

“The Current Housing Crisis is a Choice and Fixable”

By Steve Ramer
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Scriptures (Luke 13:18-20 and Matthew 8:19-20)

Luke 13:18 He said therefore, "What is the kingdom of God like? And to what should I compare it? 19 It is like a mustard seed that someone took and sowed in the garden; it grew and became a tree, and the birds of the air made nests in its branches." 20 And again he said, "To what should I compare the kingdom of God? 21 It is like yeast that a woman took and mixed in with three measures of flour until all of it was leavened."

Matthew 8:19 A scribe then approached and said, "Teacher, I will follow you wherever you go." 20 And Jesus said to him, "Foxes have holes, and birds of the air have nests; but the Son of Man has nowhere to lay his head."

Sermon

Based upon an OPINION piece by SPENCER BOKAT-LINDELL in the New York Times. Now I know that I don't need to tell any of you that we are in the midst of a housing crisis here in Ft. Collins and that we have been for quite some time.

Especially for those of you who have recently moved here and have witnessed first hand the struggle to find either a home to purchase or an apartment to rent.

This same crisis crosses the country, as America has simply run out of nearly every shape and size of homes but especially affordable ones. This was certainly true before Covid-19, when hundreds of thousands, if not millions, of Americans were experiencing homelessness.

Prior to Covid nearly half of renters in the U.S. were cost-burdened and close to two-thirds said they couldn't afford to buy a home. There was some hope that the pandemic might close this affordability gap, but it's a hope that has proven to be short lived.

So far this year, rent has increased a staggering 11.4% (vs. ~3% pre-pandemic) and last month's spike pushed rents well above where they would be if growth had remained on its pre-pandemic trend.

So how did we get here?

Well as my title says - choices, both big and small. Our current crisis is a 20-year-old supply-and-demand problem. Between 1968 and 2000, the United States built an average of about 1.5 million new housing units every year.

But in the past two decades little more than 1.2 million new housing units have been added each year. Currently then we are 6.8 million units short of what is needed. The result - over the past 20 years median rents rose faster than median renter incomes in nearly every state.

Only in 7 percent of counties in the U.S. can a minimum-wage worker afford a one-bedroom rental. Certainly, the rising costs of labor, lumber and land have had some impact. However, the supply of affordable housing stems in large part from restrictive regulations, such as single-family zoning, minimum lot and house sizes, and restrictions on density that artificially limit the amount of housing that can be built.

This is certainly the case here in Ft. Collins.

Now a lot of folks in these parts are excited about the potential of “Tiny Homes” in addressing the housing for the homeless. They are in fact the quickest, easiest and cheapest forms of housing to build and since they are for one person roommate problems are eliminated.

But on many empty lots in the city you can legally build only one dwelling; a multi-bedroom, single family dwelling of at least 2400 sq. feet. In parts of the city detached auxiliary housing units are also not allowed. And of course there is our notorious U+2 limit on rentals where no more than three un-related adults can occupy one dwelling, regardless of size of the rental.

Zoning restrictions have also increasingly become the weapon used by small groups of vocal citizens to block any new development, a phenomenon we know as Nimbyism. But nimbyism is a widely bipartisan disposition.

Jenny Schuetz of the Brookings Institute writes, *“For all the animosity targeted at developers, landlords, and bankers, the largest group of beneficiaries from regulations that restrict housing supply aren’t these for-profit corporations.”* Rather she says, it is, *“Homeowners who were lucky enough to purchase their houses in earlier periods and have enjoyed substantial wealth gains, most of which are exempt from taxation. Small wonder that homeowners exert their political muscle to continue restricting new housing supply.”*

Now as a homeowner myself I resemble that accusation!

But it is not necessarily an inherent virtue, that we homeowners amongst us, must somehow seek to limit new or more dense home construction in order to fatten up our net worth!

We too, do have some choices, especially in helping steer public policy that creates more housing, especially that which is truly affordable.

And finally, federal policy has also contributed to the crisis in a big way. Since the 1970s, the federal government has not allowed any expansion of public housing stock!

I will say that again, since the 1970s, the federal government has prevented any expansion of additional public housing!

That seems bad enough - right? but while they were doing this, the Feds simultaneously slashed rental assistance programs. And since Federal tax law allows mortgage interest to be deducted, the federal government effectively spends more money on tax breaks for homeowners than it does on all rental subsidies and public housing.

None of this is of course inevitable, or some "act of God" - it was a choice. Choices that were made not only by governments at every level, or greedy developers and bankers but by folks like you and me. And that, my friends is the good news!

It is good news because, since we built it, we can also dismantle it. We can fix it! Oh we can fix it - yes we can!

One solution is, well... to just build a whole lot more housing of all kinds and recent research suggests that this can be part of the fix. A 2019 analysis of New York City, for example, found that for every 10 percent increase in housing stock within a 500-foot radius, rents decrease by 1 percent (sales prices also decrease!).

Another analysis of San Francisco from this June found that within 100 meters of new construction, rents fell by 2 percent and that the risk of displacement of renters fell by 17 percent.

But displacement of renters and gentrification can also rise, so development must also be paired with eviction penalties, rent control and other regulations that protect poorer tenants.

I still vividly recall a particularly disorienting moment back in DC when I joined a protest outside a dilapidated building in our neighborhood that city inspectors had condemned as uninhabitable and who the city was now trying to empty of residents.

So, there I was protesting so that poor folks could remain in their unsafe apartments? Those residents were of course demanding assurances that they would be able to return at a fair rent once the building was remodeled.

But things they are changing in our nation and even here in River City! The current Senate budget resolution to enact a \$3.5 trillion infrastructure package currently includes more than \$332 billion for housing and transportation investments!

Last week new law in Colorado signed by Gov. Jared Polis, empowers municipalities to require inclusion of a certain number of affordable units in new development proposals.

In March the Fort Collins city council adopted a very ambitious set of goals and strategies in their "Housing Strategic Plan." The goal of the housing plan is to achieve 10% affordable housing by 2040!

To reach this goal will require the city to more than double community investment in affordable housing. Many of the identified strategies have also shown to be proven winners in other municipalities in the U.S.

Land use codes will be revamped to allow accessory dwelling units, development incentives to build not only affordable but mid-range units as well since even folks like firefighters, police and teachers can no longer afford to live in Ft Collins. These Land use code changes will also look at increased density while taking into consideration issues of gentrification and displacement.

The City Council expects to adopt these code changes in early 2022 which means lots of debates and discussions this fall and winter!

The plan also will look at revisions to the "U+2" occupancy restriction, as well as incentives for small landlords to keep units affordable.

Creation of a new dedicated revenue stream for affordable housing from dedicated sales tax, development impact fees, or inclusionary housing fees is also included in order to increase annual spending on affordable housing from current levels of about \$1.5 to \$3 million to about \$10 to \$11 million.

Mobile home parks, which are currently a major source of affordable housing in Ft Collins, are also addressed in this plan. Two years ago, the city convened a Mobile Home Residents Rights team to help with ongoing issues including unpredictable utility bills, park maintenance troubles and retaliation from management.

The city is now looking to create its own enforcement program, to proactively enforce, investigate complaints and annual inspection.

This of course cannot come soon enough for the residents of one park who learned that their lot rent will increase 19% this summer! The park is host to residents 55 and up, so many are on fixed incomes and cannot afford such an unsustainable and immediate increase in the rent they pay for only the lot they park their home on.

But in another park nearby, Hickory Village, our City Council has also committed \$200,000 to an effort to create the city's first resident-owned community or ROC. The owner of the park agreed in March to sell the park to a corporation for about \$23 million, but due to a recent change in state law the seller must give 90 days for residents to purchase.

Residents of the park, with the help of the nonprofit Thistle ROC, that specializes in converting mobile home parks to ROCs were able to counter with an offer of 23.1 million.

But the 90-day clock for their efforts was restarted last month after the Colorado's Mobile Home Park Oversight Program determined that the park owner failed to respond to the residents' offer.

So now I may have to re-evaluate my view of the city a bit and its efforts to help the poor in our city. A new wind has blown through our town and we definitely have an entirely new leadership at city council and the mayor's office.

And after decades Ft Collins is also searching for a new City Manager a position that has often rivaled the city council in determining policy.

Of course, the city's glimmering "Housing Plan" says all the right things and claims that it will be fair and just to all who reside in our fair city. But in the end, we know that high - falutin' words and volumes of manuscripts will not build truly affordable homes, or more importantly, a fair and just community.

No doubt there will still need to be folks, maybe like us, out there helping them government leaders to steel their resolves!? Maybe it is time for us to consider working a bit more with the city in order to address issues of poverty? Maybe with our help, together we can actually manage to get some good things accomplished?

In our scriptures this morning we are told that God's intention is that a tree of life will be planted again in the garden so that it can house a whole lot of every kind of bird!

Where life giving sustenance is a generously over-the-top provision like a woman who mixes up 50 pounds of flour to bake a whole lotta bread!

It is the movement led by the Son of Man, God's chosen one, who deliberately chose to be homeless.

But whatever happens, we still need to speak out, even if it is an uncomfortable truth to those in power. We must support and hold them accountable while simultaneously boldly praying to block all satanic sabotage, since after all we all know that the devil is always in the details!

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