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The Affordable Housing Crisis: City Responses

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Introduction

American cities are facing an affordable housing crisis. While the housing situation varies among U.S. cities, there is a national crisis (Stein, 2018). In March, 2018, the National Low-Income Housing Coalition (NLIHC)(nlihc.org) issued its report *The Gap: A Shortage of Affordable Housing* which reported a shortage of 7.2 million affordable and available rentals for extremely low-income renter households. 71% of the lowest income renters are severely house cost-burdened, spending more than half of their limited incomes on housing. The report identified the following five cities as having the most severe shortages of affordable housing: Las Vegas, Orlando, Los Angeles, Houston and Dallas (Holder, 2018). In June, 2018, the NLIHC issued its *Out of Reach 2018: the High Cost of Housing* report. It showed that on average a full-time worker in the U.S. must earn $22.10 per hour to afford a two-bedroom apartment at the fair market rent and $17.90 for a modest one-bedroom apartment.

In addition to these data, a homeless crisis exists in some cities, most notably New York city and some of the major cities on the West coast, e.g., Los Angeles, Portland, San Diego, San Jose, San Francisco, and Seattle. In 2017 according to HUD's *Annual Homeless Assessment Report to Congress*, homelessness increased for the first time in seven years for a total one-time count of 553,742 living in emergency shelters or transitional housing or were not sheltered at all (Gaitan, 2018).

According to the 2018 annual Menino Survey of Mayors (http://www.surveyofmayors.com/), more than half of the mayors who responded said that high housing costs are the main reason people are moving out of their cities. Just 13 percent of the mayors said that they believe their city's housing stock meets the needs of local residents (Zezima, 2018). In January, 2018, a Mayors & CEOs for U.S. Housing Investment (https://housinginvestment.org/) organization was launched to find innovative ways to fund affordable housing (Walker, 2018). It joins other affordable housing advocacy organizations like the NLIHC and the National Coalition for the Homeless (http://nationalhomeless.org/) and the national organizations representing cities (National League of Cities) and their mayors (U.S. Conference of Mayors).

In 2017, the Trump administration in its first budget threatened to cut the budget of the U.S. Department of Housing and Urban Development (HUD) by $6 billion. More recently, Secretary Ben Carson in April, 2018 announced that the minimum rent for the poorest tenants in federally-subsidized housing would triple. In the face of opposition to both of these draconian proposals, instead of agreeing to the proposed HUD budget cuts, a Congress controlled by Republicans raised the HUD budget by about 10 percent. Nevertheless, this will not come close to solving the shortage of affordable housing. Moreover, in June there was a threat to cut HUD's previously approved funding by rescissions of $40 million for public housing. This could be a harbinger of future federal cuts in its low-income housing programs.

The State of the Nation's Housing 2017 published by the Joint Center for Housing Studies at Harvard University provided greater detail about the crisis. In 2016, 20.8 million renter households were cost-burdened (p. 26); "About half (51 percent) of renter households in the nation's nine largest metros pay more than 30 percent of income for housing" (p. 27). The number of severely cost-burdened households (paying more than 50 percent of income for housing) was 11 million (p. 26). It noted: "HUD's *Worst Case Housing Needs 2017 Report to Congress* documents the growing gap between supply and demand for low-cost rentals" (p. 29).

This paper will examine the responses of fourteen cities in different regions with major shortages of affordable housing to address this locally in the face of threatened federal cutbacks in subsidized housing. While cities on their own cannot hope to entirely make up for inadequate federal housing aid to solve their shortages (Dreier and Keating, 1990), many cities, including this sample, are making their own efforts in attempts to at least try to provide more assistance to those in need of affordable housing. However, not all of their initiatives have been successful.

Selective Brief City Case Studies

Austin

Austin, Texas is one of the fastest growing cities in the United States. It currently has a shortage of 45,000 housing units for households with incomes less than 60 percent of median family income (Brey, 2018). The city's Strategic Housing Blueprint (2017) envisions the creation of 135,000 new units (60,000 for low-income households) over a decade.

The city has placed a $250 million affordable housing bond issue (“Keep Austin Affordable”) on the November, 2018 ballot (Brey, 2018). City housing bond issues were previously enacted in 2006 and 2013. City officials have estimated that it will cost more than $6 billion to eliminate the city’s affordable housing shortage (Tobias, 2018).

In August, 2018, the city approved using city housing funds to acquire and preserve multi-family properties that house households earning below 60 percent of the median family income. Mayor Steve Adler has helped to create “Affordable Central Texas”, a non-profit administering a private strike fund to buy existing properties and rent them at below-market rates (Craver, 2018). Several community organizations have pushed the city fund affordable housing programs (Tobias, 2018).

Baltimore

Baltimore is a Rustbelt Legacy city with a falling population and a very high poverty rate. In 2018, after a Vacants to Values initiative and 2,700 demolitions and 4,200 rehabilitations since 2000, it had 16,500 vacant housing units in 2018 (Duncan, 2018). Due to pervasive racial segregation, poverty, and blight, it has been the site of two residential mobility programs to support poor tenants moving to opportunity neighborhoods, including those in surrounding suburban counties (Baltimore Regional Housing Partnership: http://www.brhp.org/).

In 2016, voters approved creation of an Affordable Housing Trust Fund in 2016 but it has had no funding. This Spring, Baltimore City Council President Jack Young supported raising the city’s taxes on property transfers and recordings for rental properties which could bring in about $20 million to fund affordable housing (Duncan, 2018). The Baltimore Housing Roundtable and members of United Workers pressured Mayor

Catherine Pugh and the city council to approve this funding. They also began working on a campaign for a ballot measure that would require the city to set aside 0.05 percent of its total property tax assessment for affordable housing. On August 10, 2018, the coalition announced an agreement with the mayor to enact legislation to create the excise tax on property transfers and deed recording, which would raise an estimated 2/3 of the $20 million with the mayor's office providing the remainder; in return the coalition dropped its ballot effort (Frey, 2018). On October 15, 2015, the city council approved two excise taxes on transactions to raise an estimated $20 million annually. However, there were exemptions added for residential properties valued over $1 million for two years and for construction loans for projects currently in the pipeline. Also, a 7-year sunset clause was dropped (Broadwater, 2018).

Charlotte

In 2017, the Charlotte, North Carolina City Council received a report that the city had a shortage of 21,000 units for very low-income renters. On August 27, 2018, the City Council approved a new "Framework for Building and Expanding Access to Opportunity through Housing Investments". It found that Charlotte needs 24,000 more housing units for residents earning 50 percent of the AMI or less. It recommended several policies, including inclusionary housing for publicly-funded developments. In November, 2018, Charlotte voters will be asked to approve a $50 million municipal bond issue for affordable housing, expected to support 4,400 new and preserved units (Brey, 2018). The city is also actively pursuing selling city-owned land and also buying land for the development of affordable housing (Portillo, 2018).

Chattanooga

The city of Chattanooga has seen a growth spurt with an expanding tech sector. However, it has a shortage of housing for low-income renters. According to a 2016 study, 35 percent of the city's households are living with a housing cost burden (paying more than 30 percent of their income) and 18 percent were considered "housing-insecure" (paying more than 50 percent of their income on housing costs)(Irvin, 2017). In 2008, the city established a Housing Trust Fund, as have many cities. In his April 19, 2018 State of the City address, Mayor Andy Berke announced a new proposed affordable housing fund of $1 million (Cordell, 2018).

Denver

Denver is one of the fastest growing U.S. cities. While much new housing has been built, nearly all of the new units are for luxury housing (Casselman, 2018). The city estimates that 80,000-92,000 households are cost-burdened, paying more than 30 percent of AMI of their incomes for housing. In 2016, the city created a 10-year property tax and development impact fund to raise more than $150 million ($15 million annually) for affordable housing. The city also said that it would partner with the Denver Housing Authority to issue $105 million in bonds to subsidize affordable housing funded through a property tax rate increase (Kenney, 2018). This bond issue is expected to create or preserve at least 1,400 affordable units over the next 5-10 years.

In April, 2018, Mayor Michael Hancock proposed expanding the housing fund by increasing the city's local tax on recreational marijuana sales from 3.5 percent to 5.5 percent. It is expected to raise $8 million annually. Colorado led the nation in legalizing marijuana and in 2013 Denver voters approved a local, in addition to a state, tax on recreational marijuana sales. Together with additional public funding, it is proposed to double the annual amount of the housing fund to $30 million (Murray, 2018). City Council approved this tax increase in August, 2018 (Kenney, 2018).With this additional funding, the city's fund is expected to double the preservation and creation of affordable housing units over the next five years from 3,000 units to 6,400 units within the framework of the city's *Housing an Inclusive Denver* five-year plan.

In July, 2018, Denver initiated another innovative program – LIVE Denver (Lower Income Voucher Equity). Together with LISC and the Denver Housing Authority, the city will subsidize ($1.2 million for a two-year pilot program) fulltime working renters with incomes between 40-80% of AMI so that they will pay no more than 35% of their rent to occupy vacant units in market-rate apartments (Smoot, 2018). Beginning this Fall, about 125 individuals and families will participate in this pilot program. More than 52,000 Denver households have a household income that makes them eligible within the targeted range and approximately 13,000 renter households within this group are severely cost burdened paying more than 50% of their income for rent.

Despite these initiatives by Denver, its Mayor Michael Hancock wrote:

"We can be the spark that helps get homes out of the ground, but the city can't be the only ones. Congress needs to see this for the national issue that it is and provide the funding that matches the need." (Hancock, 2018) He also cited the need for continued support from the state of Colorado and the private sector.

Detroit

Since its recovery from municipal bankruptcy, the city of Detroit has experienced considerable growth, especially in its downtown. New housing is being built but is not generally affordable to most of its population. Detroit is the poorest major city in the

United States. As it population has fallen drastically, that has left tens of thousands of abandoned housing units and led to thousands of demolitions of abandoned nuisance housing properties.

In the face of the need for decent affordable housing, the city and its mayor Mike Duggan have created two new initiatives. On September 19, 2017 the city adopted an inclusionary housing policy, which many other cities have also done but not usually in so-called weak market cities (Anderson, 2017). It will apply to multi-family rental housing developments of 20 units or more that receive at least $500,00 in public subsidy support or that involve city land that is sold to the developer at lower than true cash value. The projects must make at least 20 percent of the project's units affordable to households at 80 percent of AMI. These restrictions will remain in effect for 30 years.

In March, 2018, Mayor Duggan in his state of the city address announced a plan to establish a $250 million Affordable Housing Leverage Fund to preserve 10,000 existing units and develop 2,000 new units by 2023 (Stafford, 2018). It hopes to raise $50 million in grants, $150 million in low-income loans, and $50 million in public funds. While much more funding would have to be available to meet the city's needs for affordable housing, these two initiatives if implemented will begin to address this major social problem.

Los Angeles

Los Angeles City and County have one of the most serious homelessness crises in the United States exacerbated by rapidly rising rents (Gumbel, 2018). In 2017, the county had 58,000 homeless with over half in the city. Homeless camps dot the county beyond the city's downtown Skid Row. In the face of this crisis, in 2016 voters approved a $1.2

billion bond issue expected to fund the construction of 10,000 new units over a decade. This will offset the loss of some of the affordable housing from local redevelopment agencies required to set aside 20 percent of housing that they financed when the state eliminated them in 2012. In 2017, the city enacted an Affordable Housing Linkage Fee affecting new construction. When it takes effect in 2019, it is expected to generate $100 million annually (Smith, 2017). Despite these and other measures taken by the city and its Mayor Eric Garcetti, the homelessness problem seems to be growing (Gumbel, 2018). Progress toward building a minimum of new homeless housing in all Los Angeles neighborhoods has been uneven to date (Reyes, 2018).

On August 17, 2018, the Los Angeles City Council voted unanimously to create a right to counsel for tenants facing eviction. If approved, it would follow the examples of New York City and San Francisco.

Minneapolis

While Minneapolis is doing well economically, a 2017 report from the Minnesota Housing Partnership stated that 42 percent of the city's renters were cost-burdened. In August, 2018, Minneapolis Mayor Jacob Frey in his proposed 2019 budget proposed $40 million one-time funding for a series of affordable housing programs (Ibrahim, 2018). In April, 2018, the city approved an inclusionary housing ordinance (Brey, 2018).

New York City

Despite a longstanding rent stabilization system, the largest public housing program in the United States, and homeless shelters for over 60,000, New York City still has a great unmet need for more affordable housing. In 2017, the city's rental vacancy rate was only 3.63 percent, justifying continuation of the decades old rent stabilization system which regulates rents for about 2.5 million renters in approximately 1 million apartments. For the past two years, the Rent Guidelines Board froze rents. But, despite that, rent-stabilized tenants had a median gross rent-to-income ratio of 36 percent (more than the 30 percent threshold to mark affordable rents for all too many of these tenants)(New York City Rent Guidelines Board, 2018) . More than 28 percent of renters pay more than 50 percent of their income in rent. In its latest annual report on the city's housing and neighborhoods, NYU's Furman Center concluded:

"[In 2017] Vacancy rates remain low, and the share of housing affordable to the city's low- and moderate-income households [nearly 70 percent of the city's households] fell significantly between 2000 and 2016" (p. 15).
(NYU Furman Center. State of New York City's Housing and Neighborhoods: 2017 Focus: Changes in New York City's Housing Stock, 2018).

In many neighborhoods, gentrification has contributed to the affordable housing shortage through the conversion of lower-rent housing (e.g., de-controlled rent stabilization units) into higher cost housing. A notable example has been the attempted conversion of Stuyvesant Town into higher-priced housing. A compromise has saved several thousand rent-stabilized apartments for at least two decades (Woldoff, Morrison, and Glass, 2016). Gentrification has significantly affected some minority neighborhoods, including Harlem (NYU Furman Center, 2016); Sutton, 2018).

In his first term, Mayor Bill DeBlasio unveiled an ambitious plan ("Housing New York") in 2014 to preserve and build 200,000 units of affordable housing (80,000 new units) by 2024. His predecessors Michael Bloomberg and Ed Koch both also implemented large-scale housing plans that over 26 years produced 332,106 units which targeted all income groups (NYU Furman Center, 2016). Mandatory inclusionary housing (MIH)(at least 25 percent of new housing in projects of at least 10 units) tied to rezoning of some neighborhoods are key features of this DeBlasio plan (Stein, 2018). The plan aimed to devote 20 percent of the units created to households making less than $43,000 for a family of three, 22 percent for families making $69,000-$137,000 for a family of three, and the rest for households making $43,000-$69,000 (Murphy, 2017). By July, 2017, over 77,000 mostly existing units had been financed. The city has spent $2.2 billion on the plan of its share of $13.5 billion of an overall estimated cost of $44 billion. Most (@ $30 billion) of the funding is expected to come from private sources.

DeBlasio's housing plan has not been without its critics. Shortly before his 2017 re-election, the Real Affordability for All coalition argued that more units should be targeted to households at 50 percent of AMI ($42,000 for a family of three)(Walker, Ameena, 2017). There has been considerable opposition in some of the 15 neighborhoods designated for rezoning to increase densities (Goodman, 2017; Fortis, 2018). There is fear that attracting private developers to develop in rezoned neighborhoods will contribute to more gentrification and displacement:

"Ultimately MIH is a neoliberal housing policy because it places responsibility for the provision of affordable housing with the market, not the state. Instead of creating public housing or limiting landlord profits through rent controls, it gives away a coveted public asset – public airspace – in return for a severely limited public benefit" (Stein, S, 2018: 777).

Also see the Pratt Center Research Report (2018) criticism of the city's measurement of Displacement risk.

After his re-election, Mayor DeBlasio announced an expansion of this program – another 100,000 affordable housing units (40,000 new units) by 2026. The goal for the created number of low-income units was increased to 25 percent. ”The Neighborhood Pillars “ program was created to save rent-regulated buildings from being converted to market-rate housing. Nevertheless, this expanded housing plan was criticized by New York City Comptroller Scott Stringer who called for a city land bank and more redevelopment of city-owned vacant lots for housing than presently planned.

While New York City pursues its very ambitious goals for affordable housing, it has also had to deal with a continuing crisis at the New York City Housing Authority (NYCHA). The NYCHA provides 180,000 low rent apartments in 325 projects housing more than 400,000 poor residents. It currently has a waiting list of 207,000.

Long considered one of the most successful local public housing authorities in the United States, 2017-2018 has brought its problems into the spotlight. Last winter, the city had to provide $82 million emergency aid due to heating failures in 104 buildings. Deferred maintenance is estimated to cost $17-20 billion caused in part due to the loss of $2.7 billion in federal cuts since 2001. City funding of $3.7 billion under Mayor DeBlasio’s administration has not been sufficient to cover all of the needed maintenance costs. The NYCHA now faces the likely appointment of a federal court-appointed monitor in the wake of a scandal exposing the agency’s fraudulent claims of inspection for lead paint resulting in the resignation of its chair in May, 2018 after revelations of mismanagement from the U.S. Attorney (Goodman, 2018).

As for homelessness, it increased in 2017 for the ninth consecutive year. With over 76,000 reported in 2017, the DeBlasio administration issued a comprehensive plan

("Turning the Tide of Homelessness in New York City") which called for the creation of 90 new shelters over 5 years to replace "cluster" housing in apartment buildings and hotels (New York City Rent Guidelines Board, 2018, pp. 16-17).

New York City approved a policy to assist the many poor New Yorkers facing eviction by becoming the first U.S. city to provide poor tenants with legal representation.

New York City's affordable housing issues are by far the most daunting of American cities, its own responses dwarf those of other cities, and yet the shortfall in its efforts are considerable.

Philadelphia

In June, 2018 by a vote of 9-8 the Philadelphia City Council approved a 1 percent impact tax on new construction. The funds are to go to the city's Housing Trust Fund with most allocated to affordable housing but with a sub-fund for down payment assistance for middle-income homeowners. Mayor Jim Kenney postponed a decision on the bill while expressing concern about its impact on market-rate development (Saffron, 2018). It was opposed by the building trades union and business organizations. The Philadelphia Coalition for Affordable Communities opposed the sub-fund (Brey, 2018). At the last possible moment, Mayor Kenney proposed an alternative, which was then accepted by the City Council (Brey, 2018; McCrystal and McGoldrick, 2018). The city will contribute the real estate tax revenue from those residential properties with expiring 10-year tax abatements to the city's Housing Trust Fund. It is estimated that this will provide $53 million over the next five years to the city's fund.

This proposal was independent of the draft Philadelphia Housing Action Plan to be released in October, 2018 (Blumgart, 2018). It calls for preserving and producing a combined 100,000 units over a decade. It estimates that 83,000 renters and 42,000 home owners pay more than half of their income for housing.

Portland (Oregon)

Portland, Oregon is one of the fastest growing U.S. cities. However, it has also seen its homeless population and those in need of affordable housing also grow rapidly. In 2015, the city declared a housing emergency in order to address a homelessness crisis. In 2016, Portland voters approved a $258 million affordable housing bond issue to be funded through local property taxes to fund 1,300 affordable housing units (Jaywork, 2018). The city's Housing Bureau estimated that its then current shortage was 23,845 units (Hanrahan, 2016). That same year, after the state legislature lifted a ban, Portland enacted a mandatory inclusionary housing ordinance requiring developments of 20 or more units to set aside at least 20 percent of the units for households earning less than 80 percent of AMI. With a lag in new rental housing construction, in 2018 the city revived an incentive program (MULTE) offering tax breaks for such inclusionary projects (Brey, 2018).

San Jose

The "Capital of Silicon Valley" has long had an affordable housing crisis reflecting the tremendous growth of employment in the tech sector in the region without accompanying increase in housing. According to the city's Housing Department 20 percent of the residents are severely cost-burdened. In October, 2017, Mayor Sam Liccardo released a 15-point housing plan with the goal of creating 25,000 new housing units over five years of which 10,000 would be affordable. In June, 2018, the Housing Department released an Affordable Housing Investment Plan suggesting that the city would need $548 million in addition to existing resources to meet the need (Brey, 2018).

In November, 2018, San Jose voters will vote on a $450 million affordable housing bond financed through an increase in property taxes. It is intended to produce 3,550 units of affordable housing. One third of the bond funding would go for housing for those earning less than 30 percent of AMI. $75 million would go to housing the "missing middle" residents earning between 80 and 120 percent of AMI, and the remaining $225 million would go for housing for household income levels up to 120 percent of AMI (Brey, 2018).

San Francisco

San Francisco's housing costs are now considered the most expensive in the continental United States. More recently, housing price increases have been attributed to the intrusion of the tech sector and the number of their employees moving into the city's neighborhoods. The city has long attempted to protect affordable housing and instituted rent stabilization for tenants and pioneered a "linkage" policy requiring large scale commercial development to pay impact fees for affordable housing. Yet, low and moderate-income residents face higher and all too often unaffordable prices, including city employees and school teachers. In May, 2018, 6,500 San Franciscans in a lottery applied for just 95 units in a new affordable housing complex (Garfield, 2018).

In a 2016 report, the Bay Area Council's Economic Institute issued a report entitled *Solving the Housing Affordability Crisis*. It discussed twenty policies to address the crisis (Bellisario, Weinberg, Mena, and Yang, 2016).

Between 2004 and 2014, San Francisco helped house 19,500 homeless yet in 2017 the homeless count was about 6,700 (Fagan, 2017). Proliferating homeless tent camps have triggered a hostile reaction from many residents and businesses.

Ed Lee, the city's first Asian-American mayor, in September, 2015 unveiled his plan for a goal of 30,000 more housing units, 10,000 of which would be for low- and moderate-income residents, to be reached by 2020 (Dineen, 2015). He called for expedited processing for approvals of this housing. Mayor Lee's plan also called for density bonuses that would provide more affordable housing in return for waivers of height ceilings for new housing. Sadly, Mayor Lee died of a heart attack on December 12, 2017.

In 2017, the Mayor's Housing Working Group composed of private stakeholders launched the San Francisco Housing Accelerator which aims to preserve or develop 1,500 affordable housing units in five years (Axel-Lute and Tianga, 2018). It financed 300 units in its first year.

On June 5, 2018 San Francisco elected Supervisor London Breed, the city's first African-American female mayor, as Lee's successor in a very close election. She had previously pledged : "We are in a housing crisis and we need to address it" (Breed, 2018). On the ballot was a proposal (Proposition D), supported by Breed, to increase the city's tax on commercial rents by 1.7 percent for housing and homeless services. However, it was competing for another proposition to use this same tax source for funding increased child care. Only one of the two could be implemented and the child care proposal passed while the affordable housing proposal failed (Waxman, 2018). However, San Francisco voters did approve Proposition F creating a right to counsel in eviction cases, following the precedent set by New York City.

In November, 2018, voters will vote on a "Homelessness Gross Receipts Tax" initiative sponsored by Our City, Our Home and the Coalition on Homelessness". It would impose an increased gross receipt tax by half a percent or payroll tax by1.5 percent. Up to 50% of the tax revenue would fund programs to help the homeless to secure permanent housing; up to 40% would go the homes services programs; and up to 10 percent would go to programs to secure short-term shelter (Dawid, 2018); Fracassa, 2018); Holder, 2018).

Seattle

Like San Francisco, Seattle is politically a very liberal city. Like San Francisco, Seattle has seen the expansion of its tech sector including companies like Amazon that contribute to a shortage of affordable housing for lower income residents. Seattle is the fastest growing large city in the United States. Seattle has a history of trying to preserve its shrinking stock of affordable housing (e.g., SROs). In 2016, the voters approved a 7-year, 290 million property tax levy for subsidized housing. Also, the city agreed to issue $29 million in bonds for affordable housing (Beekman, 2017).

That same year the city attempted to "upzone" neighborhoods for greater density conditioned on inclusionary zoning (Housing Affordability and Livability Agenda)(HALA): Mandatory Housing Affordability (MHA). If implemented, it would affect parts of 27 neighborhoods. This brought widespread opposition, mostly by single family homeowners. Challenges based on issues related to the claim that the environmental-impact statement is inadequate for failing to analyze these neighborhoods individually are before the Seattle Hearing Examiner. The City Council has postposed any action until January, 2019 at the earliest after attempts at a compromise this summer failed to reach an agreement (Beekman, 2018). A group called "Seattle Tech 4 Housing" created in 2016 continues to promote greater densities in single-family neighborhoods (Roberts, 2018).

Adding to the pressures of rapidly rising housing costs has been the growth of homelessness. Seattle is third in the number of homeless, behind New York City and Los Angeles. In 2015, Seattle declared a homeless state of emergency.

In November, 2017, the Seattle City Council approved a tax on short-term rentals like those listed on Airbnb ($14.night for entire homes and $8/night for rooms) effective January 1, 2019. The revenue is to go to community-initiated development projects and create affordable housing (Beekman, 2017).

In 2017, newly-elected Mayor Jenny Durkan listed housing affordability as the first item in her Affordable Seattle Agenda platform (Durkan, 2018). In December, 2017, Mayor Durkan announced a $101 million investment in affordable housing projects.

2018 brought the most controversial affordable housing proposal yet. A head tax on the city's about 500 larger businesses (that gross at least $20 million annually) was proposed by the City Council. It would cost those businesses 26 cents for Seattle employee-hour (or $275-per-employee annually) applicable in 2019 and 2020 and to be replaced by a 0.7 percent payroll tax in 2021. It was expected to provide $45 million annually. An accompanying resolution proposed that 75 percent of this tax revenue would go to help build low-income housing (1,780 apartments over 5 years) and 20 percent on homeless shelters. Passed unanimously on May 4 after negotiations about the amount of the head tax (originally proposed to be $500-per-worker), it was signed by Mayor Durkan. Amazon had announced it was stopping construction on a new office tower and would transfer jobs from Seattle if the head tax was passed. Construction workers turned out to protest the proposal.

Following passage of the head tax, Amazon and other companies subject to it announced the formation of “No Tax on Jobs” and submitted signatures for a repeal referendum. Faced with this well-funded campaign, the City Council reversed itself by a vote of 7-2 on June 12 when it repealed the tax (Beekman, 2018). No alternative affordable housing plan beyond what already exists has since emerged (Davila and Romano, 2018).

In October, 2018, the city enacted a new policy mandating city departments to prioritize affordable housing when disposing of surplus public land (Cohen, 2018).

Conclusion

These fourteen city case studies provide a variety of attempts by major U.S. cities to respond to the affordable housing crisis.

Table 1

Some build on past efforts while others are new. Some of the newest initiatives still have to be fully implemented (e.g., Detroit’s Leverage Fund, Los Angeles’ linkage fee). Some are innovative (e.g., Denver’s marijuana tax and rent subsidies for rental in new market-rate rental housing). Some set massive, ambitious goals (e.g., New York City), while others are relatively modest in comparison (e.g., Chattanooga). Some require future funding that is not yet available (e.g., Austin, Baltimore, Charlotte, Detroit, Minneapolis, San Jose). Yet, cities which have seen voters approve expanded funding for affordable housing still face major challenges (e.g., Los Angeles, Portland and Seattle). Inclusionary housing has been a common feature of affordable housing policies, including in several of these cities.

Not all are successful such as the recent defeats of the tax initiatives in San Francisco and Seattle and withdrawal of the proposed Philadelphia new construction impact tax. Community opposition to rezoning to increased density in several neighborhoods in New York City and Seattle have limited attempts to increase the production of affordable housing. While efforts to engage private partners (e.g., San Francisco), may be laudable, their impact will be limited although this is critical to the success of the Housing New York Plan in rezoned neighborhoods.

It is notable that some of these initiatives have been at least in part the result of the organizing and lobbying activities of community organizations such as: the Baltimore Housing Roundtable, Coalition for a Just Los Angeles, the Philadelphia Coalition for Affordable Communities, and the Council of Community Housing Organizations (San Francisco).

Overall, the obvious conclusion is that whatever the magnitude of the affordable housing crisis affecting these cities and however major, innovative, and effective the municipal housing policies and programs are, they all have and will fall short of fully solving the affordable housing crises that these cities face. Instead of cutbacks, there must be a re-commitment by the federal government to expand its affordable housing programs (as well as financial assistance from state governments to cities like these examples). In the short term, this appears to be highly unlikely with Republican control of Congress and the executive branch under President Donald Trump. Almost seven decades after establishing a national goal of a "decent home" for every American in the 1949 Housing Act (which now encompasses the need for "affordable" housing), the United States remains far short of ensuring a right to housing (or even just shelter).

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