HOUSING POLICY ALTERNATIVES FOR THE LAFAYETTE-OXFORD, MISSISSIPPI COMMUNITY

by

Alice Norman

A thesis submitted to the faculty of the University of Mississippi in partial fulfillment of the requirements of the Sally McDonnell Barksdale Honors College.

Oxford

May 2018

Approved by:

____

Advisor: Dr. Jody Holland

____

Reader: Dr. James Thomas

____

Reader: Dr. Melissa Bass

To my father

the home designer

To my mother

the home maker

who have always provided

even through the loss of home.

Acknowledgments

Dr. Holland: Thank you for pushing me along with constant revisions on endless copies of an ever-changing thesis over the past two years. Without you, there undoubtedly would not be a completed thesis.

Dr. Thomas: Thank you for helping me develop my understanding of the depth and importance of housing insecurity, beyond economics, and placing me contextually in the LOU frame of mind.

Dr. Bass: Thank you for four years of guidance from fall semester Public Policy 101 all the way to the completion of this thesis, approaching the end of my time at the University of Mississippi.

The Sally McDonnell Barksdale Honors College: Thank you for giving me the opportunity to develop as a citizen and scholar.

Abstract

This thesis explores housing policy alternatives to address housing insecurity in the Lafayette-Oxford, Mississippi community and similar non-metropolitan communities which are experiencing accelerated growth. Policy alternatives were collected through a systematic literature review of the University of Mississippi's One Search database. Findings reveal that there are a number of housing dynamics in U.S. cities which require different considerations in regards to policy alternatives. Policy alternatives discussed range from subsidized affordable housing, the removal of regulations on new developments, social housing, voucher programs, rent control, creating city connections, unemployment insurance, community land trusts, shifting responsibility to a higher level of government, mitigating and preventing mortgage default, as well as private and public coalitions. Through this analysis, I recommend policy implications and recommendations for the Lafayette-Oxford, Mississippi community. Specific policy recommendations include the cultivation of amenities, the development of transit and infrastructure, the removal of unnecessary regulations, the formation of a public-private coalition, and the implementation of a community land trust.

Preface

This thesis began as a study of social entrepreneurship and private market factors to directly address housing insecurity, in a way which explored whether housing could be both affordable and profitable. As this research project developed into a systematic literature review of existing housing policy recommendations and solutions, I have found there is an existing coalition of scholars across a number of disciplines who care about solving housing insecurity and unaffordability deeply. I am proud to join their ranks.

Alice Norman
May 2018

Table of Contents

Chapter 1 Introduction

If you have paid more than 30% of your income towards housing, lived in a house that could best described as inadequate, or risked or faced eviction, you have been housing insecure. It may come as a surprise to learn that over 10% of Mississippi households are housing insecure ("Housing Insecurity: America's Growing Challenge," 2018). At any given moment, those who struggle with housing insecurity are only a crisis away from homelessness. Housing insecurity is problematic nationwide and locally in the Lafayette-Oxford, Mississippi community, as the community grows and the consequent demand for housing surges. Housing insecurity is a significant life determinant due to its direct impact on health, education, employment, food security, and the health of the overall economy (Cutts, Meyers, Black, Casey, Chilton, Cook, & Frank, 2011). Thus far, U.S. policy has been insufficient at addressing housing insecurity.

What policy alternatives exist to address housing insecurity in the Lafayette-Oxford, Mississippi community and similar communities? It is the intention of this thesis to explore housing policy alternatives through a systematic literature review of existing scholarly works. Existing literature reveals a wide range of policy alternatives yet yields a gap in the literature in considering how to apply these policy alternatives to the varying housing dynamics which exist across American communities. This thesis intends to close the gap in existing housing policy literature by analyzing community dynamics for the purpose of policy application. It is the hypothesis of this research project that the success of housing policies applied depend largely on the dynamic of the community considered.

To be housing insecure means that there is limited or no access to affordable housing, poor quality of housing obtained, or uncertainty regarding the ability to sustain housing. The U.S. Department of Health and Human Services has defined housing insecurity using five indicators: high housing costs relative to income (greater than 30%); poor housing quality (inadequate plumbing, heat, electricity, leaks, holes, etc.); neighborhood instability (high rates of poverty, crime, and unemployment; poor city services; litter; noise; pollution, etc.); overcrowding; and at the extreme, homelessness (Cox, Henwood, Rice,& Wenzel, 2016).

The collapse of the housing market in 2008 served as an insight into the issue of housing insecurity for millions of American families and shifted the conversation into the national spotlight. However, housing insecurity has been a fixture in the U.S. prior to 1949 when the National Housing Act set the official National Housing Goal as “a decent home and a suitable living environment for every American family” (Keating & Marcuse, 2006) As of 2018, the U.S. is still a long way from achieving this goal. More than 600,000 Americans have no home and 19 million low-income U.S. households pay more than half of their income towards housing ("Housing Insecurity: America’s Growing Challenge," 2018).

In the past year alone, wages in the U.S. have grown three percent from May 2016 to May 2017, while housing costs have risen twice as fast at six percent ("US Housing Prices are Rising Twice as Fast as Wages," 2017). This means that renters, composed of most of the working class population, must spend a higher proportion of their income to sustain the same quality of housing. One in four of the working poor dedicates over 70% of income to paying rent (Desmond, 2017). The working poor is defined by the Bureau of Labor Statistics as those who spend 27 weeks or more of the year in the labor force either working or looking for work but whose incomes fall below the poverty line (US Bureau of Labor Statistics, 2016). Consequently, millions of Americans are evicted every year when they are not able to keep up with the disproportionate burden of housing cost to income. For instance, 16 Milwaukee families are evicted each day (Desmond, 2017).

Poverty is a pressing public issue in the United States, and yet, when judged by the lack of attention given in agenda setting, policymakers seem oblivious to how deeply housing insecurity is entrenched in the creation and perpetuation of poverty. Policymakers have attempted to alleviate poverty through jobs creation and development, public assistance, and parenting support– too often overlooking the most common denominator among the poor: housing insecurity. As Matthew Desmond, sociologist and author of the Pulitzer prize winning book *Evicted* stated, “Not everyone living in a distressed neighborhood is associated with gang members, parole officers, employers, social workers, or pastors. But nearly all of them have a landlord”(Desmond, 2017). Matthew Desmond argued that housing insecurity is a cause of urban poverty and that eviction is more than a symptom of poverty, but rather a cause. "Losing a home sends families to shelters, abandoned houses, and the street. It invites depression and illness, compels families to move into degrading housing in dangerous neighborhoods, uproots communities, and harms children" (Desmond, 2017).

U.S. housing policies and programs, which are created, are underfunded and inefficient at addressing housing insecurity. For example, the Low-Income Housing Tax Credit (LIHTC) is a program which coaxes the private market into developing affordable housing through tax incentives. LIHTC is administered so ineffectively that low income tenants only receive 24% of the subsidy, with the rest going to corporate interests (Van Doren, 2018). Further, the high procedural compliance costs on the federal and state level result in private projects costing less on average than equivalent LIHTC projects (Van Doren, 2018).

Another example of an underfunded and inefficient program is U.S. public housing. Out of 125.82 million housing units in the United States, 1.3 million are public housing units. Only 0.01% of American households occupy public housing. Compared to other similarly industrialized nations who have 20% occupation in public housing, it is easy to assume that the American housing market has been successful in alleviating housing insecurity (Desmond, 2016). Yet, the United States has the highest proportion among similarly industrialized nations of people living under the poverty line (Eitzen, 2016). Most poor people in America do not live in public housing or apartments subsidized by vouchers. Three in four families who qualify for assistance receive nothing (Desmond, 2016). Wait lists for housing vouchers and public housing are sometimes decades long, depending on the locality.

Those who are able to receive Section 8 housing vouchers are often turned away from landlords due to the stigma surrounding the poor. If the housing vouchers are accepted, it is common practice for the landlord to increase the rent. In Milwaukee, renters with housing vouchers are charged an average of $55 more each month when compared to unassisted renters who lived in similar apartments in similar neighborhoods. Overcharging housing vouchers cost taxpayers an additional 3.6 million each year in Milwaukee alone – the equivalent of supplying 588 more needy families with housing assistance (Desmond 2016).

Secure housing has many policy implications because it directly impacts the strength of a community. A strong housing market is directly related to a strong economy (Pettinger, 2017). When efficient, the housing market contributes greatly to the economic system by raising employment, business growth, and living standards. Consumer confidence and construction depend largely on the strength of the housing market (Pettinger, 2017). The housing market employs a vast intricacy of builders, developers, designers, realtors and finance groups. Growth in the housing market is a sign of a growing economic center.

Housing security is a key factor in educational attainment, employment, health, and food security. In particular, children suffer the most from long lasting effects of housing insecurity. Children from unstable households will fall behind their peers in physical development, educational attainment, and eventual labor market outcomes (Cutts et al., 2011). A child's school and subsequent education can be determined by the neighborhood that the child lives in. Evictions lead to a childhood of shuffling from one school district to another, causing children to fall behind in their most formative years. As children grow up and join the workforce, the income level achieved will be affected by the job opportunities and job information available in relation to residence.

For adults who struggle with housing insecurity, it is much harder to hold steady employment. When investigating the relationship of housing insecurity and employment insecurity, it was discovered that workers who involuntarily lose their homes are 11% to 22% more likely to subsequently involuntarily lose their jobs (Desmond & Gershenson, 2016). Thus, housing instability promotes employment instability.

In addition, housing is a determinant of health. Research shows that housing insecurity is associated with poor health, lower weight, and developmental weight of young children (Cutts et al., 2011). Housing insecurity is further associated with mental health status, ability to cope with stress, child and parent interaction, social relationships, increased risk of childhood injuries, elevated blood pressure, respiratory conditions, exposure to infectious disease, and poor sleep (Cutts et al., 2011).

Also, where there is housing insecurity, there is food insecurity. When one struggles to pay rent, one also struggles to purchase food. Often, those who are food insecure skip meals so that rent can be paid. Recent studies have revealed that 57% of the 46.5 million people who frequent the Feeding America food banks report having to choose between paying for housing or food (Weinfield, Mills, Borger, Gearing, Macaluso, Montaquila, & Zedlewski, 2014). Three factors which most strongly relate food insecurity and housing insecurity are maternal depression, experiencing material hardship, and having lower levels of social support (Zilanawala, 2012).

The Lafayette-Oxford, Mississippi Community

The cost of housing has steadily risen in the Lafayette-Oxford, Mississippi community. The rising cost of housing is an indicator of economic growth, yet the shrinking supply of affordable housing prevents the community's most vulnerable from participation in economic productivity. In an article for the Daily Mississippian, Realtor Gwen Walker of Walker Realty and Land Company stated "When I moved to Oxford 30 years ago, I paid $79,500 for our home. Now I could sell the same house for $250,000." Walker stated further that homes worth $150,000 when she originally moved here are now being sold for $500,000 (Berryhill, 2016). Oxford has seen an 18% population increase in recent years. The University of Mississippi – which is located in Oxford – set another consecutive record for its largest freshmen class in 2016, which contributes greatly to the growth of the community. The rise of housing prices, fueled by shrinking supply of affordable housing, has created an affordability and availability crisis for residents.

When examining the community, it is important to recognize three different populations. As a whole, the community refers the populations of the Lafayette County, Oxford City, and the University of Mississippi students (LOU). Housing insecurity manifests differently for each group but is interconnected. As landlords focus more exclusively on student housing, they subsequently raise the rate of rent by charging per bedroom. Often, these landlords operate under the assumption that the student's parents can afford to pay, as many of the students are from out of state. Landlords view the student population as affluent as over 40% of the student body is attending the University of Mississippi from out of state (University of Mississippi, 2018). However, this perception of affluence is false. By analyzing the percent of students who are eligible for a Federal Pell Grant, one is able to ascertain the level of cost-burdened students at a university. Students who qualify for the Pell Grant typically come from households, both in-state and out-of-state, that earn less than $40,000 annually. At the University of Mississippi, 27% –or 5,188– of undergraduate students are Pell Grant recipients ("Economic Diversity," 2018). The percent of cost-burdened graduate students is unknown, but if the percents parallel between undergraduate and graduate students, an estimated 6,420 of the 19,757 students residing in Oxford, Mississippi are cost-burdened ("About UM," 2018).

As the supply of housing within city limits shrinks and prices rise, city residents are forced to move into county limits to afford the same quality of housing. Being removed from city center creates issues with transit and access to grocery stores, healthcare, schools, and employment for LOU's working poor population.

To further exacerbate residential displacement and the shortage of affordable housing in city limits in February of 2015, Oxford Housing Authority sent letters to the tenants of Riverside housing informing them that all contracts with the city would expire and not be extended by February 2017. With this news, roughly 90 low income families in Oxford faced displacement from their homes. As HUD has shifted from public housing and Section 8 developments across the nation, Section 8 housing vouchers are distributed to eligible residents. This is exactly the case in Oxford, where the housing authority is getting out of brick and mortar operations. The move from housing developments to vouchers is to help low income residents integrate into communities, rather than being concentrated within high poverty communities. In Oxford, the vouchers offered to the tenants of Riverside were consistent with the fair market rate. A voucher for a one bedroom apartment could be up to $700; a two bedroom apartment, $832; and a three bedroom, $1,109 (Schnugg, 2016). The voucher system has proven problematic as it relies on accessible affordable housing, which is already limited in the Lafayette-Oxford, Mississippi community. A national limitation with the voucher system is that many landlords do not understand the voucher system or have associated negative connotations with the welfare recipients and thus, refuse vouchers (Semuels, 2015). By November of 2016 with the assistance of 17 landlords, the Oxford Housing Authority ,had only found 40 acceptable apartments willing to accept housing vouchers (Schnugg, 2016). As of January 31st, 2017, only 33% of Riverside tenants had found housing elsewhere (Gagliano, 2017).

The failings of Section 8 housing are in its design and implementation. While the intention for subsidized housing was to break up the concentration of poverty and move families out of inadequate neighborhoods and homes, Section 8 still creates concentrations of poverty. As a lawyer for the Inclusive Communities Project in Dallas, Texas stated, “The whole idea of Section 8 in the beginning was that it was going to allow people to get out of the ghetto, but there’s tremendous political pressure on housing authorities and HUD to not let it become an instrument of desegregation” (Semuels, 2015). Despite the voucher guaranteeing rent payment on time and in full, landlords can refuse housing vouchers. This is most common in more affluent neighborhoods. The result is that Section 8 housing voucher often traps families in poor and inadequate neighborhoods where landlords aggressively seek housing voucher holders, incentivized by the guarantee of rent payments. In Oxford, the larger housing complexes like the Links and the Cove had no interest in receiving housing voucher tenants, and the Oxford Housing Authority had to primarily rely on smaller complexes and individual landlords to find housing for the displaced tenants of Riverside (Schnugg, 2016).

Overall, 39.6% of Oxford residents live under the federal poverty line ("Oxford, MS", 2018). Of the 53,154 total permanent residents who reside in Lafayette county limits, 23,290 live within Oxford (U.S. Census Bureau, 2016). An analysis of the Oxford housing market of 2010 shows a unique renter to owner ratio when compared to the county housing market. Of the 5,772 occupied dwellings in Oxford, 53% are renter-occupied while 47% are owner-occupied (Oxford-Lafayette County Chamber of Commerce, 2010). Of new construction, square footage in Oxford was $85-$175/square foot (Oxford-Lafayette County Chamber of Commerce, 2010). This is significantly higher than the southern region's median at $72 (U.S. Census Bureau, 2010). In the county, the ratio of owners to renters is reversed. Of 15,471 occupied county dwellings, 38% houses are renter-occupied, while 62% are owner-occupied (Oxford-Lafayette County Chamber of Commerce, 2010).

It should be noted rural housing insecurity differs from urban housing insecurity. Rural poverty is felt most often by those who are older, married, and hold a form of employment (Brown & Webb, 2017). Rural residents are less likely to rely on welfare transfers due to geographic isolation, the stigma associated with receiving assistance, or lack of information. Deprivation in rural areas is an effect of insufficient income and chronic long term underemployment, rather than unemployment (Brown & Webb, 2017). This contrasts with the urban poor whose poverty is more related to unemployment and who more frequently rely on governmental income transfers. The rural poor often have inherited or own older housing which is inadequate and do not have the means to acquire adequate housing or to repair their current housing. As housing costs rise in city limits, those in the county become confined in their current dwellings outside of city limits. Students, working class residents, and county members alike are struggling to keep up with the rising costs of housing.

As housing insecurity grows in the Lafayette-Oxford, Mississippi community, public officials are increasingly recognizing the substantial housing issue which needs to be addressed. Housing insecurity and the lack of affordable housing in the community largely affected the 2017 municipal elections. A losing alderman candidate vowed to dedicate more time to combating housing insecurity as she had become more aware of its significance to the people of Oxford during her campaign (Green, 2017). County supervisor Kevin Frye stated “The community wishes to understand housing insecurity as it relates to LOU further so that targeted policies may be designed” (Green, 2017). Public officials have speculated that housing insecurity in the community can be attributed to a lack of affordable housing being available and that the price of housing for purchase is too high in comparison to income levels.

What policy alternatives exist to address housing insecurity in the Lafayette-Oxford, Mississippi community and similar communities? This thesis will explore this question through a systematic literature review and will provide policy recommendations to address housing insecurity in the community. In Chapter two, I contextualize the question of discussion by presenting the evolution of housing policies and programs in the U.S. from the first federal intervention into housing in the 1930s to present day policies. In Chapter three, I discuss the methodology used for data collection and analysis. In Chapter four, I present findings on policy alternatives and community dynamics. In Chapter five, I recommend policies by which the Lafayette-Oxford, Mississippi community and similar communities can address housing insecurity through evidenced based solutions. Specific policy recommendations discussed are the cultivation of amenities, development of transit and infrastructure, removal of unnecessary regulations, the formation of a public-private coalition, and the implementation of a community land trust.

Chapter 2 Background of Housing Policy

This chapter outlines the evolution of U.S. housing policy from the 1930s through present day. Then, this chapter delves into the current state of inefficiencies of U.S. housing policy, with an insight into the uncertainty of the future.

Depression and Revitalization

The federal government first intervened in the housing market in 1929 after the stock market crash caused the collapse of the housing, building, and mortgage finance industry. From 1925 to 1933, housing construction fell from 937,000 to an all-time low of 93,000 (Mason, 1982). Americans' confidence in banks, the economy, and the future had been shaken. Americans stopped building and buying homes. In his only term in the Oval Office from 1929 to 1933, President Hoover faced the death of the construction industry and the collapse of the financial and economic structure of the nation. Because both building and buying homes requires financial lending, the housing industry and the strength of financial lending institutions are inextricably linked. Noting this in 1932, President Hoover enacted the first federal policies aimed at the housing market through financial strengthening in response to the housing crisis of the Great Depression. The 1932 Federal Home Loan Bank Act created 12 banks with reserves of $125 million for loan association, savings, and home finance firms. President Hoover also gave rise to the Reconstruction Finance Corporation which had a starting capital of $500 million, and additionally, had the authority to borrow up to $1.5 billion for the purpose of loaning to banks, insurance companies, loan associations, and firm-mortgage associations. Arguably, the most important step that President Hoover took for housing policy was to host the President's Conference on Home Building and Ownership. In this meeting, the idea for the Federal Housing Administration (FHA) was born. In 1934, the FHA would become an incredibly impactful amortized-mortgage institution under the New Deal.

President F. Roosevelt viewed his overwhelming support for office in 1933 as mandate to enact social action in the nation. Under the New Deal, President Roosevelt refinanced foreclosed mortgages, formally established the FHA and the Federal Home Loan Bank System, among many other federal financial programs. However, the creation of the FHA and the Federal Home Loan Bank System was intended to help lending institutions and rip the U.S. economy out of the Great Depression – not intended to directly target the poor. The housing crisis for poor families was first addressed in 1937 under the U.S. Housing Act which authorized municipal housing authorities to build public housing financed through long term bonds. In 1938, the first government sponsored enterprise was chartered, marking the beginning of the secondary mortgage market. While the economy and the housing industry took many years to recover in the long term, President Roosevelt's policies had the effect of immediately restoring faith in the banks, economy, and future. New housing construction had risen from a bleak 93,000 in 1933 to 603,300 by 1940 (Mason,1982). Of the 2,734,000 housing units built in the 1930s, 97% were built in the private sector, financed by consumers (Mason,1982).

While the housing market of the 1930s was ruled by the Great Depression and revitalization efforts, progress made during this time in housing design and community planning set the stage for the coming decade (Mason, 1982). Builders and planners were beginning to recognize the value of community living and preserved open spaces. Innovations in prefabricated housing, heating, lighting, electrical, and plumbing would spark the achievements to come in war production and post war expansion of the 1940s.

Defense Housing and Post-War Expansion

As defense industries raced to mobilize the nation for war, defense housing on military bases boomed with largess and speed as mobilization was aided by prefabrication and financed by the federal government. As construction boomed, a major shift in materials, methods and techniques occurred from 1940 to 1945 to keep up with the demand (Mason, 1982). Home building became a fast-paced, industrialized, large-scale production. While the industry had small-scale national and local interest groups, the housing industry remained unorganized and unrepresented in Washington D.C. until the War Production Board proposed to close private defense housing and instead solely fund public housing initiatives. This gave rise to the Home Builder's Emergency Committee which eventually became the National Association of Home Builders, a lobbying group which represents the construction industry across the nation.

After the war, the nation had to reconcile with a housing shortage as service members returned to the U.S. In response, the Veterans Administration guaranteed mortgage loans and increased FHA activity in insuring home mortgages (Congressional

Digest, 2012). In 1943, Section 608 was extended under FHA as a stimulus to housing units. From 1944 to 1951, 400,000 units were built under Section 608 (Mason, 1982). FHA Title IV loans were also introduced in this time which facilitated the buying and building of homes with long term, low interest mortgages. Post-war planning was further extended by the G.I. Bill of Rights which guaranteed home loans to veterans. Guarantees such as this, in conjunction with the FHA extension and the removal of wartime restrictions, led to a boom of post-war construction.

By the end of the decade, housing had risen to new heights and under President Truman's administration, it continued to do so. In 1948, Section 608 was expanded again to extend rental housing loans and also established the secondary market for FHA and Veteran Affairs (VA) mortgages with the Federal National Housing Association (Mason, 1982). In 1949, Federal National Mortgage Association – which is commonly referred to as Fannie Mae – was founded to give long term benefits to the housing finance industry and further strengthened the secondary market for FHA and VA mortgages. Fannie Mae President Jame Stanley Baughman was awarded the Presidential Kennedy Award for distinguished federal service as his 16 year tenure saw the production of 30% of existing U.S. homes. Fannie Mae brought liquidity to the mortgage market while expanding home building funds. The Housing Act of 1949 was also a significant policy to emerge as it established the goal of a "decent home and suitable living environment for every American family", created the Urban Renewal Program which was intended to improve communities by eliminating slums through grants which reduced land acquisition costs, authorized the financing of an additional eight million public housing units across the nation, and recognized the needs of rural America by authorizing the U.S. Department of Agriculture to extend loans and assistance to low income farmers (Congressional Digest, 2012).

The Rush to Suburbia

By the end of the 1940s, the American market raved over home planning, buying, decoration and other means to improve quality of life. The development of rapid, large communities allowed builders to retain architects, planners, and landscape designers. Concepts such as cluster planning, loop streets, open space and cul-de-sacs had emerged and led to the rush to suburbia of the 1950s. Urban Renewal as established by the Housing Act of 1949 was used to revitalize communities. A record 15.1 million homes were constructed in ways which were of better quality construction, planning, and higher value than had ever been achieved across the world (Mason, 1982). A consumer revolution, encouraged by full employment, rising incomes, and population growth during this time, led to emerging expectations of quality for all – including for the poor, elderly, and racial minorities. The American lifestyle was changing.

The post-war population increase of 29 million led to a surge in housing demand in the 1950s. The Housing Act of 1954 established precedent in comprehensive planning. From then on, federal funds would only be allocated if a workable plan and budget were presented. During the 1950s, special programs emerged to promote housing for the elderly and disabled. The FHA became increasingly more active in financing multifamily mortgages, which promoted federal involvement with home financing. It was a decade of prosperity for the housing market as American families rushed to suburbia in search of better communities to raise children. The metropolitan suburb population grew by 50% from 1950 to 1960 (Mason, 1982). The move to suburbia was aided in part by the construction of the expansive $100 billion highway program which better connected cities to non-metropolitan surroundings.

Federal expansion of housing policy and anti-discrimination

The 1960s are largely notable for the creation of the U.S. Department of Housing and Urban Development (HUD) and anti-discrimination rulings. President John F. Kennedy rallied the American people to "give a damn" and this optimistic hope had carried into the housing industry where there were great expectations. Population growth was reaching new highs of 13% per decade. Housing vacancies were low. Financing was available at low interest. Building costs were steady (Mason, 1982). A string of Civil Rights Acts forbade racial bias or discrimination in public housing, then advanced to open privately owned housing, and culminated in forbidding racial discrimination in sale or rental of any U.S. housing.

All three presidents during this decade made grand promises to aid urban development and housing. President Lyndon B. Johnson’s Great Society gave the American people Medicare and Medicaid while also starting programs for education, urban development, and housing. President Johnson reiterated in 1965 that the "ultimate goal in our free enterprise system must be a decent home for every American family"(Mason, 1982). In 1965, HUD was created as a cabinet-level department, charged with overseeing the nation's housing and community development programs (Congressional Digest, 2012). The 1960s also marked the launch of a new approach — the ability of public housing authorities to rent privately owned units for their tenants. This was the beginning of the voucher program.

Foundation of Expanded Mortgage Lending, Block Grants, and Section 8

The 1970 laid the foundation for expanded mortgage lending, block grants, and Section 8 housing. Notably, the Federal Home Loan Mortgage Corporation – known as Freddie Mac – was established in 1970 to expand the secondary market for mortgages by increasing the money available for lending (Federal Housing Finance Agency, 2018). The Housing and Community Development Act of 1974 produced two big changes. The first change was the consolidation of seven separate grant programs into the Community Development Block Grant Program (CDBG). This program enables communities to fund their developments with flexibility, following the approval of the Housing Assistance Plan submitted to HUD. The second change was an amendment to the U.S. Housing Act of 1974 to create Section 8 (Mason, 1982). Section 8 is a subsidy program which covers the difference between what a low income tenant can proportionately afford based on their income and fair market rent in a given community, as defined by HUD. Section 8 also gives communities funds to use at their discretion, whether it be for new construction, renovation, or tenant based assistance ("What is Section 8?," 2011).

Tax Incentives for the Private Market to Capitalize on Affordable Housing

The Tax Reform Act of 1986 repealed accelerated depreciation deductions, and for the first time, set a cap on state authority to issue tax exemptions for multifamily housing. It also created the Low Income Housing Tax Credit program (LIHTC). LIHTC provides incentives for developers to construct affordable rental homes for low income families. The McKinney Vento Homeless Assistance Act of 1987 was the first federal attempt to address homelessness by funding shelters and support housing ("The Federal Role in Housing," 2010).

Block Grant Expansion

The 1990s gave rise to the HOME Investment Partnership which provides block grants to states and localities to address their unique affordable housing needs. It is notable that as housing policy has evolved in the U.S., there is an increased recognition within the policy design that communities have varying needs. Recipient jurisdictions develop their own programs based on target standards, housing needs data, and activities identified in the Comprehensive Housing Affordability Strategy – now known as the Consolidated Plan ("The Federal Role in Housing", 2010). During this time, allocations were established for the elderly and disabled, block grants were provided for Native American housing, and HOPE IV provided funding for the revitalization of public housing ("The Federal Role in Housing," 2010).

The Market Collapse

The beginning of the 2000s promised hope in the U.S. housing industry. In 2004, home-ownership had reached a record high of 69% (HUD, 2017). Housing prices peaked in 2005, contributing the soon approaching Great Recession. During the Great Recession, foreclosure rates skyrocketed as home valuations, the mortgage markets, Wall Street hedge fund investments, and the home building, buying, and banking industries collapsed. It is estimated that nearly 3 million homes were foreclosed during the recession (Schoen, 2010). In response, the Housing and Economic Recovery Act of 2008 ensured Fannie Mae, Freddie Mac, and the Federal Home Loan Banks would not collapse. FHA was expanded to prevent foreclosures. The Neighborhood Stabilization Program was implemented to stabilize communities with high rates of foreclosure and abandonment through purchase and redevelopment. In an attempt to further alleviate the stress caused by the recession, the American Recovery and Reinvestment Act, The Hearth Act and Helping Families Save Their Homes Act were established in 2009 (Schoen, 2010). Vast expansions of welfare benefits also acted as a housing stabilizer.

The Recovery

Since 2010, recovery efforts to mitigate the lingering effects of the recession are still underway, largely under the direction of HUD. With the VA, HUD announced a goal to end veteran homelessness through the HUD-VA Supportive Housing program and the VA's Supportive Services for Veteran Families program (US Department of Veteran Affairs, 2012). Under President Obama, emphasis was placed on affordable rental housing policy with the Choice Neighborhoods Initiative and the Rental Assistance Demonstration. While President Trump's legacy on housing policy has yet to be made, President Trump reversed a FHA insurance premium cut of 25% implemented under President Obama, which has resulted in a 13% drop in FHA applications (Foster, 2017). Ben Carson, the appointed secretary of HUD, has announced that he intends to cut spending and reduce government assistance programs. President Trump and Ben Carson's budget for the 2018 fiscal year calls for steep cutbacks to housing programs, totaling $6.8 billion. The proposed budget specifies the removal of the Community Block Development Grant, HOME Investment Partnership Program, 11.3% or $500,000 cut to the Public Housing Operating fund used to subsidize public housing for low income families, 67% or $1.3 billion cut of the Public Housing Capital Fund used to repair current Public Housing, $97 million cut to the Housing Choice Voucher which would immediately eliminate 256,900 housing vouchers, and a 17.3% or $25 million cut to Section 811 which subsidizes the rent of affordable houses for disabled Americans ("Trump-Carson Housing Budget Cut Estimator for Your Area," 2017).

Uncertainty for the Future

Increasingly, housing insecurity is a major issue in many American cities. Rising rents have made it difficult to save money for a down payment on a home. The subsequent increased demand for rentals, as people are unable to purchase homes, puts upward pressure on market rents. While rental construction has increased in response in many areas of the country, a large proportion of this construction targets the high end of the rental market to recuperate the high costs of development (Center for Housing Policy, 2016). This leaves those needing adequate, and affordable housing struggling to find it. In eviction courts of the 92% of the tenants who had missed rent payments, the majority spent at least half of their income on rent while one third devoted at least 80 percent to it. (Desmond 2016). Recall that anyone spending more than 30% of their income on housing is considered to be rent burdened.

Assistance policies are being cut by the Trump Administration and Congress, with a call for a $54 billion cut in non-military discretionary domestic programs, and a specific $6.8 billion cut to affordable rental housing programs (Oliphant, 2017). Cuts to housing funds will only increase evictions and gut grant programs offered to help communities as a whole. As the Community Development Grant Program is on the chopping block for the proposed 2018 fiscal budget as well, communities will be unable to even seek that support (Affordable Housing, 2017). If cut, rental prices will rise as affordable housing programs and housing vouchers decline, forcing families to either seek out rental units which are affordable without a subsidy, or further push them into housing insecurity by dedicating a larger portion of their income to keeping a roof over their heads.

From the first move of federal intervention into housing during the 1930s to a present day cutbacks on housing programs, many housing programs and policies have been created, shrunk, cut, and expanded over the decades. Yet, the current condition of housing in the United States and the uncertainty regarding housing policy in the coming years has left major gaps in the marketplace.

What housing policy alternatives exist to address housing insecurity in the Lafayette-Oxford, Mississippi community and similar communities? Communities like LOU are struggling to manage growth and address housing insecurity. By conducting a systematic literature review, housing policy recommendations will be presented, alongside suggested policies. In the next chapter, I discuss the methodology used for data collection and analysis. In Chapter four, I present findings on policy alternatives and community dynamics. In Chapter five, I recommend policies by which the Lafayette-Oxford, Mississippi community and similar communities can address housing insecurity through evidenced based solutions.

Chapter 3 Methodology

Systematic literature reviews are a form of research to collect the existing studies and research a topic. The aim of systematic literature review is a way to identify and synthesize scholarly research on a particular topic, including both published and unpublished studies. Systematic literature reviews are unbiased and reproducible but can be time-intensive. These reviews provide evidence for policy-making to identify gaps in research and current practice ("Guide to Conducting Systematic Reviews," 2018). Systematic reviews must begin with a targeted, and fully formulated question to be answered by the review (Antes, Khan, Kleijnen, & Kunz, 2018). Reasons to include or exclude studies are explicitly stated as the research process is reported. The explicit and systematic steps taken to conduct a systematic literature review distinguishes it from traditional reviews and commentaries. There are five essential steps in a systematic literature review. The first is to frame the question. The second is to identify relevant work. The third is to assess the quality of the studies. The fourth is to summarize the evidence. The fifth is to interpret the findings (Antes, Khan, Kleijnen, & Kunz, 2018).

Through a qualitative, systematic literature review, this thesis seeks to establish, through existing literature, policy alternatives to address housing insecurity. A systematic literature review was selected as the method to be conducted due to the targeted question and policy basis of the topic. The specific research question addressed is:

"What policy alternatives exist to address housing insecurity in the Lafayette-Oxford, Mississippi community and similar communities?"

The search strategy was designed to access published materials and comprised of five steps:

First, I conducted a limited search of the University of Mississippi library's One Search function to identify relevant keywords contained in the title, abstract, solutions suggested and subject descriptors. The keywords identified were "Housing Policy", "Affordable Housing", "Rural Housing", "U.S. Policy", "Housing", "Cities", "Land Use", "Zoning","Vouchers", "Economic Rent City", "Politics", and "Housing Insecurity".

Second, terms identified in this way were used in an extensive search of the existing literature in the University of Mississippi's One Search database. The search settings were limited to full text online, English, peer reviewed journal articles, and published in the last 12 months. Keywords searched were ‘‘Housing Policy'', ‘‘United States'', and ‘‘Affordable''with the subject terms of housing and policy and disciplines of economics, public health, government, and sociology. This search strategy yielded 139 journal articles.

Third, I filtered through the abstracts of the 139 journal articles by excluding those which did not discuss policy implications, recommendations, or alternatives. Full copies of the journal articles identified by the search, and considered to meet the inclusion criteria, based on their title, abstract and subject descriptors, were obtained. Of the 139 journal articles yielded by the search results, eight journal articles remained after being filtered for inclusion of policy alternatives. From these eight journal articles, their citation and reference lists were searched and filtered based on policy alternatives and accessibility for a more expansive data set. This resulted in the extraction of 25 total journal articles.

Fourth, housing policy alternatives were examined from the selected journal articles for the U.S., whether the policy recommendations were for metropolitan, urban, or non-metropolitan communities.

Fifth, policy alternatives are presented, as supported by findings, to address housing insecurity in the Lafayette-Oxford, Mississippi community and similar communities.

Chapter 4 Housing Policy Alternatives

In this chapter, I discuss the findings of policy alternatives and community dynamics extracted from the 25 journal articles collected.

Types of American Housing Dynamics

The housing problems in the U.S. are caused by an imbalance in supply and demand. There are three types of housing dynamics in American cities and then non-metropolitan communities to consider. Different policies should be evaluated for each as the problem differs in each dynamic.

The first type of American housing dynamic can be defined by its characteristic of population loss. Subsequently, population loss has led to a sharp decline in demand, but high supply in housing remains due to the long depreciation period for housing. In turn, the high supply of housing and low demand has led to lower prices for housing and minimal new construction in these cities (Metcalf, 2018). Despite the high supply of housing, housing is often inadequate and in need of costly reinvestment. Examples of this housing dynamic include St. Louis, Detroit, and Rochester. I will refer to this dynamic as Metro Shrink.

Home prices are well under minimum profitable production costs in these cities. The ratio of minimum profitable production cost (MPCC) is calculated as being under .07 in this cities, whereas 1.0 is considered healthy and best for equilibrium prices (Glaeser &

Gyourko, 2018). This ratio is derived from the costs associated with increased housing supply. Components are land (L), construction costs (CC), and the rate of entrepreneurial profit (EP) to compensate the builder. To calculate the minimum profitable production cost, MPCC= (L+ CC) x EP (Glaeser & Gyourko, 2018).

The second type of American housing dynamic is defined by its characteristics of population and housing gain which leads to equal supply and demand. Housing construction costs and market rate are relatively inexpensive. The housing markets in these cities are lightly regulated. Examples include Houston, Atlanta, and Tucson (Metcalf, 2018). The MPCC is calculated near or at 1.0 in these cities, which is considered healthy (Glaeser & Gyourko, 2018). I will refer to this dynamic as Metro Growth 1.

The third type of American housing dynamic is defined by its characteristic of population gain but housing shortage, due to a greater demand than supply. (Metcalf, 2018). While these cities experience high wages and high levels of productivity, housing is highly expensive and cost consumers significantly more than cost of production. The housing market is highly regulated in this dynamic. These cities include San Francisco, Los Angeles, Washington DC, and New York (Metcalf, 2018). It has been estimated that real GDP could be nearly nine percent higher if there were a surge in housing supply in just the three high productivity markets of New York, San Francisco, and San Jose, as migrants could afford to move into the market (Glaeser & Gyourko, 2018). Notably, these cities with inelastic housing supply experienced much more extreme price gyrations during boom-bust cycles of 1980s and 2000s (Glaeser & Gyourko, 2018). Overall, more expensive housing markets tend to be both more regulated and have more inelastic supply sides. The MPCC ratio is higher than 1.5 in these cities. These cities have a strong correlation between high incomes and high housing prices, which results in wealth gaps geographically when lower income families are barred from entry in high productivity zones (Glaeser & Gyourko, 2018). I refer to this dynamic of Metro Growth 2.

The fourth identified type of American housing dynamic is non-metropolitan communities where counties more often are distinguished in rural poverty, economies, and housing markets from urban counterparts (Brown & Webb, 2017). Within this category, I differentiate non-metropolitan communities which are experiencing growth from the non-metropolitan communities which are experiencing population loss. I refer to these as Non-Metro Growth and Non-Metro Shrink, respectively. Deprivation in rural areas tends to be elevated and outpaces urban area. The Economic Research Service classified 386 persistent poverty counties where poverty rates exceeded 20% over the past four censuses (Brown & Webb, 2017). 95% are non-metropolitan and are located in the Deep South, central Appalachia and eastern Kentucky, Native American reservations in New Mexico and the Dakotas, and southern Texas along the Mexican border (Brown & Webb, 2017). Rural poverty is felt most often by those who are older, married, and hold a form of employment, when compared to urban poverty. Rural residents are less likely to rely on welfare transfers due to geographic isolation, the stigma associated with receiving assistance, or lack of information. Deprivation in rural areas is an effect of insufficient income and chronic long term underemployment (Brown & Webb, 2017). This contrasts with the urban poor whose poverty is more related to unemployment and who more frequently rely on governmental income transfers.

Counties with a proximity to urban areas have experienced high rates of housing development within the county space, particularly large homes that constructed in rural areas due to lower costs. This has led to new forms of inequality in rural places. When compared to urban residents, rural residents have higher incomes relative to housing costs and high rural home ownership. Rental demand is low in these areas and consequently, there is restricted supply of leasable properties. There is less competition among lenders which drives up mortgages costs. County homeowners are twice as likely than urban homeowners to pay 10% mortgage interest rates, compared to seven percent mortgage interest rate seen in urban areas (Brown & Webb, 2017). Counties with the healthiest level of production and housing prices are those with natural and built amenities, as demand is surging in these areas (Brown & Webb, 2017).

When analyzing these American housing dynamics, there is a clear connection between new construction and housing prices. There is little new construction in heavily regulated cities with a MPCC ratio of 1.5 plus, a little less new home construction but not much comparatively in cities with a MPCC ratio of 0.7 or less, with the greatest range of construction in cities with MPCC ratios closer to 1.0 to match demand for housing (Glaeser & Gyourko, 2018). This indicates that the absence of heavy regulation will tend to equalize wages and housing costs across space, as new construction is facilitated. In contrast, declining cities that lack substantial central city reinvestment and suffer from population loss have experienced significant foreclosure activity in both urban and suburban activity (Brown & Webb, 2017). This indicates that the absence of regulation in its entirety leads to the worsening of the housing market health.

The types of housing dynamics in American cities and non-metropolitan communities are depicted in Figure 1. It is important to consider the housing dynamic of a community when evaluating policy alternatives.

Figure 1: American Housing Dynamics

	Metro Shrink	Metro Growth 1	Metro Growth 2	Non-Metro Growth	Non-Metro Shrink
Demand for Housing	Low	High	High	High	Low
Current Quantity of Housing	High	Equal	Low	Low/Equal	High
Affordability	Strong	Strong	Weak	Strong	Strong
Regulations on New Construction	Lack of central city reinvestment leads to higher foreclosure rates	Minimal	High	Varies	Varies
Amt. Of New Construction	Low	High	Low	Varies	Varies
MPCC	0.7	1.0	1.5	Varies	Varies

Policy Alternatives:

Public Housing

Public housing, a form of supply-side intervention, provides low income households, senior citizens, and the disabled with adequate, affordable housing that meets safety and building codes, as subsidized by public funds. This policy serves to expand the supply of low-cost housing in the market. The National Housing Task Force commissioned under President Reagan concluded, "To meet the growing need for affordable housing for low income Americans, the Task Force recommends a significant increase in supply through new construction, rehabilitation, preservation, and acquisition of existing stock" (National Housing Task Force, 1988).

Those who would otherwise compete in the private market for affordable housing, or even housing that is proportionately higher than 30% of their income, would be able to secure adequate, affordable housing, ensured by the government. There is also significant access to the public housing authority which acts as the landlord to public housing communities. If there are problems with the public housing authority, the tenant has the power to contact HUD for redress and reexamination of the issue (Assad, n.d.). Findings from sociological research show that the effects of neighborhood context on individuals, while still significant, is weaker, more short-lived, and more highly variable than first expected by researchers; rather, individuals are more deeply embedded in housing relations than they are in particular neighborhoods. This is to indicate that mortgage lenders or landlords matter more than the neighbor in American households (Martin, 2017). By removing the landlord and private rent-seeking behavior from housing for vulnerable and non-vulnerable groups alike, the emphasis is placed on having a roof over head rather than the building of a key financial asset (Elsinga, 2017).

The benefits of public housing include the improved well-being of residents, increased household and community stability, as well as an approach to remove land ownership from rent-seeking actors in a context of housing scarcity (Metcalf, 2018). Public housing could be expanded as based off European models to serve a broader range of income levels. Public housing could be viewed as an approach to add to the overall supply of housing units and as a long term strategy to prevent vulnerable community members from being priced out. Some advocates have stated that funding for public housing should come from broader tax base than exaction on new development in order to avoid the unintended consequence of reducing aggregate housing supply (Metcalf, 2018). While recognizing that the majority of Americans will seek housing through the private market and that the overall problem of housing insecurity can not be solved without a primary emphasis on overcoming housing shortage, there exists space for public spending on public housing (Metcalf, 2018).

When confronted with the argument that public housing is too costly to consider, it is important to note that the U.S. currently spends more than double on housing subsidies for homeowners than it does for renters, in the form of mortgage interest deductions ($71 billion), the deduction for real estate taxes ($31 billion), and the tax exclusion on capital gains from housing ($24 billion). All together, the costs of these subsidies given to homeowners in 2015 doubled the combined costs of support of low-income renters in the form of Section 8 housing ($29 billion), the low-income housing tax credit (LIHTC) ($7.6 billion), public housing ($6.5 billion), and accelerated depreciation ($4.7 billion) which is a tax for rental apartment owners who use the LIHTC (Metcalf, 2018).

U.S. public housing has been traditionally known and criticized for bad design, discrimination, under funding, poor management, broad economic decline, and the concentration of poverty. Critics also point to the cost of public housing, as it is substantial. To determine the cost of public housing, one only needs to multiply the subsidy per unit by the number of units to be built or acquired. Assuming a subsidy of $300,000, although it can higher in some cities, one million public housing units would cost $300 billion (Metcalf, 2018).

Critics of public housing also argue that the program is formulated around a faulty assumption that government agencies have enough information to organize complex social institutions which are fair and adequate. Rather, critics of public housing maintain that government is slow to respond to changing market conditions and are inadequate in addressing the differences in housing dynamics across the nation when compared to the private real estate development (Epstein, 2017). The historical narrative of public housing in the U.S. tends to agree with this positioning as improvements in terms of bad design, discrimination, and management were made in public housing when construction and development were contracted from local governments to developers.

By the end of the 1960s, U.S. public housing was abhorred by policymakers and local residents alike due to bad designs, racism as observed in funding and public treatment, poor public management, broader economic decline in local areas, and the effect of poverty concentration (Metcalf, 2018). Reforms to public housing have been extensive, with particular note to the HOPE VI program of the 1990s which provided block grants for more aesthetically pleasing row-housing. To address the mistakes in public housing development in the US, many cities began contracting out projects of subsidized housing programs, which brought greater control to local community leaders, served neighborhood revitalization efforts, and introduced more effective management (Erickson, 2009).

Voucher Programs

Housing vouchers cover the difference between fair market rent, as determined by HUD, and rent payments which exceed 30% of the tenant's income. While the federal government offers housing vouchers, funding is limited and thus, three-fourths of eligible low-income households do not receive federal assistance (Center on Budget and Policy Priorities, 2018). Much of the country has long wait-lists. Funding for the voucher program could be expanded at the local, state, or national level as a way of targeting housing insecurity in local communities (Metcalf, 2018).

Those who live in high-poverty neighborhoods lack resources to prevent housing insecurity from worsening like money, legal assistance, and close neighborly ties because they live in high-poverty neighborhoods (Metcalf, 2018). Housing vouchers deconcentrate poverty, by providing the means for the poor to find housing in mixed-income communities will help them acquire role models, social ties, and the collective ability to enforce social norms. The benefits of vouchers include targeted benefits, the allowance of use in any geographical location which has the effect of opening up neighborhoods and school districts to those from diverse economic backgrounds, and flexibility in the depth of subsidy provided based on need (Metcalf, 2018). "The problem of the poor is not unavailability of housing but rather the cost of housing. Vouchers make private housing accessible and demand for quality housing stimulates construction of private housing as necessary" (Heatherly & Pines, 1989). President Reagan's Commission on Housing stated that, "High costs and relative inefficiencies of new construction programs reinforce the desirability of a consumer-oriented Housing Payments Program which relies primarily on the private market to serve low-income households" ("The President's Commissioning on Housing," 1982).

Adversely, the voucher program causes the non-subsidized poor to compete for low cost housing with those who do receive subsidies in a market with limited housing (Apgar, 1990). Research has found that there is a reduced apparent cost advantage in demand side subsidies, like vouchers, over supply side interventions, such as subsidized housing production or social housing provisions (Apgar, 1990). Due to the negative stereotype of recipients, landlords often turn voucher recipients away (Metcalf, 2018). In low-elasticity markets, vouchers can increase the cost of housing, whereas social housing expands supply and drives down prices. To reach the full potential of opening up access into new neighborhoods, the voucher program would need to be supported by more intensive counseling and other assistance (DeLuca & Rosenblatt, 2017). One study found that a policy that makes vouchers more generous across metro areas benefits landlords through increased rents, with minimal impact on neighborhood and unit quality (Collinson & Ganong, 2013).

Notably, the most thorough study of the largest single public housing transformation conducted to date has revealed that relocated low-income residents into mixed income neighborhoods have reported greater feelings of safety, greater feelings of satisfaction with the aesthetic of their new homes, higher incomes after relation -although still below the poverty threshold (Martin, 2017). Yet, Chicago's Housing Authority's Plan for Transformation has dashed many high hopes for mixed-income integration as higher-income residents in the same neighborhoods avoided interactions across sites and regardless of income, race, or housing tenure. Informal interactions reinforced stereotypes and higher-income residents complained of noise, trouble, the decline of property values, and other negative responses to market constraints when interviewed about the Plan for Transformation (Martin, 2017).

Rent Control

Rent control is a rare policy in the U.S. mainly seen in expensive cities like New York, San Francisco, and Los Angeles. Landlords are only allowed to raise the rent a certain percent each year for existing tenants and are prevented from evicting tenants without a "just cause" (Metcalf, 2018). A freeze is placed on nominal rents in an effort to ensure affordable housing.

Proponents of rent controls argue that the subsequent effect generates affordable housing and prevents profiteering. One study found that a policy that indexes rent controls to neighborhood rents leads voucher holders to move in higher quality neighborhoods with lower crime, poverty, and unemployment (Collinson & Ganong, 2013). Economists' opposition to rent control stems from an assumption that housing markets are perfectly competitive and from data of 'hard' controls in New York City and many European countries (Arnott, 1995). ‘Soft’ controls are varied from ‘hard’ controls. ‘Soft’ rent controls are regulations on allowable rent increases, conversion, maintenance, and landlord tenant relations. They commonly permit rate of rent to increase based off the rate of inflation and include provisions to increase the rate of rent based on hardship provisions proven by the landlord, reasonable rates of return on the housing, and the allowance of landlords to apply for increases in rent above the rate of inflation permitted (Arnott, 1995). These regulations provide security for tenants through rent increase appeal procedures, eviction procedures favorable towards the tenant and includes restrictions to prevent cutbacks on maintenance and conversions of rental housing to owner-occupied housing (Arnott, 1995).

Upon vacancy, landlords are able to raise the rate of rent to market rate and above with no restrictions. This has the effect of delaying the rate of price increases for current residents and increasing community stability as there is incentive to not move units but does not prevent the rate of price increase, nor does it benefit new migrants to a city (Metcalf, 2018). Rent control has been noted for poor targeting efficiency and creates a perception of risk to those who would otherwise enter the market as developers (Metcalf, 2018). 93% of the members of the American Economic Association in 1990 agreed that "a ceiling on rents reduces the quantity and quality of housing available" (Alston, Kearl, & Vaughan, 1992). There is vast agreement among economists that rent control discourages new construction, causes abandonment, slows maintenance, reduces mobility, generates mismatch between tenants and housing units, exacerbates discrimination in rental housing, creates black markets, encourages the conversion of rental to owner-occupied housing and generally short circuits the market mechanism for housing (Arnott, 1995). In the past when rent controls were applied, controls gave rise to housing problems that promoted even more government intervention. While uncontrolled neighborhoods grew healthily, controlled neighborhoods deteriorated in quality but remained in high demand due to the wide discrepancy in quality adjusted rents of uncontrolled housing (Arnott, 1995).

Remove Regulations on Development of New Housing Supply

Regulation serves the purpose of ensuring that housing supply in the community meets the standards of decency and safety. Regulations are often designed to prevent disaster from occurring in communities as well as protecting the existing value of housing. Regulation of the housing market attempts to better communities by supply suppression, most often through zoning, building standards, permits to add supply, and fees (Metcalf 2018). Despite decency and safety, these regulations can be cost prohibitive, timely, nontransparent, and cause developers to offer contributions similar to bribes to city officials. This all has the effect of driving up housing prices while decreasing supply. Local land use regulations have stifled wage and GDP in American cities by 50% over the past 50 years, according to research (Hsieh & Moretti, 2017). Without these regulations, American GDP is estimated to be nine percent larger, which translates into an additional $6,775 in annual income for the average American worker. While safety and decency are necessary and important, the clarity and necessity of other regulations are negatively impacting economic productivity and the health of the housing market significantly.

By removing barriers of entry, supply can increase and prices can fall as demand is subsequently met (Epstein, 2017). Barriers to entry further include fees, taxes, and permits that grant discretionary authority to local officials. Private developers are then able to fully maximize the market by seeking profitable opportunities. As costs of housing construction and maintenance decline, private investors are able to offer lower priced units. Prices are then kept low by the open entry to the market (Epstein, 2017). While many of the regulations on zoning and building codes are necessary, they have the negative effect of acting as a barrier to entry, preventing innovations in architecture, slowing development, and raising production costs (Metcalf, 2018). These regulations seek to grant adequate and decent housing to tenants but are subjective in criteria when it comes to aesthetic and livability. There are those who believe that people should be able to live in smaller and less-expensive housing units but are prevented by current regulations from doing so.

The housing approval process is another barrier to entry for new development. Despite meeting zoning and building codes, a development proposal must receive legal, municipal permission to build. This is often dependent on environmental impact assessments, public meetings, hired lobbyists, campaign contributions, donated money to local nonprofits, a vote by elected officials, and even a vote from the public as a whole (Metcalf, 2018). The uncertainty and greater risk causes investment, development, and land-carrying costs to rise. Besides suppressing supply, this has the added negative effect of reducing competition within a housing market.

Cities like New York, DC, Boston, Portland, Los Angeles, and San Francisco have provided public housing through the mandated regulation of inclusionary housing which requires that market rate housing developers set aside a portion of units at below market prices permanently or pay an equivalent fee (Metcalf, 2018). These costs can be significant and have continued to rise. Inclusionary units are allocated like the lottery with hundreds or thousands of people applying for just one. Number of units actually generated is small due to internal economics of the developments that can support only so many below market rate units, the taxable base or rather the number of market rate projects that are built in any year is not usually very large (Metcalf, 2018).

Another uncertain cost preventing entry into the housing market and thereby suppressing supply is fees and exaction upon new development. Cities collects these fees in the name of affordable housing production, transit development, public parks, and general municipal revenue. In San Francisco, these fees range from $60,000 to $150,000 for each market-rate unit (Metcalf, 2018). Community benefit packages are another exaction on new developments which are judged on an individual basis with no objective criteria. Public officials in these situations benefit from keeping transaction costs and barriers to entry high to increase bargaining power with developers (Metcalf, 2018).

Developers gravitate to the higher end developments of today's highly regulated markets under the claim that they cannot absorb the costs of planning, permitting, and construction for lower priced units. As demand increases in these expensive markets, the equilibrium prices increase, leading to new rounds of regulation in the form of subsidies, restrictions and reforms (Epstein, 2017). The existing housing market as it stands is a deterrent to housing development, which declined after the 1950s as stricter regulations were put into place (Epstein, 2017). Advocates maintain that by removing government from the market place by curbing eminent domain abuse, peeling away layers of regulations, and untangling the complex network of federal grants which dictate how housing can be built, the housing market will increase in supply and prices will lower (Epstein, 2017).

Restrictive housing policies in expensive metropolitan areas segregate affluent community members into zoned communities, reduce the ability of low-income movers to enter high opportunity labor markets, divert wealth into rent-seeking behavior by landowners, and decrease economic productivity as a whole as labor is not able to fully be allocated to clusters of productivity (Metcalf, 2018). Regulation is efficient in terms of forcing developers to absorb costs of negative externalities but existing research shows that local land use regulation reduces the elasticity of housing supply and results in a smaller stock of housing, higher house prices, greater volatility of house prices and less volatility of new construction (Glaeser & Gyourko, 2018).

Advocates for the repeal of unnecessary regulations argue that a superior policy would sever the link between developments and affordable housing by having affordable housing funds come from general government revenue (Epstein, 2017). This would have the effect of not deterring new construction and keeping local municipalities in check with the political reality of cash flow.

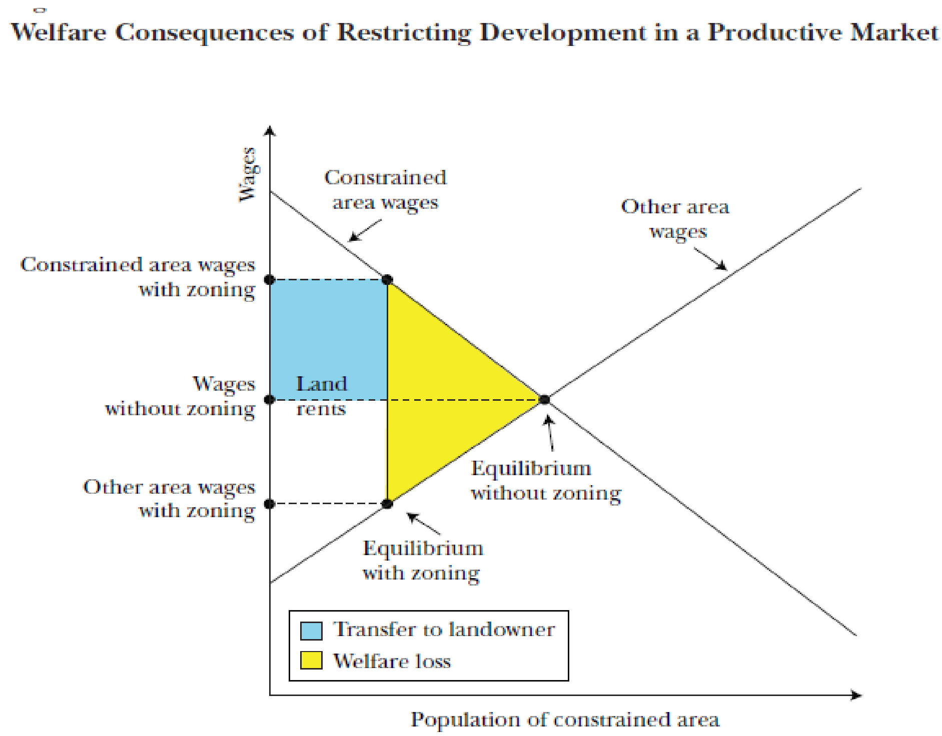

Figure 2: Removal of Regulation as an Equalizer (Glaeser & Gyourko, 2018)

Some solutions suggested by advocates to remove barriers to entry and facilitate supply are to upzone and rethink minimal standards (Metcalf, 2018). Upzoning changes zoning to allow more households to be built, either allowing taller buildings or greater density. Careful neighborhood planning is utilized to craft good design and to ensure complete neighborhoods. The planning process involves public realm improvements, infrastructure improvement, beyond private buildings. The approval pocess of getting permission to build within the zoning is straightforward and transparent (Metcalf, 2018).

To reduce construction costs, public officials could rethink regulations which are unnecessary in that they do not compromise health and safety. Advocates recommend legalizing smaller units created from accessory dwelling units or single room occupancy apartments, eliminating parking requirements, as well as supporting innovation to reduce the cost of production and work to remove barriers to lower cost production techniques (Metcalf, 2018).

Connect Cities to Less Expensive Places

By connecting cities to less expensive but nearby communities, costs of housing are relatively affordable. The development of suburbia allows those who are economically disadvantaged to participate in the heightened economic productivity of a nearby city. For this solution to work, development in public transportation and adequate housing are necessary (Metcalf, 2018).

Proponents of suburbia observe that there is a higher quality of lifestyle outside city limits where housing and land is more affordable, although there is an increased expenditure in transportation costs in terms of money and time. Housing is bigger, cheaper, and plentiful with low pollution and congestion (Engen, 2012). School districts are more affluent and communities in suburbia have low crime rates as well as valuable amenities.

Suburbia can be costly to develop as it requires the development of infrastructure and encouragement of private developments. Inner cities can suffer from residential segregation in the form of white-flight when suburbs are nearby. White-flight is the migration of affluent, white home-owners moving into the suburbs to avoid the minorities of the city. This results in a socioeconomic and demographic shifts of the community.

Racial segregation is a key predictor in reduced life chances, across health, academic, and economic outcomes (Jacobs, 2018).

Further, research analyzing foreclosure rates during the Great Recession has found that non-metropolitan counties with stronger geographic and economic connections to urban areas have higher foreclosure rates (Brown & Webb, 2017). This may be attributed to stronger housing prices leading up to the recession, possibly from the high activity in development on the urban fringe. Proximity to urban areas and the consequential economic centers did not buffer against foreclosure during the recession. Moreover, higher home-ownership rates in non-metropolitan counties were related with elevated foreclosure rates, likely attributable to the lower stock of rental units in these places, which forces more and poorer households into home ownership (Brown & Webb, 2017). As the connection between these non-metropolitan and urban areas is associated with conjoined foreclosure rates, future foreclosure mitigation funds could be shared between urban and suburban communities (Webb & Brown, 2017).

Rather, isolation from urban areas, which has traditionally served as a driver of inequality, appears to have protected places from the housing market collapse and ultimately resulted in lower foreclosure rates. It is also worth noting that valued amenities have improved the economic station of many non-metropolitan counties and these amenities are related to a lower rate of foreclosure, which suggests that higher housing demand in the desirable counties might have suppressed default rates (Brown & Webb, 2017). These findings indicate that non-metropolitan home ownership rates are positively related to defaults, while amenities are negatively related to foreclosure (Brown & Webb, 2017). These findings suggest that the demand and supply equilibrium, when driven by the actual value of land and construction costs instead of being inflated by developments, lead to lessened housing insecurity in communities with valued amenities.

Move Responsibility for Housing to Higher Level of Government

Moving responsibility for housing to higher level of government would place more power into the central government to create unified standards and policies across the nation, regardless of regional tax revenues. On a lower level, regional commissions or councils could be created to ensure that municipalities within a state or region are following similar standards.

Advocates for moving the responsibility for housing policy to a higher level of government claim that too many incentives for each jurisdiction to shirk housing responsibility (Metcalf, 2018). An example of this policy would be Portland, Oregon, where the directly elected regional government surrounding Portland, Oregon allocates growth management to cities within the region as a way to comply with the states strong growth management laws. The state of Washington has adopted a very similar council. Massachusetts has put into place a legal process to override local zoning and approve housing developments in municipalities and counties that do not comply with state affordable housing requirements (Metcalf, 2018). State governments in these regions have acted to ensure adequate housing supply, recognizing incentives and spillover effects of local land use causing bad effects (Metcalf, 2018). UK and France have national planning agencies and guidelines set by the central government. The increased uncertainty of barriers to entry to different cities across the nation and state cause a lack of transparency in development approval. This prevents developers from expanding the housing supply more productively.

However, local land use regulation in U.S., ranging from building codes to strict limits on the number of units delivered differs across markets, can affect construction costs associated with putting up the structure as well as the underlying price of land (Glaeser & Gyourko, 2018). Also, state governments often differ in ideologically held beliefs on how communities should be run from local communities. This is the case in Asheville, North Carolina where a progressive local community must continually debate against the housing legislation of the conservative state government (Kerstein & Strom, 2017). As housing dynamics vary across regions, policies do not work effectively in any given situation, at any given time. Programs depend on targeting, as well as the nature and extent of program cost increases and local externalities (Apgar, 1990).

Mitigate and Prevent Foreclosure

Foreclosure is understood by researchers as being a result of certain factors related to housing market operations, including subprime and predatory lending, price volatility, and financial market innovation including the expansion of the secondary mortgage market. If housing is understood as a key asset in the development of personal wealth, housing insecurity and the related ability to maintain housing contribute to income inequality (Brown & Webb, 2017). By preventing and mitigating foreclosures, dead-weight loss, displacement, credit destruction, and external costs to the market are avoided.

One policy aimed at foreclosure mitigation is the Neighborhood Stabilization Program, which provides municipalities with funds to purchase and dispose of vacant, foreclosed, or abandoned properties in neighborhoods where these houses are concentrated. This combats spillover effects from concentrated foreclosure and vacant properties which are associated with higher violent crime rates and lower housing costs (Brown & Webb, 2017). Research shows the need for more foreclosure funding for non-metropolitan counties as they have a higher estimated foreclosure rate than urban and suburban counties (Brown & Webb, 2017).

As supported by data from the Current Population Survey and the Social Capital Community Survey, homeowners are more likely than renters to vote, sign petitions, attend community meetings, volunteer for local organizations, and participate in various kinds of voluntary associations. This can be understood as the effect of residential stability, which accompanies home-ownership. Long term residents, regardless of whether they rent or own, are more likely than short term residents to participate in community and civic engagement (Elsinga, 2017). Home ownership is important for social stratification, to build home equity, and to enter a "home-owning class". Building home equity results in inter-generational benefits due to stability, home equity inheritance, and the possibility to release equity in a crisis (Elsinga, 2017).

While foreclosures affect the health of the market and are particularly prevalent in housing dynamics experiencing sharp population loss with an excess of vacant homes, foreclosures are wrought not only by the decline in home values, but also by tightened lending standards, rising unemployment, and interest rates set in the financial pipeline (Kiff & Klyuev, 2009). Foreclosures play a key role in adverse housing market dynamics and loan modification strategies to address negative housing equity and affordable debt service could be devised to prevent foreclosures, with the burden of mortgage debt restructuring bore by the taxpayer (Kiff & Klyuev, 2009).

A strategy to mitigate foreclosure spillover and dead-weight losses would be to re-purpose foreclosed homes as rental properties, as offered by the government (Federal Reserve Board of Governors, 2012). During the Great Recession, rental demand increased across metropolitan areas while home ownership plummeted due to the foreclosure rate and unaffordability. Forces behind the decline in home ownership rate, such as poor credit condition, are unlikely to unwind significantly, indicating a longer-term need for an expanded stock of rental properties (Federal Reserve Board of Governors, 2012). While private investors purchase foreclosed homes on a small scale for the purpose of rental development, there has been no large scale reinvestment into rental properties of foreclosed homes. The reasons for this include the difficulty of approximating cost to rental properties spread over geographic locations – taking into account that the most cost effective rental developments are those withing close proximity to each other like apartment buildings, difficulty in obtaining financing for large-scale investment into foreclosure homes, and sales of foreclosed homes being encouraged as early as possible (Federal Reserve Board of Governors, 2012).

These policies could prevent and mitigate the shocks of foreclosure, particularly in non-metropolitan and metro communities alike where there is a high rate of foreclosures and vacancies as well as population loss.

Community Land Trust

Community land trusts are community based nonprofits that buy land and hold it in a trust, as a method of preserving housing affordability and reducing market pressures on housing. The community controlled land is either leased, rented, or sold to low-income households (Axel-Lute & Hawkins-Simons, 2018). The model is simple: a buyer purchases the house but leases the land from the community land trust. The fee is minimal, the land trust retains control of the land, but the home owner is still able to build equity in the house. In exchange for a house at below-market prices, home owners agree to resale price restrictions, making the house permanently affordable to subsequent households with similar income levels (Axel-Lute & Hawkins-Simons, 2018).

While planners have primarily proposed these trusts to address displacement, use of trusts reduce market pressures on home owners by financing residences through the trusts to rent or lease them affordably to residents (Brown & Webb, 2017). Affordable and transparent lease terms would also reduce the likelihood of foreclosure or eviction as individual households would not be subject to overly complicated or predatory financial instruments, as the community land trust would be operated by a governmental agent or nonprofit. Community land trusts could also buffer rural residents against housing price depreciation, as the underlying land would be owned by the trust, not the individual homeowner. Policies to encourage rural community land trusts may include subsidized financing for them, possibly via the government sponsored enterprises of Fannie Mae, Freddie Mac or Farmer Mac (Brown & Webb, 2017).

Negatively, community land trusts often do not purchase high volumes of new housing, leading to minimal impact in communities where there is significant housing insecurity and demand for affordable housing. The legal agreements are more complicated than a conventional mortgage, leading some attorneys to advise their clients against purchase. Community land trusts require community support and a strong network of partnerships to survive, from advocacy activists to educational support groups. Community land trusts also need expertise in capacity building and management, which the private market has a competitive advantage in (Canada Housing and Mortgage Corporation, 2018).

Unemployment Insurance

Unemployment insurance has been found to serve as a housing market stabilizer, even if that was not the original aim of the policy. This policy helps to avoid dead weight costs of foreclosure borne by borrowers, lenders, taxpayers, and those in the surrounding community (Hsu, Matsa, Melzer, 2018). Unemployment insurance acts as one of the largest federal transfer programs and has the potential to prevent mortgage default during busts by making displaced workers' loan payments easier to pay. This is particularly relevant for cities with the highest booms as these cities will experience the most extreme busts (Glaeser & Gyourko, 2018). Transfers and other support interventions improve loan affordability and thereby reduce foreclosures, even when home owners are deeply financially burdened.

Unemployment insurance benefits extend beyond stimulating demand and insuring the consumption of the unemployed. A study which evaluates the impact of unemployment insurance by exploiting variation in the generosity of the benefits across states and over time found that increases in the program's generosity alleviates mortgage delinquency, specifically for the unemployed, and reduces home foreclosure (Hsu et al., 2018).

Unemployment insurance is an important policy to consider as unemployment insurance extensions during the Great Recession prevented two-thirds more foreclosures than did the two largest mortgage programs, the Home Affordable Modification Program and the Home Affordable Refinance Program, combined (Hsu et al., 2018). Preventing foreclosures reduced the fiscal cost of extending unemployment insurance, as one-sixth of the 273 billion paid out flowed back to the government by preventing losses to the government-sponsored mortgage companies (Hsu et al., 2018). Further, unemployment benefits moderated the decline in home values in areas with rising unemployment. Using annual data on county home values and unemployment, the study found that unemployment insurance benefits moderated the decline in home values in areas with rising unemployment. Unemployment insurance smooths housing consumption of displaced workers, prevents dead-weight losses associated with foreclosures, including the value destroyed by under maintenance and spillovers onto neighboring properties. By preventing such losses, unemployment insurance acts as an automatic stabilizer for the housing market, much like it does for aggregate consumption.

Although unemployment insurance benefits reduced foreclosures during the crisis, the program has high costs. Within general equilibrium, unemployment insurance generosity might increase foreclosures by increasing employer's willingness to lay off workers, expanding credit supplied to risky borrowers, or emboldening households to reduce precautionary savings, and take greater risks (Hsu et al., 2018). Therefore, policymakers may prefer more targeted policies, such as expanding the Hardest Hit Fund or adopting similar programs proposed by housing economists, that direct cash assistance to unemployed mortgagors. Results of this study suggest that such programs help to stabilize the housing market during times of crisis.

Notably, unemployment insurance would do little to alleviate housing insecurity within non-metropolitan counties where chronic underemployment, rather than unemployment, is prevalent (Brown & Webb, 2016). In these communities, underemployment insurance would likely have the same effects of preventing foreclosure. When an employee's hours are cut, benefits can be applied for through the state department. As long as the employee remains partially employed, the individual will receive benefits, up to the weekly benefit amount ("What is Underemployment Insurance," 2017). The expansion of these benefits on a state level could be helpful in addressing housing insecurity.

Private and Public Investment Coalitions

The redevelopment of Asheville, North Carolina serves as a case study of successful revitalization and urban governance for growth management under local municipalities. Public-sector officials and private investors worked together in ways which can be described as "social entrepreneurial" to create a revitalized downtown and city which is representative of the historical context of the region and serves as a catalyst for local, independent business (Kerstein & Strom, 2017).

The city of Asheville was described by the Tennessee Valley Authority during the 1980s as "rundown and shabby" with store displays "facing on narrow, dirty sidewalks, swags of utility lines, and intersections that are difficult to navigate"(Chase, 2007). Asheville can now be found as a top contender on a number of top ten lists in a number of national categories.

What factors, put in motion since the 1980s, explain the success of Asheville's revitalization and growth management? Largely, the revitalization has been credited to the private and public partnership in a social entrepreneurial effort and a mix of flexibility in strategic planning (Kerstein & Strom, 2017). Present-day Asheville is a manifestation of the city's economic and political capital which came together in the interest of bettering the city. Local private business owners, with a vested interest in Asheville, mobilized capital while local political leaders, who were interested in the betterment of ideological, geographical, racial, and interest-based policies, mobilized votes for development of the city (Mollenkopf, 1983). As Asheville is a smaller city of nearly 90,000 residents, local actors enjoy a greater impact than would be noticed in larger communities. Notably, local universities, hospitals, banks and corporations that are a typical sight in productive economic centers were not actively engaged in the revitalization of the city (Kerstein & Strom, 2017).

While the Asheville city council leans progressive in politics, the council members come from a background of small business owners rather than advocates for tremendous affordable housing, economic opportunities, or preservation ordinances. The mayor has weak authority, and both mayoral and council elections are considered nonpartisan. The political actors rather share a vision of a city which lives within its historical context and provides space for independent and creative business ventures which help to create the brand image of the city, supported by tourism and residents. Asheville has placed arts and culture in the forefront of development and for this reason, Asheville has been able to grow while maintaining their authentic, small-town culture. Instead of large-scale developments or housing efforts, the Asheville city council has pushed for a downtown of small-scale projects which revitalize the amenities of the town, financially supported by the increased tourism appeal of the area (Kerstein & Strom, 2017).

By the mid-2000s, Asheville had undergone major revitalization and had to manage tremendous growth and private development. Tourism and residential volume increased. Due to the local zoning and development codes, height and design issues were not objectively laid out and led to long, complicated negotiations fraught with conflicts between preservationists, developers, and public officials. Reviewing city council meeting minutes during this time period reveals public concern over new developments;

city staff encouraging developers to offer voluntary "community benefit" packages which often included provisions of public space, affordable housing, or a fund contribution to nonprofits pledged to support affordable housing; and delayed decisions based on any number of things from design modification to sought nuisance mitigation (Kerstein & Strom, 2017). The complicated development process of Asheville left developers critical of uncertainties, costly delays, and public officials seeking fund contributions which very much resembled political bribes. Environmentalists and preservationists were critical of the pace of growth, despite their protests against new developments which they felt were pushing culture and city residents out.

To facilitate a more predictable approval process, Asheville public officials convened a multifaceted conversation in 2007 between developers, city residents, local businesses, city staff, and other stakeholders. While conversations were often fueled with suspicion of the 'other side' and even had to be mediated by a professional at one point, this open conversation led to the creation of a "master plan". The master plan was a document which codified the vision for development and growth management while setting out clear design guidelines, expressed in a form-based code that was officially adopted in 2009 by the city as a Uniform Development Ordinance (Kerstein & Strom, 2017).

The clear development process has resulted in a revived community, and strong interest in development across downtown, market rate housing, and hotel development. Since 2012, five new hotels have opened in the downtown area suggesting an increasing tourism market. The increase in tourist appeal further funds the small-scale development efforts. To strengthen the city's hold on authenticity, promote independent local businesses, and offer a relatively chain-free downtown, Asheville property owners often choose not to rent to franchises while the historic architecture of the buildings often scares away chains that are in seek of a more branded look. The city expressively does not use zoning ordinances for this purpose, believing the use of zoning for this purpose to be unlawful under state legislation (Kerstein & Strom, 2017).

Public and private involvement are key factors in Asheville's revitalization and growth management success. Public city parks, buildings, and civic centers are often renovated or repurposed by both nonprofit groups and businesses, which are further aided by county, city, and raised private funding. Public officials often jump start initiatives before handing projects off to private partners. As private investment has increased, public officials have transitioned involvement into rule setting and service providing (Kerstein & Strom, 2017).

As the downtown and city have been revived and managed so successfully, the local political elections which once centered around livability and popularity in Asheville are no more. In 2015, only one council member candidate mentioned the importance of improving cleanliness and maintaining the viability of downtown (Kerstein & Strom, 2017). Instead of pitting communities members against each other as property owners, preservationists, developers, and public officials, the ideological divide has shifted to a united city often debating with state officials about differences in governing thought to best preserve the unique culture of Asheville.

While the city is celebrated for its unique business center which promotes the arts, this has the negative effect of limited success in attracting high paying employment into the region. To better target those who live below the proportion of income to allow for unburdened living in market rate housing units, Asheville has created a targeted program to create affordable housing by providing incentives to developers in exchange for more accessible zoning laws and also has created a Housing Trust Fund to support further affordable housing development. Local nonprofits have created Living Wage Certification Programs and Sustainable Restaurant Workforce Certifications which both have the effect of promoting higher standards of living for lower income residents (Kerstein & Strom, 2017).

The public and private initiative have been described as socially entrepreneurial due to the governance and development approach which is ideological and market-driven, while drawing from progressive goals without the assistance or grounding of anchored institutions. City decisions do not question the constraints of a profit-driven market, but rather work within the market mechanisms to produce both economic and non-economic productivity in terms of growth and cultural preservation. Municipal politics and discussions involve the formation of coalitions and conversations without institutional opinions of traditional parties or unions. The nature of this leadership style has resulted in high levels of home ownership, and few national franchises in a space which celebrates local economic productivity. Artisan production and consumption are central to the economy and culture of Asheville.

This governance model links actors who are market-driven but also socially conscious to participate in with local development policies, absent of strong mayors, strong parties, or strong institutions. The private and public partnership has revived and managed growth in an authentic community while further growing in small business and creative development, credited to both fiscal conservatism and neighborhood advocacy.

Chapter 5 Discussion and Recommendations

The Lafayette-Oxford, Mississippi community is identified as a growing non-metropolitan community, encompassing Lafayette County, the University of Mississippi, and the city of Oxford. This growth is occurring in population and housing demand. Oxford was ranked by Forbes as #15 in fastest growing small towns, based off the 10% growth rate between the years of 2007 and 2010 ("Fastest Growing Small Towns"¸ 2010). Since 2010, Lafayette County grew 13.1%, adding 6,400 residents (Schnugg¸ 2017). From 2014 to 2016, the city of Oxford has seen an increase from 21,489 to 23,290 city residents (U.S. Census Bureau¸ 2016). Lafayette County has experienced the highest percent of population growth in Mississippi for the last seven years (Schnugg¸ 2017). Noting this significant growth, it is important to observe policies within American cities and other growing non-metropolitan communities that have managed growth successfully. As supported by findings, I recommend cultivating amenities, developing transit and infrastructure, creating an objective master plan for municipal regulation, forming a public and private coalition, and the implementation of a targeted program such as a community land trust.

As a growing non-metropolitan community, LOU has amenities such as an arts and literary community, university, and hospital which are bringing in tourism, new residents, and subsequent employment growth. These amenities are valuable as research shows that counties with amenities attract growth, enjoy lower rates of foreclosure, population growth, and economic productivity (Brown & Webb, 2017). Additionally, communities with amenities are shocked by financial depressions significantly less than communities lacking amenities (Brown & Webb, 2017). The community must be careful to preserve these amenities and promote the culture unique to LOU. In the face of growth, the community of Lafayette-Oxford must be careful to follow the lead of other American cities which have managed growth in a way which promotes a healthy housing market dynamics like Asheville, Atlanta, Houston and Tucson. These communities are less affected by the swings of the market and characterized by inexpensive housing due to high demand and matched supply (Glaeser & Gyourko, 2018).

To further manage growth and promote amenities, the municipality should further develop public transit and infrastructure through the development of sidewalks, bike lanes, and bus routes. Sidewalks are not available throughout much of the city and nonexistent in much of the county. This would have the effect of adding amenities to the city while increasing access to the economic productivity of downtown for county and city residents alike. While this recommendation will be costly to the city initially, the added amenities will bring economic growth to the community that could cover these initial costs. Walk-able communities have been proven to be valuable to the economy. Research shows that home buyers are willing to pay more for homes in walk-able communities, sidewalks improve access to business and industry for employees relying on public transit, and improve traffic for retail businesses (Beyard, Bond & Pawlukiewicz, n.d.). As noted previously, communities which have valued amenities promote a healthy housing market as these communities are less likely to suffer from price gyrations when compared to other communities (Brown & Webb, 2017). A rise in home value should not be viewed as negative when the value is tangibly added, rather than inflated. Other benefits include a healthier population, reduced crime risk, improved bus access, enhanced sense of community, and decreased use of cars ("The Benefits of Sidwalks," 2005).

Heavy, unnecessary, and nontransparent regulations on new construction have the effect of suppressing supply and driving up the cost of housing. Housing regulations such as zoning and building codes do play an important role in ensuring decent, adequate, and safe housing for residents. Taking note from Asheville, North Carolina, public officials in Lafayette-Oxford, Mississippi community should host an open dialogue between residents, developers, and activists for city preservation and affordability to create a master plan which lays out an objective code for new construction to follow. The transparency of necessary codes will simultaneously manage growth and facilitate new development. Politically, the removal of regulations will cause public concern among preservationists and activists who will believe the removal is due to private pressures from developers. The removal of unnecessary regulations and the transparency of the planning process is economically feasible for the city to implement as the lost revenue from fees, exactions, and community benefit packages will be reconciled through the gained revenue that economic growth and development will bring to LOU. The removal of regulations and the development of a transparent planning process should be conducted through open discussions between the public, private developers, and public officials as to formulate policies which best represent the community. While politically challenging, this recommendation is key to facilitating the supply of affordable housing in the Lafayette-Oxford, Mississippi community.

I also recommend a coalition to be formed between public and private interests which are locally engaged in the community. This coalition could be formed as planning committee, a monthly meeting space, or as a conduit by which small-scale city development efforts would run. Responsibilities given to the committee could be the development of amenities within the community, the review of regulations prior to reform to determine necessity, management of expanded infrastructure and transit, and other growth management strategies. These efforts would increase housing supply to match the growing demand, participation in economic productivity, and would create a democratic process engaging public officials, developers, and residents to engage with growth management for the shared vision of a healthy Lafayette-Oxford, Mississippi community which is prosperous and accessible. Vision 2037 is a comprehensive city planning guide that was adopted by Oxford public officials in 2017 and calls for a coalition of public and private interests to be involved (The City of Oxford, 2017). Vision 2037 and this recommendation could run parallel or an additional coalition of public and private interests could be formed to manage growth strategies outside of the purview of Vision 2037. This council should be economically and administratively feasible as those who are passionate about developing a shared vision of LOU will be willing to contribute their time for the community. Socially and politically, this policy should be feasibly accepted as the transparency of the council will ensure the city, community residents, and developers are being treated equitably.

To better target those in the community who are still proportionally burdened by the cost of housing even when equilibrium prices are low due to chronic underemployment common in rural areas, I recommend that the Lafayette-Oxford, Mississippi community develop a community land trust, with funding disconnected from new construction ventures. Rather, I recommend that initial revenue flow from increased tourism, a city fund, or the general budget to facilitate increased supply for the overall housing market and to actively engage with the costs of the program. I recommend a community land trust as a targeted program, rather than subsidized affordable housing or an expanded voucher program, as a community land trust contributes to the supply of housing within a community unlike the voucher program which depends on the existing supply and without the problems of public housing like the concentration of poverty. The community land trust still removes rent-seeking behavior and has a government agent or community nonprofit act as landlord for rental properties. I recommend that the community land trust purchase vacant, abandoned, or foreclosed homes to build the volume and stock of affordable housing. This has the added effect of reducing spillover effects from foreclosure like high rates of crime, increased foreclosure rates, and higher unemployment while preserving the historic homes of the Lafayette-Oxford, Mississippi community.

The community land trust, operated by a government or quasi-government organization, would own the land under the properties but rent, lease, or sell the house on the property at an affordable rate with resale conditions that ensure the house would remain affordable for the next resident. The home owner would still be able to build equity in this way and would pay a minimal land use fee annually to the city. The revenue generated from the community land trust properties would cover administrative costs as well as generate funding for future acquisition of abandoned, vacant, and foreclosed homes in the LOU community.

Politically, a community land trust would be feasible as it promotes individual freedom and the assistance through supply development, rather than supply suppression. By acquiring foreclosed and otherwise abandoned homes in the community, public officials would be mitigating the spillover effects of foreclosure and abandonment. Administratively if not operated by the housing authority, newly formed council or team would oversee the development and maintenance of the community land trust to ensure that the homes are adequate and affordable. The council could be formed of public and private interests or even could be overseen by the public officials and maintained and developed by private developers. By removing a landlord out of the matter, residents and tenants are able to deal with the council of community land trust directly to address problems and avoid rent-seeking behavior, thus lessening the likelihood of eviction and unfair treatment. While this is a sizable proposal, there have been over 250 successful community land trusts in the United States to imitate. These communities include Blue Sky, Montana; Ketchum, Idaho; Jackson, Wyoming; and Boulder, Colorado (Community Builders Administrator¸ 2016).

It is my belief, as supported by the evidence found in my study, that these policy recommendations will create a community where residents of the Lafayette-Oxford, Mississippi community are increasingly housing secure. By combining fiscal conservatism with progressive ideals as dictated by community members, public officials in the Lafayette-Oxford, Mississippi community can expect to see a growth in construction, lower housing prices, increased accessibility to economic centers, and assistance for the most vulnerable of the community. Healthy housing market and growth management can be achieved by the removal of unnecessary regulations on new development to facilitate supply; the public development of public transit and infrastructure to increase accessibility to economic productivity; and public-private partnerships to invest and create city initiatives. The creation of a healthy housing market will in turn lessen housing insecurity as housing affordability will be achieved.

List of References

About UM. (2018). Retrieved from https://olemiss.edu/aboutum/facts.html

Alston, R., Kearl, J., & Vaughan, M. (1992, May). "Is There a Consensus Among Economists in the 1990's?" *American Economic Review, 82.* pp. 203-209. Retrieved from http://www.jstor.org/stable/i337063

Antes, G., Khan, K., Kleijen, J, & Kunz, R. (2003). *5 Steps to Conducting a Systematic Reveiw.* Retrieved from https://www.ncbi.nlm.nih.gov/pmc/articles/PMC539417/

Apgar, W. (1990). "Which Housing Policy is Best." *Housing Policy Debate, 1*(1). pp. 1-32. Retrieved from https://www.innovations.harvard.edu/sites/default/files/hpd_0101_apgar.pdf

Arnott, R. (1995). "Time for Revisionism on Rent Control?" *Journal of Economic Perspectives, 9*(1), pp. 99-120. doi: 10.1257/jep.9.1.99

Assad, Anna. (n.d.). *Pros & Cons of Public Housing Communities.* Retrieved from http://homeguides.sfgate.com/pros-cons-public-housing-communities-8165.html

Ault, M. (2016, February) *Housing Landscape 2016.* Retrieved from https://www.novoco.com/sites/default/files/atoms/files/chp_housing_landscape_2016.pdf

Axel-Lute, M., & Hawkins-Simons, D. (2018). *Organizing and the Community Land Trust Model.* Retrieved from https://www.strongtowns.org/journal/2018/4/4/organizing-and-the-community-land-trust-model

The Benefit of Sidewalks. (2015). Retrieved from http://www.healthbydesignonline.org/documents/HbDFSSidewalks.pdf

Berryhill, L. (2016, November 17). Students Survey Low Income Housing for County. *Daily Mississippian,* pp. 1-4.

Beyard, M., Bond, A. & Pawlukiewicz, M. n.d. Ten Principles for Rebuilding Neighborhood Retail. Retrieved from https://uli.org/wp-content/uploads/2012/07/TP_NeighborhoodRetail.ashx_1.pdf

Bornstein, D. (2009). *Social Entrepreneurship: What Everyone Needs to Know.* Oxford, England: Oxford University Press.

Brown, L. & Webb, M. (2017). Foreclosure, Inequality, and the Difference That Place Makes. *Rural Sociology, 82*(4), pp. 688-712. doi: 10.1111/ruso.12152

Canada Mortgage and Housing Corporation. (2018). *Community Land Trusts.* Retrieved from https://www.cmhcschl.gc.ca/en/inpr/afhoce/afhoce/afhostcast/afhoid/fite/colatr /colatr_002.cfm

Center on Budget and Policy Priorities. (2018). *Federal Rental Assistance.* Retrieved from https://www.cbpp.org/research/housing/policy-basics-federal-rental-assistance

The City of Oxford. (2017). *Comprehensive City Plan.* Retrieved from http://www.oxfordms.net/2037-comprehensive-plan

Chase, N. (2007). *Asheville: A History.* Jefferson, North Carolina: McFarland.

Collinson, R. & Ganong, P. (2017, June). "How Do Changes in Housing Voucher Design Affect Rent and Neighborhood Quality?" *Kreisman Working Papers Series in Housing Law and Policy, 48.* doi:10.2139/ssrn.2255799

Community Builders Administrator. (2016, December). *A Primer on Community Land Trusts.* Retrieved from https://communitybuilders.org/what-we-think/blog/a-primer-on-community-land-trusts

Cox, R.., Henwood, B., Rice, E., & Wenzel, S. (2016) Roadmap to a Unified Measure of Housing Insecurity. *CESR-Schaeffer Working Paper No. 2016-013.* Retrieved from https://papers.ssrn.com/sol3/papers.cfm? abstract_id=2817626

Cutts, D. B., Meyers, A. F., Black, M. M., Casey, P. H., Chilton, M., Cook, J. T., & Frank, D. A. (2011). *US Housing Insecurity and the Health of Very Young Children*. Retrieved from American Journal of Public Health, 101

DeLuca, S., & Rosenblatt, P. (2017). Walking Away from The Wire: Housing Mobility and Neighborhood Opportunity in Baltimore. *Housing Policy Debate, 27*(4), pp. 519-546. doi: 10.1080/10511482.2017.1282884

Desmond, M. (2015, March). Unaffordable America: Poverty, Housing, and Eviction. *Fast Focus, 22*. pp. 1-6. Retrieved from https://www.irp.wisc.edu/publications/fastfocus/pdfs/FF22-2015.pdf

Desmond, M. (2016). *Evicted: Poverty and Profit in the American City*. New York: NY. Crown Books.

Desmond, M. (2017, February 12). *No Place like Home: America's Eviction Epidemic.* Retrieved from https://www.theguardian.com/society/2017/feb/12/americas-eviction-epidemic-matthew-desmond-housing-crisis

Desmond, M., & Gershenson, C. (2016). Housing and Employment Insecurity among the Working Poor. *Social Problems, 63*(1), pp. 46-67. doi:10.1093/socpro/spv025

Economic Diversity. (2018). Retrieved from www.usnews.com/best-colleges/rankings/national-universities/economic-diversity.

Eitzen, S. (2016). *In Conflict and Order: Understanding Society.* Massachusetts: Boston. Pearson.

Elsinga, M. (2017). Living in Assets Without Limits: Towards New Principles for Policies on Housing. *Housing, Theory and Society.* pp.1-5. doi: 10.1080/14036096.2017.1293380

Engen, R. (2012, September). *Living in a City VS. the Suburbs: Pros and Cons.* Retrieved from https://boomerandecho.com/living-in-the-city-vs-the-suburbs-pros-and-cons/

Epstein, R. (2017). Home Is Where the Market Is. *Hoover Digest, 3.* pp. 137-142. Retrieved from https://www.hoover.org/publications/hoover-digest

Erickson, D. (2009). The Housing Policy Revolution: Networks and Neighborhoods. *Journal of Policy Analysis and Management, 29*(4). pp. 896-899. doi: 10.1002/pam.20539

Fastest Growing Small Towns. (2010). Retrieved from https://www.forbes.com/pictures/egim45eehm/14-jackson-wy-id/#1ff3178f46cc

Federal Reserve Board of Governors. (2012). *The U.S. Housing Market: Current Conditions and Policy Considerations.* Retrieved from https://www.federalreserve.gov/publications/other- reports/files/housing-white-paper-20120104.pdf

Federal Housing Finance Agency. (2018). Retrieved from https://www.fhfa.gov/SupervisionRegulation/FannieMaeandFreddieMac/pages /About-Fannie-Mae-Freddie-Mac.aspx

The Federal Role in Housing. (2017). *Congressional Digest; 86*(10), 291-293.

Foster, D. (2017). *The Guardian: Trump's Housing Policy will hit the Poor and the Middle Class too.* Retrieved from https://www.theguardian.com/housing-network/2017/feb/24/trump-us-housing-policies-poor-middle-america-too

Gagliano, S. (2017, February 1). Oxford Housing Authority And City Officials Address Riverside Place Issue. *Hotty Toddy.* Retrieved from hottytoddy.com/2017/02/02/oxford- housing-authority-city-officials-address-riverside-place-issue/.

Glaeser, E., & Gyourko, J. (2018). The Economic Implications of Housing Supply. *The Journal of Economic Perspectives, 32*(1), 3-30. doi: 10.1257/jep.32.1.3

Green, C. (2017, June 8) Oxford Announces New Mayor, Alderman after Tuesday's Elections. *Daily Journal.* Retrieved from http://www.djournal.com/news/oxford-announces-new-mayor-alderman-after-tuesday-elections

A Guide to Conducting Systematic Literature Reviews. (2018). Retrieved from http://guides.library.cornell.edu/c.php?g=459012&p=3142201

Heatherly, C. & Pines, B. (1989). *Mandate for Leadership III.* Washington, D.C.: The Heritage Foundation.

The 2008 Housing Crisis Displaced More Americans than the 1930s Dust Bowl. (2015). Retrieved from http://www.ncpa.org/sub/dpd/index.php

Housing Insecurity: America’s Growing Challenge. (2018). Retrieved from http://www.housinginsecurity.org/

Hsieh, C. & Moretti, E. (2017). *Housing Constraints and Spatial Misallocation.* Retrieved from http://faculty.chicagobooth.edu/chang-tai.hsieh/research/growth.pdf

Hsu, J., & Matsa, D., & Melzer, B. (2018). Unemployment Insurance as a Housing Market Stabilizer. *American Economic Review 2018, 108*(1), pp. 49-81. doi: 10.1257/aer.20140989

Jacobs, T. (2018, March 6). ‘*White Flight’ Remains a Reality.* Retrieved from https://psmag.com/social-justice/white-flight-remains-a-reality

Keating, W, D., & Marcuse, P. (2006). The Permanent Housing Crisis: the Failures of Conservatism and the Limits of Liberalism. *A Right to Housing: Foundation for a New Social Agenda,* pp. 139-162. Retrieved from http://www.jstor.org/stable/j.ctt1bw1kqb

Kerstein, R. & Strom, E. (2017). The Homegrown Downtown: Redevelopment in Asheville, North Carolina. *Urban Affairs Review 2017, 53*(3), pp. 495-521. doi: 10.1177/1078087415620305

Kiff, J., & Klyuev, V. (2009, February 18). *Foreclosure Mitigation in the United States: Approaches and Challenges.* Retrieved from https://www.imf.org/external/pubs/ft/spn/2009/spn0902.pdf

Mason, J. (1982). *History of Housing in the U.S. 1930-1980.* Houston, Texas: Gulf Publishing Company.

Martin, I. (2017). New Sociology of Housing. *Contemporary Sociology 46*(4), pp. 392-396. doi: 10.1177/0094306117714499a

Metcalf, G. (2018). Sands Before the Tide? Affordable Housing in Expensive Cities. *The Journal of Economic Perspectives, 32*(1), 59-80. doi: 10.1257/jep.32.1.59

Mollenkopf, J. (1983). *The Contested City.* Princeton: Princeton University Press.

National Housing Task Force. (1988). *A Decent Place to Live.* Washington, D.C.: National Housing Task Force.

Oliphant, J. (2017). *New U.S. Budget Priorities Threaten Housing Aid Programs.* Retrieved from http://www.reuters.com/article/us-usa-trump-housing/out-in-the-cold-new-u-s-budget-priorities-threaten-housing-aid-programs-idUSKBN16C0JG

Oxford Lafayette County Chamber of Commerce. (2017). *Housing, Oxford Mississippi.* Retrieved from oxfordms.com/live-in-oxford/housing/

Oxford, MS. (2018). Retrieved from datausa.io/profile/geo/oxford-ms/.

Pettinger, Tejvan. (2017). *How the Housing Market Affects the Economy.* Retrieved from www.economicshelp.org/blog/21636/housing/how-the-housing-market-affects-the-economy/.

The President's Commissioning on Housing. (1982). Washington, D.C.: U.S. Government Printing Office.

Schnugg, A. (2017, March 30). Lafayette County Sees Highest Growth in State. *The Oxford Eagle.* Retrieved from https://m.oxfordeagle.com/2017/03/30/lafayette-county-sees-highest-growth-in-state/

Schnugg, A. (2017, November 12). Oxford's Riverside Tenants to Recieve Rent Vouchers when Contract with City Ends. *The Oxford Eagle.* Retrieved from http://m.oxfordeagle.com/2016/11/12/riverside-place-tenants-to-receive-rent-vouchers-when-contract-with-city-ends/

Schoen, J. (2010, April 8). 1.2 Million Households Lost to Recession. *NBC News.* Retrieved from http://www.nbcnews.com/id/36231884/ns/business eye_on_the_economy/t/study-million-households-lost-recession/

Summerville, A. (2017, July 20) There are More Renters than anytime since 1965. *CNBC.* Retrieved from https://www.cnbc.com/2017/07/20/there-are-more-renters-than-any-time-since-1965.html

Trump-Carson Housing Budget Cut Estimator for Your Area (2017). Retrieved from https://affordablehousingonline.com/FY18-HUD-Budget-Cuts

Weinfield, N. S., Mills, G., Borger, C., Gearing, M., Macaluso, T., Montaquila, J., & Zedlewski, S. (2014). *Hunger in America 2014*. Retrieved from http://help.feedingamerica.org/HungerInAmerica/hunger-in-america-2014-full-report.pdf

U.S. Bureau of Labor Statistics. (2016). *A Profile of the Working Poor, 2014. BLS Report 1060.* Retrieved from https://www.bls.gov/opub/reports/working-poor/2014/home.htm

U.S. Census Bureau (2010). *2010 Census Interactive Population Search.* Retrieved from https://www.census.gov/2010census/

U.S. Census Bureau (2010). *Median Price Per Square Foot.* Retrieved from https://www.census.gov/const/C25Ann/soldmedavgppsf.pdf

U.S. Department of Housing and Urban Development (2010) *HUD Interactive Timeline.* Retrieved from www.huduser.gov/hud_timeline/index.html.

U.S. Department of Veteran Affairs. (2012). *Homeless Veterans.* Retrieved from https://www.va.gov/homeless/about_the_initiative.asp

U.S. Housing Prices are Rising Twice as Fast as Wages. (2017, May 30). Retrieved from http://nypost.com/2017/05/30/us-housing-prices-are-rising-twice-as-fast-as-wages/

What is Section 8? (2011). Retrieved from http://www.homeforward.org/landlords/what-is-section-8

What is Underemployment Insurance. (2017). Retrieved from https://careertrend.com/what-is-underemployment-insurance-12363726.htmlUS

Worth, M, J. (2014). *Nonprofit Management: Principles and Practice.* Thousand Oaks, California: Sage Publications, Inc.

Van Doren, P. (2018). *Housing Tax Credits: Inefficient and Inequitable.* Retrieved from https://www.cato.org/blog/housing-tax-credits-inefficient-inequitable

Zilanawala, A., & Pilkauskas, N. (2012) *Material Hardship and Child Socioemotional Behaviors*. Retrieved from www.ncbi.nlm.nih.gov/pmc/articles/PMC3293402/.