

HUD Grants for Local Government

Blessing or Curse? The public housing debacle
continues

Introductions

- ▶ Sen. Kevin Lundberg
- ▶ Radio talk show host and former Lone Tree City Council member, Kim Monson
- ▶ Five Points activist and former congressional candidate, Casper Stockham

Activists

- ▶ Smith Young - runs website www.affh.net
- ▶ Evelyn Zur - community activist on HUD grants
- ▶ Both are a font of information on these issues

Public Housing Debacle

Government can do this better than the free market! Right?



England – 19th Century Public Housing. Big idea.
Keep all those “pesky” poor people in one spot.

Public Housing Debacle



Chicago New Deal Public Housing in the 1950's

Forced Busing Debacle



Forced Busing – 1970's

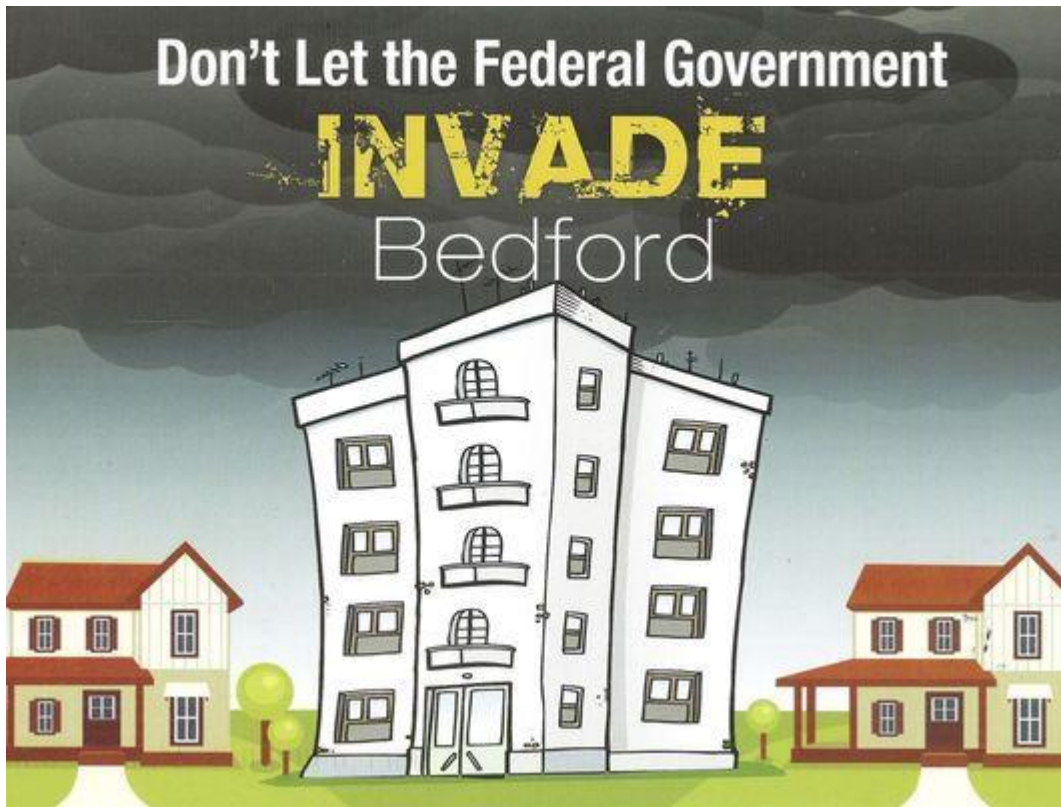
It's a Debacle--Tear it Down



That didn't work?
Where are we going
to put "them?"

Cabrini-Green Demolition, about 2010

Latest in Public Housing Debacles -- AFFH



Let's resurrect
the failed forced
busing model in
housing!

Move those "pesky" poor people to the suburbs!

Benefits for Progressive Cities

- ▶ City land values skyrocket as city gentrifies
- ▶ Cost of housing, educating, policing poorer populations gets moved to other jurisdictions in the suburbs
- ▶ It's someone else's problem!

Problems for the Suburbs

- ▶ Safe streets
- ▶ Reliable housing values based on existing land use policies
- ▶ Cost of supporting a government dependent population

Clash! Barriers!

- ▶ Chicago can't just ship it's poor population to Dubuque. It needs help from HUD
- ▶ Suburbs and other cities have zoning laws, parking requirements
- ▶ Landlords do background checks
- ▶ All sorts of barriers to progressive city's getting rid of their pesky poor people.

HUD's Hammers

- ▶ No criminal background checks for landlords
- ▶ Must rent to convicted criminals
- ▶ Variable section 8 vouchers by zip code
- ▶ Regionalism
- ▶ Affirmatively Furthering Fair Housing Rules
 - ▶ Huge damage lawsuits
 - ▶ Withhold federal funds
 - ▶ HUD must approve your housing plan

HUD Grants Are the Key

- ▶ No constitutional authority
- ▶ HOME and Community Development Block Grants (CDBG)
- ▶ Statutory requirement since 1974 - if you take HOME or CDBG grants, you must Affirmatively Further Fair Housing
- ▶ Exploded in 2015 with Obama's new AFFH rules
- ▶ Problem existed long before the new AFFH rules
- ▶ Next for slides are case studies from BEFORE new AFFH rules

Regionalism—Dubuque Iowa

- ▶ Dubuque, Iowa, 2015
- ▶ Chicago moved its poor people to Dubuque by HUD compulsion
- ▶ Settlement still in place
- ▶ Dubuque took CDBG and Home grants

Forced Settlements-Marin County

- ▶ 2011
- ▶ Marin County CA
- ▶ Built “affordable” housing in the wrong places—needed to go in nicer neighborhoods
- ▶ HUD forced a voluntary compliance plan that turned over Marin’s land use planning to HUD approval for five years
- ▶ Marin took CDBG and Home grants

Huge Damages Suit and Forced Settlement. Westchester County

- ▶ Westchester took HOME and CDBG grants from 2000 - 2006. Had to AFFH.
- ▶ HUD did not initiate. Private Federal False Claims act
- ▶ HUD joined
- ▶ Built affordable housing with it
- ▶ But they didn't analyze race sufficiently—that was the falsity under FFA
- ▶ Potential \$150,000,000 settled for \$30,000,000 plus federal control over Westchester county land use. Federal “receiver” is still in place running things.
- ▶ Relman law firm got \$2.5 million fee

Forced change in Zoning Laws—Whitehall Township

- ▶ Developer complained to HUD
- ▶ One vs two parking places
- ▶ HUD forced settlement of over \$300,000. Fees to Relman law firm
- ▶ Whitehall had to change it's zoning laws

New AFFH Regulations

- ▶ Counties and cities that accept HUD grants must
 - ▶ Affirmatively Further Fair Housing
 - ▶ Analyze local and regional discrimination patterns in housing
 - ▶ Identify the impediments to getting poor people into the nice neighborhoods. Aurora to Evergreen.
 - ▶ Zoning
 - ▶ Land use etc
 - ▶ Develop a plan to do so
 - ▶ Get HUD's approval for the plan
 - ▶ Implement the plan under HUD's supervision
 - ▶ Control their local governments (Jeffco/Lakewood)

Sweeping Scope

- ▶ “...the duty to Affirmatively Further Fair Housing applies to all of a program participant’s programs and activities related to housing and urban development.”
- ▶ “...in many cases, meaningful goals designed to address fair housing contributing factors may require actions on the part of program participants that do not involve the use of HUD funds. . . [for example], zoning ordinances, disparity in access to community assets and disproportionate housing needs based on protected class.”
- ▶ AFFH obligation applies to ALL activities of local government, including “zoning, land use, financing, infrastructure planning and transportation.”

Douglas County

- ▶ Refused to accept HUD funding in 2015
- ▶ Commissioners happy with result

Jefferson County

- ▶ About 1.5 million a year
- ▶ Much goes to “administrative costs.” ie government employees
- ▶ Some goes to loans to developers
- ▶ Politicians were swarmed by staff and special interests
- ▶ Voted 3-0 to take HUD funds for 2017
- ▶ Typical, concentrated benefits spread out costs problem

Other Counties in Colorado

- ▶ Mesa and others
- ▶ Count
- ▶ Time table

What You Can Do

- ▶ County commissioners are key
- ▶ Talk to them when they are running
- ▶ Get them to run on not taking HUD grants
- ▶ Monitor your county
- ▶ Show up at hearings about taking HUD grants

