# KG March 19’ NEG

**We negate- Resolved: The United States should promote the development of market rate housing in urban neighborhoods.**

## Our Sole Point of Contention is Preventing a Displacement Disaster

**Allowing for the promotion of market rate housing would definitionally result in zero intervention by the government in all urban areas of the housing market.**

**Unfortunately, this would leave underprivileged communities out to dry without any help in sight. By building more houses, poverty would skyrocket for two reasons.**

**The first is by building luxury housing.**

**Olick of CNBC finds that due to the developmental costs of housing such as land and labor being so high, builders choose almost exclusively to build luxury housing that is extremely expensive in order to make a profit. Unfortunately, this means these houses are almost never reach the lower class, leaving the many with little ability to buy new houses.**

**In fact, she reports that luxury buildings accounted for 80 percent of new buildings in the housing supply in the last year.**

**High end houses never help the poor. Olick continues that market rate housing takes decades to reach price levels reasonable for low-income buyers, while in the short term minorities are pushed out of their homes and displaced by the development of luxury housing.**

**Chew of The Shelterforce Organization reasons that higher concentrations of luxury housing raises costs for housing in surrounding areas, pushing out low income buyers. Empirically, Chew reports that market rate housing is associated with higher cost burdens for low income households.**

**Overall, Guerrieri for The Journal of Public Economics concludes that the displacement of low-income residents was 64 percent more likely for areas within half a mile of a wealthy neighborhood.**

**The second is by causing bulldozing.**

**Clark of Bloomberg observes that American cities are running out of room due to massive construction in the past. As a result, in order to build new housing, existing homes have to be torn down.**

**Even if there is space in cities, Kinniburgh of The New Republic notes that realtors actively lobby to demolish slums and not replace them, meaning that the first places targeted to build new housing are low income communities rather than empty lots.**

**Douglas of Slate News explains that in the past, the American government has spent billions to tear down public housing for the poor in order to build market rate housing. She continues that as more housing is promoted, impoverished communities are broke up and never reassembled in order to build on prime real estate.**

**Moreover, when market rate housing is built, the overall supply of housing for the poor decreases. Kinniburgh continues in the decade leading up to the last housing crisis, 220 thousand units of public housing were bulldozed nationwide in order to create only 60 thousand units of market race housing as a replacement.**

**Due to these reasons, Douglas concludes that over 80 percent of the original residents are unable to find or afford new housing after bulldozing and are forced to leave.**

**The impact to both scenarios is hurting the poor through mass displacement.**

**Historically, housing development has always evicted the underprivileged. Kirkland for Washington State University finds that during the housing boom in the 70s and 80s up to 2.4 million people, mostly low income renters, were displaced by private development and gentrification.**

**Chong of Georgetown University finds as low income residents are displaced due to private development, they look to and move to other impoverished areas of the city, and end up being clumped together in urbanized ghettos.**

**Therefore, developing housing has devastating long term results. Hwang of Princeton University explains that as low income families move to worse off neighborhoods, displacement causes financial strain and inhibits future economic mobility for generations.**

**All in all, Cortright of Impresa Economics quantifies that for every neighborhood rebuilt by luxury housing and bulldozing, twelve more neighborhoods fall into extreme poverty. That’s hundreds of thousands of people losing access to basic necessities, facing shorter life expectancies, and experiencing systematic oppression.**

**In order to preserve and uplift the livelihoods of the poor, we are very proud to negate.**

 **Olick**, Diana. “Major Apartment Developer: 'There Is an Acute Crisis Headed Our Way'.” CNBC, **CNBC**, 16 Feb. **2018**, [www.cnbc.com/2018/02/16/major-apartment-developer-there-is-an-acute-crisis-headed-our-way.html](http://www.cnbc.com/2018/02/16/major-apartment-developer-there-is-an-acute-crisis-headed-our-way.html).

“It’s really tough to deliver product at those lower price points. **The cost of land, the cost of building materials, the cost of labor.** It’s really about the same regardless of what product you’re doing and it’s just tough to make a deal work financially if you’re going toward that middle-market price,” said Greg Willett, chief economist at RealPage.

**Olick**, Diana. “Major Apartment Developer: 'There Is an Acute Crisis Headed Our Way'.” CNBC, **CNBC**, 16 Feb. **2018**, [www.cnbc.com/2018/02/16/major-apartment-developer-there-is-an-acute-crisis-headed-our-way.html](http://www.cnbc.com/2018/02/16/major-apartment-developer-there-is-an-acute-crisis-headed-our-way.html).

Apartment completions in the 150 largest U.S. cities jumped to 395,775 units in 2017, beating 2016 production by a staggering 46 percent and more than doubling the long-term average, according to RealPage, an apartment management software and data company. **Luxury, upscale buildings accounted for between 75 and 80 percent of the new supply in the current cycle.**

**Chew**, Amee. “What We Know About Market-Rate Housing Construction and Displacement.” **Shelterforce**, 22 Feb. **2019**, shelterforce.org/2018/11/05/heres-what-we-actually-know-about-market-rate-housing-development-and-displacement/.

In sum, **luxury development that centralizes a concentration of higher-income residents in a lower-income surrounding community puts neighboring poor residents at risk of displacement due to the impact on increased living costs.** Both **luxury development itself and the influx of higher-income residents are linked to higher housing cost burdens for low-income residents, as well as displacement**, because of their price effects on the real estate market. Furthermore, even upcoming development can set off real estate speculation and price increases before construction begins. Place matters, and proximity to richer neighborhoods as well as massive capital investment, whether in the form of private development projects or transit infrastructure, are risk factors for gentrification.

This study investigated whether a decision to construct luxury housing can help increase neighborhood housing prices. The difference-in-difference method was used in the analysis. Housing transaction data from 2008 to 2011 were used in the analysis. According to the empirical results, after eliminating the common growth in prices (10.6%) between the neighborhood in which luxury housing was to be built and the other non-luxury neighborhood, the real gap in the housing prices caused by the luxury housing was 11.2%. This suggests that luxury housing has spillover effects on neighborhood housing prices and, specifically, can help to increase neighborhood housing prices. Furthermore, the results showed that housing prices in the neighborhood in which the luxury housing was to be built were inversely proportional to the distance from the luxury housing.

https://www.sciencedirect.com/science/article/abs/pii/S0047272713000297?via%3Dihub

Location matters in predicting the pathway of gentrification. Gentrification is more likely for poor neighborhoods that border rich neighborhoods (Kolko 2007; Guerrieri et al. 2013). A study of over 27 metro regions in the U.S., including Los Angeles, found that **out-migration of poor residents and in-migration of richer residents was 64 percent more likely for neighborhoods within half a mile of an existing rich neighborhood, compared to those further from the nearest rich neighborhood** (Guerrieri et al. 2013, 59). Again, this is likely due to price effects: housing prices in poor neighborhoods that bordered or were within a mile of rich areas appreciated by a significantly higher amount than prices in poor neighborhoods further away (51, 56). Housing booms do not affect prices in all neighborhoods equally; in fact, poor neighborhoods that start out with low housing prices and are near richer neighborhoods experience the largest price increase effects (46).

**Clark**, Patrick. “America's Cities Are Running Out of Room.” Bloomberg.com, **Bloomberg**, 22 May **2017**, www.bloomberg.com/news/articles/2017-05-22/america-s-cities-are-running-out-of-room.

A shortage of homes for sale has bedeviled U.S. house hunters in recent years, so why don’t builders build more? One problem is that **they’re running out of lots to build on—at least in the places that people want to live. C**ities that were sprawling before the Great Recession have begun to sprawl again. Space-constrained cities, meanwhile, have run out of room to build. That reality has spurred developers to focus on center-city neighborhoods where high-density building is allowed—and new units command exceedingly high prices. **At some point**, said Issi Romem, **chief economist at BuildZoom, vacant lots in desirable urban neighborhoods will run out.** “If you have three days of rations left, you’ll be fine on day one, two, three,” said Romem, author of new research demonstrating home construction patterns. “On day 4, you have a problem.” Historically, cities grew outward, as builders developed tracts on the periphery—then filled in the land between various developments over time. When these so-called expansive cities of the South and Southwest run out of infill land on which to build, developers simply pushed out further.

**Douglas**, Dianna. “When Public Housing Is Bulldozed, Families Are Supposed to Eventually Come Back. Why Don't They?” **Slate Magazine**, Slate, 11 Aug. **2016**, slate.com/business/2016/08/why-families-don-t-return-to-redeveloped-communities-after-public-housing-is-demolished.html.

Since **the mid-1990s, the United States government has spent billions of dollars tearing down public housing projects—replacing many of these communities with mixed-[rate] income housing** on the premise that when the poor and the middle class live together, it’s better forever. Dissipating the concentrated poverty of aging housing projects may sound like a fine idea, but the new developments—often built on prime urban real estate—rarely end up housing significant numbers of the **original residents who must be displaced** to make way [for new construction. **Communities are broken up and never again reassembled**. If there is a slight exception to that rule, it’s in Atlanta. There, on the site of the East Lake Meadows housing project, officials were able to bring back 25 percent of former residents to live in the new development, as my colleagues and I recount in this week’s episode of Slate’s Placemakers podcast. That percentage sounds low—**except that the nationwide average hovers below 19 percent.**

**Kinniburgh**, Colin. “How to Stop Gentrification.” **The New Republic**, 9 Aug. **2017**, newrepublic.com/article/144260/stop-gentrification.

Economic isolation and the fraying of the social safety net contributed to record levels of crime in inner cities, with public housing complexes hit particularly hard. Policy **elites’ response was to blame the buildings themselves and, wherever they could, tear them down. Between 1990 and 2008, some 220,000 units of public housing were razed nationwide**—about half of them under Bill Clinton’s signature “redevelopment” program, Hope VI, **which provided for only 60,000 mixed-income units to replace them.**

Federal, state, and city governments did not feed this vicious cycle out of pure malice, transparently racist as officials’ motives often were. Rather, **their decisions corresponded to the interests of business: those of the realtors who lobbied to demolish slums but not to replace them,** for example, or of the builders who lobbied for new housing towers but no funds to maintain them. Where necessary, realtors also took matters into their own hands. The notorious blockbusting schemes of the postwar period provide just one example of how real estate has actively courted racial tension in the service of profit.

<https://cpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/4/8542/files/2014/09/Whats-Race-Got-to-Do-With-It-1iiw6hz.pdf>

Studies of the displacement effect **of gentrification that occurred in the 1970s and 1980s include the following: one national study estimated that** between 1.7 and **2.4 million people were displaced by private redevelopment in 1979, consisting primarily of** tenants, **the poor** and female-headed families

**Chong**, Emily. “Examining the Negative Impacts of Gentrification.” Georgetown Journal on Poverty Law & Policy, **Georgetown Journal on Poverty Law & Policy**, 17 Sept. **2017**, gjplp.org/2017/09/05/examining-the-negative-impacts-of-gentrification/#\_ftnref19.

In addition to displacement due to rising property values and coercive techniques, **low-income individuals and people of color also can face exclusion from the newly planned spaces in the gentrifying location**.[16] Common in gentrification efforts is the urban planning shift from “fostering community formation” to “investing the city with money and consumption-oriented spaces that resemble suburban shopping malls that exclude low-income and people of color.”[17**] Instead of community integration, there is selective development and enforcement of distinction between different areas.[18] Moreover, when developers do build houses, they are not building these houses for low income families. There are frequent cuts in low-income housing federal assistance**, and so new buildings are usually intended for upper-income families.[19] These spaces are societally problematic because they disproportionately exclude people of color and low-income individuals.

http://dillonm.io/articles/Cortright\_Mahmoudi\_2014\_Neighborhood-Change.pdf

It is rare for an urban, high poverty neighborhood to experience a major decline in poverty. If we use such a change in poverty rates as an indicator of gentrification, this data analysis suggests that dramatic change, though striking when it occurs, is not widespread. Even over four decades few urban poor see their neighborhoods gentrify to this extent. Gentrification may make the contrast between wealth and poverty more evident where it occurs, but is not a major contributor to worsening the plight of the urban poor. Far more common than gentrification—and far less commented upon—is the overwhelming persistence of high poverty in those neighborhoods where it is established, the steady decay in population that chronic high poverty neighborhoods experience, and the steady and widespread transformation of formerly low poverty neighborhoods into high poverty areas. **Over the past four decades, for every high poverty neighborhood transformed to low poverty by gentrification, 12 previously low poverty neighborhoods have slipped into the high poverty category.**

<https://www.urbandisplacement.org/pushedout>

<https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/ch2.pdf> [Actual Study]

**When low-income families have to leave their homes, they are likely to move to lower-income neighborhoods.** Source: Ding, Lei, Jackelyn Hwang, and Eileen Divringi (2015). “Gentrification and Residential Mobility in Philadelphia.” **Displacement to worse-off neighborhoods can intensify poverty conditions and inhibit economic mobility.** Research from Philadelphia shows that **moves to worse-off neighborhoods can lead to further long-term financial strain,** as shown by declining credit scores for families making these moves. Source: Ding, Lei and Jackelyn Hwang (2016). “The Consequences of Gentrification: A Focus on Residents’ Financial Health in Philadelphia.” Living in a high poverty under-resourced neighborhood has been shown to lower children’s test scores and their earnings in adulthood. Source: Chetty, Raj and Nathaniel Hendren (2016). “The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects.”

#  F/2: AFF

### F/2: Luxury Surplus

<https://www.floridatrend.com/article/25660/theres-a-surplus-of-luxury-condos-in-miami-but-three-more-developers-are-building-anyway>

### F/2: Space

1. Make them give emprirics- cities are crowded in squo wtf have u been in a city like ny or sf? Houston is exception- they acc for all of us
2. It’s the perception- grid and order
3. Lobbying- they pass favorable policies

### F/2: Can’t Bulldoze

I mean they can they’ve done it before

Lobbiers overpower- laissez faire economics is the definition of mrh

Slate- we said to people wed make better housing- that’s how they get the green light

### F/2: Won’t Bulldoze

Why,they mke more profit & mrh has no intervention

Why not no space

Its required w fiat

### F/2: Bulldozing Expensive

land is cheaper

### F/2: Deregualation= No Bulldoze

### F/2: Hope VI not MRH

Yes it is

Its citied as mixed income- which is accounting for mrket rate desires

### F/2: Gentrification [Inclusivity]

Overall, [Georgetown in 2017](https://www.law.georgetown.edu/poverty-journal/blog/examining-the-negative-impacts-of-gentrification/) finds that gentrification leads to long term racism as minorities are pushed out of their communities, and new investment is exclusively guided to rich communities leading to deterioration of colored communities.

That’s why we see ghettos bruh

Aint no rich inclusive neighborhoods

### F/2: Gentrification [Wages]

Measure of the total areas wages not just the people at the bottom- rich people come in and boost the stats poor are still kicked out

If your house is GONE it does not matter if wage growth increases by x amount- you still can’t live there, which means you don’t keep the job

Just in case if they read that gentrification results In higher wages in the area

1. It does not matter if there is an increase in businesses or wages in the area for two reasons
	1. [William Lester of University of North Carolina](https://pdfs.semanticscholar.org/77d7/0e155b6044045696242421c1e9f8afc40e0e.pdf) in 2013 finds that gentrification significantly impacts the quality of available jobs in urban neighborhoods. He isolates that the manufacturing sectors starts to a decline, and then starts to hire less trained workers labeling the jobs as “Blue Collar” Jobs which pay lower wages than normal.
	2. [Rowland Atkinson](https://www.ahuri.edu.au/__data/assets/pdf_file/0007/2122/AHURI_Final_Report_No160_Gentrification_and_displacement_the_household_impacts_of_neighbourhood_change.pdf) of the University of Sheffield notes that there are brakes on economic growth as work opportunities are located farther away from residential options and companies seeking low-waged workers find it difficult due to the high housing costs

### F/2: Gentrification [No impact]

3 things

At the top- their evidence literally analyzes all of us but the percentage they get is THE MARKET RATE HOUSING

1. Pref the housing boom ev- its historic; real wolrd impacts always supersede hypothetical studes
2. We are more intuitive- if houses GET BULLDOZED and are literally unaffordable why would people not be forced to leave
3. If there was never gentrification we wouldn’t see things like ghettos in the real world- they are hiding behind stats that obscure them to what really happens

### F/2: Gentrification [Education]

1. If you don’t have a home or can’t afford it, aint no way u staying for education

### F/2: High Construction = Less Displacement

This makes no sense- housing boom

If we DESTROY their houses they are 100% displaced

1. Section 8 and other housing vouchers are poorly designed because Alana Semuels of the Atlantic explains, it pushes voucher-holders to impoverished neighborhoods because landlords of buildings in nicer neighborhoods will do anything to keep voucher-holder out and landlords in low income areas recruit voucher-holders because they’re a reliable source of rent. Empirically, [Walter 18](https://www.texastribune.org/2018/11/19/texas-affordable-housing-vouchers-assistance-blocked/) finds that after surveying 1,900 properties, just [11.8%] accepted vouchers. Nearly all of them located in poor, predominantly minority areas.
2. But there’s a fundamental flaw. Vouchers are a band-aid solution that covers up the problem the affirmative addresses. [Wright 18](http://www.startribune.com/private-market-must-be-a-central-part-of-affordable-housing-solution/497866751/) writes that housing subsidies increase the demand for housing, so unless total supply also increases, prices will just go up.
3. Landlords may not be interested in navigating program requirements or may perceive voucher recipients to be less reliable tenants. expanding housing vouchers in competitive housing markets results in rent increases, which either offset benefits to voucher holders or increase government costs for the program. each 10 percent increase in vouchers in housing markets increased monthly rents by an 2 percent.

Alana Semuels. "America's Shame: How U.S. Housing Policy Is Failing the Country's Poor". Atlantic, 6-24-2015, https://www.theatlantic.com/business/archive/2015/06/section-8-is-failing/396650/. (JL)

How did this happen? To begin with, **Section 8 is poorly designed**. It works like this: Families lucky enough to get off lengthy waiting lists are allowed to look for apartments up to a certain rent, which varies for each metro region. This figure is called the “fair market rent,” and is calculated by HUD every year for each metro area. The tenant pays about 30 percent of his income, and the voucher covers the rest of the rent (this is based on the idea that families should not spend more than one-third of their income on rent).

But the fair market rent cut-off point often **[because it] consigns voucher-holders to impoverished neighborhoods.** This is in part because of how that number is calculated: HUD draws the line at the 40th percentile of rents for “typical” units occupied by “recent movers” in an entire metropolitan area, which includes far-flung suburbs with long commutes and, as a result, makes the Fair Market Rent relatively low. In New York City, for example, the Fair Market Rent for a one-bedroom is $1,249, a price that would relegate voucher-holders to the [neighborhood of Brownsville](http://ny.curbed.com/archives/2014/04/25/the_priciest_and_cheapest_nyc_neighborhoods_to_rent_a_1br.php) in Brooklyn, one of the most dangerous places in the city, and where the most public housing is located.

Technically, voucher holders can live anywhere in a region that meets the price restrictions. But the tendency is for people to stay in neighborhoods that are familiar to them, though a few areas have created robust mobility-counseling programs to try and mitigate this. Additionally, as Eva Rosen [has detailed](http://www.prrac.org/pdf/Section_8_fair_housing_barriers_12-15-10.pdf), **landlords in low-income areas aggressively recruit voucher-holders, as the vouchers are a much more reliable source of rent than other low-income tenants** have available.

The failings of Section 8 go far beyond flaws in how the program was designed to how the the states have implemented it. People can argue all they want about the merits of subsidized housing, but given that Section 8 exists, it would seem advantageous for states and municipalities to take advantage of federal funds to help families find better housing. But many states seem especially determined to keep voucher-holders in areas of concentrated poverty.

“The whole idea of Section 8 in the beginning was that it was going to allow people to get out of the ghetto,” said Mike Daniel, a lawyer for the Inclusive Communities Project, told me. (Daniel has sued HUD over the way it is carrying out the program in Dallas.) “But there’s tremendous political pressure on housing authorities and HUD to not let it become an instrument of desegregation.”

For example, in much of the country, landlords can refuse to take Section 8 vouchers, even if the voucher covers the rent. And, unlike the landlords in poor neighborhoods in Eva Rosen’s study, **many landlords of buildings in nicer neighborhoods will do anything to keep voucher-holders out**. The result is that Section 8 traps families in the poorest neighborhoods.

[One study](http://www.austintexas.gov/edims/document.cfm?id=211114) in Austin found that there were plenty of apartments around the city that voucher-holders could afford. But only a small portion of those apartments would rent to voucher-holders.

The report, by the Austin Tenant’s Council, found that 78,217 units in the Austin metro area—about 56 percent of those surveyed—had rents within the Fair Market Rent limits. But only 8,590 of those units accepted vouchers and did not have minimum income requirements for tenants. Most were located on the east side of Austin, in high-poverty areas with underperforming schools and high crime rates. (The survey only looked at apartment complexes with at least 50 units.)

Edgar ***Walter***. "Section 8 vouchers are supposed to help the poor reach better neighborhoods. Texas law gets in the way.". 4-19-20***18***, https://www.texastribune.org/2018/11/19/texas-affordable-housing-vouchers-assistance-blocked/. (JL)

Affordable housing advocates don’t buy that excuse. Last year, **the** Dallas-based **Inclusive Communities Project** [**surveyed**](https://www.inclusivecommunities.net/wp-content/uploads/2017/07/Survey-of-Multi-Family-properties-Analysis-CDDR-6-8-17-w-cover.pdf)about **1,900 properties** and **found just [11.8%]** 226 that **accepted vouchers** — **nearly all of them located in poor, predominantly minority areas**. But not a single apartment complex surveyed in 26 Dallas suburbs accepted vouchers; nearly all of those suburbs are majority-white.

[**Wright ‘18**](http://www.startribune.com/private-market-must-be-a-central-part-of-affordable-housing-solution/497866751/)

What about giving housing subsidies to households instead? Sounds appealing. But **housing subsidies increase the demand for housing, so unless total supply also increases, prices will just go up.** Current landlords and homeowners will get richer, but low-income families will have even fewer options.

[**Taylor ‘16**](https://lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf)

California’s tight housing markets pose several challenges for housing voucher programs which can limit their effectiveness. In competitive housing markets, landlords often are reluctant to rent to housing voucher recipients. **Landlords may not be interested in navigating program requirements or may perceive voucher recipients to be less reliable tenants.** One nationwide study conducted in 2001 found that only two-thirds of voucher recipients in competitive housing markets were able to secure housing. This issue likely would be amplified if the number of voucher recipients competing for housing were increased significantly. In addition, some research suggests that **expanding housing vouchers in competitive housing markets results in rent increases, which either offset benefits to voucher holders or increase government costs for the program.** One study looking at an unusually large increase in the federal allotment of housing vouchers in the early 2000s found that **each 10 percent increase in vouchers in** tight **housing markets increased monthly rents by an** average of $18 (about **2 percent**)**.**

### AT Housing Vouchers Solve

##### **Turn- Olsen** **of the University of Virginia** quantifies that housing assistance has a substantial disincentive effect on the poor; it leads to lower labor earnings because people won’t work if the government is paying their rent. He writes that recipients of vouchers lose $3,600 of income every year. **Lazere of the Fiscal Policy Institute** continues that after vouchers were expanded, the gap between the rich and the poor in Washington DC grew by 1.8 times.

##### **Terminal Defense**- Housing assistance has no solvency, and this for three reasons.

##### First, **Semuels** **of the Atlantic** writes that outdated voucher pricing isn’t enough to overcome the rising costs of rent or homeownership.

##### Second, **Semuels** reports that tenants favor real cash over government IOUs, and thus refuse to accept Section 8 housing assistance if there are other renters out there who can offer their actual income.

##### Third, **DeLuca** of UChicago writes that the poor are often reluctant to leave their neighborhoods out of the fear that new communities would not prove receptive to poor residents.

##### Even if people do end up moving, a **Wisconsin State Government** reportfinds that 75% of households that receive homeless prevention aid do not enter a housing program within two years, and 70% of adults who do end up getting houses can only maintain stable homeownership for 18 months.

##### **Turn- Turner** of the Urban Institute finds that government housing aid leads to increases in rent. This is because landlords exploit voucher recipients by squeezing more money out of their pockets. Proprietors raise rent to not only cover voucher money, but disposable income as well. **Lucas Waldron** of the Oakland City Council writes that numerous counties, voucher usage increased rents by 14.1%, hurting people on and off the program.

**Miller**, Brian, and Rebecca Swartz. "Welfare Reform and Housing." **The Brookings Institution**. CCF Brief, 01 Mar. 2002. Web. 17 Apr. 2016. <http://www.brookings.edu/research/papers/2002/03/housing-swartz>.

To track the needs of poor families, every two years HUD publishes a report on renters without housing assistance who live in substandard housing or who pay more than half of their income in rent. This "worst case" housing report is a good proxy for the housing problems of current and former welfare recipients. Unlike studies that include households from all income levels, the worst casereport limits the analysis to households with incomes under 50 percent of AMI defined as "very low-income" (table 1). In 1999, the latest year available, 4.9 million households had worst case housing needs. The story in the worst case housing report is a straightforward one: in much of the country, there are more very low-income households than there are affordable housing units available to them. This shortfall affects renters with incomes less than 30 percent of AMI ("extremely low-income") the hardest. The shortfall in the number of units affordable to these households is made worse by the fact that almost half of units affordable to the poorest households are rented by households with higher incomes. As a result, **for every one hundred extremely low-income renters in the nation, there are only thirty-nine units that are both affordable and available.** The housing shortage particularly impacts renters in the western part of the U.S., where only twenty-five units are available and affordable for every one hundred extremely low-income renters. **Over the past eight years, the number of affordable rental units nationwide has declined**. These decreases in the housing stock result primarily from rent increases that have pushed existing units out of the affordable range, rather than from demolition or other physical changes. Such rent increases are not universal. Rent increases were less than general inflation in twelve of the twenty-six largest metropolitan areas between 1997 and 2000. But affordability has reached very serious proportions in some housing markets such as San Francisco and Boston. To make matters worse, several factors may lead to a greater shortage of affordable housing in the future, these include rapidly increasing land costs, an aging stock, and a host of expiring federal arrangements, among them many properties that received federal subsidies in exchange for offering low-rent apartments that will reach the end of their 15-year affordability periods.

**Olsen**, Egdar O., Catherine Tyler, and Paul E. Carrillo. "The Effects of Different Types of Housing Assistance on Earnings and Employment." **University of Virginia**, Department of Economics. A Journal of Policy Development and Research, U.S. Department of Housing and Urban Development. Office of Policy Development and Research, 2005. Web. 17 Apr. 2016. <https://www.huduser.gov/periodicals/cityscpe/vol8num2/ch8.pdf>.

This study overcomes some of the shortcomings of previous studies. First, it is based on an enormous random sample of housing assistance recipients throughout the country as well as data on a random sample of unsubsidized households. The administrative data from which the assisted sample is selected contains information on all renters who received HUD assistance between 1995 and 2002. Second, since the assisted sample comes from administrative data, the type of housing assistance received is correctly identified. Third, the study uses longitudinal data to account for immutable, unobserved household characteristics that are determinants of market labor supply and correlated with program participation. In addition, this study provides the first estimate of the effect of an important initiative within subsidized housing intended to promote self-sufficiency, namely, the FSS program. The results indicate that all types of housing assistance have substantial disincentive effects on market work; that is, they lead to lower labor earnings than in the absence of housing assistance. **Our most conservative estimates indicate that recipients in private subsidized projects earn $4,011 less per year, public housing tenants earn $3,894 less, and voucher recipients earn $3,584 less.** Estimates of the difference between the disincentive effects of different types of housing assistance on market work based entirely on administrative data indicate that the work disincentive effects of housing assistance are somewhat smaller for tenant-based housing vouchers than for either type of project-based assistance. They indicate that, in the first year of program participation, households with tenant-based assistance have a $419 smaller reduction in their annual earnings than similar households in private subsidized projects and a $277 smaller reduction than public housing tenants.

No Author. "Clark County 10-Year Homeless Plan: Homeless Plan Strategies." **Wisconsin State Government**. American Community Survey, Apr. 2012. Web. 17 Apr. 2016. <https://www.clark.wa.gov/sites/default/files/CC10YearPlanStrategies.pdf>.

1. 70% of those who receive rental assistance maintain stable housing for 18 months. 2. 70% of chronically homeless single adults who receive rental assistance maintain stable housing for 18 months. 3**. 75% of households who receive homeless prevention funds do not enter into a homeless housing program within two years. 4**. Sustain and increase homeless prevention programs at 2009 (pre-ARRA) levels. 5. Number of newly homeless is 10% lower than the previous year.

**Lazere**, Ed. "Income Inequality Grew Dramatically in DC Over The Past Two Decades." **DC Fiscal Policy Institute**. CBPP, 25 Jan. 2006. Web. 17 Apr. 2016. <http://www.dcfpi.org/income-inequality-grew-dramatically-in-dc-over-the-past-two-decades>.

The study, Pulling Apart: A State-by-State Analysis of Income Trends, was prepared by the Washington, DC-based Center on Budget and Policy Priorities and the Economic Policy Institute.[1] The study is based on Census Bureau **data that have been adjusted to account** for inflation, the impact of federal taxes, and the cash value of food stamps, subsidized school lunches, and **housing vouchers.** Income from capital gains is also included. The study compares combined data from 2001-2003 with data from the early 1980s and early 1990s, time periods chosen because they stand as comparable low points of their respective business cycles. Its findings include: Income among DC’s poorest families remained virtually unchanged between the early 1980s and the early 2000s. During that time, the average income of the bottom fifth of DC families rose just three percent, from $12,300 to $12,700. (Both figures are adjusted for inflation to equal 2002 dollars.)[2] The average income of the middle fifth of families increased from $32,100 to $41,900, an increase of 31 percent. **The average income of the richest fifth of families increased by more than $70,000** between the early 1980s and the early 2000s, from $87,300 to $157,700. This is an increase of 81 percent over the past two decades. As a result, the income gaps between DC’s high-income and low-income families widened significantly, as did the gap between wealthy and middle-income families. In the early 2000s, the richest 20 percent of District families had **incomes 12.4 times as large as the average income of the poorest 20 percent. This is up from a ratio of 7.1 in the early 1980s**.

**Turner**, Margery. "Housing and Economic Mobility." Urban Institute. **Urban Institute**, 13 Apr. 2015. Web. 17 Apr. 2016. <http://www.urban.org/debates/housing-and-economic-mobility>.

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**Semuels**, Alana. "How Housing Policy Is Failing America's Poor." **The Atlantic**. Atlantic Media Company, 24 June 2015. Web. 17 Apr. 2016. <http://www.theatlantic.com/business/archive/2015/06/section-8-is-failing/396650/>.

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In a request for HUD to reevaluate the subsidy reduction, the Housing Authority of the County of Alameda (HACA) said the federal agency calculated the adjustments using two-year-old data that does not account for rapidly rising rents across the East Bay. Using the old data, HUD calculated that the rent for a two-bedroom apartment in Alameda County has decreased by 1.45 percent for fiscal year 2016. But county **officials said up-to-date data shows the average rent in Alameda County actually increased by 14.1 percent from 2014 to 2015.** They report that the average monthly rent for a two-bedroom apartment in Alameda County is really $2,172. When a woman in McKinney, Texas, told Tatiana Rhodes and her friends to “go back to your Section 8 homes” at a public pool earlier this month, she inadvertently spoke volumes about the failure of a program that was designed to help America’s poor. But the fair market rent cut-off point often consigns voucher-holders to impoverished neighborhoods. This is in part because of how that number is calculated: HUD draws the line at the 40th percentile of rents for “typical” units occupied by “recent movers” in an entire metropolitan area, which includes far-flung suburbs with long commutes and, as a result, makes the Fair Market Rent relatively low. In New York City, for example, the Fair Market Rent for a one-bedroom is $1,249, a price that would relegate voucher-holders to the neighborhood of Brownsville in Brooklyn, one of the most dangerous places in the city, and where the most public housing is located. Technically, voucher holders can live anywhere in a region that meets the price restrictions. But the tendency is for people to stay in neighborhoods that are familiar to them, though a few areas have created robust mobility-counseling programs to try and mitigate this.Additionally, as Eva Rosen has detailed, landlords in low-income areas aggressively recruit voucher-holders, as the vouchers are a much more reliable source of rent than other low-income tenants have available. The failings of Section 8 go far beyond flaws in how the program was designed to how the the states have implemented it. People can argue all they want about the merits of subsidized housing, but given that Section 8 exists, it would seem advantageous for states and municipalities to take advantage of federal funds to help families find better housing. **But many states seem especially determined to keep voucher-holders in areas of concentrated poverty.** “The whole idea of Section 8 in the beginning was that it was going to allow people to get out of the ghetto,” said Mike Daniel, a lawyer for the Inclusive Communities Project, told me. (Daniel has sued HUD over the way it is carrying out the program in Dallas.) “But there’s tremendous political pressure on housing authorities and HUD to not let it become an instrument of desegregation.” **For example, in much of the country, landlords can refuse to take Section 8 vouchers, even if the voucher covers the rent.** And, unlike the landlords in poor neighborhoods in Eva Rosen’s study, many landlords of buildings in nicer neighborhoods will do anything to keep voucher-holders out. The result is that Section 8 traps families in the poorest neighborhoods.

**Haveman**, Robert. "Do Housing Vouchers Work?" John Bascom Emeritus Professor of Economics and Public Affairs at **University of Wisconsin**-Madison. Journal of Urban Economics and the Journal of Housing Economics, 2013. Web. 17 Apr. 2016. <http://inequality.stanford.edu/\_media/pdf/pathways/spring\_2013/Pathways\_Spring\_2013\_Haveman.pdf>.

The results of our research speak to the ongoing policy debate over tenant- versus project-based housing subsidies. By analyzing the labor market and other behavioral effects of voucher receipt in detail, this article provides some insight into important features of the primary tenant-based housing assistance program in the United States. What have we learned? It's clear that the Section 8 program has many welfare-enhancing effects: It promotes mobility that allows voucher recipients to live in neighborhoods with a lower poverty rate, a lower unemployment rate, and better housing. These outcomes, all of which are central to the objectives of the Section 8 program, are delivered more or less as intended. There are, however, also perverse incentives under the Section 8 program that lead recipients to reduce earnings, especially in the short-run. **Because the voucher program requires participants to contribute 30 percent of their income toward rent, they are subjected, in effect, to a 30 percent tax on their earnings that creates a negative incentive to work.** This result illustrates the need for policymakers to design housing subsidy programs—both tenant-based and project-based—in a manner that minimizes the adverse incentives for socially desirable behaviors.

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The backdrop of white privilege, national values, and contemporary culture is the context within which our major institutions, or opportunity areas—such as health care, education, the labor market, the criminal justice system, or the media—operate today. While we expect the **policies and practices of public and private institutions** to be race neutral, they **are inevitably influenced by this racialized context and, therefore, contribute to the production of racially disparate outcomes.** If background forces go unrecognized and unexamined, racial disparities such as those typically seen in the labor market and criminal justice systems are understood simply as unintended consequences of “neutral” or, by and large, “fair” industry policies and practices. Sorting and stereotyping reinforce this, as they work to legitimize, or at least explain, the inequitable outcomes in employment, housing, health care, education, and other opportunity areas.

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Federal housing expenditures favor higher-income households. The bulk of homeownership expenditures go to the top fifth of households by income, who typically could afford to purchase a home without subsidies. According to estimates by the congressional Joint Committee on Taxation, more than three-fourths of the value of the mortgage interest and property tax deductions goes to households with incomes of more than $100,000, and close to a third goes to families with incomes above $200,000. Overall, more than half of federal housing spending for which income data are available benefits households with incomes above $100,000. The 5 million households with incomes of $200,000 or more receive a larger share of such spending than the more than 20 million households with incomes of $20,000 or less, even though lower-income families are far more likely to struggle to afford housing. In 2010, **the most recent year for which complete data are available, households with incomes of $200,000 or more received an average benefit** of $7,014 — **more than four times the average benefit of** $1,471 received by **households with incomes below $20,000.** It is difficult to see the policy purpose served by providing such large benefits to higher-income households, who in most cases could afford to purchase a home without subsidies.

##### Don’t subsidize houses that haven’t been built yet. **Brian Miller** of the Brookings Institute writes that for every 100 low-income renters in the nation, there are only 39 units that are available: the problem is accessibility not affordability. Put infrastructure first to create housing projects because otherwise there’s no impact.

##### **Edgar Olsen** of the University of Virginia quantifies that housing assistance has a substantial disincentive effect on the poor; it leads to lower labor earnings because people won’t work if the government is paying their rent. He writes that recipients of vouchers lose $3,600 of income every year. **Ed Lazere** of the Fiscal Policy Institute continues that after vouchers were expanded, the gap between the rich and the poor in Washington DC grew by 1.8 times.

##### Housing assistance has no solvency, and this for three reasons.

###### First, **Alana Semuels** of the Atlantic writes that outdated voucher pricing isn’t enough to overcome the rising costs of rent or homeownership.

###### Second, **Semuels** reports that tenants favor real cash over government IOUs, and thus refuse to accept Section 8 housing assistance if there are other renters out there who can offer their actual income.

###### Third, **Stephanie DeLuca** of University of Chicago writes that the poor are often reluctant to leave their neighborhoods out of the fear that new communities would not prove receptive to poor residents.

###### Even if people do end up moving, a **Wisconsin State Government** reportfinds that 75% of households that receive homeless prevention aid do not enter a housing program within two years, and 70% of adults who do end up getting houses can only maintain stable homeownership for 18 months.

##### **Margery Turner** of the Urban Institute finds that government housing aid leads to increases in rent. This is because landlords exploit voucher recipients by squeezing more money out of their pockets. Proprietors raise rent to not only cover voucher money, but disposable income as well. **Lucas Waldron** of the Oakland City Council writes that numerous counties, voucher usage increased rents by 14.1%, hurting people on and off the program.

#### Response Cards

**Miller**, Brian, and Rebecca Swartz. "Welfare Reform and Housing." **The Brookings Institution**. CCF Brief, 01 Mar. 2002. Web. 17 Apr. 2016. <http://www.brookings.edu/research/papers/2002/03/housing-swartz>.

To track the needs of poor families, every two years HUD publishes a report on renters without housing assistance who live in substandard housing or who pay more than half of their income in rent. This "worst case" housing report is a good proxy for the housing problems of current and former welfare recipients. Unlike studies that include households from all income levels, the worst case report limits the analysis to households with incomes under 50 percent of AMI defined as "very low-income" (table 1). In 1999, the latest year available, 4.9 million households had worst case housing needs. The story in the worst case housing report is a straightforward one: in much of the country, there are more very low-income households than there are affordable housing units available to them. This shortfall affects renters with incomes less than 30 percent of AMI ("extremely low-income") the hardest. The shortfall in the number of units affordable to these households is made worse by the fact that almost half of units affordable to the poorest households are rented by households with higher incomes. As a result, for every one hundred extremely low-income renters in the nation, there are only thirty-nine units that are both affordable and available. The housing shortage particularly impacts renters in the western part of the U.S., where only twenty-five units are available and affordable for every one hundred extremely low-income renters. Over the past eight years, the number of affordable rental units nationwide has declined. These decreases in the housing stock result primarily from rent increases that have pushed existing units out of the affordable range, rather than from demolition or other physical changes. Such rent increases are not universal. Rent increases were less than general inflation in twelve of the twenty-six largest metropolitan areas between 1997 and 2000. But affordability has reached very serious proportions in some housing markets such as San Francisco and Boston. To make matters worse, several factors may lead to a greater shortage of affordable housing in the future, these include rapidly increasing land costs, an aging stock, and a host of expiring federal arrangements, among them many properties that received federal subsidies in exchange for offering low-rent apartments that will reach the end of their 15-year affordability periods.

**Olsen**, Egdar O., Catherine Tyler, and Paul E. Carrillo. "The Effects of Different Types of Housing Assistance on Earnings and Employment." **University of Virginia**, Department of Economics. A Journal of Policy Development and Research, U.S. Department of Housing and Urban Development. Office of Policy Development and Research, 2005. Web. 17 Apr. 2016. <https://www.huduser.gov/periodicals/cityscpe/vol8num2/ch8.pdf>.

This study overcomes some of the shortcomings of previous studies. First, it is based on an enormous random sample of housing assistance recipients throughout the country as well as data on a random sample of unsubsidized households. The administrative data from which the assisted sample is selected contains information on all renters who received HUD assistance between 1995 and 2002. Second, since the assisted sample comes from administrative data, the type of housing assistance received is correctly identified. Third, the study uses longitudinal data to account for immutable, unobserved household characteristics that are determinants of market labor supply and correlated with program participation. In addition, this study provides the first estimate of the effect of an important initiative within subsidized housing intended to promote self-sufficiency, namely, the FSS program. The results indicate that all types of housing assistance have substantial disincentive effects on market work; that is, they lead to lower labor earnings than in the absence of housing assistance. Our most conservative estimates indicate that recipients in private subsidized projects earn $4,011 less per year, public housing tenants earn $3,894 less, and voucher recipients earn $3,584 less. Estimates of the difference between the disincentive effects of different types of housing assistance on market work based entirely on administrative data indicate that the work disincentive effects of housing assistance are somewhat smaller for tenant-based housing vouchers than for either type of project-based assistance. They indicate that, in the first year of program participation, households with tenant-based assistance have a $419 smaller reduction in their annual earnings than similar households in private subsidized projects and a $277 smaller reduction than public housing tenants.

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