



JCRC URGES POLICY MAKERS TO CONFRONT THE URGENT AFFORDABLE HOUSING CRISES FACING OUR NATION AND REGION

March 2022

Decent, safe, accessible, and affordable housing is a basic human right. As embodied in the landmark United States Housing Act of 1937, it is the goal of the United States to provide “decent and affordable housing for all citizens.” The federal Fair Housing Act provides that housing is a civil right and that discrimination in housing related matters is a violation of federal law.

Jewish tradition recognizes the importance of the home; we are taught that the home is a *mikdash me’at*—a mini sanctuary, a sacred place.

On Sukkot, we are taught that there is only complete joy when everyone - including and especially the marginalized in our communities - is celebrating joyfully as well.

The Jewish Community Relations Council of Greater Washington (JCRC) strongly believes that a lack of affordable housing is a significant crisis facing our region and our Nation and urges federal, state and local governments to take immediate action to meet the urgency of this issue. We also believe that JCRC has a major role to play in raising awareness in our community about this critically important situation.

Our policy positions, outlined below, are rooted in both the Jewish value of *tikkun olam*—repairing the world-- and American ideals.

Introduction

Where and how we live touches on all aspects of our lives. It factors into employment, health, schooling and even food security. For example, it is hard to imagine a child having academic success if he or she is living in a homeless shelter, or even worse, in a tent under a bridge, because their working parents cannot locate housing they can afford. And what is to become of that child when he or she reaches adulthood without a good education? Enterprise Community Partners has found that growing up in high-opportunity neighborhoods improves a child’s outcome by being 27% more likely to go to college and by increasing their earnings 30% over a lifetime.¹ Another Jewish value is *shalom bayit*—domestic tranquility, a value that is difficult or impossible to achieve without proper housing.

We see and hear real stories of people going to work after sleeping in their cars. Families come home with their belongings placed in front of their homes because they were evicted or foreclosed upon. Children are sleeping three or more to a bed or on the floor.

These and other stories are not happening in a third world country, but right here in the United States and in our region! **Such stories make us shake our heads in a Nation and in an area with such wealth.**

¹ Enterprise Community Partners, “More Than a Home,” November 2017.

The issues surrounding affordable housing are complex and multi-faceted but despite its centrality to daily living, affordable housing is a subject to which too little attention has been paid. Very few politicians focus on this issue and rarely does one see or hear candidates for federal office raising affordable housing or other housing-related issues as concerns.

That has to change. Before we can expect additional resources from the government to be provided for affordable housing, we must raise public awareness of these issues and of the negative impacts on communities. In addition, effective advocacy must substantially increase, particularly from sources other than the affordable housing industry, which does an excellent job of advocacy, but which needs partners to help its efforts.

We ask our elected leaders to speak up and help educate the public about the need for more affordable housing in our area and to take the actions outlined below.

JCRC urges the public and private sectors to work in public-private partnerships and to innovate in meeting the affordable housing challenges, whether that involves program designs, construction techniques or financing mechanisms. It will require creativity to effectively confront this crisis.

As noted above, issues surrounding affordable housing are multi-faceted. The following policy paper does not attempt to touch on every issue area but will highlight those we believe are most relevant to the Greater Washington, DC area (DMV).

Overall Concerns for Housing in the DMV

As noted by the Urban Institute, a nationally respected expert in housing and other community development matters, in a 2019 Research Report:²

The Washington region faces serious housing challenges that undermine many residents' well-being. **Constrained housing supply, coupled with regional growth, pushes up rents and prices for existing housing** [Emphasis in original]. These pressures cause especially steep housing cost increases and displacement in some communities that have historically been home to people with low and moderate incomes and people of color.

The arrival of new businesses, jobs, and residents could intensify today's housing challenges, unless the region's leaders come together to address them. Absent a substantial increase in the supply of housing, more households competing for an already constrained stock of units will further increase prices and rents and exacerbate displacement pressures.

The Report went on to warn that inaction on housing affordability challenges could "undermine the region's economic growth and prosperity" and that these issues may already be leading to slowing employment growth and causing people to leave the region.

The Urban Institute made several critical recommendations to regional governments:

- Shrink the gap in affordable housing units—estimated at 264,000 regionally.
- Boost production to keep pace with expected growth.

² Urban Institute, Research Report, "Meeting the Washington Region's Future Housing Needs," September 2019.

- Increase by at least 40 percent the number of middle-cost housing units.

In addition, the Metropolitan Washington Council of Governments (COG) issued a report in September 2019³ in which it concluded that:

The region anticipates its projected 2020 employment of 3.36 million jobs will grow to 3.77 million by 2030—an increase of approximately 413,00 jobs. During this same period, the total number of households would grow from the projected 2020 base of approximately 2.13 million units to 2.38 million—an increase of approximately 245,000 housing units. This situation—a mismatch between the amount of housing and jobs—affects the area’s affordability, potentially undercuts the region’s appeal to new companies and talent and necessitates commuting into the region for work, straining the transportation system.

COG went on to state that the region needs to add a total of 320,000 new housing units between 2020 and 2030, an additional 75,000 units over what was already planned, to keep pace with employment growth. Further, COG recommended that at least 75% of the new housing be located in so-called activity centers--urban centers, priority growth areas, traditional towns, and transit hubs already identified by COG—or in high-capacity transit centers. Finally, COG cited studies showing that the region has been losing low-cost housing units at a precipitous pace and advocated that at least 75% of the new housing being developed should be affordable to low- and middle-income households.⁴

The JCRC endorses both the Urban Institute’s and COG’s findings and recommendations. However, although some communities have made slight progress, through 2020 most area jurisdictions have not even come close to meeting the needs for this additional housing in their communities, as tracked by the advocacy group, Housing Association of Nonprofit Developers (HAND).⁵ Accordingly, the JCRC calls on local governments to do more to meet the goals set out by COG and the Urban Institute.

While the governmental costs involved in financing affordable housing may be steep, that funding should be seen as an investment in our communities. The cost to our region of not acting, in terms of lost economic opportunity and increased social spending on people who are ill-housed, would be far more expensive.

We have also witnessed the dramatic economic development of DC and other urban areas in the DMV over the past two decades. While that economic development has many positive attributes, it inevitably leads to gentrification, the process whereby the character of a poor urban area is changed by wealthier people moving in, improving housing, and attracting new businesses, typically displacing current inhabitants in the process. Those displaced current inhabitants are generally low-income and are often persons of color. Indeed, in a 2019 study, the National Community Reinvestment Coalition found that

³ Metropolitan Washington Council of Governments, *The Future of Housing in Greater Washington*, September 2019

⁴ *Ibid.*

⁵ HAND Housing Indicator Tool, 2021

Washington, DC experienced the most intense gentrification and displacement of any city in the country since 2000.⁶

The issues surrounding gentrification are complex and beyond the scope of this paper. However, JCRC suggests that as their communities are undergoing economic development, local governments be sensitive to the needs of long-time lower income residents so that they will not be deprived from the benefits of economic growth and greater availability of services that come with increased investment.

Low- and Moderate-Income Renters

Unquestionably, the issues of housing affordability are most acute for lower-income households and particularly for lower-income renters. Nationally in recent years, according to the Bipartisan Policy Center, over 11 million extremely low-income (below 30% of area median income) renter households have competed for just over 4 million available affordable rental units.⁷ According to papers published by the highly respected Joint Center for Housing Studies of Harvard University (JCHS),⁸ almost half of renter households nationally spend more than 30 percent of their incomes on housing costs; anything above 30 percent is generally regarded as being “cost burdened.” That amounts to 20.4 million renter households.⁹ Even worse, according to the American Community Survey, published by the U.S. Department of Housing and Urban Development (HUD), **almost half of those cost burdened households spend in excess of 50% of their income for rent.**¹⁰

Being cost burdened has serious implications for the stability and well-being of renter households. Because paying rent is a requirement to avoid eviction, there is often little left over for other basic needs, such as food, healthcare, and transportation (i.e., “the rent eats first”). If and when an unexpected major expense arises, for example, a significant uninsured medical expense or an automobile repair, there may be nothing remaining to pay for it. The cascading negative impacts of being cost burdened on the well-being of individuals and families are almost endless.

In our area, a substantial number of households are cost burdened. A **staggering 84% of households in the DMV whose incomes are less than \$32,800 (roughly 30% of the area’s median income) are cost burdened.**¹¹ Forty-nine percent of renters in Montgomery County are cost burdened, despite the fact that the County has prioritized housing affordability for many years.¹² That figure is 41% in the District of Columbia, 44% in Fairfax County, 36% in Arlington County and jumps to 51% in Prince George’s County.¹³ Rental prices in all these jurisdictions have been steadily rising, which is putting a severe strain on the ability of individuals and families to find housing they can afford. The median gross rent in DC alone rose more than 16% in the period 2016-2019;

⁶ National Community Reinvestment Coalition, “Shifting Neighborhoods—Gentrification and Cultural Displacement in American Cities” 2019.

⁷ Bipartisan Policy Center, “Eliminating Land-Use Barriers to Build More Affordable Homes,” September 2019.

⁸ Joint Center for Housing Studies of Harvard University, “The Rent Eats First: Rental Housing Unaffordability in the US,” January 2021.

⁹ JCHS, The State of the Nation’s Housing 2020, 2020.

¹⁰ Cited in JCHS’s “America’s Rental Housing 2020”, 2020.

¹¹ Urban Institute, “Washington Housing Initiative, Context and Contribution,” May 2020.

¹² HAND Housing Indicator Tool, 2021.

¹³ *Ibid.*

according to Zillow, “rising rents have long been associated with climbing rates of homelessness.”¹⁴

According to JCHS, the number of higher-cost rental units nationally has increased while the number of low-cost units has substantially declined¹⁵. According to a study conducted by Redfin, “rental prices across the country have been rising for months” and average rents nationally rose 14 percent last year (2021).¹⁶

Clearly, a major cause of the rental housing affordability crisis is lack of supply of housing affordable to low- and moderate-income renters relative to demand.

JCRC recommends that the federal government and state and local governments in the DMV provide substantially more resources for the production and preservation of affordable rental housing. There is pending in the Congress legislation that would increase and enhance the low-income housing tax credit, the federal government’s main tool for producing and preserving affordable rental housing and extend other existing programs that have proven important to help address affordable housing needs. We urge the Congress to pass this legislation as soon as possible.

Homeownership Among People of Color and Lower Income Households

The Talmud teaches us, “Happiness comes to a person when he or she dwells in the place that is their own.”¹⁷

According to JCHS, in the United States the homeownership rate disparity between White and Black households is “the largest it has been in decades.”¹⁸ In 2019, 73.4% of White households were homeowners while only 42.1% of Black households were homeowners, a gap of 31.3% between Whites and Blacks. The gap between White and Hispanic households is also significant--only 46.7% of Hispanic households owned homes. Concerns about being cost burdened extend to homeowners as well—in 2019, almost 17 million homeowners were cost burdened.¹⁹

In the Greater Washington area, only 13% of homes available for sale were affordable to a typical lower-income household and less than half-- 46%--were affordable to a median-income household. Moreover, as is the case in almost every area of the country, median home prices have risen at far greater rates than median incomes in our area in the last decade; that disparity is about 18% in Maryland and Virginia (figures were not available for DC).²⁰ Nationally, according to JCHS in its most recent report,²¹ the housing price-to-income ratio is 4.4, the highest level since 2006. We are concerned that this disparity reflects racial discrimination that is negatively impacting the ability of non-White families to purchase affordable homes. **Clearly, the “American Dream” of homeownership is**

¹⁴ Zillow, “Homelessness Rises Faster Where Rent Exceeds a Third of Income,” December 2018.

¹⁵ JCHS, “America’s Rental Housing 2020,” 2020.

¹⁶ Redfin study cited in the Washington Post, January 31, 2022.

¹⁷ Talmud Yerushalmi, Moed Katan.

¹⁸ JCHS, “The State of the Nation’s Housing 2020,” 2020.

¹⁹ *Ibid.*

²⁰ Nick VinZant, Quote Wizard by lendingtree, “Unaffordable Housing: Housing Costs Race Ahead of Income,” April 14, 2021.

²¹ JCHS, The State of the Nation’s Housing 2021, January, 2022.

unattainable or unavailable for most persons of color and for those of low- and moderate-incomes.

Workforce Housing

“Workforce housing” generally refers to housing that is available to moderate-income households (in our area, generally earning in the \$55,000 to \$125,000 range depending on household size), whose incomes are too high for most public subsidies but are too low to afford typical market rate housing. In other words, workforce housing programs attempt to address this gap—sometimes referred to as the “missing middle.” People such as teachers, first responders, construction workers, nurses, and software developers, all of whose presence are critical to the overall success, functioning and economic well-being in our communities, are included in this missing middle.

Although affordability challenges are most acute for households with the lowest incomes, households with incomes in the moderate to middle bands increasingly face affordability pressures and displacement. Expanding the availability of quality housing in the moderate rent range directly addresses in part the unmet needs of households with moderate incomes but can also help reduce pressures on the limited supply of lower-cost housing. Today, in our region, moderate- and middle-income households occupy many of the housing units that would otherwise be affordable to lower-income households.²²

There are private sector programs in our area, including the Washington Housing Initiative (WHI), which, while focusing on moderate-income earners, do not rely on public subsidy sources and which do not attempt to bring rents to the lowest levels. WHI serves as a complement to subsidized housing programs. It expands the availability of housing at rent levels below what the market is producing and above what public subsidy programs produce. JCRC commends WHI and encourages others in the private sector to address the very real housing needs of the missing middle.

The Impact of the Pandemic and Evictions

Due to governmental intervention, including eviction moratoriums, mortgage debt forbearance and rental payment programs, it appears that thus far the Covid-19 pandemic did not produce the most feared results of massive displacement.

However, as noted by JCHS in the 2021 State of the Nation’s Housing report:

Even as the US economy continues to recover, the inequalities amplified by the COVID-19 pandemic remain front and center. Households that weathered the crisis without financial distress are snapping up the limited supply of homes for sale, pushing up prices and further excluding less affluent buyers from homeownership. At the same time, millions of households that lost income during the shutdowns are behind on their housing payments and on the brink of eviction or foreclosure. A disproportionately large share of these at-risk households are renters with low incomes and people of color. While policymakers have taken bold steps to prop up consumers and the economy, additional government support will

²² Urban Institute, “Washington Housing Initiative, Context and Contribution,” May 2020.

be necessary to ensure that all households benefit from the expanding economy.²³

JCRC remains concerned that with the federal eviction moratorium now ended due to court challenges and with so many renters in financial distress, there may be substantially increased evictions going forward. In fact, there is evidence that evictions are rising. For example, according to recent testimony given by Maryland Chief Judge John P. Morrissey to the Maryland House of Delegates Judiciary Committee, in fiscal year 2021 (July 2020 through June 2021), there were a total of 5,546 evictions in the State, but in the first six months of fiscal year 2022, there were already 4,231 evictions, an annualized increase of almost 69 percent.²⁴ The General Assembly passed legislation last year to expand access to counsel in eviction proceedings but failed to pass the required funding. We urge all jurisdictions in the DMV, including Maryland, to make funding available for tenants to have counsel in eviction proceedings, so those who are facing eviction are treated fairly.

JCRC also recognizes that landlords, many of whom are “mom and pop” operators, have legitimate rights as well. Court backlogs serve as de-facto eviction moratoriums, which is not fair to owners. Landlords have costs, including mortgage payments, that may not be met if rents are not paid.

Accordingly, JCRC urges policymakers to take steps to make the court process more orderly and to expedite rental payment assistance so that tenants can avoid eviction and landlords can pay their mortgage and other operational costs.

Homelessness

Even before the pandemic, unsheltered homelessness nationally was on the rise, up by 50,000 people since 2015, to over 580,000.²⁵ Tragically, a substantial portion--30%-- of those who are homeless include families with children and about 6% are veterans. While reliable statistics on the impact of the pandemic on the homeless population do not yet exist, we can all witness for ourselves that unsheltered homeless encampments in DC are clearly more prevalent. Just drive on the E Street Expressway, within a few short blocks of the White House and the Federal Reserve. Indeed, DC has one of the largest homeless populations in the United States; at 9.3 persons per thousand, its homelessness rate is twice that of New York State, which has the highest rate among the states.²⁶

It is simply **unacceptable** that our Nation’s capital, with the highest median household income in the country,²⁷ has such a high rate of homelessness. However, we commend DC Mayor Muriel Bowser for her 2015 Homeward DC initiative, a strategic plan to end long-term homelessness in the District and, more recently, Homeward 2.0, a community vision that holds that homelessness in DC will be rare, brief and nonrecurring. According to the Mayor’s office, since 2016 overall homelessness has by decreased 38% and family

²³ JCHS, “The State of the Nation’s Housing 2021, January 2022.

²⁴ Reported in Maryland Matters, January 24, 2022.

²⁵ JCHS, “The State of the Nation’s Housing 2020,” 2021.

²⁶ National Alliance to End Homelessness, “State of Homelessness: 2021 Edition,” 2021.

²⁷ United States Census Bureau, 2019 Median Household Income in the United States, September 2020.

homelessness by 73%.²⁸ The DC Government needs to continue this progress to fulfill its goals. But homelessness is not just confined to the District. We urge other local jurisdictions to devote increased resources to end the scourge of homelessness.

Housing for Persons with Disabilities and Older Households

In our area, the Jewish Foundation for Group Homes does a wonderful job of operating housing dedicated to enhancing the independence, dignity, choice, and community inclusion of individuals with disabilities. HUD operates the Section 811 program, which provides assistance for housing dedicated to people with disabilities and Maryland, DC and Virginia run various programs of a similar nature. But even taken together, these programs do not come close to meeting the housing needs of the disability community. JCRC urges policy makers to substantially increase housing resources for persons with disabilities and in doing so, make sure that the housing is accessible and usable for persons with various types of disabilities.

As noted by JCHS in its most recent report:²⁹

Another unmet housing need is for home modifications that enable older households to remain in place as they age. Within the next two decades, the number of households headed by people aged 75 and over is projected to double from 14 million to 28 million. At that stage of life, mobility typically becomes more limited. At last measure in 2011, however, only 3.5 percent of the US housing stock provided three critical accessibility features—a no-step entry, single-floor living, and extra-wide doorways and halls—that help households with reduced mobility to live safely and comfortably in their homes. Given that many of these home modifications would be beyond the means of most low- and moderate-income homeowners and rental property owners, expanded tax credit or grant programs would be necessary to subsidize the costs.

JCRC endorses the recommendation by JCHS that additional governmental resources be devoted to assisting older Americans with necessary modifications in order to remain in their homes.

Local Barriers and Positive Programs with Respect to Affordable Housing

As noted by HUD's Office of Policy Development and Research in an article published in September 2021:³⁰

The regulatory environment — federal, state, and local — that contributes to the extensive mismatch between supply and need has worsened over time. Federally sponsored commissions, task forces, and councils under both Democratic and Republican administrations have examined the effects of land use regulations on affordable housing for more than 50 years. Numerous studies find land use regulations that limit the number of new units that can be built or

²⁸ Executive Office of the Mayor, press release, "Mayor Bowser Cuts Ribbon on New 801 East Men's Shelter in Ward ," January 24, 2022.

²⁹ JCHS, The State of the Nation's Housing 2021, January 2022.

³⁰ HUD Policy Development and Research Edge Magazine, "Opportunities to Increase Housing Production and Preservation," September 2021.

impose significant costs on development through fees and long approval processes drive up housing costs.

JCRC wishes to work cooperatively with our local governments and is not, at this time, citing any specific state or local jurisdictions for their regulations that may limit affordable housing production. However, we ask that each jurisdiction in the DMV fully review their regulatory policies to ensure that they are not imposing inappropriate barriers to the development and preservation of critically needed affordable housing. JCRC reserves the right to take issue in the future with zoning or other land use policies that unfairly restrict or prohibit the development of such housing.

However, JCRC does have a role to speak out against NIMBYism—Not in My Back Yard—when it is based on racial or class discrimination. This term is used to describe those who oppose new housing development near their homes—particularly denser or more affordable housing. NIMBY makes it much more difficult to develop the affordable housing that communities desperately need. “NIMBYism is often driven, more or less openly, by racism and classism. But the concerns more commonly voiced are about increased crime, traffic congestion, strain on sewers, overcrowded schools, and lowered property values and ‘quality of life.’ When developments are built, however, these fears rarely come to pass.”³¹

On the plus side, we commend Montgomery County for its Moderately Priced Dwelling Unit program, under which the County requires developers to set-aside a certain number of rental or homeownership units, as applicable, for lower-income households in any new housing development in the County with 20 or more units. We also note that a number of other local jurisdictions in the DMV have adopted similar programs, often referred to as “inclusionary zoning,” that require developers to set aside a portion of new units for lower-income households. We urge those jurisdictions in the region that have not yet adopted inclusionary zoning policies to enact such programs as soon as possible.

Policy Recommendations

To reiterate the earlier discussion, JCRC recommends that:

- The public and private sectors work in public-private partnerships and innovate in meeting affordable housing challenges.
- Local governments do more to meet the goals set out by COG and the Urban Institute.
- As their communities are developed, local governments be sensitive to the needs of long-time lower income residents so that they will not be deprived from the benefits of economic growth and greater availability of services that come with increased investment.
- The federal government and state and local governments in the DMV provide substantially more resources for the production and preservation of affordable rental housing.
- Congress enact the affordable housing provisions contained in pending legislation.
- Others in the private sector address the very real housing needs of the missing middle.

³¹ Shelterforce, “What is NIMBYism and How Do Affordable Housing Developers Respond to It?,” November 2021.

- All jurisdictions in the DMV, including Maryland, make funding available for tenants to have counsel in eviction proceedings, so those who are facing eviction are treated fairly.
- Policymakers take steps to make the court process more orderly and to expedite rental payment assistance.
- All local jurisdictions in the DMV devote increased resources to end the scourge of homelessness.
- Policy makers substantially increase housing resources for persons with disabilities and in doing so, make sure that the housing is accessible and usable for persons with various types of disabilities.
- Additional governmental resources be devoted to assisting older Americans with modifications in order to remain in their homes.
- Each jurisdiction in the DMV fully review their regulatory policies to assure that they are not imposing inappropriate barriers to the development and preservation of critically needed affordable housing.
- Those jurisdictions in the DMV that have not yet adopted inclusionary zoning programs enact such programs as soon as possible.