



# CEDA Housing Discussion 4.21.22

## Re-thinking housing assumptions and strategies

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Erik Kingston, PCED



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**Housing Resources Coordinator (1997–present)**  
IHFA's [Housing Information Referral | Housing Hotline](#)  
[Rental Listing/Locator service: housingidaho.com](#)

## Affiliations

Board | [Idaho Rural Partnership](#)

Board | [Idaho Access Project](#)

Board | [Community Development Council](#)

Member | [Western Community Assessment Network](#)

Faculty | [Northwest Community Development Institute](#)

## Recent/current projects

Coordinator | [Statewide Analysis of Impediments \(AI\)](#)

Coordinator, Content | [Idaho Fair Housing Forum](#)

Coordinator | [IHFA 'Know Your Rights' Campaign](#)

Contributor | [WeCAN Housing Solutions Resources](#)

## Perspectives

- 30,000+ Idaho stories
- Community Reviews
- Economic Development
- Workforce reliability
- Housing as a Second Language
- Housing equity, access, affordability
- Inclusive community planning & design
- Visitability

# Theme of the day...





# Big Picture: Connecting the Dots



## *Topics*

- Rural considerations
- Pandemic, economic effects
- Spectrum of need, responses
- The 'workforce' in workforce housing
- What 'affordable' means
- Impacts of housing cost burden
- What's driving inflation
- Externalized costs
- Planning/policy for better outcomes

# Rural housing and shelter considerations



**97%**

97 percent of the U.S. landmass is rural



**21%**

There are over 60 million people living in rural America

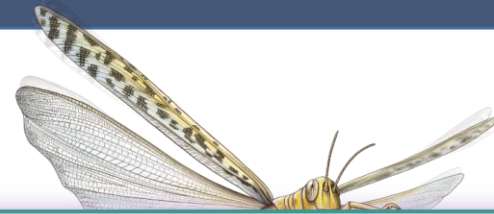
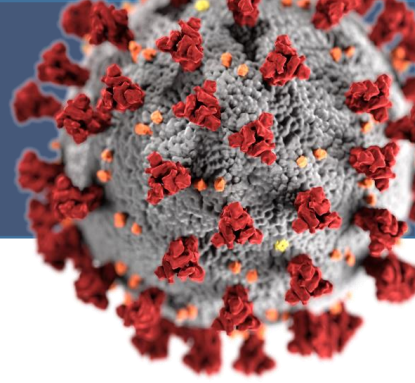


**25%**

One quarter, or 29 million US homes are in rural communities



# Pandemic, market effects



*I'm an excellent renter and have never been in any trouble. I'm a caregiver in my mid 40s with one cat. I was forced to move from my home of 12 years because people out of state bought the unit and wanted to cash in on the growth around here. —Michelle*

# Spectrum of need: shelter

Persons experiencing homelessness

- Health, food
- Stigma, NIMBY
- Safety and security
- Stability, access to resources

Strategies and solutions

- Rapid re-housing
- Designated parking/sanitation
- Safe Spots, personal shelters
- Congregate shelters



# Spectrum of need: stability

Persons at risk of homelessness

- Lost income, credit; increased costs
- Flipping, 'renoviction,' displacement
- Divorce, abuse, abandonment
- Households living w disability

Strategies and solutions

- Homelessness Prevention
- Emergency Rental Assistance/HPP
- Housing Choice Vouchers
- Budget supports/counseling





# Spectrum of need: housing

- Ownership models
  - Simple ownership
  - Shared equity, cooperatives
  - Land trust
- Renting local
- Reflect household needs
- Proximity to transit/workplace
- Opportunity/social capital
- Healthy, durable, efficient



# Tax Credit/HOME Renter Profile: FTE < \$20/hr

**70% of Idaho jobs pay < \$20/hr; 66% pay < \$15/hr (2020 est.)**

- Entry level police officer: \$22
- Elementary school teacher: \$17
- Certified Nursing Assistant: \$17
- Grocery worker: \$16
- Construction worker average: \$13.15
- Emergency Medical Technician: \$13
- Child care worker: \$10
- Home Health aide: \$11
- Fast food: \$10...and rising

*\*Ziprecruiter*

# CEDA Regional Listings\* RVR = 0.7%

housingidaho.com Statewide Ave. Rental Vacancy Rate\*

6.00%

County	Available Listings	Wait Listed Listings	Total Listings	Available Units	Total Units	Total Landlords	Rental Vacancy Rate
Clearwater	0	2	10	0	32	8	0.00%
Idaho	2	6	19	3	94	10	3.19%
Latah	5	29	51	8	541	19	1.48%
Lewis	0	0	8	0	8	5	0.00%
Nez Perce	0	13	67	0	527	19	0.00%

— RVR | housingidaho.com

\*Indicator from **housingidaho.com**; primarily multifamily. Affordable to FTE wage up to \$20/hr



# Housing Affordability\* | Foregone Spending\*\*

*Housing types and prices that reflect local needs and incomes*

What is 'affordable' relative to Household Income (HHI)?

< 30% of HHI = affordable

> 30% of HHI = housing cost burdened

> 50% of HHI = **severely** housing cost burdened

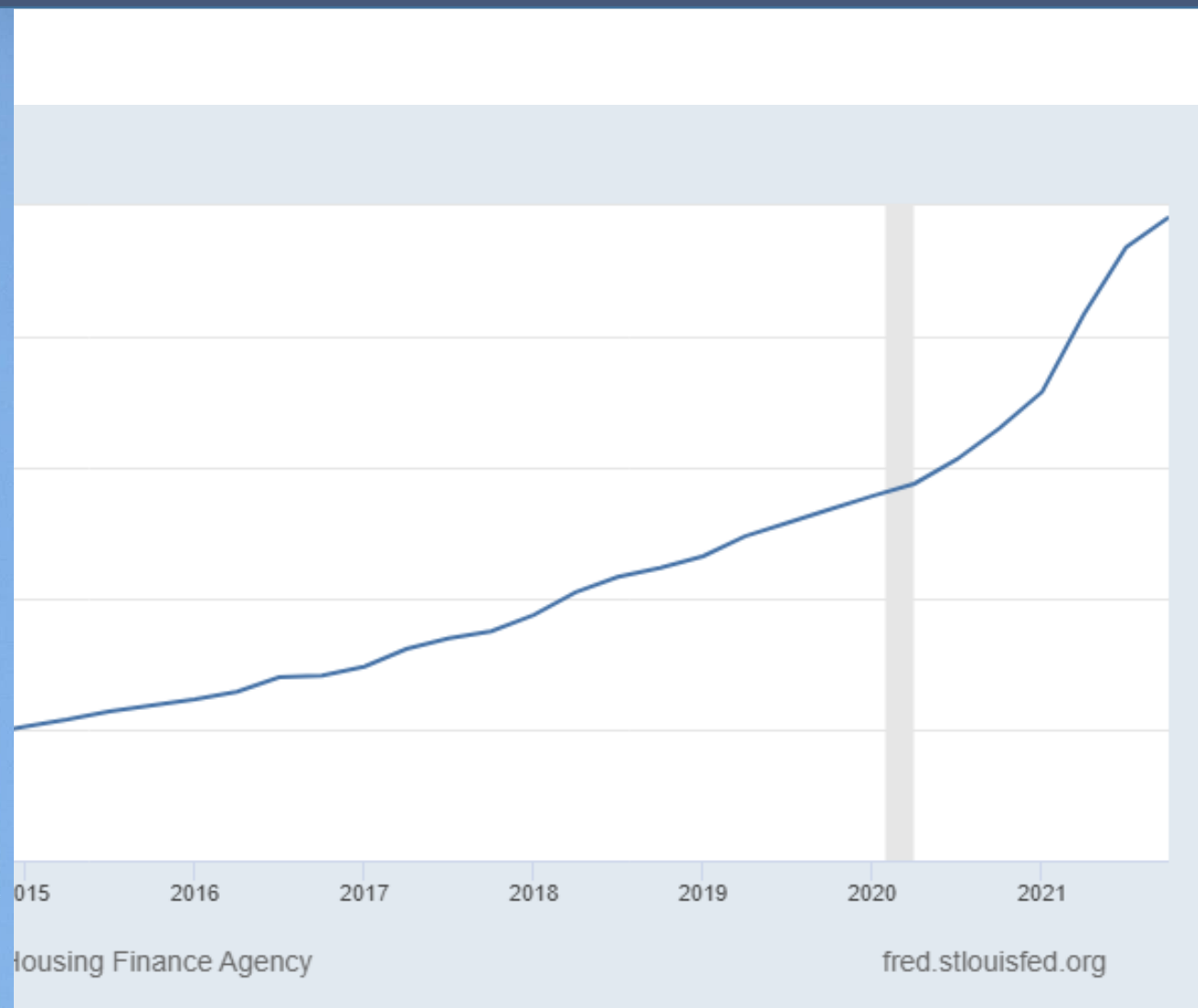
Impact of speculation, inflation on government finance

Foregone spending = money lost to housing cost burden.

Idaho lost **\$670M** to foregone spending in **2018** & **\$971M** in **2020**

\*Source [National Housing Act of 1937](#) | \*\*Source [Shift Research Labs](#)

# It's not rocket science...



# ELI and Cost Burden Demographics: Idaho\*

## HUD Income Limits: Twin Falls County, ID\*\*

HUD Extremely Low Income Limit

**\$13,700**

ened

*Idaho Minimum Wage (\$7.25/hr)*

**\$15,080**

HUD Very Low Income Limit

**\$22,785**

HUD Low Income Limit

**\$36,435**

Census Median Family Income

**\$45,780**

l%

ome

-120%

\*Source  
[nlihc.](#)

\*\*Source. [housingidaho.com rent calculator](https://housingidaho.com/rent-calculator)



# Net Housing Cost Factors



## **The A.R.U.T. Index\***

Combined costs of **A**ccess + **R**ent + **U**tilities + **T**ransportation  
(Visitability, landlord net profit, build quality, and location)

## **Land, Labor and Lumber**

Pandemic pricing and DIY competition for materials  
Real estate speculation and trade turnover/shortages

## **Community attitudes**

Rising NIMBY towards residential density and diversity  
Delays increase time and costs, favor largest developers

*\*See also [htaindex.cnt.org](http://htaindex.cnt.org) and [visitability.org](http://visitability.org)*

# Housing Market Dynamics

## **Commodification and 'remote control'**

Institutional/outside investors treat housing as a **commodity**, driving costs up and locals out

**Remote control** undermines accountability, siphons rent streams from local economies, externalizes costs to locals

**Preserving legacy affordability matters** Patch holes in a leaky bucket before trying to fill it; failure to preserve affordability = higher social costs

**Supply and demand** for housing  $\neq$  oil or corn. Median prices/inventory track closely. Land, not housing.



# Federal Housing Policy Factors

## Do Fannie, Freddie, FHA Fuel 'Flation?\*

Treasury-backed mortgages = \$8T, new \$1M jumbo limits increase debt/LTV ratios, taxpayer risk

## Mortgage Interest Deduction

90% of benefits to HHI > \$100K

4% of benefits to middle-income HHs (itemizing)

No benefits to renters; inflationary effect on prices

*\$90B estimated annual cost to Treasury*

*(Total FY22 HUD budget is only \$68.7B—all in)*

*\*Federal Housing Regulators Have Learned and Forgotten Everything*





# Housing Ecosystem



## Characteristics of a healthy system:

- **Local Control**—housing should serve local residents
- **Affordability**—adequate residual income for basics
- **Permanence**—sheltered from policy, market shifts
- **Inclusivity**—equity and access support prosperity\*
- **Health and Sustainability\***—design to reduce lifecycle costs and support resident well being

\*See [2021 Analysis of Impediments](#) \*\*See 'Esto Perpetua'

# Why It Matters

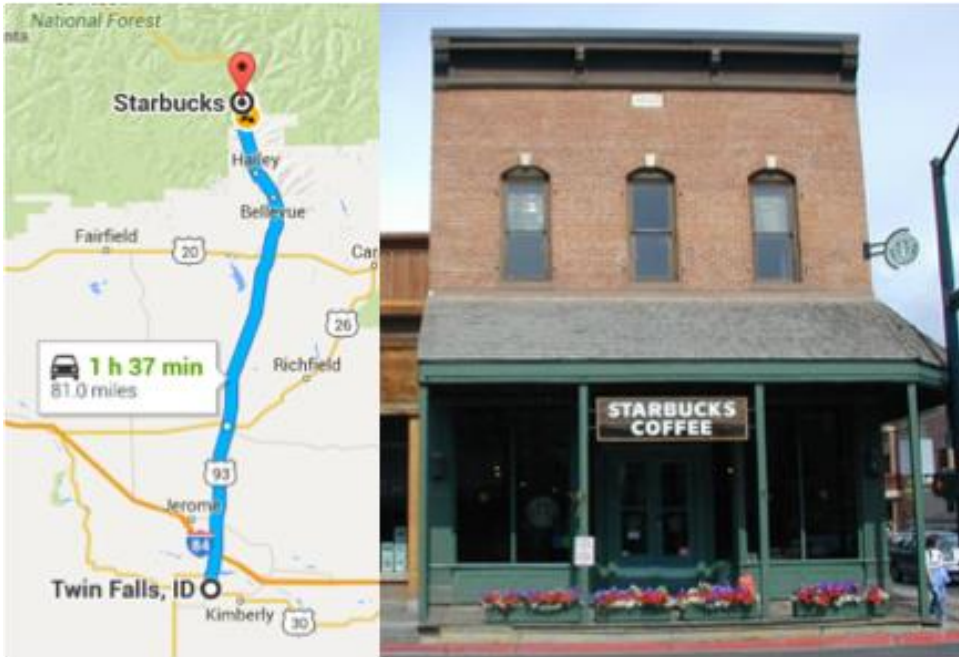
Housing types and price points that reflect local needs and incomes can support workforce and educational productivity, reduce social costs of poverty, and lead to economic prosperity

Individual economic opportunity contributes to the long-term economic gains of cities and states

Housing diversity is equally important for community and economic development strategies

- *Housing is where jobs go to sleep at night*
- *Housing is health care*

# Re-thinking Subsidy



## Case Study: Sample Minimum Wage Worker

1. Single parent commuting from Twin Falls to Ketchum daily to work as a barista. (2006 case)
2. Budget: 1 pre-K, 1 K-12 child

<b>F/T @ \$7.25/hr</b>	<b>\$1,256</b>
2bdrm rent	\$1,138
Child care	\$1,000
Mileage (0.56/mi)	\$89
<b>Subtotal</b>	<b>\$2,227</b>
<b>Monthly deficit</b>	<b>-\$971</b>

### What's missing?

Food | Health care  
Utilities | Clothing  
Savings | Vehicle costs  
Phone, WiFi | School

*Displaced workers provide a subsidy to employers & customers by commuting long distances & compromising health & safety in order to provide service —at a price we consider affordable. — ‘Planning Behind’ [thebluereview.org](http://thebluereview.org)*



# How to Make Housing 'Affordable'

**Increase wages indefinitely to subsidize real estate speculation**

**Subsidize employers/consumers w project- or tenant-based supports**

**Re-think housing ownership, types, production, finance**

- Housing cooperatives, mix of private and shared space
- Community housing/land trusts (land-lease, rental)
- Small-footprint residential—revise minimum lot sizes, sq. footage
- Design/build—modular, printed, efficient, visitable
- Finance—EAH, local/non-accredited investors (Reg. CF), ROC

**Re-think P&Z liability, opportunity to protect community benefit**

- Fair housing implications of NIMBY/disparate permitting policy
- Conditional use negotiation is a two-way street; use it or lose it

# Who are cities for?

*A **resort community** without housing for year-round residents and workers is just a **resort**.*

*—Jim Lewis, former Blaine County Superintendent*

# Information and Resource Links



[contact: erikk@ihfa.org](mailto:erikk@ihfa.org)

- [Idaho Housing and Finance Association](#)
- [Housingidaho.com \(free rental listing and locator\)](#)
- [2022 Analysis of Impediments](#) | [Data Dashboard](#)
- [Idaho Asset Building Network - Housing](#)
- [The Housing Company](#)
- [Idaho Fair Housing Forum](#)
- [Rural Home | Housing Assistance Council](#)
- [US Dept. of Housing and Urban Development](#)
- USDA Rural Housing: [Single-Family](#) | [Multifamily](#)
- [Shift Research Lab - Housing](#)
- [Getting Customers in the Door](#) | [Visitability](#)
- [Community Supported Shelters: Safe Spots](#)
- [SquareOne Villages: Housing Reimagined](#)
- [National Group-Equity Housing Cooperatives](#)
- [Whose Home on The Range? Rural Challenges & Strategies](#)
- [Intersection of Rural Housing Quality and Health](#)
- [Rural Development Finance Resource Center](#)