**Housing Conundrums and**

**Effective Housing Policies**

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**Introduction**: This discussion of housing conundrums is designed to illustrate some of the basic underlying tensions that make resolving specific housing issues such a complex endeavor. The conundrums and the text that follows serve to portray the environment in which policy makers dealing with housing issues labor. Understanding the nature of these conflicting points of views is fundamental to being able to work with advocates of opposing approaches to housing issues and, in the long run, to be able to design and implement housing policies that are going to be effective in achieving their objectives.

The nine housing conundrums discussed below are the ideological poles and practical problems that make developing and implementing systematic public policy in this arena so difficult. It is clear, from reviewing the various positions taken with respect to each of the conundrums, that building consensus is not a simple undertaking. More often than not, the consequence is a mishmash of public policies that lead to inconsistent and at times conflicting policies that are seldom well-designed compromises. The question permeating all the conundrums described below is: Given the very divergent and strongly held views of different constituencies, how best can these dilemmas be addressed so as to produce reasonable societal outcomes?

The quotations entered under the conundrums are designed to illustrate the positions that significant groups of people take. They are not necessarily the view of the author of this paper. Some of the opinions expressed raise empirical questions (e.g., ”property values will decrease if a group home is operating in our neighborhood”) as contrasted with normative ones (e.g. “renters should be able to live in modern homes in safe neighborhoods”). Well-structured research can respond to the empirical questions, though sometimes people are so set in their views that verified conclusions based on substantiated evidence does not influence their thinking.

This paper is not designed to resolve the conundrums but rather to help the reader understand what they are and why they exist. With that understanding in hand, the policy maker and the administrator will be better equipped to design and implement public policies that address very real housing issues that exist today in American and in other similar societies.

**I. *Ideology: Market Will Provide Required Housing versus Government Intervention is a Necessity.***

In Marketville (50,000 households), government provides clean water, sanitary sewers, arterial roads, police protection and fire protection. It charges developers for water and sewer line extensions and dwelling unit owners for water consumption including a sewage charge based on water consumption. All schools are private though tuition assistance is available. There is no general plan or development plan or zoning though a permit is required for noxious land uses such as a tannery or a slaughterhouse. The building, electrical, and plumbing codes are limited, dealing only with basic safety concerns. Most people in Marketville are committed to minimal government. There is plenty of agricultural land and open space surrounding Marketville.

In Publicville (50,000 households), government provides a full range of municipal services including, but not limited to, police, fire, education, library, planning, public works including a road network, refuse disposal, parks and recreation, water distribution and sanitary and storm sewer disposal. It has a general plan and development plans and a zoning ordinance implementing these plans. The building, electrical, and plumbing codes are based on national codes. Publicville seeks to be a green city that follows the precepts of Smart Growth and Affordable Housing in every way it can. There is plenty of agricultural land and open space surrounding Publicville.

•  In which community will more housing be built?

•  How will the cost of housing in the two communities compare?

• What will be the quality of housing in the two communities?

• Which community will do a better job of housing its low-income residents?

• Which community will have the higher portion of its population living in gated communities?

• How will the general social fabric of the two communities compare?

***II. Life Style Choices****:* ***Individual Right to Choose*** *(i.e., personal freedom)* ***versus Public Good*** *(e.g., local community building, reducing global warming)*

The following people live in a neighborhood where the lot sizes range from 5,000 to 10,000 square feet:

“I like to work on old cars. I store them on my property and work on restoring them in my front yard.”

“I work hard all week. I like to party with my friends at my house on the weekends.”

Four teen-agers have a rock band and an assortment of amplifying equipment. They practice two or three nights a week in the garage attached to one of the boy’s homes. The parents approve, noting that this activity is so much better than a range of possible alternatives.

“I breed pit-bulls. I have eight of them at present. They roam my property, which is fenced.”

“I am an artist. At present I am creating a major work of art in my front yard made up of large discarded metal and plastic parts.”

“I am a psychiatrist who chooses to treat my patients at my house.”

One household has a coal-burning furnace that has been in the family for years. It produces a lot of CO2 and an excess of particulate matter.

“I am a minister. We have a weekly church service at my house for about 25 people on Sunday morning from 8 am to 11 am and a bible study group for about 15 people on Wednesday evenings from 6 pm to 9 pm.”

¶ How do you balance the rights of the individual homeowner, who considers his home as his castle, with the rights of other people living in the neighborhood?

***III. Tenancy: Home Ownership versus Rental Housing***

“Owning the home they live in assures that a family will care about their neighborhood and help maintain both it and their home.”

“Owning one’s own home is the American dream. We should seek to facilitate the realization of this dream for every family that can qualify to own a home.”

“Home ownership contributes to social stability and safe neighborhoods. Therefore, it should not only be encouraged by government but made possible by it.”

“People who own their own homes tend to be better citizens than those who do not.”

“Buying a home is the best investment a family of moderate means can make.”

“Home ownership gives a family a stake in the community that renters do not have.”

“We should stop making second-class citizens of renters.”

“There is nothing wrong with renting. It facilitates mobility while owning a home is a millstone around one’s neck.”

“For a large portion of the population, renting is the only reasonable economic choice. Renters should be able to live in modern homes in safe neighborhoods.”

“If we are ever going to be able to provide housing that all segments of our population can afford, it is going to be because we build an ample stock of rental housing.”

¶ Should government, financial institutions, and the real estate industry encourage home ownership or rental housing or both. If the latter, should they facilitate low-income people renting and middle and upper income people becoming homeowners?

***IV. Poverty: Increase Demand*** (i.e., raise personal income) ***versus Increase Subsidy*** (i.e., provide housing at below cost)

“It is silly to keep furnishing the poor with subsidized goods and services. It does not get at the root of the problem, which is a lack of disposable income. All it does is apply bandages to the wound.”

“Subsidizing the poor with goods and services just leads to resentment by those who pay the bill and to social division.”

“If you require a developer to build affordable housing at below cost for lower income people, won’t that result in him or her charging others more for their market-rate homes?”

“Giving a person a handout, whether it is housing or medical care or food, results in making that person dependent on such free goods in the long-run. It does not teach self-discipline, self-reliance, and independence.

“As long as this country is not willing to face the problem of the mal-distribution of income, we are going to have to rely on subsidies to make life livable for the poor.”

“To further contribute to our irrational public policy as it relates to the poor, we measure poverty in ways that make no sense: (1) We underestimate the number of poor persons; (2) We assume people can live on a poverty line wage, which very few can; (3) We fail to take into account the cost of living in different areas in calculating the poverty line; and (4) We base the line on food costs and ignore the cost of housing, child care, and transportation.”

“We can decrease poverty by increasing the income of low-income households. This will require us to (1) quit outsourcing high-paying manufacturing jobs; (2) end the regressive nature of our state and local tax systems; (3) vastly increase the earned income tax credit; and (4) raise the minimum wage in a way that it is indexed to the cost of living in a specific geographical area. To accomplish all of this will probably require increasing the national tax burden on the well to do.”

“Decreasing the income differential among classes of people will contribute to greater social stability and sense of national cohesion and reduce the resentment at some people getting free handouts.”

¶ Should government put the emphasis on increasing the income of households currently in the lower income quartiles or subsidizing affordable housing or some combination of the two approaches?

***V. Not in My Back Yard (NIMBY)****: Rights of Home Owners (i.e., preservation of status quo) versus Rights of Those Needing Homes (i.e., preventing discrimination)*

“Don’t string high voltage electric transmission lines over our neighborhood. Bury them or place them elsewhere. Radiation from strong electro-magnetic fields may cause cancer in our children and us.”

“We oppose locating a home for retarded individuals in our neighborhood. We have nothing against retarded persons, but locating a home for them in our area will lower the value of our homes that represent our life savings. There are other places in which such a home could be located.”

“We business owners oppose building an apartment house for homeless persons on the edge of our thriving business district. It will result in loss of customers because no one wants to be in an area populated by people whose appearance and behavior is disturbing.”

“We are opposed to building affordable homes in our middle-class neighborhood because it is going to lower our property values.”

“The municipality, and the governmental and non-profit organizations it works with, needs to locate a variety of facilities in residential neighborhoods, but every time it attempts to do so, it is faced with insurmountable neighborhood opposition. Here is a list of facilities that we have failed to locate: (1) a foster home for infants; (2) a transition home for emotionally disturbed individuals; (3) an AIDS hospice; (4) a half-way house for parolees; (5) a half-way house for recovering drug addicts; (6) a residential drug treatment center; ( 7) a housing first apartment dwelling; and (8) a group home for the mentally-ill. Residents say: ‘The facility is a good idea but not in our neighborhood;’ ‘It will lower property values;’ ‘It will cause parking problems.’ ‘It will lead to an increase in crime.’ These are residential facilities and they belong in residential areas. They house persons who deserve a chance to recover and to live their lives to the fullest. These are people who we as a community are obligated to help. Everyone agrees as long as it is not in his or her backyard. Is not serving the common good and helping the least among us more important than individuals protecting their turf?”

¶ How do we overcome the NIMBY syndrome so that needed residential facilities can be located in residential neighborhoods?

***VI. Land Availability:*** *Preserving Land (e.g., for open space, food production, forests, watersheds) versus Providing Land for Housing*

“Once you pave over land, it is no longer good for growing food or preserving species or growing trees or supporting a watershed. It is gone forever.”

“The underground aquifer is replenished when the watershed above has a natural cover. Water is essential to life.”

“Forests serve many purposes, including reducing global warming and recharging aquifers. It takes 30 to100 years to grow a forest that can be cut down in a matter of hours,”

“Open space is essential to the peace of mind of human beings. Open space provides a sense of tranquility. Take it away and all that is left is an asphalt jungle.”

“We can build houses at less cost on abandoned flat agricultural land than anywhere else.”

“Most families with young children want a single family home and a large yard. Meeting this demand requires converting agricultural land.”

“We can grow all the food we need on a relatively small number of acres of good agricultural land. We do not need to preserve it all.”

“If what you want is affordable housing, then there has to be lots of land available so that the cost of land is low and a small portion of the final cost of the home.”

“It isn’t necessary to have pristine cover to assure recharging of an aquifer. It is perfectly possible to build home in ways that an aquifer is recharged, e.g., permeable surfaces including driveways.”

“Open space is nice, but if having it means not adequately housing our low -income families, then the price is too high.”

¶ How do we develop and implement public policy when some people want to keep undeveloped land as it is and others want to provide housing, especially affordable housing?

***VII. Transportation****: Private Vehicle versus Public Transportation*

“I have to drop the kids off at two different schools on the way to work. I have to pick up groceries on the way home after work. And you want me to take public transportation?”

“When I am in my comfortable car I am alone and I can do what I want when I want and I do not disturb anyone else. I can eat, play rock, listen to a book, sing a song, conduct conversations on my cell phone (assuming I have a remote transmitter), and swear at stupid drivers.”

“My car is my castle on the road. I don’t have to wait for a bus, scramble for a seat, and sit next to a smelly person.”

“When I travel by my car, I can carry whatever I need with me, such as my breakfast, hot coffee, my briefcase, my lunch, my laptop, a change of clothes, and my walking sticks.”

“I get in my car at home in my garage. I park my car in my office building or a lot a block away. I do not have to walk to a bus stop, wait for the bus, transfer at a train station, wait for the train, get off at my destination and then walk or take another bus, for which I will have wait, to my work site. The modal splits are a killer.”

“I hope lots of other people use the public transit system so there will be more room on the road for me. Maybe I will get to work faster.”

“I don’t drive. I am too young to have a license. I am too old to drive. I am too poor to own a car. I am disabled. I need public transit to get where I need to go.”

“One bus with 40 passengers takes a heck of lot less room on our roads than 40 cars, each with a single occupant, the driver.”

“Cars are manufacturers of CO2, which contributes to global warming with all its negative consequences for the future of humanity.”

“Public transit, particularly rail lines, makes possible transit oriented development, namely, the creation of high-density, smart growth areas around the urban stations.”

“Rail lines decrease the time it takes for me to get from my originating station to my destination.”

“While on public transit I read or work the aps on my smart phone or review legal briefs, none of which I could do if I were driving a car.”

¶ Public policy makers have limited public resources to invest in transportation. How do they determine how big a slice of the pie to invest assisting those who own and operate private vehicles and how much to allocate for public transportation open to all?

1. ***Growth****: Growth Management versus Affordable Housing*

“All these growth management schemes simply restrict the amount of land available for development and thus raise the cost of housing including affordable housing.”

“The only ones who like growth boundaries are the owner of land within the boundaries. Their land is now worth more than before.”

“Growth boundaries take away from a landowner outside the bounds the right to develop his land as he see fits.”

“Growth boundaries may further smart growth, but it is the poor who pay the price because housing prices rise.”

“For the same dollar amount, one gets a lot more home in the outer suburbs than for a condominium in the central city. Furthermore, one has one’s own barbeque area rather than a facility shared by 50 or a 100 households.”

“Stick construction costs less per square foot than does high-rise construction and therefore facilitates the building of affordable housing in fringe areas where the cost of land in the absence of growth boundaries is still low, comparatively speaking.”

“Growth boundaries are arbitrary in the absence of a natural barrier such as an ocean or a major mountain range.”

“Growth boundaries are essential if we are to prevent endless urban sprawl, which consumes agricultural land and open space, raises infrastructure costs, and increases global warming.”

“Growth boundaries are a way of encouraging compact development, walkable urban areas, reduced transportation costs, a cleaner environment and lower infrastructure costs.”

“Given growth boundaries, high density affordable housing in the central city is still lower cost than single family affordable homes in the suburban fringe when public infrastructure costs and private transportation costs are taken into account.”

“One can still build affordable housing in urban areas with growth boundaries that is convenient to work and school as long as the density allowance is high enough.”

¶ Do policy makers choose compact high-density development or urban sprawl, and if the former, how do they secure affordable housing?

1. ***National Housing Policy****: Uniform (i.e., treat all uniformly) versus Targeted (i.e., tailor approach to respond to need)*

“Housing, especially affordable housing, is a national need. Therefore, we need national standards, national programs, and federal financing.”

“Only the federal government (and to a limited extent, state governments) can change income distribution (e.g., tax policy, earned income tax credit, minimum wage, fair trade policy) so as to raise the income of those in the lower income quartiles and thus reduce the need for subsidizing affordable housing.”

“Affordable housing is a massive need. Only the federal government can command the resources necessary to meet this need.”

“It is too easy for some state and local jurisdictions to downplay or ignore the need for affordable housing; therefore, federal leadership is required to make certain that such housing is available in all areas of the country.”

“Subsidiarity is the guiding principle. If a household can meet its own housing needs, that is best of all. If a household needs some help, that should come from the lowest level possible: first, family, friends, neighbors; second, local non-profit organizations including churches; third, the city or county government; fourth, the state government; and finally, if all falls short at the lower levels, the federal government.”

“The local people know their own situation best and can design and implement the most appropriate program(s) to provide affordable housing for those in need.”

“It is local government that is responsible for creating community, which in turn require houses and infrastructure; therefore, assuring that housing is affordable is a local responsibility.”

¶ How do we allocate responsibility among the levels of government for assuring the availability of affordable housing at the neighborhood level?

**In Conclusion:** There is no conclusion, only a beginning. Recognizing and understanding the housing conundrums that create the environment in which public policy makers must necessarily operate is the alpha, not the omega, of designing and implementing housing policies that achieve the desired societal outcomes.

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