

Myth Busting: Affordable Housing Edition

Housed Arizona



State Rep. Christian Solorio and Sean Berens, Esq.

Founding Members

Tempe Masterclass on Affordable Housing

December 13, 2022

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About Us

Housed Arizona is a newly formed group focused on housing solutions for all Arizonans.

Our early work has included providing information and advocacy around the current **Phoenix General Obligation Bond process**, **resources to state legislators and policymakers**, and **empowering residents** to alleviate Arizona's affordable housing crisis and its impact on our communities.

Today's Presentation

This presentation will be covering common misconceptions we often hear that limit communities' ability to help keep residents housed and increase access to affordable housing.



Photo: [Governing Magazine](#)

Myth 1: “Affordable Housing in my neighborhood will reduce the value of my home.”

BUSTED

Evidence available:

- ASU Morrison: “While some people worry that affordable housing might decrease property values, **research shows that this is rarely the case**”
- Affordable housing has “**stabilizing effect**” on neighborhoods, with mixed income and quality property management, while **lowering crime**
- NYU Furman Center: [T]he widespread belief that federally subsidized housing investments diminish the value of surrounding properties is unjustified . . . the creation of new federally subsidized housing is, if anything, associated with small increases in the value of surrounding properties.”

References

- via ASU Morrison’s “[Building Arizona](#),” 2021; “On the Benefits of Affordable Housing: An Assessment of the Literature for Municipalities,” [Table de Quartier Sud](#), 2017
- [Bloomberg CityLab](#), “What Does Affordable Housing Do to Nearby Property Values?” May 2022
- [NYU Furman Center](#), “Does Federally Subsidized Rental Housing Depress Neighborhood Property Values,” 2007

Myth 2: “All or most homelessness is caused by drug use and/or mental illness”

BUSTED

Evidence available:

- Arizona Department of Housing: ***Arizona is currently missing 270,000 homes... 270,000 families without stable housing***
- The City of Phoenix’s ***Section 8 voucher waitlist is 3 to 5 years***
- National research: compared to mental illness, drug use, poverty, ***“the cost and availability of rental housing offer a far more convincing account”***

References

- Arizona Department of Housing, [2022 Annual Report](#)
- [azcentral](#), “Getting a housing choice voucher in the Phoenix area can take years. Finding a place to live can be tougher,” Aug. 16, 2022
- *Homelessness is a Housing Problem: How Structural Factors Explain US Patterns*, University of California Press, 2022

Myth 3: “All or most accessory dwelling units are used as short-term rentals, not housing, let alone affordable”

BUSTED

Evidence available:

- Only **8 percent of ADUs are short-term rentals** in California
- Among ADU rentals on the market, in LA County **65 percent of ADUs are affordable housing** for low- to moderate-income households; **98 percent in Orange County**
- Current Tucson developers are using ADU law to develop affordable multi-generational housing

References

- [UC Berkeley](#), Turner Center for Housing Innovation, “First Ever Statewide ADU Owner Survey Shows Growth, Room for Improvement,” April 22, 2021
- [Southern California Association of Governments](#), “Regional Accessory Dwelling Unit Affordability Analysis,” Dec. 2020
- [AZ Partnership for Healthy Communities](#), “Small Projects, Big Impact,” webinar, Sept. 28, 2022

Myth 4: “People are experiencing homelessness because they are unemployed.”

BUSTED

Evidence available:

- CASS: Of families sheltered last year, 38% of heads of household were employed or had income upon arrival
- Housing Phoenix Plan: In 2018, nearly ***half of all Phoenix renters were considered housing-cost burdened*** (more than 30% of income)
- Average rent in Phoenix is \$1,600/mo; \$2,000 in Queen Creek and Scottsdale
- To afford a two-bedroom rental (FMR), a **household must make \$23.44/hr**
- With this mismatch of rents and wages, ***Maricopa County evictions are now at record levels***

References

- [Central Arizona Shelter Services](#), Impact Report 2022
- [Housing Phoenix Plan](#), City of Phoenix, Fall 2019
- “Phoenix’s average apartment costs \$1,600 per month,” [Axios](#), Sept. 8, 2022
- [National Low Income Housing Coalition](#)

Myth 5: “Getting rid of parking minimums causes parking shortages.”

BUSTED

Evidence available:

- As of 2017, Phoenix Metro Area had 12.2 million parking spots — that’s **4.3 spaces per vehicle**, **3.0 spaces per person**, and **6.6 spaces per job**... in total **10% of region’s land**
- Parking minimums require communities to over-park commercial corridors and neighborhoods; where minimums are removed, communities have removed parking
- Allows new highest use: **new businesses and affordable housing sprout up** where underutilized parking once was; more economic activity

References

- “Valley of the Sun-Drenched Parking Space,” [Transfers Magazine](#), Spring 2020
- “A Business Case for Dropping Parking Minimums,” [American Planning Association](#), *Planning Magazine*, June 1, 2022
- “People Over Parking,” [American Planning Association](#), *Planning Magazine*, October 2018

Myth 6: “Building new housing is bad for the environment.”

BUSTED

Evidence available:

- On-road tailpipe emissions is Phoenix’s largest source of greenhouse gas emissions
- Reducing commutes is best way for us to reduce emissions, fight climate change
- More housing in jobs centers reduces commutes; newer housing is much more energy-efficient
- There is a long history of using environmental concerns to oppose new housing

References

- City Comparison: emissions by subsector, [The C40 Knowledge Hub](#), 2018 inventory
- *The Climate City*, ed. Martin Powell, Wiley-Blackwell, 2022
- *Golden Gates: Fighting for Housing in America*, Conor Dougherty, Penguin Press, 2020
- A Key to Controlling Emissions: More Buildings in a City’s Unused Spaces, [New York Times](#), September 19, 2022

Myth 7: “Luxury apartments cause gentrification and displacement.”

BUSTED

Evidence available:

- Luxury apartments are often a **“lagging indicator”** after folks are displaced
- Effort should be directed at preserving and improving current affordable housing stock *now*
- Strategies for land ownership and equity are critical

References

- “Why is Housing So Expensive — Particularly in Blue States,” The Ezra Klein Show [podcast](#), Jul. 2022
- “Redressing the Racial Wealth Divide through Homeownership and Community Equity,” [Nowak Metro Finance Lab](#), Nov. 2021
- “Can Anacostia Build a Bridge Without Displacing Its People?” [The New York Times](#), Aug. 9 , 2022
- “In defense of the ‘gentrification building,’” [Vox](#), March, 2022

Myth 8: “New affordable housing are low-quality apartments.”

BUSTED

Evidence available:

- Affordable housing must comply with all local housing standards and often **goes above and beyond** given reliance on public money
- The 2022 **Inflation Reduction Act creates new incentives and credits** to increase implementation of energy efficiency and special tax credits for affordable housing
- The Qualified Allocation Plan set by ADOH includes building, construction and energy standards that are **higher** than the code minimum to ensure longevity and sustainability

References

- Federal Income Tax Credits and Other Incentives for Energy Efficiency, [energystar.gov](https://www.energystar.gov)
- \$1 Billion HUD Climate Resilience, Energy and Water Efficiency Program, via [Novogradac](https://www.novogradac.com)
- Michael Eriksen, “The Market Price of Low-Income Housing Tax Credits,” [Journal of Urban Economics](https://www.journalofurban-economics.com).

Thank you!

Discussion / Q&A

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