



A NATIONAL **HOMES** GUARANTEE

**PEOPLE'S
ACTION!**

BRIEFING BOOK
September 5, 2019

A NATIONAL HOMES GUARANTEE

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OUR PROCESS

We believe that the people closest to the problems are closest to the solutions. Our grassroots leaders are the experts of their own experience. The vision for a national Homes Guarantee comes straight from people who are impacted by the nation's housing crisis, and builds from a long tradition of tenant organizing.

For decades, tenants, residents of public and subsidized housing, and people experiencing homelessness have been organizing to protect their rights and win structural reforms, in and across cities, suburbs, and small towns, all over the country. People's Action has a long history of driving visionary housing policy. Our members, along with movement partners, have won landmark reforms like the Home Mortgage Disclosure Act (1975), Community Reinvestment Act (1977), Dodd-Frank (2010), and much more at the state and local levels.

Grassroots leaders, as a part of the People's Action housing justice cohort, developed the Homes Guarantee framework over a year ago. Since then, we launched an intensive organizing process: building our base through popular education trainings on racial capitalism and housing policy, forging relationships with legislative champions, hosting a briefing with the Congressional Progressive Caucus, recruiting a policy team, and, finally, drafting our ambitious proposal for a national Homes Guarantee.

We completed a draft in late July. Since then, our member organizations and grassroots leaders have picked it apart and put it back together, making our vision bigger, bolder, and more responsive to community needs. Additionally, over 115 movement allies and institutions have reviewed the draft and submitted feedback.

As we take the Homes Guarantee public, we hope to continue building public support. This framework will serve as the basis for ongoing and future engagement with legislative champions. We will keep improving our proposal, incorporating the thinking of movement partners, allies, and other experts. We plan to engage a broad base of grassroots leaders, activists, advocates, candidates, and elected officials in the campaign to realize a Homes Guarantee. **We hope you join us.**

The campaign for a national Homes Guarantee is a project of People's Action, one of the largest, multiracial people's organizations in the country, with 48 member organizations in 30 states and more than a million grassroots leaders. The research and writing team for this document includes: Daniel Aldana Cohen (University of Pennsylvania), Peter Gowan (Democracy Collaborative), Sofia Lopez and Maurice Weeks (Action Center for Race and the Economy), Mark Paul (Roosevelt Institute, New College of Florida), Thomas Silverstein (Lawyers Committee for Civil Rights Under Law), Kelly Viselman (Jane Addams Senior Caucus), Cea Weaver (Housing Justice for All NY), and Tara Raghuvver and Kevin Simowitz (People's Action). This is a draft and not meant for distribution.

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INTRODUCTION

Everyone living in the United States should have safe, accessible, sustainable, and permanently affordable housing: a Homes Guarantee.

Right now, our country falls woefully short of delivering on this promise. Tiana Caldwell is the descendant of slaves, the granddaughter and daughter of veterans who did not benefit from the G.I. Bill. She grew up in poverty in Parsons, Kansas. Tiana was diagnosed with ovarian cancer last spring, and forced to choose between treatments or paying rent. Her landlord evicted her, and her family became homeless, spending \$300-500/week to live in a hotel for six months. Vernell Robinson is a public housing resident in Far Rockaway, Queens. Vernell survived Superstorm Sandy and experienced undrinkable water and mold after the storm worsened the city's already-crumbling public housing. David Zoltan was injured on a job, lost a leg, and discovered that less than 1% of all apartments in Chicago, where he lives, are both affordable and accessible. He finally found an accessible place to live, but it costs him \$1050/month, and his monthly disability check is only \$950. After Jermain Abdullah got out of prison, he lived in a homeless shelter for three years. The shelter was filthy, the roof leaked, and roaches crawled on the sink and toilet seats. To Jermain, the shelter felt like prison all over again.

These stories are not isolated or extreme, but rather very typical outcomes of America's systemic and racialized housing emergency. In 2019, a full-time worker earning minimum wage cannot afford a two-bedroom apartment in any county—urban, suburban, or rural—in the United States.¹ 21 million households, disproportionately people of color, spend over 30 percent of their income on housing.² Only one in five households that qualify for federal housing assistance receives it.³ America has betrayed public housing communities through decades of racist disinvestment and neglect; too often, residents face a brutal choice between appalling conditions or rehousing promises that are insufficient—less affordable, far away—or simply never materialize.⁴ Over 3 million families and individuals are experiencing homelessness.⁵ Millions more live one medical bill, flat tire, or other life event away from homelessness.

The federal government has not made a large scale investment to address affordable housing shortages since Franklin D. Roosevelt's New Deal, which created public housing for civilians.⁶ Now, we need action beyond that scale. The country's housing crisis is untenable, and it must end. We need a Homes Guarantee that will:

- Build 12 million social housing units and eradicate homelessness;
- Reinvest in existing public housing;
- Protect renters and bank tenants;
- Pay reparations for centuries of racist housing policies; and,
- End land/real estate speculation and de-commodify housing.

Fully realized, this proposal will guarantee homes for all. Rents will be set based on tenants' needs and real costs to local government, rather than speculative market prices. Land will be stewarded by and on behalf of everyday people instead of financialized by developers and landlords. A Homes Guarantee will offer both reparative and proactive approaches, including restorative justice to communities impacted by decades of discriminatory housing policy, as well as investments that slash carbon emissions and support resiliency from ongoing climate breakdown.

Offering a plan to eradicate housing insecurity and homelessness in America is a gigantic undertaking. It is also a moral and political responsibility. This briefing book is our detailed proposal for a Homes Guarantee.

¹ National Low Income Housing Coalition. 2018. "Out of Reach: The High Cost of Housing"

https://reports.nlihc.org/sites/default/files/poor/OOR_2019.pdf

² Joint Center for Housing Studies at Harvard University. 2019. "The State of the Nation's Housing."

https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2019.pdf

³ Urban Institute. 2018. "The Case for More, Not Less: Shortfalls in Federal Housing Assistance and Gaps in Evidence for Proposed Policy Changes." https://www.urban.org/sites/default/files/publication/95616/case_for_more_not_less.pdf

⁴ National Housing Law Project. 2002. "False HOPE: A Critical Assessment of the HOPE VI Public Housing Redevelopment Program." <https://www.nhlp.org/files/FalseHOPE.pdf>

⁵ Center for Budget and Policy Priorities. 2019. "Federal Rental Assistance Fact Sheets."

<https://www.cbpp.org/research/housing/federal-rental-assistance-fact-sheets#US>

⁶ Rothstein, Richard. "The Color of Law: A Forgotten History of How Our Government Segregated America." Liveright Publishing.

BUILD 12 MILLION SOCIAL HOUSING UNITS AND ERADICATE HOMELESSNESS

The federal government should guarantee safe, accessible, sustainable, and affordable homes for everyone. The private market has failed to meet the needs of the people, as have the government interventions pursued to date, which disproportionately favor upper and middle class, white, single-family homeowners at the expense of working people and people of color.

Congress should pass legislation to build 12 million new social housing units over the next ten years, with the goal of providing homes to the nearly 12 million renter households who are currently extremely cost burdened (paying over 50% of their income to rent) and to the millions who are experiencing homelessness.⁷ 12 million homes is a necessary target, and one that is viable, based on the scale of large social housing programs around the world.⁸

SOCIAL HOUSING: Social housing is a public option for housing. Typically, it is rental housing provided below market rates.⁹ Rents are charged according to either real costs-based or income-based formulas. Social housing is permanently off the private market: in some cases, it can be owned and operated by municipal governments or nonprofit housing providers. In other cases, as with limited-equity cooperatives, land trusts or mutual housing associations, residents may own a stake in their homes at subsidized rates, and they cannot sell them for exorbitant profit. Models for social housing exist in several other countries and can serve as a basis for designing an American program.¹⁰

DEVELOPMENT AND ACQUISITION: Social units should be primarily new construction on infill or previously non-residential or unaffordable sites, particularly in supply-constrained cities and regions where sprawl encourages high rates of car use, as well as in areas that lack a substantial stock of existing public housing.¹¹ While new construction is essential to realizing this vision, a Homes Guarantee must not raze existing communities in the name of new development. In cities with large amounts of old or abandoned housing, like Baltimore and Philadelphia, public authorities could fund nonprofits to purchase distressed properties, rehabilitate and retrofit them (including through the provision of high-efficiency energy systems and appliances, as discussed below), and manage them as community land trusts (CLTs), permanently maintained as social housing.¹² A program should be established to support manufactured home owners, residents of trailer parks, and others in acquiring their communities and converting them into resident-controlled social housing.

JOBS AND CONSTRUCTION: The government should expand the capacity of the construction industry to deliver large amounts of social housing efficiently and through unionized, prevailing-wage jobs. This can be done by creating a school-to-union pipeline through union-designed apprenticeships on social housing projects. Unions should be required to conduct affirmative outreach to young people of color when recruiting for apprenticeships and to guarantee job placement to those who qualify in a non-discriminatory fashion. The building trades should promote the development of union cooperatives, and procurement preferences should be given to those cooperatives with a high rate of employing local residents in low-income neighborhoods and people of color. Housing can be built entirely on site, or can utilize high-quality modular or fully offsite manufacturing, depending on housing needs and availability of resources.

⁷ Joint Center for Housing Studies at Harvard University, 2019. "The State of the Nation's Housing."

https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2019.pdf

⁸ Joint Center for Housing Studies at Harvard University, 2019. "The State of the Nation's Housing."

https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2019.pdf

⁹ Gowan, Peter and Ryan Cooper. 2019. "Social Housing in the United States" *People's Policy Project*.

<https://www.peoplespolicyproject.org/wp-content/uploads/2018/04/SocialHousing.pdf>

¹⁰ Ibid.

¹¹ This would require both repealing the Faircloth Amendment (Section 9(g)(3) of the Housing Act of 1937), which limits the Department of Housing and Urban Development from investing in new publicly owned homes, and allowing HTF money to be spent on adding to the publicly-owned housing stock (which is prohibited by HUD's 2015 interim rule governing the HTF program).

¹² See more on our proposal for a Community Control and Anti-Displacement Fund in the "Protect Renters and Bank Tenants" section.

COMMUNITY TIES, SERVICES, AND DESIGN: The success of social housing will depend on how well it is integrated into the surrounding community. In order to add 12 million new homes to the United States economy, cities, towns, and villages must engage in comprehensive community planning. The Department of Housing and Urban Development (HUD) and the Department of Transportation (DOT) should coordinate, alongside local or state agencies, to ensure proper integration of social housing and public transit.¹³ Near public transit, zoning overlays should permit higher residential density and exempt social housing projects from parking requirements, except for designated accessible parking spots for those with disabilities. Residents should have access to public transportation and safe streets that make walking and biking viable transportation alternatives.¹⁴ Social housing should be mixed-use and add necessary community services to accommodate increased density: public schools, public libraries, medical services, sanitation, and green space. The ground floors of larger complexes could house public services like daycares, community banks, and dental clinics; they could also include resident-run small businesses, like delis or bicycle repair shops. Social homes themselves must be intentionally designed to Uniform Federal Accessibility Standards (UFAS), including 100% American National Standards Institute (ANSI) Type A accessibility. To allow tenants to age in place, there must be at least 10% of units meeting UFAS standards for those with physical mobility impairments, and at least 4% of units meeting UFAS standards for those with vision and hearing impairment.

PERMANENT SUPPORTIVE HOUSING: At least 600,000 of the new social homes should be Permanent Supportive Housing (PSH), following the “Housing First” model.¹⁵ PSH is an intervention that combines affordable housing assistance with free, voluntary onsite support services to address the needs of people experiencing chronic homelessness.¹⁶ PSH services are designed to empower residents and connect them with community-based health care and employment services. Annual grants should be provided to public and nonprofit entities to fund PSH capital and operating costs. A scaled investment in PSH is a moral necessity and an essential step along the path to eradicating homelessness. Ending homelessness in America would also save public money by reducing hospital and psychiatric admissions and incarceration, all avoidable through a humane policy of housing and supporting people who need it.¹⁷

¹³ DOT has experience in funding sustainable transportation improvements through the TIGER grants included in the Obama administration’s American Recovery and Reinvestment Act (2009).

¹⁴ Building on the model of California’s [Affordable Housing and Sustainable Communities](http://sgc.ca.gov/programs/ahsc/docs/20180731-Update-Fact%20Sheet-AHSC.pdf) program <http://sgc.ca.gov/programs/ahsc/docs/20180731-Update-Fact%20Sheet-AHSC.pdf>

¹⁵ National Alliance to end Homelessness. 2016. “Housing First.” <https://endhomelessness.org/resource/housing-first/>

¹⁶ National Healthcare for the Homeless Council. 2019. “Permanent Supportive Housing.” <https://www.nhchc.org/policy-advocacy/issue/permanent-supportive-housing/>

¹⁷ National Alliance to End Homelessness. 2015. “Ending Chronic Homelessness Saves Taxpayers Money.” <https://endhomelessness.org/resource/ending-chronic-homelessness-saves-taxpayers-money/>

LOCATION: Meeting the vision for a Homes Guarantee depends in large part on where municipalities locate new social housing. The United States housing market is characterized by racial exclusion and discrimination: either explicitly, through policies like deed covenants and red-lining, or implicitly, through discrimination and income-based segregation. Social housing—especially if thoughtfully located—can be a reparative measure that seeks to affirmatively correct for centuries of harm. It can be built in a wide range of places: on converted golf courses, shopping centers, and parking lots (often already publicly-owned), in large cities, suburban areas, and in small towns and Native American reservations. Social housing must seek to desegregate existing high-income, primarily white areas, particularly suburbs that are currently zoned for single-family housing. A federal “social housing zoning law” should preempt states and localities from inhibiting social housing development.¹⁸¹⁹ PHAs and municipalities in these areas should be incentivized to play a role in the development of social housing by making access to infrastructure and other funds conditional on meeting social housing production targets. If PHAs and municipalities in high-income, white areas still refuse to develop social housing, the federal government should work directly to develop social housing in partnership with nonprofit developers and CLTs in the regions in which these exclusionary municipalities are located. The ultimate distribution of social housing units should reflect a balance among the complementary goals of improving housing quality and security in disinvested communities, preventing displacement in gentrifying areas, and expanding access to historically exclusionary, predominantly white areas with many amenities.

OWNERSHIP: Social housing should be permanently off the private, speculative housing market. Social housing units must be owned by municipalities, nonprofits, or public housing authorities (PHAs). These types of owners should own and operate the units in perpetuity and must be subject to rent restrictions. Some units should also be made available for non-speculative purchase through CLTs and regulated cooperatives.

RESIDENTS: Social housing is based on the fundamental principle that everyone—no matter their income, background, or their conformity to social or legal norms—has the right to a home. Social homes should be affordable and accessible to people at a variety of income levels: middle-income, low-income, very low-income (VLI), and extremely low-income (ELI) households. It must be affordable and accessible to people currently experiencing homelessness. The National Housing Trust Fund should provide operating subsidies to ensure that VLI and ELI households can access the homes without paying more than 30% of their income. Resident selection must be inclusive of people with disabilities, conviction or arrest records, all racial groups, people with low or no credit, undocumented people, victims of domestic violence, all sexual orientations, gender expressions and identities, other groups who are often excluded from housing, and people protected from discrimination by the Fair Housing Act.²⁰ To prevent such discrimination, social housing requires a significant departure from the surveillance state. Any entity conducting oversight in social housing must be strictly prohibited from sharing information with any other agency, including and especially law enforcement. Oppressive practices which control the lives of tenants in affordable housing should be banned; this includes scrapping black lists, one-strike and no-fault eviction policies, unreasonable inspections, and blanket prohibitions on smoking or having pets.

RENT: Based on the operating and debt service costs of the development, the owner should establish a nominal per-tenant rent. Prospective residents will self-report income for the purpose of determining rents and/or subsidies. If the nominal rent is less than 25% of a resident’s income, they should be required to contribute the difference as “solidarity rent” to increase the operating subsidy for poorer neighbors. Still, their total rent should not exceed 95% of the market rate for comparable units in the area, and tenants whose incomes increase after moving in will be protected by rent control.²¹

¹⁸ Schill, Michael. 1992. “The Federal Role in Reducing Regulatory Barriers to Affordable Housing” *University of Chicago Law School, Chicago Unbound*. https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=2931&context=journal_articles, p. 711

¹⁹ Such a law should require that federally-funded social and public housing be exempted from minimum and maximum lot sizes, minimum unit sizes above a reasonable federally-established standard, setback requirements, height restrictions, story limits, density limits, lot coverage maximums, aesthetically-oriented local design review processes, and parking minimums near public transit other than accessible reserved spaces for people with disabilities.

²⁰ This is a distinction from our current housing policy, in which undocumented immigrants and formerly incarcerated individuals are banned from federally-funded affordable housing.

²¹ For more information on rent control, see “Protect Renters and Bank Tenants” section.

GOVERNANCE AND MANAGEMENT: Residents should be given an explicit right to organize, collectively bargain, and be represented by a tenant organizer or tenant association if they so choose. Owners must provide tenant associations with transparent information about the building’s budget, spending, operations, and anything else which is relevant or requested, in a prompt and comprehensive fashion. Tenant associations should organize elections for board seats and have the right to initiate a referendum to replace management with a cooperative governance structure. A publicly-owned, not-for-profit management company should be established to perform this role as the default option. Grants should be made available for legal and technical assistance in analyzing documents, forming cooperatives, and to support tenant organizing in new social housing (and existing public and subsidized housing). All federally subsidized limited-equity cooperatives and Community Land Trusts must also meet national standards of democratic organization.

DECARBONIZATION AND RESILIENCY: The climate crisis is the biggest displacement threat, worldwide. A Homes Guarantee must affirmatively address climate justice, and new social housing must be built to the highest possible environmental standards. Green construction would drive deep decarbonization, develop workers’ skills in low-energy construction, and—through mass public purchase agreements of new models—lower costs of energy-efficient appliances and materials for all consumers. New buildings should be located to maximize residents’ mobility and low-cost transit access. Existing homes, such as row houses in low-income neighborhoods that are purchased for a fair price and converted into CLTs, should receive the highest quality green upgrades, including toxic mold and lead remediation, and use of non-toxic new materials. A Homes Guarantee must begin to address the disproportionate impact low-income communities and communities of color face as a consequence of climate change, and also ensure that these groups benefit economically, in their health, and in their overall well-being from massive green investments to stabilize the climate.

- **Build social housing to have extremely low-energy use:** There are award-winning models, and there is already technical and political momentum, for building green social housing in a range of urban, suburban, rural, and reservation contexts, maximizing comfort while slashing energy costs and carbon pollution.²² Attention to detail is critical. For example, universal deployment of dimmer switches would enhance resident control and alleviate light sensitivities. In large buildings, rooftop solar, massive batteries, and community spaces can contribute to making new social housing into community resiliency centers. All these forms of construction can also yield high quality jobs, train workers in new skills, and pioneer lower-cost construction techniques to be adopted and improved upon elsewhere.
- **Decarbonize building materials:** Concrete is currently carbon intensive, but public procurement and regulations associated with social housing construction can drive down costs of low-carbon, and eventually negative-carbon concrete, with benefits for the whole building sector.²³ Other building materials, like steel, are carbon intensive to produce. When possible, such materials should be replaced with carbon neutral alternatives, like sustainably harvested wood, drawing on Japanese and Norwegian innovations.²⁴ New housing construction would also be tightly regulated to minimize waste, ensure clean disposal, and maximize reuse and recycling of materials that do not go into final homes, and the same standards would apply to wreckage from any vacant or decrepit buildings demolished in process of erecting new housing.
- **Drive down efficient, no-carbon appliance costs:** We must eliminate natural gas in every building in America. New construction of social housing is an excellent place to take that goal to scale. In July 2019 Berkeley, California had already become the first city to ban natural gas appliances in new buildings. New social housing can eliminate natural gas use by introducing ADA-compliant, super-efficient electric appliances, like induction stoves, convection

²² See also: Stefanos Chen. 2019. “Counting Down to a Green New York.” *New York Times*.

<https://www.nytimes.com/2019/07/12/realestate/counting-down-to-a-green-new-york.html>. Oliver Wainwright. 2019. “I’ve seen the future and it’s Norwich: the energy-saving, social housing revolution.” *The Guardian*.

<https://www.theguardian.com/artanddesign/2019/jul/16/norwich-goldsmith-street-social-housing-green-design>

²³ D’Alessandro, A., Fabiani, C., Pisello, A. L., Ubertini, F., Materazzi, A. L., & Cotana, F., 2016. Innovative concretes for low-carbon constructions: a review. *International Journal of Low-Carbon Technologies*, 12(3), 289-309. Jeffrey Rissman, 2018. (“Concrete change: Making cement carbon-negative.” *GreenBiz*. <https://www.greenbiz.com/article/concrete-change-making-cement-carbon-negative>

²⁴ Harvey, Fiona. 2019. “Ply in the sky: the new materials to take us beyond concrete.” *The Guardian*.

<https://www.theguardian.com/world/2019/feb/27/ply-sky-new-materials-take-beyond-concrete-carbon-dioxide>

ovens, and hot water systems. Induction stoves are already considered one of the most effective and pleasurable ways to cook.²⁵ High-efficiency heat transfer pumps can heat and cool with low energy use.²⁶ Public procurement and regulations will increase home comfort, reduce energy costs, and drive down appliance costs for the general public. It can also increase manufacturing employment in the US, where appliance production has stagnated, but where cutting edge appliances, like Frigidaire induction stoves, are still built.

- **Tighten national standards for private market construction:** All the benefits listed above can be mandated for private construction, delivering long-term savings. The Department of Energy should tighten its building energy code standards, and other agencies could tie state housing and transportation funding to adoption of such codes. The EPA should continuously tighten Energy Star requirements, encourage smaller and more efficient Energy Star models, and ban appliances that fail to meet Energy Star standards.

FUNDING: The operating and debt service costs of social housing should be fully covered by a combination of rents and federal investment. The capital costs should be covered by discretionary federal grants, as well as municipal and state taxes. The federal government should issue bonds to create a new \$1 trillion revolving fund of subsidized-interest loans available to PHAs and municipalities, enabling them to borrow at low costs in exchange for building social housing. Grants to PHAs and municipalities should be administered through the National Housing Trust Fund (NHTF), which should receive a new mandate to administer the programs in this legislation, and to permit it to fund the expansion of publicly-owned housing stocks.²⁷ NHTF should also receive a ringfenced appropriation of \$1 trillion over 10 years, \$400 billion of which should be front-loaded to year one, to finance development of publicly-owned and regulated nonprofit social housing as well as operating subsidies for VLI and ELI tenants. To ensure that public money does not support private profiteering, federal investment in social housing projects should match or exceed the value of federal assistance provided to investors in comparable low-income housing tax credit (LIHTC) developments.

REINVEST IN EXISTING PUBLIC HOUSING

There are approximately 1.1 million public housing units in the United States, serving over 2 million people.²⁸ Existing public housing units require over \$70 billion for physical improvements to account for dilapidation and poor conditions.²⁹ 66% of public housing residents are people of color. Congress's failure to adequately fund ongoing maintenance and repairs in public housing represents a major driver of racialized housing inequality, and denies people of color the right to a safe and healthy living environment.

The bipartisan consensus that “public housing has failed” obscures two realities: first, that this failure is a political choice,³⁰ and second, that the private market, by and large, is failing on a much larger scale. This consensus has created the conditions for a large scale privatization of our public housing stock and transfer of public wealth to private actors. For decades, public housing demolition and privatization have come with false promises of reconstruction or rehousing. Overwhelmingly, though, these trends have led to a net loss of non-speculative, truly affordable units.

A Homes Guarantee requires a recommitment to public housing, beginning with repealing the Faircloth Amendment, which prohibits new public housing construction, as well as a multi-billion dollar reinvestment in public housing where it currently exists. Congress should start with at least \$30 billion annually for the next five years, or \$150 billion in total. The investment should initially go toward clearing the current backlog in repairs, and then toward a major renovation

²⁵ Scott-Moncrieff, Chloe. 2017. “Why London’s Top Chefs Are All Cooking on £99 Induction Hobs.”

https://www.vice.com/en_uk/article/78mvqa/why-londons-top-chefs-are-all-cooking-on-99-induction-hobs

²⁶ Hopkins, Asa S et al. 2018. “Decarbonization of Heating Energy Use in California Buildings.” *Synapse Energy Economics*.

<https://www.synapse-energy.com/sites/default/files/Decarbonization-Heating-CA-Buildings-17-092-1.pdf>

²⁷ This is currently prohibited by HUD’s 2015 interim rule governing the NHTF.

²⁸ National Low Income Housing Coalition policy brief, 2019 https://nlihc.org/sites/default/files/AG-2019/04-07_Public-Housing.pdf.

²⁹ Vock, Daniel. 2019. ‘Will the Infrastructure Package Address Public Housing’s Problems?’

<https://www.governing.com/topics/transportation-infrastructure/gov-housing-infrastructure-hearing-meeting-trump.html>

³⁰ Rice, Douglas. 2016. “Chart Book: Cuts in Federal Assistance Have Exacerbated Families’ Struggles to Afford Housing.” Center on Budget and Policy Priorities. <https://www.cbpp.org/research/housing/chart-book-cuts-in-federal-assistance-have-exacerbated-families-struggles-to-afford>

and capital improvement program that includes investments in basic infrastructure, accessibility, weatherization, and climate resiliency.

PUBLIC OWNERSHIP AND MANAGEMENT: A Homes Guarantee must issue a moratorium on the loss of public housing, including ending the sale of public housing, “expiring use” developments, and public land to private owners. Additionally, legislation should end for-profit management of public housing, conversion of public housing into “mixed income” buildings, and demolition of public housing. Congress should end the Rental Assistance Demonstration (RAD) program and others which privatize public housing, carrying out the euphemistic “repositioning” of public housing units.³¹ For-profit management of existing public housing should be phased out over three years and initially replaced by a new publicly-owned management company (as described above). Public housing tenants must have a meaningful say in the management of their homes, through truly democratic and empowered resident councils, and through organizing. Residents should have the right to withhold rent and pay into an escrow service instead and have money returned to them and/or their monthly rent reduced if management has failed to perform necessary and timely maintenance.

PRESERVATION AND REPLACEMENT: Demolition is not housing policy. Where public housing units can be preserved or rehabilitated rather than demolished, they should be. When units are beyond repair, funding should only be offered on the condition of at least 1:1 replacement of any demolished units in the same neighborhood. Any city conducting demolitions should also acquire or construct a significant quantity of new social housing to ensure a sufficient net expansion of the non-market housing stock. Before a renovation or demolition, the government should procure equivalent or higher-quality temporary housing, including all the modifications needed to support a person living with a disability, in the same neighborhood. A temporary Section 8 voucher should be offered as an alternative, but not a replacement, for a guaranteed unit. Generous relocation and moving assistance to and from the temporary accommodation should be guaranteed to everyone, no matter which option they choose. To the extent that replacement housing is built off-site or on a different, currently unoccupied portion of the same site, replacement housing should be built first, before any demolition occurs. When necessary, demolition should take place in phases to minimize displacement.

DECARBONIZATION AND RESILIENCY: By 2050 residential efficiency upgrades could reduce 550 million metric tons of carbon emissions per year, equivalent to the combined 2016 emissions of all the power plants in California, Texas, New York, Florida, and Virginia.³² Existing public and subsidized housing units are as good a place as any to start residential decarbonization at scale.

- **Conduct energy retrofits and remediate unhealthy conditions in all public housing by 2030:** There have been major deep energy retrofits of public housing around the world, for example in Ontario, Boston, and Paris. Typically, those retrofits involve a new exterior insulation, high efficiency windows, air sealing between units, and replacement of appliances with new, efficient models. Often, retrofits include adding rooftop solar panels.³³ Building on these models, a Homes Guarantee would also ensure aggressive pest and lead remediation, as well as toxic mold elimination in all existing public housing stock.³⁴ All energy would come directly from geothermal sources, rooftop solar, and no-carbon energy secured through Power Purchase Agreements, with a preference for

³¹ RAD has created a litany of problems in public housing, including but not limited to: eviction spikes, botched relocation, language access issues, poor accommodation for accessibility and health needs, and unreliable and confusing communication with residents.

³² Shayd, Khalil. 2017. “Residential Energy Efficiency is Largest Source of CO2 Reduction Potential.” NRDC.

<https://www.nrdc.org/experts/khalil-shahyd/residential-energy-efficiency-largest-source-co2-reduction-potential>

³³ A celebrated project in Paris cut overall energy use by 60% (while also adding “winter balconies” and increasing light), and a project in Boston (Castle Square complex) is cutting energy use by over a third. Such retrofits cause minimal disruption for occupants. In Boston’s Castle Square, residents were in place the whole time. Ministry of Municipal Affairs and Housing, 2017. See Michael Kimmelman, 2012. “At Edge of Paris, a Housing Project Becomes a Beacon.” *New York Times*.

<https://www.nytimes.com/2012/03/28/arts/design/renovated-tour-bois-le-pretre-brightens-paris-skyline.html>; US Department of Energy. N.d. “Castle Square Apartments.” <https://betterbuildingsinitiative.energy.gov/showcase-projects/castle-square-apartments>; “Ontario Making Major Investments in Social Housing Repairs and Retrofits.”

<https://news.ontario.ca/mma/en/2017/8/ontario-making-major-investments-in-social-housing-repairs-and-retrofits.html>

³⁴ According to a recent investigation by New York State officials, 83% of New York City Housing Authority (NYCHA) apartment units have at least one severe condition (mold, paint, water damage, inoperable appliances, etc). Lead and mold exposure are especially dangerous and prevalent. New York State Department of Health. 2018. “Assessment of New York City Housing Authority (NYCHA) Properties.”

https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/FINAL_Assessment_of_NYCHA_Report.pdf

community and/or cooperatively-owned sources. Residents of existing public housing and new social housing should not pay energy bills; energy costs will be driven down by efficiencies and upgraded standards. Where rooftop solar is not feasible, green roofs and/or rooftop gardens that facilitate community interaction will be prioritized. HUD's Section 3 should be rewritten to maximize the amount that existing public housing residents are trained to do building upgrades.

- **Turn every public housing complex into a community resiliency center:** In the face of natural disasters and increasingly frequent heat waves, communities need safe places to stay safe, keep cool, and charge phones and computers during power outages. Community resiliency centers can also build social infrastructure and prepare people for disasters during normal weather.³⁵ Public housing can be transformed into such centers by adding public spaces, solar panels, and battery storage. Where appropriate, combined heat and power and/or co-generation plants powered by clean energy can ensure that public housing maintains electricity even when neighborhood power goes out.
- **Use public procurement to drive workforce development and lower costs:** As with new social housing construction, public procurement policies for retrofits can assure high-paying jobs for community members and people of color. Repair work can often be targeted at local businesses and worker cooperatives. New small businesses, cooperatives, worker skills, and materials for retrofits could then be used for other residential and commercial buildings as they undergo retrofits. Funding, training, and technical assistance should be guaranteed to businesses, including co-operatives, controlled by local communities and/or public housing residents, so that they can scale their operations and take on the bulk of these jobs.
- **Strengthen regulations and subsidize retrofits and appliances for subsidized housing:** Subsidized housing is the least energy efficient housing in the country.³⁶ Strengthened regulations and generous public finance, like no-interest loans from HUD or a federal green bank, combined with Cash for Appliances programs (see below) can ensure that private operators of subsidized homes—especially multi-family homes—implement needed efficiency measures and upgrade to ADA-compliant appliances without gaining disproportionate private benefit. Best practices in multifamily programs include direct installation and rebate programs, streamlined rebates and incentives, multiple pathways to participation, and on-bill repayment or low-cost financing.³⁷
- **Increase access to clean public transit:** A Homes Guarantee requires that affordable mass transit be made universally available, prioritizing working class, low-income, and communities of color.³⁸ Such communities must be first in line for increased service from clean electric buses, increased commuter rail, new bicycle lanes, improved sidewalks, and other infrastructure to facilitate healthy, safe, efficient, and plentiful ADA-compliant transportation options. The measures detailed throughout this report will ensure that, finally, investing in clean mass transit will not spur displacement, as it has in the past, but rather benefit the community members who have long fought to improve their neighborhoods' connectivity.

FUNDING: To prevent future “disinvestment bias,” Congress’s tendency to deprioritize spending on maintaining the stock of existing public infrastructure (including housing), legislation should move public housing operating and capital expenses from discretionary to mandatory spending item. The mandatory spending level should fully fund public and social housing, even in the event of a budget crisis or change in administration, similar to Social Security and Medicare.

³⁵ Klinenberg, Eric. 2018. “Worry Less About Crumbling Roads, More About Crumbling Libraries.” *The Atlantic*. September 20.

<https://www.theatlantic.com/ideas/archive/2018/09/worry-less-about-crumbling-roads-more-about-crumbling-libraries/570721/>

³⁶ This is in part because building owners and managers do not benefit from reduced energy use, a problem called “split incentives.” Reina, V. J., & Kontokosta, C. 2017. “Low hanging fruit? Regulations and energy efficiency in subsidized multifamily housing.” *Energy Policy*, 106, 505-513.

³⁷ Drehobl, A and L Ross. 2016. “Lifting the High Energy Burden in America’s Largest Cities.” *American Council for an Energy Efficient Economy*, p. 6. <https://aceee.org/sites/default/files/publications/researchreports/u1602.pdf>

³⁸ An important program that offers some lessons on combining affordable housing construction and sustainable transit options is California’s Affordable Housing and Sustainable Communities Program (AHSC). N.d. <http://www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml>.

PROTECT RENTERS AND BANK TENANTS

A federal Homes Guarantee means that every household in the United States—whether they rent or own—has a dignified and affordable home. Today, both renters and owners are subject to the instability of unregulated and predatory industries that cause evictions, displacement, and foreclosure. A fully realized Homes Guarantee balances the power between people who own buildings and those who live in them.

Renters are far more likely than homeowners to be low-income, far more likely to be people of color, far more likely to have a disability, far more likely to be women. Evictions, which impact women of color the most, have lifelong economic impacts for those who are affected.³⁹ An eviction is a violent disruption that negatively impacts health, education, and economic stability. Eviction is not just a condition of poverty—it is a cause. Eviction threatens employment and education; it is costly, as residents seeking new housing spend thousands of dollars storing belongings, paying excessive security deposits, or living precariously in hotels.

Federal housing policy has long prioritized homeowners and home ownership over rental assistance programs, tenant protections, or homes for the homeless. As a result, federal expenditures on housing skew towards the relatively well-off: middle and upper income households.⁴⁰ When it comes to Federal housing policy, renters are left behind. And State policy is no better. In fact, in many parts of the country, statewide preemptions, including bans on rent control, leave policy makers with few options when seeking to protect tenants and stabilize their communities.

Much attention is paid to the rental housing crisis in the nation's largest cities, but rising rents, displacement, and homelessness are suburban and rural issues too. In the last decade, 25% of rural counties in the United States have seen a sizeable increase in the population of “severely cost-burdened” households.⁴¹ The policies below, which seek to balance the scales between renters and property owners, should apply everywhere.

NATIONAL TENANT BILL OF RIGHTS: A National Tenants’ Bill of Rights is critical to a Homes Guarantee, and must apply to all renters, no matter their income, where they live, what kind of housing they live in, or land they live on. The policies below would stabilize rental communities and allow tenants the right to organize for safety and security in their homes.

- **Universal rent control:** 43 million households in the United States rent their homes, and 21 million of those renters cannot afford their rent.⁴² In the places where it exists, rent control has proven to protect millions of families against sudden rent hikes and displacement, while simultaneously ensuring landlords a modest profit.⁴³ Rent control moderates the power imbalance between landlords and renters, with cascading positive benefits for communities, as rental families can stay stably housed. A National Tenants’ Bill of Rights would lift statewide bans on rent control and limit rent increases to 1.5 times the Consumer Price Index, or 3%, whichever is lower. In addition, application fees, parking fees, pet fees, appliance fees, and the like will be appropriately regulated and not used to deny anyone the right to move into or remain in a residence. These fees, which are not rent, must not be used as the basis for an eviction.
- **“Good cause eviction,” or a national right to lease renewal:** Protections against rapid rent increases are meaningless without the right to stay in your home, should you want to. A Tenants’ Bill of Rights would prevent landlords from arbitrarily, or for retaliatory reasons, choosing not to renew a tenants’ lease. Under a Homes Guarantee, Congress should prohibit evictions without good cause, and every tenant will have the right to a lease renewal.

³⁹ Eviction Lab. “Why Eviction Matters.” <https://evictionlab.org/why-eviction-matters/>

⁴⁰ Fischer, Will and Barbara Sard. 2017. “Chart Book: Federal Housing Spending is Poorly Matched to Need.” *Center on Budget and Policy Priorities*. <https://www.cbpp.org/research/housing/chart-book-federal-housing-spending-is-poorly-matched-to-need>

⁴¹ Henderson, Tim. 2019, March 25. “Rural American Faces a Housing Cost Crunch.” PEW Charitable Trust. <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2019/03/25/rural-america-faces-a-housing-cost-crunch>

⁴² Joint Center for Housing Studies at Harvard University. 2017. “America’s Rental Housing 2017.” https://www.jchs.harvard.edu/sites/default/files/harvard_jchs_americas_rental_housing_2017_0.pdf

⁴³ Chew, Ameer and Sarah Treuhart. 2019. “Our Homes, Our Future: How Rent Control Can Build Stable, Healthy Communities” *Policy Link February 2019*, https://www.policylink.org/sites/default/files/OurHomesOurFuture_Web.pdf

- **Right to counsel in court:** The power imbalance between renters and landlords is most apparent in our nation's eviction courts. A Homes Guarantee would invest in universal access to free lawyers for low-income renters facing evictions, poor housing conditions, or rights violations. Congress should follow the lead of cities such as San Francisco and New York and invest in universal access to legal counsel for low-income renters. In New York City, this eviction prevention measure has helped keep nearly 22,000 families (84% of those served) in their homes,⁴⁴ and in the first full year of the program, evictions declined five times faster in zip codes where tenants had guaranteed legal representation than in similar zip codes that are not yet being served.⁴⁵
- **Right to truly affordable housing:** The legislation should introduce a legally enforceable right to affordable housing, which would be justifiable based on tightening (but technically viable) criteria in relation to income ratios as well as amenity and locational preferences. This should give someone who has exhausted other administrative avenues to obtain an affordable home the right to sue HUD for one. Most often, evictions occur because of non-payment of rent, a brutal and avoidable reality caused mostly by landlords gouging rents while wages remain stagnant, leaving far too many households to pay rent that they cannot afford. In order to eliminate forced displacement and slow the rise in homelessness, all tenants should be able to avoid eviction by having access to emergency rent assistance programs in the event of a non-payment case in housing court.
- **Right to organize and to legal enforcement of rights:** Any housing community, small or large, survives and thrives with residents who are engaged with their neighbors and are interested in making sure that tenants' rights are enforced for the benefit of all. Tenants' rights are best enforced when renters are organized. Tenants must have the right to form tenants' unions, free from the fear of retaliation from the landlord or managing agent. Tenant organizations must have the right to meet, post notices or otherwise publicize their activities for the benefit of all. Ownership and management representatives and their agents must not interfere with the creation or actions of tenant organizations. Appropriate fines and punishments shall be mandated if this Bill of Rights is not adhered to by ownership, management and/or maintenance staff or their agents/designees.
- **Right to high quality and accessible housing:** Tenants have the right to live in housing that meets their basic needs. Mold, lead and asbestos paint, pipes with lead and other environmental toxins plague rental housing and force families to move or suffer the health consequences, which are sometimes fatal. Congress should provide resources to local governments to enforce building codes, and to compel landlords to meet them. The cost of necessary building and apartment repairs must not be passed on to residents; that should be considered an act of retaliation, punishable by law. Should a landlord refuse to make necessary repairs, tenants' must have the right to "repair and deduct" from the rent. Finally, residents ability and accessibility needs may change at any time. Should a current or prospective tenant require accessibility features, like grab bars in the bathrooms, landlords must comply with these needs. If the tenant must move to allow for these features to be installed, the landlord must pay or reimburse the associated moving fees and costs in full.

BANK TENANTS: "Bank tenants" are homeowners, especially victims of predatory lending, who are beholden to lenders and other financial institutions. In order to protect homeowners against forced displacement, and to account for the history of predatory lending (reverse mortgages, adjustable rate mortgages, rent-to-own contracts, and all similar predatory practices), a Homes Guarantee should regulate mortgages and lending institutions. Prospective homebuyers should have the right to independent and licensed real estate attorneys of their choice, before, during and after signing a mortgage contract. They should further have the right to demand mortgage companies, banks and any other entity offering mortgage contracts to fully disclose, in the language necessary for prospective buyers to understand, the penalties, guarantees, and other requirements of the mortgage option they are choosing. Buyers and homeowners should have the right to contest any decision or action of their mortgage holder(s) in court. Appropriate fines and punishments for violations by mortgage holders shall be a part of this bill of rights document.

⁴⁴ Right to Counsel Coalition NYC. 2018. "Right to Counsel Works to Stop Evictions!" <http://bit.ly/righttocounsel2018>

⁴⁵ Right to Counsel Coalition NYC. 2018. "Right to Counsel, Power to Organize Campaign" https://www.righttocounselnyc.org/right_to_counsel_power_to_organize_campaign

FREEDOM FROM DISCRIMINATION: The power imbalance between tenants and landlords, or mortgagors and mortgagees, means that basic tenants' rights are rarely enforced, and landlords and bankers regularly discriminate against those seeking housing—on the basis of race, family-make up, physical and mental ability, source of income, and more. A fully realized Homes Guarantee would both strengthen the Fair Housing Act, and provide meaningful resources to cities, towns, and counties in order to enforce it. First, Congress must add the following to protected classes under the Fair Housing Act for those seeking rental housing: source of income, sexual orientation, gender expression and identity, immigration status, conviction and/or arrest history, eviction history, and credit score. Income amounts and sources, financial status, bankruptcy history, credit scores, cannot be utilized to deny access to a mortgage. Second, Congress must fund local enforcement mechanisms so tenants can meaningfully enforce their rights.

CONSUMER PROTECTIONS: The Consumer Financial Protection Bureau regulates lenders and financial institutions to protect homeowners from discrimination in the housing marketplace. Congress should create an independent federal Equal Housing Opportunity Commission to treat renters seeking housing with the same rights against discrimination. The Consumer Financial Protection Bureau must ban landlords from charging exorbitant move-in fees or more than one month's rent in security deposit.

COMMUNITY CONTROL AND ANTI-DISPLACEMENT: A Homes Guarantee requires deep levels of federal funding to local governments to prevent displacement, eliminate speculation, and stabilize neighborhoods. Gentrification is sweeping our nation's cities, often aided by local governments. For too long, "economic development" has been a corrupt promise. Local and/or state governments transfer public wealth to private actors, often politically connected developers, and local communities do not experience any benefit. Instead, they are often displaced. Congress should invest in a \$200 billion Community Control and Anti-Displacement Fund to give residents a voice in community based economic development. The fund will be used to give grants to local governments to re-house displaced people, regulate exploitative developers, and provide communities with the resources necessary to build alternative ownership models, like resident-run co-ops and CLTs that support true community control.

- **Put people over profit:** The Fund should prioritize non-profit, alternative ownership housing models that give renters a say in how their homes are run and operated, and protect housing affordability in perpetuity. These models include: mutual housing initiatives, limited equity resident-run cooperatives, and CLTs. This vision for social housing and preservation can be based on the Third Party Transfer program in New York City, which leverages outstanding fines and taxes to bring at-risk housing off the private market and into the hands of residents, CLTs, mutual housing associations, or other non-profit entities.⁴⁶
- **Support true community control:** The Fund should be used to support public housing resident engagement, re-house homeless and displaced people, and seize properties from exploitative or predatory actors. While grants are directed to local municipal governments, community control is the primary objective. Entities managing the funds must afford the broadest possible oversight, rights, responsibilities, and opportunities to all renters and bank tenants.

⁴⁶ "Multifamily Disposition and Financial Programs." New York City Housing Preservation and Development. <https://www1.nyc.gov/site/hpd/developers/development-programs/multifamily-disposition-and-finance-programs.page>

PAY REPARATIONS FOR CENTURIES OF RACIST LAND AND HOUSING POLICY

The United States has never addressed the brutality of Native genocide and removal, and slavery, and their enduring legacies; our housing and land ownership systems remain deeply racialized. A Homes Guarantee on its own is not enough to establish equal footing among households that have been impacted by this legacy. Even so, a Homes Guarantee must make every effort to repair the racist ground on which current housing policy stands, and to provide a measure of redress for the physical and economic violence that our government and private actors have perpetuated through the housing market.

Immediately following the Civil War, Reconstruction offered the promise of stability and land-ownership to formerly enslaved people, but it was brutally undercut to create Jim Crow and formalize racial apartheid.⁴⁷ Then, when the federal government intervened to protect white homeowners during the Great Depression and to expand access to affordable homeownership in the aftermath of World War II, the resulting programs intentionally, and often explicitly, excluded people of color from those benefits.⁴⁸ The Great Recession is a recent episode in this ugly history of policies and actions that has resulted in substantial loss of wealth for Black and Brown households. According to one study, Latinx households lost 44% of their wealth between 2007 and 2010, and Black households lost 31%, and these households have not recovered at anywhere near the rates of white households.⁴⁹

Racial capitalism is the basis of the United States economy, and the racial wealth gap is one product of that system. One estimate places median wealth of Black Americans at just \$11,000, compared to \$135,000 for white households.⁵⁰ The government has enacted a handful of tepid policy responses to mitigate poverty, but none have directly confronted the racialized nature of wealth generation, nor the barriers people and families of color have faced in securing a safe, decent place to live. A Homes Guarantee must be an opportunity to provide a degree of restorative justice, accounting for race-based violence in the form of stolen land and wealth.

REPARATIONS: A reparative framework should start by calculating the losses of Black and Brown families as a consequence of Native genocide and removal, chattel slavery, state sanctioned terrorism during Jim Crow, as well as wealth denied via redlining, deed restrictions, and urban renewal. Indigenous and Black communities still feel the acute effects of this history. Redress for theft and exploitation should be a component of the Homes Guarantee, and developed in coordination with and in response to the demands of Indigenous and Black people. To estimate wealth lost by communities of color, the government should hire researchers to study land records that indicate where people of color owned or cared for land that was subsequently stolen, including property lost during the “Great Migration,” and development-induced displacement. Instances of dispossession should include examples like the massacre in Tulsa, Oklahoma, the expulsion of Black residents from Forsyth County, Georgia, and demolition of homes and communities, as well as the predatory cut-rate compensation tied to government-initiated urban renewal projects. Other forms of ongoing potential dispossession like tax foreclosure purchases in rapidly gentrifying communities should be considered opportunities to prevent further loss of homes.⁵¹ Researchers should place an estimate on the original value of that land at the time of theft, and then translate amounts to 2019 dollar values and determine the best way to compensate individual descendants and impacted communities accordingly, following their leadership. In addition to the public sector, reparations should be paid by corporate actors like financial institutions, insurance companies, and developers for their role in land theft.

⁴⁷ Reconstruction: America After the Civil War. <https://www.pbs.org/weta/reconstruction/>.

⁴⁸ Freund, David M.P. 2007. *Colored Property: State Policy & White Racial Politics in Suburban America*, 99-140.

⁴⁹ Lowrey, Annie. 2013. “Wealth Gap Among Races has Widened Since Recession” *New York Times*. April 28, 2013. <https://www.nytimes.com/2013/04/29/business/racial-wealth-gap-widened-during-recession.html>.

⁵⁰ The Economic Policy Institute. 2017. “The Racial Wealth Gap: How African-Americans have been shortchanged out of the materials to build wealth.” <https://www.epi.org/blog/the-racial-wealth-gap-how-african-americans-have-been-shortchanged-out-of-the-materials-to-build-wealth/>

⁵¹ Kahrl, Andrew W. 2019. “Black People’s Land was Stolen.” *New York Times*. June 20, 2019. <https://www.nytimes.com/2019/06/20/opinion/sunday/reparations-hearing.html>

PRINCIPAL CANCELLATION OR REDUCTION: Before the Great Recession, mortgage lenders explicitly targeted Black and Brown home buyers for subprime mortgages, even when they qualified for conventional loan products. Black and Brown families have not recovered, in terms of wealth or home equity, at the rate white families have.⁵² The government should institute principal reduction for families still underwater due to the 2008 crash. Knowing these communities were specifically targeted with high-cost toxic loan products, the balance on outstanding mortgages for homeowners who, 10 years later, owe more than their homes are currently worth, should be canceled, or, at a minimum, their principal should be reduced to align with the current value of their homes. Additionally, all mortgage lenders should be required to offer loan modifications before selling mortgages made pre-foreclosure crisis in bulk at auction.

GRANTS AND CAPITAL: Wealth building in the United States has always been tied to property ownership. A Homes Guarantee places urgency on access to housing as a basic necessity, not as a tool to build wealth. With that being said, Black and Brown households have systematically been denied access to housing as a means for wealth building throughout this nation's history through tools like redlining and deed restrictions. On top of spatial discrimination, access to formal credit has been another pernicious and long standing barrier. Black and Brown households should, of course, have access to new social homes, and they should also get tools to compete with real estate speculators, who operate in a world of infinite access to cash. An authentic Homes Guarantee must, without putting undue priority on individual ownership, provide meaningful support to Black and Brown households through grants and zero interest capital so they may pursue self-determination in securing housing that meets their needs, while redressing the harmful consequences lack of access to conventional loan products has had in communities of color.

FAIR HOUSING: The Affirmatively Furthering Fair Housing (AFFH) rule was established in 2015 to compel municipalities to identify housing policies or actions with racist outcomes whether or not they explicitly state racist intent, and to find ways to undo these harms. In essence, the rule established that municipalities cannot plead ignorance in response to discriminatory outcomes of, for example, their zoning policies. Until the rule was suspended by the current HUD administration, municipalities were required to perform data analysis to identify racist outcomes, and submit plans to affirmatively and fully meet the obligations established in 1968 under the Fair Housing Act. This rule must be implemented, fully funded, and enforced immediately. Conditioning block grant funding on the submission and acceptance of these plans would prompt cities to take this obligation seriously.⁵³

END LAND AND REAL ESTATE SPECULATION AND DE-COMMODIFY HOUSING

Speculation is the process of buying land or housing with the intention of using it as an investment vehicle rather than as a place to live. While communities fight for the right to safe, accessible, sustainable, and permanently affordable housing, investors see the markets for housing and land as an arena to park capital and accumulate more wealth. Blackstone, a multinational private equity corporation, is now the largest landlord in the country, a sign of the changing face of property ownership.⁵⁴ As long as speculation of land and real estate is commonplace, and housing is commodified, the housing and rental markets will continue to be unstable and predatory.

Speculation has major costs. Because speculators wait for land or property to accumulate value, they often allow potential homes to sit vacant, blighted, unoccupied, and/or tax delinquent.⁵⁵ In many cities, housing speculation took off immediately after the foreclosure crisis, often aided by the government.⁵⁶ When housing prices plummeted,

⁵² Burd-Sharps, Sarah and Rebecca Rasch. 2015. "Impact of the US Housing Crisis on the Wealth Gap Across Generations" *Social Science Research Council June 2015*. https://www.aclu.org/sites/default/files/field_document/discrimlend_final.pdf.

⁵³ Andrews, Jeff. 2018. "HUD takes aim at yet another Obama-era anti-segregation rule" *Curbed.com*. January 5, 2018. <https://www.curbed.com/2018/1/5/16854218/hud-fair-housing-delay-obama>.

⁵⁴ Cornish, Audie. 2017. "Blackstone-Starwood Merger Creates Largest Rental Home Company In U.S." National Public Radio. August 10, 2017, <https://www.npr.org/2017/08/10/542663692/blackstone-starwood-merger-creates-largest-rental-home-company-in-u-s>

⁵⁵ Fitzpatrick, Thomas J. 2011. *Slowing Speculation: A Proposal to Lessen Undesirable Housing Transactions*. Federal Reserve Bank of Cleveland. March 2, 2011.

<https://www.clevelandfed.org/en/newsroom-and-events/publications/forefront/ff-v2n01/ff-v2n0142-slowng-speculation-undesirable-housing.aspx>

⁵⁶ Semuels, Alana. 2019. "When Wall Street Is Your Landlord." *The Atlantic*. February 3, 2019, <https://www.theatlantic.com/technology/archive/2019/02/single-family-landlords-wall-street/582394/>

investors swooped in and purchased homes from short sales or auction at record low prices. These investors are often based out of state (even out of the country) and have no real interest in maintaining the property or contributing to the surrounding community. In manufactured housing, speculators delight in the opportunity to sit on land while bleeding tenants dry with fees and other expenses. One investor even put this type of investment as similar to “owning a Waffle House where everyone is chained to the booths.”⁵⁷ Speculation can lead to the equivalent of price gouging, but applied to property values and rents.

Cities around the globe have successfully implemented and maintained anti-speculation laws. Washington, DC instituted a 70% tax on profits made through residential speculation in the 1970s. The policy lapsed in a number of years due to campaigning by right wing forces.⁵⁸ Vancouver, BC imposed a 15% tax on foreign home buyers and considered a bill to tax everyone who doesn't live in the homes they buy.⁵⁹ Shanghai has an anti-speculation policy that, among other things, requires residential property owners to reside in their property for more than five years, pay substantial taxes, and bars sale of the property for five years.

A Homes Guarantee must end land and real estate speculation. Congress should investigate the practices of speculators across the country, including big and small corporate entities that shield owners from accountability to tenants, municipalities, and federal regulators. The government must also institute taxes to de-incentivize speculation and its negative community impacts.

LAND VALUE UPLIFT TAX: We know that corporations and many wealthy individuals purchase land and housing, not to live in it, but rather as an investment strategy. In order to disincentivize owners holding onto land, waiting for it to appreciate in value, governments can introduce a long term tax at the point-of-sale, or a land value uplift tax. Such a tax would apply if, for example, you buy a property for \$100,000 and then sell for \$250,000 without making any capital improvements. The owner would get taxed on the difference between the assessed value at the point-of-sale and the assessed value of unimproved property at the point-of-purchase, or \$150,000. The rate of the uplift tax should be as close to 100% as possible to reflect the fact that the land value appreciation has been entirely generated through surrounding economic and social activity. There should be some tax forgiveness if capital improvements are indeed made. If assessments happen locally, they must be based on separate, federally-imposed standards to avoid local laws (like Proposition 13 in California) from artificially depressing the assessments below actual market values. This tax would have a major impact on the local speculators and some effect on corporate speculators.

FLIPPING TAX: Owners will often flip housing soon after purchase with minimal or no improvements, simply taking advantage of rising housing costs. Governments can tax non-owner-occupied properties, or any multi-unit properties sold for more than the purchase value in less than a certain period of time (say 5 years), at a rate of 25% of the sale price.⁶⁰ Such policy can exempt certain properties as local trends dictate. The assessable amount could be the whole value of the real property at point-of-sale, but the tax rate would have to be low to avoid hurting individual owners who have to sell because they can't afford their mortgage. A better model would be taxing on profits only, and setting a high rate that would limit the profit potential of investments. If the land value uplift tax (described above) is being implemented, the assessed land value uplift should be deducted from these profits to prevent a tax rate over 100%. If the land value uplift tax is not implemented, the flipping tax should be assessed on the full profit. A significant positive outcome may be that, in addition to deterring speculation, such a tax pushes developers towards developing rental housing, instead of condominiums and owner-occupied housing, because selling units or buildings on recently-purchased sites, as opposed to renting them, would incur the flipping tax. If combined with a universal rent control and other tenant protections, this could likely massively expand the rent-controlled housing stock.

⁵⁷ Effinger, Anthony and Katherine Burton. 2014, “Goldman Alum Gives Up Funds to Become Trailer-Park Mogul.” *Bloomberg News*. April 9, 2014. <https://www.bloomberg.com/news/articles/2014-04-10/trailer-parks-lure-investors-pursuing-double-wide-returns>

⁵⁸ Wells, Katie. 2015. “A Housing Crisis, a Failed Law, and a Property Conflict: The US Urban Speculation Tax,” *Antipode*, 2015. https://www.academia.edu/11054883/2015_Article_in_Antipode_A_Housing_Crisis_a_Failed_Law_and_a_Property_Conflict_The_U.S._Urban_Speculation_Tax

⁵⁹ Nelson, Eche. 2018. “In The Struggle to Get It's Red-Hot Housing Market Under Control, Vancouver targets Chinese Buyers” *Quartz.com* February 21, 2018.

<https://qz.com/1212136/vancouvers-speculation-tax-targets-chinese-property-investors-in-hopes-of-getting-its-housing-market-under-control/>

⁶⁰ We suggest 25% tax rate for the first 5 years, tapering off by 5 percentage points a year so that you pay 0% flipping tax on the assessable amount after 10 years.

OUT OF STATE TRANSACTION TAX: Absentee owners and landlords benefit from increasing land values even though they provide no benefits to the community and are often unaccountable to their tenants. In addition to the other taxes suggested here, and in order to deter absentee landlords, governments should introduce a tax at point-of-purchase for selling to out-of-state investors. This would include taxes on sales to out-of-country investors. This measure could be a 5% gross receipts tax on sales of any real property zoned for residential use to anyone who is not currently resident in the state where the real property is located, unless the buyer commits to move to that state within 30 days and continuously reside there for the next full year. If the buyer makes the commitment but then moves out of the state during that year, then they would be subject to the tax the seller would have paid at the point-of-purchase. Sales to corporations would only be exempt if the company's physical headquarters, legal residency, and tax residency are all within the same state as the real property. The exempted amount for an individual or corporation should be recorded and, if the property is transferred to a non-exempt individual or corporation through a gift or sale, the previously exempted amount shall be the minimum amount of tax payable by default.

BLIGHT AND VACANCY TAX: Neighborhoods and communities suffer when speculators allow their properties to fall into disrepair or sit empty. In order to combat blight and vacancy, governments should use the model of blight ordinance in cities like Oakland⁶¹ to investigate, document, and fine investor-owners who leave houses blighted on a monthly basis. To account for the business models of bigger players, fines should increase for those owner-investors that are Wall Street banks or their subsidiaries. The government should also introduce a vacancy tax, prohibiting the use of short-term leases for more than 21 days in a year. There should be a reasonable period without taxes, something around 3 months, for people to find buyers/tenants. A lower rate can apply for the next year, for example: 200% the usual rate of property tax, and 400% the usual rate of property tax thereafter. This tax may also require the federal government to set a minimum rate of property tax with 100% deductibility for state/local property taxes.

DATA AND TRACKING: We must reform the Home Mortgage Disclosure Act (HMDA) and the Community Reinvestment Act (CRA) to fit 21st century banking, strengthen the ability to identify racist bank practices, ensure that communities can access detailed lending data, and ensure that banks only get to count loans that help people whom the CRA was intended to benefit. HMDA data is crucial for the transparency necessary to hold Wall Street corporations accountable. Reforming HMDA would help ensure that loans are going to the heavily impacted groups they are intended to, illuminate parent owners of lenders to disclose multinational mega lenders more readily, and provide the information needed to properly track lending.⁶²

ESTABLISH A PEOPLE'S HOUSING COMMISSION

Congress should create a People's Housing Commission, including representatives from Congress, the White House, tenants of private rental housing, manufactured housing, public housing, and other subsidized housing, as well as people experiencing homelessness, nonprofit developers, public housing authorities, fair housing advocacy groups, legal service providers, state governments, municipal governments, and other relevant, non-corporate stakeholders.

The Commission should conduct a people-centered housing needs assessment. The needs assessment should jumpstart a move away from defining "affordability" in relationship to Area Median Income (AMI), and introduce a new measure of affordability, defined by tenant need. Through this assessment, the Commission should also develop a plan by 2021 to reinvest in public housing and develop social housing. This plan should include ten-year targets for the construction of new social housing, broken down by state and region, as well as assessments of the capital and repair needs of existing public and subsidized housing and strategies for overcoming barriers to the development of social housing in communities that have historically resisted the siting of affordable housing.

⁶¹ Oakland ordinance <http://www2.oaklandnet.com/government/o/PBN/OurServices/CityCodeEnforcement/DOWD008807>

⁶² Woodstock Institute. 2010. "Why We Must Reform the Home Mortgage Disclosure Act."
https://woodstockinst.org/wp-content/uploads/2013/05/hmdareform_sept2010_smith_0.pdf

A HOMES GUARANTEE AND A GREEN NEW DEAL

A Homes Guarantee will have enormous benefits that extend beyond the roof over one's head. Housing security will improve education, health, and employment prospects for tens of millions of people, and will provide a meaningful step in equalizing disparities across racial lines. Less widely appreciated is the fact that housing plays a critical role in the environment. Homes are where we seek shelter from extreme weather. Their energy and associated transit systems are also a major cause of carbon pollution. Home energy use, plus transportation by car to and from homes, are responsible for nearly one third of the country's carbon footprint.

The housing, energy, and climate crises converge in American homes. A massive build-out of new homes with old materials and in the wrong places could exacerbate the climate emergency.⁶³ But done right, a national Homes Guarantee, including the interventions prescribed in this book—to build new social housing, reinvest in public housing, protect communities from gentrification, and increase community wealth in historically disenfranchised Black and Brown neighborhoods—could play a pivotal role in advancing the goals of a Green New Deal, and vice versa. A Homes Guarantee would be an effective and efficient lever for decarbonizing the economy and creating good jobs while increasing social, economic, and racial justice.

There are over 138 million housing units in the country, of which 43 million are rented.⁶⁴ Homes are responsible for over 15% of US greenhouse gas (GHG) emissions, more than the emissions caused by commercial buildings' energy use.⁶⁵ But not everyone has equal or sufficient access to efficient and affordable energy in their homes.

Roughly one third of Americans suffer from energy insecurity, or have recently received a utility shut-off notice, forgone other essentials like food to pay utility bills, or kept their home at an unsafe temperature.⁶⁶ Low-income, Black, and Latino households suffer disproportionately from energy insecurity. Low-income households tend to have less well-insulated homes older appliances;⁶⁷ low-income residents pay 25% more for utilities bills per square foot of housing than non-low-income residents.⁶⁸ Utility bills are one of the most common reasons low-income families take out payday loans.⁶⁹ In addition, most American homes are outside dense cities. Residential sprawl is a major reason cars are responsible for over 15% of the country's GHG emissions.⁷⁰

American households are also intensely exposed to other environmental harms, from in-home toxins including lead in both paint and pipes, toxic mold, and carbon monoxide from gas ranges that are old, lack exhaust hoods, or both. Indoor air quality can also be worsened by outdoor exposure to toxic facilities, ranging from coal plants and fly ash deposits to waste dumps and diesel bus and truck terminals. A Homes Guarantee must also address these issues systematically through massive green investment in frontline communities, in concert with a broader overhaul of the built environment of environmental racism.

Meanwhile, millions of Americans will have to move because of climate harms that cannot be prevented. Sea level rise alone is projected to displace at least 13 million Americans by the end of the century.⁷¹ By 2030, over 300,000

⁶³ IPCC. 2018. "Summary for Policymakers." In *Global Warming of 1.5°C*. <https://www.ipcc.ch/sr15/chapter/summary-for-policy-makers/>

⁶⁴ Jennifer Rudden. 2019. "U.S. Residential Housing - Statistics and Facts." *Statista*. January 16.

<https://www.statista.com/topics/1618/residential-housing-in-the-us/>

⁶⁵ Leung, Jessica. 2018. "Decarbonizing U.S. Buildings." *Center for Climate and Energy Solutions*. July.

<https://www.c2es.org/document/decarbonizing-u-s-buildings/>

⁶⁶ U.S. Energy Information Administration. N.d. "One in three U.S. households faced challenges in paying energy bills in 2015."

<https://www.eia.gov/consumption/residential/reports/2015/energybills/>

⁶⁷ EIA (Energy Information Administration). 2013. "Heating and Cooling No Longer Majority of US Home Energy Use." *Today in Energy*, March 7.

[https://www.eia.gov/todayinenergy/detail.php?id=10271&src=%E2%80%B9%20Consumption%20%20%20%20%20%20%20Residential%20Energy%20Consumption%20Survey%20\(RECS\)-%20b1](https://www.eia.gov/todayinenergy/detail.php?id=10271&src=%E2%80%B9%20Consumption%20%20%20%20%20%20%20Residential%20Energy%20Consumption%20Survey%20(RECS)-%20b1)

⁶⁸ EIA (Energy Information Administration). 2009. "Residential Energy Consumption Survey." Accessed November 2015.

www.eia.gov/consumption/residential/index.cfm

⁶⁹ Levy, R. and J. Sledge. 2012. *A Complex Portrait: An Examination of Small-Dollar Credit Consumers*. Chicago: Center for Financial Services Innovation. www.fdic.gov/news/conferences/consumersymposium/2012/A%20Complex%20Portrait.pdf

⁷⁰ Environmental Protection Agency. 2019. "Fast Facts on Transportation Greenhouse Gas Emissions." June.

<https://www.epa.gov/greenvehicles/fast-facts-transportation-greenhouse-gas-emissions>

⁷¹ Milman, Oliver. 2018. "'We're moving to higher ground': America's era of climate mass migration is here." *The Guardian*. September 24.

<https://www.theguardian.com/environment/2018/sep/24/americas-era-of-climate-mass-migration-is-here>

American homes could be flooding twice a week.⁷² There will also be displacement from extreme heat, drought, and wildfire. And the United States should be welcoming millions of climate refugees every decade in the years ahead.

Upgrading the existing building stock and making it carbon neutral will require two primary components: first, buildings have to be fully electrified; second, buildings need to be retrofitted for energy efficiency to reduce energy use. Retrofitting buildings already in place could create a win-win-win scenario by providing lower long-term operating costs, reducing GHG emissions, and creating millions of jobs across the US.

A Homes Guarantee must be understood as a critical component of a Green New Deal, and every housing intervention within the Homes Guarantee must also be a climate intervention. Prioritizing working class and racialized communities means leveraging investments in social housing and working class neighborhoods to achieve these outcomes, and to ensure that benefits go first to those who have borne the greatest brunt of pollution, climate harms, and economic disinvestment.

CONCLUSION

A Homes Guarantee is radical. It is also achievable. In the world's wealthiest country, we can and we must guarantee safe, accessible, sustainable, and permanently affordable housing for everyone.

Globally, America is behind on the well-established trend towards a public option for housing.

To implement a Homes Guarantee will require deep public education and base-building, as well as intentional unraveling of a dangerous and carefully-spun myth that housing can only be provided by the for-profit market.⁷³ With some political imagination and courage, we can do this.

Most importantly, Tiana, David, Vernell, and Jermain and millions of others enduring this housing emergency cannot wait any longer for true relief. People impacted by housing injustice know that the solution is not more shelters or more vouchers. The solution is a Homes Guarantee.

⁷² Milman, Oliver. 2018. "Flooding from sea level rise threatens over 300,000 US coastal homes – study." *The Guardian*. June 18. <https://www.theguardian.com/environment/2018/jun/17/sea-level-rise-impact-us-coastal-homes-study-climate-change>

⁷³ Rothstein, Richard. "The Color of Law: A Forgotten History of How Our Government Segregated America." Liveright Publishing: 2017.