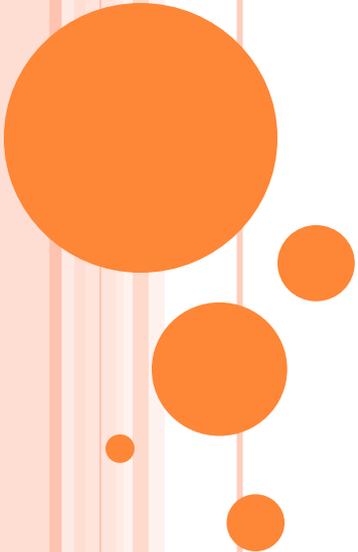


2016 DANE COUNTY HOUSING SUMMIT



Marah A. Curtis, Ph.D.
University of Wisconsin - Madison

WHY FOCUS ON HOUSING?

- Three main reasons:
 - Not just shelter but a “bundle” of goods that provide access to public services, education and neighborhood context
 - This bundle is needed to actualize all other goals
 - labor market success
 - health
 - education



WHY FOCUS ON HOUSING?

- Convincing evidence suggests that inequalities in access, stability and affordability of adequate housing are related to serious social problems
 - poor health and educational outcomes for children
 - inadequate medical care
 - hunger
 - homelessness



CREATING HOUSING OPTIONS

- How to tie together the evidence on housing and well-being with the “nuts and bolts” of creating housing options?
- Although it is a rare person who would argue that the home, neighborhood and local institutions in which we make our lives are unimportant –
- tying the housing market to individual and aggregate outcomes is challenging



ROLES, STAKEHOLDERS AND VISION

- Housing is interesting precisely because it is so important, complicated and consequential.
- Groups of actors, with, sometimes differing incentives must come together to decide on either creating or maintaining stock for some segment of the population under budget constraints, competing demands and shifting macro-economic constraints.
- If it feels challenging, it seems to me that one would expect it to be so in direct proportion to its importance.



THE ROLE OF RESEARCH IN HOUSING

- Why does it matter to understand the housing research base relating housing conditions to individual outcomes in policy work?
 - This is not a rhetorical question.



THE ROLE OF RESEARCH IN HOUSING

- This is a fair question and worth asking b/c it depends on your role, training, responsibilities and vision
 - Department of Public Health
 - Planning Commission
 - Urban Planner
 - Environmental Health
 - Advocate for vulnerable populations
 - Community leader
 - Tenant advocate
 - Chamber of Commerce
 - Architect
 - Housing consumer (owners and renters)
 - Housing developer
 - Elected official
 - Fair Housing official
 - Public Housing Manager



WHY IT IS DIFFICULT TO STUDY HOUSING AND WELL-BEING OUTCOMES?

- Though we all know, intuitively, that it matters deeply where we live and whether that arrangement is stable, it is not a simple affair to understand what the drivers are.
- The reason is also intuitive.
- Studies attempting to link housing to health outcomes most contend with the fact...



WHY IT IS DIFFICULT TO STUDY HOUSING AND WELL-BEING OUTCOMES?

- It is inherently difficult to establish causality in such studies because individuals living in poor housing conditions are more likely to be poor, socially disadvantaged, and have poorer health
- To understand the relationship between some aspect of housing and well-being, studies must deal with this issue to understand what policy makes sense.



EVIDENCE

- **Housing instability/residential mobility:**
 - (+) associations between housing instability and postponed medical care and increased use of acute services for children and adults, behavioral problems and reduced academic performance for children (Kushel, Gupta, Gee, & Haas, 2005; Ma, Gee, & Kushel, 2008; Reid, Vittinghoff, & Kushel, 2008, Adam & Chase-Lansdale, 2002; Coley et al., 2013; Ziol-Guest & McKenna, 2014, Anderson, et. al, 2014).
 - Research investigating the effects of high residential mobility on child well-being suggests that children in the most mobile households may fare worse than their more stable counterparts, even when demographic, economic, and child-level covariates associated with mobility and child well-being are considered.



EVIDENCE

- **Housing quality:**
 - (+) associations between markers of low quality housing and poorer health outcomes
 - asbestos, lead paint, rodents, dust mites, lack of heat and mold (e.g., Burrige & Ormandy, 1993; Fuller-Thomson, 2000; Matte & Jacobs, 2000; Sandel & Zotter, 2000; Gemmel et al., 2001; Breysse et al., 2004; Krieger & Higgins, 2002; Catalano & Kessell, 2003; and Jacobs et al., 2009)
 - Older housing stock is more likely to harbor these environmental “bads”
 - Though severely inadequate housing is uncommon nationally, low-income households are disproportionately more likely to experience these housing problems (Holupka & Newman, 2011; Newman & Garboden, 2013; Steffen, *et al.*, 2015).



EVIDENCE

- **Household income and housing stability:**
 - Income is a key factor for determining both the frequency and types of moves that households make (Clark *et al.*, 1994; Clark *et al.*, 2003).
 - Adequate household income as well as income growth are associated with moves to homes of
 - higher cost and quality
 - Income losses, often the result of job loss, family dissolution, typically result in moves
 - to lower cost and quality homes or changes in tenure status that may signal downward mobility (Clark *et al.*, 2003, Curtis & Warren, 2015).



EVIDENCE

○ Public Housing/Vouchers:

- studies have found that public housing has positive effects on children's outcomes -- medical care, dental care and nutrition (Currie & Yelowitz, 2000; Newman and Harkness, 2002; Lee et al., 2003; Meyers et al, 1995, 2005).
- using quasi-experimental designs, housing subsidies have been found to improve aspects of child or adult health or well-being (Meyers, Frank, Roos, Peterson, Casey, Cupples, et al., 1995; Meyers, Cutts, Frank, Levenson, Skalicky, Cook, et al., 2005, Fertig & Reingold, 2007).
- Katz, Kling and Liebman (2001) found, in the Boston MTO site, that both household heads and their children in the experimental group had significantly better health than those in the control group.



HOUSING POLICY

- Do we have a comprehensive U.S. housing policy?
- What are the goals of housing policy?



COMMITTEE ON WAYS AND MEANS

- Reduce housing costs and improve housing quality for low-income households
- Promote residential construction
- Expand housing opportunities for the poor, elderly, disabled and homeless
- Increase homeownership
- Empower the poor to become self-sufficient



THE STRUCTURE OF THE HOUSING MARKET

- Let's just think a bit about the housing market as a whole to get a bigger picture
 - We started with empirical results documenting the relationship between housing and well-being and are taking a step back to understand the broader picture of housing.



PRIVATE HOUSING MARKET

- Most Americans consume their housing services in the private market
 - If they own, they purchase their “bundle”, often with the help of interest and property tax deductions to deliver shelter and a host of other local goods
 - The joint committee on taxation estimated that in 2011 this tax expenditure cost
 - 93.8 billion for the mortgage interest deduction
 - 22.8 billion for the property tax deduction



PRIVATE HOUSING MARKET

- If HH rent, they purchase their bundle, mostly unsubsidized by any tax benefit
 - Some states have “renters tax credits”, modest subsidy
- If eligible for and receive vouchers from HUD, administered by a local PHA, ~30% subsidy to locate housing in the private market
- If eligible for public housing – (family, elderly)
 - Very limited, issues of “horizontal equity”
- Waiting lists are long nationally, coverage is low



TENURE BY RACE

- American Housing Survey 2012 (AHS) – overall homeownership rate is 65%
- 69.8% of whites are owners
- 43.9% of blacks are owners
- 46.1% of Hispanics (of any race) are owners
- Ownership rates are markedly different by race
 - since minorities are less likely to own homes than whites are, and the homes they own are less expensive, homeowners' tax preferences go mainly to whites, even holding income constant
- *What might we miss by focusing on ownership rather than stability? What is most useful?*



HOUSING COMBINES A MIX OF APPROACHES

- Housing legislation and programs include:
 - Federally regulated finance system
 - Mortgage insurance
 - Interest rate subsidies to homeowners, developers and landlords
 - Tax deductions for mortgage interest
 - Subsidy packages for central city redevelopment
 - Anti-discrimination measures



O.K. – WHAT ABOUT POLICY LEVERS

- Beyond tax incentives for the purchasing of owner-occupied housing or limited vouchers or public housing units?
 - The menu is small:



POLICY LEVERS/OPTIONS/STRATEGIES

- To develop housing:
 - LIHTC
 - Tricky financing
 - Multiple stakeholders
 - Affordable units may require deep subsidies, on-going, to remain accessible to those with more modest means
- To increase units affordable to HH at 50% of AMI
 - Construct multi-family renter dwellings using LIHTC, city/state bonds, tax forgiveness, etc.
 - Challenges: zoning, community resistance, local labor markets, transportation
- To “revitalize a community”
 - If eligible for CDBG funds, could, possibly have housing units as part of the plan



O.K. – WHAT ABOUT POLICY LEVERS

- Local programs that take advantage of HUD grants to develop pilot programs to serve a neighborhood or priority group
 - Very local
 - Not generally evaluated
 - Depends on the mission zeal and commitment of stakeholders over time
- Developers and non-profits that serve folks on the lowest end of the income distribution seeking solutions to stability
 - “Credit Enhancement” for formerly homeless (Atlanta)



THOUGHTS/QUESTIONS/COMMENTS

5/27/2016

Curtis, UW - Madison

