

Are Homes Infrastructure? Biden's Proposal Says Better Housing Policy Will Improve Access, Affordability

By Martha C. White, NBC News, June 18, 2021

The White House's American Jobs Plan pushes the envelope on the definition of infrastructure, making the argument that where Americans live is a foundational component of the economy. The plan as proposed by the White House would funnel \$213 billion into shoring up the nation's supply of housing, with a focus on affordable housing and more inclusive neighborhoods.

While the proposal's status in a divided Congress is far from certain, advocates and housing policy experts say it includes elements that could rein in the spiraling costs faced by homeowners and renters and foster greater housing accessibility in historically marginalized neighborhoods and communities.

"It's an important part of a neighborhood strategy of revitalization [and] also an important part of expanding homeowner access to homeowners of color," said Chris Herbert, managing director of the Joint Center for Housing Studies at Harvard University. For millions of Americans, he said, "the opportunity to live in homes that are good quality and in communities that are on an upward trajectory are limited."

Herbert said the plan stands out because rather than just focusing on the demand side — that is, people who need housing — the proposal approaches the problem from the supply side instead, aiming to build, modernize or retrofit a total of two million homes, with the dual goal of lowering housing prices and the climate impact of those homes.

"As long as we have a shortage of supply, housing prices are going to become less and less affordable," said David Dworkin, president and CEO of the National Housing Conference.

Of the housing-related components of the American Jobs Act, Dworkin said one of the most important — as well as the most likely to attract bipartisan support — is the Neighborhood Homes Investment Act, a \$20 billion package of tax credits that aims to incentivize the construction or rehabilitation 500,000 homes for low- and moderate-income families.

The new construction portion of this initiative would make the nation's existing housing stock more affordable, said Matthew Murphy, executive director of the Furman Center For Real Estate & Urban Policy at New York University. Down payment assistance programs such as the joint [proposal](#) developed by the National Fair Housing Alliance and the Center for Responsible Lending, could help get first-time, first-generation buyers into homes.

“Increasing the supply, especially the supply of housing for low-income and moderate-income renter households — that stands out, given the context of infrastructure,” Murphy said.

Another aspect of President Joe Biden’s proposal would allocate \$40 billion to the nation’s public housing facilities, many of which were build decades ago and have fallen into serious disrepair.

“The momentum around public housing and the history around public housing is so complicated,” Murphy said. “We have to be thinking about both the injection of capital... and also think about the modern mechanisms we can use to make it financially sustainable.”

Many on the left say that \$40 billion would meet only a fraction of the need. The Congressional Progressive Caucus issued a statement saying much more money is needed because so many public housing projects have suffered from neglect. Progressives say a “Green New Deal For Public Housing” would cost anywhere from \$119 billion to \$172 billion over the course of a decade.

Across all housing classes, an analysis by Moody’s Analytics found that the nation’s current supply is running roughly 100,00 units short annually, the largest supply-demand gap in five decades. One big contributor to that supply gap is zoning regulations that mandate large lot sizes or prohibit construction of multifamily housing. Making it easier for developers to build apartment buildings instead of single-family homes would add supply and lower the costs ultimately paid by homeowners or renters.

Unfortunately, as housing experts wryly note, zoning is one category on which there is the most bipartisan consensus — in that local lawmakers in both red and blue states have been cool to the idea of having the federal government get involved in city zoning regulations.

“Exclusionary zoning and other restrictions are just as prevalent in blue cities as in red ones,” Dworkin said.

Biden’s proposal aims to break down these barriers by offering grant money to incentivize municipalities to change zoning and building codes to facilitate, for example, more high-density construction. “Density is actually good for a local economy,” Dworkin said.

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Some say the proposal doesn’t go far enough: The idea to coax cities into rolling back restrictive zoning regulations needs to include a punitive incentive along with the offer of grant money — carrot and stick, the argument goes — with some suggesting that

access to Federal transportation funds be contingent on cities' agreeing to undertake those zoning changes.

"The idea that we're subsidizing all these transportation dollars to enable these longer commutes is ridiculous," Dworkin said. "If you want the federal money, you should zone responsibly."

With scrutiny coming from different sides, even its biggest cheerleaders acknowledge that passage of the American Jobs Act will be an uphill task for lawmakers to accomplish. The biggest hurdle: Just getting lawmakers across the aisle to come to some accord on how, exactly, infrastructure should be defined. "We've got to get our priorities straight about what we define as infrastructure," Dworkin said.

Republicans have largely dismissed the argument that fields like home health care or education should be grouped under the umbrella of infrastructure. Housing advocates, though, say that housing needs to be brought under the infrastructure umbrella in order to address the effects decades' worth of exclusion and discrimination that are embedded into the existing system.

"I do think that, given its physical nature and how critical it is to the way we work and meet and enjoy life, I do think it's infrastructure," Murphy said. "It's an opportunity to break down our segregated living patterns."

"There's no question that housing is the most effective way to build family wealth in the middle class, [but] one of the biggest factors in multigenerational home ownership was government programs that Black and brown people were excluded from. This gap wasn't accidental. It was deliberate," Dworkin said.

"Just because we don't do it any more doesn't mean it still doesn't have an impact," he said.