

Outcome Document for *Local Voices Informing Federal Action: A symposium on home affordability (February 13, 2020)*

With the recent launch of the national Cost of Home advocacy campaign and the urgent need to address home affordability on a national scale, Habitat for Humanity convened a housing policy symposium with more than 200 representatives of national housing organizations, federal agencies, foundations, state and local housing leaders and experts, and Habitat leaders to discuss how state and local successes can inform federal policy solutions for improving home affordability. Complementing an opening and closing plenary, state and local practitioners were joined by federal policy experts in four concurrent breakout sessions organized around the policy themes of Habitat's Cost of Home campaign:

- Increasing the supply and preservation of affordable homes
- Equitably increasing access to credit
- Optimizing land use for affordable homes
- Ensuring access to and development of communities of opportunity

This document summarizes lessons and best practices shared during the symposium for technical and policy experts familiar with housing policy, including local, state and federal strategies for improving housing affordability as a foundational element leading to other positive outcomes such as health, education, equity, and economic mobility.

Opening plenary

Opening remarks: J. Ronald Terwilliger, Retired CEO, Trammell Crow Residential and Chairman Emeritus, Habitat for Humanity International Board of Directors

Panelists:

Eileen Fitzgerald, Head of Housing Affordability Philanthropy, Wells Fargo Foundation
Maurice Jones, President and CEO, Local Initiatives Support Corporation
Jonathan Reckford, CEO, Habitat for Humanity International

Moderator: Lisa Gordon, CEO, Atlanta Habitat for Humanity

Housing experts discussed different dimensions of the housing affordability crisis demanding policy solutions at all levels of government and shared perspectives on the importance of using local solutions to inform federal policy. Panelists covered such topics as the connection between “greatness in housing” and global competitiveness; the growing shortage of land; the compounded costs of unaffordable housing; and the importance of housing as a tool to end generational poverty. Panelists then talked about how the federal government can play a key role as an “investment partner” in helping to scale local solutions, and in creating a systems-level approach.

Breakout sessions

1. *Increasing the supply and preservation of affordable homes*

Across America, communities are experiencing a shortage of affordable homes. Federal housing programs provide crucial resources, but they are insufficient for solving these challenges. This session highlighted creative ways localities and cities are addressing their affordable housing needs.

Panelists:

Britta Fisher, Executive Director of the Department of Housing Stability and Chief Housing Officer, City and County of Denver

Christopher Ptomey, Executive Director, Terwilliger Center for Housing, Urban Land Institute

E.J. Thomas, President and CEO, Habitat for Humanity MidOhio

Moderator: Shannon Ross, Vice President, Government Relations, Housing Partnership Network

Christopher Ptomey began the session by walking through the evolution of federal housing policies and programs since 1932, illustrating how the federal role grew largely through responses to major crises.

Britta Fisher described how the city of Denver adopted its first dedicated housing fund in 2016 at \$15 million annually. It then doubled the fund to \$30 million annually in 2018 by leveraging a marijuana retail tax and increasing general fund contributions. The housing fund is an important tool for responding to the dramatic rise in median rent and home prices in the city since 2012 and implementing this city's comprehensive strategy to: create affordable housing in vulnerable areas and areas of opportunity; preserve affordability and housing quality; promote equitable and accessible housing options; and stabilize residents at risk of involuntary displacement.

E.J. Thomas talked about the critical importance of forming a broad housing alliance – engaging both the public and private sectors – to successful efforts at the local, state and regional level to increase resources for housing production, home repairs and stabilizing renters. Thomas spoke about the importance of establishing a broad-based understanding of the need for and community benefits of affordable housing and a local response in Central Ohio.

Promising strategies at the federal, state, and local levels identified by speakers:

- Develop a comprehensive strategy, inclusive of tools for developing homes, improving homes, and stabilizing households.
- Connect advocacy for housing resources to desired outcomes, such as stability in Denver and the economy in Ohio.
- Work with a diverse collection of allies, including private sector partners. Leverage public resources to unlock private resources.
- Increase federal support for the Housing Choice Voucher Program, public housing improvements, and programs such as HOME, CDBG, HOPWA, and LIHTC.

2. *Equitably increasing access to credit*

Unaffordable down payments are a leading barrier to homeownership for low-wealth households. State and local governments are effectively working to address this barrier through innovative down

payment assistance programs. In this session, experts highlighted some of the innovative aspects of those programs to inspire movement at the federal level.

Panelists:

Sheila M. Miller, Deputy Director for Programs, Washington, D.C., Department of Housing and Community Development

Doug Ryan, Senior Fellow, Prosperity Now

Veronica Watson, Community Programs Manager for CSBG, IDA and NAP, Indiana Housing and Community Development Authority

Moderator: Tawkiyah Jordan, Senior Director Housing and Community Strategy, Habitat for Humanity International

Doug Ryan described how federal programs have helped with the upfront costs of homeownership since the National Housing Act of 1934, although challenges and gaps remain. Homebuyers under age 35 are a declining share of first-time homebuyers, and for millennials, saving up for a down payment is the largest perceived barrier. There are misconceptions about the amount required for a down payment.

Sheila Miller described how the DC's Home Purchase Assistance Program and Employer Assisted Housing Program have helped hundreds of lower-income homebuyers each year purchase a home, despite the city's high median home price. The city's down payment assistance is an interest-free loan that generally must be repaid at resale or refinancing. As city home prices have risen, the city has responded by increasing funding for the program to offer higher levels of assistance.

Veronica Watson described how the state operates an Individual Development Account (IDA) program that helps very low- and extremely low-income renters save up for a down payment for a home or other asset by matching their savings. Participants work with coaches to make saving deposits of earned income into a designed IDA that are then matched with state funds at 3:1, up to a total of \$4,500. The program is administered by certified community organizations, including several Habitat for Humanity affiliates.

The federal Assets for Independence program matched state contributions to IDA accounts. The expiration of federal funding for this program in 2017 reduced the number of families that Indiana's IDA program – and other IDA programs nationwide – is able to serve.

Promising strategies at the federal, state, and local levels identified by speakers:

- Enable stable funding for DPA programs, so that state and local governments can plan for multiple years and operate effectively.
- Allow state and local agencies flexibility in how their down payment assistance programs are designed and implemented to ensure that diverse needs can continue to be met as market and demographic dynamics change.
- Increase allocations for down payment assistance programs, including matched savings programs, particularly in high-cost markets.
- Sustain resources for housing counseling and capacity-building for non-profit agencies administering housing services.
- IDA programs reached even more households when they had support from the federal Assets for Independence program. Congress reviving this program would boost IDA programs across the country that help households save for a down payment.

- Invest in marketing and outreach to ensure constituents are aware of the full spectrum of resources available to them.
- New federal proposals, including tax-exempt accounts for down payment savings, down payment assistance in redlined areas, and an FHA product for those with student loan debts, could reduce the upfront costs and expand access to affordable mortgage credit.

3. *Optimizing land use for affordable homes*

Policymakers and advocates involved in recent zoning policy breakthroughs in Minneapolis, Oregon and California reflected on lessons learned from these successes, and what they suggest for federal efforts to encourage more states and localities to enact zoning reforms that increase affordability in a diversity of communities.

Panelists:

Chris Coleman, President and CEO, Twin Cities Habitat for Humanity

Tomiquia Moss, Founder and Chief Executive, All Home

Taylor Smiley Wolfe, Director of Policy and Planning, Home Forward, Housing Authority for Multnomah County

Moderator: Jenny Schuetz, Fellow, Metropolitan Policy Program, The Brookings Institution

Taylor Smiley Wolfe spoke about the steps it took to pass HB 2001, Oregon’s new ground-breaking zoning reform. The law requires cities of more than 25,000 residents and most jurisdictions in the Portland Metro Area to allow duplexes, triplexes, quads and “cottage clusters” on land previously limited to single family homes. Wolfe shared that it was important to HB 2001’s success that the legislature first passed state-wide renter protections, helping address concerns related to displacement of lower-income households. Other keys to securing passage with bipartisan support included the development of a positive, inclusive messaging framework emphasizing more choices for priced-out workers and families as the state grows and greater freedom for property owners, seeking “gentle density” allowances first, prior educational work to help the public visualize the proposed changes and understand the negative workforce impacts of doing nothing to reform zoning, and offering cities planning and infrastructure assistance as well as modest opportunities to customize implementation in their communities.

Tomiquia Moss discussed how the state of California was able to pass a few helpful zoning reforms recently—including “by-right” approvals for zoning-compliant developments that include a share of affordable homes and policies that reduce barriers to accessory dwelling units on single-family properties—but failed to pass SB 50, which would have allowed buildings of five to eight stories around transit lines and in job-rich areas. Many low-income tenant advocates opposed SB50 due to concerns about displacement, and low-density cities opposed the bill out of concerns that it threatened community character. Concessions, such as delaying implementation for communities sensitive to displacement, and protecting buildings occupied by lower-income renters, won over some skeptics, but not enough to secure passage. Moss believes that the supporting coalition focused too much on demonizing homeowners, and too little on talking about the relationship between supply and affordability. But she added that each time the legislature has discussed reforms similar to SB 50, they get closer to consensus.

Former mayor of Minneapolis Chris Coleman discussed the city’s new, nationally-publicized comprehensive plan – Minneapolis 2040. The plan permits up to three residential units per lot throughout the city, abolishes parking minimums for new construction and requires buildings to be

at least two to six stories tall along transit corridors. At the outset of the planning process, city staff invested two years in civic engagement. Parallel public education initiatives grew public understanding of the city's history of racially restrictive covenants and codes, as racial equity became a major theme of the plan. Coleman believes this framework was essential to convincing councilmembers and residents to support significant changes to the zoning status quo. Supporters coalesced around the idea that the city needed to be as intentional about solving its ongoing racial segregation and economic disparities as it was in creating them.

Promising strategies at the federal, state, and local levels identified by speakers:

- Take time to lay the groundwork. Adopting bold legislation requires space to build shared understanding of the problem.
- Rather than demonizing homeowners in single-family neighborhoods, use a more inclusive message.
- States can play a helpful role by pre-empting restrictions on housing choices, as local elected officials have a harder time initiating these changes.
- Work out robust implementation and enforcement plans that address local jurisdictions' planning and infrastructure needs and allow them to customize state-mandated zoning changes, within limits.
- Consider adopting renter protections before enabling major zoning zones, to help address concerns about potential displacement. This may not be sufficient, however, for passing bold reforms, as in California.
- Requirements are often needed. "Carrots are great, but they don't work if you're not hungry."
- Federal incentives for land use reform might be most effective if focused on states, given that not all localities are reached or enticed by federal funding incentives.
- "Zoning is just the starting point" for closing the affordability gap and creating more inclusive communities. Housing subsidies are also needed to enable first-time ownership for people historically locked out of homeownership, prevent renter displacement, and ensure very low-income renters have affordable places to live. HUD should continue to support HOME, CDBG and the RAD program, invest in both place-making and mobility voucher programs, and create more pathways for voucher-holders to become homeowners.

4. Ensuring access to and development of communities of opportunity

Home is not purely defined by a building. This session highlighted local policies successfully providing access to affordable homes in high-opportunity areas through mobility support, and place-based programs to support neighborhoods that have seen long-term disinvestment.

Panelists:

Andria Lazaga, Director of Policy and Strategic Initiatives, Seattle Housing Authority
Ridge Schuyler, Dean of Community Self-Sufficiency Programs, Piedmont Virginia Community College
Kris Siglin, Vice President for Policy and Partnerships, National Community Stabilization Trust

Moderator: Dan Rosensweig, President and CEO, Habitat for Humanity of Greater Charlottesville

Kris Siglin shared Raj Chetty's research about the impact of neighborhoods on the life outcomes of children. Siglin also outlined the deliberate strategy by the federal government and cities like Baltimore and others to promote and perpetuate racial segregation that continue to shape the look of our cities today. This historical legacy and Chetty's research, she argued, demand a 21st century policy response.

The city of Charlottesville, VA has taken innovative steps over the past three years to improve the economic mobility of African-American residents by investing in place-based and housing mobility strategies. This included creating the city's own local housing voucher program in 2017. Ridge Schuyler explained that the Charlottesville Supplemental Rental Assistance Program, funded out of the city's local housing trust fund, allows for more flexibility than the federal program. It reserves a significant portion of vouchers for families pursuing family-sustaining wages and participating in a local family self-sufficiency program, and provides incentives to encourage landlord participation, including financial support for energy-efficiency upgrades.

Andria Lazaga discussed the city's nationally-recognized Creating Moves to Opportunity (CMTO) pilot program. The program was motivated by recognition of the nearly inverse relationship between where voucher-holders lease in Seattle and where families achieve upward mobility. CMTO "Housing navigators" provide customized search assistance and education to help low-income families receiving vouchers find homes in high-opportunity neighborhoods. They also negotiate with and assist landlords, and help pay security deposits and other move-in expenses. Raj Chetty and colleagues found that, at a small program cost per household, families were almost four times more likely to use their vouchers to move to a high-opportunity area as those receiving standard housing voucher services.

Promising strategies at the federal, state, and local levels identified by speakers:

- Voucher mobility programs are a good investment. There is strong evidence that these programs improve families' access to neighborhoods of opportunity, and children in these neighborhoods later experience higher incomes, higher college attendance, and fewer teenage pregnancies.
- The federal government can better support local mobility programs by: allowing housing authorities more flexibility to innovate and meet local needs; increasing funding and support for mobility programs; and encouraging the adoption of source of income protection laws.
- Key features of local mobility programs include community-wide housing navigation services and incentives to landlords, even in cities such as Seattle that have source of income protection.
- Programs that help families with housing vouchers move to better neighborhoods are a good investment, as are programs like Choice Neighborhoods that make holistic investments in distressed neighborhoods.
- Two current federal bills present compelling opportunities to enhance local mobility and place-based programs:
 - The Family Stability and Opportunity Vouchers Act (S. 3083) would create 500,000 new vouchers for families with young children and would provide significantly more funding for local voucher mobility programs offering counseling and landlord outreach services.
 - The Neighborhood Homes Investment Act (H.R. 3316) would create a new federal tax credit to attract capital to build and rehabilitate 500,000 owner-occupied homes in distressed urban, suburban and rural neighborhoods over the next decade.

Closing plenary and conclusion

[Cost of Home Campaign Cabinet members](#) summarized key learnings from each breakout session on how local and state policy solutions may be applied at the federal level across each of the Cost of Home campaign's four focus areas – supply, credit, land and communities. Action in each of these policy areas will be instrumental in improving affordability nationwide, especially as our housing needs have grown substantially due to the COVID-19 pandemic.

It will take multiple solutions – not just a single strategy – to solve our nation's housing affordability challenges. Renee Glover, founder and managing member of The Catalyst Group, LLC, stated, "We should be scaling the extraordinary work that is being done locally." Others spoke to the need for: humanizing the issue; rewarding results to spur innovation from builders and localities; linking people to job ladders as we provide housing support; and talking more about our history of intentional segregation and redlining. An over-arching theme was that the status quo is not forever – whether that be single-family zoning or voucher-use location patterns or bipartisan divides on housing issues. Truisms are being unproven locally. Housing policy leaders should take inspiration from this when pursuing federal reform.

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