

Chapter 3

The Right to a Decent Home

The Third Amendment

PROBLEM

Affordable and decent housing is a challenge for many Americans. The problem is that the cost of rent is high and one-third of Americans are poor or nearly poor. The 2012 poverty rate for a family of four was \$23,021 a year, which means the family earned \$1,918 a month before taxes. With the average monthly rent in 2012 being \$1,008 (an all-time high), families are left with less than \$1,000 to pay for all other basic necessities. This combination of high rents and high poverty causes 42 million American households to pay more than 30 percent of their income for housing—30 percent being the accepted standard for affordability. Incredibly, 20 million US households pay more than 50 percent of their income for housing. Research shows that the lack of affordable housing produces a host of negative social outcomes, which include childhood health problems such as anemia, asthma, stunted growth, and viral infections, as well as lower academic achievement and behavioral problems in school.¹

Exacerbating the problem of affordability is the lack of housing units available for moderate- to low-income families. The reality is that our nation does not produce enough housing units for the working class and poor. Consider very low-income people, which by definition means they make 50 percent of an area's median income (AMI). In Connecticut, the

median yearly income is \$64,247, so a family is considered very low income if the household makes below \$32,124, while in New Mexico the median income is \$43,424, so a family is considered very low income if it makes below \$21,712. Currently, 18 million American households are considered very low income; at the same time, there are only 11.6 million rental units affordable and available for them. Furthermore, for every 100 households whose income is in the bottom 30 percent, there are only thirty rental units affordable and available for them.²

There are many reasons why the supply gap exists, but a critical factor has been the lack of commitment to affordable housing by the federal government. First, the United States does not spend very much money on affordable housing in comparison to the overall budget. In 2012, the United States spent about \$29 billion on housing assistance (mostly through vouchers) for 3.3 million people. This level of funding serves only one out of four eligible renters and is only 1 percent of the overall federal budget. Second, the United States operates and maintains a minimal amount of publicly owned housing, just 1.2 million units. Third, US housing policy generally demolishes more housing units than it builds. Just look at the HOPE VI program, the most recent US housing policy, which has demolished 96,200 low-income housing units over the past fifteen years, while building 56,800 units. This combination of a lack of government funding for housing, a supply gap of affordable units, and a high poverty rate has led to many people becoming homeless. In 2012, the annual national survey counted 633,782 people as homeless. This makes the United States a leader in the industrialized world in homelessness.³

The final housing challenge has been the negative effect of the Great Recession. Over the past six years, foreclosures and repossessions have risen sharply. From 2007 to 2012, 16.3 million households received foreclosure notices and the banks repossessed 5 million homes, the majority of which were due to the loss of jobs. In comparison, 4.2 million households received foreclosure notices from 2000 to 2006, with only 300,000 households having their homes repossessed. More recently, as the economy has improved, the number of foreclosures has begun to slow, as 812,000 homes were in some stage of foreclosure by the end of 2013—which is a 34 percent drop from the previous year, and the lowest level since 2006. In addition to losing their homes, people have also lost their wealth, since a home represents the greatest single asset of many American households. In 2013, roughly 7 million home owners were still “underwater” (i.e., they owed more than their house was worth). And while all income groups have suffered a loss of wealth as a result of the Great Recession, the effect on the poor has been the greatest. In 2007, the bottom 20 percent had \$32,000 of wealth; two years later, it was reduced to \$3,000, a drop of 91 percent.⁴

The growth of the American middle class after World War II owed a lot to the establishment of the Federal Housing Authority in 1934 and

to generous entitlements offered by the GI Bill, including access to higher education. However, these government programs were not race neutral in their effects. Racism encouraged neighborhood redlining and thus limited black and Latino access to mortgage loans. Discriminatory mortgage practices prevented people of color from developing assets through home ownership, creating a significant wealth gap. More recently, blacks and Latinos gained greater access to home ownership, but it was through predatory home loans that inflated the housing bubble. The Great Recession wiped out the gains made by people of color through home ownership, with Latinos losing 66 percent and blacks losing 53 percent of their wealth from 2005 to 2009, in comparison to whites, who lost 16 percent. In 2005, the average white household had \$134,992 in wealth, whereas the average Latino household had only \$18,359 and the average black household had \$12,124. By 2009, the average white household had \$113,149 in wealth, whereas the average Latino household had \$6,325 and the average black household had \$5,677. The median wealth of white households is now nineteen times that of black households and fifteen times that of Hispanic households, which is twice the prevailing disparity of the previous two decades.⁵

SOLUTION

Housing is a necessary part of human survival. Without it, people are left to the elements, and in many parts of the country, this is life threatening. At the same time, housing is more than where someone sleeps; it is where most of a person's time is spent, and it is where people feel safe, supported, and secure. In addition, housing impacts many other aspects of our lives, as it determines the quality of the schools our children attend, whether good jobs are close by, whether grocery stores and banks are in the community, and whether one lives in a segregated or integrated community.

The solution to the “wrong” of not having enough affordable, decent housing is the right to housing. This right is based on the belief that there should be affordable, decent housing for all in the United States. This right was clearly articulated by President Roosevelt when he declared that every family had a right to a decent home. For Roosevelt, the wrong that needed to be righted was the fact that “many millions of Americans still live in habitations which not only fail to provide the physical benefits of modern civilization but breed disease and impair the health of future generations. The menace exists not only in the slum areas of the very large cities, but in many smaller cities as well. It exists on tens of thousands of farms, in varying degrees, in every part of the country.” While Roosevelt proposed this right to decent housing, it was left up to President Truman to develop a federal housing policy that would secure this right. Truman argued that a federal

policy was necessary because the free market was not going to build enough homes for all Americans since developers build where the most profit can be made. For Truman, the way to ensure a decent home for all Americans was for the government to become directly involved in the creation of housing. Seen in this way, the right to housing fixes capitalism's weakness of not producing enough affordable housing units.⁶

Following is a discussion of the history behind the right to decent housing, as well as modern-day approaches to achieve this constitutional commitment. These modern-day approaches include guaranteeing the right to a job and living wage; building more affordable, low-income housing and creating a dedicated revenue source to fund the construction; providing rental assistance to fill the gap between the cost of housing and what people can afford; stopping foreclosures; and enacting Rapid Re-Housing policies for people without homes.

THE HISTORY OF THE RIGHT TO A DECENT HOME

In the early years of the United States there was little support for the idea of the right to decent housing. In the nineteenth century, a common response for people unable to afford housing was to have them go live in a poorhouse. Poorhouses were built on farmland and were seen by the wealthy as a cost-effective way to deal with poverty. The goals of the poorhouse were to provide housing for the “worthy poor,” encourage the work ethic of the “able-bodied poor,” and reduce taxes on the wealthy since giving people money for food and rent, which was the English and colonial tradition, was more expensive. However, there were some early American thinkers, such as Thomas Paine, who asked the nation to provide meaning to the words that “all men are created equal.” Inspired by the lack of poverty that existed in Native American communities, Paine argued that since the land was once owned in common by all, a 10 percent tax on inheritance should be levied in order to provide all men and women turning twenty-one years of age a grant of £15 so they could purchase a farm. If Paine’s “agrarian justice” would have been enacted, it would have gone a long way to achieve the right to housing.⁷

By the mid-1800s, there was growing concern that poorhouses were unsuccessful at providing decent housing and at reducing poverty. At the same time, the nation’s economy was shifting from agriculture to factories, where goods once made by hand by artisans and apprentices were now made by machine. The new manufacturing jobs were located in the cities, and people moved to work in the factories from within the United States and from abroad. As a result, the number of people living in American cities jumped from 6.2 million in 1860 to 42 million in 1915. Sadly, Anglo-Saxon racism