

# Building a Better Housing Policy

*Shelterforce* editor Alice Chasan talks to Jonathan F. Fanton, president of the John D. and Catherine T. MacArthur Foundation, about an ambitious new project aimed at reframing the national conversation about why housing matters.

**How does the MacArthur Foundation's recently announced five-year, \$25 million research initiative into the effects of housing on America's families and communities differ from the foundation's sustained and significant existing program commitments to housing?**

Our housing work underway now adds up to about \$200 million; \$125 million of it is dedicated to housing policy, but mainly to the Window of Opportunity program, which aims to build up nonprofit owners and managers of affordable rental housing, in order to curtail the loss of rental housing and building a policy environment that will make it

easier to preserve affordable rental housing. So, that's the biggest piece. And that's a combination of program-related investments and grants.

Another \$50 million is devoted to our work in public housing in Chicago, which is undergoing a major transforma-

tion of its beleaguered public-housing system with all the high-rise and low-income developments being torn down and replaced with mixed-income neighborhoods of opportunity.

And the \$25 million that we've just announced is really focused on housing research, why housing matters, and how housing interacts with other outcomes that we desire for people—better education, health, jobs, community revitalization, and all the rest. Our premise is that housing has not gotten—at least recently—a fair shake, partly because the public and policymakers underestimate its importance and its interconnectedness with all these other domains.

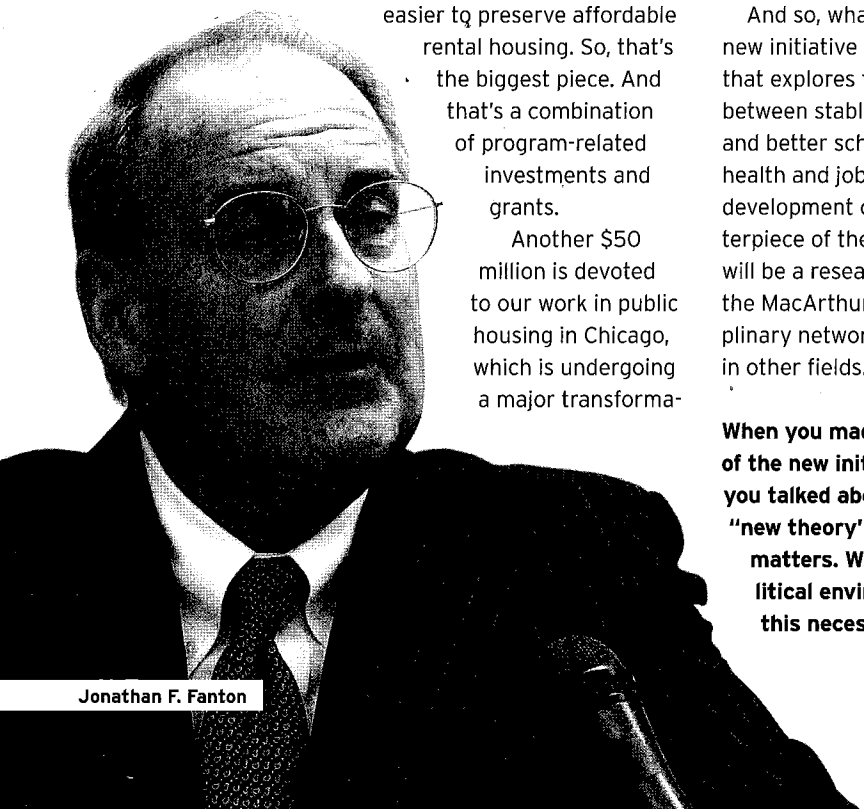
And so, what we aim to do in this new initiative is to gather evidence that explores the relationship between stable, affordable housing and better school outcomes, better health and job and community-development outcomes. The centerpiece of the \$25-million initiative will be a research network built on the MacArthur model of interdisciplinary networks, which we've done in other fields.

**When you made the announcement of the new initiative in February, you talked about the need for a "new theory" about how housing matters. What is it about our political environment that makes this necessary in 2007?**

I was looking at the numbers the other day, and I was amazed to see how the percent of federal budget spent on housing has been declining. It's clear, if you look at the numbers, we simply are underestimating the value and the importance of housing and under-investing in it. And that's what motivates our sense that we need a better research base and a better case—a better way of framing why the nation should care about and reinvigorate its investment in providing stable, affordable housing.

**Is there still a need to engage in political persuasion in the 21st century on this vital topic?**

I think it's also a framing of the message. I was chairman of Human Rights Watch for a number of years so I'm very sensitive to human rights. On the other hand, when everything becomes a human right, then it's hard for the political process to choose. So, simply asserting that housing is a human right, does not settle the issue, when Congress is thinking about health as a human right, and education as a human right, and housing as a human right. You have to do more than simply assert that connection. You have to show that an investment in housing is also an investment in better education outcomes, better health outcomes.



Jonathan F. Fanton

**Around the country in states and localities there have been creative responses to the intuitive understanding that place matters, that housing matters.**

That's right.

**And yet, somehow on the federal level the subject becomes incoherent. Is it partly because we have very few coherent national policies on complex issues, whether we're speaking of health care or the environment, let alone housing?**

I'd go back a step and say what are we trying to do here? Our Window of Opportunity initiative aims to preserve rental housing, to build capacity among these good [non-profit housing] organizations, and to preserve more units at risk. Now, that in itself is not a huge percentage of the whole housing problem, but the idea is to strengthen these organizations, bring them together in a network and be sure that their work is widely dispersed over the country, including in rural areas, so that they can become advocates both within a state and local context, and also at the federal level. To make the case for housing and to show that it can be done, to show that it's a sensible investment. And that's a part of the argument here: This is not just a human right, it's also good economics.

**The government has already spent a lot of money subsidizing housing. Why allow that past government investment to fall into disrepair and get torn down, knowing that it costs twice as much to build a new unit as it does to repair and preserve an existing unit?**

Part of the argument here is just practical. Especially at a time of rising federal deficits, it makes a lot of sense to preserve the housing stock that we've already invested in rather than letting it fall into disrepair or to be gentrified.

**You're moving on two tracks. One is a very practical level and the other is the creation of a collaborative research network.**

I would say four. We're trying to effect change on the ground, preserve units and build the capacity to go beyond these organizations and leverage our dollars. We're trying to come up with a consensus, a set of policy recommendations. We're trying to raise the issue higher on the screen of the public and policymakers. If you had a federal government that became interested again, or sympathetic to housing, what would you have them do? And we're trying to get good evidence to show how housing matters. That's the research effort. So, practice on the ground, clear policy recommendations, raise the visibility of the issue, and to do a more sophisticated and complex, longer-term research effort that investigates the connections between housing and improving outcomes for education, health, all the rest.

**The rhetoric of many public officials has shifted away from affordable housing to what's referred to as "workforce housing." Has the conversation intentionally shifted away from low-income and very poor people to the "deserving" sectors of the population? And do you see any danger in that trend—that we're not talking about those who are working very hard, but are earning so little that it's impossible for them to make ends meet at all? That sector seems to be disappearing from the public conversation.**

We feel quite passionately that housing has not gotten its due. As you know, housing is a seamless web, an integrated system. And if the housing needs of Americans, urban and rural, very poor and working poor and all the rest are to be met, we need to work on a number of fronts at once, and we need to build the political will based on evidence,

not on assertions of rights. That hasn't worked, has it? When you look at the disinvestment by the federal government in housing, it's clear the arguments that have been advanced haven't had traction.

So, what we're trying to say is a couple of things. One is that rental housing is an important part of the housing system. Emphasis on the ownership society and homeownership perhaps has diverted attention away from the honored role that rental housing plays in our society. All of us, after all, at one point or another are renters. It isn't just the very poor. And therefore, there's a broader segment of the U.S. population that has an interest in rental housing and affordable rental housing.

So, that's the first argument: that rental housing really is important, and it's not just all about home ownership.

And the second is that, when you look at who benefits from a decent stock and a varied stock of affordable rental housing, it isn't just the very poor and it isn't just public housing. There are teachers and firemen and other people essential to services in the community that also are helped. So, it just broadens, I would hope, the appeal for federal investment in housing. We're not trying to shift the argument or the focus from one group to another. We're just trying to educate the public and policymakers that the group of beneficiaries is broader than they may have thought.

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**It is surprising that that wouldn't be intuitively obvious to policy-makers, because every person lives in the best place he or she can afford and wants his or her family to enjoy the benefits of that kind of community. So, it seems as if there is a lack of political will in Washington to address these questions. Is the resistance rooted in attitudes about race and class, and that's why programs like Moving to Opportunity or Section 8 vouchers have had limited efficacy?**

I think if you step away from housing for a moment and ask more generally about how we think about domestic policy, we believe there is a paradigm that needs changing. There's a link in some people's minds between—or really a sense that maybe there's an opposition of interest between—those in trouble and need and the larger society. And we're trying to say in domain after domain after domain: That's wrong. You can really see that when you do the right thing for an individual in trouble or need, you're actually making a sensible decision for the society as a whole.

And we believe that can be shown in education, in health, in criminal justice, in housing. And we are investing not just in housing, but in other domains to try to show that relationship, hoping that when the public and policymakers see the whole panorama of how government programs are not only helpful to people in trouble and need, but are also good investments for the larger society, that that will change the political dynamic.

## RESOURCE

For more information on the MacArthur Foundation's commitment to affordable housing [www.nhi.org/go/macarthourhousing](http://www.nhi.org/go/macarthourhousing)

**You're going for an integrated approach that aims to create a new set of tools for producing healthy communities, that**

**integrates health, education, environment, employment concerns, with the goal of affordable and decent housing for everyone?**

That's right. And also, broadening the argument beyond rights to enlightened self-interest in the belief that that will be a more powerful way of building the political will that we know is necessary.

**If the paradigm of enlightened self-interest is the third way, do you think we now have a political opportunity—we have an opportunity given the new composition of Congress and the upcoming presidential election to reframe this conversation in that manner?**

I hope so, whether it's enlightened self-interest or, as de Tocqueville would say, "self-interest rightly understood."

**How do we move the national conversation on complex subjects like housing or health care, from one taking place among experts and practitioners to a shift in the broader public discourse? Shouldn't the press play a role in transmitting this information to citizens in a way that spurs action and change? Maybe MacArthur should be supporting a network for training journalists on how to cover housing issues.**

You raise a powerful point, and that has got to be part of our thinking. I think part of it is because, when you get into highly technical matters, it's hard for the public and policymakers to comprehend. If you look back over American history and look at the reform movements—let's just take the 20th century: the Progressive movement or the New Deal or the Fair Deal or the New Frontier/Great Society—these have generally been a combination of a historical circumstance that opened the political process to reform and an idea or a notion about the role

of government and the relationship of individuals to the government. And the reform movements were comprehensive.

There's not much evidence that we make real steps forward by focusing on housing alone or health care alone. The evidence seems to suggest there are cycles in American history where the public wants to get after a whole set of problems all together and with a theory of action. I'm not sure what I've suggested is the new theory of action, but at least it is a different argument than we've been hearing, namely that, when you do the right thing for the individual, it's really sensible and helpful for the rest of us, and that we are all in this together.

That's why we think it's a good investment to be doing this research not just in housing, but in these other domains, in order to put fresh evidence forward that draws upon this wellspring of good values that our country's had over the years. Let's get the evidence together. And then we've got to figure out how to—your crucial point—get it into the public discourse.

**Seventy-five percent of low-income people live in rental housing without any subsidy. Yet, there's very little research that's been devoted to this sector of the housing market since the 1970s. Have you given any thought to preservation of that non-subsidized private rental market?**

Yes. In our Window of Opportunity initiative, we have always looked beyond the subsidized to the unsubsidized market, because losses in the unsubsidized market are just as harmful. We'll be announcing something fairly major here in Chicago that will include a strong focus on the unsubsidized market. We'll be doing both research and an intervention program on the ground.

**Chicago, MacArthur's home base, recently set up a community land trust with your foundation's help. [See "City Hall Steps In," SF, Spring 2007.] What is your view of this and other experiments with new forms of housing that put a couple of extra rungs in the housing ladder between rentals and fee-simple homeownership?**

We think it's worth trying. I'm pleased we're doing this experiment in Chicago. Let's see how it works. But we think there should be some, as you put it, different layers or rungs.

**MacArthur has seeded and is funding the New Communities Program in Chicago. Does that imply that you've already determined that community development needs a new paradigm?**

Yes.

**Do you think that your new initiative will also contribute toward reshaping community development for the future?**

I think it will feed into it, sure. I

think all the research we're doing one way or another comes together on the ground with what we're doing in the New Communities Program, which proceeds from the same implicit assumption that you can't work on one issue in isolation, in fits and starts. You've got to work on all these issues that we know must go together in a positive direction. And to get that dynamic going on a sustainable basis takes time, and it takes money. So, we've made this 10-year commitment. And we're just a few years in, already beginning to see some positive signs, but not enough to demonstrate cause and effect yet. An important part of our New Communities Program is an independent assessment that MDRC is doing so that we'll know what happens on very specific indicators of community vitality. But we'll also maybe get some insights into why the New Communities Program worked in one set of neighborhoods and not in another.

We're gratified that the New Communities Program is receiving so much attention and that LISC

has adopted it as a model to inform their work in 10 other cities. But, we're also a little cautious because we don't think the evidence is in yet. We think there are some really hopeful signs, but not enough to tell us that we have a new model here that we're 100 percent convinced can be transplanted or adapted in other places. We think it will be years before we know that.

And I think one of the challenges, frankly, in the field of community development, where people are so eager for something that works, is that we move on to or adopt new models too early. We can't stop people from coming and looking at what we're doing. We're eager to share our experience. But, we're being very careful to say that we're not prepared yet to say this works. We're only going to tell you what we know. And we want to be open and transparent and cooperative. But, what we won't do is certify that we have the right approach or some new model that we're sure is going to work. Right now, we're a long way from being able to say that. ♦