Affordable Housing as a Driver of Economic Mobility: Tools for Counties and Cities

November 9, 2021
Today’s Agenda

• **Tim Shaw**  
  Associate Director of Policy  
  Aspen Institute Financial Security Program

• **Christie Mahany**  
  Executive Director  
  Erie County Land Bank  
  Erie County, Pa.

• **Amy Turim**  
  Real Estate Development Services Manager  
  City of Milwaukee

• **Open Q&A**
Reminders and Tips

- This webinar is being recorded and will be made available online to view later or review at www.naco.org/webinars.

- If you have a question for any of our speakers today, type your question into the Q&A box at any time during the presentation, and the moderator will read the question on your behalf during the Q&A session.

- If you are having technical difficulties, please send us a message via the chat function. Our organizer will reply to you privately and help resolve the issue.
Affordable Housing as a Driver of Economic Mobility

Tim Shaw, Associate Director of Policy
Aspen Institute Financial Security Program
Affordable Housing as a Driver of Economic Mobility

Agenda

> Connecting housing security, financial security, and economic mobility
> Introducing the Housing Solutions Matchmaker Tool, a collaboration between Aspen FSP, NACo, and Brookings Metro
> Counties in Action: Erie, PA
> Cities in Action: Milwaukee, WI
> Q&A
Solving for Housing Security Improves Lives

“How would your life change if your housing challenges were solved?”

WHAT PEOPLE SAID:

“I would have less fear and anxiety of getting evicted.”

“Since we are currently behind on rent, I would feel less stressed if that were paid off and I would be caught up on rent. Once that financial obligation is out of the way, I could work on lowering other debt.”

“It will improve drastically! I will no longer be scared to leave an abusive job and look for better because I wouldn’t have to worry about rent. I would be able to save for emergencies, I would be able to eat properly and not count every penny. It will not fix my financial life, but it would help so much.”

“I would be able to really put a dent in my college loan debt. I feel like we’d be able to purchase a home if I can get my balance down significantly.”

Source: In October 2020, Aspen Institute Financial Security Program asked 499 SaverLife members how their lives would change if their housing challenges were solved. View full survey findings here:
https://www.aspeninstitute.org/blog-posts/we-choose-between-housing-and-thriving/
Affordable, Stable Housing is a Foundation for Economic Mobility

**EDUCATION**
- Improve academic performance
- Improve attendance
- Reduce need for school-based social services

**GOVERNMENT**
- Serve the public interest
- Reduce reliance on food and utilities assistance programs
- Stronger tax base

**FAMILIES**
- Able to pay other bills on time and weather financial shocks
- Able to save and invest for the future
- Children can thrive

**BUSINESS**
- Able to recruit and retain talent
- Improve employee financial wellness
- Stronger consumer spending environment

**HEALTHCARE**
- Fewer chronic illnesses in community
- Reduce need for unfunded acute care
- Meet Affordable Care Act community health and charity care requirements
THE FOUR CORNERS OF THE HOUSING CRISIS

There isn’t enough new housing to meet growing demand.

Many families can’t afford the housing options available to them.

Discrimination continues to harm people of color.

Current policy disadvantages renters.
Five Design Principles for Effective, Equitable, and Sustainable Solutions

1. Address housing discrimination and promote integration.
2. Make it easier to build all types of housing.
3. Preserve private and subsidized lower-cost housing.
4. Support households directly to close the gap between their resources and the cost of housing.
5. Support renters’ well-being and access to resources.
Goals of housing solutions matchmaker

- Developed in partnership between Brookings Metro, Aspen Institute Financial Security Program, and NACo
- Tool to help local policymakers identify critical issues and suggest relevant policy tools
  - Provides concise, accessible snapshot of county housing markets
  - Place each county in context relative to its state or metro area
  - Suggest broad outline for policy solutions & provide references for more detailed information
County housing market types

Housing affordability & pop growth for metro counties

- Shrinking
- Growing

- High cost
- Moderate cost
- Low cost

Pop change, 2009-2019

County hsg value-metro income

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Affordable Housing as a Driver of Economic Mobility
County housing market types
Housing affordability & pop growth for metro counties
Housing costs and pop growth for Milwaukee metro

- Ozaukee
- Waukesha
- Washington
- Milwaukee
## Milwaukee vs All U.S. Counties

### Population Size & Growth

<table>
<thead>
<tr>
<th></th>
<th>Milwaukee</th>
<th>All U.S. Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Change, 2009-2019</td>
<td>-0.003</td>
<td>0.09</td>
</tr>
<tr>
<td>Population (2019)</td>
<td>951,226</td>
<td>1,345,466</td>
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</table>

### Housing Affordability

<table>
<thead>
<tr>
<th></th>
<th>Milwaukee</th>
<th>All U.S. Counties</th>
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</thead>
<tbody>
<tr>
<td>Median Home Value/Metro Median Income</td>
<td>2.54</td>
<td>4.14</td>
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<tr>
<td>Median Income</td>
<td>$50,606</td>
<td>$68,376</td>
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<tr>
<td>Median Home Value</td>
<td>$158,300</td>
<td>$293,457</td>
</tr>
<tr>
<td>Income Needed to Pay Median Rent</td>
<td>$35,200</td>
<td>$46,218</td>
</tr>
<tr>
<td>Severely Cost Burdened Renters</td>
<td>26.3%</td>
<td>23.1%</td>
</tr>
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### Housing Quality

<table>
<thead>
<tr>
<th></th>
<th>Milwaukee</th>
<th>All U.S. Counties</th>
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<tbody>
<tr>
<td>Vacancy Rate</td>
<td>8.6%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Seasonal Vacancy</td>
<td>0.4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Homes Built Pre-1940</td>
<td>31.2%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Home Built Post-1990</td>
<td>11.9%</td>
<td>33.5%</td>
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</table>
Housing costs and pop growth for PA counties

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Affordable Housing as a Driver of Economic Mobility
<table>
<thead>
<tr>
<th></th>
<th>Erie</th>
<th>All PA Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population Size &amp; Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population Change, 2009-2019</td>
<td>-0.02</td>
<td>0.03</td>
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<tr>
<td>Population (2019)</td>
<td>273,835</td>
<td>646,808</td>
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<tr>
<td><strong>Housing Affordability</strong></td>
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<tr>
<td>Median Home Value/Metro Median Income</td>
<td>2.60</td>
<td>3.03</td>
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<tr>
<td>Median Income</td>
<td>$51,529</td>
<td>$65,203</td>
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<tr>
<td>Median Home Value</td>
<td>$134,100</td>
<td>$200,127</td>
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<tr>
<td>Income Needed to Pay Median Rent</td>
<td>$30,120</td>
<td>$39,503</td>
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<tr>
<td>Severely Cost Burdened Renters</td>
<td>24.3%</td>
<td>19.0%</td>
</tr>
<tr>
<td><strong>Housing Quality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>9.1%</td>
<td>9.4%</td>
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<td>Seasonal Vacancy</td>
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<td>1.5%</td>
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<tr>
<td>Home Built Post-1990</td>
<td>18.8%</td>
<td>21.1%</td>
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</tbody>
</table>
Policy recommendations for affordable communities with shrinking populations

• Diagnosis:
  – Housing market conditions (older homes, low values, borderline-high vacancy) are reflection of larger economic issues (population & job loss). Housing policies alone cannot fix those issues.

• Solutions:
  – Provide subsidies for improving housing quality
  – Adopt strategies to reduce vacant housing
  – Local governments will need state and federal financial assistance
  – Expand vouchers or income supports for low-income renters
Policy recommendations for high-cost, growing counties

• Diagnosis policymakers:
  – Housing is expensive because supply has not kept up with demand.

• Solutions:
  – Increase housing supply
  – Make it easier to build small, moderately-priced homes
  – Make development process simpler & shorter
  – Expand vouchers for low-income renters
  – Need for seasonal workforce housing?
  – Housing conditions can vary across submarkets within large counties.
Policy recommendations for moderate-cost, growing counties

• Diagnosis:
  – The county’s overall housing market is healthy

• Solutions:
  – Monitor conditions for early warning signs
  – Expand vouchers or income supports for low-income renters
  – Housing conditions can vary across submarkets within large counties
Thank you!

tim.shaw@aspeninstitute.org

@tshawDC
Presenting Now

Christie Mahany
Executive Director
Erie County Land Bank
Erie County, Pa.
Milwaukee Overview

Data

- Pop. 577,222
- County AMI $58,700
- 41% Owner Occupied Housing
Milwaukee Plans

Major Concerns

- Homeownership
- Housing Affordability
- Housing Safety
- Wages
THE RIGHT PLACE
THE RIGHT TIME
## Community Development Alliance Plan

### Organizing the Experts

<table>
<thead>
<tr>
<th>Owner Offense</th>
<th>Owner Defense</th>
<th>Rental Defense</th>
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<tbody>
<tr>
<td>Increase Black &amp; Latinx Homeownership</td>
<td>Preserve Black &amp; Latinx Homeownership</td>
<td>Preserve existing units</td>
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<tr>
<td>Rental Offense</td>
<td>Rental Defense</td>
<td></td>
</tr>
<tr>
<td>Create new units</td>
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<table>
<thead>
<tr>
<th>Market Strategies</th>
<th>Milwaukee Affordable Housing Plan</th>
<th>Continuum of Care Planning &amp; Strategies</th>
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<tr>
<td>$32/hour</td>
<td>$7.25/Hour</td>
<td>(out of scope)</td>
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<tr>
<td>$67,050</td>
<td>$16,763</td>
<td>(out of scope)</td>
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The Plan

- Homebuyer Counseling
- Down Payment Assistance
- Acquisition Fund
- Coordinate Lenders
- Affordable Housing
- Reduce Property Tax Burden
- Home Repair Programs
- Increase Rentals $400 - $650/Mo
- Preserve Subsidized Housing
- Eviction Assistance
- Emergency Rent Assistance
- Landlord Standards
START OF IMPLEMENTATION
Housing Focused Initiatives

- In Rem (Tax Foreclosure) Initiative - Homeowner & Renter Offense
- Support & Expand Existing Housing Programs - Homeowner & Renter Offense & Defense
- Targeted Demolition - Homeowner & Renter Defense
- Compliance Loans - Homeowner Defense
- Environmentally Friendly Housing - Homeowner Offense
- Lead Abatement - Homeowner & Renter Defense
- Right to Counsel - Renter Defense

Companion Initiatives

- Job Training
- Early Childhood
- Reckless Driving and Other Safety Programs
Example: In Rem Initiative

ARPA Funded - 150 Homes at $100,000 Each
“ACRE provided a perfect blend of real estate theory and practice. It also provided access to people, places, and information that could otherwise take years to get access to outside of the program.”

— Felix Castro, 2017 Graduate
Preliminary Discussion Areas

Using ARPA Funds for Existing City Programs
- Program Coverage Area – QCTs vs. City-wide
- Implementation – Contractors & Materials
- Renovation Standards
- Reporting Requirements

Unfunded ARPA Projects
- Gap Funds for Existing Affordable Housing Projects
- Brownfield Remediation
- Commercial Property Renovation Fund
- Rental Housing Resource Center
Thank You!

Connect with us

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Amy E. Turim
aturim@Milwaukee.gov
414-286-5732

“Sherman Park Rising” by Tia Richardson (PHOTO: Troy Freund)
Please type your questions into the Q&A box now.
THANK YOU!

NACo’s Economic Mobility Leadership Network:
https://www.naco.org/resources/signature-projects/economic-mobility-leadership-network

NACo Contact:
Katie Sullivan – ksullivan@naco.org

NLC’s Equitable Economic Mobility Initiative:
https://www.nlc.org/initiative/equitable-economic-mobility-initiative/

NLC’s Economic Mobility Peer Network:
Sign up: https://www.emailmeform.com/builder/form/b4c53f78h8QjGv046fqd

NLC Contact:
Courtney Coffin – coffin@nlc.org