The Lab Report

A magazine of the Public Policy Lab at Temple University

2021

ADDRESSING THE HOUSING CRISIS:

Challenges and Innovations

College of Liberal Arts

Public Policy Lab

Public Policy Lab

The Public Policy Lab (PPL) is an intellectual home for researchers who study public policies and the social processes relevant to their development and consequences. Housed in the College of Liberal Arts, the non-partisan lab provides an interdisciplinary forum for discussion of contemporary policy issues, research support for faculty and student scholarship and a mechanism to disseminate participants' research findings.

PPL's colloquia series, conferences, fellowships, and study groups bring together the varied perspectives of scholars from a range of disciplines. Through rigorous research, these scholars address critical policy challenges at the local, state and national levels.

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Editor: Judith A. Levine
Managing Editor: Colin J. Hammar

Cover Design: Margot Whipps

Special thanks to Gregory Heller

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Contributors

Anne Fadullon is Philadelphia's Deputy Mayor for Planning and Development.

Colin J. Hammar is Associate Director of the Public Policy Lab at Temple University.

Gregory Heller is a Senior Vice President at Philadelphia Housing Development Corporation and Executive Director of the Philadelphia Redevelopment Authority.

Judith A. Levine is Director of the Public Policy Lab and Associate Professor of Sociology at Temple University.

Diana Lind is an urban policy specialist and the author of *Brave New Home: Our Future in Smarter, Simpler, Happier Housing*. She also currently serves as the executive director of the Arts + Business Council for Greater Philadelphia.

Samantha R. Porter, MPA, is a Community Engagement Advisor and Outreach Manager at the Federal Reserve Bank of Philadelphia.

Vincent Reina is an Associate Professor in the Department of City and Regional Planning at the University of Pennsylvania and the Faculty Director of the Housing Initiative at Penn.

Nikil Saval is State Senator for the First Senatorial District in the Commonwealth of Pennsylvania.

Tayyib Smith is Senior Principle at Little Giant Creative and Partner at Smith & Roller and The Collective.

From the Editors

The Public Policy Lab (PPL), now in its second year, was conceived as a place where scholars could come together, across disciplines, to discuss and disseminate their policy-relevant research. While we always imagined PPL to be an intellectual home for researchers across the College of Liberal Arts, we also wanted PPL to be a conduit for exchanges between scholars, policymakers, and stakeholders. *The Lab Report* was created to bring together those in the academy, government, and the community who are working within a specific policy area. By presenting these varied voices side by side, we hope to draw new connections and inform better policy.

For the inaugural issue of *The Lab Report*, we chose to focus on housing policy. We are currently in the midst of a housing crisis. In the United States, housing insecurity has reached unprecedented levels. High rates of homelessness and evictions alongside low supplies of quality public and affordable housing leave millions of Americans vulnerable. In 2019, more than a third of U.S. households were cost burdened, spending more than 30 percent of their income on housing. On a given night in 2020, 580,000 people were unhoused, including more than 100,000 children. Since the start of the COVID-19 pandemic, more than 318,000 evictions have occurred. All of these patterns disproportionately affect communities of color. As we emerge from the pandemic, housing insecurity is likely to be an on-going challenge at the local, state, and federal levels.

We are honored that the accomplished set of authors contributing to these pages have joined us in launching *The Lab Report*. We begin with three essays that each provide an overview and analysis of housing policy in Philadelphia and beyond. We then move into three essays that offer different approaches to investing in community.

Senator Nikil Saval calls on examples from the history of housing policy to argue for a return to housing that emphasizes the needs of the public. Through well-funded, pro-labor policies, we can achieve high-quality, well-designed housing that meets the needs of communities, remedies historical injustices, and fosters sustainable futures. Housing policy must put the needs and desires of residents and communities over those with the greatest influence.

As Anne Fadullon and Gregory Heller point out, cities have shown the capacity to develop innovative programming to attack housing problems, but these efforts need federal support to reach their full potential. COVID relief legislation has presented an opportunity to tackle housing insecurity but leaves an uncertain future. In the face of the pandemic, Philadelphia has expanded rental assistance and eviction diversions. While federal dollars have flowed to cities and states, future spending is less certain.

Housing people and keeping them in their homes requires innovative cooperation from local, state, and federal governments. As Vincent Reina emphasizes, no single program will solve the housing crisis, but adequately-funded, flexible efforts offer a way toward comprehensive and equitable housing policy. By making programs more accessible and removing barriers which have prevented communities of color from accessing aid, we can greatly reduce the housing instability experienced by our most vulnerable populations.

Tayyib Smith describes the key role that Black residents have played throughout the history of Philadelphia. Despite their foundational contributions to the city, Black people have been systematically denied the social and economic benefits of their labor. Today discriminatory treatment of Black real estate developers has limited access to capital for their projects. Smith argues for cooperative models in which shared expertise and access to capital can support Black developers wishing to invest in projects that would have high social impact in underinvested communities.

Through the West Philadelphia Promise Zone Comprehensive Housing Strategy, Samantha R. Porter shows us a model for developing community-led housing strategies and federal partnerships. Building and maintaining trust between communities and policymakers is important for the success of any program. The West Philadelphia Promise Zone Comprehensive Housing Strategy provides an example for future community-level interventions.

Diana Lind challenges us to imagine more diverse ways of living to promote equity and community. While policies since the middle of the last century have favored single-family homes and individual wealth creation through homeownership, the housing crisis requires alternative approaches. An emphasis on more communal living arrangements, supported by policy that allows for the design of multi-family or multi-generational structures, presents an opportunity for healthier communities.

Access to adequate housing is a basic human right. Our inability to provide this fundamental resource is a policy failure. The authors in this volume offer us a chance to reflect on the shortcomings and successes of our past approaches and to imagine a way forward. By harnessing the diversity of ideas presented, we could achieve a future in which the right to housing is achieved in a just, equitable, and sustainable way.

Judith A. Levine
Colin J. Hammar

HOUSING THE PUBLIC

Design, labor, and contemporary approaches to public housing.

Nikil Saval

Courtesy of the Special Collections Research Center. Temple University Libraries. Philadelphia, PA.

In 1934, in the depths of the Great Depression, activists and organizers for a new public housing model gathered at 2021 Chancellor Street in Philadelphia. The Labor Housing Conference, as it was called, counted the head of the Philadelphia Building Trades Council as its chair, and the organization's proposals for building multifamily housing units would directly benefit laborers in the construction industry. But the intellectual motivating force behind the Labor Housing Conference was Catherine Bauer, author of the seminal 1934 book *Modern Housing* and one of the most powerful advocates for the broad government provision of housing that the United States has seen. A student of the modern movement in architecture, Bauer had traveled extensively in Europe to witness the growing union of functionalist architecture and social housing as well as the muscular interventions made by municipalities to build housing where the private market failed. In Frankfurt, for example, the government had built 160,000 units of new housing, enough to house 10 percent of the population. In the view of Bauer and many others, the United States needed just such a building program to solve an endemic housing crisis which predated but was exacerbated by the Great Depression.

The Labor Housing Conference in Philadelphia proposed the creation of a United States Housing Authority whose purpose was to "construct, and aid in the construction, modern large-scale housing, available to those families who in good as well as bad times cannot afford to pay the price which will induce the ordinary and usual channels of private enterprise to build such housing." In addition to direct interventions by the federal government, Bauer and members of the Labor Housing Conference supported grant-making and loans to nongovernmental housing agencies, such as cooperatives and other types of noncommercial housing organizations. Given that a shortfall in supply was the ultimate cause of the housing crisis, they recognized that a panoply of strategies was necessary to produce sufficient housing, especially subsidized housing for working- and middle-class people. One of the examples of cooperative housing that Bauer and advocates admired was the Carl Mackley Houses in North Philadelphia, a multifamily housing complex built by modernist architects Oskar Stonorov and Alfred Kastner for hosiery workers that broke with the rowhouse typology that otherwise dominated the city.

The Labor Housing Conference's attempt to secure a European-style social housing program for the United States led to the passage of the Housing Act of 1937. This seminal legislation, which paved the way for postwar public housing in the United States, was a triumph of the movement that Bauer had helped lead. It nonetheless had several critical omissions and qualifications that would make American public housing distinct from its European counterparts. The 1937 Housing Act did not contain the provision on nonprofits and cooperatives that the Labor Housing Conference fought for. It also limited itself to the lowest income groups and mandated that housing construction would require slum clearance in equal proportion. Finally, an amendment by Senator Harry Byrd placed a cap on costs that dashed the design hopes of Bauer and other forward-thinking architects and critics. The bill solidified what historian Gail Radford has called the "two tiers" of American housing policy: one tier in which the federal government subsidizes, through highway expansion and tax credits, the growth of single-family suburban homes, and the other in which it offers a comparatively paltry subsidy to low-income people. That same year the bill was passed, the Philadelphia Housing Authority was created by the Pennsylvania legislature, and in the years to come, especially the 1950s, the construction of public housing and the clearance of slums would begin in earnest.

That a path for a European-style social housing program was "lost" in America is not simply of antiquarian or romantic interest. It laid the groundwork for the conditions that planners, advocates, and legislators confront actively. The narrow form that American public housing took, a jobs program first and a housing program second, paved the way for its political defeat and eventual dissolution. Bauer foresaw—and in the 1950s publicly lamented—the outcomes that an American public housing approach involving destructive slum clearance, dependent on government provision, and limited to low-income dwellers would produce: deeply racially segregated, low-quality housing that suffered from disinvestment and neglect, failed to meet demand, and which generated opposition both from within and without. By the 1960s and 1970s, many progressives opposed public housing (and the demolition required to create it), considering it a failure on its own terms and—following Jane Jacobs and Oscar Newman—a generator of urban crime. A recent spate of scholarship has noted how an unlikely coalition of environmentalists, preservationists, and anti-freeway activists created a low- or anti-growth regime in American cities, leading to an overall diminution in public housing and even hostility to much new housing altogether.[1]

Nixon's signing of the Housing and Community Development Act of 1974 was the start of a new era in the history of housing policy in the United States. Rooted in the premise that the private sector was better equipped to handle the production and management of housing, the public sector's role was limited to providing the minimum viable subsidy necessary for low-income residents to remain housed. A suite of new funding solutions—vouchers paid to private landlords, block grants administered by municipalities, and tax relief to businesses that invested in housing projects—solidified a decentralized system of affordable housing development carried out by an amalgamation of private, nonprofit, and public actors throughout the country. The results of this decentralized system, much like the promise of public housing before it, has been disappointing. Housing vouchers, which were meant to increase access to safer streets, higher wages, and better-resourced schools, carry a similar stigma to the housing projects they were designed to replace. Tax credits do not provide a deep-enough subsidy for new construction units to be affordable to the lowest-income tenants. And neither has solved the truly American legacy of residential segregation by race.

As we emerge, however haltingly and unevenly, from a brutal pandemic, we can glean some lessons from this dispiriting history. The public housing movement of the 1930s sought to unite an attack on the undersupply of affordable housing with the latest techniques in modern architecture and with the buy-in of organized labor. A contemporary project must again be carried out in collaboration with labor, but this time as an ecologically minded, environmentally sustainable housing program that mitigates utility burdens and advances overall decarbonization goals.

The 1970s progressive opposition to the project of public housing was a reaction to the top-down policymaking of the urban renewal era that tore apart the fabric of our cities. The Low-Income Housing Tax Credit program that eventually emerged from this period exhibited a strength that American public housing, despite the advocacy of figures like Bauer, lacked: sound construction built of a quality that, in most instances, is above the standards of comparably priced units available on the private market—a quality that will be of utmost importance for a new federal infrastructure investment of unprecedented size.

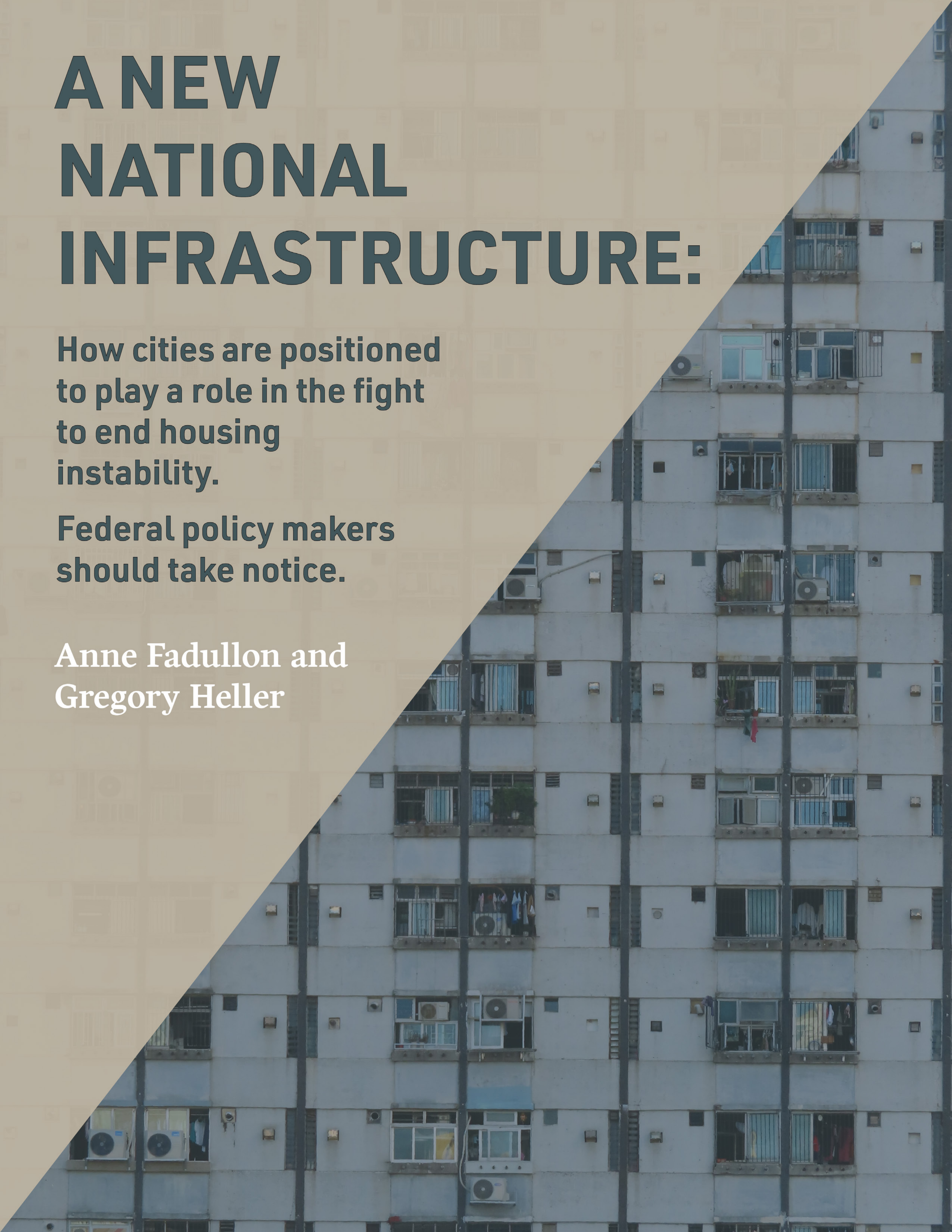
This time, however, investments should not be hidden within reams of legalese, shoehorned into odd provisions within the tax code as has occurred previously. Instead, we should use federal dollars granted by state and local governments to pay builders, laborers, and architects strong wages and competitive salaries to build beautiful, sustainable homes

1. See also: Einstein, Katherine Levine, David M. Glick, and Maxwell Palmer. 2019. *Neighborhood Defenders: Participatory Politics and America's Housing Crisis* and DeLeon, Richard Edward. 1992. *Left Coast City: Progressive Politics in San Francisco, 1975-1991.*

and public spaces that mitigate the harms Americans enact on the planet. This must be housing built with public dollars by those earning living wages. It must be housing owned by a network of public housing authorities, municipalities, cooperatives, and land trusts, affordable in perpetuity, and only changing hands and owners as necessary to meet the moment, needs, and desires of those living within it. The process we use to conceptualize the future of our built environment must meet the needs of most residents, rather than reflecting the desires of the loudest neighbor or the most politically connected developer. A contemporary project—if it is to reckon adequately with the fact that housing markets have been responsible for the unequal distribution not just of housing, but of wealth, education, public services, employment, and social, physical, and psychological well-being—must be comprehensive. It must provide a public alternative to market-rate housing within a context of raised living standards that are, at the very least, equal to those enjoyed by affluent residents of the surrounding suburbs.

Nearly 80 years ago, housing advocates in Philadelphia embarked on an abortive project to solve a housing crisis that has ramified and deepened. Resuming that project in Philadelphia means honoring not only its original ambition but also its creativity. Every possible tool will be necessary to ensure that people are equitably, justly, and sustainably housed.

Nikil Saval is State Senator for the First Senatorial District in the Commonwealth of Pennsylvania.



A NEW NATIONAL INFRASTRUCTURE:

How cities are positioned to play a role in the fight to end housing instability.

Federal policy makers should take notice.

Anne Fadullon and
Gregory Heller

A number of commentators and writers have recently compared our present pandemic moment to the Great Depression—another period with vast national unemployment and economic distress. Many of the political arguments between the two periods are strikingly similar. Although the circumstances are different, government is again challenged to lead with an equitable and humane response that helps all Americans.

For decades, local governments have played a significant role to ensure residents have safe, decent, and affordable housing. That role has become ever more critical as federal funds have continually declined, particularly after March 2013, when the federal sequestration mandated significant spending cuts through reduced funding for government programs. It is clear that the role of local government has become more significant for delivering programs and services and stands to adapt further due to increasing need.

This essay uses the City of Philadelphia as a case study to demonstrate this shift in local government toward innovative, data-driven approaches, effective program partnerships, and the construction of new and robust delivery infrastructure, both before and during the COVID-19 pandemic. Philadelphia's recent housing programs and approaches were largely supported with local resources or structured as scalable pilots due to constrained federal funds. During the pandemic, Philadelphia quickly built a robust delivery infrastructure to distribute tens of millions of dollars suddenly available through new federal legislation.

Without decisive, proactive measures on the part of the federal government, this local delivery infrastructure may be at risk. Due to the increased role of local governments, and the necessity of local delivery infrastructure to distribute aid to families and businesses, federal policy makers should look closely at the potential of local government infrastructure and develop programs and partnerships to invest in and bolster that infrastructure in the coming years.

Philadelphia's Housing Challenges

Philadelphia is not unique in its severe challenges relating to housing affordability and stability. However, in Philadelphia these challenges are primarily attributable to the high rate of poverty and low wages, rather than absolute housing prices. Philadelphia's household incomes are very low, with a median of about $45,000. In 2018 about 40 percent of all Philadelphia households met the federal definition for "cost burden," meaning they spent more than 30 percent of their gross income on housing costs. In 18 of the 25 most commonly held occupations in the Philadelphia region, the median wages are too low for a single person to afford a one-bedroom apartment without being cost burdened.[1]

Supply of low-cost housing that is affordable to Philadelphians is constrained and diminishing. Between 2008 and 2016, Philadelphia lost 13,000 low-cost rental units (renting at or below $800/month) while adding 6,000 higher-end units (renting at over $2,000 per month). The Philadelphia Housing Authority has nearly 43,000 households on its public housing waiting list. Philadelphia's housing affordability challenges also are more severe for communities and people of color. The rate of cost burden is higher for Black (46 percent) and Hispanic households (50 percent) than white households (32 percent). Over 19,000 Philadelphia households receive an eviction filing annually, and a higher percentage take place in predominantly Black and brown neighborhoods.

Looking Inward for Solutions

Out of necessity, local government has responded with increased creativity as federal

1. For example, the top occupation in the Philadelphia metropolitan area is "Office and Administrative Support," which has a median hourly wage of $20.13. According to a recent report, the median cost of a one-bedroom apartment in Philadelphia is $1,400. Therefore, someone making the wage shown above at 40 hours per week, would need to earn an additional $393.24 per month to afford a one-bedroom apartment and not be cost burdened.

resources have declined. In 1996, Philadelphia received just over $71 million in Community Development Block Grants (CDBG), but in 2020 received just under $43 million. Had those CDBG funds simply increased based on inflation, Philadelphia's share in 2020 would have been over $118 million. This predicament is not exclusive to Philadelphia.

In Philadelphia, the increase in the value of the overall real estate market allowed for the creation of new sources of local funding for housing initiatives, including $100 million in bonds repaid through revenue generated by an increase in the real-estate transfer tax, a settlement from a federal lawsuit with Wells Fargo, and reprogrammed revenue from expiring tax abatements. These new funding sources were used to both deploy pilot initiatives and sustain long-standing "bread-and-butter" programs, such as the popular Basic Systems Repair Program (BSRP), which provides grants to very-low-income homeowners for property repairs. BSRP is highly successful, serving nearly 5,000 homeowners a year, and is over-subscribed. New bond proceeds allowed the City to catch up on its two-year waiting list, and more closely align service to need, but once the bond funds were exhausted, the program was again over-subscribed.

To further leverage precious resources and to ensure the closest alignment between needs and solutions, the City developed its first all-encompassing housing action plan. Months of cross-sector working groups led to the concise 20-page "Housing for Equity" plan with specific policy and program recommendations—providing a road map to how the city would expend and expand its housing resources. The planning process involved a diverse group of stakeholders spanning from homeless housing providers to private-market luxury developers as well as community, political, and government representatives. A series of specialized committees met over a period of several months to brainstorm ideas, develop pilot programs, and identify housing priorities. Several of those groups continue to meet to guide the plan's implementation.

The following are a few examples of housing-related programs that came about during this period from the beginning of the administration of Mayor James F. Kenney in 2016 through March 2020:

- The establishment of an "accelerator fund," an independent lending vehicle to invest in affordable housing, seeded with $10 million of public-sector funds, and a goal of leveraging $100 million of private capital.

- Restore, Repair, Renew (RRR), a public-private partnership with banks to provide home repair loans. The program has successfully more than doubled the approval rate from that of the private sector, with over 80 percent of borrowers being people of color and a 0 percent default rate.

- A small-scale pilot program to provide loans at a high loan-to-value ratio for nonprofit, affordable-housing operators to purchase properties from private developers in weak markets where there is an appraisal gap (i.e., the cost of renovating properties is more than their market value).

- Re-thinking how to provide increased access for low-and moderate-income first-time home buyers, Philadelphia increased its down payment assistance program to provide up to $10,000 of assistance. Rebranded as Philly First Home (PFH), the program supported over 2,700 new home buyers and leveraged over $450 million in private capital.

- Leveraging its public land, Philadelphia's workforce housing program disposed of assemblages of vacant parcels in appreciating neighborhoods to provide opportunities for middle-market housing development. A credit enhancement to reduce the construction lender's risk, facilitated access to the program by smaller developers. This program produced over 200 units and won the Urban Land Institute's national Robert C. Larson Housing Policy Award in 2019.

Each of these programs required the development of new or improved delivery infrastructure and program partnerships. Restore, Repair, Renew required sophisticated database systems that the City custom developed. The Workforce Housing program required a data-driven approach to identifying target neighborhoods and custom mortgage documents and affordability covenants. Scaling up BSRP required hiring and training additional staff and engaging additional contractors to perform the work. This expanded infrastructure took time and investment to build and left the City with a stronger base of knowledge, technology, staff, and a network of program partners than it had previously. By focusing on the development and improvement of delivery systems, the City was able to distribute resources more effectively. In addition, Philadelphia consolidated the staff of three separate quasi-public agencies into one, building a more efficient entity to develop and manage these programs.

Crisis and Shifting Priorities

The COVID-19 pandemic led to another period of great uncertainty and raised the need for safe, affordable housing to national discourse. The federal government provided significant resources to local governments; two pieces of federal legislation authorized hundreds of billions of dollars to cities and counties and also distributed money in the form of stimulus checks directly to people. It is noteworthy that these approaches are ones that many community development practitioners and scholars long believed were necessary, yet also believed were unlikely due to politics and social stigma. The fact that the CARES Act and the Appropriations Act of 2021 were passed under a Republican President and Republican-controlled Senate show how drastically the pandemic shifted national priorities. Just a few years earlier, the Trump Administration attempted to zero out the federal housing budget for critical programs like CDBG and HOME Investment Partnership.

Earlier in March 2020, prior to the Pennsylvania Governor's emergency order to shelter in place, Philadelphia's Mayor Kenney announced his plan to devote $50 million to anti-poverty efforts, including through housing vouchers and guaranteed income. However, in April the City's loss of tax revenue from the pandemic left a $700 million hole in its budget and the anti-poverty initiative was shelved. Meanwhile, the City received substantial funds from the CARES Act, and decided to devote a portion of its COVID-related CDBG funds to provide emergency rental assistance. The City built an online application system and utilized existing staff to carry out document reviews and to assist constituents. In addition, the City worked with its network of housing counselors to aid tenants without online access and a large nonprofit to serve as payment vendor. Through this initial program, dubbed PHLRentAssist, the City distributed over $10 million to landlords to assist 4,257 households.

When Pennsylvania announced it was launching a statewide rental assistance program, with funds to be distributed by local entities, Philadelphia was able to quickly expand on its newly-created infrastructure. The City hired additional staff, made improvements to its IT system to process applications more rapidly, and engaged a second payment vendor. Several provisions of the State's program made it challenging and disincentivized landlords from participating.[2] Philadelphia expended

2. For example, the maximum amount of assistance allowed under the program was $750 per month, but applicants in Philadelphia on average had monthly rents over $900. The City decided to utilize a portion of its local share of Coronavirus Relief Funds (CRF) from the CARES Act to match the State funds and provide up to $1,500 per month in assistance, effectively overcoming this challenge.

$31.7 million to assist 6,596 households, representing 43 percent of all the funds dispersed in the State—a testament to the City's robust and effective delivery infrastructure.

Due in part to the restrictions of the State program, 35 percent of landlords in Philadelphia either refused the funds or never responded. Because funds were mandated to go to the landlord, over 5,500 renters who requested assistance did not receive it. Philadelphia utilized a portion of its federal funding to provide another program where payments go directly to tenants. Through this phase, Philadelphia distributed $23.8 million to assist 5,149 households. This phase was notably easier to administer than the prior phases because the tenant was the only party submitting information and did not need to apply jointly with the landlord. These three phases of rental assistance distributed over $65.6 million, with 16,002 payments to 14,235 unique households. The success of Philadelphia's program and innovation of distributing cash directly to tenants earned the City a front-page article in *The New York Times*.

In September 2020, through City Council legislation introduced by Councilmember Helen Gym, Philadelphia created its Eviction Diversion Program. This program required landlords to apply to Diversion prior to filing an eviction in court. The Diversion program would ensure that the tenant was properly noticed, had access to a housing counselor, and was guaranteed a mediation with the landlord. So far Diversion has mediated 1,567 cases and in 78 percent of these cases the parties reached an agreement or agreed to continue to negotiate, thereby forestalling eviction. The success of this program was recently memorialized and strengthened in a court order, which requires landlords to participate in Diversion and apply for rental assistance before filing a landlord-tenant complaint. *The Philadelphia Inquirer* wrote that this approach "may have just revolutionized evictions."

The Pandemic increased the interest and involvement in cross-collaboration amongst various jurisdictions. For example, Local Housing Solutions Peer City Network, a collaborative of NYU Furman Center, Abt Associates, and Bloomberg Associates, holds multiple virtual meetings each month with a number of local government officials. There has been an even greater need for knowledge sharing due to the urgency of establishing new housing programs and delivery systems in response to federal legislation. Through each phase of Philadelphia's rental assistance, the City partnered with the Housing Initiative at Penn to conduct surveys, collect data, and evaluate the programs.

During the COVID-19 pandemic, the challenge for Philadelphia, as with other cities and counties, was the lack of pre-existing delivery infrastructure to distribute rental assistance and other funds. Philadelphia had to hire and train staff, build new IT infrastructure, and partner with outside groups. This period also saw new opportunities for national knowledge sharing and collaboration among local government stakeholders. The big question was whether additional federal funds would be forthcoming to sustain and expand this new infrastructure.

Emerging New Roles for Local Government

Under President Joseph R. Biden, we have seen continued national discourse and emphasis on housing for all, alongside a strong shift toward providing major investment in housing, community development, and national infrastructure. President Biden's campaign promise of making Housing Choice Vouchers (HCV) universal for all qualifying households, signals a focus on large-scale housing solutions. The American Rescue Plan Act, enacted in March 2021, provides significant additional funding for rental assistance and support of local government.

Philadelphia responded to the availability of funds through the Appropriations Act and American Rescue Plan Act by making the policy decision to invest in its rental assistance program as if it were permanent infrastructure—rather than a short-term, temporary program. This entails hiring 30 additional full-time staff, spending substantial funds in building a more robust database system and application for tenants and landlords, and setting up a team of phone operators within the City's 311 call center to field rental assistance questions. This investment was viewed as necessary to distribute an anticipated $180 million. But it is also risky because there is no guarantee that the federal government will continue to provide rental assistance funding after these resources are exhausted.

In addition, the City joined Mayors for a Guaranteed Income and is moving forward with its own pilot guaranteed income initiative. Philadelphia's pilot is being designed with researchers at the University of Pennsylvania as a randomized control trial where three hundred households will receive a guaranteed income with the amount calculated similarly to how assistance is calculated for federal housing vouchers. The program frames guaranteed income as a housing stability intervention, where the amount of assistance may be variable but where the constant is that all households will be relieved from housing cost burden.

The City also has continued its efforts to push for new sources of local funds. City Council recently introduced the Neighborhood Preservation Initiative—a $400 million bond to be serviced with revenue from a new construction impact tax. The bond proceeds will be used for a range of housing programs including housing production and preservation, increasing funding for BSRP, replenishing Philly First Home, and new initiatives such as a fund to purchase buildings to preserve their affordability. The use of bonds to support housing programs shows Philadelphia's awareness that housing is infrastructure and should be financed in the same way as other essential infrastructure like roads and bridges.

The pandemic has left an immeasurable toll on people's health and economic wellbeing in ways that will not fully be understood for years to come. However, it also created an unexpected landscape, placing focus on vulnerable populations and providing cities with significant funds for direct aid. Localities have been able to fund the construction of delivery infrastructure, use innovation and local sources to develop new programs, and connect with other cities and counties through new venues for knowledge sharing. The question remains whether these funds will dry up after the economic impacts of COVID-19 are perceived to lessen, or whether we have turned the corner to a time when ongoing investment in local government programs and infrastructure will become the new normal.

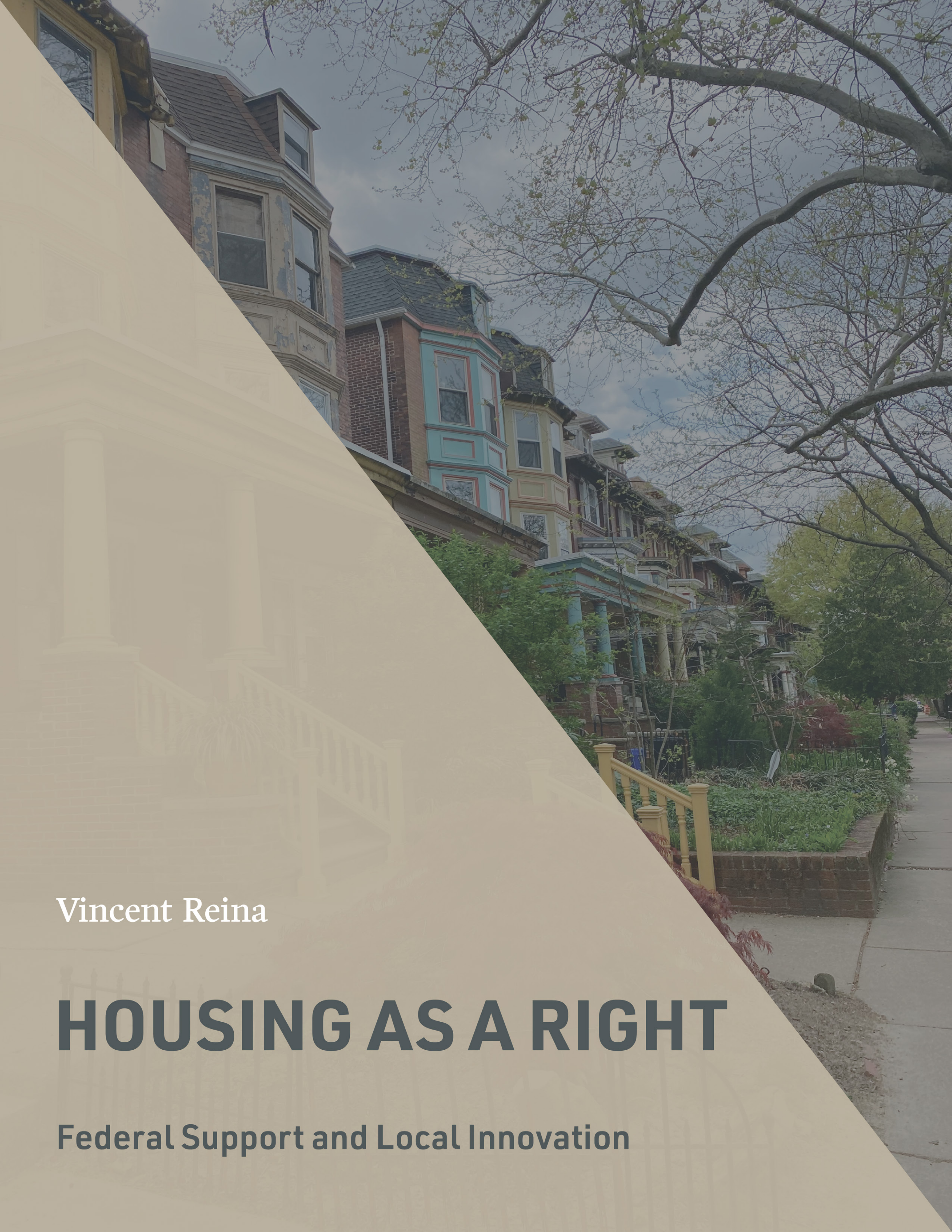
Conclusion

Decades of decreased federal resources required localities to become creative in identifying new funding, and in developing innovative programs for providing affordable housing. Philadelphia's pre-pandemic economic growth allowed for new mechanisms to fund these efforts; however, those local funds are still insufficient to address the City's needs. Increased and ongoing federal support is essential based on the magnitude of America's housing crisis. Rather than taking a top-down policy approach, localities must be resourced and entrusted to play a leadership role. With this lens and the right level of investment and collaboration, cities and counties could present a powerful asset to deliver federal funding, programs, and services.

Significant questions remain about whether the federal government will continue to provide higher levels of funding to local government after the pandemic's economic impacts have lessened, and whether Philadelphia's delivery infrastructure can continue to serve a purpose. Federal decision makers should talk to local housing officials, tap into local housing innovation, and understand the extent and potential of this new national network of delivery infrastructure. Without a deliberate focus and additional funding, cities will have to lay off staff, shelve the technology, and dismantle this delivery infrastructure. If instead the federal government adequately resources, harnesses, and expands this infrastructure, the ability to achieve housing as a human right is within our reach.

Anne Fadullon is Philadelphia's Deputy Mayor for Planning and Development.

Gregory Heller is a Senior Vice President at Philadelphia Housing Development Corporation and Executive Director of the Philadelphia Redevelopment Authority.



Vincent Reina

HOUSING AS A RIGHT

Federal Support and Local Innovation

Philadelphia has had a well-documented housing affordability crisis since long before the pandemic hit. Over two-thirds of renters with income below $30,000 per year spent half their income or more on rent in 2018. Philadelphia also had a consistently high number of eviction filings, with nearly 20,000 filings in the year prior to the pandemic. In short, pre-COVID, many households were already straining their resources to the furthest extent to maintain their housing and still could not hold onto their homes. In a survey of nearly 3,000 residents in Philadelphia conducted by the Housing Initiative at Penn during the early stages of the pandemic, almost half of respondents said they could not afford a $400 emergency expense by any means, even borrowing, and only 13 percent said they could cover such an expense out of their savings. The economic shock of 2020 far exceeded $400 for many, and in the early stages of the pandemic there were few supports in place to help. These realities reflect the longstanding lack of a housing safety net in the U.S., no less the lack of a much-needed right to housing. More critically, they highlight that housing policy has all too often been shaped by funding constraints rather than opportunities.

Decades of federal retrenchment from funding affordable housing has placed pressure on cities to fund housing solutions with limited local dollars. In fact, nationally, for every renter household who received assistance, there are another three who qualify for assistance but receive none. In Philadelphia, where 23 percent of the city's population lived below the poverty line in 2019 and surely a higher proportion does now, public support is essential to meeting basic needs. To put this in perspective, a report coauthored by the Housing Initiative at Penn and the Reinvestment Fund states that prior to the pandemic, there was a monthly shortfall of $74.4 million per month to ensure affordable housing for the 280,000 renters in Philadelphia. This means that the City of Philadelphia would need to increase its entire annual fiscal budget by nearly 20 percent to get renter households to a level where they are spending 30 percent or less of their income on housing. And despite the scale of this hypothetical infusion, it would not address many other structural issues that limit access to decent and affordable housing.

Funding constraints have driven housing policy for so long that pandemic relief funds represent a shock to the housing system. When cities first shut down, many localities like Philadelphia estimated severe budget shortfalls due to the pandemic and grew even more concerned about what tools would be available to support residents. Fortunately, the federal government intervened with several large policy efforts, many of which are unprecedented—suggesting that we can in fact meaningfully address housing challenges and that there is a distinct role for government in doing so. In March 2020, the federal CARES Act was passed, providing initial critical support for rent relief, although at a fraction of the scale that was needed. In August 2020, a federal moratorium on eviction was declared by the Centers for Disease Control and Prevention, protecting low-income renters from eviction due to nonpayment. This moratorium has been extended twice as of April 2021. At the same time, a myriad of local renter protections was passed. In December 2020, a coronavirus relief bill was passed, which included $25 billion for emergency rental assistance and, most recently, the American Rescue Plan Act was passed with another $21.5 billion for rental assistance. The sum of these emergency funds for rent relief far exceeds the annual national appropriations for Section 8 vouchers, constituting a significant infusion of federal support. While it is still unknown whether funding of this nature, and at this scale, will persist, it has created an important moment of innovation.

Prior federal retrenchment sank many cities into housing innovation dormancy; there were few new funding opportunities to encourage innovation, and high levels of bureaucracy and regulation restricted existing funding streams. This is not to say innovation did not exist at the local level. It in fact did, but the scale and scope of such innovations often leveraged limited pools of funding in the context of significant constraints. Rent relief funds have fueled a wave of innovation unseen for many years. In fact, a national survey shows that most rent relief programs developed using CARES Act funding were entirely new.[1] An analysis of those survey data also showed that the programs that used the most flexible forms of funding offered through the CARES Act—as opposed to CARES Act dollars funneled through the U.S. Department of Housing and Urban Development, which came with more restrictions—were better able to quickly disburse funds to eligible households. The programs that partnered with nonprofits to enhance outreach and process applications, as well as those that streamlined their application processes, were also able to get dollars out the door more effectively. Finally, those programs that used data to evaluate their performance along the way, including by analyzing the spatial and demographic distribution of applicants and funds and tracking which applicants were getting caught up in the application process and why, were the best able to adjust their programs and expend funds. While perhaps unsurprising, these findings show that when given the opportunity and flexibility, many localities can develop effective and adaptive programs that serve the needs of their residents. These findings do not show that government is the only solution to housing challenges, but instead highlight that innovation is possible in government programs if we create the conditions (i.e., adequate funding and flexibility) for it to occur.

This moment offers another clear lesson about the need to think beyond traditional housing policy products to meet the full diversity of needs. Again, due to funding constraints, we have relied for too long on a limited set of tools to solve all our housing affordability problems. For example, we know that Section 8 vouchers are an important resource for low-income households, but we also know the voucher program is far from perfect—especially for certain groups. Research has shown that many households face challenges using their vouchers, particularly those with a Black or elderly head of household and those with children. We also know that many rental property owners refuse to accept a voucher at all, and while local and state laws prohibiting source-of-income discrimination help, they are not perfectly enforceable, nor are they present in every jurisdiction. The challenge of landlord nonparticipation emerged clearly in COVID-19 rent relief efforts; in places like Philadelphia, most property owners agreed to accept assistance on behalf of households selected to receive assistance but declined or were nonresponsive for up to a third of households. This meant that the property owners effectively decided whether tenants could receive the benefit. A Housing Initiative at Penn survey of Philadelphia landlords showed that many rental property owners are facing severe financial challenges and were willing to make concessions, but some were unwilling to make concessions in any circumstance. This reminds us that our over-reliance on landlord-based programs can come at a cost to some low-income households. It also creates a scenario in which we rely on private property owners—who are prohibited from evicting tenants during the pandemic, but many of whom are facing financial hardship—to serve as a housing safety net. This is often not in the best financial or personal interest of either tenants or owners.

Recognizing this, cities like Philadelphia and Los Angeles converted rent relief dollars into a direct-to-tenant transfer in cases where an owner would not engage in the program, thus ensuring that tenants with uncooperative landlords could still receive the benefit. Other cities like Chicago designed their rent relief programs as a direct-to-tenant transfer from the start to ensure all eligible households

1. See also: Aiken et al. 2021. Learning from Emergency Rental Assistance Programs Lessons from Fifteen Case Studies and Ellen et al. 2021. Advancing Racial Equity in Emergency Rental Assistance Programs

could access the program. Philadelphia set up a separate, philanthropically-funded "workers relief" program that provided direct cash support (not specifically targeted toward housing) to households in marginalized groups. These alternatives do not negate the value of landlord-based programs but highlight how our exclusive reliance on them can come at a cost to those who most need the support.

The bottom line is that effective housing policy acknowledges that there is no one program that assists everyone perfectly, and that providing those who receive the benefit agency and the ability to make the choices that support and advance their wellbeing is essential. Many of today's housing programs are strongly rooted in social controls. They are steeped in traditional notions of economic and social mobility that frame housing support in the context of dependence and that prescribe "self-sufficiency" as the desired outcome. Yet in a survey of Philadelphia tenants who applied for COVID-19 rent relief, over 41 percent of families with children reported being very worried about being evicted while 50 percent deferred bill payment, nearly 30 percent took on more debt, nearly 15 percent cut back on education expenses, and the same share went without medical care just to be able to maintain their housing. These families, many of whom are "self-sufficient," are making desperate trade-offs that affect the wellbeing of both parents and kids in the short- and long-term.

The week before the pandemic shut down the City of Philadelphia, the mayor had announced a universal basic income program that was designed to eliminate participants' rent burden so that with the cash assistance they would be paying no more than 30 percent of their income toward rent. The program also made no stipulation that those funds needed to be spent on housing. This program acknowledged that low-income households are making difficult trade-offs. It hypothesized that the flexibility of cash assistance could both increase households' ability to access the benefit and give them the agency to determine their future. This program was by no means a replacement for a traditional voucher, or for affordable housing production programs, but would serve as an important compliment to existing tools.

Housing subsidies do not provide the solution to all our housing challenges. Structural inequities are created and perpetuated through zoning codes that prohibit development and neighborhood access. There are also clear gaps in the credit market, with many small property owners—the very ones who provide much of the nation's lower-cost housing stock—struggling to access capital to invest in their properties. There is a need to acknowledge the power of leveraging private-sector financing, which can be an effective tool. Most importantly, it is important to acknowledge the persistent ways that housing and labor market discrimination have exposed households of color, and particularly Black households, to many disadvantages in the realm of housing. Black households face higher levels of eviction and are disproportionately displaced when rents increase. On the homeownership side, Black households face discrimination in accessing a mortgage and are less likely to benefit from increased property values when they do.[2] Due to these structural barriers, the housing choices for Black households are often limited to older housing units with more inefficient systems and in neighborhoods where limited investment results in higher health risk. All housing efforts should lead with advancing racial equity as a fundamental goal and seek to affirmatively further fair housing, as opposed to assuming, by virtue of having a social welfare goal, that it will do so.

For too long funding has starved housing programs not just of resources but of the ability for local governments to innovate and provide diverse avenues for assistance. While we cannot assume the current level of assistance in response to the pandemic will continue,

2. See also: Perry, Andre M. 2020. *Know Your Price: Valuing Black Lives and Property in America's Black Cities* and Reina, Vincent et al. 2021. *Perspectives on Fair Housing*

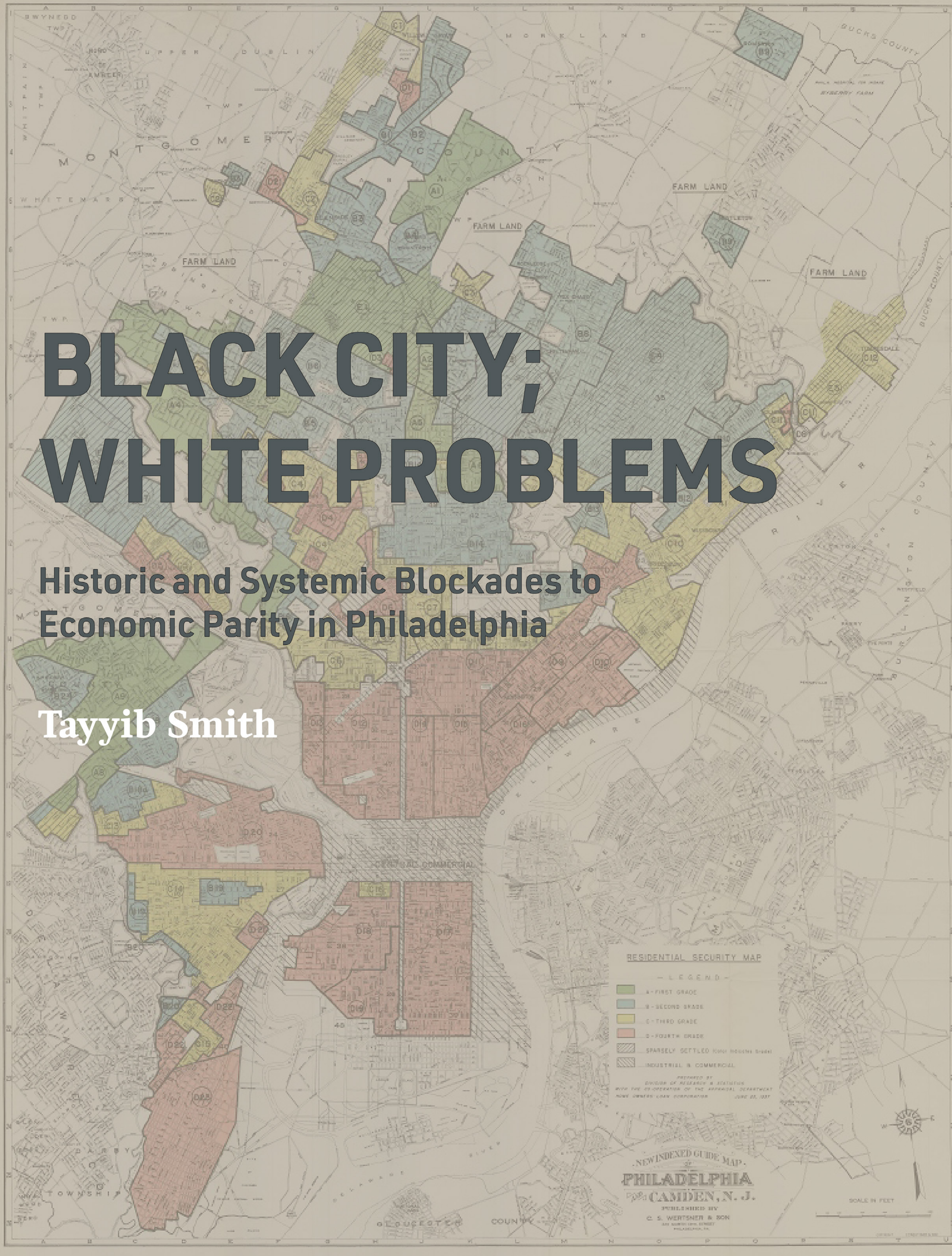
we do know it is needed. The pandemic has exposed every crack in our housing system, but it has also highlighted that local governments can play an essential, but not the sole, role in addressing many of these issues. Thus, given adequate funding and flexibility, the future of housing in Philadelphia and cities across the country could involve a more active, innovative, and variegated public response that addresses the needs of low-income households as well as the longstanding inequities in our housing markets.

Vincent Reina is an Associate Professor in the Department of City and Regional Planning at the University of Pennsylvania and the Faculty Director of the Housing Initiative at Penn.

BLACK CITY; WHITE PROBLEMS

Historic and Systemic Blockades to Economic Parity in Philadelphia

Tayyib Smith



Black people are fully embedded in the history of Philadelphia. Alice of Dunk's Ferry, an enslaved woman, was born in Philadelphia around 1686, less than five years after the city was founded. Owned by Samuel Carpenter, a Quaker and friend to William Penn, Alice collected tolls for Dunk's Ferry for decades. For more than a century, slavery was a constant presence in the city. Nine Black people were enslaved by George Washington in the President's House, just steps away from Independence Hall. Abolition, civil war, and waves of northward migration would bring more and more Black residents to the city. As we know, the majority of Black people have not tasted equality or the fruits of success in this city.

By the twentieth century, industrialization transitioned Philadelphia away from its patrician roots in the elite history of the United States, and a gritty, working-class image of the city emerged. Philadelphia was, and in many ways still is, regarded as a blue-collar, working-class town. But access to the fruits of labor was not given to all the city's residents. Poor, white immigrants became the majority of those employed in the union trades, city government, and the river ward factories, many finding paid work within days of arriving on American soil.

The union movement helped secure steady employment for the largely white, ethnic immigrants new to the city. Despite strong support of the union movement by Black communities, Black workers were largely denied union membership. Long-fought court battles were often the only way Black workers could get a union card. In 1944 white workers at the Philadelphia Transportation Company (PTC) went on strike to protest the promotion of Black workers from menial jobs to trolley operators. President Franklin D. Roosevelt had to dispatch federal troops to the city to keep the transit system operational in a city integral to the war effort. For many, education has been a pathway to steady work and out of poverty, but Philadelphia's public education system has failed Black and Brown communities, and the problem is only getting worse. At one time a high school education was sufficient to gain a foothold in the middle class. But today at least two years of post-high school education are needed to enter twenty-first-century careers. So what is the future for these students?

Companion to steady, union employment was access to homeownership, the greatest source of middle-class wealth in the United States. A full-time job as a skilled worker was a path to homeownership for working-class residents who were not college educated. Often the wages of the skilled and unskilled labor force could rival the salaries of white-collar workers. For Black workers, however, even those able to secure steady, good-paying jobs, structural barriers to homeownership were often insurmountable. Redlining, a social engineering effort by banks and the federal government beginning in the 1930s, denied mortgages to many Black families. As a result, huge stretches of Black neighborhoods withered and died, and Black communities were deprived of generations of wealth. Still today, Black home buyers are being left behind. Just 45 percent of the Black population in the U.S. owns their home, compared to nearly 66 percent of the overall population.

For too long, Black and Brown communities have been left behind by their city. Thirty years ago, the real estate tax rebate was launched in Philadelphia. Who has benefited from it? Black and Brown people are becoming gentrification nomads. Condos well out of reach of working class, and even middle class, Black and Brown families are inundating inner city neighborhoods, forcing the working poor into white, working-class neighborhoods where rents are high even for well-worn, hundred-year-old properties. And, while public housing has improved somewhat, it is itself a temporary fix that seldom leads to self-sufficiency and homeownership.

White, working-class families who benefited from twentieth-century public policy are like TV's *The Jeffersons*. They have been steadily moving on up, and their children and grandchildren will not have to put on construction boots because many are headed to business, medical, or law schools. Some even receive lucrative contracts to administer COVID vaccines without a proven track record or a healthcare background. This cohort of white citizens in our area colleges and universities are soon to be recognized as part of the city's professional class. All the while Black, Brown, and other marginalized citizens are stuck in low-pay, often part-time jobs as security guards at area businesses, colleges, and big-box retail stores. They are community healthcare workers and cashiers at Walmart and McDonald's. They are deemed essential workers but rarely seem to benefit from public policy nor reap the rewards of the robust stock market boom.

On the one hand we have continued the upward mobility of those who identify as white or work in service of white-led institutions while Black and Brown communities are mired in deeper and deeper poverty. Today, white families hold nearly ten times the wealth of Black families. Basically our collective pathways to the American dream have been intentionally blocked by a failed public education system, systemic employment barriers, and divested neighborhoods that become breeding grounds for crime. In a name, structural racism. The fundamental problems of inequality in America's big cities are and have always been a white-created problem.

Too many Black and Brown women, men, and children have been systematically locked out of the modern economy. They have been gated off from opportunity and sidelined into an exploitative milieu that monetizes poverty by providing remedial services to the most disenfranchised census tracts. In the United States, we still have a mythical narrative that holds a false, American ideal of meritocracy and fair play, a **Grand Gaslight** that encourages youth to seek blue-collar jobs that will likely disappear in the wake of the gig economy. The business press parrots mistruths about the systematic and historical barriers that were intentionally put in place to stymie our prosperity. Instead of blue collars, we will end up a no-collar, t-shirt-clad cadre of unhoused people who have been deliberately blocked by corporations, unions, educators, and government—all by design. Not to mention the most at-risk, Black youth face being snatched up into the prison system, subjected to chronic health issues, and perpetually ensnared in poverty.

For Philadelphia to recapture the influence it held at the birth of the nation, the city must become a change agent. The city must invest where investment has never gone: Black Philly. As one of the Blackest and poorest big cities, our solutions must have courage, innovation, and a spirit of liberation. Philadelphia is a majority minority city. While the percentage of those identifying as Black or African American in the U.S. is just over 13 percent, in Philadelphia it is nearly 44 percent. The city must turn every stone that holds Philly's Black and Brown communities from success. In the past, investments in Black Philly have typically been through small, fragmented grants from nonprofits or through subsidies from the government. At the same time, elsewhere in the city private equity and global financial institutions were making large $100 million to $1 billion investments. The failure to invest in Black and Brown communities is holding the city back. According to one national study, over the past two decades the lack of equitable lending to Black entrepreneurs has cost the economy $13 trillion and more than six million new jobs per year. Closing the racial wealth gap today would add an additional $1 trillion to the economy each year over the next five years.

The African American community needs to create collectives of industry expertise in order to position Black-owned enterprises to be able to secure the funding needed to allow their businesses to thrive while also maintaining their own majority ownership. The Collective, a new real estate firm providing equity capital to a group of seven African

American developers, is an example. The Collective is an experienced group of real estate developers, investment professionals, and public policy experts. The mission of the Collective is to create and grow real estate assets that produce returns for investors while increasing ownership and generating wealth within Black communities. Philadelphia needs scalable investment and impact structures that will appeal to broad and varied sources of capital. Governments have proven incapable of providing the capital needed for action-based solutions. The Collective focuses on impact-driven investments and cultivating a pipeline of Black real estate developers to create equitable and sustainable growth in undercapitalized neighborhoods. Investing in real estate should be part of a broader strategy to create healthier communities which include buildings, public spaces, neighborhoods, and whole cities. Healthy cities are inclusive, equitable, and sustainable. Real Estate is an avenue of shifting wealth into the hands of marginalized neighborhoods while encouraging digital literacy, health improvement, job creation, human dignity, and personal security. The Collective aims to break the cycle of systemic racism and inequitable access to capital by employing a holistic approach to community development and advancing social impact investing in Philadelphia's real estate sector. This approach of pooling expertise and resources to advance the success of Black-owned businesses and investing in communities of color can be applied industry by industry.

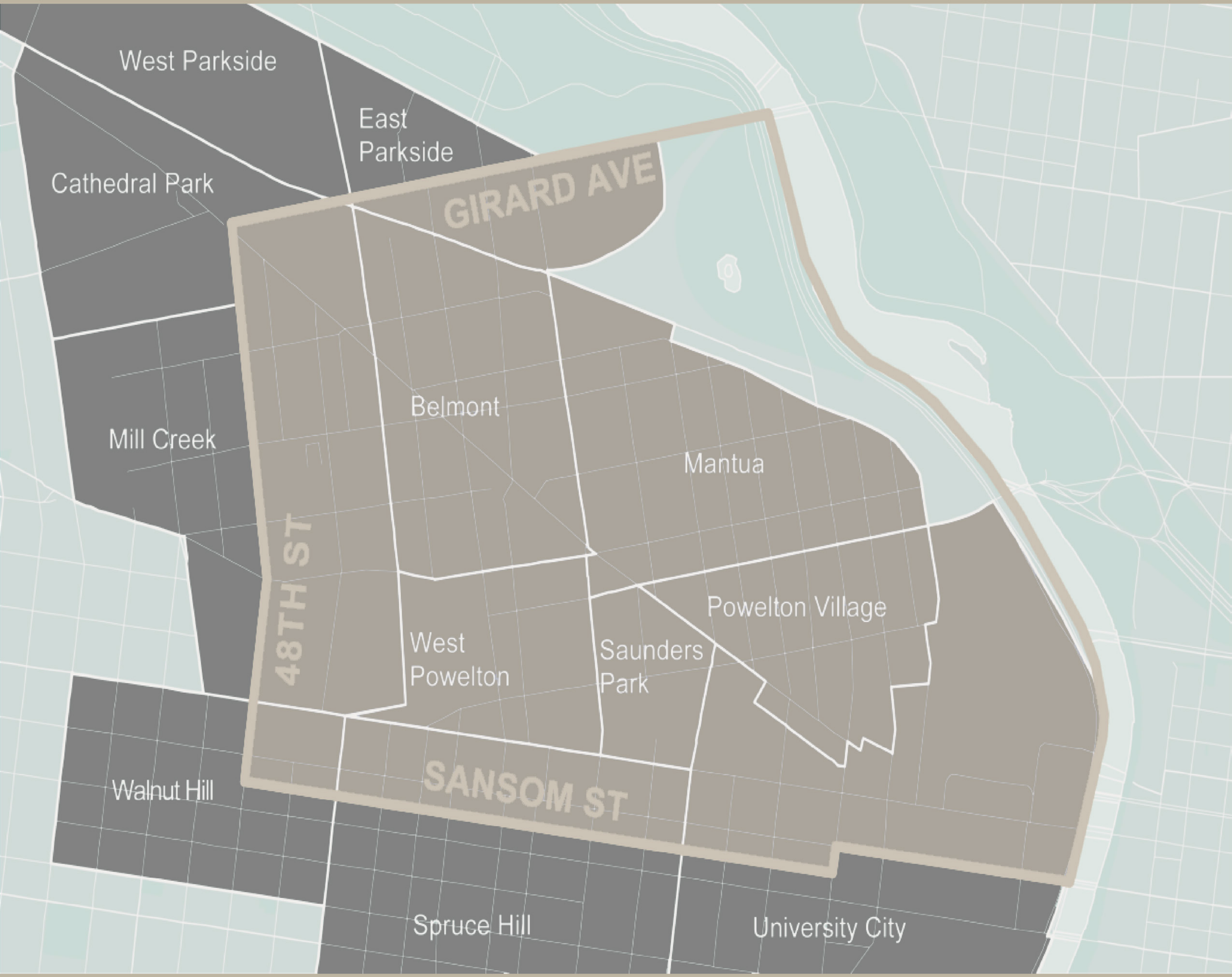
Is America ready to end the racial wealth gap? Are policymakers and investors ready to provide equitable, non-predatory investments and capital for Black ownership and wealth creation? Can we as a nation confront the real and ugly history of racial inequality? Is America ready to embrace the rich culture and heritage available in our currently marginalized neighborhoods? Black Americans have been demanding the justice we deserve, and we are ready to take what is rightfully ours as American citizens, as the descendants of the people who undergirded capitalism and the western economy for generations. As we strive to move beyond the legacies of systemic racism and as we stand on the shoulders of our ancestors, we must use this moment to right these wrongs. If we succeed in Philadelphia, America will succeed.

Tayyib Smith is Senior Principle at Little Giant Creative and a Partner at Smith & Roller and The Collective.

The West Philadelphia Promise Zone Comprehensive Housing Strategy

Leveraging Federal Policy in Community-Driven Housing Planning

Samantha R. Porter



The West Philadelphia Promise Zone is one in an extensive line of US Department of Housing and Urban Development (HUD) sponsored place-based revitalization efforts targeting "distressed" communities. Like thousands of communities across the country, this 2.5-square-mile section of Philadelphia was characterized by many of the standard markers of distress, such as high unemployment and crime rates coupled with low incomes and a shortage of affordable housing. Today it is widely accepted that these issues are interconnected, complex, and, in part, explained by decades of structural barriers including racial discrimination and systematic disinvestment. The Promise Zone designation, granted by President Obama in 2014, offers a renewed commitment by the federal government to address these longstanding challenges. The designation is no panacea; however, it has been able to activate HUD to participate in strengthening coordination among local government leaders and over a dozen federal agencies in the hopes of "accelerating community progress towards (at least) 5 goals: creating jobs, increasing economic opportunity, improving educational opportunities, reducing serious or violent crime, and leveraging private capital."

One of the innovations of the designation is its reliance on the Collective Impact model. Stakeholders within a Collective Impact approach must satisfy the following five conditions: 1. a common agenda; 2. a shared approach to measuring impact; 3. a commitment to mutually reinforcing activities; 4. continuous communication; and 5. agreement on a strong backbone support organization or partner. Through this structure, Promise Zone designees have a mandate to expand stakeholder circles beyond the usual participants and allow federal and private funders to sit at the table with local government, nonprofits, and community residents to make a shared 10-year plan.

In West Philadelphia, it was clear, almost immediately, that the designation created advantageous conditions for meaningful engagement and planning around the increasingly dire need for affordable housing. Housing partners, including the Philadelphia Housing Authority (PHA), Philadelphia Department of Planning and Development, Philadelphia Housing Development Corporation (PHDC), Habitat for Humanity, two primary Community Development Corporations (CDCs) and more, eagerly came together in a deep community engagement effort funded by a HUD Choice Neighborhoods planning grant. Affordable housing was a priority. Within the first two years of the designation, the West Philadelphia Promise Zone initiative successfully engaged over 80 stakeholders from across city government, nonprofits, philanthropy, and community-based organizations, established a robust housing committee, and, by the third year of the designation, successfully developed the Promise Zone Comprehensive Housing Strategy.

Developing the Promise Zone Comprehensive Housing Strategy leveraged federal funding through PHA, local government expertise from city planning commission via a designated West Philadelphia planner, and powerful, consistent community engagement from local CDCs and resident community groups. The interdisciplinary housing committee facilitated the planning process by hosting monthly meetings open to a wide variety of housing stakeholders. The committee also periodically presented preliminary findings via well-established community meetings to solicit resident participation and feedback throughout the process. The developed strategy is unique in its thoroughness: the housing committee commissioned a parcel-by-parcel survey of the entire Promise Zone to identify public versus private ownership, applicable zoning regulations, and existing community plans to prioritize development sites and shared use goals (e.g., single, multi-family, mixed-use, etc.).

The Strategy identifies 11 potential sites for (re)development based on both current conditions and projected housing demand. It highlights the opportunities for market-rate and mixed-income development based on available data about employment opportunities and prospects for commercial corridor development. The plan also outlines affordable housing-related challenges facing community residents such as the high rent burdens, challenges with homeownership including deferred home repairs and tangled titles, as well as the consequences of the 10-year tax-abatement. Finally, the plan pinpoints sites with expiring Low-Income Housing Tax Credits (LIHTC) and identifies them as high priority for preservation.

After a year-long community engagement effort, the Promise Zone Comprehensive Housing Strategy was accepted as an official community plan in December 2017 by the Philadelphia City Planning Commission. Despite this accomplishment, as was noted in a 2018 WHYY article covering the acceptance of the strategy, the plan provides a coordinated road map for developing and preserving affordable housing, but it lacks the dedicated funding needed to ensure the recommendations become a reality. One of the glaring pitfalls of the designation, despite HUD's commitment of staff and enthusiasm to help set the collaborative table, is the absence of funds earmarked for the projects that would inevitably develop through this process. Unsurprisingly, the lack of funding mirrors the broader lack of federal investments in affordable housing development.

Despite the funding challenges, the existence of the Strategy highlights the ability of the federal government to stimulate deep cross-sector collaboration. One of the strengths of the designation is its intention to build on a core feature of programs such as Choice Neighborhoods, which emphasizes the importance of involving residents early and meaningfully in a broad-based planning process. Like the Choice Neighborhoods grants, the Promise Zone designation allowed institutions beyond public housing authorities to participate in every aspect of a neighborhood transformation effort, including in the development of an affordable housing strategy.

In 2016 the Urban Institute released a report entitled "Revitalizing Neighborhoods: The Federal Role," which included a series of recommendations for federal action in "neighborhood revitalization." Many of the recommendations, including the need to build local community development capacity, engage via collaboration among federal, state, local, and philanthropic stakeholders, and learn best practices by investing in program design with evaluation in mind from the beginning, are informed, in part, by lessons learned from Promise Zone designees. The development and acceptance of the Promise Zone Comprehensive Housing Strategy is evidence that it is still possible to create local housing policy solutions by leveraging the power of federal action.

Samantha R. Porter, MPA, is a Community Engagement Advisor and Outreach Manager at the Federal Reserve Bank of Philadelphia.

Disclaimer: The views expressed here are those of the author and do not represent the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System. The insights shared in this article reflect those of the author and are informed by her former role as Director of Place-Based Initiatives in the Philadelphia Office of Community Empowerment and Opportunity.

BEYOND THE SINGLE-FAMILY HOME

Changing where and how we live for a more just, equitable, and sustainable future.

Diana Lind

The COVID-19 pandemic has been a global watershed moment that will have repercussions for years to come. Many Americans are already shifting their housing needs and preferences as a result of more than a year of remote work, online school and in-home play. Households are living more communally, expanding the members of their "pod" to access childcare and social networks. People are focusing their daily experience on where they can walk or bike, rather than commuting to downtowns. Others are seeking ways to house loved ones within their homes, their backyards or nearby. But without policy and practice that encourage these developments, American housing will continue to be dated and out of synch with the changing values, desires and demographics of this country.

In fact, our housing is stuck in the era of our last global inflection point: World War II. After that war, the built environment in the United States radically changed. Unlike war-torn countries like Britain and Austria, which invested in public housing, the US invested in highways and communities built around cars, extolling the virtues of privacy, space, and building equity in single-family homes. This period coincided with a baby boom, solidifying the connection between the suburban single-family home and a nuclear family household. It also was a period in which racist redlining practices prevented families of color from accessing the financing needed to buy homes, and discriminatory covenants kept families of color from buying homes in white neighborhoods. Despite centuries of living with extended family, of opening homes to boarders, and of prioritizing close proximity to friends and community, Americans definitively shifted lifestyles during the post-World War II time period.

Despite the resulting carbon-intensive, segregated, and inequitable communities that this pattern of development created, we have codified and glorified the standalone home. We have praised the price appreciation that comes with homeownership, ignoring the increasing percentage of renters who bear the brunt of rising property values. We have endorsed the aspirations of privacy, space, and exclusivity without a strong countervailing public discussion about loneliness and obesity due to lack of social interaction and walkable neighborhoods.

But this era of the single-family home's dominance may be coming to a close, in part due to the pandemic's aftermath. Demographic and cultural shifts are becoming too stark for the housing industry to ignore them much longer. The prior dominance of white, heteronormative families has given way to a much more diverse United States. Already people of color are the majority of those aged 18 and under, while whites are expected to be the minority by 2045. The average age of first marriage has risen from early twenties in 1960 to late twenties today. Marriage rates overall have dipped to 6.5 marriages per 1,000 people from 8.2 marriages in 2000, and the divorce rate still hovers around 45 percent. Today's average family size is just 3.14 people, including children, and only 35 percent of home buyers have children under 18 in the home. Some 28 percent of Americans are now living alone. While average life expectancy varies based on socio-economic factors, and declined due to COVID-19, it is now nearly 79 while it was just 69 in 1960. These are just the demographics of today; imagine the next generation.

In direct contrast to the car-centric, bedroom communities that sprung up in the middle of the 20th century, built around men who commuted to downtowns where they worked in jobs that could last literally their entire career and women who stayed at home raising children and keeping up their households, today's norms have become more virtual, more mobile, and less stable. A society built around driving is looking for ways to incorporate a love of ride-hailing apps, electric scooters, and walkable and bikeable neighborhoods. Single-earner households have turned into dual-earner ones, and women now make up the majority of the college-educated workforce. Steady jobs with daily commutes have declined, while the gig economy, working remotely, and even digital nomadism have taken hold. Freelancers currently make up 35 percent of the US workforce and are expected to become the majority in the next decade. Augmented reality and driverless cars are bound to shake up physical and social contours even more.

Despite the radical changes in how we live our lives over the past 50 years, today's housing is still stuck in that post-War period and still often built to accommodate a white, heteronormative family of four that is a declining demographic. As COVID-19 has both stoked a preoccupation with housing and also encouraged a reshuffling of how and where we live, it is the perfect moment to address housing with a grand plan much the way that countries responded following World War II. We must do that in a way that encourages housing types that respond to the demographic and cultural shifts underway.

Rather than support the creation of new single-family homes and an economy that revolves around ownership, we could encourage housing that fosters an intentional community and community wealth-building. Co-living, which is best described as a housing type that provides small private bedrooms, large social spaces, and abundant programming to foster social connection, was expanding prior to the pandemic, with hundreds of units produced annually in major cities around the country. Co-living will undoubtedly become popular again as people crave in-person connection after the isolation of the pandemic. As stay-at-home orders made clear, we need housing that has a sense of community built into it. More than a century ago, households tended to have a half-dozen members; today, more than a quarter of Americans are living alone. Co-living offers a way for people to both live independently and communally, creating larger "pods" for people to simultaneously maintain social connection and safety. Aside from providing policies that legalize co-living zoning, local governments can support communal living by considering this housing type for the affordable housing they create. And just as more people begin to enjoy the benefits of living more communally, they are becoming more interested in community wealth-building strategies like community land trusts and neighborhood real estate investment trusts that enable people to invest in their surrounding neighborhoods, not just their own homes.

We must also do more to support zoning reforms, or even zoning incentives, that make it easier for families to live with kin. There is already some progress and momentum to build upon. Some local governments are reforming their zoning laws, with cities like Sacramento and Berkeley following the lead of Minneapolis and Portland in legalizing multi-family buildings throughout their cities. States like Oregon, Washington, and California are making it much easier to build accessory dwelling units (ADUs) in areas zoned for single-family homes. Prior to COVID-19, some 20 percent of Americans were living in a multi-generational household. COVID-19 has only encouraged more families to move in together, making it clear that we need more housing, like duplexes and accessory dwelling units, that enable families to live close to relatives while maintaining a degree of privacy. But there is much more that can be done to encourage duplexes and accessory dwelling units on every property that is currently zoned for single-family homes. Allowing for this housing to exist is the first step in creating it; municipalities could further encourage it by ensuring the affordable housing they create is built to support extended families.

As we recover from the toll of the pandemic, we will also need to address health in a more holistic fashion. Many people realized the connection between health and housing during the pandemic and wondered how we can build communities that foster well-being. Many assumed that moving to the suburbs, where there was more distance and privacy built into the environment, would benefit them. But as we have seen, COVID-19 has spread just as quickly in rural areas as in dense, urban ones. What matters to the long-term health of people is the ability to walk and bike to daily needs, to access parks and nature, and to be a part of a community that fosters connection. Rare is the housing policy that encourages health and well-being as an outcome; that needs to change.

What will the writers and researchers a century from now say about the COVID-19 period? Was it the moment when we finally updated our housing policies and practices to meet contemporary challenges and opportunities? Or was it a time when we trotted out hopes of a return to the abundant past of single-family homes, despite its racist, unsustainable, and inequitable history? This is truly a dilemma with an uncertain outcome.

There is great hope that the Biden administration will fund the government to be a greater force for good in solving the social, economic, and environmental challenges of our time, and that this federal funding will filter through state and local policy to keep people housed and address the inequalities wrought by our current housing landscape. But we cannot expect the government alone to develop the policies and innovations that deliver a new future of housing. It is up to all of us in the public, private, and civic housing industries to champion new ways of living densely, communally, and differently, all in the name of affordability, health sustainability, and humanity. It turns out that the lemonade made from pandemic lemons is that much sweeter when you can clink glasses with your neighbor.

Diana Lind is an urban policy specialist and the author of Brave New Home: Our Future in Smarter, Simpler, Happier Housing*. She also currently serves as the executive director of the Arts + Business Council for Greater Philadelphia.*

Public Policy Lab Leadership

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