

## OPINION

## ***Why it'll take a village to solve housing affordability woes***

Everyone needs to engage in the search for the formula that creates affordable housing

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In the past decade, fewer and fewer Americans have been buying homes.

Incomes have risen modestly, while housing pricing has increased dramatically according to a [study](#) from the [Joint Center for Housing Studies](#). Homelessness is on the rise, and some research ties this directly to high rent levels and lack of new affordable housing.

The pressure is growing as we see more homeless people on our streets and as more middle- and upper-class families realize their children [can't afford](#) their own housing. This new level of urgency has encouraged corporate giants like Wells Fargo, Google and Microsoft to throw their weight behind the problem.

Yet a complex problem requires a complex solution, and the question remains: Is this enough to solve our housing problem?

## **Nearly a third of U.S. households paid more than 30% of their incomes in 2016**

The U.S. has a shortage of 7 million homes for renters whose household incomes are at or below the poverty guideline, according to the [National Low-Income Housing Coalition](#)'s annual report. Despite this, the majority of houses built over the past five years have catered to the mid-high and high-end of the market.

Cost burdened Americans are sacrificing their health for their homes: Nearly a third of U.S. households paid more than 30 percent of their incomes in 2016.



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In Los Angeles County alone, 600,000 people are spending 90 percent of their income on rent, according to an analysis by the nonprofit [Economic Roundtable](#).

This forces families to sacrifice other areas of their lives, including their health. These households end up economizing on medical care and healthy food. Healthcare providers are well aware of the connection, and the healthcare giant Kaiser Permanente announced a \$200 million investment in affordable housing last year.

In addition to growing sales prices, the homeownership rate between black and white Americans is widening.

Between 1994 and 2016, black homeownership rates increased 0.3 percent, while white rates rose 2.2 percent, widening the pre-existing black-white gap to 29.2 percent. Notably, minorities with similar credit scores and income levels are still less likely to qualify for mortgage loans than whites who have the same financial status, [CNBC reported](#).

## Challenge accepted

While the issue of housing affordability is extremely complex, Jonathan Reckford, CEO of [Habitat for Humanity](#), is confident the answer is in mixed-income and mixed-use housing.

“There’s a fine line between revitalization and gentrification. How do we create mixed-income is controversial, but can be beneficial?” Reckford said.

“These are complex issues that require a lot of participation,” Reckford said. “We can’t stop people from moving where jobs are, but the winning cities will have to figure out how to add density around transit.”

Even markets that were reasonably affordable are becoming out of reach. In Charlottesville, Virginia, [Habitat for Humanity](#) has plans to redevelop a mobile home park, currently home to about 1,500 families.

The plan is to develop a mixed-income neighborhood that will give low-income residents affordable homeownership options and small business opportunities. If this vision can evolve into a healthy and diverse neighborhood, it could be an example of redevelopment without displacing current residents.

State governments are moving to make neighborhoods more affordable. Legislative proposals to limit rents are advancing in [New York](#), and [California](#); [Oregon passed the nation’s first statewide rent control](#) in February, limiting an annual rent increases to 7 percent plus local inflation.

“When you really look at affordable housing in America today, the real issue is in affordable rental housing,” said Mike Rizer, head of team member philanthropy at Wells Fargo.

Wells Fargo can donate more money. Habitat for Humanity can build more homes. But without a comprehensive governmental approach to housing, will it be possible

to make real progress?

Jacqueline Waggoner, vice president of the non-profit [Enterprise Community Partners](#), doesn't think so.

"Money without policy change does not lead to success," she said in an interview.

This is an issue that requires the work of the wider institutional and public community: Major corporations, nonprofits, small businesses, individuals and the government all must contribute time, energy and funds to solve this societal problem.

The mission is critical, and the rewards will impact us all.

Making housing affordable leads to better cities, stronger communities and healthier lives for everyone.

*Caroline Pinal helped create [Giveback Homes](#) to empower the real estate industry to turn their everyday business into an opportunity #forsocialgood. Follow her on [Twitter](#).*