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THE CASE FOR SOCIAL HOUSING

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INTRODUCTION

The United States is in the midst of a housing crisis, and the COVID-19 pandemic and resulting economic catastrophe are making it worse. Over 40 million people may soon be at risk of being thrown out of their homes at a time of great uncertainty. While the recent federal eviction moratorium keeps some people in their homes through the end of the year, a moratorium does not cancel their rent. That means tenants are still on the hook for back payment if they fall behind, as many already have, and no real tenant relief is in sight. The housing crisis has been exacerbated during the pandemic, but it isn't unique to it. Insecure housing is a structural economic problem that has long plagued the United States.

In the years ahead, policymakers have a chance to attack this crisis at the root, with a massive new program of building green, sustainable homes, with access to walkable streets and public transit, through a model called “social housing.” The new housing would incorporate affordable community services like child care and dentistry (“mixed-use”); offer homes to the working and middle classes (“mixed-income”); be governed with more resident involvement than traditional public housing; and fight climate change by building the homes with sustainable materials and to carbon neutral energy efficiency standards—stimulating the country’s green buildings industries, and bringing down the costs of green techniques and materials for everyone. At the same time, a social housing program would create hundreds of thousands of skilled, living-wage jobs annually, creating new careers for young people countrywide.

This is a policy vision that, in fits and starts, is gaining momentum. Progressive think tanks and tenant movements have pushed for ambitious green social housing policies; more modestly, Joe Biden’s presidential campaign has called for an unprecedented build-out of green affordable housing. Affordable housing developers in New York and Pennsylvania are already shifting to green, energy efficient construction.

Yet this vision isn't new—even in the United States. More than 80 years ago, during the New Deal, housing reformers, labor allies, and the Public Works Administration all advocated new social housing based on the most successful European models, as well as the traditions of philanthropic and cooperative housing like New York's socialist housing co-ops and affordable garden apartment complexes. New Deal housing reformers nearly enshrined this vision into law, but were defeated by the real estate industry. The result was perpetually underfunded public housing and racist redlining that only subsidized mortgages for white families and made segregation official federal policy.

Today, we can correct these mistakes and injustices. A new national poll from Data for Progress and The Justice Collaborative Institute shows that investment in social housing—to provide affordable housing, create jobs, and protect the environment—has bipartisan support: **63% of likely voters support federal investment in social housing**, including 56% of Republicans and 53% of independent and third party voters.

This is an urgent moment for policymakers and policy advocates to embrace social housing and put egalitarian and innovative ideas into practice.

THE HOUSING CRISIS

Housing should be a fundamental human right. It's central to the basic physiological needs—food, water, shelter, sleep—required just to live, let alone thrive. Yet tens of millions of Americans don't have access to safe, sustainable, and affordable housing.

As of 2018, 43 million households rent; nearly half of them (21 million) are rent-burdened, with rent claiming more than 30% of their income. More than 10 million households had to shell out at least half their income to make rent—and that was before the COVID-19 crisis. There is no county in the United States where a full-time worker earning the minimum wage can afford a two-bedroom apartment.

For socially stigmatized and marginalized groups, including the previously incarcerated, homelessness and housing insecurity have become the norm. A recent study by the National Poverty Center found that “formerly incarcerated individuals transitioning back to society have the highest rate of residential instability of any known demographic group, moving on average about 2.6 times per year.” To make matters worse, current laws unnecessarily penalize people who are housing insecure, effectively criminalizing homelessness. Punitive measures and rampant discrimination in housing and rental markets further entrench existing inequality.

Unfortunately, the housing crisis is only getting worse as market rents have been increasing faster than household incomes, especially in coastal cities like San Francisco, which experienced rental inflation of 7.2% in 2017, and the Boston area, where towns like Malden experienced a rental price jump of 16% in 2018. But this problem is not unique to high-cost coastal cities; over 60% of renters in Detroit are rent burdened, a rate that has doubled since 1990.

The housing crisis is also closely connected and contributes to the climate and energy crises. Over a third of Americans cannot afford their utility bills, a burden that falls disproportionately on low income and Black Americans. One recent study found that Black families pay “significantly more” for energy than white families, in part because they disproportionately live in homes without effective insulation and energy-efficient appliances. Meanwhile, home energy use contributes nearly one-sixth of the country's heat-trapping greenhouse gas emissions. Those emissions are causing sea-level rise that could permanently flood the land on which 13 million people currently live by the end of the century. The United States desperately needs to set a new standard of housing—by building beautiful, healthy, carbon-neutral social housing that echoes the best models worldwide, and raises the bar for all Americans.

FEDERAL HOUSING POLICY

The United States' current federal housing policy is designed to work for only about half of the nation: homeowners. Every year, the government spends hundreds of billions of dollars subsidizing housing, but right now, about five times more public money flows every year

to support homeownership—mostly for the affluent—than to affordable rental housing.¹ This is no accident. Back in 1937, the real estate industry successfully repelled the efforts of the Labor Housing Conference and the New Deal’s Public Works Administration to create social housing in the United States that would look much like the successful model still used today in Vienna—mixed-use, mixed-income, and high quality. This, after all, was the real estate industry’s nightmare: A viable public housing option that could undermine the private sector’s ability to rake in massive profits.

The relentless lobbying efforts by the real estate industry pushed elected officials to instead create a two-tiered public housing system. On one tier would be public housing as an option of last resort; indeed, throughout the late 1930s and early 1940s, the industry wrote laws that limited the amount the government could spend per unit of public housing, ensuring the structures were of inferior quality. Although there would be many worthy public housing projects in future years, they never had the resources they needed to achieve levels of splendor found in the best Western European social housing. The second tier was a public-private partnership, whereby the federal government effectively created a public option for mortgages by underwriting the mortgages of middle- and upper-class Americans, giving life to the modern-day 30-year mortgage. The accompanying redlining—a racist policy whereby the government refused to insure mortgages in or near Black neighborhoods—created segregation that lasts to this day. And as Keeyanga Yamahtta-Taylor has shown, public-

private partnerships that sought to increase Black homeownership in the 1960s and afterward only brought “predatory inclusion” to families of color—building wealth for the real estate industry, while trapping families of color in toxic debt. It was another missed opportunity to level the playing field with high quality social housing.

That racist system has helped build the white modern American middle class while ensuring the other Americans were kept out by the white picket fences. For most Americans, the equity they have in their home represents the majority of their wealth.² In effect, this wealth is largely a creation of government programs. But as Michael Harrington, author of the groundbreaking *The Other America: Poverty in the United States*, encouraged us to do a generation ago, we have to think about how the other half lives, our neighbors for whom home ownership is not an appropriate option.

SOCIAL HOUSING: A PUBLIC OPTION

To ensure housing and economic security for all Americans, the government should pass legislation to build millions of green social housing units across the country, effectively creating a public option for housing.³ Social housing consists of rental accommodations provided at below market rates, instead relying on cost-based or income-based calculators to determine “fair” rent. Importantly, social housing helps decommodify human essentials by keeping units permanently

1. Landis, J., & Reina, V. (2019). Eleven ways demographic and economic change is reframing American housing policy. *Housing Policy Debate*, 29(1), 4-21.
2. Darity et al., 2018. “What We Get Wrong About Closing the Racial Wealth Gap.” Samuel DuBois Cook Center on Social Equity.
3. The authors of this report are members of the Homes Guarantee campaign that has called for building 12 million such units this decade.

out of the private rental market and insulating them from market fluctuations. Ownership of social housing can take multiple forms, including direct government ownership, often at the municipal level; non-profit ownership; and cooperative ownership.

In adopting this approach, the United States would be catching up to the rest of the world. In 2019, the United Kingdom's prestigious Stirling Prize for architecture did not go to an opulent private project, but instead to the construction of energy efficient social housing in Norwich, a complex of townhouses built to lift up its local community, while fitting into its cultural landscape. At the European level, the prestigious Mies van der Rohe award went to a beautiful green retrofit of existing social housing in Bordeaux, France. Meanwhile, the capital of social housing, Vienna, continues to relentlessly limit rents and build the highest quality social housing. Nearly two-thirds of the city's residents live in rent-controlled flats; overall, tenants pay less than half as much as Londoners, and nearly a third as much as Parisians per square foot. In all these cases, the beauty of the architecture is more than a mere flourish: it's about the valorization of every human being, the refusal to stigmatize public goods, and putting aesthetic talent to shared, public use. Done right, social housing works brilliantly. Vienna has been ranked the world's most livable city 10 years in a row. Why should the United States not join the cutting edge of global architecture in repairing and developing green social housing?

Recently, there has been a surge in support for expanding social housing.

Representative Ilhan Omar of Minnesota has introduced a bill, the Homes for All Act, to build up to 12 million new affordable units to the highest environmental standards. Representative Alexandria Ocasio-Cortez of New York and Vermont Senator Bernie Sanders introduced a Green New Deal for Public Housing Act that would fund healthy, green, no-carbon retrofits of all the country's 1 million units of public housing.⁴ That bill's details flesh out in greater detail the standards of community and worker involvement that we are urging here. For instance, it includes two provisions to incentivize the training and hiring of formerly incarcerated individuals for skilled, green retrofit work. In this way, the vision of green social housing is a vision of true racial and economic justice, repairing the harms of both our housing and criminal justice systems.

Even the Biden campaign has embraced the need for a mass build-out of new housing outside the market; he has pledged to build 1.5 million affordable, green units. At the local level, Boston city councilor Michelle Wu has proposed extensive use of green community land trusts as part of a broader push to decommodify housing under a Green New Deal for Boston.

Biden's campaign has also pledged to expand the federal voucher program, known as Section 8, that provides direct rental assistance. While vouchers and new social housing may seem to be contrary approaches, a mass build-out of social housing would be complementary to and actually help the voucher program succeed. After all, the economics of housing construction are such that the private market simply isn't building high-quality apartments that are affordable for even moderately low-income people. Thus, the voucher program will continue to face challenges, even if funding is increased. And meanwhile, as

4. One of the authors of this report, Daniel Cohen, led the research for the bill.

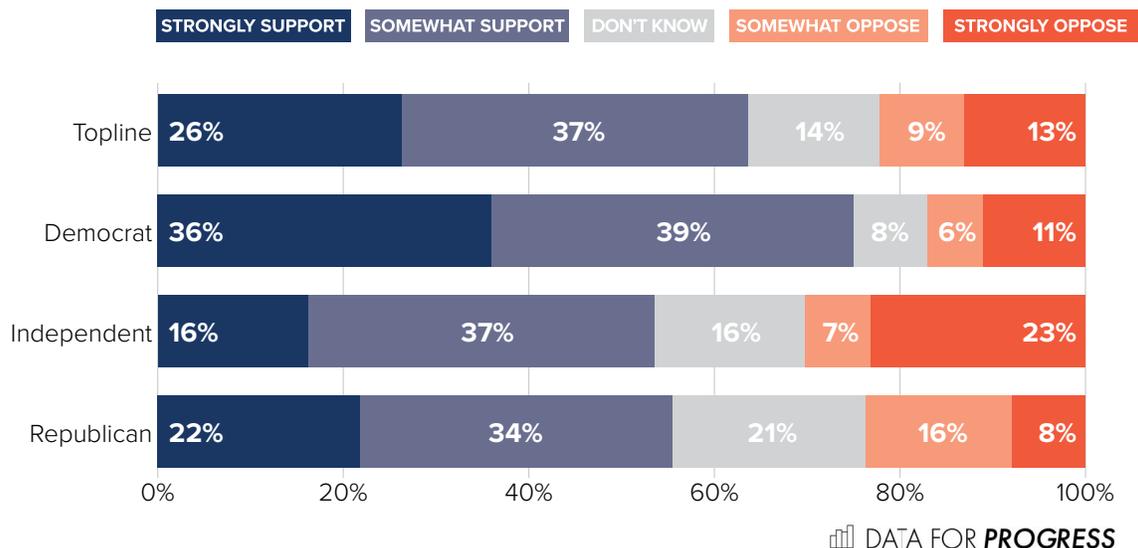
noted above, we're on the verge of epic climate migration—not just from other countries, but within the United States. Expanded vouchers will be an important stopgap. But they will only work in concert with a strong public option that includes a sustained increase in the supply of high-quality social housing available below market rates.

There has never been a better time to invest in a substantial buildout of social housing. The economy is in the midst of the worst recession since the Great Depression, with nearly 30 million people collecting, or waiting for, unemployment benefits. Industrial capacity is running 30 percent below potential, meaning plenty of factories

could be kicked into gear to churn out building essentials. The economy is starved for productive investments that can put America back to work while addressing the country's housing crisis.

Recent polling from Data for Progress and The Justice Collaborative Institute shows that people acknowledge the housing affordability crisis and overwhelmingly support immediate action to build more social housing. Overall, **63% of likely voters support federal investment in social housing**, including 56% of Republicans and 53% of independent and third party voters.

The coronavirus pandemic has caused massive unemployment and exacerbated America's existing housing crisis, putting millions at risk of eviction. A federal "social housing" program to build new affordable housing would create well-paying jobs and alleviate the housing shortage in the private housing market. Do you support or oppose federal investment in social housing?



INVESTING IN HOUSING & THE ECONOMY

Investments in social housing are just that—investments. Inequality, homelessness, and housing insecurity represent major costs to the country by suppressing the economy and threatening the very social fabric that binds Americans together. By building millions of social housing units, the government will be investing in people’s livelihoods, stable communities, and jobs, all while reversing inequality and mitigating climate change. Such investments will pay enduring benefits for the workers who will get prevailing-wage jobs building the new social housing units, the residents who will make the new units home, and the country as a whole.

We have already calculated that simply retrofitting all of the country’s public housing would create over 240,000 jobs per year, slash electricity and water bills, and remove the carbon-spewing equivalent of over 5 million cars, all for about \$17 billion a year, for ten years. For the roughly \$100 million a year it would cost to build 12 million units of social housing by 2030, we can expect over 1 million jobs created each year.

The country can certainly afford it.

Financing social housing should be done through a combination of federal grants and subsidized loans to public housing authorities (PHAs), municipalities, and nonprofits. The federal government can currently borrow at historically low rates, and can in turn pass on access to cheap capital to local communities. By financing these projects through traditional deficit spending

measures at the federal level, the loans can be paid back slowly through the collection of rents and other measures. And the Department of Housing and Urban Development could partner with the Department of Energy’s Buildings Technology Office to ensure the highest environmental quality in new housing.

CONCLUSION

Now is the time to invest in the buildout of millions of green social housing units across America. The program is popular. The American people recognize the failures in the current housing market that have forced tens of millions of people from coast to coast into unaffordable and precarious living situations, exacerbating racism at every turn. The solutions exist. The resources exist. What the country lacks is the political mobilization. The current crisis may provide an opening, with the housing movement expanding and the popularity of its demands rising. A fairer, greener future is within our grasp. It’s time to start building 12 million social housing units.

POLLING METHODOLOGY

From October 16 to October 17, 2020, Data for Progress conducted a survey of 1,164 likely voters nationally using web panel respondents. The sample was weighted to be representative of likely voters by age, gender, education, race, and voting history. The survey was conducted in English. The margin of error is ± 2.9 percentage points.