

America's Cities Could House Everyone, if They Chose To

Our housing crisis is a symptom of America's wealth, and its indifference.

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Tonight, more than half a million Americans will sleep in public places because they lack private spaces. They will huddle in crowded New York City shelters, or pitch tents under highways in Washington, D.C., or curl up in the doorways of San Francisco office towers, or dig holes in the high desert of northern Los Angeles County.

They are homeless, and their lives are falling apart. They struggle to stay healthy, to hold jobs, to preserve personal relationships, to maintain a sense of hope.

They are victims of America's wealth — and its indifference.

Homelessness in the United States is the most extreme manifestation of a broader housing crisis. Even in the fat years before the coronavirus plunged the economy into recession, millions of Americans struggled to pay the rent, particularly in prospering coastal cities.

The federal government could render homelessness rare, brief and nonrecurring. The cure for homelessness is housing, and, as it happens, the money is available: Congress could shift billions in annual federal subsidies from rich homeowners to people who don't have homes.

Instead, Americans have taken to treating homelessness as a sad fact of life, as if it were perfectly normal that many thousands of adults and children in the wealthiest nation on earth cannot afford a place to live. Government programs focus on palliative care: Annual spending on shelters has reached \$12 billion a year, according to Dennis Culhane, a professor at the University of Pennsylvania and an expert on homelessness. Rather than provide housing for the homeless, cities offer showers, day care centers and bag checks.

Collectively, we are choosing to avert our eyes from the people who sleep where we walk. We have decided to live with the fact that some of our fellow Americans will die on the streets.

"There's a cruelty here that I don't think I've seen," Leilani Farha, then the United Nations special rapporteur on adequate housing, said after a 2018 visit to Northern California. She compared conditions there to those in countries that, unlike the United States, lack the money to care for their citizens.

"I've never seen anything like it, and I've done outreach on every continent," Dame Louise Casey, who directed homeless policy for several British prime ministers, said after touring homeless encampments in San Francisco, Los Angeles and other American cities.

And homelessness is poised to increase. More than 36 million Americans have filed for unemployment benefits in the last two months; almost 40 percent of workers in households making less than \$40,000 a year have lost work. Women in Need NYC, which runs shelters, warned this week that New York faces a "mass increase" in homelessness.

In the decades after World War II, some experts predicted that prosperity would eliminate homelessness in America. Instead, in recent decades, wealth and homelessness have both increased — a stark illustration of the inequalities that pervade American life.

The rise of homelessness is often portrayed as a collection of personal tragedies, the result of bad choices or bad luck. But the first law of real estate applies to homelessness, too: Location, location, location. The nation's homeless population is concentrated in New York, the cities of coastal California and a few other islands of prosperity. Well-educated, well-paid professionals have flocked to those places, driving up housing prices. And crucially, those cities and their suburbs have made it virtually impossible to build enough housing to keep up.

The government calculates \$600 is the most a family living at the poverty line can afford to pay in monthly rent while still having enough money for food, health care and other needs. From 1990 to 2017, the number of housing units available below that price shrank by four million.

Most hard-pressed people manage to stave off homelessness. While there are roughly 80,000 homeless people in New York on any given night, more than 800,000 New Yorkers — more than 10 times as many people — are scraping by, spending more than half their income on rent.

Those who do end up homeless are often those with additional burdens. They are disproportionately graduates of foster care or the prison system; victims of domestic abuse or discrimination; veterans; and people with mental and physical disabilities. Some end up on the street because of addictions; some develop addictions because they are on the street. Whatever problems they face, however, they are much more likely to become homeless in places without enough affordable housing. According to one analysis, a \$100 increase in the average monthly rent in a large metro area is associated with a 15 percent increase in homelessness.

Consider a simple comparison: In 2018, eight out of every 10,000 Michigan residents were homeless. In California, it was 33 per 10,000. In New York, it was 46 per 10,000.

Countries confronting homelessness with greater success than the United States, including Finland and Japan, begin by treating housing as a human right. In the United States, by contrast, politicians decry the problem but aim for more modest goals. Mayor Bill de Blasio's promise to New York last December "to end long-term street homelessness as we know it" is a classic of the genre; most homeless people in the city live in shelters, not on the street.

Reframing the debate — asking what is necessary to end homelessness — is an important first step for New York and for other places that are failing this basic test of civic responsibility.

The next step is simple but expensive. The federal government already provides housing vouchers to help some lower-income families. The families pay 30 percent of their monthly income toward rent; the government pays the rest. But instead of giving vouchers to every needy family, the government imposes an arbitrary cap. Three in four eligible families don't get vouchers.

The program costs about \$19 billion a year. Vouchers for all eligible households would cost another \$41 billion a year, the Congressional Budget Office estimated in 2015. Where to get the money? Well, the government annually provides more than \$70 billion in tax breaks to homeowners, including a deduction for mortgage interest payments and a free pass on some capital gains from home sales. Let's end homelessness instead of subsidizing mansions.

Vouchers alone, however, won't be enough. We also need more affordable housing.

Without a significant expansion in the supply of housing, adding vouchers would be like adding players to a game of musical chairs without increasing the number of chairs.

Market-rate construction can help: More housing would slow the upward march of housing prices. New York and San Francisco are the nation's most tightly regulated markets for housing construction, and it is not a coincidence that they also are the most expensive. Tokyo, often cited as an international model for its permissive development policies, has expanded its supply of homes by roughly 2 percent a year in recent years, while New York's housing supply has expanded

by roughly 0.5 percent a year. Over the last two decades, housing prices in Tokyo held steady as New York prices soared.

But in the parts of the country that need affordable housing most desperately, construction will require significant public subsidies: land, tax credits, direct government spending. In California, for example, construction of a five-story apartment building that meets minimum standards costs an average of \$425,000 per unit, according to researchers at the University of California, Berkeley. Without public aid, the apartments would need to be rented for several times more than the \$600 a month affordable to a family living at the poverty line.

Proposals for a big increase in affordable housing construction inevitably call to mind the troubled public housing projects of the mid-20th century. They offer one clear lesson: Avoid housing that concentrates poverty. And there is a solution — to build subsidized housing as part of mixed-income developments and to spread the developments out, putting them not just in cities but also in the surrounding suburbs. Helsinki, Finland, a city of just 600,000 people, builds about 7,000 units of mixed-income housing a year. That’s a big reason Finland is the rare European country where homelessness is in decline.

The government still will need to help those who fall into homelessness. Fortunately, we already know how to do that. Over the last decade, the federal government has conducted a highly successful campaign to reduce homelessness among veterans. The government reported in January that it had reduced the number of homeless veterans by 50 percent — from about 75,000 in 2010 to about 37,000 at the end of 2019. Three states and several dozen cities have provided housing for their entire veteran populations.

As Ben Carson, secretary of housing and urban development, told Congress in May 2019, the success shows “that homelessness is not an intractable problem — we can end homelessness.”

The program uses a triage approach, calibrating aid to need. The government provides up to \$4,000 in cash for those who need just a little help, for example to pay a security deposit. For those who need continuing help, there are housing vouchers. And for veterans whose economic problems are compounded by other issues, such as disabilities or substance abuse, the government provides “supportive housing” — a place to live, plus counseling and care.

This is cheaper than leaving people to remain homeless and then intervening intermittently. One study found that in the two years after a person entered supportive housing in New York, he or she spent, on average, 83 fewer days in shelters, 28 fewer days in psychiatric hospitals and four fewer days in prison.

Extending this approach to the entire homeless population would be expensive. To take one example, King County, which encompasses Seattle, would need to increase annual spending on homelessness to roughly \$410 million from \$196 million to help each of the county’s 22,000 homeless families, according to a study by McKinsey. That’s about \$19,000 per family.

For King County, that’s a lot of money — about 5 percent of its annual budget. For the federal government, it’s a rounding error. Even if the cost per person were twice as high, the nation’s homeless population could be housed for \$10 billion a year — less than the price of one aircraft carrier.

The coronavirus pandemic has prompted a surge in spending on homelessness, thanks in part to \$4 billion in emergency federal funding. Cities have converted convention centers into shelters and rented out hotel rooms to house the homeless. In Seattle, the city accelerated construction of a project to provide “tiny houses” for some homeless people.

But there is worse to come. Homelessness rises during recessions, the federal funding is temporary and state and local governments face huge drops in tax revenue.

Having failed to address homelessness during the longest economic expansion in American history, the nation now faces a greater challenge under more difficult circumstances. Yet the imperative remains: Everyone needs a home. No one should be left to die on the street.

Americans must decide whether we are willing to let elementary school students spend nights in guarded parking lots, like ones I saw proliferating across the Western United States. We must decide whether it's worth spending just a little of this nation's vast wealth to ensure that no 60-year-old woman needs to sleep on the same bench in downtown Santa Monica, night after night, because, as she explained to me, it's relatively flat and easy for the police to see her from their cars. We must decide whether it's tolerable for people to live in tents on the scraps of green space along a highway in Washington, D.C., just a short walk from the block where the richest man in America combined two mansions to create the city's largest.

Addressing homelessness is within our power. The question is whether we are ready to act.

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