



# PUBLIC SUBSIDY to PRIVATE EQUITY

## social costs of housing speculation



**Jessie Dexter**  
*SBNC Impact Coordinator*  
Boise State University

**Jennifer Newcomer**  
*Executive Director*  
Shift Research Lab

**Stephen Miller**  
*Professor of Law*  
University of Idaho College of Law

**Erik Kingston** *moderator*  
*Housing Resources Coordinator*  
Idaho Housing and Finance Assoc.

# WHAT WE'LL COVER

- **Public Subsidy to Private Equity: Context, examples**
- **Implications for students and education**
- **Drivers of and impacts on local economies...it's complicated**
- **Legal implications and policy considerations**

# EXTERNALIZED COSTS

## Bunker Hill Superfund Site Is Still a Toxic Mess, With Legacy of Suffering

BY **SENA CHRISTIAN** ON 06/12/16 AT 9:10 AM EDT



# COMMODIFICATION

Spec investors

**Neighborhoods, communities reduced to 'Monopoly board'—focus on corporate, shareholder profit**

Conversions, 'renovictions'

**Long-term rentals become short-term rentals**

**Legacy properties sell, inflating prices & rents**

Demolition, repurposing

**Historic residential scraped and replaced**

Remote control

**Outside ownership siphons rent out of economy**



# REMOTE-CONTROL HOUSING MARKETS

KEPT OUT

## Unmasking the secret landlords buying up America

By [Aaron Glantz](#) / December 17, 2019

“The Census Bureau reports that nearly 3 million U.S. homes and 13 million apartment units are owned by LLC, LLP, LP or shell companies – levels of anonymous ownership not seen in American history. The proportion of residential rental properties owned by individuals and families has fallen from [92% in 1991](#) to [74% in 2015](#).”

FOOL.COM

### **This City Tops the List for Rental Markets in Highest Demand**

New research points to one city as the top pick for buying rental property.

**PUSH** [www.pushthefilm.com](http://www.pushthefilm.com)

## **‘Push’: How Big Finance Is Driving Up Housing Costs**

Around the globe, documentary finds, people are paying a high price as housing becomes the latest big investment commodity.

“The housing crisis is now affecting middle class families across the world. Without a doubt, it is going to be the biggest political challenge in the next coming years.”

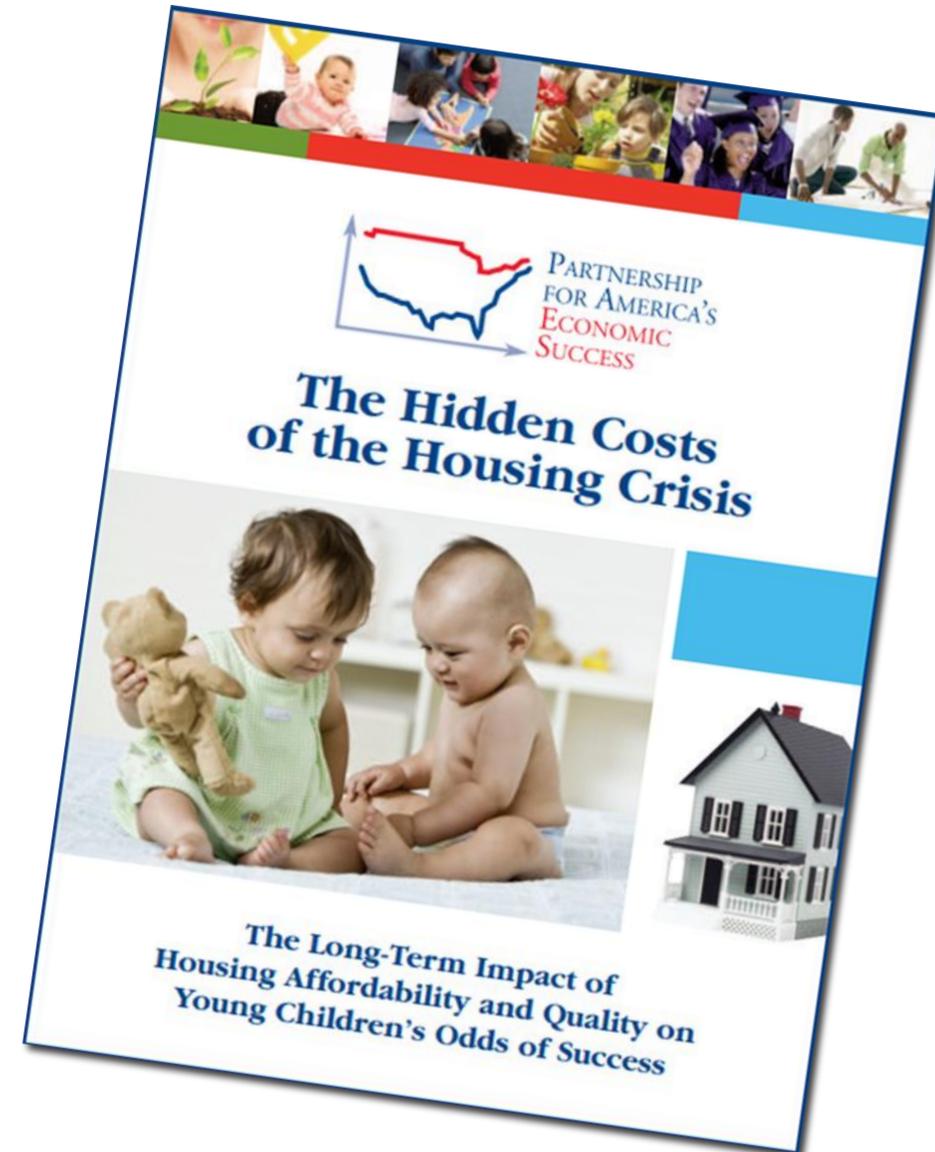
– Fredrik Gertten, Director.



# HOUSING STABILITY AT RISK

*“...the ability of residents to live in a safe home as long as they choose, without being forced to move due to cost. Researchers have found that housing stability has long-term benefits, particularly for children.*

*Children living in low-income families who received housing subsidies had a 28% lower risk of being food insecure.”*



# VALUES IN TRANSITION

## **Housing: human right or commodity?**

- **Local Control—housing should serve local residents**
- **Affordability—adequate residual income for basics**
- **Permanence—sheltered from policy, market shifts**
- **Inclusivity—equity and access support prosperity**
- **Health and Sustainability—design to reduce lifecycle costs and resident wellbeing**

# HOUSING MATTERS

## **Housing types, price points that reflect local needs:**

- Cultivate social capital and cohesion
- Support family, neighborhood stability
- Increase housing choice, access to opportunity
- Reduce social costs tied to health, stress, poverty
- Sustain economic activity and productivity
- Where jobs go to sleep at night

# COSTS OF DISPLACEMENT



Ridenbaugh Community



Becky

*“I’m an excellent renter and have never been in any trouble. I’m a caregiver in my mid 40s with one cat. I was forced to move from my home of 12 years in 2017 because people out of state bought the unit and wanted to cash in on the growth around here.” —Michelle, Boise, ID*

# COSTS OF DISPLACEMENT

LOCAL NEWS

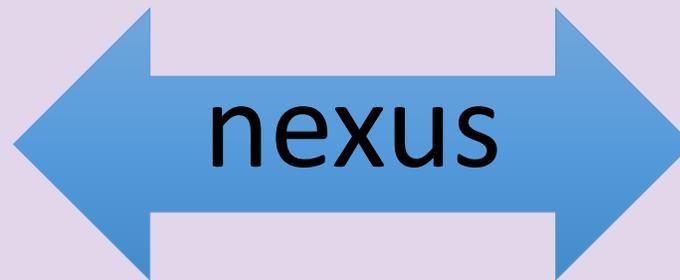
Zillow study: The higher the rent, the more homeless on the street

Seattle: \$100 increase in rent correlates to a 15% uptick in homelessness

**2000–2019**

- 63% increase in owner-occupied SF
- 103% increase in non owner-occupied SF

- Housing instability
- Homelessness
- Housing cost burden



- Domestic violence/abuse
- Sexual assault
- Physical/emotional stress

# ADA COUNTY, IDAHO

## 2019

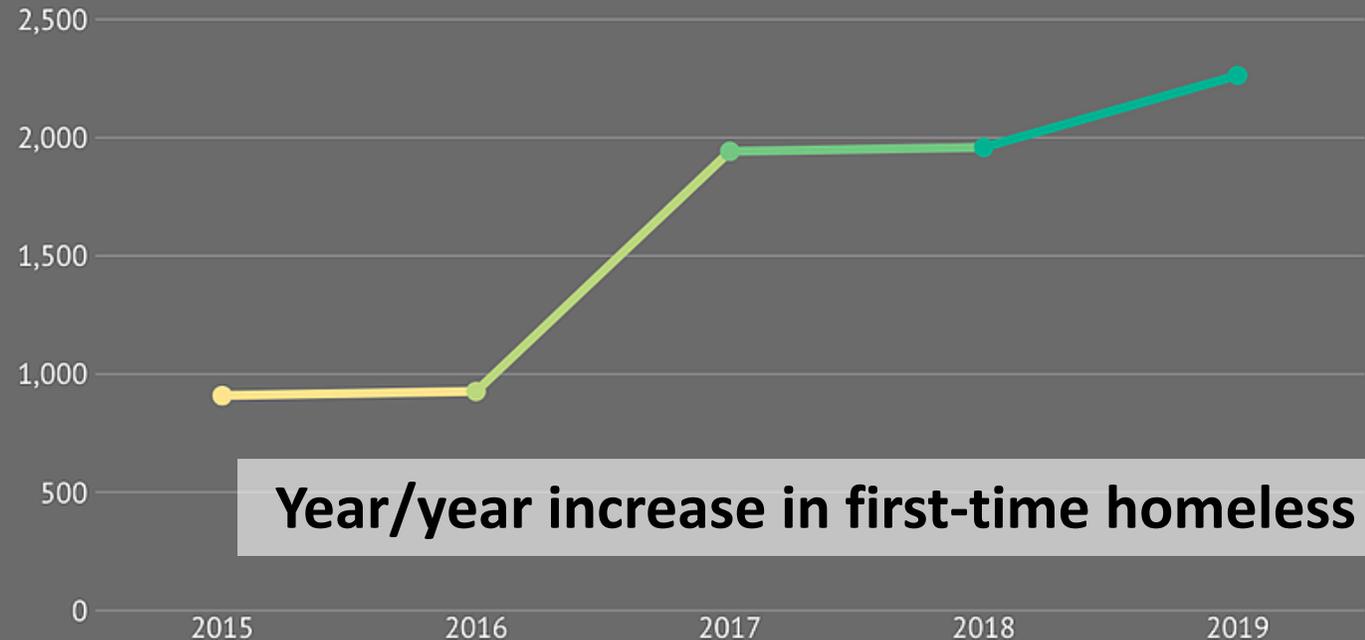
- 2,263 1<sup>st</sup> time homeless
- 973 *formal* evictions

## Cost/household/month

- \$880 rapid re-housing
- \$2,706 transitional
- \$4,819 emergency shelter

## Cost to re-house

- \$3,291.40



## 2000–2019 Ownership Shift

63% increase in owner-occupied SF

103% increase in non owner-occupied SF

# WHY PLANNERS SHOULD CARE

## **APA Ethical Principles in Planning**

Planning Process Participants should *“strive to expand choice and opportunity for all persons, recognizing a special responsibility to plan for the needs of disadvantaged groups and persons.”*

## **AICP Code of Ethics**

*“We shall seek social justice by working to expand choice and opportunity for all persons, recognizing a special responsibility to plan for the needs of the disadvantaged and to promote racial and economic integration. We shall urge the alteration of policies, institutions, and decisions that oppose such needs.”*