Affordable Housing RED 500

Course Outline & Syllabus

Summer 2018

**Course Summary:**

California has a huge housing crisis with no resolution in site. There is an insufficient supply to meet the state’s current demand and its projected growth in population. As a result, the price of housing continues to increase beyond the reach of many households. Especially hard hit are low wage earners who do not earn enough income to rent an average priced apartment and who are forced to commute until they find affordability.

Numbers tell the story of California's housing crisis.

* 16 of the 25 least affordable communities in the US are in California, according to 24/7 Wall Street.
* In 2016, 30 percent of California tenants paid more than 50 percent of their income toward rent and utilities, according to the California Budget & Policy Center. Economists consider 30 percent the maximum households can comfortably afford.
* California needs to double the number of homes built each year to keep prices from rising faster than the national average, according to the California Analyst's Office.

In Southern California, more than 400,000 households in the city of Los Angeles, and a total of 900,000 in L.A. County, have what the United States Census Bureau calls precarious housing situations. That means the dwelling is substandard, families are doubled up, or they spend more than half their income on housing. This is in addition to the estimated 58,000 homeless people.

 According to the Southern California Association of Non Profit Developers:

* Cuts in federal and state funding, including elimination of Community Redevelopment Agencies, have reduced investment in affordable housing production and preservation in Los Angeles County by nearly $457 million annually since 2008, a 64% reduction.
* Median inflation adjusted rent in Los Angeles County has increased 32% since 2000 while median inflation adjusted renter’s household income has decreased 3%. Renters need to earn 4 times local minimum wage to afford the median asking rent of $2,499 in Los Angeles County.
* Los Angeles County’s lowest-income renters spend 70% of income on rent, leaving little left for food, transportation, health expenses, and other needs.
* When housing costs are considered, Los Angeles County’s poverty rate rises from 18.3% to 25.6%.
* Los Angeles County needs 552,000 more affordable rental homes to meet the needs of its lowest-income renters.

This course is designed to provide an overview of affordable housing, discussing policies and how they shape development strategies. As part of the overview, we will focus on affordable multifamily housing of various types: supportive, public housing, tax credit, seniors and special needs. We will also discuss demand side tools such as vouchers.

The core of this course is a critical examination of the different government affordable housing policies and their impacts on neighborhoods and cities. We will look at the metrics that define “affordable:” area median incomes, income restrictions, the “housing burden,” and others. We will look at government programs that establishment subsidies, tax incentives (federal and local), including mortgage interest deduction and density bonuses to encourage the production of affordable housing. This will include a discussion about for profit and nonprofit housing developers in the production of affordable housing, and examine the advantages and disadvantages of government-produced housing vs. private housing. Students will also gain an understanding of how affordable housing gets developed, including land use strategies, community relations, financing, political land mines, public/private partnerships, regulatory constraints, design, operations and needed social services.

**Text Book:** **Alex F. Schwartz, Housing Policy in the United States: An Introduction*,* Third Edition, Routledge, New York. (Available with Kindle)**

**Course Schedule and Readings:**

1. **What is the state of Housing in America**
	1. How does it work
	2. How does it get financed and built
	3. What is affordable housing and why do we need it
	4. How much affordable housing is needed?
	5. Is affordable housing a right?
	6. Housing and concentrations of poverty

Joint Center for Housing Studies, ***The State of the Nation’s Housing,* June 2017**, Executive Summary & Housing Challenges. (Chapters 1, 5 and 6) http://www.jchs.harvard.edu/research/state\_nations\_housing

Joint Center for Housing Studies, **America’s Rental Housing,** http://jchs.harvard.edu/research/publications/americas-rental-housing-2017

The National Low Income Housing Coalition (NLIHC), [**The Gap: A Shortage of Affordable Homes**](http://send.ncsha.org/link.cfm?r=gXxntvqtVPzrEpvi8zEgnw~~&pe=GJg4Koaj9Z8tTq75bWSIrO9NbWT5pASUDA2eClVC8CM_B3i8f6qNHxIBBgvr8Znnue-MIETcgU11Va723dZVcQ~~&t=xewE4lEgbIsyKvjokFOvgA~~)<http://nlihc.org/sites/default/files/Gap-Report_2017.pdf>

The National Housing Conference, **Center for Housing Policy annual *Paycheck to Paycheck***report highlights the difficulties posed by the mismatch between incomes and housing costs for a wide range of workers in metropolitan areas across the U.S. 2017 By [Brian Stromberg](https://www.nhc.org/author/bstromberg/) and [Mindy Ault](https://www.nhc.org/author/mault/)

https://www.nhc.org/wp-content/uploads/2017/09/2017-Paycheck-to-Paycheck-Final.pdf

University of Virginia, **Alleviating Poverty through Housing Policy Reform, by** Edgar O. Olsen, 2014

http://economics.virginia.edu/sites/economics.virginia.edu/files/papers/USCPaperR2.pdf

[GLOSSARY OF AFFORDABLE HOUSING TERMS.](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwjq8Yvih_LZAhUQ0FMKHdaeCVkQFggnMAA&url=http%3A%2F%2Fwww.lwv-wnk.org%2Ffiles%2Faffordablehousingterms-1.pdf&usg=AOvVaw1kS_ChNNrP8CMIatP-OfSs)

[www.lwv-wnk.org/files/affordablehousingterms-1.pdf](http://www.lwv-wnk.org/files/affordablehousingterms-1.pdf)

Affordable housing on-line: Common Questions about affordable housing. <https://affordablehousingonline.com/housing-common-questions>. Including

Low Income Housing Guides for Renters

* [Section 8 Housing Choice Voucher Guide](https://affordablehousingonline.com/guide/section-8-vouchers)
* [Public Housing Guide](https://affordablehousingonline.com/guide/public-housing)
* [Low Income Housing Tax Credit Guide](https://affordablehousingonline.com/guide/low-income-housing-tax-credit)
* [Project-Based Section 8 Rental Assistance Guide](https://affordablehousingonline.com/guide/project-based-section-8)
* [Section 811 Housing for the Disabled Guide](https://affordablehousingonline.com/guide/section-811)
* [Section 202 Supportive Housing for the Elderly Guide](https://affordablehousingonline.com/guide/section-202)
* [Housing for Persons with Disabilities Guide](https://affordablehousingonline.com/guide/disability-housing)

Home Base for Housing: Housing Type Definitions, http://homebaseforhousing.org/Education/Definitions.cshtml

1. **Different types of affordable housing**
	1. Special Needs (Seniors, physically disabled, mentally challenged)
	2. Public housing
	3. Affordable housing (Low Income Housing Tax Credit)
	4. Work-Force/Employer Assisted
	5. Market Rate – Mortgage Interest Deduction

Alex F. Schwartz, **Housing Policy in the United States: An Introduction***,* 3rd Edition, Routledge, New York, 2006. Read the 4 primary forms of subsidized rental housing: low income housing tax credit (Chapter 5), public housing (Chapter 6), privately-owned rental housing (Chapter 7), and Section 8 vouchers (Chapter 8).

1. **Facilitating the Acquisition or Identification of Land for Affordable Housing**
	1. Politics of land for affordable housing
	2. Role of Government
		1. Excess land owned by government agencies
		2. Eminent Domain
		3. Redevelopment Areas/Opportunity Zones
	3. Expanding the Availability of Affordable Housing in Resource-Rich Areas
	4. Regional Collaboration to solve the affordable housing crisis

YouTube, **Reviving the American Dream: Lessons from Big Data** | Raj Chetty | TEDxStanford

<https://www.youtube.com/watch?v=u2U9-Wq2ub0>

Housing Finance Magazine, **Opportunity Zones: What They Are, Why They Matter**. [http://www.housingfinance.com/news/opportunity-zones-what-they-are-why-they-matter\_o](https://na01.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.housingfinance.com%2Fnews%2Fopportunity-zones-what-they-are-why-they-matter_o&data=01%7C01%7Cscarter%40hraadvisors.com%7C7713f80d24d3482edd9208d589026064%7C3550dd04668448e0be923cfeffaecba4%7C0&sdata=5TCOzL%2BadZANBOK0zYttM%2B5W93u5loeEXqrFZywFVKU%3D&reserved=0)).

Berkeley Law, **Getting it Right:** **Examining the Local Land Use Entitlement Process in California to Inform Policy and Process**

<https://www.law.berkeley.edu/wp-content/uploads/2018/02/Getting_It_Right.pdf> (Executive Summary)

Holland and Knight, **In the Name of the Environment**, by Jennifer Hernandez, David Friedman and Stephanie DeHerrera, 2015

http://issuu.com/hollandknight/docs/ceqa\_litigation\_abuseissuu?e=16627326/14197714

1. **Market-Rate/Homeless/Special Needs Housing**
	1. The process of “filtering” market-rate housing and the need for such
	2. Low-Income Homeownership
	3. Housing needs for different segments of the population needing special unique strategies,

seniors, HIV, homeless and physically and mentally challenged

The National Housing Conference, Center for Housing Policy, **Compounding Stress: The Timing and Duration Effects of Homelessness on Children’s Health** 06/11/2015 By [Megan Sandel, MD, MPH](https://www.nhc.org/author/msandel/), [Richard Sheward](https://www.nhc.org/author/rsheward/) and [Lisa Sturtevant, Ph.D.](https://www.nhc.org/author/lsturtevant/)

[**https://www.nhc.org/wp-content/uploads/2017/03/Compounding-Stress.pdf**](https://www.nhc.org/wp-content/uploads/2017/03/Compounding-Stress.pdf)

Joint Center for Housing Studies Harvard University, **Disability Housing: What’s happening? What’s challenging?** Micaela Connery 2015

<http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/connery_disabilityhousing_april2016_v2.pdf>

Center for Housing Policy and AARP, **Strategies to Meet the Housing Needs of Older Adults, 2010**

<https://assets.aarp.org/rgcenter/ppi/liv-com/i38-strategies.pdf>

American Public Health Association, **Healthy Naturally Occurring Retirement Communities: A Low-Cost Approach to Facilitating Healthy Aging,** by[Paul J. Masotti](https://www.ncbi.nlm.nih.gov/pubmed/?term=Masotti%20PJ%5BAuthor%5D&cauthor=true&cauthor_uid=16735634), PhD, MSHSA, [Robert Fick](https://www.ncbi.nlm.nih.gov/pubmed/?term=Fick%20R%5BAuthor%5D&cauthor=true&cauthor_uid=16735634), BA, BEd, [Ana Johnson-Masotti](https://www.ncbi.nlm.nih.gov/pubmed/?term=Johnson-Masotti%20A%5BAuthor%5D&cauthor=true&cauthor_uid=16735634), PhD, MA, and [Stuart MacLeod](https://www.ncbi.nlm.nih.gov/pubmed/?term=MacLeod%20S%5BAuthor%5D&cauthor=true&cauthor_uid=16735634), PhD, MD

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1483864>

# Mother Jones, **The Shockingly Simple, Surprisingly Cost-Effective Way to End Homelessness Why aren’t more cities using it?** Scott Carrier, Feb. 17, 2015

<https://www.motherjones.com/politics/2015/02/housing-first-solution-to-homelessness-utah/>

1. **Finance/Subsidies/Incentives/Low Income Housing Tax Credits**
	1. How does affordable housing get financed
	2. Who provides the funding and under what terms and conditions (government and private sector)
	3. What are the different forms of funding to fill the financing gaps
		1. Debt/Equity
		2. LIHTC (Sec 42) Equity
		3. Section 8 Vouchers (Project Base vs Mobile)
		4. Community Development Block Grant
		5. HOME Funds
		6. Cap and Trade
		7. Federal Home Loan Bank Affordable Housing Program
	4. LIHTC housing successes and failures
	5. Mixed-Income Housing as a community development model

Schwartz, Chapter 11

McClure, Kirk, **The Low-Income Housing Credit as an Aid to Housing Finance: How Well Has It Worked?**Housing Policy Debate, Volume 11, Issue 1, 2000

<http://www.knowledgeplex.org/showdoc.html?id=1191>

Joint Center for Housing Studies, Harvard University, **Long term Low Income Housing Tax Credit Policy Questions -** November 2010.

http://www.urban.org/UploadedPDF/1001483-Housing-Tax-Credit.pdf

Spend some time with the “try it yourself” feature on Urban Institute’s **“The Cost of Affordable Housing: Does it Pencil Out?”** <http://apps.urban.org/features/cost-of-affordable-housing/>

Los Angeles Times, Affordable Housing is at Risk from Tax Cut Law, Business Section Page C1, March 22, 2018

Urban Land Institute, **Ten Principles for Developing Affordable Housing, by** Alexa Bach**,** Prema Katari Gupta**,** Richard Haughey**,** George Kelly, Michael Pawlukiewic

<http://uli.org/wp-content/uploads/2012/07/TP_AffordableHousing.ashx_.pdf>

Office of the Comptroller of the Currency**, Low-Income Housing Tax Credits: Affordable Housing Investment Opportunities for Banks**, March 2014

<https://www.occ.gov/topics/community-affairs/publications/insights/insights-low-income-housing-tax-credits.pdf>

Brookings, **Is the rent “too damn high”? Or are incomes too low?** [Jenny Schuetz](https://www.brookings.edu/experts/jenny-schuetz/), December 19, 2017

<https://www.brookings.edu/blog/the-avenue/2017/12/19/is-the-rent-too-damn-high-or-are-incomes-too-low/>

U. S. Government Accountability Office, **LOW-INCOME HOUSING TAX CREDIT Actions Needed to Strengthen Oversight and Accountability,** 2017

https://www.gao.gov/assets/690/686345.pdf

1. **Policy and Politics of Affordable Housing**
	1. Government Agency Silos
	2. Complexity of navigating Government Approvals
	3. Strong Mayor vs strong council form of government and their impact
	4. Community Neighborhood Councils and their role in the approval process
	5. Not in my back yard (NIMBY) vs Yes in my back yard (YIMBY)
	6. Unions – prevailing wages vs open shop and their impact on pricing
	7. For Profit vs Non Profit

Watch: Show Me a Hero, TV series (HBO): [http://www.hbo.com/show-me-a-hero - Episode 5](http://www.hbo.com/show-me-a-hero%20-%20Episode%205).

LA Times, Editorial, **L.A. City Council members shouldn't have the power to veto homeless housing projects at a whim March 17, 2018**

<http://www.latimes.com/opinion/editorials/la-ed-homeless-housing-hhh-letter-20180317-story.html>

Los Angeles Times, **Editorials on Homelessness in L.A.: A national disgrace that must be fixed,** by Paul Thornton, March 2018

 <http://www.latimes.com/la-ol-opinion-newsletter-homelessness-la-20180303-htmlstory.html>

Curbed, **Solving affordable housing: Creative solutions around the U.S. by Patrick Sisson, 2017** https://www.curbed.com/2017/7/25/16020648/affordable-housing-apartment-urban-development

California Department of Housing and Community Development. **California’s Housing Future, Challenges and Opportunities** pp20-52 and Appendix B

[http://www.hcd.ca.gov/policy-research/plans-reports/docs/California's-Housing-Future-Full-Public-Draft.pdf](http://www.hcd.ca.gov/policy-research/plans-reports/docs/California%27s-Housing-Future-Full-Public-Draft.pdf)

Cornell Real Estate Review, **Affordable Housing Policies: An Overview**, Anastasia Kalugina,

https://scholarship.sha.cornell.edu/cgi/viewcontent.cgi?article=1156&context=crer

The Harvard Joint Center for Housing Studies, **Affordable Rental Housing Development in the For-Profit Sector: A Case Study of McCormack Baron Salazar**, by Rachel G. Bratt

http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/bratt\_mbs\_feb\_2016\_final.pdf

1. **Generating Resources/Policy Strategies**
	1. Government strategies to increase the supply of affordable housing
		1. Funding Strategies by Cities to Increase the Supply of Affordable Housing
			1. Linkage Fees
			2. GO Bonds
			3. Fee Waivers
			4. Tax Abatement
			5. Expedited Permitting
		2. Policy Changes
			1. Streamlining the Approval Process
			2. Density Bonus
			3. Reduced Parking Requirements
			4. Reduced Impact Fees
			5. Zoning Changes
			6. Modifications to CEQA and Approval Process
			7. Inclusionary Zoning

The National Housing Conference, Center for Housing PolicyPrinciples **for Allocating Housing Funds** by Ethan Handelman | August 2017

<https://www.nhc.org/wp-content/uploads/2017/08/AllocatingHsgFunds_OnlineFINAL.pdf>

NeighborWorks America, **Long Term Affordable Housing Strategies in Hot Housing Markets,** Joint Center for Housing Studies of Harvard University, Mintz-Roth, Jesse, 2008

[http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w08-3\_mintz-roth.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w08-3_mintz-roth.pdf%20http%3A//www.jchs.harvard.edu/publications/homeownership/w08-3_mintz-roth.pdf)

The Brookings Institution and The Urban Institute, **Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice.** ByBruce Katz, Margery Austin Turner,Karen Destorel Brown, Mary Cunningham,Noah Sawyer

<https://www.brookings.edu/wp-content/uploads/2016/06/housingreview.pdf>

Medium, **Market-Rate Housing or Low-Income Housing? It’s Both, not Either-Or,** by Scott Wiener. Feb 2018

[https://medium.com/@Scott\_Wiener/market-rate-housing-or-low-income-housing-its-both-not-either-or-8ce80e35f05f](https://medium.com/%40Scott_Wiener/market-rate-housing-or-low-income-housing-its-both-not-either-or-8ce80e35f05f)

The AEI Press, **Rethinking Federal Housing Policy How to Make Housing Plentiful and Affordable,** Edward L. Glaeser and Joseph Gyourko Chapter 5, Conclusion and Appendix 1 & 2

<http://www.aei.org/wp-content/uploads/2014/03/-rethinking-federal-housing-policy_101542221914.pdf>

1. **Operations (Once Built, then what)**
	1. How do Tenants get selected?
	2. Is affordable housing really affordable? Rent schedules for each income group
	3. Compliance Requirements
	4. What services are needed/required to support residents?
	5. The importance of Needs Assessments
	6. Resident Involvement
	7. Evictions

Proscio, Tony, **More Than Roof and Walls: Why Resident Services are an Indispensable Part of Affordable Housing***,* Enterprise Foundation, 2006

https://www.enterprisecommunity.org/download?fid=4431&nid=4072

National Affordable Housing Management Association, **Affordable Multifamily Housing Management**

**Case Studies, 2000–2003**

https://www.nahma.org/wp-content/uploads/files/NAHMA\_Best\_Practices\_Review\_2003.pdf

NeighborhoodWorks America, **Assessing Property Management for Affordable Housing,** Comparing self-management and third-partyproperty management of nonprofit-owned,affordable multifamily rental housing, by Marc Diaz, 2004

<http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w04-9_diaz.pdf>

1. **Housing and Transportation/Housing and Employment**
	1. What are the correlations between the two
	2. Transit Oriented Developments (TOD) what are the right components of housing, retail and supportive serves.
	3. Are we building enough affordable housing at TOD sites?
	4. Why is ridership on public transportation down in LA?
	5. What are the effects of long commutes on the employer, employee and the environment

Enterprise Community Partners, **ENSURING EQUITY IN TRANSIT AND HOUSING: 2018**

https://www.enterprisecommunity.org/resources/ensuring-equity-in-transit-and-housing-opp360-case-study

The National Housing Conference, Center for Housing Policy **Supporting Educational Achievement with Afterschool Programs Located in Affordable Housing** 12/06/2016 by [Janet Viveiros](https://www.nhc.org/author/jviveiros/)

<https://www.nhc.org/wp-content/uploads/2017/03/Supporting-Educational-Achievement-with-Afterschool-Programs-Located-in-Affordable-Housing.pdf>

Housing California Partnership Corporation**, Why creating and Preserving Affordable Homes near Transit is a Highly Effective Climate Protection Strategy**

[**https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2015/11/4-AffordableTODResearchUpdate070114.pdf**](https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2015/11/4-AffordableTODResearchUpdate070114.pdf)

Housing California Partnership Corporation and Enterprise Community Partners, **The Affordable Housing and Sustainable Communities Program:**

[**https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp**](https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp) **content/uploads/2017/06/AHSC\_Brief\_June17\_FINALv2.pdf**

1. **Gentrification and/or Preservation of Affordable Housing**
	1. Once built does low-income housing stay affordable
	2. Gentrification; what is it and where is it occurring
	3. What is gentrification’s effect on neighborhoods and naturally occurring affordable housing
	4. Why developers should expect a confrontation with a gentrifying neighborhood and how to negotiate an agreement
	5. Strategies to maintaining affordable housing in gentrifying neighborhood
		1. Protections from condo conversions
		2. Community Land Trust
		3. Tax Incentives for the maintenance and rehab of unsubsidized affordable rental properties
		4. Inclusionary Housing and incentives to generate such

CityLab, **The Neighborhood That Went to War Against Gentrifiers**, by Natalie Delgadillo March 1, 2017https://www.citylab.com/equity/2017/03/the-neighborhood-that-went-to-war-against-gentrifiers/518181/

The National Housing Conference, Center for Housing Policy, **Separating Fact from Fiction to Design Effective Inclusionary Housing Programs** by Lisa A. Sturtevant, Ph.D**.** May 2016

<https://www.nhc.org/wp-content/uploads/2017/10/What-makes-inclusionary-zoning-happen.pdf>

Joint Center for Housing Studies of Harvard University: Gentrification Without Segregation: Race and Renewal in a Diversifying City: Jackelyn Hwang May 10, 2016

http://www.jchs.harvard.edu/research/publications/gentrification-without-segregation-race-and-renewal-diversifying-city

The National Housing Conference, Center for Housing Policy **Using Land to Restore Neighborhoods and Build Community** 12/13/2017 By [**Brian Stromberg**](https://www.nhc.org/author/bstromberg/) and [**Kaitlyn Snyder**](https://www.nhc.org/author/ksnyder/)

[**https://www.nhc.org/wp-content/uploads/2017/12/NHCRoleofLandFINAL.pdf**](https://www.nhc.org/wp-content/uploads/2017/12/NHCRoleofLandFINAL.pdf)

Enterprise**, Preserving Permanent Supportive Housing in Los Angeles, What will it take**

<https://www.enterprisecommunity.org/download?fid=9039&nid=6432>

Multifamily Executive Magazine, **Preserving Affordable Housing: Best Practices**

**With the affordable housing shortage seemingly growing by the day, it's more important than ever to preserve the stock we already have** By [Bendix Anderson](http://www.multifamilyexecutive.com/author/bendix-anderson)

http://www.multifamilyexecutive.com/design-development/preserving-affordable-housing-best-practices\_o

**MEMOS/Group Project/Final Paper**

**Homework assignment – Memo #1**: write a 3 page paper on the evolution of affordable housing and the financial/policy tools used by governments to facilitate its development. Consider one of the following questions in your response: either how has local/state policy changed affordable housing since the Tax Reform Act of 1986? Or, what is the highest and best role of either the private sector/government/community.

**Essay/research papers:** Memo #2 write a 9 pages memo on a broad policy topic that arise as a result of examining affordable housing development, policy, finance and or planning.

**Final project and presentation:** The class will formsmall groups and work together on a final project and presentation. The final project will be an analysis of a hypothetical affordable development (Homeless, Senior, Family, Mixed-Income, etc.). The work product will have three components: Optimal location for such a development, Design/Size/Amenity Package of the building, Type of Financial Assistance needed from government and potential community response and strategies to overcome opposition.

Both memos/research papers will be graded on intellectual honesty, creative and analytic analysis coherently presented, an understanding of and connection to the readings as evidenced by appropriate citations and an analysis of the topics and where appropriate a connection to class discussions. Additional research and exploration are encouraged and will be noted as part of the final grade.