

4. Housing



RESEARCH TEAM: Housing policy, market dynamics and regulation

Grand Challenge: Affordable Housing

Key Terms:

Affordable housing, subprime lending, defensible space, redevelopment, inclusionary housing

Student Leader: [Christine Tung](#)

Student Members:

- Christine Tung Inclusionary Housing Programs: A Remedy to Racial Residential Inequality
- Leigh Grossman Affordable Housing and Defensible Space
- Victor Lim Redevelopment and Affordable Housing: A Case Study of Downtown San Diego
- Shewit Abraham Decreasing the Negative Effects of Subprime Lending Through Improved Affordable Housing Regulations

Mentor(s) Leader:

- Nico Calavita
- Ken Grimes

Research Team Narrative:

The papers in this research group explored the current state of affordable housing. The topics cover the relationship between crime and the physical design of affordable housing, the ways in which inclusionary housing promotes racial integration, the dangers of subprime lending, and the relationship between affordable housing and

redevelopment. With these discussions the broad category of affordable housing comes to life. Housing is considered affordable by the federal government is a household spends 30 percent or less of its income on monthly housing expenses. While the goal is to have everybody live in housing that is considered affordable, a significant amount of the population is paying greater than the recommended 30 percent. This is why creating and maintaining affordable housing is so important in the United States, and this is why the research presented here is so timely.

The first paper in the group, by Leigh Grossman, considers defensible space. Defensible space theory is premised on the belief that the incorporation of certain design features will reduce crime in housing areas. Oscar Newman developed the theory of defensible space and following Newman many other scholars carried out similar research and arrived at similar findings. Defensible space theory looks at physical design changes that can reduce crime. Leigh Grossman conducted research in various San Diego public housing developments and utilized Newman's theories. Her research looks at how defensible space practices may reduce crime rates and asks; does Newman's defensible space theory work in decreasing crime in specific housing developments? Five former public housing developments were chosen and studied. They were located throughout San Diego and varied by size. Observations were then made about the design features of the developments and how these features may facilitate or inhibit crime in the area. San Diego crime maps were then utilized to see if the amount of crime in the area correlated with the defensibility of the area. Grossman's findings support Newman's theories. When a space is considered to be defensible, crime is at a low level. Most of the developments studied had a very low level of crime and their design features certainly helped to keep this level low. This research does not study social factors that may increase or decrease crime but it does take them into account. Future studies in San Diego should take into account both social and physical attributes that either lead to crime or reduce crime. Grossman found that based on her research in San Diego, defensible space practices have been proven to decrease crime.

In America, institutional forces present some people with opportunities and others with barriers. Within the housing market, these forces are prevalent as people of color experience barriers to housing within the outer-ring suburbs while simultaneously facing obstacles in accessing resources. Christine Tung's project looks at the effectiveness of inclusionary housing in combating the social and racial segregation created through these institutional forces. Inclusionary housing is policy that mandates that developers construct a certain percent of affordable units within their market rate development. Tung considers the extent to which San Diego and Carlsbad's inclusionary housing programs foster racial residential integration in the outer-ring suburbs and/or remedy racial inequalities upheld through segregation. Tung's project considers whether inclusionary housing programs are bringing people of color into the outer-ring suburbs. Her hypothesis is based on the supposition that since more people of color face higher rates of poverty, they are more likely to reside in the affordable units created under inclusionary housing programs. Tung's research found that inclusionary programs are promoting social and racial integration. While the San Diego citywide program does not foster racial residential integration within the outer-ring suburbs like the San Diego North City and Carlsbad programs, similar to these two other programs in San Diego county, the city of San Diego's inclusionary housing provides people of color access to the resources of the outer-ring suburbs, thereby combating the racial inequalities created

through segregation. In doing so, inclusionary housing, according to Tung, is an effective tool for promoting racial equality in America.

The use of the secondary lending market has made way for the extension of credit to those who were previously not able to qualify for a mortgage loan due to a number of factors, but the cost for this has been tremendous. In his research, Shewit Abraham considers subprime lending practices. As Abraham explains, the government could decrease the number of subprime loans in default and foreclosure if there were tighter regulations for affordable housing policies at the federal level. A higher percentage of home mortgage loans are going to people who cannot afford these payments in the long run, eventually putting them in foreclosure or on the verge of bankruptcy. The brokers, however, still make their profits on these deals that are targeted to minority, low income, and first-time homebuyers. Abraham's research uses the government sponsored entities (GSEs), Fannie Mae and Freddie Mac, as case studies in an analysis of the federal government's current policies and regulations regarding home loans, both prime and subprime. Abraham found evidence which reveals gaps and leniencies that provide ample opportunity for predatory lending practices and gives incentives to liberally approve loans to individuals who cannot afford these loans. Abraham argues that the current laws in home mortgage lending are far too relaxed and allow for the loopholes that we have seen over the recent years in the subprime housing market. Abraham's research provides insights into the negative effects that can result from government-supported initiatives when the implementation is not firmly executed with enough government oversight.

The fourth project considers the relationship between redevelopment and affordable housing. With over seventeen projects under way in the city, redevelopment is moving at a rapid pace in San Diego. At the same time, the San Diego City Council has declared that San Diego is facing an affordable housing crisis. In a city as large as San Diego, it is difficult to gauge the specific effects of redevelopment. Victor Lim's research focuses on the effects of redevelopment on affordable housing in downtown San Diego. According to Lim, the downtown area is a particularly useful case study because it has been redeveloped and continues to be redeveloped, thus there is a wealth of information concerning the effects that redevelopment has caused. The downtown redevelopment agency, Centre City Development Corporation, is a key player in the development of affordable housing in downtown San Diego. According to Lim, the question of how redevelopment affects affordable housing is important because as housing prices increase, it is becoming more and more difficult for citizens of this country to find a decent house for a reasonable price. Lim contends that this issue is particularly important in San Diego because redevelopment resources are available to provide reasonably priced housing for the moderate to low-income bracket. If this is true, then withholding the resources would be unethical and immoral. Furthermore, if shown that redevelopment is disproportionate to the construction of affordable housing, then this would be a violation of state law, since twenty percent of the tax-incremented fund is required to go towards affordable housing. After conducting his research, Lim found that CCDC is providing the required amount of housing but the need for affordable housing is still great and in high demand. In addition, the locations in which CCDC is placing the affordable housing units can be questioned if affordable housing units are built in only certain parts of downtown.

Looking at these five diverse projects, it becomes evident that affordable housing is a complex subject. . As illustrated by the five projects in this research group, affordable housing can be investigated from many angles including its design, financing, location, regulations, and its relationship to redevelopment. While the challenges are significant, these projects illustrate some successful efforts to provide safe, affordable housing options in different parts of the metropolis.

References:

Newman, O. (1972). *Defensible Space*. New York: The Macmillan Company. Poyner, B. (1983).

Design Against Crime. London: Butterworths. Brooks, Fred. "Resident Perceptions of Housing, Neighborhood, and Economic Conditions After Relocation from Public Housing Undergoing HOPE VI Redevelopment. " *Research on Social Work Practice* 15, no. 6 (2005): 481. Porter, Douglas R. 2004.

Inclusionary zoning for affordable housing. Washington, D.C.: Urban Land Institute. *Inclusionary Housing in California: 30 Years of Innovation (2003)*; by Robert Wiener, Andy Potter, Dianne J. Spaulding, Doug Shoemaker, Tina Duong, Shannon Dodge, and Amy Cardace; California Coalition for Rural Housing and Non-Profit Housing Association of Northern California.

Links:

[San Diego Crime Maps](#)

[San Diego Inclusionary Housing](#)

[Housing and Urban Development Article](#)