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Guest Commentary

Making housing affordable

By Kyle Cascioli and Dean Saitta

In Colorado, many of us think about access to affordable housing as a problem for resort workers in mountain towns. Although it is a peculiarity of the current economic recession that homes are becoming more affordable for those who can qualify to buy them, today's record number of foreclosures, sharply reduced personal income, rising rents, and high unemployment mean that good, affordable housing is beyond the reach of many Americans.

The Department of Housing & Urban Development defines "affordable housing" as housing that costs no more than 30 percent of the resident's monthly income for rent and utilities. This is significant because so much of our economy is dependent on consumer spending. When a family has to spend more on housing, it has less disposable income to help drive our economic engine.

The Joint Center for Housing Studies at Harvard reports that between 2001 and 2007, affordable housing stock fell 6.3 percent while affluent housing stock increased by nearly 100 percent. The center further reports that for every new affordable housing unit that is created, two are lost to abandonment, waste, "condominiumization," or expensive rental conversions.

The record compiled by HUD and other public agencies to fund construction of affordable housing in major metro markets is not a happy one. Last year, The Dallas News reported about HUD-subsidized housing at the Ridgecrest Terrace Apartments that is disturbingly reminiscent of stories told by residents at some of public housing's more celebrated failures like Pruitt-Igoe in St. Louis and Cabrini Green in Chicago. At Ridgecrest, tenants reported "a hellish swirl of drug activity, mold and mildew simply painted over, carpet so filthy it causes blackened feet and rashes, and water-leak stains on walls."

What can be done to correct this historical tendency and help those in need of more affordable housing? What are some possible solutions?

Perhaps one solution is not to develop additional affordable housing stock but rather to find ways to make the current housing stock more affordable. One strategy is to incentivize the private sector to develop new "co-housing" models like The Wild Sage Community in Boulder. New, private-sector mortgage-financing instruments could also be developed to provide the necessary investor protections while expanding the qualified buyer pool of homeowners for affordable properties. A combination of property tax abatements could be made available to both individuals and corporations that can demonstrate they have reduced their rents to below market rates. Ensuring access to rent-controlled housing for those who need it most is another strategy. In our larger cities, rent controls have existed for decades but rent-controlled units are far too rarely leased by people of modest means.

The current affordable housing crisis presents not only a challenge but also an opportunity to use existing resources and common-sense strategies to solve a longstanding urban development problem that, if left unaddressed, will only serve to prolong our economic woes.

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