

An “All of the Above” Strategy for Affordable Housing.

VISION.

An important part of the American’s social contract with its citizens is that everyone can reside in an adequate, safe and sanitary home that is affordable. The vision is of a city program that focuses its attention and resources on the goal of increasing the affordability of housing for all of its citizens.

STRATEGY.

The strategy for achieving the of vision housing affordability for all city residents is to use all of the tools and programs available. The two strategic objectives call for city programs aimed at families in need and developers/builders with “qualified” projects.

The first strategic thrust is to enable families to have the resources necessary to afford a reasonable home - house or apartment. Their “net home buying power” must increase to align with housing costs. “Net home buying power” is the combination of wages earned less the operating costs of a home, namely utilities, taxes, insurance and maintenance. City action programs can address each of these elements as discussed below.

Secondly, the city must aim to contain the cost of housing to align housing costs with wages and family incomes. The elements of housing costs are land, construction materials and labor, fees and financing. Like buying power, each of these elements can be addressed by cities, as discussed below.

ACTION PLANS.

“Net home buying power” Actions.

- Wages: Minimum wages, livable wages, extra pay or housing credits for “essential employees”, housing subsidies for critical employees being instituted by tech firms.
- Ubiquitous and Affordable High-speed Broadband Internet Service is essential. Every neighborhood must have access to good internet service:
 - to start a business, operate a small business, maybe home based and
 - to have access to general education for children and adults and specialized training for employees and job-seekers.
- Transit service, safe and affordable, is usually necessary for unemployed and under employed people to seek employment and then travel to the job site once secured.
- Utilities: Subsidies of winter heating bills, deposit reductions/refunds, education programs to conserve energy and water usage.
- Taxes: Abatements for qualified affordable housing units, sales tax relief for construction materials.
- Insurance: A public option.
- Maintenance: Sponsored home maintenance insurances, cooperatives for neighborhood maintenance including dwelling units with “sweat equity” options for residents.

Housing Cost Containment Actions.

- Land:
 - Reduce total land costs by deploying surplus public lands, establishing land banks and re-using remediated properties.
 - Reduce land costs per unit with appropriate density increases and/or bonuses for qualified affordable housing.
- Construction:
 - Materials – The cost of materials is determined by national and international factors. Their net cost can be reduced by local sourcing and tax abatements for “qualified” housing developments.
 - Labor – On the one hand, labor wages need to rise to increase local “net home buying power”. On the other hand, the labor cost of housing needs to be considered in the affordable housing setting. At the end of the day, a decision should favor higher wages...the Henry Ford model of paying his employees more so they could buy his cars.
- Fees: Impact fees are significant and can be waived for “qualified” housing. Building and inspection fees can also be ameliorated by the city.
- Financing: Down payment assistance programs, the creative use of second mortgages and other ideas exist to reduce financing costs.

Other Approaches.

- Private philanthropy:
 - Contributions to affordable housing funds from Google, Apple, etc.
 - Community trusts, crowdsourcing and examples other private interest funding can be found.
- Land development regulations that affect density and therefore land costs, fees and financing:
 - Non-exclusive single-family zoning districts promoting “missing middle” housing.
 - Habitat for Humanity, Community Land Trusts and similar NGO programs.
- Public subsidies:
 - Location based, e.g., low rent public housing.
 - Low income housing tax credits, LIHTC.
 - Person based subsidies, e.g., Section 8 housing.
- Re-purpose obsolete commercial buildings for housing, such as retail malls.
- Homeowner and tenant education is important to assist residents in the ways and means of reducing costs, maintaining properties and sustaining their home. Most communities have an organization devoted to this task. As an example, in Orlando it is HANDS. <https://www.cflhands.org/home>
- Preserve older houses and apartments. Rehabilitation grants and loans combined with a “compassionate” code enforcement programs geared to helping owners fix problems.

The critical factors are commitment to a vision of universal housing affordability and community leadership to an “all of the above” strategy.