator Gary Peters, to discuss our concerns with the Section 8 Housing Choice Voucher program, our pressing infrastructure needs, and the continued failure of Congress to enact a long-term reauthorization of the National Flood Insurance Program," said Advocate attendee Phillip Neuman, a member of the Detroit Metropolitan Apartment Association.

"These issues are very important to the multifamily housing industry, and it was good to be able to provide information to [Connolly] about each of these matters," he said. "She asked some good questions and I think we helped set the table for further discussion once specific pieces of legislation are introduced. I am always impressed with the knowledge of both our elected representatives and their staff and this year was no exception."



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