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Signature:

_____   _____
Kelly Christine Hill   Date

Affordable Housing and Governance in Cities

By

Kelly Christine Hill

Doctor of Philosophy

Political Science

_____
Michael J. Rich, Ph.D.
Advisor

_____
Micheal Giles, Ph.D.
Committee Member

_____
Michael Leo Owens, PhD.
Committee Member

Accepted:

_____
Lisa A. Tedesco, Ph.D.
Dean of the Graduate School

_____
Date

Affordable Housing and Governance in Cities

By

Kelly Christine Hill
B.A., Clark Atlanta University, 2000

Advisor: Michael J. Rich, Ph.D.

An abstract of
A dissertation submitted to the Faculty of the Graduate School of Emory
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Abstract

Affordable Housing and Governance in Cities

By Kelly Hill

This study examines the growing role of local governments in addressing the social welfare needs of the urban poor. The theory developed here builds on the extant literature on urban governance models, specifically civic capacity which argues that major public problems require cross-sectoral collaboration, which occurs when stakeholders from across public, private and non-profit sectors work together to achieve mutually held goals. I further contend that collaborative activity within these coalitions is facilitated by a key political entrepreneur who works to coordinate resources, minimize conflict and mitigate collective action problems.

To test this argument, I examine affordable housing politics in four cities: Atlanta, Phoenix, Portland and Washington D.C. between 2002 and 2007, to see what accounts for local policy responsiveness to affordable housing shortages. This research ultimately finds that while civic capacity provides some insight into how local communities advance social welfare agendas, it is limited in its explanatory power.

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<u>Chapter 1</u>

Inequality and Governmental Responsiveness

<u>The Empirical Puzzle</u>

At the turn of the twenty-first century, the American Civil Liberties Union filed a class action law suit against the State of California on behalf of public school students across the state. The case alleged that the state had failed to exercise its constitutional obligation to provide equal access to quality education. The litigation came out of a growing concern that schools in disadvantaged communities had been neglected and severely underfunded when compared to public schools in more affluent areas. The case was bolstered by testimonies of children, many of whom offered stories of dilapidated buildings, infestations, mold, insufficient textbooks and dated learning materials. "Every student should be treated equal," stated Cindy Diego, from Fremont High School in Los Angeles, "to get the same resources as everyone else." The case of Williams v. State of California ultimately resulted in nearly $1 billion dollars in new funding for California public schools, money that has been used to begin addressing the gross inequities that had become systemic over the years (ACLU, 2005).

The ruling in the landmark Williams v. State of California case was a major win for students in the union's largest state. However, their battle to obtain some level of educational parity highlights the fact that nearly a half century after the landmark Brown v. Board of Education Supreme Court decision, disparities

persist. The lack of equal access to education is just the tip of the iceberg when it comes to social inequity in the United States. Despite widely held democratic ideals of equity and fairness, there remain fundamental flaws within American institutions and systems; flaws that are perpetuated over time and allow for the inequitable distribution of resources and opportunities to gain wealth, power, prestige, education and even health. This in turn, results in severe gaps in levels of achievement and success among disadvantaged and marginalized groups (Grabb, 1984).

The problem of American inequality is especially severe in the nation's cities, as they tend to house a disproportionate number of the poor and disenfranchised. Historically, the responsibility for addressing social, political and economic inequality has lain with the federal government. Over the course of nearly a century, the federal government has instituted a range of social welfare programs and redistributive efforts intended to level the field for those Americans facing major barriers and impediments. These included programs like TANF, Medicaid, Pell Grants, public housing and the Earned Income Tax Credit (EITC). However, relatively recent shifts in governing mandates and funding priorities have resulted in the withdrawal of federal commitment to many of these broader social problems and a major shortfall in both leadership and resources dedicated to remedying them (Krane, Ebdon and Bartle, 2004; Leland, 2001).

In light of this shift in federal support, lower level governments across the country have responded, broadening their role as it relates to social welfare

provision - crafting innovative policy solutions to target the growing need. For instance, after years of federal inaction on minimum wage, municipalities have adopted minimum wage ordinances which raise the minimum wage of city employees and compels contractors doing business with the city to do the same. Today there are approximately 134 living wage ordinances in cities across the country with Santa Fe, New Mexico maintaining the highest municipal minimum wage at $9.92 per hour (Selna, 2008). Many cities have engaged in aggressive workforce development efforts, seeking to create employment and education opportunities for residents that have fallen through the cracks. One shining example is the City of Seattle, which between 1997 and 2006, placed more than 5,000 residents in jobs paying an average of $12 per hour through its Jobs for Seattle Initiative – a joint venture with the Annie E. Casey Foundation (Giloth, 2004). And with the federal government continuing to shrink away from its commitments to low income housing, cities are increasingly becoming more involved in the subsidization of affordable housing. Perhaps the city that has spent the most on affordable housing over the years is New York City, which between 1986 and 1997 spent more than $4 billion through its Capital Budget Housing Plan (Schwartz, 1999). According to one estimate, cities are spending tens of billions of dollars annually on social welfare programs and there is little evidence to suggest that the trend is reversing (Craw, 2006).

Though this expansion in the role of local government is a fairly broad and sweeping phenomenon, some cities have displayed a stronger tendency towards responding to the needs of marginalized populations than others. Surely one can

understand the hesitancy on the part of some local governments. After all, individual cities are constrained in their ability to have substantial impact on issues like poverty, unemployment and education reform (Peterson, 1981). Often times cities have a difficult enough time meeting the traditional responsibilities associated with service delivery and local agency management. Additionally, there is the threat that extensive redistributive spending could result in the exit of more affluent residents who feel they are not getting the optimal return on their tax dollars. Yet, despite these factors, numerous cities across the country are dedicating their own resources and capacities to tackling some of the most entrenched and seemingly intractable problems of American society. And herein lies the central puzzle of this dissertation: Why is it that cities choose, amid a range of other mandates and priorities, to address urban inequality through social welfare policies?

The Theoretical Challenge

The urban politics literature provides limited direction as it relates to this research question. While there have been some recent studies on specific types of local redistribution, the findings fail to connect to our understanding of how local government works. In recent decades, the latter has been almost exclusively expressed through what has come to be known as governance models. Governance models assume that governments, though central to the governing process, lack the capacity to accomplish the full range of public purposes and therefore, need enlist the aid of non-governmental actors.

By all accounts, the most dominant of these models is urban regime analysis which argues public/private partnerships to be essential to the local policy-making process. Over the last two decades, this paradigm has been used to explain a range of local phenomenon and would ideally serve as a theoretical vehicle for this project as well. The regime theory argument, however is principally based in the political economy tradition and has a normative bias against social welfare policymaking. It accordingly assumes local redistribution to be both counterintuitive and anomalous in central cities where local governments must focus on policies which enhance their fiscal wellbeing. As a result of this bias, the enlarging role of local governments as it relates to social welfare policymaking has gone virtually unnoticed by urban scholars, resulting in a major gap between what is actually occurring on the ground in urban communities and what social scientists understand.

However, new research on urban school reform offers fresh insight into the parameters of urban governing collaboratives – contending that issues concerned with the "social reconstruction" of cities require a different type of effort – one that involves a broad cross-section of actors. "Civic capacity" differs most distinctively from earlier political economy perspectives in its deliberate inclusion of non-profit groups (as well as government and private actors) in the local governing process. This expectation, particularly as it relates to the role of non-profits, corresponds with very recent empirical studies exploring redistribution in cities. Yet despite the potential normative utility of this framework it remains relatively underdeveloped. More specifically, we know very

little about how these policy-oriented coalitions, in light of reduced resources, sustain themselves over any significant duration of time. What are the incentives for cooperation and how do participants overcome potentially crippling collective action problems?

In an attempt to address these shortcomings, I offer the "Policy Change Agent" model of civic capacity. The PCA framework fuses selected civic capacity assumptions with knowledge derived from research on collective action and political entrepreneurs.   Specifically, I argue that the success of these cross-sectoral collaborations largely hinges on the presence of a policy change agent – a central actor that provides leadership to the coalition, facilitating the collaborative process by mitigating costs and optimizing benefits. Based on this argument, I present two hypotheses: 1) increased civic capacity within a community results in increased governmental responsiveness to a given public problem and 2) the presence of a policy change agent increases the effectiveness of cross-sectoral policy making around a given public problem.

The primary purpose of this research is to contribute to our broader understanding of how and why cities respond to issues of urban inequality. In this endeavor, I have decided to focus on one policy arena with the hope that these findings will allow me to speak to that broader debate. Thus, the issue domain at the center of this dissertation is affordable housing.

Providing low-cost housing has long been a challenge. However, the issue has become especially pressing in recent years as communities across the country have experienced unprecedented spikes in property values. This real estate boom

has undoubtedly created wealth for families across the country, however it has likewise presented substantial challenges – particularly for poor city dwellers forced to deal with dramatic increases in rents and/or rapidly escalating property taxes. Like most social welfare policies, the responsibility for subsidizing low-income or affordable housing has historically fallen to the federal government. Beginning in the New Deal era, the federal government has produced a series of housing programs intended to lessen the cost of housing for those with the greatest needs. Yet, shifts in federal funding and programmatic philosophy over the last 40 years have resulted in a substantial part of the need going unmet.   For some local governments, this draw back in federal commitment has been a call to arms, igniting local level responsiveness to growing affordable housing shortages. Other cities however, have been slow to respond to similar challenges, failing to effectively address the shelter needs of their most vulnerable residents.

The affordable housing problem as it is currently unfolding in cities and towns across the country perfectly captures the phenomenon which I seek to probe. To capitalize on this opportunity, I conduct a comparative case study analysis looking at affordable housing policymaking in four major cities – Portland, Phoenix, Atlanta and Washington D.C . As a function of this research, I hope to be able to contribute to the broader conversation about the dynamic and evolutionary nature of urban government.

I use the remainder of this chapter to elaborate the elements of my PCA argument. This includes a review of the relevant work on urban governance models, culminating with civic capacity which will serve as the theoretical

foundation for my framework. I then address the key ways that local

redistributive policymaking differs from other more traditional acts of local

decision-making, therefore requiring a nuanced theoretical approach. From

there, I discuss recent empirical work on local redistribution, drawing common

themes from the small body of work which I use to inform my model. I close

Chapter 1 by presenting the PCA model of local redistribution which will serve as

the theoretical vehicle for this research project.

An Introduction to Local Governance Theories

Governance, as a theoretical concept offers a direct counter to the long-

held belief that government actors alone possess the capacity to carry out the

business of government. Though not a formal theory, the term has been used to

describe activities related to public purposes that are jointly carried out by

governmental and non-governmental actors (Mossberger, 2007; Rhodes, 1997;

Pierre and Peters, 2005). At the core of these arguments is the belief that

communities and or societies often face complex public problems that the state is

simply incapable of unitarily addressing. By enlisting the resources of non-

governmental actors, the public sector is better able to carry out the governing

process around tough social and economic issues. Public policy and public

administration scholars have used the governance concept to explore the effect of

network structure and linkages on network performance (Provan and Brinton

Milward, 1995; Agranoff and McGuire, 2003). Additional research has focused

on coalitional bargaining, (Byson, Crosby, and Stone, 2006) reciprocity (Arino

and de la Torre, 1998), trust building (Bryson, Crosby, and Stone, 2006; Huxham

and Vangen, 2005) as well as the ways that formal and informal arrangements are institutionalized over time (Mossberger, 2007; Rhodes, 1997; Rhodes and Marsh, 1992).

Political scientists have employed the governance construct as an analytic framework to explain how local actors achieve collective goals through resource mobilization (Pierre, 2005). Easily, the most dominant governance model is regime analysis. The scholarship on urban regimes was born out of a robust debate over the role of government in advancing the physical and economic regeneration of cities. While traditional urban scholarship had focused on the role of political actors in advancing local agendas, this new body of work argued that when it came to urban politics, very little had to do with the agency of political actors (Peterson, 1981). Rather that the need for growth dictated the course of local politics with private business playing a principle role in growth-related decision making (Logan and Molotch, 1987; Peterson, 1981). In many respects, regime analysis arose as a compromise between these vying views.

Regime analysis rests on the fundamental premise that the American system is characterized by a division of labor between state and market, thus power is fragmented and diffuse (Elkin, 1985; Stone, 1989). In local settings, where government is unable to govern single handedly due to a lack of resources, organizational capacity or expertise, it is often necessary for public bodies to engage private interests. While there are dozens of scholars that have contributed to the development of this framework, the individual that is almost universally credited for its preeminence in the field is Clarence Stone.

In *Regime Politics: Governing Atlanta, 1946-1988*, Stone (1989) argues that informal arrangements between the city's predominately white business elite and the black elected leadership allowed the governing coalition to overcome shared problems and achieve collective goals despite social turbulence and coalitional stress. According to Stone, each set of actors supplied essential institutional resources that fueled the city's capacity to tackle complex problems. While middle class blacks provided organizational resources, a viable voting block and political legitimacy, the downtown business community provided the capital to fund Atlanta's developmental pursuits. For Stone, urban regimes not only constitute the informal yet relatively stable group of actors that make up the physical governing coalition, but also the informal arrangements that govern interactions and facilitate cooperation. Actors are given access to the coalition based upon the institutional resources they bring to the table and collective action problems are often mitigated through the distribution of selective incentives (Stone, 1989).

Subsequent research has examined the role of public -private partnerships in advancing specific public goals. For instance, Joel Rast's (2009) research on post-war Chicago demonstrates how private interests worked with the first Daley administration to advance one of the most aggressive urban renewal agendas in the country. Schimmel (2001) and Rosenstraub (2006) use the regime theory argument to explain how Indianapolis employed a sports centered development strategy to promote local tourism. Similarly Lawless (2002) identifies a "pro-growth" regime as being largely responsible for the regeneration of Jersey City

through the targeting of "squeezed out" New York City residents and businesses. Others have explored the conditions that affect regime formation and maintenance, (Stone, 2005; Austin and McCaffrey, 2002) as well as the circumstances that lead to regime change (DeLeon, 1992; DiGaetano and Klemenski, 1993; Lauria, 1997; Stoker 1995). Researchers have devised numerous typologies that attempt to categorize these governing arrangements (DiGaetano and Klemenski, 1993; Stone, 1993), which has allowed for more robust comparative analysis. Furthermore, scholars have extended the construct beyond cities to metropolitan areas and other regional jurisdictions (Leo, 1998; Hamilton, 2002; Clark, 1999).

Being the preeminent model in the field has likewise invited criticism. Some argue that regime theory's lack of explanatory power limits its analytical strength and portability to other areas of research (Orr and Stoker, 1994; DiGaetano, 1997; Mossberger and Stoker, 2001; Davies, 2002). Others contend that it focuses on the internal dynamics of coalition building to the detriment of other similarly important contextual and institutional factors (Pierre, 2005; Stoker, 1995). The criticism, however that holds the greatest implications for research seeking to understand local social welfare policymaking is regime analysis' theoretical linkage to and near myopic focus on economic development.

For decades, economic development's place at center stage within the subfield truly reflected reality as cities struggled to rebound from severe decline and fiscal strain. Out of this era, emerged a body of work principally concerned with the means by which cities, despite major resource limitations, effectively

crafted and implemented ambitious pro-growth agendas. Regime analysis is easily the most prominent product of that literature, arguably, because it offers the most theoretically robust interpretation of the synergistic relationship between public actors and private interests in pursuing economic policy objectives. Nevertheless, the challenge arises when regime theory, a model derived from research on local development coalitions, is applied to other policy areas.

To be clear, it is not the extension of a theory from one area to another that is being called into question. Most would agree that to be, in and of itself, good social science. The difficulty lies in the fact that regime analysis is a creature of the policy arena in which it was birthed and as such, is hardwired with certain economic assumptions that do not carry over into other areas. Among them, the necessary and sufficient condition that regimes include both business and government, that consensus and cooperation be achieved through material selective incentives and small opportunities and that political behavior be a function of economic motivations. This is not to say that regime analysis has not been employed to study non-economic policy domains. On the contrary, regime analysis has been used to explore numerous policies ranging from HIV/AIDS (Brown, 1999) to regulatory policy (Lauria ,1997). However, some scholars have found such adaptations to be somewhat awkward. For instance, in their study of community engagement, Smith and Beazley (2000) find regime theory to be inadequate in explaining the success of residents in affecting the local decision making process. Bailey (1999), in his research on identity politics is clear on the

limitations of urban regime theory, particularly in its inability to explain political mobilization around gay and lesbian rights issues. And Mossberger and Stoker (2001) in their comprehensive treatment of the regime theory literature identify a similar flaw.

Therefore, while scholars concur that regime analysis provides solid insight into resource mobilization and coalition building at the local level, its limitations for non-economic policymaking are apparent. So, if urban regime analysis does not provide the theoretical vehicle for understanding local redistributive policy, what does? The answer may lie in recent research on urban school reform.

In a major research project headed up by Clarence Stone, a team of scholars embarked on an eleven-city study that would probe the factors that lead to successful school reform. Specifically, researchers were interested in isolating the factors that resulted in sustained reform effort and systemic change. What researchers found they coined civic capacity. Civic capacity refers to the involvement of various sectors at the local level in a problem solving effort via the strategic employment of formal and informal mechanisms to effectively engage in collaborative problem solving (Henig et. al, 1999). The framework strongly resembles its forerunner regime analysis, especially in its focus on coalition building and resource mobilization. It departs however, from regime analysis in its incorporation of third sector[1] actors, which had previously not been shown to

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[1] Third sector is used throughout this dissertation to denote the voluntary or non-profit sector.

play a substantial role in urban regimes. Ultimately, civic capacity maintains that the strength and effectiveness of these efforts lies in cross-sectoral collaboration.

Cross-sectoral collaboration occurs when organizations and/or individuals across public, private and non-profit sectors work together to achieve mutually held goals that could not be effectively achieved by a single sector. It generally involves collective planning and facilitation among participants as well as "the conscious alignment of goals, strategies, agendas, resources and activities; an equitable commitment of investment and capacities and the sharing of risks, liabilities and benefits." (Fosler, 2001, pg. 19). These collaboratives take the form of partnerships, alliances, coalitions and even corporations. And for Stone et. al., it was these synergistic structures that facilitated the policy process around public education reform.

Since Stone et. al.'s work, numerous scholars have employed civic capacity to explain a range of social and political phenomena. In an edited volume, Giloth (2004) and his coauthors examine the impacts of cross-sectoral collaborations on workforce development initiatives. Saegert's (2006) work on community building explores the potential for civic capacity as it relates to neighborhood organizing. Further, Laslo, Judd and Osborne (2006) use the civic capacity argument in their study on metropolitan integration in the St. Louis region. While these subsequent works add credibility to the argument for collaborative policymaking around urban problems, the research does little more than employ the concept to describe local acts of collaboration, providing very little in the way of theory testing or theory building, leaving the framework largely

underdeveloped. For instance , should we assume that because civic capacity is modeled after regime analysis that the same theoretical assumptions carry over? What structures do these coalitions take and how is cooperation accomplished? What motivates local stakeholders to become involved and what role do small opportunities and selective incentives play? What are the implications for power among this new mix of actors and do "privileged voices" still prevail? These are all question that remain relatively unanswered by the extant literature.

This research builds on the existing literature on urban governance models and in doing so, offers an alternative way of understanding social welfare policy at the local level. By fusing what we know about the complex and politically thorny process by which communities pursue redistributive justice with our knowledge of local policymaking more broadly, this author hopes to enhance our understanding of the extent to which local communities are able to address issues of urban inequality.

The Political Implications of Social Inequality

In a 2004 report by the American Political Science Association entitled "American Democracy in an Age of Rising Inequality", authors Lawrence Jacobs and Theda Skocpol explore the political implications of American inequity. In it, they affirm one of the few verifiable truths of political science - that social stratification is inextricably tied to American political life (Jacobs and Skopcol, 2004, Schattschneider, 1960). Over the years, researchers have produced voluminous evidence that challenges some of our most ideological assumptions about our nation's democracy – specifically the notion that we live in a society

where political voices are equally raised and equally heard. Yet in actuality, some voices are never raised, and many that are raised, hardly heard. The result is a political system that honors the preferences of the few over the many, and exalts the interests of the "haves" above the "have-nots". There is no singular explanation for this established disparity, but rather a complicated web of factors which all contribute to the current system.

Disparity within the political system is easily observed by looking at levels of political participation which are at least in part, driven by status and class. Whether the area is voting, organizational involvement and volunteerism or contributions, individuals with higher incomes, greater educational attainment and more prestigious occupations tend to participate in the political process at higher levels (Miller, 2003; Schlozman, 1984; Verba and Nie, 1972; Hyman and Wright, 1971; Nie, Power and Prewitt, 1969). Beyond political participation, socio-economic factors have similarly provided insight into other questions relating to civic involvement and political behavior (Verba et. al., 1995; Brady et. al. 1995; Putnam, 2000).

The political marginalization of the poor is also evidenced in their disproportionately low influence within the halls of power (Jacobs and Skopcol, 2004) . In a system dominated by resource-rich interest groups and moneyed lobbyists, low-income Americans have relatively fewer points of access. When compared to their more affluent counterparts, they tend to seek or secure positions of power or authority at significantly lower levels, further limiting their ability to affect the governing process (Wirth, 1979; Stone, 1978; Prewitt, 1971).

The policy implications of having limited voice and inadequate access have proven substantial. Unemployment, poor schools, inadequate healthcare, and unaffordable housing are just a few of the major domestic policy concerns for which government has made little inroads - all of which disproportionately affect poor families. The political plight of the poor is further exacerbated by a strong lack of public support for social welfare programs which target specific populations (Scholz and Levine, 2001; Gilens, 1999). American public opinion is so turned off to providing additional resources to the poor that candidates rarely champion social welfare policies, even within impoverished communities (Berinsky, 2002; Feldman and Zaller, 1992; Gamson and Lasch, 1983). Thus, due to a confluence of factors including depressed political activity, social bias within the political system and adverse public opinion, poor people in this country remain politically marginalized.

Political Inequality and Conceptions of Power

Despite core philosophical underpinnings, American democracy is better characterized by group politics than by popular rule. Even the most esteemed and uniquely personal privilege, the right to vote is constrained by a dual party system – two groups that filter both the issues and the candidates. Whether it is political parties, coalitions, lobbies, membership or volunteer organizations - organized interests shape a good deal of what happens within the American political system.

Much of how political scientists think about the power dynamic between organized interests and elected government is based in pluralist thought.

Pluralism rests on the premise that in a free society, power is fragmented and dispersed creating multiple points of influence. Because democracies encourage free and open societies, interests are diverse (McFarland, 1969). It is out of the aggregated interests of the masses that groups emerge. Organized interests operate within a system where all groups have equal access, regardless of resources. Because individuals have overlapping allegiances and affiliations, no one groups maintains all the power, all the time. Pluralism further contends that while elites wield some level of power, their influence is limited because their numbers are few (Dahl, 1961).

Classical pluralism is argued to provide the most insightful theoretical perspective on American politics. However, critics contend that the theory sacrifices political reality for normative purity, specifically as it relates to the openness of the political system and the alleged equality of groups. They find that such a notion suggests governing and policymaking to be a sole function of group sport and that there is nothing inherent to the system that esteems certain preferences above others (Newton, 1976; Lukes, 1974). Politics, detractors contend, does not transpire in a vacuum but is rather a function of history and context. They further argue that political power, like economic power or societal influence is accumulated, diminished or maintained over time and at any point in time, the power dynamic between players can change depending on ebbs and flows in political resources (Judge, 1995).

Bachrach and Baratz offer one of the most pointed critiques of classical pluralist theory. In their seminal work on agenda setting politics in Baltimore,

the authors argue that actual decision-making and other forms of participation only represent one "face" of power and that the exertion of power is likewise manifested through non-decision making. They contend that through the mobilization of bias, "demands for change in the existing allocation of benefits and privileges in the community can be suffocated before they are even voiced; or kept covert; or killed before they gain access to the relevant decision-making arena; or, failing all these things, maimed or destroyed in the decision-implementing stage of the policy process." (Bachrach and Baratz, 1970, page 44)

Since these early theoretical battles, the scholarship of pluralists and their critics has grown even more sophisticated and nuanced. Subsequent research has factored in systemic flaws which perpetuate inequity within the larger political universe. For instance, neo-pluralists diverge from classical theorists in their incorporation of the economy as a principle correlate of power, contending that private businesses maintain a privileged position within American capitalist society (Domhoff, 1978; Lindblom, 1977). These early conversations have undoubtedly shaped research on local governance and hold special implications for any research seeking to understand local governmental responsiveness to urban inequality.

The Roots of Urban Political Inequality: Systemic Power and Systemic Bias

While urban regime theory provides a less than adequate vehicle for understanding redistributive politics, earlier research by its chief architect, Clarence Stone provides one of the most detailed accountings of precisely how

social inequalities translate into political inequality and subsequent policy non-responsiveness.

In a 1980 article published in the *American Political Science Review*, Clarence Stone lends his voice to the burgeoning community power debate, contending that socioeconomic factors do, in fact, matter to the local political process. To demonstrate this relationship, Stone employs the notion of "systemic power", which he defines as the "impact of the larger socioeconomic system on the predispositions of public officials" (Stone, 1980, pg 979). According to Stone, public officials operate within a stratified society where resources are hierarchically arranged. It is within that social order that local decisions are made. Public officials base their careers around a set of priorities and agenda items, many of which require substantial resources which are finite and largely predetermined. As a result, public officials are predisposed to preference upper strata interests over lower strata concerns (Stone, 1980).

Such systemic bias perpetuates political inequalities in various ways. For instance, the system presents different opportunity costs for different groups which in large part determine which groups engage the process (Stone, 1982). This presents a specific challenge to direct participation and full democratic citizenship. Additionally, elites have greater access to slack resources. They are significantly freer with the distribution of their resources, while members of the lower strata tend to be more cautious and conservative. As Stone states, "These inequalities provide an imbalance of resources and encourage a set of arrangements in which that imbalance is protected and maintained. Far from

motivating have-nots to challenge established arrangements, the imbalance encourages them to be passive and reserve what little influence they have for issues of pressing concern" (Orr and Johnson 2008, pg 73). Therefore, not only does systemic power affect the distribution of resources but it affects the way that those resources are used.

Thus systemic power as presented by Stone paints a distinctly different picture of urban democracy than offered by classical pluralists. Instead of a system where inequalities are dispersed and diffuse, Stone offers a system where inequalities are mal-distributed and cumulative. While Stone agrees that members of every strata have access to political resources, he contends that those that make up the lowest tier are most constrained in both their ability to garner resources (as socioeconomic inequalities transfer into the political world) as well as the freedom with which they can expend those resources.[2] In Stone's world, political disparities are perpetuated by a system where resources are coveted, officials are partial and benefits are skewed. Simply put, greater access to resources, translates into greater access to the political system which can result in increased governmental responsiveness. Therefore, if Stone's theory on systemic power proves true, we should expect redistributive policymaking to be significantly more difficult to accomplish than other types of local policies.

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[2] While Stone is expressly critical of pluralism, his theory of systemic power remains distinct from elitism. Systemic power is after all, the bedrock of Stone's regime theory argument and the foundation upon which he establishes his notion of "power over vs. power to". For Stone, elite policy bias is more a function of political reciprocity than class domination.

 Explanations for Local Redistribution

Stone's theory on systemic power predicts redistributive policies to be substantially more difficult to implement than non-redistributive policies. What his argument does not convey is how redistributive policies come to see the light of day. In other words, under what conditions are cities able to advance a social welfare agenda?

The prevailing assumption within urban politics as it relates to redistributive policymaking can be found in Paul Peterson's "economic determinism" argument. Peterson (1981), a major contributor to the urban political economy literature, argues in his *City Limits* that because municipalities operate in an environment where capital is highly mobile, cities must constantly compete with neighboring localities in order to retain both residents and businesses. This competition forces cities to provide better services at the most efficient cost (Tiebout, 1956). As a result, when it comes to public policy, Peterson argues that local governments would do well to pursue pro-growth or developmental policies because they hold the greatest potential for improving a city's relative fiscal position (Peterson, 1981).

Peterson conversely argues that allocational or more traditional municipal responsibilities and redistributive policies which cater to low income constituencies hold fewer benefits for a city's fiscal health. While Peterson concurs that allocational policies are unavoidable and have a neutral effect on local economic strength, he argues that redistributive polices due to their

substantial cost and immaterial benefit have an adverse impact on local economies and should thus be avoided (See Appendix Table A.1,).

Peterson's take on urban public policymaking has had substantial reverberations within the sub-field. This is in part witnessed by the ascension of urban regime analysis and the overwhelming bias towards the study of development oriented politics. Yet despite this conservative take on the role and capacity of local government, there is substantial evidence to suggest that cities are engaging in varied types of redistribution.

Empirical scholarship on redistribution typically falls in one of two categories. There are those studies that examine what scholars have labeled "progressive regimes" and then there are those studies that explore policymaking around specific types of redistribution. While neither literature provides a conclusive answer to the query about local redistribution, each offers significant clues.

The research on progressive regimes is by far the most well integrated of the two in that it is joined to a much larger body of work on urban regimes. The concept "progressive regime" is used to connote one of two types of policy priorities –those that are anti-growth, pro-environment or otherwise protectionist (also referred to in the literature as middle-class progressive) and those that advance the interests of the low-income, which tend to focus on social initiatives and community development. While middle class progressive and low-

income (or as Stone et. al. label them low-income opportunity expansion[3]) regimes tend to pursue decidedly different agendas, they are often conflated because they are both seen as affronting what most political scientists consider to be cities' chief imperative – growth (Stone, 1993).

Perhaps the piece of scholarship that has most shaped our current understanding of progressive regimes is Richard DeLeon's case study on San Francisco politics. In it, the author chronicles the rise and fall of the "anti-regime", a transitional coalition primarily made up of neighborhood interests and local government (DeLeon, 1992). DeLeon contends that during its reign, the progressive governing coalition was able to pass numerous slow growth policies which sought to "protect the community from capital". It suffered economically however, as a result of its anti-business prerogative and was ultimately unable to garner the resources needed to finance its social agenda (DeLeon, 1992).

In *Challenging the Growth Machine*, Barbara Ferman similarly explores the challenges associated with pursuing a broad social agenda. Her comparative case study on neighborhood politics in Pittsburgh and Chicago revealed that while Pittsburgh's governing coalition reflected a uni-dimensional progressivism, Chicago's regime was more characterized by multi-dimensional progressivism (Ferman, 1996).[4] In Pittsburgh, the preexisting governing coalition, expanded to allow for the incorporation of community groups. As a result neighborhoods were

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[3] While Stone (1993) identifies lower-income opportunity expansion regimes as a potential regime type, he argues them to be "largely hypothetical".
[4] Ferman argues that progressivism is rarely a characteristic that is either present or absent. Rather she discusses progressivism according to the extent to which cities address individual issues or inequality or multiple issues of inequality concurrently.

able to make substantial policy gains. In the case of Chicago, the introduction of an aggressive and bold agenda by a new administration presented a direct threat to the existing establishment. The conflict that ensued destabilized the governing coalition resulting in only partial execution of the regime's ambitious agenda (Ferman, 1996).

The politics that played out in San Francisco and Chicago are not unique. Scholars have documented similar narratives in other cities including Atlanta and Cleveland. When Atlanta's first black mayor Maynard Jackson came to power, he brought with him an ambitious progressive agenda that included expanding citizen participation, providing equal opportunity to minority contractors and incorporating neighborhood interests (Stone,1989). However, not even a landslide win provided Jackson with the political capital he needed to fully carry out his agenda. While Jackson was able to achieve solid gains, including the creation of a new citizen advocacy mechanism and an extensive affirmative action policy, he was ultimately forced to scale back his priorities in order to reengage disaffected business poised to disinvest from the city's downtown (Stone, 1989).

Cleveland's young mayor Dennis Kucinich was likewise hampered in his efforts to bring about progressive change. His unique brand of populist politics left little room for corporate elites that had gained ascendancy during previous administrations (Swanstrom, 1985). While in power, Kucinich gutted funding for economic development and blocked ambitious public works projects which he argued enriched local private interests and not the people of Cleveland. In the

end, the mayor was outmaneuvered by opponents who considered his approach to governance as reckless and bare-knuckled (Swanstrom, 1985).

Despite these examples, empirical studies on progressive regimes have not completely closed the door to the possibility of effective and long-standing socially reformist government. In their classic book on local participatory democracy, Berry, Portney and Thomson (1993) highlight five cities where neighborhoods seem to be extensively incorporated into the governing process due to relatively progressive and inclusive governing arrangements. And in *Leftmost City*, William Domhoff and Richard Gendron (2009) explore the conditions that led to the maintenance of what they consider to be the nation's most durable and longstanding progressive urban regime in Santa Cruz. According to Domhoff and Gendron, the coalition's success lied in its ability to strike temporary but purposeful alliances with business interests in ways that did not compromise its progressive agenda. Additionally, the city was able to enlist other resourceful actors, including the University of Santa Cruz which served as an instrumental partner over the lifetime of the regime (Domhoff and Gendron, 2009). Therefore, while the literature is not wholly optimistic about the possibilities of progressive urban regimes, it leaves some room for hope.

The other body of work that has contributed to our understanding of local redistribution is research on specific types of redistributive policies. For instance, there is a nascent literature that documents the proliferation[5] of living wage ordinances in cities across the country (Martin, 2006; Farris et. al., 2005;

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[5] Between 1994 and 2006, more than 100 cities implemented living wage ordinances (Martin 2006).

Martin, 2001; Pollin and Luce, 1998). According to Martin (2001; 2006), there are numerous factors that have contributed to the widespread enactment of these policies including the local strength of the democratic party and simple policy diffusion. However, Martin finds political mobilization to be the dominant explanatory factor. Specifically, he points to collaborations between local coalitions and national networks such as the Association for Community Organizations for Reform Now (ACORN).

Political mobilization has also proven vital to the promotion of affordable housing at the local level. In his assessment of state and local affordable housing policy, Goetz (1993) identifies low income housing advocacy coalitions (LIHACS) as being especially essential in pushing for increased local government involvement around the housing issue. Goetz and Sidney (1994) likewise find coalitional politics to be central to shifting housing and community development priorities within certain Minneapolis neighborhoods.

Local Redistributive Policymaking: Expectations and Assumptions

Stone's theory of systemic power provides researchers with a theoretical lens through which to view political inequalities within American cities. Because elected officials operate within a stratified society where resources are hierarchically arranged, they are instinctively predisposed to preference the interests of those in the upper strata opposed to those in the lower strata. Systemic bias produces a string of negative effects, including the marginalization of lower tiered groups from the political process. This in turn limits the level of governmental responsiveness to the needs of the poor. Yet, despite this apparent

tilt, the literature on local redistribution demonstrates that social welfare policies do in fact get achieved at the local level to various degrees. And this collective scholarship, though thin, produces certain assumptions and expectations. Specifically, it offers three significant ways that redistributive policymaking differs from other forms of local policymaking .

1.   *Redistributive policymaking requires a different type of politics.*

It is largely assumed by urban political scientists that there is a universal process by which local policymaking is achieved. In fact, local policymaking can take any number of paths based on the issue at hand, the institutions in place and the political means employed. For instance, while developmental policies are frequently a product of informal arrangements between elected officials and business interests, allocational policies (e.g. public works and law enforcement) are usually shaped within the bowels of the bureaucracy and come about through very formal and routine processes. Conversely, redistributive policies are rarely birthed within the bureaucracy because of the costs, both political and monetary, associated with their implementation. Rather, redistributive policies tend to be the product of very open and public struggles which exhaust substantial political capital.

2.   *Redistributive policymaking requires a more diversified set of actors.*

While regime analysis allows for the incorporation of any number of interests into the governing coalition, it is clear on the indispensable role of business. However, when it comes to local redistributive policymaking, the role of

business is unclear. Growth coalitions are so effective in carrying out their agenda because cooperation is constructed and maintained based on a shared purpose and material incentives. Redistributive efforts on the other hand are carried out according to purposive motivations, not material ones. Businesses within a capitalist society are chiefly concerned with competition and profit and are not particularly interested in bringing about material equity. This is not to say that local businesses are diametrically opposed to ameliorating social inequality. On the contrary, local businesses have been shown to collaborate and provide philanthropic support along an array of issues in communities across the country. However, when it comes to social welfare issues, the pool of players tends to be significantly more diverse, with third sector actors playing a vital role. Neighborhood and advocacy groups, community development corporations, national think tanks, foundations and intermediaries have all contributed to the success of local campaigns across the country.

3.   Redistributive policymaking involves a different set of resources and a unique incentive structure.

As the literature points out, progressive regimes that pursue redistributive initiatives tend to be characteristically unstable. This is likely due to the dearth of selective incentives. As Stone points out in *Regime Politics*, selective incentives provide the glue that holds urban coalitions together. Without a generous supply of benefits, members fall victim to infighting and/or defection. Because businesses tend to provide a lion's share of the selective incentives within urban coalitions, their diminished role as it relates to redistributive issues presents a

substantial gap in resources. This is especially problematic considering the skewed distribution of political resources resulting from systemic power (Stone, 1981). Therefore, in order to compensate for a lack of wealth, status and prestige, advocates of redistributive policies need to capitalize on other types of political resources such as civic skills, organizational capacity and electoral strength.

Thus, in summation, redistributive policymaking differs in important ways from other types of local policymaking. Because decision-making transpires within traditional government channels, the policy process is significantly more open and transparent. Additionally, redistributive efforts produce a broader range of policy actors and engage third sector groups in a way that allocational and developmental policies do not. And finally, the role played by political resources and selective incentives is adjusted to account for political inequalities perpetuated by systemic, institutional biases.

Building Civic Capacity...Building Theory

When considering the extant literature on redistributive policies, in light of current conceptions of community power, it becomes difficult to argue that urban democracy works the same for everyone. Therefore, if the goal is to understand how communities use power to shape political outcomes, it is incumbent upon social scientists to develop theories that balance normative expectations with descriptive power. Civic capacity provides such an opportunity.

Civic capacity can be described as a community's ability to convene stakeholders from across sectors to address a specific public problem, and is particularly concerned with the impact of consensus building and political

mobilization on policy change. There are two primary components to civic

capacity, problem definition[6] and civic mobilization, both of which are

considered critical to the development of civic capacity.[7]

Problem definition

Problem definition is often considered as the first step of the policy

process. Simply put, it is the way in which public issues come to be understood as

policy problems worthy of public intervention and is largely concerned with the

organization of beliefs, ideas and perceptions of how people think about a given

circumstance. Problem definition hinges on the notion that public problems are

socially constructed (Rochefort and Cobb, 1994). Because policy choices

implicitly represent a statement of value, the act of problem definition is often

contextually bound.   Consequently, there are typically diffuse understandings

and competing ideas about the nature of a policy problem. In *Building Civic*

Capacity, Stone et al remark, "It is now widely appreciated that issues are not-

self defining. For a problem to be recognized as a public issue requires not only

that it be seen as a source of difficulties, but also that it be seen as something

amenable to solution through civic or political action" (Stone et al, 2001 pg. 26).

Problem definition and issue framing are especially critical to

controversial policy debates where one side seeks to gain political advantage over

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[6] Stone et. al. (2001) use the term issue definition as opposed to problem definition.

[7] Stone et. al. actually identify four conceptual building blocks to their model of cross-sectoral collaboration. The first is civic capacity itself which they argue to be a function of problem definition (the second building block) and civic mobilization (the third building). The final building block is systemic reform effort which Stone et .al. consider to be the optimal product of the first three core components. Thus, problem definition and civic mobilization represent the two primary explanatory variables, with systemic reform effort functioning as the dependent variable (Stone et. al. 2001).

the other, the logic being that public support around an issue provides political elites and elected officials with the political capital necessary to advance contentious policy matters. Consequently, problem definition becomes critical to not only bringing the issue to the table, but also to determining the range of policy options to be considered for implementation.

Civic mobilization

Stone et. al. define civic mobilization as "the degree to which various sectors of a community come together in sustained support" of a particular policy problem. Thus civic mobilization is offered as the dynamic component of civic capacity (Stone et. al., 2001). While the concept "civic mobilization" is a new analytic addition to the literature, the research on political mobilization is fairly broad, spanning sub-fields and even disciplines.

Some of the most extensive research has come from students of social movements (McCarthy and Zald, 1973; 1977; Jenkins and Perrow, 1977; McAdam, 1982) who were primarily interested in the types of resources and organizational characteristics that condition social movements. Resource mobilization theory assumes that collaboratives do not simply emerge, rather interests are brought together in pursuit of collective goals (Oberschall, 1973). Therefore, mobilization is both intentional and deliberate and while the nature of a policy problem is often enough to mobilize interested parties around a particular cause, it is the presence and exchange of resources that sustain coalitions (Stone, 1989). Additional research has focused on electoral mobilization, (Gerber and Green, 2000; Leighley and Nagler, 1992; Caldeira,

Patterson and Markko, 1985; Huckfeldt and Sprague, 1992) the mobilization of racial minorities, (Leighley, 2001; Browning, Mashall and Tabb, 1989) as well as the impacts of size and make-up on mobilized groups (Olson, 1971).

There are numerous advantages associated with using civic capacity to study local redistribution. Foremost, it relaxes specific assumptions concerning the role of economic incentives in the policymaking process. In doing so, it opens the process to other actors who, though low on material incentives, may have access to other means of political bargaining. It is perhaps civic capacity's consideration of and commitment to a more inclusive politics that makes it so appealing. Yet despite its promise, the framework suffers from particular flaws. Specifically, it fails to specify how these cross-sectoral coalitions mitigate collective action problems in light of diminished resources. For instance, regime analysis contends that when it comes to physical reconstruction, pro-growth coalitions enable cooperation and mitigate conflict through concentrated material benefits. However, the benefits associated with the social reconstruction of cities are significantly more diffuse , often slow to materialize and may not necessarily be, in themselves, sufficient to sustain collaborative effort. And research has shown that while a cause may be sufficient to bring stakeholders to the table, it is rarely enough to enable long-standing cooperation (Stone, 1989; DeLeon, 1992). Inhibiting group dynamics are likely to be even more exacerbated in the case of cross-sectoral coalitions which incorporate even greater interests, opening the door to increased conflict and widespread discord. Therefore, the question remains, how is cross-sectoral collaboration

accomplished around social issues, in spite of scarce material resources? In order to address this theoretical query, I look to the research on collective action.

Bridging the Gap: Civic Capacity, Collective Action Problems and Political Entrepreneurs

Collective action is based on the premise that individuals are rational, self-interested actors. When individual self-interests coincide with a broader shared goal, groups are formed. And it is out of this interdependency that collective action springs forth. However, collective action is often stymied by the same rationality under which groups coalesce. In his groundbreaking work on group politics, Mancur Olson (1971) argues that contrary to (then) conventional wisdom, individual interests are not always positively linked with group interests. On the contrary, individual well-being may be adversely affected by the pursuit of collective goals.

The argument goes as follows. Group members receive benefits from group affiliation, regardless of individual contribution. This potential disparity in benefits and costs produces an incentive for individuals to shirk or "free-ride" off the efforts of others within the group (Olson, 1971). And because individuals are always seeking to minimize their costs and increase their benefits, effective group mobilization is routinely plagued by collective action problems. According to Olson, the principle way that groups overcome collective action problems is through the distribution of selective incentives. By employing these concentrated benefits, groups are able to reward effort and punish non-participation.

Collective action problems are endemic to group politics, and thus effect most all group efforts to some degree. However, the challenge of collective action is especially daunting for marginalized communities where there is a substantial imbalance in existing power and resources. Costs associated with entering the political arena are significantly higher with these groups, especially when one accounts for systemic bias. Additionally, communities in need of redistributive justice are often fragmented and socially disorganized, thus making collective action that much more difficult. Considering the obstacles, how do marginalized communities achieve some level of policy responsiveness through political mobilization? I submit the answer is leadership.

The literature is clear on the indispensable role of political entrepreneurs in American politics. Political entrepreneurs are individuals or organizations that act as catalytic forces to bring about institutional transformation or policy change (Schneider and Teske, 1992). These actors are often central to any number of political processes including group formation, resource mobilization, problem definition and agenda setting (Kingdon, 1995; Baumgartner and Jones, 1993). They act as conveners, brokers, liaisons, mediators and overall facilitators, as they are especially adept at identifying small opportunities or policy windows that allow for entry into otherwise impenetrable policy networks. The role of political entrepreneurs is especially vital to the formation and sustenance of political groups (Olberschall, 1973). Through acts of leadership, they are able to build trust, lower the threshold for civic involvement and create informal mechanisms

that reduce costs and concentrate benefits among active participants (Olson, 1971).

The role of political entrepreneurs in the local policymaking process is confirmed in the research on local redistribution. For instance, students of community development have documented the role played by policy entrepreneurs, specifically mayors in advancing redistributive issues. Dreier and Keating illustrate the way that former Mayor Raymond Flynn was able to use a combination of political capital and entrepreneurial maneuvering to successfully sell low-income housing policies to a number of pro-development constituencies (Dreier and Keating, 1990). Additionally, numerous scholars have documented the role played by local executives (see Clavel and Wiewel 1991, Betancur and Gills, 2000; Stone 1989; Ferman 1996) in promoting minority contracting and other local affirmative action initiatives. In Martin's research on living wage ordinances, ACORN functioned as a key player, pulling together local labor actors to effectively advance the issue of just compensation. Domhoff and Gendron (2009) find the University of Santa Cruz to be a most critical member of the city's progressive coalition. And Shah and Marshcall (2005) identify superintendants as being essential to avoiding "policy churn" during the agenda setting stage of local school reform efforts. In many ways, political entrepreneurs seem to be the common thread throughout the literature. They provide leadership where it is often most needed, around issues of disparity and in doing so help to facilitate collective action for change.

A "Policy Change Agent" Model of Local Redistribution

Stone et. al.'s civic capacity framework is a valuable contribution to the urban politics sub-field. It provides a theoretical interpretation of the local policy process that is significantly more inclusive and democratic than former urban governance models. However, its egalitarian approach to community-based problem solving fails to incorporate what we understand about how groups achieve political gains. Specifically, the framework as it stands fails to explain how local efforts, low on selective incentives, engage in effective collaboration capable of bringing about significant policy change. Collective action problems plague all organized groups, however they are especially challenging for marginalized communities seeking redistributive justice.

Political entrepreneurs have proven especially vital in helping to mitigate collective action problems (Feiock, 2004; 2001; Schneider, Teske and Mintrom, 1995). By lending their agency, capacity and resources political entrepreneurs provide much needed leadership to collaborative efforts particularly challenged by endemic group dynamics. The research on local social policymaking only lends empirical evidence to this claim as the scholarship frequently highlights at least one political player whose role within the coalition is particularly critical. Both the larger theoretical literature and smaller body of work on local redistribution agree – the role of political entrepreneurs in local social policymaking is too important to ignore.

Here, in accordance with the aforementioned scholarship, I offer one additional building block to Stone et. al.'s civic capacity argument – one that

incorporates the vital role of entrepreneurial actors in collaborative
policymaking. That element is the policy change agent.

Figure 1.1

Policy Change Agent Model of Civic Capacity
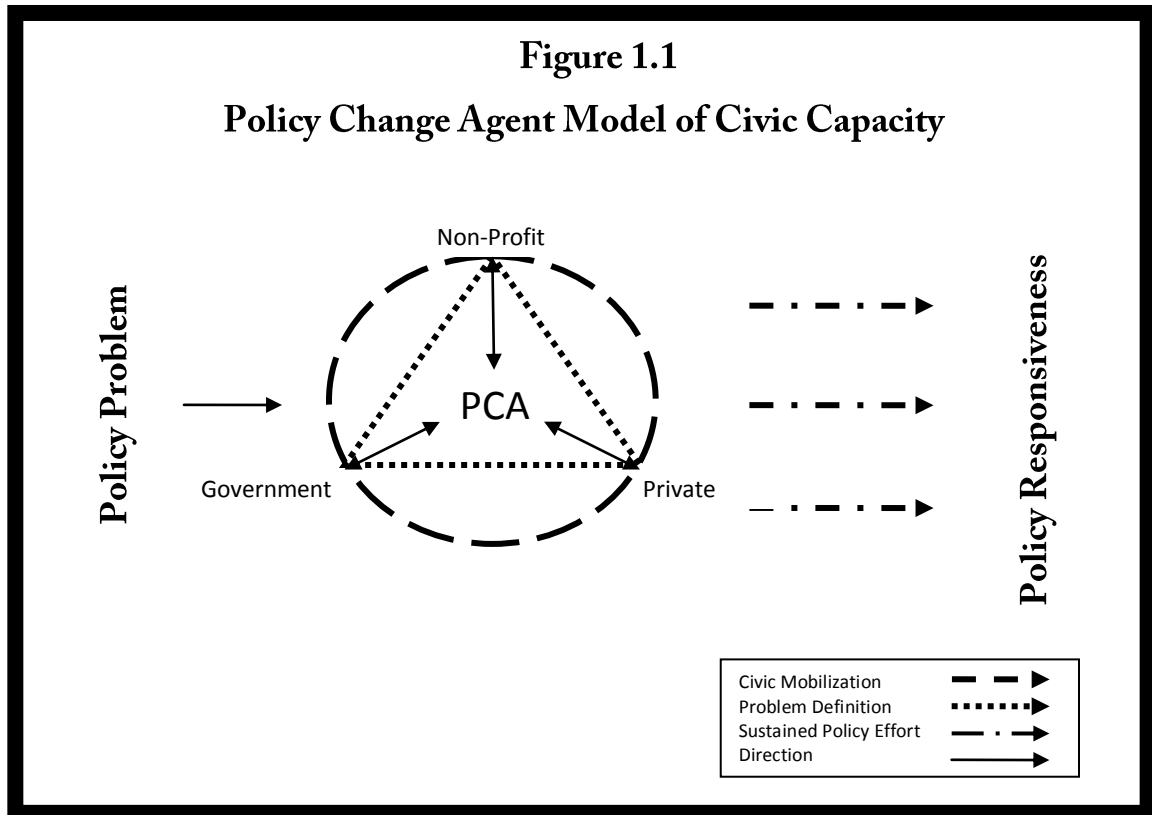
The "Policy Change Agent Model" is based on the premise that cities are
full of tough and seemingly intractable problems.   Such problems are often
complex, controversial, contentious and costly to address. Frequently solutions
to these problems require resources that extend far beyond the capacity of local
governments. And it is out of this predicament that cross-sectoral collaborations
are forged. However, while the urgency of a particular public problem is enough
to bring stakeholders to the table, it is rarely sufficient to sustain the necessary
mobilization required for systemic change. A policy change agent (PCAs) is a
political entrepreneurs that provides leadership around a particular cause and in

doing so facilitates the collaborative process by mitigating costs and optimizing benefits (Granovetter, 1985). Unlike most characterizations of policy entrepreneurs, the PCA is not a lone political agent. Rather its effectiveness as a policy actor is largely determined by the strength and quality of the coalition. Their leadership, though not necessarily stated in any formal way, is typically understood.

It is important to mention that the policy change agent is not being offered as a substitute for meaningful cross-sectoral collaboration. Public problems that demand broad-based community support are typically far too entrenched and complex to be significantly impacted by one sector, let alone one actor. As Figure 1.1 demonstrates, the policy change agent operates within the larger cross-sectoral framework, enabling the collaborative process through a variety of functions. Policy change agents are especially critical in facilitating what Stone et. al. identify as the two primary explanatory factors leading to the creation of civic capacity: civic mobilization and problem definition.

Civic mobilization is principally concerned with the employment of stakeholders and the mobilization of resources. PCA's help to assemble not only those resources internal to the coalition but also those outside the coalition. In doing so, they aid in forging purposeful partnerships, even enlisting new members where possible (Eyestone, 1976; Smith, 1991). Despite the diminished role of business and the subsequent reduction in material incentives, cross-sectoral collaborations tend to be rich in non-material resources. While these resources can be especially powerful, they often need to be harnessed and

channeled. An effective PCA is able to identify strengths, capacities and abilities among coalition members, encouraging them to advance the effort in innovative ways. And just as civic capacity can build over time, it can likewise regress. The policy change agent works to keep stakeholders connected, encouraged and engaged.

Cross-sectoral collaborations derive their power from their ability to enlist a broad swath of community stakeholders. Participants bring their skills, talents and resources to the effort in hopes of accomplishing a mutually held goal. However, stakeholders likewise bring in tow diverse conceptions of the nature of the problem, as well as potential solutions. Disagreements on critical components of the problem and strategy to address it can breed distrust and stymie overall progress. Thus, the PCA works diligently to keep coalition members focused on the collective good. They understand the importance of unity in the ranks and thus place a strong emphasis on consensus building. Additionally, they help to identify smart ways to advance the issue and engage the larger community.

In short, the policy change agent facilitates the collaborative process, thus enabling quality systemic effort. And I argue that the more sustained and sophisticated the collective effort, the greater the chance for governmental responsiveness. Along these lines, the "policy change agent" model presents two primary hypotheses.

H1. *Increased civic capacity within a community results in increased governmental responsiveness to a given public problem.*

H2. *The presence of a policy change agent increases the effectiveness of collaborative policy making around a given public problem.*

Successful collaboration is difficult to achieve even under the most ideal circumstances. However, producing successful community based efforts around social issues is especially challenging. By further exploring the role of local political entrepreneurs within community-based collaborative efforts, this research hopes to broaden our understanding of how lasting cooperation around social policymaking is realized. In order to test the PCA model, I employ the example of local affordable housing policy. The issue has become especially salient in recent decades as communities across the country continue to lose affordable housing stock. While some cities have been extremely aggressive in tackling the issue, others have not. This research is principally concerned with explaining that variation.

Chapter Outline

In the following chapter, I introduce the reader to the broader affordable housing issue. I begin by providing a brief history of federal policies and in doing so, discuss the factors that have contributed to the devolution of the affordable housing issue to lower level governments. I then go on to present the research design and methodology for this dissertation project. Finally, as a means of introducing the subsequent empirical chapters, I provide a brief description of the structures, actors and tensions that characterize the local affordable housing policy arena. Chapters 3 (Portland), 4 (Phoenix), 5 (Atlanta), and 6 (Washington D.C.) represent the empirical core of this project. In these chapters, I explore the

policy related activities that transpire around affordable housing in each of the

four cities between 2002 and 2007. Finally, Chapter 7 provides analysis,

concluding thoughts and opportunities for future research.

Chapter 2

The Evolution of Affordable Housing Policy

Introduction

The nature of the affordable housing problem has undergone significant evolution in recent decades, thus becoming increasingly more complex and multifaceted. Historically, affordable housing efforts exclusively targeted low-income renters, however due to a confluence of factors, the problem has broadened in magnitude and scope. According to a recent report by the National Low Income Housing Coalition, one in four Americans face a housing affordability problem. The issue is even more severe in cities where one in three households face affordability challenges (NLIHC,2008).

A Brief History of National and Sub-national Affordable Housing Policy

Like most social welfare policies, federal involvement in low-income housing provision began in the years following the Great Depression. After the successful implementation of the Federal Housing Administration (FHA) program in 1934, the government chose to develop a complimentary plan that would address the shelter needs of the nation's poor. So was born American public housing (Hays, 1995).

The public housing program, as established in the Wagner Steagall Act of 1937 allowed for the construction of hundreds of multi-family housing

communities in cities throughout the country (Bauman, Biles and Szylivian, 2000). The federal government would later sponsor the creation of local public housing authorities (PHAs) which would function as local managers of the federal program (Hays, 1995).

Public housing experienced its zenith during the post-war years. Between 1945 and 1965 alone, the public housing inventory tripled, growing from less than 200,000 to over a half million units (Quigley, 2000). The program continued to grow through the Kennedy and Johnson administrations, however by the late-1960's production started to slow as the nation's flagship housing model began to come under severe criticism.

Though deemed relatively successful in the early years, public housing had always been politically controversial. While there was a general belief that something needed to be done to aid poor households, many lawmakers rejected the idea of federal expansion of "social housing". Consequently, public housing was frequently targeted for deep funding cuts. This in part resulted in stingy per-unit expenditures and major cost restrictions. The bare-bones approach to public housing construction often produced shoddily built structures which frequently failed to meet even the most basic building criteria (Hays, 1995).

Aside from their properties being structurally deficient, local PHAs faced considerable financial constraints limiting their ability to engage in effective asset management (Hays, 1995). The federal government had initially carried a large majority of the financial burden for public housing. The funding formula however, was later restructured in a way that made the federal government

principally responsible for capital costs and local PHAs, operating costs - to be principally financed through rental payment revenues (Bratt, 1989; Quigley, 2000). Rental payments hardly proved a sufficient source of funding, and as buildings began to age, maintenance and repair needs often went unmet. Blame for the deterioration of public housing facilities has likewise been placed with residents who some considered poor stewards of their units.

In addition to physical deterioration, public housing communities across the nation were becoming increasingly characterized by social distress. These "housing projects" as they came to be known, frequently served as breeding grounds for criminal activity and other forms of anti-social behavior and only seemed to perpetuate social isolation and urban inequality.

Mounting criticism along these various concerns forced the federal government, through its lead agency the Department of Housing and Urban Development (HUD), to reevaluate the way it addressed the shelter needs of the poor. Over the course of the next forty years the federal government would work to supplement, and ultimately replace its troubled model, effectively reconstituting its role in the provision of low-income housing for the nation's poor. Federal housing innovations would come to fall into three primary categories: federal block grant housing programs, tenant-based subsidy programs and project-based programs.

Federal Block Grant Housing Programs

Federal block grants were designed to replace categorical grants which had long been used to provide direct funding to lower level governments for narrowly defined purposes. On the contrary, block grants could typically be used for a range of funding priorities just as long as those priorities fell within a broad, but specified area (Finegold, Wherry and Schardin, 2004). Though introduced during the Johnson administration, federal block grants became increasingly prominent during the Nixon era as the program fit into the president's "New Federalism" mantra which promoted increased policy decentralization and smaller government (Quigley, 2000).

Under this reformed approach, the federal government through the Housing and Community Development Act of 1974 created the Community Development Block Grant (CDBG) Program.[8] In all, the new program absorbed and/or replaced as many as eight categorical programs that had fallen under the Great Society, including key urban renewal and Model Cities programs (Bratt, 1992).[9] The CDBG was designed to act as an umbrella redevelopment grant that would provide state and local governments with the latitude and flexibility to fund and implement programs that fit their respective challenges. As such, the resources could be used for any number of purposes, as long as they "fostered

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[8] While federal block grants became popular under the Nixon administration, the CDBG program was actually enacted by President Gerald Ford in the wake of Nixon's departure from office.

[9] Model Cities was one of the most ambitious initiatives to come out of President Johnson's Great Society. Created in 1966, its primary goal was to attack some of the most entrenched social and physical problems in dozens of target cities across the country by coordinating federal and localized programs (Bratt, 1991). Intended to promote grassroots engagement, the program required that cities create mechanisms that would allow for extensive citizen involvement in the policymaking process. While the Model Cities program ultimately fell short of its primary goals, it did serve as a predecessor for the federal government's more successful Community Development Block Grant Program.

viable urban communities" through the creation of affordable housing or the

expansion of economic opportunities for low-income residents (Quigley, 2000). [10]

As of 2004, the federal government had allocated over $87 billion dollars to more

than 400 eligible localities and 48 states. [11] Of the share that has gone to housing,

ninety percent has gone to provide housing solutions for low-income families

(HUD, 2004).

In 1990, Congress passed the HOME Investment Partnerships Act which

established the second housing related federal block grant program (Schwartz,

2006). The HOME program was designed similar to the CDBG program, except

the newest addition was restricted to housing. [12] HOME, resources can be used

for any number of housing priorities including acquisition, rehabilitation, new

construction as well as tenant-based rental assistance. In the first fifteen years of

the HOME program, the federal government allocated more than $14 billion to

states and local jurisdictions (Schwartz, 2006). Together the CDBG and HOME

programs function as principle resources for lower level governments in

addressing the housing demands of low-income Americans.

Private Owner Project-Based Programs

As the federal government continued to seek out alternatives to its

beleaguered public housing model, it began looking to private landlords as

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[10] Grantees can use CDBG funding for a range of community development activities, including clearance, public facilities, public improvements, public services, housing and economic development (HUD, 2004)
[11]According to the CDBG 25th Anniversary Fact Sheet, approximately 27 percent of CDBG funds have historically gone to housing, with a majority of those resources going to rehabilitation.
[12] Not all of the grant is discretionary. HUD requires that grantees reserve a portion of the total allocation for things like down payment assistance, housing counseling as well as a set-aside for approved non-profit housing developers (Schwartz, 2006).

potential partners. Early pilot programs date back to the beginning years of the

1960s, however federal efforts failed to take root until the mid 1970s. Out of the

same legislation that birthed the Community Development Block Grant came the

Section 8 Program.   The new project-based rental assistance policy bundled a

number of new and existing programs with the ultimate goal of providing direct

subsidy to the landlord, thus reducing the amount of rent that low-income

tenants would have to pay. The new rental initiative mimicked the public

housing program in that it offset the total rent for participating households.

However, the new program differed most from the former initiative in that it

offloaded both property and asset management responsibilities to the private

property owners in return for a guaranteed stream of revenue. Landlords would

enter into a contract with HUD for up to 40 years promising to provide rental

housing on a per unit basis (Quigley, 2000).   As of 2001, the Section 8 project-

based rental assistance program supported approximately 1.2 million households

(AARP, 2001).

The Low Income Housing Tax Credit Program is likewise a project-based

rental program but unlike Section 8, provides an indirect rather than direct

housing subsidy.   Established in 1986,the program provides private developers

federal credits in return for their investment in the construction or rehabilitation

of existing affordable housing units (Quigley, 2000). Once developers secure the

tax credits they sell them to investors who are able to subtract the percentage of

the credits directly from their tax liability. The developer then uses the proceeds

from the credits to capitalize their projects. LIHTC programs are typically

managed by state level housing finance authorities which oversee the competitive application process. On its website, HUD cites the Low Income Housing Tax Credit Program as the "most important resource for creating affordable housing in the United States today" (HUD, 2008).

Tenant-Based Subsidy Program

By the early part of the 1980s, new construction for the federal public housing program had been all but phased out (Hays, 1995). With evidence continuing to mount concerning the negative implications of concentrated poverty, HUD began looking for alternatives to the clustered, low-income multi-family model. As part of the Section 8 initiative, HUD piloted a tenant based voucher program which rather than directing the subsidy to the property owner, followed the tenant allowing them to rent wherever the voucher was accepted. That program was later merged with an existing voucher program, creating the Housing Choice Voucher Program. Under the guidelines, tenants agree to pay thirty percent of their total rent to HUD, which in turn pays the landlord the total amount of the rental (NAEH, 2008). The Voucher Program has been praised as one of HUD's most effective low-income housing policies. By 2008, the initiative functioned as the nation's largest direct subsidy low-income program, serving more than 2 million of the nation's low-income households (NLIHC, 2008).

HOPE VI

Aside from the block grant, tenant and project based programs, the federal government found itself under increasing pressure to address its senior public housing portfolio, which by the 1990s was becoming a cross-national problem. Therefore in 1992, the federal government launched the HOPE VI revitalization effort intended to assist local communities in the demolition and eventual redevelopment of new mixed income communities (Quigley, 2000). Unlike HUDs other mainstay initiatives, HOPE VI is a highly competitive grant process where localities have to submit an extensive application detailing specific aspects of the redevelopment plan along with the additional public and private dollars that they expect to leverage with the HOPE VI resources. Typical HOPE VI grants range anywhere from $25 million to $50 million dollars per development and between 1992 and 2004, the Department of Housing and Urban Development awarded 446 awards to 166 localities (Popkin et al., 2004).

Over a twenty-five year period, the federal government developed a broad portfolio of programs that allowed it to diversify its approach to low–income housing while slowly, but surely moving away from its embattled public housing model. By enlisting the private sector and devolving a large amount of the decision making authority around affordable housing and community development, the federal government shifted from being the central and sole actor to becoming a facilitator of sorts, providing public resources and establishing policy priorities for affordable housing production and preservation. This transfer in responsibility has been a major part of the evolution of affordable

housing provision in the United States over the last several decades, however this transition has likewise been coupled with an overall reduction in federal resources.

For example, during much of the 1970s, Department of Housing and Urban Development programs accounted for approximately eight-percent of the federal government's total budget, making it second only to defense. However by 1987, HUD's budget represented less than one percent of the total federal budget (Schwartz, 2006). [13] This reduction in budgetary authority reduced HUD's ability to commit to the funding of additional affordable units. Between 1977 and 1988, the number of new commitments decreased more than seventy-percent from 375,248 to 101,751 (Quigley, 2000).

As federal commitment began to wane, need began to rise. During much of the 1980s, real wages for the working poor decreased, poverty in cities increased, as did the gap in wealth between the rich and the poor. Homeownership rates fell and homeless numbers skyrocketed (Dreier, 2004). This increasing rise in need, along with the fiscal and programmatic changes at the federal level resulted in a substantial change in the role of state and local governments in addressing the nation's affordability challenges.

Over a ten year period state level spending on housing and urban development increased almost five fold from $625 million in 1980 to $2.9 billion

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[13] Surprisingly, the drastic slashing of budgetary authority did not substantially affect actual outlays as the Congress often allocated more resources to HUD programs than was budgeted. The reductions did however, effectively curb any plans for future programmatic expansion. Because the cuts reduced the agency to virtually no discretionary funding, HUD had limited flexibility in dealing with its private and local partners (Dolbeare and Crowley, 2002).

in 1990 (Goetz, 1993) . With the decrease in federal resources, state and local governments began identifying new means of financing affordable housing efforts. For instance, by 1990, nearly half of the nation's states (22 states and the District of Columbia) had instituted housing trust funds. Additionally, state governments began establishing housing finance authorities to develop products to help offset the cost of affordable housing production (Hays, 1995). Major cities were likewise becoming increasingly more involved. Places like Chicago, San Francisco and Boston led the way, advancing ambitious housing initiatives and dedicating tens of millions of dollars for housing production and preservation. By the end of the decade approximately half of the nation's fifty-one largest cities were spending locally generated dollars to support low-income housing (Berenyi, 1989).

In many ways, the increase in state and local activity is ironic, especially considering the fact that financially lower level governments were in no shape to take on new social policy responsibilities. After all, during the 1980s, federal assistance to cities decreased more than sixty-percent. Big cities were the most adversely affected as federal dollars plummeted from twenty-two percent of total budgets in 1980 to approximately six percent in 1988 (Dreier, 2004). It is therefore difficult to argue that their responsiveness was a matter of sheer capacity. Therefore, the evidence begs the question, what drove these governments to act, and in such a broad and sweeping way. In his book Shelter Burden, Ed Goetz offers a compelling argument explaining just that.

According to Goetz, state and local government responsiveness was in large part due to what he describes as the "devolution of politics". He contends that deep budget cuts, particularly under the Reagan administration signaled to advocates that low-income housing would not be a federal priority. And acquiescence on the part of the Congress all but eliminated congressional lobbying as an means of affecting the debate. Therefore, supporters turned to local and state venues to advocate for increased support of affordable housing initiatives (Goetz, 1993).

Generally, advocacy took the shape of alliances or coalitions made up of an array of actors including human service providers, legal aid attorneys, community development organizations and neighborhood groups. During the 1980s, the number of states with statewide low-income housing advocacy coalitions (LIHACs) increased fivefold, from seven states to more than thirty states. Likewise, the number of large cities with housing coalitions doubled (Goetz, 1993). These alliances worked aggressively to petition lower level governments to increase their commitment to the issue. In response, state and city governments across the country began producing policy tools and mechanisms that leveraged local powers and resources to mitigate the growing affordable housing problem. Land use controls and regulatory mechanisms like rent control and inclusionary zoning became increasingly popular during this time. Various cities implemented housing trust funds which allowed resources to be set aside exclusively for affordable housing initiatives. Additionally, cities began to actively invest in local housing systems, supporting community

development corporations through operating grants and other capacity building efforts (Goetz, 1993).

Today, the central government's role is no greater than it was twenty years ago. While there has been some policy innovation (e.g. HOPE VI), there has been no infusion of resources or major increases in capacity. And for the most part, the federal government has turned a deaf ear to cries for increased policy responsiveness. As a result housing advocates have looked to state and local governments for leadership on affordable housing. Over the years, this has triggered substantial innovation, especially in cities (See Appendix, Table A.2 for a list of common local affordable housing policies). Because they are disproportionately impacted by affordable housing challenges, central cities have become major battlegrounds for policy change. The result has been an increased commitment by cities to aid in the provision of low-income housing. At the turn of the century, cities were responsible for more than 25% of the locally based affordable housing expenditures (Basolo, 1999).

Housing policy devolution is an undeniable phenomenon that has shuffled government responsibilities in measurable ways, however cities have not universally responded to the new context or embraced their new roles. While, some localities have been particularly aggressive in responding to the increased need, others have not. This dissertation seeks to explain what accounts for variations in affordable housing policy responsiveness across cities. By employing the PCA Civic Capacity framework, I argue that multi-sectoral collaborations, enabled by policy change agents have had a substantial part to

play. To test this hypotheses, I have chosen to conduct a qualitative case study analysis that looks at affordable housing policy responsiveness in four American cities.

Research Design and Methodology

The primary research question guiding study is: what determines local policy responsiveness to social welfare concerns. Here, I argue that responsiveness is a function of cross-sectoral collaboration, enabled and facilitated by a policy change agent. My argument rests on two hypotheses: 1) increased civic capacity within a community results in increased governmental responsiveness to a given public problem, and 2) the presence of a policy change agent increases the effectiveness of cross-sectoral policymaking. To carry out this research objective, I have designed a comparative case study examining affordable housing policy activities in four cities – Atlanta, Phoenix, Portland and Washington D.C.- between 2002 and 2007.

A comparative case study provided the ideal vehicle for a number of reasons. First, case studies have shown to be superior when it comes to identifying intervening or otherwise omitted variables (which I argue PCAs to be). Secondly, case studies are more amenable to parsing out causal complexity. Local politics is made up of a confluence of factors that rarely make for simplified causal explanations. Therefore, it is important to incorporate a research method that is able to capture the influence of social and political context (George and Bennett, 2005). Finally, the comparative case study provides the perfect

methodological middle ground as it allows for increased analytical power as well as descriptive richness.

Unit of Analysis

The units of analysis for this study are cities. Within my four cases, I am primarily concerned with observing the events and processes intended to influence local affordable housing policymaking or, what I term "policy related activity".[14] While the study focuses on cities, affordable housing is an intergovernmental issue, and thus, there will be certain instances where the policy related activities of local actors spill over into other jurisdictions. This "spillover activity" is likewise captured in this dissertation. With that said, this is a study on local policy responsiveness and therefore the analysis will be exclusively concerned with the impact of such activity on local decision making.

Case Selection

At the outset, the decision was made to focus on medium to large sized cities or those with populations ranging from four-hundred thousand to 1.5 million.[15] This grouping of cities functioned as the pool from which the cities for

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[14] The reader may notice that there are two important components of the affordable housing issue that are, for different reasons omitted from this study, namely 1) homelessness and 2) public housing. While the homelessness issue is indeed a major element of the broader affordable housing problem, it has developed over the years into a distinct policy arena unto itself. Therefore, while there are certain points throughout the case studies where I have found it appropriate to address the homelessness issue within the narrative, it is not a central focus of this dissertation.
I have chosen not to include the activities of public housing authorities (PHAs) because they are essentially instrumentalities of the federal government and thus local governments have very little authority over their operations. Therefore, their activities, in certain ways fall outside of the scope of this study.
[15] I decided not to include major California cities in the selection process because they are considered outliers when it comes to housing prices.

this research project were ultimately selected. As a matter of research design, I employed a most similar systems approach. Accordingly, I selected cases that were alike along a range of potentially important independent variables, as specified in the literature.

Need

Quite possibly the most intuitive answer to the question "what determines local redistributive policymaking" would be "need" or the extent to which conditions require governmental intervention. While there is very little recent scholarship to support this argument (Sharp and Maynard-Moody, 1991; Cutler et al.; 1993 and Craw, 2006), the "responsiveness to need" hypothesis had found substantial support among scholars looking to explain how cities have allocated federal resources (Isaac and Kelly, 1981 and Jennings, 1983) . Additionally, it is reasonable to believe that cities with more severe housing pressures will be more

Figure 2.1: Poverty Rates Across Cities (Absolute Need)						
	2000 Population	2005 Population	Population Change	2000 Poverty Rate	2005 Poverty Rate	Poverty Change
Portland	529,121	513,627	+3%	8.5%	11.8%	+20%
Phoenix	1,320,994	1.377,980	+4%	11.5%	13.5%	-3.%
Atlanta	416,474	394,929	+5%	21.3%	25.5%	+17%
Washington D.C.	572,059	515,118	+10%	16.7%	16.7%	0%

likely to adopt affordable housing policies than those cities without such challenges. Therefore, in selecting the cases for this study, I decided to control for both an absolute measure of need, as determined by a poverty threshold, as well as two measures of what I call relative need, which attempts to capture the severity of the affordable housing problem.[16] The first relative need measure examines changes in the rental housing cost burden between 2000 and 2005 and the second is change in median home price (See Figure 2.2). This process essentially allowed me to identify and eliminate those cities where there was little impetus for affordable housing policy change.

Figure 2.2 Housing Need (Relative Need) Measures
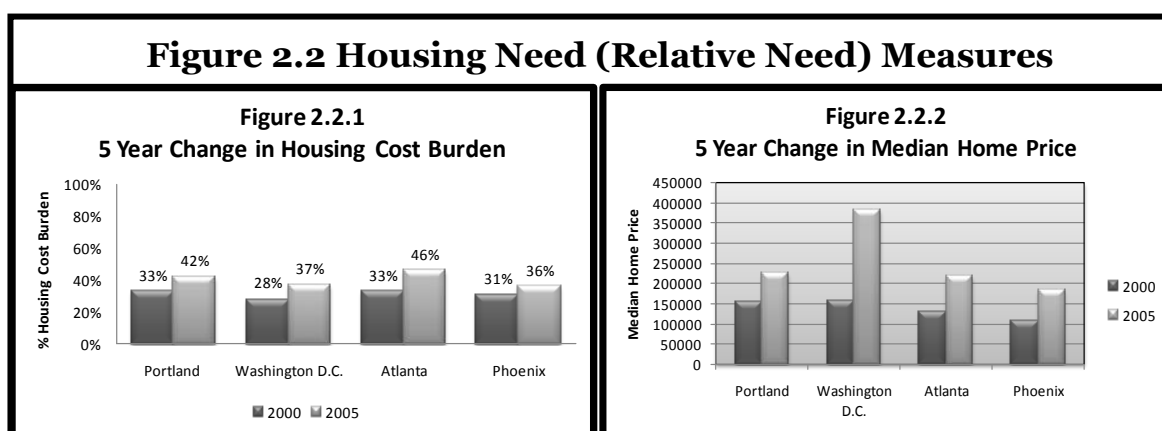
Fiscal Capacity

The fiscal capacity argument comes out of Peterson's economic determinism model which essentially contends that because redistributive policies have an adverse impact on the fiscal health of cities, they are both rare and anomalous. And when redistributive activity does occur within cities, Peterson finds it is purely a function of that city's fiscal capacity to do so. In other

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[16] In 2005, the national poverty rate was 9.2, so 10 percent was used as a threshold, representing cities that had an above average level of poverty.

words, it is only when cities are fiscally healthy that they may be expected to engage in such polices. Subsequent research has only served to reinforce Peterson's fiscal capacity argument. For instance, in their test of competing models, Sharp and Maynard-Moody (1991) find fiscal capacity to be the best predictor of social welfare spending. Likewise, Chamlin (1987) in his study on the racial implications of social welfare policy making at the local level finds strong support for Peterson's fiscal capacity argument. Therefore, in selection of cities for this project, I chose to include only those cities that were considered as being fiscally healthy, or cities that had been "operating in the black", showing positive year-end figures every year from 1998-2005.

Operationalizing the Variables

The argument presented here essentially offers one dependent variable and two independent variables. In this section I operationalize these variables and discuss the means by which I attempt to measure them.

Dependent Variable – Responsive Affordable Housing Policy Change

Responsive affordable housing policy change refers to public policies that either seek to increase and or mitigate the loss of affordable housing units or in some way offset or subsidize the cost of housing for low to moderate-income residents. This will be assessed in part through the analyzing and cataloguing of the city's active affordable housing policies – paying special attention to instances of policy enactment or adoption during some of the most severe years of the affordable housing crisis. In doing so, I will be able to assess the extent to which

cities dedicated locally generated resources to affordable housing as well as the types of financing mechanisms they used to fund their programs. And finally, to what extent does local affordable housing public policies fit each city's respective need? In other words, how deep does the city go in addressing the shelter needs of its most vulnerable residents.

Independent Variable: Civic Capacity

According to Stone, there are two factors that contribute to the building of civic capacity and they are civic mobilization and problem definition.

Civic Mobilization

When it comes to civic mobilization, I am principally interested in accounting for the extent to which diverse interests coalesce around the affordable housing problem as well as the way in which resources are employed to sustain the effort and advance the cause. Therefore, I first look for examples of political mobilization around the housing issue. Where coalitional activity is detected, I will pay special attention to the types of actors convened around the issue. Is the effort a diverse representation of the larger community and if not which actors are dominant ? How is the alliance structured and what types of resources do active participants employ to accomplish their mission? Additionally, what are the norms, values, formal and informal rules that fuel (or stymie) mobilization and foster reciprocity? And finally, how do members respond to barriers and obstacles that serve the potential of derailing the effort?

Problem Definition

Again, problem definition is the way in which public issues come to be understood as policy problems worthy of public intervention. Through savvy problem definition political actors are able to shape public opinion and focus the overall policy debate. Thus, here I am interested in determining whether or not actors have a fairly universal understanding of the nature of the problem as well as the policy course necessary to effectively address that problem. Additionally, are there any deliberate attempts by coalition members to more effectively frame the issue or shape the policy debate?

Independent Variable: Policy Change Agent

Because, my theory offers the policy change agent as a previously omitted variable, I am principally interested in determining whether such policy entrepreneurs affect the collaborative policymaking process at all. That is to say, is there a pivotal player that facilitates collaborative action? If so, my secondary imperative is to determine how their leadership role is expressed. What is their core resource and how does their possession of that resource influence their status and ability to affect the behaviors of others within the coalition? Do they act as conveners, brokers, mediators, etc.? How formal is their leadership position and how does the structure of the coalition shape that role? Additionally, how do other actors respond to their presence within the coalition and is their impact viewed in a positive light? Finally, to what extent are PCAs able to navigate the policy process and in what observable ways has their leadership advanced the effort?

It is important to note that the policy "change agent", as a determining factor, is a creature of collaborative policy making and is therefore a nested variable. In other words, an active and effective policy actor that acts alone is essentially a political entrepreneur and does not support my argument. In order for the policy change agent argument to be validated, the actor needs to be part of an active convening of local stakeholders.

Data Collection

In an effort to accurately measure the aforementioned variables I employ the use of both extensive primary as well as secondary data sources.

Primary Data Collection – Stakeholder Interviews

As a primary data source, stakeholder interviews were used to provide the researcher with a lay of the land, as well as a sense of the important events and relevant policy actors. Participants were broken into two groups - general knowledgeables or individuals that were able to speak to local decision-making more broadly and housing knowledgeables, those who were in some way connected to the affordable housing issue at the local level. Respondents were asked a series of open-ended questions based on the category in which they fell. While general knowledgeables were questioned on things like local political culture, city institutions and group politics, housing knowledgeables were asked specific questions about the evolution of the affordable housing issue over time as well as the nature of stakeholder interactions and communications.

Figure 2.3: Distribution of Interviewees According to City, Sector and Area

Figure 2.3.1 Participants by City

Figure 2.3.2 Participants by Sector

Figure 2.3.3 Participants by Area
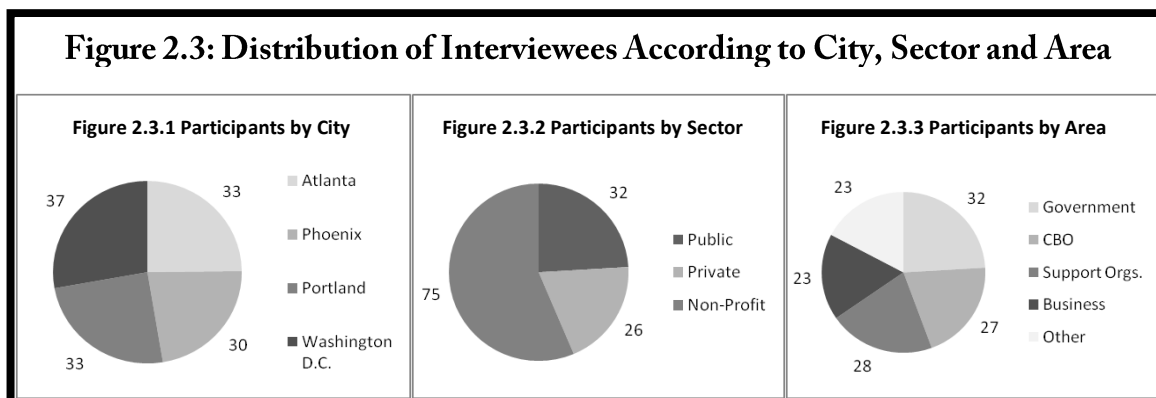
In all, 133 stakeholders were interviewed for this project between December 2007 and June 2008. Of the interviews conducted for this research project, 129 of them were conducted face-to-face and the remaining four were conducted over the phone. The charts in Figure 2.3 show the distribution of informants by city, sector and area. The greatest number of stakeholders were interviewed in Washington D.C. at thirty-seven; the fewest in Phoenix at thirty. Thirty-three people were interviewed in both Atlanta and Portland. This was accomplished during six separate field visits – two to each city. All Atlanta interviews were conducted locally.

The second chart within Figure 2.3 - "Participants by Sector" - shows that an absolute majority of respondents were from the non-profit sector. This however, exclusively accounts for organizational structure. In other words, those designated as non-profits are expressly 501C3s or have some other type of non-

profit designation.[17] The non-profit designation in no way infers anything about the mission or purpose of the organization.

The best indicator of the cross-section of respondents is the third chart in Figure 2.3. It identifies stakeholders by their area of activity: government, community based organizations, support organizations, business and other. In this chart the non-profit sector is broken up into three different categories. Community based organizations include neighborhood groups, community development corporations, etc. Support organizations on the other hand include local and national intermediaries, advocacy groups, local coalitions and the like. Finally, "others" include organizations that cannot be classified in any other category, such as local universities, think tanks, newspapers, etc.

All interviewees were guaranteed confidentiality. Accordingly, I do not attribute facts or comments to individual participants. Rather the information provided through the stakeholder interviews was used to guide the collection and analysis of secondary materials which are used as the primary sourcing for this dissertation.[18]

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[17] The only exception being business trade organizations which are classified 501C3s but are direct representatives of the business sector. Stakeholders representing these organizations are classified as "private".

[18] This in no way diminishes the role of the stakeholder interviews which were by far the most critical empirical component of this project. However, in keeping with my commitment to confidentiality, it is only appropriate that I refrain from direct souring of interview participants.

Secondary Data

Secondary data included pamphlets, brochures, newsletters, action plans, policy briefs, videos, annual reports, journal articles, HUD reports, consolidated plans and other types of documentation. Secondary data was accumulated one of three ways. A majority of this information was collected from organizations and individuals while conducting interviews in the various cities. Additional materials were gathered through an extensive scouring of the internet, including multiple Lexis Nexus searches of all available mainstream periodicals over the course of the last ten years. [19] Finally, when not otherwise available, documents were received via mail or electronic mail, at the request of the researcher.

The volume and depth of the secondary resources varied significantly from city to city, making it difficult at times to fill gaps or chronologically lay out events, however every possible effort was made to use the existing documentation to pull together as coherent a narrative as possible for each individual case.

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[19] I conducted a number of different searches at various times throughout the research process. At first I used a general set of queries that I used across the cases to find articles relating to the affordable housing issue and then as the narratives were drawn together I would make more specific queries.

Setting the Stage – The Affordable Housing Problem in Cities

Before moving forward it is vitally important to provide an introduction to the existing affordable housing problem within cities as well as offer a description of the local affordable housing deliver system, including the actors, institutions and tensions that tend to shape the policy issue from place to place.

Most researchers and practitioners would agree - there is no one factor that has unilaterally caused the modern urban affordability crisis. Rather there are a variety of macro and micro level factors which have together contributed to the current predicament. At its core, the affordable housing problem is an economic one. When housing costs exceed the standard amount stipulated by the Department of Housing and Urban Development as 30% of household income, this constitutes a housing cost burden or more plainly put, an affordability problem. The last 20 years have witnessed an unprecedented increase in housing prices without a comparable increase in wages, thus creating what many have termed as an "affordable housing crisis".   While, the disparity between wages and housing costs have been felt nationwide – spanning region, class and ownership status, the problem has been especially severe in central cities.

During the 1970s and 1980s, cities had experienced tremendous flight, both commercial and residential. Severe disinvestment drove down land values, which translated into low housing prices and rents. While the housing stock in many large central cities during this time was not always of the highest quality, the lack of demand kept prices low for poorer residents with limited housing options. The real estate boom of the 1990s, however placed a renewed focus on

cities. Developers were anxious to capitalize on rock bottom property values and local elected officials were hungry for new investment with hopes that development would lure residents back to the city and restore anemic tax bases. So, private developers added their investment to public dollars and community efforts already at work to aggressively revitalize America's forgotten cities.

Most would agree that the revitalization efforts of the 90s brought substantial benefits to urban areas. Many communities experienced reductions in crime, rehabilitation of dilapidated buildings and structures, as well as infrastructure upgrades. Yet despite these obvious improvements, revitalization brought certain challenges to existing communities – among them dramatic shifts in housing costs and availability.

Between 1990 and 2000, the national median home price for single family homes increased nearly twenty percent from $101,100 to $119,600 (U.S. Census, 2003). These increases in housing prices were even more exaggerated in urban areas with places like San Francisco, Washington D.C. and Boston, MA, recording greater than 50% increases in housing prices. For some homeowners, especially those who watched their property values evaporate over the years, urban revitalization was like manna from heaven. Many homeowners were finally able to make improvements, pull money out of their homes to pay other bills or even sell their homes and move on. For other homeowners however, especially those on fixed incomes, increased property values translated into drastic increases in property taxes. Perhaps those impacted most severely by the

changes were renters as they maintained very limited control over their housing situation.

Many cities experienced severe losses in affordable units due to conversions or demolitions as landlords sought to capitalize on rising values. In some cases, these included subsidized housing units where landlords refused to renew agreements with HUD to provide low-income housing. As a result of these "opt-outs", cities across the country lost more than 100,000 low income units between 1995 and 2000 (NHLP, 1999). While private developers were adding new units to the existing stock daily, most were targeted to more affluent residents who could afford higher prices. Combine these factors with the federal government's decision to shift away from direct housing along with national efforts to deconcentrate poverty and the result is a major loss in affordable housing units.

In the early years of the 21st century, housing costs continued to climb and widespread residential displacement was becoming a common occurrence. Even working class and middle class households were being priced out of communities that had long been affordable. By 2005, the average American had been priced out of seven of the nation's fifteen largest urban housing markets. Forty-six percent of renters were paying more than thirty percent of their income on housing and home prices were seeing annual double digit increases (Census, 2006). The affordable housing problem had grown in both complexity and magnitude – no longer exclusively a poor person's problem, but rather a broader, deeper national policy concern.

Affordable housing as a policy domain is incredibly complex for a multitude of reasons. Firstly, the issue is highly technical as it ties in aspects of land use and zoning, housing construction and historic preservation – just to mention a few. Additionally, local affordable housing subsystems are fragmented, requiring the involvement and resources of a range of actors across public, private and non-profit sectors up and down the intergovernmental ladder. These include local housing departments, planning boards, public housing authorities, private and community based developers, social service providers, community groups, etc. Because of the cost associated with the subsidization of low-income units and households, affordable housing is expensive, frequently requiring the layering of both public and private funding sources in order to make a project viable. As a function of these complexities and others, affordable housing can be controversial and politically sticky. In particular there are numerous persistent tensions that frequently emerge as it relates to affordable housing. These include questions like:

1) Who should benefit from affordable housing subsidies?

2) How can public dollars be used to bring about the greatest impact?

3) What portion of resources should go to rental housing vs. homeownership?

4) Should the focus be placed on new construction or rehabilitation?

5) How long should subsidized affordable housing units remain affordable?

It is often these debates and a number of others which frequently color affordable housing politics in cities. These questions will indeed resonate throughout the next four chapters as I present the empirical findings of this research project.

<u>Chapter 3</u>

Portland

<u>Introduction</u>

In 2008, it was difficult to ride through Portland without seeing a poster, sign or bumper sticker calling on resident Portlanders to "Keep Portland Weird". According to local lore, the slogan was introduced to the city by a record shop owner who had transplanted to Portland from Austin TX where a "Keep Austin Weird" campaign had been launched to promote local small businesses (Griffin, 2007). Since then, the slogan has been exported to cities across the country in true bumper sticker fashion. Yet, in Portland, the slogan has stuck and become a creed of sorts. In many ways, "Keep Portland Weird" tapped into a collective belief among residents that there was something wonderfully unique and different about their hometown.

Indeed, there is little common about Oregon's largest city. Characterized by its mild weather and picturesque landscape, the city unlike many of its regional counterparts, has maintained a certain provincial quality. In the 1970s, it staved off urban expansion through fairly conservative land use and planning regulations which ultimately worked to mitigate sprawl and reinforce the city's urban core (Abbott, 2001). Through the concentration of urbanization, Portland was able to shore up its infrastructure, recycle its neighborhoods and develop a public transportation system that has made it a national best practice and a perennial source of envy. Even its governing institutions are different. It is one of very few cities that has maintained a commission form of government – a weak

mayor system which concentrates legislative and administrative authority in the hands of the city council. Additionally, Portland instituted the very first regional government, METRO, which has jurisdiction over regional land use policy (Gibson and Abbott, 2002).

In spite of these urban innovations which ultimately increased the city's overall livability, Portland remained one of the most affordable cities on the West Coast throughout much of the 70s and 80s.[20] While the city included certain affluent enclaves, Portland was by all means considered a middle class city. Because of the city's comprehensive anti-sprawl efforts, urban flight had been largely mitigated, leaving a strong, diverse residential base. In many ways, Portland's relative accessibility not only set it apart from its West Coast neighbors, but it contributed to an overall quality of life which provided Portland a consistent ranking among the most livable cities in the country (Abbott, 1997). A sudden shift in the local housing market however, began to erode this long-established element of Portland's esteemed way of life.

By the early part of the 1990s, after years of only modest gains, local housing prices began a steep and steady ascent (Downs, 2002). Between 1988 and 1995 home prices increased one hundred-percent, from approximately $62,000 to $120,000 (Downs, 2002). While these increases created a certain level of wealth for many of the city's long time homeowners, the sudden spike in housing costs presented an entirely different set of challenges for renters and

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[20] Throughout the 1980s, Portland's median home price consistently fell below the national average. And when compared with its West Coast counterparts, Portland's affordability advantage was clear (Downs, 2002).

homeowners living on fixed incomes. By the mid 1990s, the city's mounting affordability problem had converted into a crisis.

The Affordable Housing Problem in Portland

The housing boom of the 1990s gave new dimensions to the city's affordable housing issue, however the problem was not new, for while the city had been considered "affordable", even by national standards, there had long been a shortage of low-cost housing options for the city's poor and very poor. The city's affordable housing challenges can be traced back to the 1970s when the city, in an effort to redevelop the downtown district, tore down a substantial amount of its low-income housing units (Gies, 2007). While the number of units lost were in some ways offset by the addition of new HUD subsidized apartments, national spending cuts and declines in local housing production served to further exacerbate the existing problem, causing it to persist well into the 1980's (BHCD, 1990). By the onset of the housing boom in the 1990s, 30 percent of Portland's rental households were already experiencing a housing cost burden (City of Portland, 1997). The housing boom only made the situation worst - especially for those with little means.

Portland's approach to the affordable housing issue had long been nested within larger state and regional goals relating to fair housing and equitable development. In 1978, the state of Oregon, as part of its comprehensive approach to land use and planning adopted Goal 10, a statewide provision mandating "fair share" housing and prohibiting exclusionary zoning practices. According to the legislation, local jurisdictions were responsible for ensuring the provision of a

quality, diverse housing stock (Irazabal, 2005; Abbott, 1997). Additionally, the state agency charged with managing land use and planning adopted an administrative rule establishing minimal density levels for Portland and its surrounding municipalities (Irazabal, 2005; Howe, 2004). Not only did the minimal density requirement make it difficult to develop homes unbefitting of Portland's "compact city" model, but it was also a step towards ensuring that working class people were not ultimately priced out of the market through the proliferation of subdivision communities. While these state and regional provisions laid the groundwork for a comprehensive housing approach, the city provided relatively little leadership on the issue until the late 1980s.

A taskforce report released in 1989 confirmed that the city contained upwards of 2,900 vacant and abandoned homes in its inner ring neighborhoods (ICMA, 2002). Concerned that the abandoned homes would lead to further blight and social distress, the city under the leadership of then, newly elected commissioner and head of the city's housing department[21] Gretchen Kafoury, launched a comprehensive strategy, relying heavily on the city's young CDC community to convert the homes into affordable stock. In addition to gifting the non-profit developers with hundreds of properties, the city also implemented a series of policies and programs that removed regulatory and non regulatory barriers, reduced property tax burdens for non-profit developers and provided CDCs with predevelopment resources required to finance their projects. The city's efforts not only served to stem the tide of vacant and abandoned homes but

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[21] Under Portland's commission style government, commissioners have both legislative and administrative responsibilities. Therefore, in addition to being a lawmaker, they also oversee a portfolio of local agencies and/or departments.

it also worked to produce one of the most sophisticated and diverse non-profit affordable housing delivery systems in the country (Walker, 2002).

By the mid-1990s, the city was facing political pressure to intercede once again, this time to provide relief for those being most adversely affected by the city's mounting affordability crisis (Abbott, 2001). In 1996, local government responded decisively by creating the Housing Investment Fund (HIF), a $30 million general fund allocation intended to provide emergency resources. At the time, the Housing Improvement Fund represented one of the largest general fund housing allocations in the country. Over the next five years, the city would use the dollars to leverage additional resources for things like new housing construction and home improvements.

By the turn of the century however, the city's Housing Investment Fund was running out of money. To make matters worse, the city's affordable housing crisis had grown more severe in magnitude with the average home value skyrocketing to $155,000, nearly three times what it had been just fifteen years earlier (Down, 2002; Census, 2000). Wages, conversely had barely kept up with inflation, thus creating a real challenge for Portland's residents. While Portland had showed substantial leadership around the affordable housing issue in the past, there was no guarantee that the city would exhibit the same level of commitment to combat the pending problem.

Affordable Housing Politics in Portland: 2002-2007

In 2002, the City Club of Portland, a local civic organization, published a report which presented a comprehensive assessment of the city's affordable housing problem. In it, they found that 38 percent of Portland's renters could not afford decent housing. And despite the federal, state and local resources being dedicated to the problem, only one-third of the existing need was being met. In all, the City Club Report found Portland's approach to affordable housing to be insufficient - in large part due to it being severely underfunded (City Club of Portland, 2002).

Funding challenges withstanding, there remained at least one bright spot in Portland's affordable housing story – its affordable housing delivery system. Comprised of local governmental agencies, housing developers and service providers, the actors had overtime come to work remarkably well together making for one of the most effective and efficient low-income housing systems in the country. In its sweeping study of 23 major cities, the Living Cities National Community Development Initiative described Portland's community development industry as "a model for a comprehensive, collaborative approach to housing" (NCDI, 2008a).

Central to that system is Portland's non-profit housing network. Reach CDC, the city's first community development corporation was founded during the early 1980s in response to deteriorating housing conditions in the city's Southeast communities (Reach, 2009). Neighborhood based developers continued to crop up over the years, with the greatest increase occurring during

the mid 1990s. Between 1990 and 1998, the number of CDCs in Portland more than doubled, going from seven to twenty. Among the city's most celebrated community development organizations are Northwest Housing Alternatives, a low-income housing provider which currently operates in 14 Oregon counties and Central City Concern, a nationally recognized non-profit housing and service provider whose more that 400 staff touch approximately 15,000 Portlanders per year (Northwest Housing Alternatives, 2009; Central City Concern, 2009).

In addition to being highly productive, the city's pool of CDCs are incredibly diverse, with organizations specializing in areas like community land trusts, senior homeless housing and even low-income disabled housing. The efforts of local CDCs are assisted by local support organizations such as the Community Development Network which functions as the local CDC trade association, the Housing Development Center which provides technical expertise to housing non-profits and the Neighborhood Partnership Fund, which operates as a local housing intermediary. National funders such as the Enterprise Foundation and Living Cities have likewise contributed to the development of a highly nimble and effective community development industry. In addition to the non-profit housing activity, Portland has a handful of private developers including the Walsh Companies, Williams and Dame and Cityhouse Partners – all of which have produced a fair amount of affordable units with the assistance of local and federal housing programs.

There are three primary implementers of local housing policy in Portland - the Bureau of Housing and Community Development (BHCD), Portland

Development Commission (PDC) and the Housing Authority of Portland (HAP).

BHCD has functioned as the city's principle housing agency since 1974 (Gibson

and Abbot, 2002). It is responsible for setting the city's housing agenda and

ensuring that public resources are used in a way that correspond with local

affordable housing priorities. It is likewise responsible for administering state

block grant funds purposed for housing and community development. The PDC is

the city's urban renewal arm.   Established in 1958, the PDC oversees the

redevelopment of Portland's 11 designated urban renewal areas (PDC,2009). The

PDC has long contracted with the BHCD to manage the disbursement of federal

block grant resources. Therefore, in this respect the PDC is viewed as the chief

"implementer" of BHCD's policies (City of Portland, 2005). Finally, HAP

functions as the public housing authority for the City of Portland, the City of

Gresham and Multnomah County.

Coalition Building in Portland

Over the years, the city's affordable housing community had become

highly active and involved in the policy making process, both individually and

through collaborative efforts. The Community Development Network for

instance, was in part created to advance the policy objectives of the city's non-

profit housing industry. In the 90's, affordable housing advocates partnered with

regional and statewide sustainability groups in an effort to get government to

move on issues relating to density and sprawl (1000 Friends of Oregon, 2006).

Even the $30 million Housing Investment Fund allocation was established in

response to coalition pressure from a neighborhood-based activist group called

the Portland Organizing Project whose political tactics prompted government to act (Gibson and Abbot, 2002). In many ways, this collaborative approach to local politics was nothing specific to the affordable housing issue, but rather a reflection of how things got done in Portland.

According to noted political historian Carl Abbott, coalitions have been fundamental to Portland politics for the last 40 years (Abbott, 1997). He traces this back to the late 1960s when political interests were just beginning to coalesce around planning and land use issues. Since then, local coalitions have frequently been incorporated within formal governing processes and have played an active role in local decision making. The most notable example is Portland's neighborhoods, which in the 1960s organized to oppose an effort to build a massive highway through a number of established communities. After extensive protest, elected officials chose to abandon their plans to expand the highway system, rather redirecting the resources towards strengthening the city's public transportation system (Abbott, 2002). Additionally, then Mayor Neil Goldschmidt chose to formally incorporate the neighborhoods into the government apparatus by creating the Office of Neighborhood Involvement which provided neighborhood groups with resources and direct access to city hall (Abbott, 1997; Berry, Portney and Thomson, 1993). This broad inclusion of interests has come to typify local governing arrangements and it is this type of political activity that had likewise characterized affordable housing policymaking in the past.

By 2002 however, local supporters of affordable housing, despite their efforts, were having a difficult time at both the state and local levels, securing much needed funding for affordable housing. While many of the relevant groups and coalitions came together around specific agenda items or pieces of legislation, they frequently found coordination lacking. Therefore, the idea emerged to create a "coalition of coalitions" – one that would bring together the diverse range of interests and in turn provide the critical mass necessary to advance a unified local housing agenda.

Growing A Local Affordable Housing Movement

Affordable Housing Now was formed in 2002 by the Community Development Network (CDN), Coalition for a Livable Future (CLF) and the Community Alliance of Tenants (CAT) (Berkeley Media Studies, 2006). CDN functioned as the local non-profit developer trade organization. Created in 1996 with the support of local government, CDN became a principal driver of local affordable housing policy efforts. The Coalition for a Livable Future is the region's most prominent sustainability alliance. Over the years, CLF played a critical role in effectively marrying the affordable housing issue with environmental sustainability and conservation in Portland, making it (and its 90 member organizations) one of the most formidable proponents of affordable housing (1000 Friends, 2006).   Finally, the Community Alliance of Tenants, established in 1996, operated as the sole statewide grassroots tenant organization (CAT website, 2008). For years, it had served as one of Portland's most activist voices around issues relating to tenants' rights.

The goal of the organizers was to not only create a coalition or an alliance, but to spark an affordable housing movement that would result in new resources sufficient to address the city's affordable housing crisis. In the early months, founding members worked to secure start up funding and develop an organizational infrastructure that would enable the coalition to sustain over the years. Subsequently, they started to establish a core mission around which the coalition would be able to build its agenda and immediately began enlisting supporters.

It was established early on that the movement and its agenda would be as bottom-up as possible. AHN community forums were set up, not only to inform participants of the coalition's efforts, but more importantly to solicit policy ideas and feedback from the broader community. Along this vein, AHN created the Speaker's Bureau, a series of sessions that trained participants on the fundamentals of public speaking as well as educated them on the affordable housing issue (CDN Newsletter, 2/6/03). The primary purpose of the Speakers' Bureau was to create a pool of residents and community stakeholders that would be able to carry the message and portray it in a way that was both genuine and authentic. Participants were encouraged to share their own experiences with the affordable housing problem, so as to further establish the need for increased local commitment. With this team of newly trained speakers, AHN's message could be carried by its own members and not just the leadership.

One of the first action items for the newly formed coalition was to enlist in the campaign to roll back the state's preemption against the real estate transfer

tax (RETT). A RETT is a tax or fee exacted on the sale or transfer of a property. In Oregon, there was a RETT, however the ability of local jurisdictions to create a separate revenue generating mechanism had been banned in 1989. The local pre-emption sunset in 1994, however the ban was reinstituted and made permanent in 1999 (Byrd, 2003). Since that time, housing advocates had been working to get the legislation reversed, but to no avail. By the early 2000s, real estate transfer taxes had become one of the most popular ways to finance affordable housing programs because they allowed government to leverage large sums of money in ways that only nominally impacted the average citizen (OUCP, 2009). For housing advocates in Oregon, the RETT had in many ways become the focal point of their efforts, for it served as a potential dedicated revenue source – something that had alluded both state and metro-Portland affordable housing advocates alike.

AHN created a coordinating committee to organize local supporters of the RETT. Other local and statewide actors involved in the creation of the legislation included the Neighborhood Partnership Fund, 1000 Friends of Oregon – an environmental group that had been especially active in promoting inclusionary zoning in the state and Oregon Action – a statewide economic and social justice organization (CDN Newsletter, 2/6/2003). Advocates identified two sympathetic state legislators to sponsor the legislation and were offered the opportunity to provide testimony on the substance of the bill. AHN, in collaboration with the Oregon Complete Communities Coalition sponsored a letter writing campaign targeted at state legislators as well as Oregon's governor Ted Kulongoski in an

attempt to draw support for the effort (CDN Newsletter, 5/29/2003). Yet,
despite their efforts, the bill never even garnered a committee meeting. The
outcome left advocates around the state defeated and less than confident in their
ability to reverse their fortunes.

In the wake of their defeat in Salem, local housing advocates turned their
attention to City Hall. Affordable housing supporters knew that if they were
going to be able to enlist the support of local law makers, they would have to first
get their attention. Therefore, AHN launched an aggressive postcard campaign
aimed at city council (AHN, 2003). The postcards asked lawmakers to identify
and secure new funding resources to address the city's affordable housing
problem. The cards were designed to allow the supporter to personalize the card
by adding photographs, pictures or even an anecdote describing the way the city's
affordable housing problem had impacted their own lives. To encourage
participation, AHN held a contest for the organization that produced the most
postcards as well as the individual supporter who submitted the most creative
card (CDN Newsletter 7/15/2003; 8/11/2003). In all, more than 2,750 were
either mailed or delivered to Portland's city council.[22] The campaign effectively
captured the attention of local policy makers and put the affordable housing issue
on their political radar. As one council staff person admitted, "we got the
message loud and clear" (CDN Newsletter 11/6/2003).

The postcard campaign seemed to accomplish precisely what it intended –
to elevate the affordable housing issue among local legislators. There were

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[22] Because of its commission style form of government, the City Council in Portland includes the Mayor as well.

however, a number of local officials who had over the years shown substantial support for the affordable housing cause and required little coaxing – chief among them was Portland Commissioner and head of the city's housing bureau, Eric Sten.

Former mentee and long-time assistant of Portland's affordable housing matriarch Gretchen Kafourey, Eric Sten cut his political teeth in the early 90's functioning as the broker for a multi-million dollar housing portfolio in the Northeastern section of the city where hundreds of residents had fallen prey to predatory lending practices (PCRI, 2006).   Within a year's time, Sten was able to broker a deal with the US Bank of Oregon which agreed to provide the city with a $10 million line of credit which they in turn used to acquire the homes and create a new community development corporation to redevelop the properties. When Kafoury's term expired in 1998, Sten arose as her natural successor, maintaining the housing portfolio within his purview.

Under his leadership, the Bureau of Housing and Community Development revised its mission to focus on the city's low-income population, in an effort to address the housing challenges of those facing the greatest need (City of Portland, 2005).[23] It is also under his tenure that local housing-related agencies began to streamline their processes in an attempt to reduce fragmentation and increase coordination (Mitchell, 2002; City of Portland, 1997).

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[23] The Bureau of Housing and Community Development is guided by three principle objectives: 1) end the institution of homelessness, 2) increase the range of housing opportunities for low-income people and 3) expand opportunities for low income residents. Thus all programmatic activity is geared towards low-income residents which BHCD has identified as being those households which make up to 50 percent of AMI (City of Portland, 2005).

He had likewise fought to ensure that a substantial number of affordable housing units were being created in the city's urban renewal areas. And in response to the mounting affordability problem and the increase in advocacy, Sten partnered with Portland Mayor Vera Katz to launch a Blue Ribbon Commission which would be responsible for identifying potential funding streams and making recommendations to city council on which funding sources would be most feasible (CDN Newsletter, 11/28/2003).[24]

As a long time supporter and proponent of local affordable housing efforts, Sten understood the need for a stable revenue source, however he also knew that the wheels of local government turned slowly. As a commissioner, Sten was acutely aware of the realities of the city's budget and knew there was little chance that the city would be able to match its initial HIF endowment of $30 million. Therefore, in a meeting with local advocates in late 2003, Sten offered a compromise or what he termed a "bridge", in the way of multi-year general fund allocations. According to Sten, these resources could be used to sustain local housing programs until other local, regional or state monetary solutions could be identified (CDN Newsletter, 9/22/2003).

In response to Sten's proposition, advocates regrouped – revising their agenda to incorporate Sten's counsel. They made refunding the Housing

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[24] The Blue Ribbon Committee was a tri-county effort (Washington, Multnomah and Clackamas) made up of stakeholders from across the metro region. Participants included representatives from the business, faith-based and private organizations as well as housing providers and city and state government. The group met six times over 13 months with the final report culminating in January 2005 (City of Portland, 2005; RBRC, 2005). At the top of the Committee's recommendations was the real estate transfer tax, which the group identified as the optimal policy option for addressing the metro region's housing needs (RBRC, 2005).

Investment Fund in four years the centerpiece of their campaign and within a few months delivered a plan to both Commissioner Sten and the Mayor Katz which included an array of potential funding sources – only one of which was general funds (AHN, 2004). Additionally, the proposal provided funding guidelines, potential programs as well as suggested income targets. The delivery of the proposal was followed up by a rally at Portland City Hall (Stern, 2004b). The gathering, intended to persuade officials to consider funding the HIF, drew more than 200 people in all and included an array of speakers, among them Gretchen Kafoury and members of the Speakers Bureau (CDN Newsletter 3/16/2004).

While AHN, in some ways functioned as the front organization in dealings with the city, other member organizations likewise contributed to local policy efforts, even beyond their work with the coalition. For instance, The Community Development Network held annual candidate housing forums where local candidates were questioned about the extent of their support for the affordable housing issue and the advocates proposals in particular. The Community Alliance of Tenants would hold regular advocacy trainings for metro non-profit organizations and housing intermediary, the Enterprise Foundation conducted workshops highlighting successful campaigns across the country in an attempt to expose local advocates to similar efforts and encourage them in their own attempts (CDN Newsletter, 1/13/2004).

It was not long before the Mayor began signaling her support of the advocates efforts by identifying affordable housing as a top priority for her final term (CDN Newsletter, 4/7/2004). Shortly thereafter, she delivered a budget

which included $11 million for affordable housing (Stern, 2004; Hsuan, 2004). If the allocation were to pass, it would make for the largest contribution to affordable housing since the creation of the HIF in 1996.

After a series of budgetary sessions and hearings, the mayor's budget passed in May, 2004 and was adopted later in June. The affordable housing community saw the allocation as a major victory – the culmination of hard work and collaboration on the part of local advocates and elected officials (CDN Newsletter, 5/20/2004; 6/24/2004). Though not the full commitment, the 2004 budgetary allocation brought supporters significantly closer to their ultimate goal of fully funding the HIF in four years.

By the end of 2004, local housing advocates were in good spirits. In addition to securing the $11 million to assist with the housing needs of low-income Portlanders, city government established a provision exempting affordable housing developers from an increase in SDC or system development charges (developer fees) to support city parks (PDC, 2009; CDN Newsletter, 12/22/2004). The decision came as a direct result of lobbying efforts by two AHN co-founding organizations the Community Development Network and the Coalition for a Livable Future. The victory not only served as an obvious win for affordable housing developers, but also provided tangible evidence of the strength of the alliance between housing advocates and environmentalists. Additionally, city government in conjunction with the Citizens Commission on Homelessness announced its ten-year plan to end homelessness in the city of Portland. The plan, entitled "Home Again" incorporated a "Housing First"

framework, an approach which emphasized transitional housing over emergency shelters. Home Again not only offered an assessment of the city's existing homeless problem, but also laid out an extensive action plan to accomplish its ambitious purpose – ending chronic homelessness (Citizens' Commission on Homelessness, 2004). The extensiveness of the plan however, only served to reaffirm the need for enhanced resources and governmental commitment.

Retooling the Strategy and Honing the Message

Two-thousand and four likewise proved a decisive year for statewide advocates. After a crippling defeat in Salem in 2003, advocates decided to regroup and reassess their strategy in order to determine how to move forward. Over the years, housing advocates had watched how the state's anti-poverty/anti-hunger groups used media advocacy to successfully move their agenda forward and determined that their housing effort might benefit from a similar approach (Berkeley Media Studies, 2006). Therefore, in the latter months of 2003, the Neighborhood Partnership Fund convened stakeholders from across Oregon to discuss how the advocates could better harness the power of the media as it related to their affordable housing campaign. For their second meeting, they invited Lawrence Wallack, the Dean of the College of Urban and Public Affairs at Portland State to discuss the fundamental components of media advocacy (Berkeley Media Studies, 2006). During the meeting, Wallack discussed how effective communication and messaging strategies could work to elevate the affordable housing cause and optimize lobbying efforts. Participants were intrigued at the premise that the way they communicated could have such a

drastic impact on their level of success. In many ways, state and local advocates alike thought they had been relatively sophisticated in their communications. They employed technology to disseminate information by using email blasts and list serves. They would frequently produce information sheets and talking points to ensure that members stayed on message and were diligent in crafting legislation that was targeted and specific. What the early sessions with Wallack took aim at however, was the substance of their message and not necessarily the delivery.

The group would meet with Wallack regularly over the next nine months. And in those sessions, Wallack and his colleagues educated participants on the key components of an effective media advocacy campaign (CDN Newsletter, 10/4/2004). He instructed them to frame the affordable housing issue in ways that were clear and resonated with individuals' own values and beliefs. He additionally advised them to keep their messages simple, avoiding numbers and statistics but rather focusing on three vital cues that individuals' tended to listen for 1) *what is the problem*, 2) *why should I care*, and 3) *what is the solution*.

By early 2004, the group was able to secure funding to do statewide polling and research to determine what messages resonated most with Oregonians. With this information, housing advocates began retooling their frames and messages to ensure that in their communications, they "spoke to people's hearts and not their heads" (Berkeley Media Studies, 2006). From these sessions, state housing advocates emerged with four key frames, 1) "Hard-working people should be able to afford housing and still have money left for food

and basic necessities", 2) "Children deserve an opportunity to succeed in school and life", 3) "Housing gives people the opportunity to build better lives. To succeed, you need a place to call home" and 4) "It's only fair that people have a safe, decent place to live" (WLIHA, 2008; CDN Newsletter, 10/4/2004). Armed with new messaging and frames that they had developed over the months and emboldened with the knowledge they had gained from several months of advocacy training, affordable housing stakeholders decided to create an umbrella state organization – one that would allow them to move their issue forward in a unified way, similar to what many members were able to do at the local level in Portland. Thus, in mid-2004, statewide advocates under the leadership of individuals like housing expert Janet Byrd, CDN's Michael Anderson and Phil Donovan of the Association of Oregon Housing Authorities, created the Housing Alliance (Berkeley Media Studies, 2006).[25]

Forging a Statewide Affordable Housing Campaign

The Housing Alliance was formed with the purpose of bringing together "advocates, local governments, housing authorities, community development corporations, environmentalists, service providers, business interests and all others dedicated to increasing the resources available to meet our housing needs to support a common statewide legislative and policy agenda" (CAT, 2009). Modeled after a successful effort in neighboring Washington State, the Alliance sought to broaden the tent of supporters across the state to not only include those directly involved with the issue, but to connect the housing issue to a broader

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[25] A city document likewise references the City of Portland as a founding member of the state Housing Alliance (City of Portland, 2005).

conversation about Oregon's children and families (Berkely Media Studies, 2006; CDN Newsletter, 10/4/2004).

Immediately, the Alliance began to prepare for the 2005 legislative session. They hired a professional lobbyist who would be responsible for cultivating relationships at the Capitol and ushering through their proposed legislation. Additionally, they began to develop a legislative strategy that would effectively implement the lessons they had acquired over the last year. Specific housing agenda items included: 1)increasing grants from the state's Housing Trust Fund by $5 million, 2) expanding the low-income renter's tax credit, 3) renewing Oregon's Affordable Housing Tax Credit and increasing the yearly cap and 4) repealing the state's prohibition of inclusionary zoning. Additionally, the Alliance actively supported other broader, yet still related policy initiatives such as an effort to maintain Oregon's existing Health Care Plan (CDN Newsletter, 12/22/2004).

In an effort to launch their four point housing strategy, the Housing Alliance announced the first Housing Alliance Lobby Day. The point of the day was to present members of the state legislature with their 4-point housing agenda. The lobbying event drew approximately 100 supporters, many of whom participated in more than 50 meetings with Oregon state senators and representatives (Housing Alliance, 2009a). In conversations, members employed the messaging and framing techniques that they had learned in order to ensure that they not only presented a united front, but also communicated in an effective way. At the close of the day, representatives of the Housing Alliance held a press

conference where they discussed the severity of the state's housing problem (by then Oregon had become the second least affordable state for renters in the country) as well as the need for generous and swift government response (CDN Newsletter, 3/10/2005; Housing Alliance, 2009b).

During the subsequent weeks, Alliance members attended and participated in numerous hearings and committee meetings. As the session drew on, members began to notice a momentum building, especially around one legislative item in particular. The Oregon Affordable Housing Tax Credit (OAHTC) was a state program that reduced the interest rate on loans for affordable housing projects. Those savings pass down to tenants who ultimately pay less for rent. In many ways, the OAHTC was considered one of the state's most successful housing programs because renters received a direct benefit. It was also appealing to affordable housing developers as the credits were fully committed every year (CDN Newsletter 4/5/2005). As part of their agenda, the Alliance wanted to see the cap on the tax raised from $6 million to $8 million in 2006 and again to $11 million in 2007. By April, the OAHTC was moving steadily through the legislative process and looked as if it would sail through. The advocates however, having suffered unexpected defeats in Salem before, wanted to take nothing for granted. So, they applied added pressure, calling on supporters to reach out to their legislators so to solicit their support for the bill.

In July of 2005, after years of a virtual stalemate at the state level, housing advocates came away with a victory. SB996, otherwise known as the OAHTC bill was signed into law. Passing with bi-partisan support, the cap was increased to

$11 million annually, and the law extended to 2020 (Housing Alliance, 2009; CDN Newsletter 7/25/2005, 8/25/2005). In addition to the OAHTC bill, advocates celebrated the expansion of the state's Earned Income Tax Credit which meant that low-income people would be able to hold onto more of their money (Housing Alliance, 2009). Members of the Alliance saw these victories as directly attributable to their revised advocacy strategy.

During the same time local advocates were helping to push through the statewide agenda, they were simultaneously preparing for a new round of budget talks at the city level. While the $11 million allocation represented a major first step towards addressing the city's ballooning affordable housing problem, it was nowhere near sufficient. Functioning as the local delegation for the statewide Housing Alliance, many of the local organizations, including AHN, similarly benefited from the media advocacy training sponsored by the Neighborhood Partnership Fund and they were ready to implement those same lessons around their local efforts.[26] Back in 2004, AHN, in partnership with CDN and the Housing Alliance, launched a media campaign where supporters of member organizations were asked to submit letters to the editors of local newspapers to increase the public profile of the issue. Letter writers were instructed to use the frames and messages so to convey the issues as effectively as possible. For instance, one letter submitted to the Oregonian , the city's mainstream daily newspaper was titled, "With Stable Housing, Lives Improve". Another letter

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[26] For instance, in an attempt to connect the affordable housing issue to broader community concerns, they created a talking points campaign making the case for the linkage between the issues of housing and jobs, housing and hunger, housing and children's education as well as the role of housing in creating "complete communities" (AHN, 2008).

published in that same month was titled "Everyone Should Have a Safe Home" (CDN, 2007). Member organizations likewise began to reach out to various types of media outlets for the purpose of persuading them to do stories that highlighted the city's affordable housing issue. In 2005 alone, local advocates had published some 13 "letters to the editor", prompted 23 radio spots with local and regional radio stations, 7 newspaper stories and at least 2 television news pieces (CDN,2007).

In addition to their beefed up media campaign, local advocates once again decided to take their cause directly to the city's lawmakers. AHN leaders met with commissioners as well as Portland's newly elected mayor Tom Potter. A former police chief, Potter had campaigned as the people's candidate. He had previously expressed concern for the city's affordability challenges and seemed a likely ally.

As the budget process continued to unfold however, the possibilities of securing a large allocation comparable to the one of the previous year began to diminish. The new mayor, though sensitive to the affordable housing issue, entered office with his own set of priorities and a different approach to the budget process. Early on, the mayor asked commissioners to cut their programs by 5 percent in anticipation of future budgetary shortfalls. When the budget finally came to council for approval, it only included $7 million dollars for special allocations and pet projects (Griffin, 2005). Of that $7 million, Commissioners Sten and Adams were able to secure only $3 million for affordable housing (CDN Newsletter, 4/5/2005).

While the allocation fell substantially below what advocates had expected, they rallied behind their allies in the council. And when it appeared that the funds would be lost to the chopping block, advocates launched a letter and email campaign to city council imploring them to keep the funding recommendation intact. When it was all said done, the council approved a budget with approximately $2 million designated for affordable housing, $1 million less than originally put forward (CDN Newsletter, 7/6/2005).

In many ways, the outcome was bitter sweet for local housing advocates. While the $2 million allocation was undoubtedly better than nothing at all, it fell drastically short of the previous year's funding and only increased the HIF amount from $11 million to $13 million (AHN,2006b). Thus, at the two year mark, they had secured less than half of the $30 million goal.   The overall budget experience of 2005 was a clear reminder that the general fund allocations, though a vital resource, would never provide them the stable funding source required to address the city's housing problems in an aggressive and forward thinking way. Therefore, while advocates were grateful to local politicians for supporting their cause in light of an austere budget environment, it is during this time that the need for a dedicated and otherwise permanent revenue source became that much more imperative.

When local advocates returned with their plan in 2006, there were two items at the top of the list. In addition to the staple objective of securing funds for the city's HIF, advocates likewise recommended that 30 percent of urban renewal tax increment financing (TIF) be set-aside for affordable housing (AHN,

2006b). The reserve would create a new and long-term source of funding for affordable housing projects within the city's renewal areas. The plan targeted tax increment financing dollars which were frequently used to front urban redevelopment efforts. There had long been a requirement to include affordable housing in urban renewal efforts being supported by TIF dollars. However, local affordable housing providers were concerned that the creation of low-income units had become less than a priority and that the PDC's commitment to housing had been somewhat half-hearted (Smith, 2006).

For affordable housing advocates, a 30 percent set-aside would not only provide a permanent source of revenue for affordable housing and result in an increase in the city's overall affordable housing stock, but it would also ensure that low-income residents living within areas undergoing redevelopment would not be displaced from their communities. The effort had been modeled after a successful program in California and local advocates were hoping to achieve similar outcomes in Portland (AHN, 2006a).

In an effort to garner city council support for their two-pronged effort, local advocates launched an innovative campaign where advocates created a large puzzle, constituting a collage of images, intended to represent a healthy and whole community. The puzzle was made up of 30 pieces meant to signify the 30% set-aside and the $30 million HIF goal (WSHFC, 2006). Supporters hand delivered puzzle pieces to city council members throughout the Spring while at the same time, taking the opportunity to tell the representatives about how the affordable housing problem affected their own lives. In a Community

Development Network newsletter installment, the author tells the story of a woman named Joy who chose to deliver puzzle pieces to city hall with a larger local CDC[27] delegation because she "wanted to share with the council members the positive impact having a safe, stable place to call home had on their families" (CDN Newsletter, 3/23/2006). While Joy was apprehensive at first about meeting with the elected officials, she believed the lawmakers had been receptive. The author goes on to say that of the offices the delegation visited that day, four of them had mounted puzzle pieces on their walls next to other symbols of successful policy efforts.

The campaign was well received by local lawmakers and it could be argued that the effort, at least in part promoted commissioners Erik Sten and Sam Adams to sponsor legislation that if approved would result in a 30 percent commitment of all TIF revenues for affordable housing. The law would result in approximately $160 million for affordable housing over six years, which would serve to double the PDC's existing commitment of $13 million per year (Kimura, 2007). [28] While local affordable housing advocates were ecstatic about the possibility of finally securing some sort of dedicated revenue source, the legislation was highly controversial and hardly an easy sell. Many expressed concern that an abundance of affordable housing would work counter to the city's

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[27] Joy White was part of the PCRI Parents' Network delegation which traveled downtown to deliver the puzzle pieces. PCRI is a community development corporation, created in the 1990s with resources from the City of Portland to steward foreclosed properties in Northeast Portland. Other organizations that sent delegations included the Coalition for a Livable Future, the Community Alliance of Tenants, and Sisters of the Road – a social service organization for homeless women.

[28] Prior to the adoption of the 30 percent set aside, there were only certain urban renewal district plans that included specific targets for affordable housing. Housing implementation strategies varied from plan to plan (City of Portland, 2005).

redevelopment efforts. After all, tax increment financing is based on the premise that redevelopment efforts will ultimately result in an increase of the city's tax base. Other detractors of the proposal saw the members' action as city council trying to strong arm the PDC into increasing its commitment to affordable housing (Smith, 2006). Yet, despite the criticism, city council unanimously passed the urban renewal set aside resolution in April of 2006. The legislation further instructed local stakeholders including the PDC, BHCD and AHN to work together on an implementation strategy for a 30% set aside that would benefit households living within the renewal district making less than 80% of AMI (CDN Newsletter 4/27/2006).

Over the next six months, local advocates would work with city staff and officials to develop the details of the proposed policy. At these meetings participants discussed a range of issues including which groups would benefit from the resources and at what proportion, as well as whether or not certain renewal areas would be exempted (CDN Newsletter 9/14/2006). By October, the legislation was ready for a final vote, with the PDC having incorporated significant elements of AHN's original recommendations.[29] Once again, the measure sailed through council without a single opposition vote (WSHFC, 2006; CDN Newsletter 10/19/2006).

Two-thousand and six proved a rewarding year for local affordable housing advocates. In addition to working with local elected officials to accomplish the 30% set aside, the Housing Investment Fund received an

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[29] Most notably, the PDC agreed that all of the city's renewal districts would be privy to the legislation, regardless of the age of the renewal area or the TIF.

additional $5.4 million (CDN Newsletter 7/13/2006). In the months following

the institution of the ordinance, local advocacy groups acted as watchdogs,

ensuring that the set-aside was being implemented in a way that addressed the

city's greatest need. Specifically, AHN requested that 50% of the set-aside be

designated to serve those making less than 30% of AMI - an increase from 38%

(HCDC and AHN, 2006).[30]   The final guidelines for the urban renewal

affordable housing commitment were set in March, 2007 and in large part

reflected the advocates' input for lower income guidelines. [31]

Bringing in the Opposition

When state housing advocates announced their agenda for 2006-2007,

they did so with the support of a new ally. Real Estate Professionals Building

Communities was an organization made up of realtors who supported the real

estate transfer tax for affordable housing. While the Housing Alliance had

already developed into a much broader and diverse coalition than advocates had

ever been able to pull together before, the incorporation of the realtor group

signified a major step forward for the statewide effort. The broader real estate

lobby, made up of real estate professionals and developers had long blocked

affordable housing efforts at the legislature. For instance, in 1999, when

Portland's regional government Metro included inclusionary zoning in its 2040

growth plan, developer trade associations descended on Salem, convincing state

[30] They recommended that of the remaining 50 percent, 25-30 percent go to those making 31-60 percent of AMI; 12 – 15 percent be dedicated to homeownership and the remaining percent be reserved for community facilities (HCDC and AHN, 2006).
[31] At the behest of AHN, the resolution specified that the housing guidelines meet the housing needs of those within three distinct ranges – those with very low-income (0% - 30% AMI), low-income (31% to 50% AMI), and moderate income (51% to 80% of AMI) (PDC, 2007).

lawmakers to create legislation banning any local government from implementing mandatory inclusionary zoning. Again, when advocates tried in 2003 to get legislators to lift the preemption against the RETT, their strongest opposition was from the Oregon Association of Realtors which countered the advocates' plan with a voluntary program that would produce approximately $500,000 annually for the entire state. The advocates' plan on the contrary would have produced tens of millions per year for affordable housing (CDN Newsletter, 3/6/2003). Thus the inclusion of the realtor group provided the Alliance with an advantage - the support of a segment of the real estate community which had previously been part of the opposition. Additionally, it suggested that affordable housing supporters and real estate interests could perhaps find some common ground.

The Alliance's Housing Opportunity Agenda for the 2007 session was bolder than any agenda state housing advocates had produced in the past. At the forefront was a $100 million biennial goal for affordable housing. The plan identified a series of both long term and one-time funding options including a designation of lottery proceeds totaling $25 million, a general fund allocation in the amount of $10 million and $5 million from utility public purpose dollars (Housing Alliance, 2007). It was recommended however, that a bulk of the resources - $60 million dollars come from an increase in the state's existing document recording fee. After years of getting beat back on the RETT, advocates decided to go after the document recording fee instead with the hopes that the new mechanism would spark less opposition. The document recording fee was

similar to the RETT in that it too was a fee levied on the transaction of a property, however unlike the RETT, the doc fee was the same amount across transactions and was not based on the value of the house. The Alliance was recommending a $15 increase to the existing fee, taking the total amount to $26 per document (Housing Alliance, 2008).

The Alliance worked to solicit support early on. It continued to employ its core messages whenever possible. In an effort to reach out to individual legislators and personalize the issue for them, they created county by county affordable housing information sheets which showed the cost of housing compared to the average incomes of professions like daycare providers, janitors and nurses as well as vulnerable populations like the disabled and elderly veterans (Housing Alliance, 2007).

The Alliance launched an aggressing endorsement campaign where members were asked to solicit endorsements from organizations and prominent individuals. The campaign, based off a successful effort in Ohio, was intended to demonstrate that affordable housing was important to a cross-section of Oregonians. Additionally, the Alliance enlisted the participation of supporters statewide to make presentations at important revenue hearings[32] and even rented busses to transport participants. Presenters included a banker from Wells Fargo, a couple that had previously been homeless, the head of Oregon's Department of Corrections, a former legislator along with an assortment of affordable housing

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[32] Often, these revenue committees determined whether or not particular legislation would go up for a vote. The Alliance realized that if they did not engage the process at this crucial juncture that it was quite possible that their legislation would never make it to the floor for a vote.

servicers and providers. And in February 2007, supporters convened at the state capital for the annual Lobby Day (CDN Newsletter, 2/8/2007). The Alliance delegation met with more than five dozen or so legislators, educating them on the need for the $100 million multi-source allocation, which organizers had come to tag "$100 Million for Homes". As the big vote approached, The Alliance, through various housing list serves and internet blasts encouraged supporters throughout Oregon to contact their legislators to request their support for the bill. Yet despite their efforts, the document recording fee legislation failed to pass – falling short by three votes in the House.

While the defeat of the doc fee legislation served as a major blow to the state's affordable housing community, the news was not all bad. In 2006, the State of Oregon allocated $26 million for affordable housing (Housing Alliance, 2009c). Those new resources, in large part identified based on the recommendations of the 2007 Housing Opportunity Agenda[33], demonstrated a new and unprecedented commitment by state lawmakers. The Alliance's experience during the 2006 session, though bitter sweet, was a far cry from the demoralizing defeats they had suffered just three years before and the win placed the advocates in a stronger position to further advance the affordable housing issue in legislative sessions to come.

Conclusion

In Portland, affordable housing policy activity as carried out by local actors played out on two separate stages (state and local) and with varying degrees of

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[33] The housing resources consisted of $16 million in lottery backed bonds and $10 million in general funds.

success. At the local level, there had been a long history of cooperation between the government and the non-profit community dating back to the days of Gretchen Kafoury. Eric Sten's tenure as commissioner and head of the housing bureau extended that relationship throughout the years. Such cooperation is evidenced in various ways here. For instance, when Sten approached local advocates, informing them of the city's limitations as it referred to their plan, AHN and its partners retooled their strategy to coincide with the commissioners counsel. The shift in strategy paid off for the advocates with them receiving their largest housing allocation since the creation of the Housing Investment Fund in the 1990s. Additionally, after affordable housing supporters within the commission were unable to produce substantial resources for the affordable housing cause two years in a row, members Sten and Adams partnered to push through the 30 percent set-aside to in part compensate for the shortfall in general fund dollars. The city and local advocates were likewise united in their support for low-income targeting. The city's housing department had established low-income housing as a sole programmatic priority. And when stakeholders convened to determine the targeting for the 30% set aside, local advocates ensured that low-income residents would receive a substantial portion of the resources.

Local housing supporters had a significantly more difficult time at the state level as they had over the years, experienced very little support from statewide lawmakers.   However, through a series of innovative advocacy campaigns, state and local advocates were able to witness measurable change –

not only in terms of the political salience of the affordable housing issue, but also in terms of the level of commitment by the state government.

While the role of the public and non-profit actors in advancing the issue is clear, the role played by private actors is significantly less apparent. For years, Oregon's real estate interests blocked state legislation establishing more aggressive policy tools such as a real estate transfer tax and mandatory inclusionary zoning. It could be argued however, that the entrance of a small group of real estate professionals in some way contributed to the Alliance being able to ultimately solicit greater support and advance the document recording fee as far as it did. It is difficult to say. However, what is clear is that government responsiveness to the affordable housing issue in Portland was in large part driven by high levels of cooperation between governmental and non-governmental actors.

Chapter 4

Phoenix

Introduction

In 2005, the Arizona AP wire released an article entitled, "High Housing Prices Could Send Buyers to Other Markets". The article chronicled the recent spike in housing prices which, for the first time in Phoenix's history, placed the city well above the national median home price - $40,000 above, to be exact, taking the average Phoenix home value to $263,000. The short article went on to offer an overview of some of the factors that contributed to the crises and closed with a statement by real estate expert and director of the Arizona Real Estate Center, Jay Butler. "Affordable housing," Butler argued "has spurred growth in the valley, but we can't count on it anymore. If you take away affordable housing in Phoenix, what do you have?" (AP, 2005).

The statement by Butler, though direct, could hardly be taken as a slight against the former frontier town turned boomtown. After all, there are numerous features which together make Phoenix one of the most popular transplant destinations West of the Mississippi. Sunny days, mild winters, desert landscape and scenic views are all things that contribute to the city's overall desirability. Yet, what Butler's comment does tap into is the idea that despite the city's natural appeal, it is the promise of low-cost, yet high quality suburban-like living which has grown Phoenix into the 5th largest city in the country. [34] By the late 1990s

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[34] Between 1980 and 2000, more than 700,000 new housing units were created in Metro Phoenix (Gober, 2006).

however, increasing housing market pressures served to threaten the city's long time claims as one of the country's most affordable big cities.

According to the S & P/Case-Shiller Home Price Index, home values in metro Phoenix jumped twenty-five percent between January 1995 and January 2000, from approximately $75,000 to $100,000 (SP/Case-Shiller, 2009). And within the city proper, home prices were even greater (Census, 2000). Such spikes in home values were uncharacteristic of Phoenix which, despite the boom in population, had done an adequate job of matching supply with ever growing demand. The unprecedented nature of these increases sparked concerns about the future of Phoenix's housing market, particularly as it related to affordability.

While, the housing boom of the late 1990s and early 2000s exacerbated the city's affordable housing problem, it had by no means given birth to it. Finding inexpensive, quality housing had long been a challenge for many of Phoenix's working class residents. Because Phoenix had billed itself as a middle class haven, there developed a bias towards building homes and communities targeted towards middle income families. [35] This subsequently resulted in a severe shortage of low-income housing rental and homeownership options, within the city's neighborhoods. What remained was often old dilapidated housing or underdeveloped communities and homes which lacked the standard of livability which the city's middle and upper income residents had come to enjoy. This problem, though serious had been concentrated within a relatively

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[35] According to a report produced through the Living Cities National Community Development Initiative, between 1990 and 2000, Phoenix maintained one of the highest homeownership rates among major cities in the country. Phoenix outranked all of the 23 cities targeted for the Living Cities Initiative (Living Cities, 2008).

small number of neighborhoods – almost exclusively affecting the city's poor, immigrant or otherwise minority populations (NCDI, 2008b).

Over the years, the cause of providing quality low-income housing solutions had been taken up by the city's non-profit housing development community. Like many cities, Phoenix's community development movement traces back to the post-civil rights efforts of the late 1960s and 1970s. Early organizations like Chicanos por la Causa and Native American Connections began as modest community-based organizations concerned with the transformation of minority communities and the uplift of their residents. As time progressed, they became increasingly more involved in housing provision as the need for decent, quality low-cost housing became increasingly more evident among the populations they served. These organizations were followed by other low-income housing providers as well as national and local intermediaries such as the Local Initiatives Support Corporation and the Arizona Family Housing Fund which came together to form a small but fairly potent community development network (NCDI, 2008b).[36] Non-profit steered efforts had been especially successful in neighborhoods like South Phoenix, Maryvale and Sunnyslope. Yet despite these efforts, the sheer magnitude of the mounting affordable housing problem begged a more systemic and comprehensive approach.

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[36] By the late 1990s, there were a little more than a dozen non-profit affordable housing developers active throughout the city of Phoenix (NCDI, 2008). Some organizations like Mercy Housing, Habitat for Humanity and Phoenix Neighborhood Housing Services were connected to national groups which came to Phoenix to establish a local presence. Other organizations like, Community Housing Partnership and the Community Housing Resource Center were homegrown organizations, likewise created to address the housing needs of the working poor.

History of Local Affordable Housing Policy Responsiveness

When compared to other big cities, Phoenix has a somewhat unconventional affordable housing system. Because the desert metropolis did not begin to experience exponential growth until the 1980s, it remains a fairly new city with most of the housing stock being built within the last 30 years. Consequently, Phoenix, like many of its Sunbelt counterparts never experienced the renewal efforts of the 1960s and 1970s. As a result, the city lacks a separate renewal authority as well as the standard renewal funding mechanisms (e.g. tax increment financing). [37]   Rather, redevelopment efforts are carried out by the city's Department of Neighborhood Services. Additionally, the city differs from other major cities in that its housing agency doubles as its public housing authority. Therefore, in addition to overseeing local housing programs, the Department of Housing is also responsible for administering the federal government's public housing and Section 8 voucher programs.

The City of Phoenix is likewise distinctive in its consistent support of affordable housing initiatives through its General Obligation (G.O.) Bond Program.[38]   The city program uses bond financing to front the cost for a range of infrastructure and capital improvements such as streetscapes, infrastructure projects and parks – even libraries and airports.[39]   In 1988, the city set-aside

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[37] Phoenix does however, have an Industrial Development Authority (IDA), a quasi-governmental development agency – one of numerous throughout the state of Arizona which provides loans and bond financing to qualifying affordable housing developers (IDA, 2009).

[38] The G.O. Bond process involves an extensive public procedure where departments submit the resources they need and those requests are in turn vetted through a resident driven review process and ultimately voted on by the residents (City of Phoenix, 2009).

$46.7 million (approximately $3.6 million per year) for affordable housing and other things like service facilities and community centers out of a total $1.1 billion allocation(City of Phoenix, 1988). And in 2001, the city approved another bond program for $753 million, with the city identifying $33.7 million[40] over five years (approximately 6.74 million per year) for affordable housing (City of Phoenix, 2006).

Over the years, the city's Housing Department has used these resources along with other state and federal dollars to produce a range of successful programs and initiatives intended to promote affordable housing in the Valley. For example, the city employed public resources to purchase housing units outright for its large scattered site program. The agency has in turn used its scattered site program to increase homeownership opportunities among the city's low-income households. Additionally, its infill program has been identified as a national best practice for having added hundreds of new housing units to the city's downtown stock, with a third of them being affordable (WAHP, 2005; Rosenthal, 2005).

Notwithstanding the city's impressive fiscal commitment, some have accused the City of Phoenix of failing to provide sufficient leadership around the city's low-income housing problem – even creating barriers to affordable housing at times (Voas, 2001; Lebow, 1998). For instance, in May 2000, city council adopted legislation which capped affordable housing development downtown at thirty percent. This superseded existing guidelines which forbade the

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[40] This figure includes affordable housing for seniors and shelter for the low-income and the homeless.

development of multi-family projects with greater than 40 percent affordable. The city maintained that these ordinances were put in place to ward against poverty concentration. However, some affordable housing providers contend that such efforts make affordable housing provision significantly more expensive as cost-wise development required economies of scale. Others have argued such regulations to be unfair as the city has failed to install a similar ordinance requiring affordable units in market rate developments (Voas, 2001). Additionally, the city's penchant for creating suburban like communities, has over time produced a string of housing development codes and design standards, which have contributed to making affordable housing development more costly. For instance, certain infill guidelines required that homes be built with attached garages and sophisticated auto-watering systems. Crime-free housing programs and laws that required developers to notify nearby neighborhood associations if they intended to build low-income housing are other policies that critics point to as indication of the city's somewhat lukewarm position on the affordable housing issue (Voas, 2001).

To be fair, there are certain political and cultural factors specific to Phoenix that present a natural buffer to ambitious anti-poverty efforts.   While elections are non-partisan, there is a strong libertarian influence which promotes self-sufficiency, individualism, and thrift. The city has likewise experienced challenges with fairly strong NIMBY movements. For instance, in 1997 city councilman Doug Lingner was threatened with a recall by his own constituents in part due to his consistent support of increased densification and affordable

housing (Melendez, 2006). Perhaps one of the strongest displays of NIMBYism

occurred in the mid 1990s when the local Habitat for Humanity affiliate

announced that it intended to build a planned community in South Phoenix.

Once residents got wind of the South Ranch housing community, they

immediately began to organize - reaching out to local elected officials and even

threatening to boycott the ground breaking of the site. As one Habitat official put

it, "I've been with Habitat for 11 years, and I've never seen this kind of opposition

before" (Davis, 1994).   However, because the land had already been approved for

a subdivision, there was little community members could do. Ultimately, the

South Ranch II development was built without community support. It has since,

nonetheless become a shining example of quality affordable homeownership in

the valley (Schwartz, 2004).   It is this overwhelming sentiment however, coupled

with Phoenix's long-time attachment to inexpensive homeownership that have at

times made affordable housing a difficult political sell.

Affordable Housing in Phoenix 2002-2007

In 2002, the State Housing Commission in conjunction with the Arizona

Department of Housing published the Arizona Affordable Housing Profile – a

comprehensive assessment of the affordable housing situation in Arizona

communities. The Arizona Housing Profile was the follow-up effort to a 2000

report which charged the state with providing analysis at a more granular level.

Overall, the report found that the state's affordability gap – the difference

between what residents made and what they could afford -was widening almost

across the board. The problem however, was notably more severe in some places

versus others. The study likewise found that though the problem had affected households across the income spectrum, low-income households were indeed the most vulnerable and thus required a special focus (AHC and ADOH, 2002; CDD, 2004).

The 2002 study was unprecedented in many ways. It was the most comprehensive and thorough assessment of the state's housing inventory to date. Additionally, it provided a point of departure or baseline by which stakeholders across the state could measure their progress or lack thereof. Finally, and perhaps most important, the Affordable Housing Profile established a set of priorities for local communities to consider as they moved forward with their own respective efforts.

In some ways, the emerging affordable housing issue held special implications for the City of Phoenix. It ranks as the state's largest city – its parent county, Maricopa County, housing half the state's population. Additionally, Phoenix was home to a disproportionate share of the state's low-income population, making it a place where the need was especially severe (HUD, 2005; AHC and ADH, 2002). Yet despite the relative concern, many still considered Phoenix to be an incredibly affordable place to live. And though housing prices increased more than 30 percent between 1997 and 2002, the government remained relatively staid in its approach to the affordable housing issue. And it is not until 2003 that there emerged a concerted effort to promote the affordability issue.

The Faces of Affordable Housing Campaign

In an attempt to garner greater public support for affordable housing in Phoenix, the city partnered with housing intermediary LISC to develop an affordable housing marketing campaign. LISC, a national housing intermediary, opened its Phoenix office during the 1990s at the behest of local civic leaders interested in promoting neighborhood revitalization in some of Phoenix's most economically and physically depressed neighborhoods. LISC began working with the city's small but growing non-profit housing community and the organization became a leading voice around the affordable housing issue in Phoenix.

The organizers understood that the affordable housing issue had engendered fairly ingrained stereotypes which made enlisting support, even through the general obligation bond process, fairly difficult. Therefore, they wanted to develop a campaign that not only reached a wide breadth of people but also projected a favorable representation of the sometimes controversial issue. Therefore, after some deliberation LISC and the City of Phoenix decided to move forward with a billboard campaign. The effort was modeled after an initiative in the Twin Cities which ran during the late 1990s and displayed average Americans in need of affordable housing. The Twin Cities campaign was very effective and the organizers of the Phoenix initiative hoped that they would experience similar success (Halbach, 2002).

The "Faces of Affordable Housing" campaign launched in 2004 and included 12 billboards, strategically placed throughout the city. The ads depicted images of certain professionals, including a bus driver, a teacher, disabled office

worker and a day care provider, as well as a recent college graduate and retired senior citizen (RBC, 2004). And on each billboard read, "Meet someone who needs an affordable home".[41] Ultimately, the project ran for 12 full months and cost funders approximately $130,000.

The Tale of Two Task Forces

Later that year in June, a broad cross-section of leaders and lay persons, aware of the intensifying nature of the statewide housing problem, convened at the State Capitol for the Maricopa County Housing Summit. The event was sponsored by a number of governmental organizations including the Governor's Office, the Arizona Department of Housing and the Greater Phoenix Economic Council (HUD, 2005; MHIA, 2005; MAG, 2004b). The primary purpose of the summit was to brief statewide stakeholders on the immediate and urgent nature of its affordable housing problem. It was out of this gathering that there emerged a regional effort that, similar to the billboard campaign, sought to highlight the affordable housing needs of metro residents – particularly its workers, many of whom were being forced to live far from beyond job centers because metro housing had become completely out of reach. At the forefront of this conversation was the Stardust Companies, a private real estate firm whose philanthropic work had garnered substantial attention over the years. The company's founder Jerry Bisgrove had made a $20 million dollar pledge towards

[41] Half of the funds to pay for the billboard campaign were dedicated by the city; the other half was solicited by LISC. LISC partners included Chase Bank, Bank of America, Fannie Mae, Harris Trust, Wells Fargo Bank and the Phoenix IDA (Stardust Center, 2009)

ensuring increased production of workforce housing in the region, an effort that telegraphed his organization's commitment to the issue.

Bisgrove's involvement around the affordable housing issue, though generous, was not anomalous for Phoenix's business community as the private actors had long played a role in affecting issues around affordable housing, neighborhood revitalization and even homelessness. More often than not, civic involvement relating to these issues came together around privately championed efforts to revitalize Phoenix's downtown, which had languished amidst rapid sprawl. For instance, in the late 1990s, after lamenting that local officials exhibited little leadership on the homeless issue in the city's capitol district, the business community, spearheaded by the downtown booster organization, the Phoenix Community Alliance spurred the reorganization of the region's homeless nerve center, just east of the State's Capitol (Lebow, 1998). It took a number of years, but by 2003, the business community had effectively partnered with the city to create a comprehensive human services center scheduled to open in 2005. While some argued the efforts by the city's business community to be slightly heavy handed, others saw their action as an example of bold leadership around a tough public problem. The Stardust Companies sought to provide similar guidance around the region's increasing affordable housing problem.

Thus, with the initial support of the Stardust Companies, local leaders came together in late 2004 to form the Regional Workforce Housing Task Force. The purpose of the collaborative was to draft a plan for addressing the region's workforce housing needs, or as one member put it – give people an opportunity

to live where they worked (MAG, 2004b). Spearheading the effort was Gregg

Holmes, the President and COO of Stardust Companies.[42] Holmes had played a

substantial role in continuing the dialogue in the months following the Summit as

well as soliciting additional members to the effort and in that respect, seemed a

natural fit for the role as chair (MAG, 2004a).

Over an 18 month period, the group convened with the goal of creating a

series of recommendations that policy makers could use to craft a comprehensive

solution to the region's more pressing housing needs. Staffing the task force was a

California-based consulting firm which was responsible for assessing the existing

housing policy environment and identifying any internal deficiencies within the

system. The consultants were also charged with identifying best practices in the

way of policy tools that would not only fit the region's existing needs, but also be

amenable to the state's somewhat conservative and fiscally austere legislative

climate (RWHTF, 2006). Task force members were very aware of the public

perception of the issue and believed that any successful effort would be

contingent upon broad public and private support. Therefore, in addition to

guiding the development of the recommendations, the taskforce took it on as part

of their responsibility to make the case for the affordable housing issue in a way

that they believed it would resonate.

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[42]Organizations represented on the Regional Workforce Housing Task Force included Lewis and Roca, GPL, the Center for the Future of Arizona, D.R. Horton Homes, Bank One/ JP Morgan Chase, Bank of America, HUD, Standard Pacific Homes, Dunlap and Magee, City of Mesa, Stardust Companies, Phoenix Community Alliance, Valley of the Sun United Way, Pulte Homes, Dobson Associates, Trend Homes, Stardust Center for Affordable Homes and the Family at ASU and Maricopa County Supervisors (Regional Workforce Housing Trust Fund, 2006).

First, task force members made a deliberate decision to focus on the region's workforce population, specifically those households making between $20,000 and $42,000[43] annually (RWHTF, 2004). Much like the earlier billboard campaign, members focused on familiar, quintessential professions (e.g. teachers, firemen, etc.) in an attempt to sensitize people to the urgency of the issue (RWHTF, 2005c).

Second, task force members worked hard to enlist the support of as many business leaders as possible. Members understood that identifying the resources for this effort would be a massive undertaking – one that they believed would require not only political buy in from elected officials, but also serious investment by local and regional funders and substantial commitment from the state's powerful development community. Therefore, it was the task force's assessment that if the region was to succeed in this effort, it would only be through the creation of strong and durable public/private partnerships.

And finally, while the members made sure to address the social impacts of the workforce housing shortage (e.g. families being displaced and children having to switch schools), they placed an special emphasis on the economic effects (RWHTF, 2004). This point is accentuated in a 32-page advertorial[44] which task force members published in a local business magazine. The insert, simply entitled, "Workforce Housing", offered commentaries from numerous notables

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[43] The taskforce developed a sliding scale of income categories which ranged according to the number of people within the household. These figures essentially targeted those households making between 35 percent and 70 percent area median income (RWHTF, 2006).
[44] The publication was funded by a number of financiers of the task force including Bank One, Southwest Gas, Bank of America, Arizona State University and the Arizona Association of Realtors (RWHTF, 2005c).

including the Governor of Arizona, the Mayor of Phoenix and the president of

Arizona State University, all offering praise for the task force and support for the

issue. Throughout these testimonials, there were a number of common themes,

however one rang especially clear, the implications of the workforce housing

problem for the region's economy and potential growth. For instance, in a joint

contribution by ASU President Michael Crow and the Director of the newly

created Stardust Center for Affordable Homes and the Family at ASU[45], Michael

Pyatok, they offer, "workforce housing is the essential foundation upon which to

build a more sustainable future for the Phoenix region and grow a more

competitive workforce to meet the challenges of the global economy" (RWHTF,

2005c). In another piece, John Wright the president of the Arizona Education

Association contends, that if Maricopa County is unable to provide housing

solutions for its working class, it could potentially lose more than $300 million in

annual buying power. The same author goes on to say if the county did not

commence making more homes for those living below 80 percent of the annual

median income, they could potentially lose upwards of $45 million in annual tax

revenue (RWHTF, 2005c). Still another contributor addressed the difficulty

associated with bringing high wage jobs to the region if the housing stock could

not support the low to moderate income jobs that those high wage positions

would ultimately create (RWHTF, 2005c). [46]

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[45] The Stardust Center for Affordable Homes and the Family at ASU was initially funded by a gift from Jerry Bisgrove of the Stardust Companies.

[46] The importance of looking to the economic impacts was likewise emphasized in meetings with local elected officials and administrators (MAG, 2004).

After a year of formal meetings, the Task Force completed its work in December 2005.[47] The final report included more than twenty recommendations across four principle themes: 1) revenue, 2) land use/process,3) capacity and 4) outreach. Key proposals included a raise in the cap for private activity bonds[48] for affordable housing and the creation of a $100 million state workforce housing tax credit intended to complement the federal program and the private activity bonds.[49] Other recommendations included creating a more level playing field for non-profits wanting to use housing tax credits for their projects, revising the Maricopa Association of Governments' housing element plan to incorporate the task force's findings, encouraging the recycling of affordable housing resources and reducing red tape (RWHTF, 2006a). Finally, the plan supported what it termed "a voluntary commitment by developers to set aside a specific percent of a development for workforce housing". In return, developers would receive, "by-right approval of the project at the high end of the density range plus a bonus of 1-2 units to the acre for the entire development plus a variety of other incentives dealing with zoning codes, design requirements, engineering standards etc" (RWHTF, 2006b).

The plan projected that expeditious implementation of these recommendations would likely result in the creation of more than 48,000 workforce housing units over 15 years (MHIA, 2006). It likewise forecasted that

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[47] The findings were actually presented to the Governor a month later.
[48] According to the report, resources would be redirected away from other areas for which PABs are permissible but being underutilized (RWHTF, 2006a).
[49] These bonds are issued through the state's Industrial Development Authorities. See footnote 26.

the added housing would bring $7.2 billion in new wages and more than $210 million in state income taxes over that same period of time (MHIA, 2006).

In some respects the work of the Regional Workforce Housing Task Force had been a success. In addition to producing a fairly comprehensive and aggressive set of policy recommendations, it increased the overall level of public awareness and private support for the issue – going well beyond past similarly coordinated efforts. Unfortunately, it was difficult for the task force's report to gain any momentum because just as it was wrapping up, there was a new, government steered task force coming on line.

The impetus for the new effort dated back to April 2005 when a state legislator, at the behest of the Homebuilders Associations of Central Arizona, introduced legislation (SB1477) that would effectively ban local jurisdictions from implementing inclusionary zoning, both mandatory and the voluntary forms like the type indicated in the Regional Workforce Housing Task Force's report (Fischer, 2005; Arizona State Senate, 2005).[50]   Within a matter of weeks the bill had successfully made its way through both chambers of the legislature and on to the governor's desk for her confirmatory signature. The governor however, having supported the recent public and private efforts to address the state's affordable housing woes decided to veto the bill, citing that there were no inclusionary zoning ordinances currently on the books in Arizona, and therefore the legislation would be premature. In her veto memo however, the Governor

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[50] A number of the stakeholders interviewed believe that this legislation was precipitated in response to the work being carried out by the Regional Workforce Housing Task Force at the time. There were other cities however (e.g. Flagstaff), that were looking to independently implement their own inclusionary zoning ordinances (Fischer, 2005). This could have also sparked concern among the developer lobbies.

promised to create her own task force which would be charged with proffering a

separate set of recommendations for the Arizona state government to consider

(State of Arizona, 2005).

Thus, the Incentives for Affordable Housing Task Force convened in

December 2005 under the guidance of the Arizona Department of Housing and

the Arizona Housing Commission (LINKS, 2008). The task force was made up of

28 stakeholders representing urban and rural communities from across the state.

The membership included government representatives from the Arizona

Department of Commerce, the Department of Housing, the Arizona Housing

Commission, the cities of Phoenix, Flagstaff, Yuma and Tucson, as well as those

representing private entities like the Arizona Association of Realtors and the

Northern Arizona Builders Association. The banking community was likewise

represented by organizations like the Fannie Mae Partnership, National Bank of

Arizona and JP Morgan Chase. The task force also included one member of the

non-profit housing community, a representative from Native American

Connections (AIAHTC, 2006b).[51] The state organizers were deliberate in

selecting a relatively mixed group, so as to recommend only those policy

solutions that would be agreeable to the major segments of the housing

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[51] Organizations or agencies represented on the Arizona Incentives for Affordable Housing Task Force included the Arizona Association of Realtors, Arizona Association of Realtors Housing Needs Foundation, Arizona Department of Commerce, Arizona Department of Housing, Arizona Housing Commission, Arizona Multihousing Association, Arizona State Land Department, City of Cottonwood, Arizona Housing Finance Authority, City of Flagstaff, City of Phoenix, City of Tucson, City of Yuma Housing Authority, County Supervisors Association, Doucette Homes, Fannie Mae Partnership Office, Home Builders Association of Central Arizona, Housing Authority of Cochise County, JP Morgan Chase, Phoenix Industrial Development Authority, Commerce and Economic Development Commission, League of Arizona Cities and Towns, Manufactured Housing Industry of Arizona, National Bank of Arizona, Native American Connections, Northern Arizona Building Association, Pima County, Prescott Valley Economic Development Foundation, Southern Arizona Home Builders Association, Stardust Companies, U.S. Department of Housing and Urban Development, WESCAP Investments, Inc.

community (LINKS, 2008). To act as facilitator, the state brought in Kent Colton, a Senior Scholar with Harvard's Joint Center for Housing Studies.

In addition to identifying potential policy solutions for the state's affordability concerns, there were two key principles guiding the group's work. First, that "no one stakeholder should bear the burden alone in addressing the growing affordability challenge", and second "solutions should recognize that all types of housing, including single-family, multi-family and mass-produced, have a role to play in expanding the availability of housing that is affordable" (AIAHTF, 2006a).   After six months and nearly a dozen meetings, the task force produced 19 short and long term recommendations, which they chose to group into four categories: 1) finance, 2) barriers and incentives, 3) education and 4) land/land planning (AIAHTF, 2006a).

In certain ways, the findings of the Governor's Task Force reflected the recommendations proffered in the regional task force report. These include things like streamlining the application process of LIHTCs and improving the permitting and development review process.   Most of the recommendations in the new report however, were new. Among these, pursuing more opportunities for Employer Assisted Housing, exploring partnerships encouraged by the Community Reinvestment Act, and creating a clearinghouse for resource materials and best practices (AIAHTF, 2006b).

While the Governors' taskforce provided new alternative solutions to the state's housing problem that had not been previously highlighted, their overall strategy was less than aggressive. Additionally, when compared to the former

task force deliverable, the Incentives report lacked the level of comprehensiveness and focus demonstrated in the regional report. For instance, the Governor's task force failed to identify a target population or determine precisely what they understood "affordable" to mean. Additionally, the Regional Task Force provided numerous supplemental reports that elaborated on topics such as "The Affordability Gap", "Capital Plan", and "Implementation Overview and Guidelines". Much of this detail was missing from the Incentives for Affordable Housing Final Report (RWHTF, 2006c).

Approximately a year and a half after the release of the Incentives for Affordable Housing Task Force report, the Arizona Department of Housing hired Phoenix based consultant Elliott D. Pollack & Associates to craft an implementation strategy in an effort to advance the recommendations. The report, entitled "Economic Feasibility of Select Strategic Recommendations Pertaining to Housing Access and Affordability" highlighted 13 of the 19 original recommendations and provided a detailed discussion of each along with the next steps for administrative or legislative implementation (Elliott D. Pollack & Company, 2007). The follow up report likewise offered additional considerations not included in the original task force report – these included tax increment financing[52] and inclusionary zoning.

Despite the extensive efforts put into both the Regional Workforce Housing Task Force and the Arizona Incentives for Affordable Housing Task Force, their work produced little in the way of tangible outcomes.

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[52] Tax increment financing was not legally permissible in Arizona.

2006 General Obligation Bond

Two-thousand and five witnessed the most severe annual increase ever recorded in metropolitan Phoenix housing prices. They jumped more than forty percent from $155,490 in January to $220,750 in December (SP/Case-Shiller, 2009). [53]   Reports pointed to instances of people selling their homes in a matter of hours after listing them on the market. Speculation was rampant and bidding wars had become common (AP, 2005). And it is in this environment that Phoenix embarked on its 2006 General Obligation Bond process.

The bond process moved forward like those in the past with resident steered committees vetting funding requests made by city departments. And in March 2006, voters approved an $875 million 5-year bond program, allocating $27.9 million ($5.5 million per year) for affordable housing, approximately $5 million less than was allotted to affordable housing during the previous bond program in 2001, before the affordable housing crisis hit fever pitch.

Conclusion

By and large, affordable housing policy related activity in Phoenix was heavily concentrated within the business sector. Yet, despite the strong support from key members of the private sector, there remained a powerful segment of the development community that remained resistant to substantial affordable housing policy change. This is at least in part evidenced by the home builder

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[53] This is a conservative figure based on the metropolitan statistical area which includes Phoenix and its suburbs. According to an AP article published in 2005, the average home price in Phoenix during the latter months of 2005 sold for approximately $263,000 (AP, 2005).

trade association's preemptive attack against inclusionary zoning in the state legislature. Conversely, the non-profit community played a limited role in these efforts with the non-profit developer community being all but absent from these coalitions. And while there was a strong government presence as it relates to both task forces, with the county and state governments convening the efforts to a certain extent, there was nominal involvement on the part of local government. Additionally, the city rarely even functioned as a venue for these efforts, as most policy related activity was aggregated up to higher level jurisdictions. Aside from the Faces of Affordable Housing Campaign and the mainstay programmatic functions being carried out by the city's housing related agencies, the city demonstrated very little formal leadership around the issue over the five year period.

Chapter 5

Atlanta

Introduction

By 1989, Atlanta had come to typify the nation's urban crisis. Between 1960 and 1990, the city lost nearly one-fifth of its population to the suburbs (Sjoquist, 2000). Residential flight was followed by substantial disinvestment and blight within many of Atlanta's neighborhoods, leaving what some have come to call the two Atlantas – one rich and one poor.

Historically, the city's housing challenges have been largely concentrated among its poor. While there existed an abundance of "affordable housing", much of it was substandard (Creech and Brown, 2000). A majority of the city's housing was built in the first half of the 20th century, leaving structures that were old and dilapidated. And for those homeowners who chose not to follow their neighbors to the suburbs, home values within many of these communities plummeted over time, providing few options for home owners wanting to rehabilitate or otherwise upgrade their properties. The result was scores of Atlanta communities in desperate need of intense economic development and neighborhood revitalization.

By the 1990s however, there was new focus being placed on Atlanta's inner city communities – in large part due to the city's preparation for the 1996 Summer Olympic Games. After two years of hard lobbying the city led by

members of its civic community won the Centennial Olympic Games in 1990.

The venues for the Olympic Games would be located throughout metro Atlanta,

however most of the events would occur within the city's downtown district – an

area flanked by poor, distressed neighborhoods.   Thus, in an effort to convert the

adjacent communities into something befitting of a world class event, the city

established CODA, the Corporation for Olympic Development in Atlanta, for the

purpose of overseeing the beautification of the 13 neighborhoods within the

Olympic ring (Beaty, 2007). Over the course of four years, CODA spent upwards

of $7 million – much of it used to demolish dilapidated structures, improve

existing infrastructure and beautify main corridor streetscapes (Burbank et al.,

2001).

It is also during this time that the city's CDC community began to come on

line. CDCs had been active in Atlanta since the early 1980s with the very first ,

the Historic District Development Corporation (HDDC), being created by the

widow of Dr. Martin Luther King Jr., Coretta Scott King, to revitalize the

community surrounding his birth home. In the years to follow, approximately a

half dozen neighborhood development organizations cropped up to address

similar concerns within their respective neighborhoods. Unfortunately, the

nascent non-profit community was unable to make a major impact due to lack of

resources. This all began to change in the 1990s with the introduction of a

number of new intermediaries, including local upstart the Atlanta Neighborhood

Development Partnership (ANDP) and national funders like the Enterprise, Ford

and the Fannie Mae foundations (ANDP, 2009; 2004; Keating and Krumholz,

1999). As a result of this support, local CDCs were able to take on a number of sizable revitalization projects in the area surrounding the Olympic venue. Simultaneous to these public and private efforts, the Atlanta Housing Authority launched an ambitious HOPE VI redevelopment of one of the city's most notorious public housing communities, Techwood Homes. The result of these combined efforts was a very different inner-city Atlanta than had existed just a decade earlier.

The sundry revitalization efforts that occurred in Atlanta's inner city neighborhoods, though far from intensive, functioned as somewhat of a catalyst for additional private investment. By the late 1990s, there was a steady stream of new residents and speculators buying up property in the city's central neighborhoods. While the influx of new residents was especially acute in those neighborhoods impacted by the Olympics, communities throughout the city began experiencing increased housing demand. And with this demand, came an increase in housing prices (ANDP, 2004).

Between 1990 and 1998, home values in the City of Atlanta increased more than 50 percent from $71,200 to $109,000 (City of Atlanta, 2004). For many of the city's homeowners whose values had declined or remained stagnant for years, the drastic increase was a welcomed occurrence. Yet, for scores of Atlantans unable to meet the rise in rents or property taxes, the changes in the city's housing market presented certain challenges. Census data suggests that in 2000, one in four Atlanta homeowners struggled to meet their housing costs. The situation was even worse for renters, with one in three of them sustaining a

housing cost burden (Census, 2000; ANDP, 2004). By the turn of the

millennium, many of Atlanta's residents, particularly those within the most

acutely affected communities, were beginning to petition the city for solutions to

what many considered to be an impending affordability crisis.

History of Local Affordable Housing Policy Responsiveness in Atlanta

Local governance in Atlanta has long been characterized by a strong and

enduring alliance between the city's predominately black elected officials and its

largely white business community. This governing legacy predates the civil rights

movement to a time when local civic leaders worked with prominent black elite to

identify policy solutions for the city's growing black electorate. Over the years,

this relationship facilitated the promotion of a rather aggressive and near myopic

focus on advancing the city's economic development interests.[54]   This broader

civic agenda is evidenced in some of the city's greatest accomplishments

including the creation of the city's public transportation system, the expansion of

the city's international airport (making it the busiest airport in the world), the

development of numerous commercial districts, and convention centers – not to

mention the effective solicitation of the '96 Olympics. Unfortunately for Atlanta's

neighborhoods, the city had not been nearly as aggressive when it has come to

community development and affordable housing.

To be fair, there were certain "bright spots" in the city's dealings with such

issues. In addition to creating CODA to guide the Olympic neighborhood

improvement efforts, the city played a key role in the creation of the Atlanta

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[54] See Stone's Regime Politics (1989) and Keating's Atlanta: Race, Class and Urban Expansion (2001).

Neighborhood Development Partnership (ANDP) in 1991. That same year the city partnered with the county government to create the Fulton County/City of Atlanta Land Bank Authority which served as a critical vehicle for community development corporations seeking to rid their neighborhoods of vacant and otherwise blighted properties (Alexander and Akpan, 1998).[55] Additionally, the city through its principal housing agency, the Bureau of Housing committed substantial CDBG resources for affordable housing and neighborhood revitalization. Nevertheless, the city had developed a less than stellar reputation when it came to such issues.

For example, the city had been heavily criticized for its treatment of the homeless in the run up to the 1996 Olympic Games. Stories of homeless people being given one way tickets out of town and police sweeps along the city's main downtown corridors had become folkloric. The city had likewise been accused of deliberately displacing low-income residents in relation to a number of its Olympic related developments. Perhaps the greatest criticism emanates from the city's gross mishandling of federal Empowerment Zone funding.

In 1994, the City of Atlanta was one of only six cities selected to participate in the intensive Empowerment Zone/Enterprise Communities federal initiative (Rich, 2003). The Empowerment Zone designation entitled the city to $100 million dollars in block grant funds and $150 million in federal tax credits over ten years for the purpose of infusing 34 targeted neighborhoods with resources in an effort to promote grassroots community and economic redevelopment (Henry,

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[55] Between 1993 and 2000, 248 vacant parcels had been transferred by the land bank (Keating and Sjoquist, 2001).

2007; Rich, 2003) . Yet, after just three years, the federal government accused the city of mismanaging funds (Weir, 1999). While the city was allowed to restructure and maintain its Empowerment Zone designation, Atlanta officials' poor implementation of the program reflected badly on the city's ability to effectively execute a strategy for turning around the city's most distressed and underserved communities. The housing boom of the late 1990s, however presented the city with a new opportunity to address the concerns of its inner city residents.

In September 2000, the Atlanta City Council convened the Gentrification Task Force. The working group was charged with assessing the nature of the city's in-town housing boom and offering policy recommendations for mitigating the negative impacts of the rapid change (Shelton, 2001). The task force was largely made up of community leaders, but also included several academics for the purpose of technical support. The task force met for 12 months, presenting their final deliverable in September 2001. Their report "A City for All" identified forty public policy recommendations targeting residents making less than 50% of AMI, which at the time represented forty-five percent of the city's households. These included tax exemptions for the elderly and long time homeowners, deep subsidies for those making less than 30% of AMI and affordable housing requirements for private builders looking to build market rate developments (Gentrification Task Force, 2001).

The group's report met substantial opposition – especially from the city's development community which, according to a subsequent report found the

recommendations to be punitive, substantially reducing their ability to make a profit or produce additional affordable housing (Levy, Comey and Padilla, 2006). In the end, the city only approved four of the forty recommendations – rejecting all of the report's most aggressive initiatives.

By the end of 2001, the average home price in Atlanta jumped to $136,000 (Bandy, 2002). New upper and middle class residents were moving back to the city in droves, further exacerbating the city's gentrification challenges and the City of Atlanta had made little headway in dealing with its larger affordable housing problem. Nevertheless, the year marked a significant shift in the political landscape with the election of a new mayor. Shirley Franklin had served in two previous administrations, including the role as Chief Administrative Officer for the city, and she was known for her ability to navigate the city's formal and informal power networks. Franklin had campaigned on the need for greater local intervention around the affordable housing issue. Once in office, she immediately went to work, ordering the creation of a new task force, one that would be able to produce more "clear and practical" solutions for the city's housing woes. Yet the new mayor's vision called for a shift in the way the affordable housing issue was both viewed and addressed within the city of Atlanta.

Affordable Housing Politics in Atlanta: 2002-2007

The Mayor's Housing Task Force

In 2002, Mayor Franklin formed the Housing Task Force. The Mayor's group was similar to the previous iteration, as both were convened in response to the city's sky rocketing housing prices. The task forces however, differed markedly in their goals. While the Gentrification Task Force was exclusively concerned with providing relief for those low-income Atlantans most negatively impacted by the housing crunch, the Mayor's task force was charged with developing a comprehensive strategy for addressing the housing needs of the city's workforce.

The Task Force was made up of 12 practitioners in some way familiar with the city's affordable housing needs. The group included two city officials, two private housing developers, one non-profit housing developer, three representatives of locally based housing intermediaries, two others representing regional non-profits, a consultant and a banker.[56] The body was chaired by local housing developer Egbert Perry (City of Atlanta, 2002).

Members met once a month for nearly a year in an effort to tailor a plan to meet the city's workforce housing objectives. As part of this process, the group

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[56] Members of the Mayors Housing Task Force included Lawrence Anderson (VP, The Enterprise Foundation), Ken Bleakly (President, Bleakly Advisory Group), Hattie Dorsey (President and CEO, Atlanta Neighborhood Development Partnership), Greg Giornelli, Chief of Policy, City of Atlanta), Renee Glover, (CEO, Atlanta Housing Authority), Bruce Gunter (President, Progressive Redevelopment, Inc.), Archibald Hill (Director, Fannie Mae Partnership), Carol Jackson (Executive Vice President, Federal Home Loan Bank), Robert Lupton (President, FSC Urban Ministries), Michael McGwier (Group Managing Partner, Trammell Crow Residential), Egberty Perry (Chairman and CEO, The Integral Group, LLC) and Mtamanika Youngblood (Senior Vice President, United Way of Metropolitan Atlanta).

conducted an extensive assessment of the local and regional factors impacting the metro housing market. It in turn used this information to determine the "market reasonableness" of past reports and proposals and to guide the development of their own recommendations. Much of the labor of the task force was carried out by the actual members or supported by the member organizations. The task force's recommendations were tendered to the mayor for her review and approval in Spring of 2002, and the final report released later that year in August.

In the task force report "Great Housing in Great Neighborhoods", the mayor and her team offered an overarching vision for housing in the City of Atlanta. The authors began by acknowledging the challenges associated with managing growth in the midst of high concentrations of poverty and they ultimately claimed that if the city was to continue to grow in a healthy and sustainable way, it needed to invest in the creation of a diversified housing stock (City of Atlanta, 2002).

To this aim, the report identified six key themes : 1) improving the housing regulatory process, 2) targeting and leveraging the city's housing resources, 3) emphasizing housing for workforce households, 4) protecting and expanding housing options for senior citizens, 5) establishing coalitions and strategic alliances to create "great neighborhoods" through an improved quality of life and 6) appointing a housing czar to carry out the housing vision (City of Atlanta, 2002). Within these broader themes, were more specific suggestions. Some of the more aggressive recommendations included a Homeownership Stimulus Program, a Rental Housing Stimulus Program, a Low Income Rental Housing

Subsidy Program and a Rehabilitation Program (City of Atlanta, 2002).[57] In

determining how the resources should be targeted, the report classified Atlanta's

workforce into three tiers: 1) those households making greater than 80 percent of

AMI, 2) those households making between 30 percent and 80 percent of AMI

and 3) those households earning less than 30 percent of AMI.   While the

programmatic initiatives offered in the task force report to some extent attempt

to address the full range of the spectrum, (providing for households up to 100

percent of AMI), the report recommended that a substantial majority of the

resources be dedicated to those making between 50 percent and 80 percent of

AMI, with a very small fraction of the resources going to serve those making less

than 30 percent of AMI (City of Atlanta, 2002).[58]

The work carried out by the Housing Task Force represented a major

commitment on the part of the Franklin administration to the broader housing

issue. Yet, despite the urgency with which her administration took on the

challenge, the imperatives established in the task force report gave way to

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[57] In addition to these proposals, the report pinpoints a half dozen practical ways the city could move towards fulfilling the vision over the subsequent twelve months. This included making the permitting process more user friendly and convening meetings to identify means for financing affordable housing efforts (City of Atlanta, 2002).

[58] The income ranges for the plan's most prominent plans are as follows: Homeownership Stimulus Plan – 10% for households making between 50 percent and 60 percent of AMI ($35,600 - $42,720 for a family of 4), 80 percent for those households making between 60 percent and 80 percent of AMI ($42,720-56,950 for a family of 4)and 10 percent for those households making between 80 percent and 100 percent of AMI ($56,960 - $71,200 for a family of 4); Rental Housing Stimulus Program – 20 percent for those earning less than 50 percent of AMI ($35,000 for a family of 4), 20 percent for those making between 50 percent and 60 percent of AMI ($35,600 - $42,720 for a family of 4), and 60 percent for those making between 60 percent and 80 percent of AMI ($42,720 - $56,960 for a family of 4); Low Income Rental Housing Subsidy Program – 40 percent serving households between 40 percent and 50 percent of AMI ($28,480-$35,600 for a family of 4), 50 percent serving those making between 30 percent and 40 percent AMI ($21,360 - $28,480 for a family of 4) and 10 percent serving those households earning less than 30 percent ($21,360 for a family of 4). The area median income in 2002 was $71,200. The City of Atlanta median income during the same time was 30 percent lower at $50,034 (City of Atlanta, 2002).

competing priorities and ultimately, the recommendations would not be revisited until the mayor's second term. In the meantime however, affordable housing continued to generate substantial concern among those most connected to the issue.

The affordable housing community in Atlanta is made up of a loose band of supporters and practitioners which include attorneys, homeless advocates, non-profit developers, academics and representatives from housing intermediaries, trade organizations and the like. In years past, these stakeholders had been effective in driving some of the state's most significant housing legislation including the passage of important judicial tax foreclosure legislation which resulted in the creation of the Fulton County/City of Atlanta Land Bank Authority as well as the State Housing Trust Fund for the Homeless (Alexander and Akpan,1998).

By the mid 2000s such effective policy-oriented activity had given way to a significantly more passive approach. For instance, stakeholders met regularly through a host of forums, meetings and workshops intended to educate participants and stoke the broader conversation. Additionally, local research entities and housing intermediaries conducted substantial research over the years, producing numerous reports intended to guide the dialogue (ANDP, 2004; ANDP, 2006). Unfortunately, these conversations rarely translated into concerted policy effort.   And though the local and state neighborhood-based developer trade associations contributed to these conversations in substantive ways, often facilitating and convening these efforts, small staff size and limited

resources often mitigated its capacity to singularly advance a policy agenda. Because the city's community development infrastructure was not wired to provide input into the policy process, they provided little in the way of either formal opposition or formal support for the mayor's workforce housing strategy.

Rising Need Within a Flawed System

By 2005, it was becoming increasingly obvious that the city's existing system for addressing the housing needs of its low-income residents was broken. The Bureau of Housing had come under investigation by the federal government for failing to effectively use its federal HOME dollars. According to a report by HUD, the city had failed to produce any affordable housing in the five years of the program. The city agency had likewise been criticized for failing to put an effective monitoring program in place (Suggs, 2005). In one instance, the Bureau of Housing provided HOME funds for the acquisition of properties that had not been effectively converted into affordable housing. In another case, the resources were used to buy property which was later sold to an investor (Suggs, 2005). In response to HUD's rebuke, the city brought on new leadership to develop and improve the city's housing delivery system, likewise ensuring the federal government that it would do all possible to recover the mismanaged funds.

The news of the Bureau of Housing's restructuring came at a most critical time in the city's affordable housing crisis, as home values and rents during 2005 hit all time highs. According to the American Communities Survey, the median home value in the city of Atlanta had jumped to $218,500 and the average rent to $770. This meant that more than 40 percent of Atlanta's homeowners and 50

percent of its renters were experiencing a housing cost burden (Census, 2006). These numbers were especially concentrated among the city's poor which had a difficult time adjusting their budgets to accommodate the increases. While this upward trajectory in housing costs was no doubt enabled by the nation's broader housing boom, there were also micro level factors that increased prices. Perhaps, principal among them was the announcement of the BeltLine.

In July 2005, amidst great fanfare local government unveiled its newest and by far most ambitious economic development initiative in the city's history. The BeltLine would connect dozens of in-town neighborhoods through new development, greenspace, trails and transit, all along 22 miles of largely inactive railway (OUCP, 2009). The project would require approximately $2.8 billion in investment over 25 years and necessitate a special tax allocation district[59] (TAD) which would be used to front the revitalization effort. Though the project was several years away from the earliest attempts at implementation, the announcement alone (as well as the expectation preceding the announcement) resulted in a major spike in housing costs through much of in-town Atlanta – particularly those communities touched by, or adjacent to the BeltLine. In a report published by a local community-based group documenting the phenomenon, the author found that home values in south side Atlanta neighborhoods, near or adjacent to the BeltLine TAD had appreciated at a significantly higher rate than comparable communities beyond a two mile radius of the district (Immergluck, 2007). Consequently, between 2001 and 2006, some

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[59] TADs (Tax Allocation Districts) are the Georgia equivalent of TIFs (Tax Increment Financing Districts).

of these neighborhoods saw as high as a 68 percent increase in property taxes (Immergluck, 2007). These drastic shifts only swelled concerns over the loss of affordable housing and exacerbated fears of residential displacement. However, with this new focus on the revitalization of the city's inner core, the mayor once again redirected her attention to the city's housing challenges with the hopes of picking up where the city had left off in 2002.

Reviving the Task Force

In November 2005, Mayor Franklin established the Affordable Workforce Housing Implementation Task Force. By using the 2002 plan as a guide, this new group was tasked with developing a strategy for fulfilling the mayor's recent pledge of 10,000 new government supported housing units by 2009. Therefore, instead of bringing together a cross-section of relevant practitioners as was done with the mayor's first task force, the mayor staffed this working group primarily with agency heads and other city personnel that would be responsible for putting the actual policy measures into place.[60] The group was co-chaired by Ron Terwilliger, the president of national development firm Trammel Crow Residential and former chair of the Urban Land Institute and the head of the Atlanta Housing Authority Renee Glover (City of Atlanta, 2006).

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[60] Members of the Mayor's Workforce Housing Task Force included Ron Terwilliger (CEO, Trammel Crow Residential), Renee Glover (CEO, Atlanta Housing Authority), Lynette Young (COO, City of Atlanta), Luz Borrero (Deputy COO, City of Atlanta), Steve Cover (Commissioner, Planning and Community Development), James Shelby (Deputy Commissioner, Planning and Community Development), Alice Wakefield (Director, Department of Planning), Bill Bolen (Principal, The DaVinci Group), John Ahmann (Executive Director, ACP).

This new effort in many ways reflected the former one in its commitment to creating healthy and whole communities, absent many of the societal ills that had affected the city's low-income neighborhoods. Therefore, there were certain key priorities or principles upon which the group based its work. Paramount to this was the creation of mixed income neighborhoods, avoiding exclusively low-income developments which some believed promoted poverty concentration. Additionally, policy recommendations would promote the creation of diverse and dispersed housing options, meeting various levels of need and household size in communities throughout the city. Finally, the task force would seek out policy tools that promoted the development of housing near transportation and job centers so that residents could keep down household costs and be closer to opportunities (City of Atlanta, 2006).

Over a year's time, the task force met regularly to work out the details of the city's new housing plan. And this time around, task force members enlisted the feedback and input of an array of external stakeholders including Atlanta Housing Association of Neighborhood Based Developers, Metro Atlanta Chamber of Commerce, Greater Atlanta Homebuilders and the Atlanta Public Schools (City of Atlanta, 2006; AHAND, 2006). These contributors provided both formal (i.e. position papers, policy briefs) and informal (meetings and group discussions) feedback on potential policy solutions. That feedback was in part integrated into the final report which was released by the City of Atlanta in November 2006 (City of Atlanta, 2006).

The city's report argued that Atlanta's affordable housing problem was a broad issue, affecting a majority of Atlanta's residents. While the task force acknowledged that the greatest financial need existed among those households towards the bottom end of the income continuum, it chose to focus its attention and resources on the middle range of Atlantans or those making between 30 percent and 100 percent of metro area median income (City of Atlanta, 2006).[61] The primary reason for this decision was that there were pre-existing federal resources in the way of federal block grants, EZ/RC and public housing which targeted those making below 30 percent of area median income Additionally, addressing the need of those making less than $30,000 per year would require deeper subsidies, inhibiting the city's ability to affect the greatest number of households. Based on these targets and the task force's broader guiding priorities, the report identified three primary policy tools intended to drastically increase the city's inventory of workforce housing: a Housing Opportunity Bond (HOB), a voluntary inclusionary zoning ordinance and a land assemblage financing program (City of Atlanta, 2006).

The $75 million Housing Opportunity Bond would act as a revolving loan fund that housing developers could use to support the development of an array of affordable product. The task force pre-specified intended uses for the entire allocation which included $25 million for rental production, $20 million for single family homeownership and down payment assistance and $7.5 million for

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[61] According to the American Community Survey, the median household income for the Atlanta Metropolitan Statistical Area in 2006 was $55,552, and the median income for the City of Atlanta, $41,612 (US Census, 2007). The Affordable Workforce Implementation Task Force report however uses higher numbers for both the metro area and the city - $70,250 and $50,034 respectively, citing the Department of Housing and Urban Development (City of Atlanta, 2006).

city appointed community housing development organizations based on a 10% set aside.

The task force's proposed voluntary inclusionary zoning ordinance was designed to encourage developers to set aside 10% affordable units within their market rate developments. In lieu, developers would receive a 20 percent density bonus as well as a 25% reduction in permitting fees for participating projects (City of Atlanta, 2006).

Rounding out the task force's formal recommendations was a proposed land assemblage financing program. The city would work with the Enterprise Foundation to create a program, similar to others they had sponsored around the country, to aid affordable housing developers secure land. Central to this recommendation was the strengthening of the City of Atlanta/ Fulton County Land Bank which had become relatively inactive over time. Through the proper coordination of these two mechanisms, developers would have quick access to acquisition capital as well as be able to reduce carrying costs and reconcile potential title issues through utilization of the Land Bank (City of Atlanta, 2006).

The task force likewise promoted the creation of a separate measure being debated simultaneous to the task force's work, the creation of a $250 million BeltLine Affordable Housing Trust Fund. The BeltLine Fund would be sourced by the BeltLine TAD and used to support the development of workforce housing inside the tax allocation district (City of Atlanta, 2006). TAD funds had been used successfully in the immediate past to fund affordable housing in places like

the city's newest large scale redevelopment effort Atlantic Station[62] where 20 percent of its units were affordable.[63]

The work of the Affordable Workforce Housing Implementation Task Force was met with mixed reactions. For many, the mayor's plan signaled a renewed and extended commitment by the city to address the city's expanding housing crisis. If approved in full, the legislation would create tens of millions in new public and private resources for affordable workforce housing in the city – not to mention the $250 million for housing within the BeltLine TAD. Others expressed concern over the proposed income targets, contending that the proposed legislation placed a greater focus on introducing new residents into the city than tackling the affordable housing needs of existing residents. In a paper on the city's overall affordable housing policy, the authors offer such criticism. "It is no longer necessary to subsidize the return of the middle classes to Atlanta", they argue. "All of the proceeding indicators reflect that they are returning in droves...the fact is that public policy could not stop them from coming if it wanted to" (Keating et. al., 2005). The report goes on to make the point, "that by focusing on the teachers, firemen and nurses, they were forgetting to consider "the parking lot attendants, garbage collectors, hotel service personnel and retail service people" (Keating et. al., 2005). This sentiment is echoed in an Atlanta Journal Constitution Article entitled, "City's Haves and Have Nots See a Different

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[62] Atlantic Station is the largest brownfield redevelopment in the United States. The former railyard was converted in 2005 into a mixed use mega development consisting of residential, office, hotel and retail space (Atlantic Station, 2009).
[63] There are five tax allocation districts in all that have produced affordable housing with TAD funds. These include Atlantic Station, Eastside TAD, Perry Bolton TAD, Princeton Lakes TAD and Westside TAD (it is important to note that only the Atlantic Station and Eastside and Perry Bolton TADs have actual affordable housing requirements (ADA, 2008).

Mayor", where a community leader contends that while the mayor goes about promoting economic development in the city, the plight of low-wage workers was being ignored (Tagami, 2005). Yet despite these expressed concerns, the city council was expected to pass most of the task force's recommendations. There was however, some reservation regarding the proposed inclusionary zoning ordinance.

This was not the first time the city had attempted to install some type of inclusionary housing program. Back in 1997, the Department of Planning instituted an inclusionary mechanism which applied to certain redevelopment areas. Unfortunately, the policy failed to add substantial affordable units due to various reasons including misguided income targeting and the inadvertent destruction of moderately priced units (Keating, 2007). The guideline was eventually phased out.

The revived attempt however, prompted substantial concern among certain within the public sector, that the city might incur a legal fight relating to a state measure regarding impact fees. The Development Impact Fee Act was enacted in 1990 for the purpose of restraining the ability of local governments to unduly tax developers. The legislation specified the conditions under which localities could charge builders for development as well as provide guidelines for charges relating to infrastructure, amenities and services (Edge and Eshman, 2007). And before the housing policy recommendations could go before the Council, the City's Legal Department issued an opinion contending that the

inclusionary zoning ordinance, as outlined in the task force's report, could in fact be deemed as a violation of that act (Keating, 2007).

Many found the city's lawyers review of the law to be disheartening and unfortunate. After all, the policy was being advanced by the mayor herself and it seemed ironic that one of the biggest hurdles to legislation was coming from the city. Over the years, the voluntary ordinance had gained substantial support from stakeholders across sectors, with one of the most staunch supporters being nationally recognized developer and co-chair of the Implementation Task Force, Ron Terwilliger, who had recently supported the creation of the Urban Land Institute's, J. Ronald Terwilliger Center for Workforce Housing – an effort specifically geared towards soliciting private developer support for workforce housing related efforts like inclusionary zoning (Riggs, 2007).

In response to the legal department's opinion, a number of law scholars close to the issue submitted competing opinions stating in effect that the Development Impact Fee Act did not cover zoning and that the ordinance offered by the task force was voluntary and thus permissible (Keating, 2007).[64] Yet, despite these efforts, the city's legal opinion presented a major hurdle for inclusionary zoning. In the interim, the ordinance was sent to the Bureau of Planning to try to further explore the city's ability to institute the program (Ogandaga, 2007).

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[64] Additionally, advocates contended that inclusionary zoning ordinance was being proposed as a voluntary measure, not a mandatory measure, giving the developers the option of participating or not.

The city, nonetheless, passed legislation establishing the $75 million

Housing Opportunity Bond in the Spring of 2007. The city's housing finance

division, URFA (Urban Residential Finance Authority) moved forward in June,

issuing the first tranche of bonds in the amount of $35 million. The funds would

be used to finance a number of programs including a mortgage assistance

program and land assemblage program.[65] The city was still working with the

Enterprise Foundation to finalize the land assemblage program at the time the

HOB was passed, however the city estimated that the program would be ready for

application by early 2008. (Ogandaga, 2007)

Additionally, the City had moved forward approving the creation of a

BeltLine Affordable Housing Program, to be supported with 15% of every issued

bond.[66] The BeltLine Housing Fund was expected to collect $240 million dollars

over 25 years which would be used for the creation of upwards of 5,600

workforce housing units (BeltLine Inc, 2008). And much like the Mayor's other

workforce housing initiatives, the BeltLine Trust Fund underwent its own debate

around things like funding levels and income targets. From the early stages of

the process, housing professionals and advocates were engaged in public

meetings and discussions concerning the BeltLine Housing Program. The

Atlanta Neighborhood Development Partnership in particular played a major role

in ensuring that the funding was available to the city's moderate income

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[65] The city identified the following uses for the Housing Opportunity Bond: 1) multi-family loans - $22,225,000, 2) mortgage assistance – $10,000,000, 3) homebuilder incentives - $4,000,000, 4) direct land acquisition - $5,000,000, 5) CDC loans - $5,222,500, 5) Atlanta Housing Authority HOPE VI - $7,500,000, 6) land assemblage - $5,000,000, 7) administrative costs - $15,786,400 and 8) cost of issuance - $1,784,000.

[66] According to Keating (2007), the affordable housing component of earlier TAD districts had been set at 20 percent, however in the case of the BeltLine TAD, that amount was reduced to 15 percent.

residents. As one ANDP executive remarked in an Atlanta Journal Constitution article, "We're creating the biggest pot of money for affordable housing in the history of Atlanta, and I take issue with the idea that all the product is aimed at [higher income] households, when the bulk of the need is in the $27,000 - $40,000 range" (Pendered, 2005).[67] Additionally, the CDC community played an effective role in convincing the city to create the BeltLine Affordable Housing Advisory Board (BAHAB), intended to direct internal policies and procedures that would govern the use of trust fund dollars in the future. Much of the lobbying efforts around BAHAB were staged through the local non-profit developer trade association AHAND which as a result of new leadership, was placing a greater focus on specific policy priorities.

Conclusion

By the end of 2007, the city had identified $360 million in funding for affordable workforce housing over a 25 year period (ANDP, 2006). This represented a tremendous effort on the part of local government and a substantial shift in the city's approach to issues of neighborhood revitalization and community development. The success of the city's housing plan was in large part due to the mayor's leadership. She and her task forces were principally responsible for setting both the priorities and the pace of the effort and it is through her sponsorship that the efforts were ultimately implemented.

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[67] According to Pendered (2005), the City Council committee had originally wanted the BeltLine Workforce Housing Trust Fund to serve residents making $39,000 - $60,000 before the floor was lowered to $27,000.

The business community likewise played a valuable and consistent role throughout the process, serving in leadership positions on two different task forces as well as in certain instances, supporting inclusionary zoning. The mayor relied heavily on the private stakeholders to help her devise practical and implementable strategy and that pragmatism is in certain ways reflected in the final policy outcomes.

And finally, the non-profit community, though far from central in this policy debate did contribute significantly in the latter years as the policies were approaching the implementation phase. Actors became particularly activated around trying to ensure that the resources were targeted in ways that were equitable and met the greatest need. In this respect, the non-profit community came away with some successes - one being the creation of the BeltLine Affordable Housing Advisory Board. Yet despite these efforts, the policies adopted by the city provided little in the way of relief for Atlanta's large low-income population.

Chapter 6

Washington D.C.

Introduction

The very same year the city of Atlanta hosted the Centennial Olympic Games, the nation's capital was teetering on the brink of financial collapse. After years of poor governance and fiscal mismanagement, the federal government made the decision to temporarily suspend Home Rule in the District, replacing locally elected government with the Control Board[68], an appointed board of financial managers accountable for saving the city from imminent bankruptcy.

Unfortunately, the city's financial woes were just the tip of the iceberg. During the mid-1990s, the District faced a litany of challenges. High crime and unemployment, underperforming schools and concentrated poverty all combined to make the District of Columbia one of the nation's most troubled cities. Equally discouraging was the District's housing situation which had grown progressively worse over the years. In addition to having one of the most senior housing stocks in the nation, the city had been bleeding residents for decades, which hardly primed the pump for new development. Thus, neighborhoods throughout the city became overrun with substandard housing, which in turn contributed to decline and blight.

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[68] The District of Columbia Financial Responsibility and Management Assistance Authority was installed by Congress in 1995 to save the District from insolvency. The board was given the authority to overrule decisions made by local government if they were determined to not be in the best financial interest of the District. After four years of consecutive balanced budgets, the Control Board's activities were suspended in September 2001 (DCFRA, 2001; Janofsky, 1995)

By the late 1990s, the District's fortune began to change as the city experienced an unprecedented housing boom. In 1996, residential development activity had come to a virtual halt with the city not filing a single residential building permit. However, only two years later, the city had approved permits for 429 new units – a ratio of approximately 7 units per square mile (von Hoffman, 1999). By the end of the decade, that number doubled (Turner et al., 2006). With this new spike in demand came a significant increase in housing prices. Between 1997 and 2000, Washington D.C. experienced yearly double digit increases in annual housing prices (Cohn, 2005). In some neighborhoods there was greater than one hundred percent change in home values over the same period of time (Turner and Snow, 2001).

The market driven phenomenon provided precisely the economic jolt needed to keep the city fiscally afloat. And after four years under federal control, the Congress returned popular government to the District of Columbia. Yet despite the economic benefits brought on by the real estate boom, the increases in housing prices began to place severe pressure on the city's low-income residents, triggering gentrification and subsequent displacement in neighborhoods throughout the city. Between 1990 and 2000, the city lost 16,149 low income housing units and with the housing boom in full force, the District's housing problems showed no signs of abating (Center for Community Change, 2004).

History of Affordable Housing Policy Responsiveness in

Washington D.C.

Over the years, the city had built up a formidable arsenal of housing

policies and tenant protection laws to lessen the housing burden on its poor. For

instance, the city maintained a strong rent control policy that placed an annual

ceiling on rent increases for buildings constructed prior to 1972 (Wade, Cort and

Glaros, 2004). In 1980, the city passed the "Rental Housing Conversion and Sale

Act" which required landlords to notify their tenants if they decided to sell or

convert the building to condominiums. The act also provided tenants with the

first right of refusal, enabling them to purchase their homes if they collectively

chose to do so (AHA, 2006). Other housing policies included the Low Income

Property Tax Credit which provided tax relief to low-income home owners, as

well as the Neighborhood Development Assistance Program which provided

operational support for local community development corporations (von

Hoffman, 2001).

Despite these aggressive policies, spending for affordable housing declined

substantially during the 1990s, no doubt due to the city's poor fiscal health. The

two principle agencies responsible for low-income housing provision had likewise

fallen on hard times. The D.C. Housing Authority was placed in receivership in

1995, garnering the title, "2nd worst housing authority in the country" by the

nation's then housing chief, Henry Cisneros (NARPAC, 1999). The city's housing

bureau, the Department of Housing and Community Development sustained

numerous scandals during the mid 1990s and was plagued with high level

turnover and attrition. Therefore, despite the city's impressive collection of housing policies, local government was providing very little in the way of resources or leadership on the affordable housing issue.

This all changed in 2000. A newly elected mayor, one who also served previously as Chief Financial Officer of the District of Columbia, Anthony Williams, announced the resurrection and capitalization of the city's long defunct housing trust fund. The Housing Production Trust Fund (HPTF) had been established in 1988 but had gone completely unfunded over its twelve years in existence (DeLorenzo and Rodgers, 2007). The city determined that the fund would receive its first infusion of revenue in the amount of $25 million, through the sale of a piece of city owned land, and that a permanent source of revenue would be unveiled in the mayor's forthcoming comprehensive housing bill.

Mayor Williams delivered the Housing Preservation, Rehabilitation and Production Omnibus Amendment Act to the D.C. city council in Spring 2001. The bill was intended to supplement the city's existing housing policies, providing additional resources and tools to counter the city's growing affordability problem (Government of the District of Columbia, 2001). More specifically, the bill sought to "protect existing affordable housing and reduce displacement, convert vacant and abandoned buildings into new housing and promote new housing for people of all incomes." While the legislation included a number of important improvements to the city's housing effort, including a modification of the Homestead Program and streamlining of the demolition process, easily the most noteworthy element of the mayor's housing bill was a

new funding source for the recently revived Housing Production Trust Fund. If

approved, the legislation would direct 15 percent of the city's deed recordation tax

– a fee exacted on the sale of all real property to the fund (Government of the

District of Columbia, 2001). Based on modest projections, the set aside would

result in roughly $10 to $12 million annually for the preservation, rehabilitation

and production of affordable housing.

In many ways, the mayor's bill represented a solid step towards

broadening the city's role around the affordable housing issue. Within just two

years, the housing production trust fund had received $25 million and was set to

receive an annual endowment of approximately$12 million per year (DeLorenzo

and Rodgers, 2007). There was however, some concern among community

stakeholders and housing advocates about which groups the resources would

ultimately benefit.

The mayor had been vocal about his desire to increase the number of

taxpayers in the District of Columbia. Accordingly, some considered the housing

bill to be an attempt by the mayor to fund housing production for new residents

and not necessarily housing opportunities for existing residents. Local

community groups and activists therefore went to work, enlisting members of the

non-profit legal community to help them retool the mayor's plan (CCC, 2004).

Specifically, the advocates wanted to guarantee that the district's poorer residents

would benefit from the majority of the resources and ensure that more funds

would be directed towards rental units which were more accessible to the poor.

The advocates contended that low income households were most negatively

affected by the housing boom as well as least able to absorb the additional costs and should therefore be the chief recipients of the housing assistance. Individual organizations involved in this push included the Coalition for Nonprofit Housing and Economic Development (CNHED), the local community development trade organization; Washington Inner-City Self Help (WISH), a grassroots community organizing group; Washington Regional Network for Livable Communities, a metro sustainability organization as well as the Washington Legal Clinic for the Homeless and the Georgetown University Law Center (CCC, 2004; WRN, 1/2001).

The advocates presented an amended version of the mayor's bill to city council within weeks of the mayor's proposal and after several months of intense lobbying on the part of a wide range of community-based and civic organizations the council passed a housing bill that incorporated the advocates proposed changes (WRN, 11/2000; WRN, 10/2001). Therefore, in addition to establishing a dedicated revenue source for the HPTF in the way of a 15% of the deed recordation tax, the Housing Act of 2002 also mandated that 40 percent of the dedicated set-aside be used to subsidize units for households making below 30 percent of AMI (DeLorenzo and Rodgers, 2007). Forty-percent of the funds would go to those making between 31 percent and 60 percent of AMI and the remaining 20 percent would go to households making up to 80 percent of AMI. The enacted bill also required that half the resources be used to fund rental housing (Wade, Cort and Glaros, 2004; CCC, 2004).

The HPTF income targeting represented a major win for supporters of low-income housing. Not only were they able to secure long-term funding for D.C. residents with the greatest need, they also ensured that the housing product would befit the need. Despite the major accomplishment, passage of the bill would only represent the beginning of a protracted battle to ensure the city honored its commitment as laid out in the landmark law.

Affordable Housing Politics in Washington D.C 2002 – 2007

The Housing Act of 2002 promised a total $65 million dollars to fund affordable housing in the District. In all, the resources were intended to produce 4,000 new homes and contribute to the preservation of another 2,700 across a range of income levels and housing types (Shaffrey, 2002). Additionally, the legislation identified a permanent means of capitalizing the city's revived Housing Production Trust Fund by dedicating 15 percent of the city's deed recordation tax. However, just two months after the bill was turned into law, its flagship initiative had come under attack.

Mayor Williams, the initial architect of the Housing Act and early supporter of the HPTF's dedicated revenue source announced in March 2002 that he intended to cut trust fund expenditures for FY 2003 from $22 million to $11.4 million (Government of the District of Columbia, 2002). According to Mayor Williams, the city had failed to allocate the initial $25 million dedication, and thus fully funding the trust fund would be less than responsible. Because all legislation in the District of Columbia is susceptible to appropriations during the annual budgetary session, the "dedicated" revenue source was not set in stone

and was therefore vulnerable to encroachments (Wade, 2005). Several months later, the Mayor further reduced the trust fund line item to $5 million, citing budgetary shortfalls (CCC, 2004; Wade, Cort and Glaros, 2004). Additionally, one of the district's council members, at the behest of the mayor, authored legislation proposing to cut the deed recordation tax housing allowance from 15 percent to 7.5 percent (WRN, 5/2002). Thus, within a matter of months, the first fiscal year allocation had been slashed 70 percent and the trust fund faced a deep and permanent cut in designated resources.

Many of the advocates that had worked so hard to guide the direction of the city's new housing legislation were distressed by the unraveling of support for affordable housing at city hall. By mid-May, the number of supporters within the council supporting full funding of the trust fund had dwindled down to two (WRN, 5/2002).[69] Various groups from across the city concerned with the burgeoning problem began to meet regularly to consider strategies for preventing additional gutting of the trust fund. And out of those initial gatherings materialized the Affordable Housing Alliance.

The Affordable Housing Alliance and Saving the Trust Fund

The Affordable Housing Alliance (AHA) emerged as an informal, non-hierarchical, voluntary coalition of civic and community-based groups – all of which supported the full funding of the Housing Production Trust Fund. Members included most of the organizations that had been heavily active in the

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[69] The two remaining supporters at this point were councilmen Marion Barry and future mayor, Adrian Fenty. Councilman Fenty proposed legislation to fully fund the trust fund but his proposal was defeated (WRN, 5/2002).

income targeting advocacy the previous year including CNHED, WISH and

Washington Regional Network for Livable Communities, as well as others.

Though many of the members that coalesced around this effort were traditional

housing related organizations and grassroots groups, the Alliance also included

members with relatively little background or previous involvement with the

housing issue, but rather believed in the importance of supporting the creation of

a diverse and affordable city. Such organizations included the League of Women

Voters of D.C., the D.C. Fiscal Policy Institute, Youth Action Research Group and

the Local Teamsters (CCC, 2004).

From the beginning, there was no formal leadership, no budget and no

staff. Members convened on a regular basis to brief one another on their housing

advocacy related efforts. While there was some discussion about how to most

effectively advance the issue, individual organizations maintained the freedom to

pursue the end goal – a fully funded trust fund - in ways that reflected the

mission and culture of their own organizations. If individual organizations did

not agree with the tactics or approach of a particular Alliance affiliate, they would

simply not participate in those activities (CCC, 2004). This understanding

contributed to the development of a broad, nimble and multi-faceted affordable

housing movement which was able to advance its policy position on multiple

fronts.

Organizations like WISH took an activist approach. The organization had

become known for having members storm city hall, donning red t-shirts which

read things like, "Tenants Tired of Being Screwed". At one protest staged at city

hall, organizers handed out peanuts to passers-by, encouraging them to lob the nuts at a puppet of the mayor. And on more than one occasion, the group had taken their affordable housing message directly to council members' homes, staging protests in front of their residences (CCC, 2004).

Other groups such as CNHED and MANNA CDC – one of the city's most prominent non-profit housing developers worked relationships inside city hall by building coalitions within the ranks to connect the stalwart supporters with recent converts. Leadership at the League of Women Voters reached out to the editorial board of the Washington Post, enlisting the paper, through its editorial page to endorse the full funding of the trust fund (CCC, 2004). The Washington Regional Network and D.C. Fiscal Policy Institute produced policy briefs and white papers that argued that in order for the city to move forward with its ambitious housing agenda, there would have to be a stable and reliable housing stream. Aside from these more prominent efforts, Alliance members made calls, as well as wrote and emailed legislators in an attempt to bring them on board (WRN, 7/2002).

By the time the mayor rolled out his budget proposal for FY2004, the Alliance had made its rounds. Their efforts had already resulted in the rescinding of the bill to cut the fee dedication in half and members felt good about their chances of securing the full allocation this time around (WRN 3/2003). In 2003, fair market rents jumped to $1039 for a one bedroom apartment, and $1,218 for a two bedroom apartment. During the same year, home prices increased at a rate six times that of wages (Chalofsky and Campbell, 2004). With housing costs

continuing to rise, advocates were even more convinced of the virtue of their cause and the need for greater resources.

The District's unprecedented housing boom resulted in $25 million in new resources for the trust fund - $13 million more than projected.   However, in the mayor's budget, he only set aside $12 million for the HPTF, contending that the projected amount of $12 million was sufficient in financing the city's affordable housing goals and that the windfall in resources was needed in other areas of the city's budget (Hill,2006).

Alliance members responded with DC Council Education Day. The event was intended to demonstrate broad public support for the trust fund and drew more than one hundred participants (WRN 3/2003). Over the following weeks of deliberations, the advocates ratcheted up their lobbying activities both as individual organizations and as a coalition. The Alliance issued a series of media advisories and held a number of press conferences – all in an attempt to broaden their support and place pressure on local government (CCC, 2004). Ultimately, their hard work paid off. In May 2003, the council voted unanimously to fully capitalize the Housing Production Trust Fund in the amount of $21.5 million – almost $10 million more than the mayor had requested in his budget (WRN, 6/2003; 2/2004).

The Alliance faced another battle with the mayor in 2004, but this time the city's chief executive proposed changing the financing structure all together, switching from the deed recordation tax to securitizing the fund with bond payments in the amount of $20 million per year over the next twenty years

(capping at $250 million) (WRN, 6/2004). While the mayor's option would likewise result in a permanent long term funding stream, advocates argued that the Fund would sustain a net loss when compared to the existing funding stream which had amassed $45 million in that year alone (Lazere, 2004). Therefore, Alliance members activated once again to protect the funding pipeline that had almost accumulated $80 million over just three years. In the end, the council sided with the advocates, denying the mayor's recommendation and directing $45 million to the Housing Production Trust Fund (WRN, 6/2004).

Over the course of these battles with the city, the Alliance likewise played a major role in monitoring the implementation of the measures they had so tirelessly worked to protect. For instance, they pressed local government to create an independent trust fund advisory board, responsible for ensuring that the resources were spent as stipulated by the legislation. And once council created the board, Alliance members played an influential role in determining who those members would be (CCC, 2004).[70] On the implementation side, the Alliance worked with the city's Department of Housing and Community Development to develop a system that would allow for the effective disbursement of the resources. While the housing advocates were excited and encouraged by the advances made by the city in promoting the affordable housing issue and securing resources for those low-income residents most in need, they realized that they needed to remain vigilant if the city was to continue to live up to its initial commitment as laid out in the Housing Act.

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[70] According to a report by the Center for Community Change, six of the nine advisory board members were selected at the recommendation of Alliance members (CCC, 2004).

The Campaign for Mandatory Inclusionary Zoning

Over the course of the battle over the Housing Production Trust Fund the percentage of households with housing cost burdens spiked from 30 percent to 46 percent and the average home price had jumped to more than $300,000 (CHSTF, 2006). With the city's continued vacillation in commitment to the Housing Production Trust Fund, local actors began to consider how affordable units could be created in a way that was not reliant on public subsidy. For many, the best answer was inclusionary zoning.

In 2002, the city experimented with the policy idea, creating a voluntary pilot program for a number of its Planned Unit Developments (Wade, Cort and Glaros, 2004).[71] Unfortunately, the program experienced only modest success, in part because there were not that many PUDs planned throughout the city and the 5 percent requirement produced very few units. By the summer of 2003, there mounted a growing sentiment among affordable housing supporters that in order for an inclusionary zoning ordinance to have any real impact, the law would have to be mandatory.

The Campaign for Mandatory Inclusionary Zoning (CMIZ) was created in the Summer of 2003 for the purpose of promoting a strong and progressive land use policy that would allow for the creation of diverse housing types throughout

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[71] A "Planned Unit Development" is a zoning designation intended for large or complex developments which allows for certain flexibilities in carrying out large scale development purposes (D.C. Office of Zoning, 2009).

the city. Over time, the bulk of the city's affordable housing came to be located within just of few of the wards, limiting access to opportunities and perpetuating concentrated poverty (Tatian and Kingsley, 2008). Advocates argued that through the implementation of a mandatory inclusionary zoning policy, the city would be able to achieve new affordable housing units in communities throughout the district (Fox, 2007).

The CMIZ included the Affordable Housing Alliance and many of its members. However, it also involved religious, labor and community based groups that had not been involved in the previous efforts, but believed in the need for a more inclusive housing policy. Early and active members include ACORN, Empower D.C (formerly WISH), Jews United for Justice, the Center for Community Change, PolicyLink, and the Washington Regional Network for Livable Communities. In time, the coalition grew to more than fifty members, representing communities and demographics from across the city (Cort, 2008).

By 2004, the city's Planning Department was developing a voluntary inclusionary zoning ordinance, one that reflected the measure piloted in the Planned Unit Developments. Based on many of the members experience with the city council over the Housing Production Trust Fund, the CMIZ understood that the final legislation would ultimately have to be approved by council. Therefore, members activated a two-pronged strategy, informally lobbying the planning committee to convert their voluntary ordinance into a mandatory one, while subsequently developing their own mandatory legislation to present to council in

the event that their attempts to sway the city's Planning Department proved unsuccessful (Fox, 2007).

Understanding the technical nature of land use policy, the members knew that if they were going to present a viable alternative to the city's legislation, they would have to bring on someone who understood the myriad technicalities associated with land use policy. So, CMIZ enlisted the help of the Center for Community Change, a national affordable housing think tank headquartered in Washington D.C., to spearhead the drafting of their ordinance. At the outset, the group had three non-negotiable items: 1) that the final bill be mandatory, 2) that the ordinance place a heavy focus on those making below 50 percent of AMI and 3) that the legislation require at least 10 percent of the units within a housing developments be affordable (Fox, 2007).

While some members worked on the zoning regulations, other member organizations engaged in public outreach. The members believed that the success or failure of their efforts hinged on the amount of support they could garner throughout the city. Therefore, they placed an equal, if not greater amount of energy, on mobilizing the grassroots.

Organizations like the AFL-CIO, ACORN, and DC Agenda played a substantial role in educating residents on the benefits of inclusionary zoning as well as the growing need for more affordable housing throughout the city (Fox, 2007). Empower D.C., faith-based group Jews United for Justice, and employment activists Jobs for Justice worked hard to organize residents,

particularly low-income residents, turning out participants and volunteers to informational meetings and gatherings.

In November 2004, the Campaign for Mandatory Inclusionary Zoning, now more than 50 members strong, delivered their text amendment to the D.C. Zoning Commission[72], the entity responsible for land use regulation in the District (Cort, 2007). According to a Washington Regional Network newsletter published at the time, the policy had three primary goals: 1) maximize the number of affordable housing units created, 2) reach the deepest level of need possible and 3) balance the cost to builders with density bonuses and other non-monetary compensation (WRN, 12/2004). The proposal was based on a 7.5 – 15 percent affordable housing set-aside and required that the at least half of the affordable units be available to households making 50 percent of AMI or less. The remainder was to be targeted to those making 51 percent to 80 percent AMI. The policy would apply to most housing developments of 10 or more units, whether new construction (rental or homeownership) or comprehensive rehabilitation (WRN, 12/2004).[73]

By this time, the effort had picked up substantial steam and garnered fairly widespread support. For instance, a number of for-profit developers were successfully enlisted to support the policy tool. And one of the nation's most prominent building industry groups, the Urban Land Institute lent its voice to the cause. However, not everyone was on board for the major zoning change. Some

[72] The Zoning Commission is independent of local government and functions as the chief authority on land use and zoning issue in the District.
[73] The policy would only apply to those areas of the city that allowed a 20% density bonus (WRN, 12/2004).

believed that the requirements were onerous for developers. They expressed fear that the legislation would ultimately serve to cool D.C.'s white hot real estate market. Chief among these detractors was the D.C. Building and Industry Association (DCBIA) which represented commercial and residential building trades throughout the metro region (Ramstack, 2006). The organization, having worked with affordable housing groups in the past, was not opposed to the policy tool itself, but rather particular elements of the advocate's proposal. Specifically, DCBIA expressed concern over the number of affordable housing units to be included in every development, contending the range was too high. Additionally, they argued that density bonuses would be insufficient and that it would be difficult to make the numbers work without some type of public subsidy – something that the Campaign opposed. Yet despite these, detractors the Campaign for Mandatory Inclusionary Zoning moved forward with their effort, barnstorming the District and presenting their plan to wards and advisory neighborhood commissions[74] across the city – building the support that they knew would be necessary to push the plan through (ANC6B, 2005).

While the Campaign for Mandatory Inclusionary Zoning battled on throughout much of 2005 and 2006, advocates were making major strides on other fronts. Housing activists celebrated a major victory with the passage of the Budget Support Act, which among other things, had major implications for affordable housing in the District. Firstly, the legislation lengthened the affordability term of publically subsidized units, requiring that all qualifying units

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[74] Advisory Neighborhood Commissions (ANCs) are city designated, neighborhood clusters which make up smaller community based districts within each of the city's wards. Residents elect their ANC representative in the same way they vote for local government officials.

be made affordable for forty years for rental and fifteen years for homeownership (WRN, 2004). Secondly, the act authorized the creation of the Office of the Tenant Advocate, to serve as a liaison between the city and its large renter population (AHA, 2006). The extension of the affordability terms and the tenant advocate were both major agenda items championed by members of the affordable housing community. Additionally, tenants rights advocates successfully lobbied the city council to tighten the language in its Tenant Opportunity to Purchase Act (TOPA) (Wade, Cort and Glaros, 2004).[75] For more than twenty years, the program enabled residents to collectively purchase their buildings if the landlord had ultimately decided to sell. A loophole in the law however, allowed landowners to bypass the tenant protection by transferring the property to the new owner over time.[76] Closing the loophole fortified tenants rights in the District and strengthened one of D.C.'s most successful anti-displacement policies.

By the end of 2005, the efforts of affordable housing advocates and their partners at city hall were beginning to bear definite fruit. The Housing Production Trust Fund had collected more than $100 million dollars, contributing to the production of more than 12,000 housing units – a majority of them available to the city's low and moderate income residents (Government of the District of Columbia, 2004). The city had effectively strengthened existing policies and created new housing programs - all geared towards addressing the

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[75] As of 2006, the tenant's first right of refusal as stipulated in the Tenant Opportunity to Purchase Act has been executed 117 times affecting more than 8,000 units (AHA, 2006).

[76] The TOPA loophole resulted from a 1994 amendment to the 1980 Rental Housing and Conversion and Sale Act which allowed for partial sales transactions which were in turn used to usurp the tenant "first right of refusal provision" (Wade, Court and Glaros, 2004).

growing housing needs of its citizens and their communities. Yet despite these major strides, the city's affordability situation was growing even more severe. Between 2003 and 2005, home prices leapt 57 percent, from $290,000 to $485,000 which meant that a household would have to earn twice the area median income to purchase the typical home in D.C. In all, the city had lost approximately 7,000 low-income units in the first five years of the new millennium (Lazere, Rodgers and Rolland, 2007).[77] To make matters worse, the District was facing a major expiring use problem as landlords were increasingly deciding to opt out of their HUD renewals for subsidized housing, rather deciding to take advantage of the raging housing market and cash out on their investments (CHSTF, 2006). By mid-2005, more than 3,900 Section 8 units were coming up for renewal. Contracts for half of the city's Section 8 units were set to expire between 2005 and 2009 with another wave of expirations in 2010 (CHSTF, 2006). Therefore, while the efforts of the past five years addressed the growing need in ambitious and unprecedented ways, some argued that there was more that the city could do to ensure that the they advanced the most comprehensive and targeted effort possible.

The Comprehensive Housing Strategy Task Force

In 2006, the District of Columbia unveiled "Homes for an Inclusive City" – a fifteen year blueprint for achieving "parity in housing opportunity, developing mixed income neighborhoods, and preserving existing stock" (CHSTF, 2006). The report was the culmination of three years of work by a committee of two

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[77] These units were affordable to households making less than $20,000 per year.

dozen city-wide stakeholders, handpicked by the mayor to guide the development of a housing agenda for the District. Mayor Williams convened the group at the behest of the city's affordable housing advocacy community. The group expressed concern that while the city was creating a strong arsenal of affordable housing tools, it lacked a coherent vision for affordable housing in the district. The task force was to cast that vision and provide recommendations that would contribute to the fulfillment of that goal.

Originally commissioned in 2003, the Comprehensive Affordable Housing Task Force was made up of a diverse group of stakeholders that included municipal agency heads, researchers, national foundation heads, housing intermediary representatives, private developers, local non-profit directors, a city resident and an array of others intimately knowledgeable of the housing situation in the District.[78] The group was co-chaired by former chair of the Control Board Alice Rivlin and Adrian Washington[79], the president of the Neighborhood Development Company.

While the group began with two dozen or so members, there was only a small core of participants who committed to doing the majority of the work of the

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[78] Organizations and entities represented on the task force included the Brookings Institution, Anacostia Waterfront Development Corporation, D.C. Housing Finance Agency, National Capital Revitalization Corporation, The Community Builders, DC Central Kitchen, Office of the Deputy Mayor for Planning and Economic Development, D.C. Housing Authority, Department of Housing and Community Development, D.C. Office of Planning, Urban Land Institute, Anacostia Waterfront Development Corporation, Telesis Corporation, D.C. Local Initiatives Support Collaborative, Coalition for Nonprofit Housing and Community Development, Fannie Mae Foundation, National Alliance to End Homelessness, Paradigm Development Corporation, William C. Smith & Company, Community Preservation and Development Corporation, George Mason University, Fannie Mae D.C. Partnership Office, Eakin/Youngentob Associates (CSHTF, 2006).

[79] While serving on the task force Adrian Washington was hired to head the city's newest economic development effort the Anacostia Waterfront Corporation.

task force. Members representing the Fannie Mae Foundation, National Alliance

for Homelessness and the Brookings Institution lent staff capacity and additional

research was carried out by a team of consultants from organizations such as the

Urban Institute[80] and the Metropolitan Housing and Community Policy Center.[81]

Alexander von Hoffman, a Senior Fellow with Harvard University's Joint Center

for Housing Studies was brought on to assist with writing the report (CSHTF,

2006). After years of group and community meetings, the task force released

their strategy for moving forward (AHA, 2006).

The report opened by providing an extensive overview of the city's

daunting housing challenges, paying special attention to the implications of race

and class on the problem, as well as the critical nature of the problem for certain

communities and demographics. It went on to offer an inventory of the city's

existing affordable housing efforts, highlighting the strengths and impediments.

Based on this assessment, the task force report identified several dozen specific

proposals, all of which fell under eight broad categories: 1) doubling the city's

effort, 2) preserving existing affordable housing, 3) producing new housing, 4)

increasing home ownership opportunities, 5) supporting extremely low-income

renters, 6) supporting neighborhoods, 7) creating housing for individuals with

special needs and 8) streamlining the housing production process.   Some of the

more ambitious and noteworthy recommendations included a mandatory

inclusionary zoning ordinance, the installment of a cabinet level housing chief

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[80] A number of these organizations had conducted extensive research on the D.C. Housing situation over the years. Fannie Mae in partnership with the Urban Institute published a number of reoccurring reports including the annual Housing in the Nation's Capital (2002-2006) and the D.C. Housing Monitor.

[81] The task force also enlisted the assistance of consulting firms the Telesis Corporation and the Economic Research Associates (CSHTF, 2006).

who would be responsible for coordinating housing related agencies, raising the deed recordation tax .4 percent, from 1.1 percent of the total real estate transaction to 1.5 percent as well as raising the amount of the deed recordation tax dedicated to the fund from 15 percent to 20 percent (CSHTF, 2006).

In all, the report projected that full implementation of the recommendations would result in the preservation of 19,000 low to moderate income units and the construction of 19,250 affordable units, and 35,411 market rate units. The total cost in public dollars would be nearly $6 billion over fifteen years or $400 million per year, thus requiring the city to essentially double its existing commitment (Kingsley and Williams, 2007; CHSTF, 2006; WRN, 3/2006).

The taskforce report was met with widespread support by both advocates and lawmakers alike, with the city council moving forward to implement particular recommendations right away. In the FY2007 budget, council increased the resources available to non-profits for site acquisition and created a new rent supplement program modeled after the federal Housing Choice Program (Lazere, Rodgers and Rolland, 2007). The city also allocated funds for a study assessing the opportunities for a commercial linkage strategy and approved funding to pilot a Workforce Housing Land Trust (Garrison, 2007).

In addition to these policy advances, local government was moving increasingly closer to a final inclusionary zoning ordinance. After months of meetings and community forums, the DC Zoning Commission, in March 2006, issued draft language for an inclusionary zoning ordinance. The plan was a

hybrid of the two proposals offered up by the Campaign for Inclusionary Zoning and the DC Office of Planning (WRN, 3/2006).   The mandatory land use provision required that developers build a majority of their affordable units on site and that all qualifying affordable units remain affordable for ninety-nine years.   And in the last month of the year, city council adopted a version of the Commission's mandatory inclusionary zoning ordinance. The legislation required that 10 percent of all housing in developments with ten or more units be affordable to households making less than 80 percent of AMI (Cort, 2007; WRN, 7/2006). Under this ordinance, developers would receive a 20 percent density bonus and perhaps additional zoning flexibility (Kingsley and Williams, 2007). The council's adoption of the Inclusionary Zoning Act of 2006 placed mandatory inclusionary zoning on the books, however the city would need to issue draft regulations before the policy could actually take effect (Cort, 2007; Garrison, 2007).

A Change in an Era

Two-thousand and six marked a major transition for the District of Columbia. Anthony Williams, the city's chief executive for the previous eight years announced that he was not seeking a third term. Under his leadership, the city's economy boomed and Williams acted as an able steward of incoming resources, bringing the city from a relatively tenuous fiscal situation to solid financial ground. And while he proved a formidable foe for the city's affordable housing community at times, the mayor left a strong legacy of housing programs and initiatives that were not necessarily wrapped in contention or political

controversy.   Among them was the New Communities Initiative, a city sponsored

neighborhood revitalization effort modeled after the federal HOPE VI program.

With the successful federal program facing major cuts, the District decided to

create its own renewal program to continue the work of converting the city's most

distressed housing communities into mixed income communities of choice.

Among its core objectives was one-for-one replacement of all affordable units to

ensure there was no net loss of affordable stock (CHST, 2006).[82]   Many of the

city's public land initiatives (e.g. Home Again[83], Anacostia Waterfront

Development) created programs that required deep set-asides for affordable

housing, potentially creating hundreds of units. Likewise under his tenure, D.C.

adopted the Homeless No More Plan, a 10-year blueprint for dealing with the

city's chronic homeless problem. The plan highlighted the need for additional

supportive housing and started the city on a course to providing more permanent

housing solutions for those hardest to house (Government of the District of

Columbia, 2004). And in spite of his resistance, Washington D.C, under the

Williams administration dedicated hundreds of millions of dollars, assuaging the

shelter burden of thousands of D.C. residents.[84]

Yet despite these advances, two-thousand and seven would produce its

own housing challenges. By this time, the median price for a single family homes

jumped to a half million dollars; $375,000 for a condominium. Consequently the

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[82] The initiative draws capital from numerous sources – public, private and philanthropic. Currently, the initiative receives $12 million from the Housing Production Trust Fund annually (AHA, 2006).

[83] The Home Again initiative converts vacant and abandoned city owned property into single-family home ownership opportunities (District of Columbia, 2009).

[84] According to one estimate, between 2000 and 2007, the city contributed to the preservation, rehabilitation or construction of 19,000 housing units (Garrison, 2007).

gap between income and housing costs was continuing to widen (Taitian and Kingsley, 2008). According to the Comprehensive Housing Strategy Task Force, the city would have to substantially intensify its effort in order to match its growing need. While the city was able to implement some of those recommendations during the last year of Williams mayorship, much of that mandate fell to the new administration.

Having won all of the city's nine wards, Adrian Fenty became the District's sixth mayor in early 2007. A city councilman during the Williams' administration, Fenty came into office offering a "new era of accountability" (DC Watch, 2006). As a legislator, Fenty gained a reputation for being a "people's politician", and some would argue that it was his attentiveness to his constituents and willingness to champion difficult causes that blazed his path to the mayor's office.

Fenty had been a long time supporter of increasing the availability of affordable housing in the District. Back in the early years of the HPTF, Fenty was frequently one of the first council members on board to protect its funding. He authored the legislation to create the Comprehensive Housing Strategy Task Force, along with a number of the measures that had been implemented subsequent to the release of the report. As a mayoral candidate, Fenty pledged that he would work diligently towards its full implementation, and in the early days of his administration, it appeared that he was setting a pace to do just that.

Only weeks after being sworn in, Fenty appointed the city's first housing chief, a former non-profit executive director who had served on the

Comprehensive Housing Strategy Task Force (CHSTF, 2006; Garrison, 2007) .[85]

Additionally, in an effort to increase the level of affordable housing activity within

the district, the administration began to reach out to some of the city's most

prominent for-profit developers informing them that their ability to access future

public dollars would in part depend on their support in furthering the city's

affordable housing goals (Nakamura, 2007). Intent on clearing the city's public

housing waiting list, the Fenty administration made a request to the D.C.

Housing Authority to perform a complete scrub of the list and continue to

coordinate with the city on how the two could jointly work towards resolving the

remaining need. But perhaps the new administration's most noteworthy

affordable housing decision came at the behest of one of the city's most tactical

and effective political action groups, the Washington Interfaith Network (WIN).

WIN, a self described "multi-racial, multi-faith, non-partisan citizens'

organization" was founded in 1996 and is a member of the Industrial Areas

Foundation, a national network of faith-based community groups (WIN, 2009).

Over the years, WIN had built an expansive agenda which incorporated issues

ranging from improved schools and neighborhoods to supporting living wage

jobs and apprenticeships. According to its website, the Neighborhoods First

Campaign had contributed to the dedication of $550 million dollars for DC

communities over the years (WIN, 2009). Key to the organization's success had

been its ability to leverage its broad member base to get local politicians to

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[85] Resources for the housing chief were originally set aside in the FY07 budget under the Williams administration but the position was not filled until February 2007 (Kingsley and Williams, 2007). The Comprehensive Housing Strategy Task Force report recommended that the position be a cabinet level position, however the position was rather placed under the Deputy Mayor's Office for Planning and Economic Development (CHSTF, 2006).

support their priorities. The organization had been known to increase the voter turnout upwards of 20 percent – votes which they in turn leveraged to advance their platform.

WIN's relationship with the mayor dated back to his time as a councilman and when seeking election to the mayorship, Fenty pledged full support of the organizations $1 billion Neighborhood's First Agenda. The first installment of that pledge came in mid 2007 when the mayor responded with a $117 million commitment in new revenue for affordable housing. The plan called for a partnership between the city and the faith-based organization to build 5,000 new homes in transitional neighborhoods throughout the District (Government of the District of Columbia, 2007). For some, the mayor's decision to fulfill the campaign commitment came as a surprise. However, others saw the allocation as the mayor taking a step towards the full implementation of the task force's report.

These early efforts represented a somewhat impressive start for the Fenty administration as it related to the affordable housing issue, however there were a number of issues at the end of his first year in office that went unresolved. By this time, the task force's report had been completed for almost two years and many of the recommendations, a majority of which the mayor originally championed had gone unimplemented. The most glaring disappointment for affordable housing advocates was the mayor's inability to seal the deal on the mandatory inclusionary zoning ordinance. The ordinance was set to be in place by October 2007, however the process stalled and by the end of the year the city had yet to provide administrative regulations for the ordinance.

Conclusion

Affordable housing in the District was largely shaped by political battles between advocates and certain members of local government about how much the city should support affordable housing and specifically what populations should benefit. The advocates, made up primarily of a hodgepodge of non-profit organizations, successfully coalesced into a number of informal umbrella coalitions which served as a means for communicating wins and challenges as well as coordinating efforts. Having a broad and diverse membership gave the groups greater legitimacy and reinforced the idea that affordable housing was a cross-cutting issue that deserved law makers attention. And by balancing direct action with less aggressive modes of advocacy, (e.g. policy briefs, personal relationships, editorials) the coalitions were able to launch aggressive and multi-faceted campaigns. As a function of this innovative strategy, they struck allegiances with particular members of the council and over time, built substantial government support for their policy priorities. This above all included ensuring the continued financial support of affordable housing by the city, as well as seeing to it that the city's poor and moderate income residents received their fair share of the resources.

Though the private sector was somewhat split when it came to inclusionary zoning, their efforts (particularly through their participation on the task force and the support of certain actors around inclusionary zoning) likewise contributed to the development of one of the most ambition and comprehensive local affordable housing strategies in the country.

Chapter 7

Civic Capacity and the Limits of Cross-sectoral Collaboration

Analysis

How do local communities successfully advance social welfare agendas? In this dissertation, I argue that the answer lies in cross-sectoral collaborations where stakeholders from across public, private and non-profit sectors converge, employing their resources and capacities for the purpose of engaging in a problem solving effort. I further contend that collaborative activity is enabled by the presence of a political entrepreneur or policy change agent who functions within the coalition to optimize collective benefits and alleviate collective action problems. This logic produced two hypotheses: 1) increased civic capacity within a community results in increased community responsiveness to a given public problem and 2) the presence of a policy change agent increases the effectiveness of collaborative policymaking around a given public problem.

To test this argument, I examined the politics surrounding the urban affordable housing crisis. In many ways, affordable housing provided the ideal illustration for multi-sectoral collaboration as it, unlike other social welfare related issues, naturally incorporates all three major sectors into the delivery of low-cost housing. Private sector organizations are responsible for the development, financing, and operation of much of affordable housing. Non-profit organizations have been especially integral in creating housing options and providing housing related services in some of the nation's most underserved

communities, particularly over the last two decades. And government has provided resources and policy tools to address the housing need of low and moderate income families and individuals. Thus, it is quite reasonable to consider that in light of these linkages, there could potentially arise collaborative efforts around the production and preservation of affordable housing in urban communities.

In search of such efforts, I conducted a four-city comparative case study exploring the ways that communities responded to rising housing costs during the peak of the national affordable housing crisis (between 2002-2007). In this chapter, I provide a summary of those findings – examining the extent to which there is any correlation between cross-sectoral policymaking, framed here as civic capacity, and responsive policy change. I then go on to offer some discussion on the implications of this research for the broader urban politics literature. Finally, I discuss specific ways that this research can be advanced.

Assessing Local Affordable Housing Policy Approaches

How does one go about measuring affordable housing policy responsiveness?   A possible way would be to compare the local resources that cities direct towards affordable housing.   After all, the fact that cities dedicate locally generated resources to the production and preservation of affordable housing is the political phenomenon at the crux of this research project. However, attempting to compare cities based exclusively upon the amount of local resources they dedicate to affordable housing does not capture the diversity and innovativeness of the that tools cities employ to address the problem.   Local

governments utilize an array of policies and programs in an attempt to impact the affordability situation within a given place. Land use designations, loan programs, urban renewal dollars, property tax abatements, direct and indirect subsidy programs are all ways that cities seek to offset local shelter costs.   While some of these mechanisms require additional financial commitment, others do not. Neither is there a direct relationship between the potency of the program and the amount of monetary resource a program requires.   For instance, mandatory inclusionary zoning is one of the most effective policies that cities use to mitigate affordability challenges, and can be structured in a way that requires little or no monetary subsidy. Conversely, direct subsidy programs that sink substantial equity into the development of an individual home can be very expensive and depending on the intensity of the market, can have limited impact on the broader crisis.

With these challenges in mind, I have decided to assess this study's dependent variable, affordable housing responsiveness, based on a qualitative assessment of all affordable housing policies enacted between 2002 and 2007, paying special attention to policy intent. Table 3 lays out the major affordable housing policies implemented and or funded in the four cities over the five year period of this study. In the following section, I offer a brief discussion of policy responsiveness in each city as demonstrated through policy adoption, resource allocation and policy intent, before moving on to the comparative analysis.

	Table 7.1 Major Affordable Housing Policies Adopted or Funding Approved between 2002 and 2007	Amount Allocated
Portland	2004 – Housing Investment Fund	$11 Million
	2005 – Housing Investment Fund	$2 Million
	2006 – Housing Investment Fund	$5.4 Million
	2007 – Housing Investment Fund	$10.5 Million
	Target: 80% goes to rental housing (of that 75% goes to households making less than 50% of AMI).	
	2006 – 30% TIF set-aside for affordable housing (to be used to support affordable housing within Portland renewal areas).	$160 Million (over six years)
	Target: 30 percent is to be somewhat evenly spread across three income ranges, 0%-30%, 31%-50% and 51%-80%	
Phoenix	2001 General Obligation Funds (FY2002 – FY2006) $33.7 Million	$33.7 Million
	2006 General Obligation Funds (FY2007 – FY2011) $29.7 Million	$5.9 Million
	Target: General Obligation Bond Resources are principally used for a mix of rental and homeownership programs. Rental programs target household earning 60% of AMI or less.	(2007)
Atlanta	2007 - Housing Opportunity Bond	$75 Million
	Target: At least 20% of the units must go to households making below 60% of AMI.	
	2007 – BeltLine Affordable Housing Trust Fund Years	$240 Million
	(for the support affordable housing within the BeltLine TAD Boundary)*	(Over 25 years)
	Target: 15% of units must be affordable; Rental subsidies can support households earning up to 60% of AMI and homeownerships subsidies can be used to support households earning up to 115% of AMI.	
Washington D.C.	Housing Production Trust Fund (Housing Act of 2002)	
	Target: 40 percent dedicated to households earning up to 30 percent of AMI; 40 percent to households earning between 31 percent and 50 percent of AMI and 20 percent to households earning between 60 percent and 80 percent; 50 percent of all funds must be dedicated to rental.	
	2002 - Housing Production Trust Fund (FY 2003)	$5 Million
	2003 - Housing Production Trust Fund (FY 2004)	$50.5 Million
	2004 - Housing Production Trust Fund (FY 2005)	$50.5 Million
	2005 - Housing Production Trust Fund (FY 2006)	$47.6 Million
	2006 - Housing Production Trust Fund (FY 2007)	$62 Million
	2007 - Housing Production Trust Fund (FY 2008)	$42 Million
	Home Purchase Assistance Program (?)	
	2004 – Anacostia Waterfront 30% set-aside (pre-existing 20% set-aside for residential development on publically held land).	
	Target – Of the 30%, 50% is available to households earning up to 30% of AMI and 50% to households earning between 31% and 60%.	
	2005 – Creation of the Office of the Tenant Advocate	
	2005 – Closing of the TOPA loophole	
	2006 - Mandatory Inclusionary Ordinance (legislation has passed but has not been implemented).	
	Target – 10% of all housing units within projects of 10 units or more be accessible to households making less than 80% of AMI.	
	2006 - Increase in the Deed Recordation Tax from 1.1 % to 1.4 %.	
	2006 - Creation of the Office of the Housing Czar	
	2007 - Local Rent Supplement Program (FY2007)	$10.9 Million
	Target – Used to support very low-income and transitional housing.	

Affordable Housing Policy Responsiveness in Portland

In Portland, there was a history of local responsiveness to the affordable housing issue. When the Housing Investment Fund was created in the mid 1990s, it was one of the most sizable local affordable housing commitments in the country. Therefore, when pressures began to mount in the early 2000s, local government was once again expected to act.

As Table 7:1 demonstrates, the two primary funding mechanisms employed by the City of Portland to address the affordable housing problem were the Housing Investment Fund and the 30 percent tax increment financing set-aside. While the resources for the HIF could be used for affordable housing projects throughout the city, the usage of the TIF dollars was restricted to those communities falling within the city's renewal areas.

Between 2004 and 2007, the HIF collected $28.9 million. Of the near thirty million, the city specified that 80 percent would go to rental housing and of that, 75 percent to those households making 50 percent of AMI or less. In many ways, this was keeping in line with the city's pre-existing commitment to providing housing options for low-income residents.

The resources from the 30% renewal area set-aside would be spread across three income tiers – very low income households (0% - 30%), low income households (31% - 50%) and moderate income households (51% - 80 %). While the income range for the renewal area dollars is somewhat higher than that of the HIF, the range is fairly impressive as TIF dollars for affordable housing rarely go

to funding income levels below 30% of AMI since they require an enormous amount of subsidy.

Affordable Housing Policies in Phoenix

Since 1988, major infrastructure improvements, including affordable housing, have been funded by the city's General Obligation Bond. And over the course of the study period, the general obligation bond provided the sole supplemental funding for affordable housing in Phoenix. In 2001, affordable housing received a $33 million allocation to be spread over five years, resulting in approximately $6.7 million per year. Five years later in 2006, the bond referendum created an additional $29.7 million, meaning approximately $5.9 million for 2007.

According to the city's Consolidated Annual Performance and Evaluation Report (CAPER), General Obligation Bond resources are used to support a mixture of both affordable rental and homeownership programs and most of the rental dollars are employed to serve households that earn less than 60 percent of area median income (City of Phoenix, 2006; City of Phoenix, 2005).

Affordable Housing Policies in Atlanta

The two main affordable housing policies adopted in Atlanta between 2002 and 2007 were the$75 million Housing Opportunity Bond and the BeltLine Affordable Housing Trust Fund which, when authorized was expected to accrue $240 million over 25 years. According to the Atlanta Development Authority – the principal agency responsible for overseeing the management of the program

and the disbursement of the dollars –borrowers must present projects for which at least 20 percent of the units are affordable to households earning below 60 percent of area median income. Thus, upwards of 80 percent of the resources, can be used for the creation of market rate units (City of Atlanta, 2008). Likewise, in order for projects to qualify for resources set-aside through the BeltLine Housing Trust Fund, 15 percent of the units must be affordable. For rental projects, units are considered affordable if they are available to households earning 60 percent of AMI or less and for homeownership units the affordability requirement goes as high as 120 percent.

Affordable Housing Policies in Washington D.C.

Over the five year duration of this research project, local officials enacted more than a dozen new policies as well as passed recurring funding commitments to curtail mounting affordability challenges in the District of Columbia. The most distinguished of these being annual support for the city's Housing Production Trust Fund, which has collected more than $250 million dollars for the construction or rehabilitation of district housing. Additionally, in 2006 the city increased the deed recordation tax from 1.1 percent to 1.45 percent, thus increasing the amount of resources being directed to the trust fund. The HPTF has been designed so that 40 percent of all the resources go to very low to low-income households or those earning up to 30 percent of AMI. Another 40 percent has been set-aside for those earning between 31 percent and 50 percent of AMI. And the remaining 20 percent for households earning between 51

percent and 60 percent of AMI. The legislation further specifies that 50 percent of all HPTF dollars must be dedicated to rental housing.

Other policy developments included the creation of the city's New Communities and Local Rent Supplement programs – both created to model successful federal housing programs (HOPE VI and the Housing Choice Voucher Program, respectively). A substantial portion of the New Communities program is supported through the HPTF, however the Local Rent Supplement Program receives its own budgetary allocation. In its first active year, the program received $10.9 million to provide housing vouchers. Both programs target low-income populations or communities, with the Local Rent Supplement Program being used for the exclusive support of very low income households. While the New Communities initiative is designed to transition distressed housing developments into mixed income communities, the city has committed to 1 for 1 replacement of all affordable units to ensure that there is no net loss of affordable units as a result of the revitalization.

Between 2005 and 2006, the District added two new city-level housing related offices. The first, the Office of the Tenant Advocate was created to function as a liaison between the city and its large tenant population. The second, the Office of the Housing Chief was created to increase the level of connectivity and coordination among local housing related agencies. Other important policy actions included the closing of the TOPA loophole which served to strengthen tenant protections, the creation of the city's Home Purchase Assistance Program and the adoption of a mandatory inclusionary zoning ordinance, which once

implemented will require that ten percent of all new units built within a development of 10 units or more be affordable to households making up to 80 percent of AMI.

Comparing Affordable Housing Policy Responsiveness Across Cities

When comparing policy responsiveness across cases, it is not only important to examine existing variation in policy type and intent, but also to assess the extent to which the policy action fits the existing need. While cities for this project were selected with every effort to control for certain important variables (e.g. poverty, population, etc.), there remained a measure of variation among the final four cases – particularly as it relates to the severity of the affordable housing problem. Therefore, in an attempt to measure overall affordable housing policy responsiveness, Table 7.2 juxtaposes two measures of need against three measures of policy responsiveness to derive an overall policy responsiveness ranking. The rankings for absolute need and relative need are based on the information provided in Figure 2.1 and Figure 2.2. Policy responsiveness measures include "local resources" committed, "breadth" or diversity of the policy tools, as well as the "depth" of the policy response or the extent to which the policies could be considered as redistributive. These rankings are based upon a qualitative assessment of the policies actions displayed in Table 7.1.

Washington D.C.

Looking back to Table 2.1, it is clear that of all four cities, Washington D.C. had the second highest poverty level (absolute need), as well as the highest increase in housing value and housing cost burden in 2002 and 2005. Notably, Table 7.1 demonstrates that the District of Columbia maintained the broadest, most aggressive affordable housing policy agenda – implementing the greatest number of policies and dedicating the most in resources.   Thus when the need is juxtaposed against the actual policy action, the District of Columbia receives exceedingly high marks as it relates to overall policy responsiveness.

Table 7.2: Comparing Policy Responsiveness Across Cities					
	Absolute Need	**Relative Need**	**Local Resources Dedicated**	**Breadth of Tools**	**Depth of Response (Redistributive)**	**Overall Level of Responsiveness**
Portland	Moderate	Moderate	Moderate to High	Moderate	High	***Moderate to High***
Phoenix	Moderate to High	Moderate to High	Moderate	Low to Moderate	Moderate	***Moderate***
Atlanta	High	Moderate to High	Moderate to High	Moderate	Low to Moderate	***Moderate***
Washington D.C.	High	High	High	High	High	***High***

Portland

The City of Portland had the lowest need of all four cities with the poverty rate barely reaching 12 percent in 2005, as well as having the smallest actual increase in housing prices, showing a 46 percent increase between 2000 and 2005. And based on the level of policy action and amount of resources dedicated to the affordable housing need, it is fair to say (at least comparatively speaking) that Portland showed a policy effort, compatible with the severity of its affordable housing problem. Table 7.2 shows that the city ranked particularly high in terms of its willingness to direct the resources towards those populations that demonstrated the greatest need as it relates to housing affordability. As a result, Portland received a "moderate to high" overall policy responsiveness ranking.

Phoenix

Phoenix ranked "moderate/moderate to high" in terms of relative and absolute need, as its poverty and affordability measures fall somewhere between Atlanta and Portland. And in certain ways, Phoenix demonstrates a policy effort befitting of the problem as the city designates a fairly regular stream of local revenue to address the housing problem. However, the city falls short along all three categories of responsiveness.

When looking at the amount of local dollars that Phoenix dedicates to the affordable housing issue, it is obvious that the numbers are comparable to the resources dedicated by Portland. However, unlike Portland, Phoenix lacks urban renewal dollars as tax increment financing is not permissible under the Arizona

constitution. Additionally, Phoenix sustains a population substantially larger than Portland (or any of the other cities) and thus has a far greater need. Therefore, Phoenix earns only a "moderate" ranking for the overall level of responsiveness.

Atlanta

Finally, Atlanta shows the highest level of absolute need with 25 percent of households living below the poverty line in 2005. Additionally, Atlanta ranks second only to Washington D.C. in terms of the increase in affordable housing need. However, when it came to gauging the city's level of responsiveness, Atlanta produced mixed rankings. When considering the amount the city dedicated in local resources, the city ranks "moderate to high". Likewise, the city obtains a "moderate" ranking in the area of diversity or breadth of tools. However, when it comes to depth or extent to which the policies provide resources for those most vulnerable to the housing crisis, the city ranks "low to moderate" due to the fact that many of its housing programs under the affordable

Table 7.3 Sector Involvement by City			
	Government Sector	**Non-Profit Sector**	**Private Sector**
Portland	Moderate/High	High	Low
Phoenix	Low/Moderate	Low	High
Atlanta	High	Low/Moderate	Moderate/High
Washington DC	High	High	Low/Moderate

workforce housing banner, target middle class households. As a result, Atlanta, like Phoenix receives a "moderate" ranking on overall policy responsiveness.

Assessing Civic Capacity

Having assessed the study's dependent variable in the previous section, I move on to analyze the two independent variables – civic capacity and the policy change agent.

To gauge levels of civic capacity around affordable housing in each of the cities, I employ three basic criteria: 1) what is the diversity of sectors engaged in the promotion of the affordable housing issue (See Table 7.3), 2) to what extent have these actors coalesced to advance local affordable housing policy and 3) to what extent do these actors demonstrate a shared understanding of the nature of the problem as well as the most fitting solutions to the problem.   These civic capacity measures are arranged in Table 7.4.

Table 7.4 Civic Capacity Measures by City				
	Diversity of Sectors	**Civic Mobilization**	**Problem Definition**	**Civic Capacity**
Portland	Moderate	High	High	Moderate to High
Phoenix	Low	Moderate	Moderate	Moderate
Atlanta	Low to Moderate	Moderate	Moderate	Moderate
Washington DC	Moderate to High	High	Moderate	Moderate to High

Civic Capacity in Portland

In Portland, the affordable housing policy process was in large part guided by the efforts of the city's non-profit community. By organizing into broad, strategic state and local coalitions, affordable housing and community development stakeholders were able to advance relatively aggressive agendas. Their efforts were enabled by local elected officials (e.g. Mayor Katz, Commissioners Sten and Adams) who championed coalition sponsored legislation and supported need-based targeting.   The private sector on the other hand was significantly less active, particularly at the local level.

Civic mobilization in Portland is best demonstrated through the efforts of Affordable Housing Now and their sister statewide coalition the Housing Alliance. From its inception, AHN was designed to be a grassroots housing movement. It used various measures to engage average residents – most notably, its Speakers Bureaus which educated residents on the affordable housing issue, but also enabled them to tell their own story and thus make their own unique contribution to the furtherance of movement. Additionally, the coalition used creative and innovative ways to draw participants and enlist support. The postcard and puzzle campaigns presented unique opportunities for community engagement and affordable housing advocacy. In addition to these more formal efforts, coalition members came together regularly, constantly assessing the opportunities and challenges that might in some way impact the advancement of their issue.

The way in which stakeholders viewed and understood the affordable housing problem in Portland was largely shaped by local affordable housing efforts that transpired in the previous decade. At the helm of this precursor movement was Commissioner Gretchen Kafoury whose somewhat activist stance on the issue helped to foster a strong and effective affordable housing delivery system. And as a result of her leadership, the city's approach to the affordable housing problem evolved into one that was particularly sensitive to the housing needs of the city's most marginalized groups. This was in large part reflected by a shift in policy priorities during late 1990s and early 2000s towards affordable housing policies that were more redistributive in nature. Local non-profit stakeholders, by and large, supported this approach as they, through their efforts with the Affordable Housing Alliance promoted the equitable distribution of resources relating to the 30 percent set-aside.

Yet despite this relative consensus among engaged actors on the nature of the problem, there was still some concern that the issue was not being effectively communicated in a way that was conducive to enlisting additional support among the general public as well as local decision makers. Therefore, the Affordable Housing Alliance began to employ messaging and frames to influence the larger debate on whether or not the affordable housing issue was one deserving of additional government support. By developing tighter, more coherent messaging that resonated with average Oregonians, advocates were able to advance the issue in areas where they had previously been unsuccessful. It is important however to mention, that despite their efforts to reframe the issue, the advocates remained

true to their focal priority which was to achieve affordable housing gains for the city's low-to-moderate income residents.

Civic Capacity in Phoenix

In Phoenix, the private sector played a substantial role in advancing the affordable housing issue – principally through the efforts of the Regional Workforce Housing Task Force.   The taskforce, largely made up of members from the development and banking community convened for more than a year to create a detailed reporting of potential policy solutions for the broader metro Phoenix affordable housing problem. Local government involvement on the other hand was nominal.[86]   Non-profits similarly played a limited role in promoting increased government responsiveness.

This research highlights three specific events that could be considered as instances of civic mobilization: the Faces of Affordable Housing Campaign, the Regional Workforce Housing Task Force and the Governor's Incentives for Affordable Housing Task Force.   The Faces of Affordable Housing Campaign resulted from an informal collaboration between the City of Phoenix and Phoenix LISC. Together they were successful in enlisting the support of a diverse group of public, private and non-profit stakeholders for the purpose of affecting the public perception around affordable housing. The Regional Workforce Housing Task Force represented a more active form of civic mobilization as it required substantial engagement by a cross-section of actors over a specific period of time.

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[86] While neighboring cities such as Mesa engaged in the effort, Phoenix, easily the region's largest city did not.

It was the intent of the conveners to bring together a small cadre of Phoenix powerbrokers to work out a plan for the region's affordability problems. The Incentives for Affordable Housing Task Force was convened by Arizona Governor, Janet Napolitano for the purpose of guiding state efforts relating to mounting affordability concerns. While, the collaboration included a broad cross-section of government and private actors, the effort lacked the energy and focus of the privately steered campaign.

When it came to the broader conception of the problem, there was a general sense that affordable housing suffered from stereotypes which needed to be overcome if stakeholders were to move forward with a broader vision. This is evidenced in the Faces of Affordable Housing marketing campaign as well as through the framing efforts of the Regional Workforce Housing Task Force where stakeholders, perhaps understanding the difficulty of selling the issue, worked hard to connect the affordable housing problem to the city's broader economic well being. While these efforts to reframe the issue were well executed, it is not clear the extent to which these attempts actually took hold or resonated.

Civic Capacity in Atlanta

Atlanta demonstrated a moderate level of cross-sectoral collaboration relating to the affordable housing issue. While the process was by all means dominated by the public sector, private and non-profit actors likewise contributed to the dialogue. For instance, the private sectors played an active role in both mayor task forces, reinforcing the mayor's vision for housing in the City of Atlanta. The non-profits though fairly inactive on the front end of the

policy development provided important feedback on the back end, resulting in certain adjustments relating to targeting and program oversight.

While It could be argued that Atlanta's collaborative efforts (particularly the mayor's first task force) drew a relatively broad cross-section of the community, there was not a substantial amount of civic mobilization per se. Similar to the Phoenix and Washington D.C. efforts stakeholders were convened and served at the pleasure of the mayor. The number of participants was fixed, as stakeholders were selected through a formal appointment process. Consequently, there were no real efforts to enlist new members or mobilize additional resources.

In Atlanta, the conception of the affordable housing issue underwent an evolution during the period examined in this study. This is evidenced in the apparent shift in focus and intent from the earlier Gentrification Task Force to the subsequent task forces. For instance, the purpose of the Gentrification Task Force was to provide housing solutions for existing residents faced with displacement resulting from rising housing prices. The mayor's task forces however, redirected the policy discussion by focusing on housing solutions for current and future members of the Atlanta workforce - thus reframing the debate. Throughout the process, the mayor was intentional about developing a policy strategy that was implementable, thus it is likely that the decision was made to broaden the tent of who would benefit, in order to elicit the greatest level of support. There was some pushback by non-profits who wanted to see the policies target lower income residents, but overall, there was little formal or coordinated effort to refute the mayors projection of the issue.

Civic Capacity in Washington D.C.

The third sector clearly dominated the affordable housing policy space within the District, bringing together a wide range of housing related groups as well as more non-traditional participants. Likewise, local government demonstrated substantial leadership, going back to Mayor Williams' reinstitution of the affordable housing trust fund. Despite the battles that would ensue between the city and advocates over the years, the local government's ultimate support of the affordable housing issue resulted in the creation of a fairly comprehensive affordable housing policy portfolio. Even the private sector showed support of increased policy effort – particularly through the involvement of a number of for-profit developers with the Comprehensive Housing Strategy Task Force Plan as well in the support of select builders for mandatory inclusionary zoning legislation.

This research highlights three fairly solid examples of civic mobilization around affordable housing in the District – the Affordable Housing Alliance, the Campaign for Mandatory Inclusionary Zoning and the Comprehensive Housing Strategy Task Force.

The Affordable Housing Alliance is a loose-knit, non-hierarchical and relatively broad-based group of primarily, non-profit actors that had formally come together for the purpose of protecting the trust fund. From the beginning, the efforts of the Affordable Housing Alliance (and later the Campaign for Mandatory Inclusionary Zoning) were highly action oriented and diverse. The members of the Affordable Housing Alliance were able to successfully sell

affordable housing as a cross cutting issue, therefore, drawing the involvement of a diverse set of non-profit actors, ranging from housing groups, to community and faith based organizations. In this respect, the advocates were able to create a housing movement, both deep in terms of resources and broad in terms of support.

The overall strategy included direct action or protest, grassroots mobilizing and resident education, incorporating the media, conducting extensive research, preparing and distributing talking points and policy briefs – all the while building strong and lasting alliances with members of local government.

The city's Comprehensive Housing Strategy Task Force served as perhaps the most cross-sectoral example of civic mobilization. The group maintained a fair balance of actors from across the private, public and non-profit sectors. The outcome was a very aggressive but fairly balanced affordable housing strategy that sought to create an equitable range of housing product. As a result, the plan was able to meet the shelter needs of the city's low-income residents, while addressing the demand for middle-income housing development.

In many ways the debate over the nature of the problem and the solutions that should be employed around the problem was central to the battles between the non-profit advocates and the mayor. While the advocates and the mayor both agreed that something needed to be done to address the affordable housing issue, there was some divergence on specifically what that meant. For the mayor, the development of additional affordable housing was seen as a component of his

larger strategy to introduce 100,000 new residents to the District over ten years.
For this reason, he initially presented his affordable housing legislation with
substantially higher income targets. The advocates on the other hand were
committed from the very beginning to increasing the housing opportunities for
the low-income populations within the city, contending that it was the city's poor
that suffered the greatest need. Likewise, the mayor, in 2004 wanted to replace
the deed recordation tax with bond payments, arguing that it would be a better
way to continue to ensure that affordable housing would receive resources over
the next quarter century. The advocates however contended that the 15% deed
recordation set-aside would generate far greater resources. The same is true in
the case of inclusionary zoning, where advocates and the city's planning
department differed on the type of inclusionary zoning the city should
implement.

Within the coalitions however, the dynamic was significantly different. In
certain ways the strength of both the Affordable Housing Alliance and the
Campaign for Mandatory Inclusionary Zoning resided in the fact that they each
involved a broad cross-section of the community, which had coalesced around a
narrow and targeted policy agenda. For instance, when the Affordable Housing
Alliance first came together, it was for the express purpose of protecting the
affordable housing trust fund. The group later widened its focus to include other
issues, but the advocates never veered in their commitment to ensuring that
D.C.'s low-income communities benefitted from the city's efforts.

Likewise the members of the Affordable Housing Alliance, perhaps understanding the massive undertaking that would be advancing the case for mandatory inclusionary zoning, joined with other non-Alliance organizations to create a separate coalition for that purpose. By creating the CMIZ, AHN participants were able to stave off any internal battles over whether or not to push the controversial land use measure.   If members of AHN wanted to support the effort for mandatory inclusionary zoning, they could simply join the CMIZ. By keeping the goals and objectives of these broad coalitions clear and straightforward, members were able to mitigate internal conflict relating to policy nuances.

What about Policy Change Agents?

In an attempt to address, what I saw to be a gap in the civic capacity argument relating to the means by which cross-sectoral coalitions managed to sustain over time, I argued successful collaborative efforts to be enhanced by a central actor or policy change agent. According to the revised civic capacity, argument these political entrepreneurs would work to minimize debilitating group dynamics which served the potential of undermining collective endeavors. If the hypothesis were to hold true, one should expect those cities with high levels of civic capacity to show evidence of such an actor.

Indeed, this research found that in each and every case, political entrepreneurs played an effective role in advancing the affordable housing issue. For instance, in Portland Commissioners Sten and Adams worked diligently to incorporate the affordable housing agenda despite a tough fiscal environment.

Without their support it is unclear if the local campaign would have achieved the gains it did. Likewise, both Atlanta and Washington D.C. had very activist mayors who made housing a chief priority over the course of their tenures. And in Phoenix, it is unlikely that the Regional Workforce Housing Task Force would have gotten off the ground if it had not for the investment and involvement of Jerry Bisgrove and the Stardust Companies.

Yet, while the role of political entrepreneurs is apparent, it does not appear that there is a correlation between the activities of a central or key actor and the effectiveness of local collaborative efforts. For example, in the cities that demonstrated the greatest evidence of civic capacity, namely Portland and Washington D.C., local efforts were often fueled by a core nexus of individuals and organizations which carried out a large share of the work. Conversely, the two cities where a central figure or political entrepreneur appeared to have the greatest role in steering the effort, I would argue Atlanta and Phoenix 's demonstrated the lowest level of civic capacity[87]. Therefore, the research produced findings completely counter to the Policy Change Agent argument.

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[87] In Atlanta, the key figure was Shirley Franklin and in Phoenix, Jerry Bisgrove and the Stardust Companies.

So, Does Civic Capacity Matter?

With the policy change agent hypothesis falling short, the question remains, does civic capacity matter to the local policymaking process around tough social problems. The research and analysis presented here offers some insight into that question.

In comparing Table 7.2 which depicts policy responsiveness across cities and Table 7.4 which examines civic capacity across cities, there appears to be definite correlation between high levels of policy responsiveness and high levels of civic capacity, as Washington D.C, and Portland ranked first and second on the policy responsiveness scale as well as the civic capacity scale. This suggests that in those cases where there was a diverse body of actors, actively mobilized and engaged for the purpose of advancing a unified goal – there was an increased likelihood that local government produced policies that were both equitable and responsive.

Despite these findings, the argument for civic capacity is not entirely convincing. While actors did coalesce around the affordable housing issue, often times these task forces or coalitions were sectorally homogenous. This is evidenced by the Regional Workforce Housing Task Force in Phoenix and even Portland's Affordable Housing Now coalition.   The most pure example of effective cross-sectoral collaboration was D.C.'s Comprehensive Housing Taskforce where the influence of the membership was truly reflected in the comprehensive and relatively balanced nature of the report.

In retrospect, "collaboration" may not be the most fitting concept to describe what transpired in these four cities around affordable housing between 2002 and 2007. While there were collaborative or consensual elements of the policy process (for instance, the reciprocal relationship that existed between the Portland advocates and local officials), the politics, particularly in the cities that demonstrated the highest levels of policy responsiveness was more characterized by coalition style pressure politics, than collaborative decision-making. This discrepancy presents somewhat of a challenge, causing one to wonder if civic capacity is actually driving such policy change or if the apparent relationship between civic capacity and policy responsiveness is epiphenomenal, rather masking some more important factor. Of course, this begs the question, if not civic capacity, then what? Based on this research, I submit that the answer may lie in the presence of a diverse and politically active non-profit sector.

When looking at the local affordable housing efforts in both Washington D.C. and Portland there are very strong commonalities – particularly as it relates to the role of the third sector. In both cities, advocacy was steered by highly sophisticated, non-profit dominated coalitions which employed an array of strategies to advance the issue. Coalitions in both cities were made up of a broad cross-section of actors – which included traditional affordable housing stakeholders (e.g. CDCs, housing intermediaries and service providers) as well as groups whose primary focus lay beyond the affordable housing universe (e.g. neighborhood groups, environmental and sustainability groups, as well as mainstream civic organizations).

Conversely, in Atlanta and Phoenix, the cities that ranked lowest in terms of policy responsiveness, non-profits played a substantially smaller role. While both cities had fairly active non-profit development communities, those organizations were significantly less engaged politically. This is in part due to the fact that both Phoenix and Atlanta lacked strong non-profit developer trade organizations, which in Portland and Washington D.C. gave voice to CDCs that might otherwise have found it difficult to directly confront local government, for fear of retribution (e.g. reduction in support or blocking certain projects). The Community Development Network (Portland) and Coalition for Non-Profit Housing and Economic Development (Washington D.C.) were highly professionalized, well staffed and well supported – allowing them to take leadership responsibilities within the broader coalitions. While Atlanta's trade organization played an important role in providing safeguards in the final years of the study, its small staff and limited capacity severely constrained its ability to have a similar impact. In Phoenix, there was no local non-profit trade organization at all, which meant that there was no mediating actor to function as a liaison between the interests of the non-profit housing community and local government.

Overall, non-profits provided a counterweight to local imperatives for growth and unfettered development. This is most clearly demonstrated when juxtaposing the Atlanta case with the Washington D.C. case. In many ways, Atlanta and Washington D.C. are as similar as cities can be. Demographically they are near identical, both having relatively high minority and poverty rates.

Each has maintained minority-majority rule in the post civil rights era and they both have undergone very similar experiences with flight and decline. By the late 1990s, both cities were experiencing somewhat of a rebirth, placing substantial pressures on the housing stock. And in the early part of the 21st century, two new mayors attempted to capitalize on renewed interest in the city by engaging a housing strategy that sought to support that growth and draw residents. In Atlanta, the mayor's housing agenda went largely unrivaled. While there was some discontent over targeting, those concerns never materialized into any formal or concerted effort. Conversely, Washington D.C.'s mayor was immediately confronted by local housing advocates who within a year's time had the beginnings of a full-fledged housing movement. If Washington D.C.'s non-profit community had not asserted itself into the policy debate, the two cities would have likely produced far more similar outcomes.

In certain ways, the expectation that non-profits will be engaged in the promotion of social welfare policies at the local level is quite reasonable. After all, non-profits are often closest to these issues as they are created for the purpose of bring about social change. The role of non-profits within the policy making process is further enabled through the creation of policy intermediaries which are organizationally structured to more directly engage the political process. And in this study, non-profits proved a formidable force in driving the agenda for affordable housing policy change.

Research Implications

Based on the findings articulated in this chapter, I submit that this work carries significant implications for three broader conversations or bodies of work within the urban politics literature: 1) community power debate, 2) urban governance models and 3) collaborative problem solving.

Research Implications for the Community Power Debate

In piecing together an underlying argument for this research project, I traced the literature back to the community power debate, which is in large part concerned with explaining the distribution of power in cities. On the one end of the debate is pluralism which argues that in a free society, power is fragmented and dispersed and that all groups have equal access to the decision-making process. On the other end of the debate lies the work of urban scholars like Peter Bachrach, Morton Baratz and Clarence Stone, who project a political system fraught with inequality – a system where resources are hierarchically arranged and socio-economic inequalities transfer into the political world. Hey argue the result is a system characterized by systemic bias, where the interests of the "haves" are preferred over the interests of the "have nots". While these two arguments portray very different political worlds, this research lends evidence to both.

For instance, the role played by systemic bias was especially apparent when local actors sought to bring about affordable housing policy change at the state level. Perhaps the most glaring example occurred in Arizona around

inclusionary zoning, where the influential regional building industry lobby attempted to ban inclusionary zoning before it was formally considered by any of the state's local jurisdictions. The building industry didn't need to launch a campaign, or a movement. All it took was one lobbyist to influence one legislator and less than a month later, the bill was on the governor's desk ,waiting for her signature. If it were not for the governor's veto, the ban would have foreclosed any future conversations on the affordable housing measure.

Yet, despite the presence of systemic bias and the powerful forces that worked to block affordable housing policy change, low income interests were able to make achieve real political gains. The campaigns in Portland and Washington D.C. are ideal examples. In Portland, local actors had suffered merciless defeats at the state capital for more than a decade. However, a series of media advocacy workshops caused them to rethink their entire approach. Local advocates regrouped, helped to form a state wide coalition and engaged the system with a new strategy. The result was sizable policy gains beyond anything they had experienced in the past.

In Washington, D.C., affordable housing advocates challenged the housing agenda of a popular mayor when it appeared that his plan was more concerned with drawing new middle class residents, than with creating affordable housing opportunities for existing low-income residents. Over the years, advocates swelled their ranks and activated a range of strategies and tactics intended to place pressure on local decision makers. In the end, the advocates were able to

guide a broader housing policy agenda that would contribute to D.C. remaining a diverse and inclusive city.

Therefore, this research supports the notion that while politics transpires within a system fraught with inequality, the democratic process does provide opportunities for low-income interests to not only be heard, but to have their concerns addressed through public policy.

Research Implications for Urban Governance Studies

While urban governance models have long focused on the integral role of private actors in facilitating urban governance, this research highlights a different segment of the urban community – non-profits. Here, I find the non-profit sector to be especially critical in helping local communities advance social welfare agendas. In many ways, my findings as it relates to non-profits is not new.   The community development literature in particular has produced a number of studies highlighting the role of non-profits in advancing the policy concerns of low-income communities. The point that I hope to make here is that urban governance studies fail to property account for these actors in their models. Even civic capacity, which was developed to better understand how communities tackle big public problems like affordable housing was unable to predict what transpired in these four cities. For so long, urban regime theorists have considered low-income advocacy coalitions to be improbable and "hypothetical", pointing to the difficulty associated with poor people overcoming inequalities inherent to the system, as well as the severe challenges associated with advancing their issues in light of more dominant political imperatives and limited resources

(Stone, 1993). Conversely, this research contends that in light of inherent inequalities, competing local imperatives and limited resources – the urban poor can find their political voice and convert that voice into power.

As much as this research highlights the enlarged role of non-profits around social policy making, it likewise captures the diminished role of private actors. For many years, urban governance studies have focused on the role of economic resources in furthering political goals, paying little attention to non-economic resources or the actors that employ them. Consequently, business having the greatest access to monetary incentives, has been identified as somewhat of a universal governing partner.

This assumption however, is problematic – particularly as it relates to social welfare issues or those requiring some level of redistribution. While private actors played a role in the promotion of the affordable housing issue, their impact was nominal when compared to the non-profit community. In most instances, business interests were averse to affordable housing policy responsiveness. This is evidenced in the opposition demonstrated by housing and development organizations or trades. Whether Portland, Phoenix, Atlanta or Washington D.C., private industry opposed aggressive government involvement.

In many ways, this is instructive. While developers are responsible for a majority of the nation's affordable housing, this niche only makes up a fraction of the larger market. And for those more aggressive policy initiatives such as inclusionary zoning and real estate transfer taxes, the development community perceived the cost to their industry as being too great. The fact of the matter is

that the political motivations of private business are guided by their desire to make a profit, which in certain real ways precludes them from supporting extensive acts of redistribution, particularly those policy options which threaten their bottom line.

Research Implications for Collaborative Problem Solving

There has been a good amount of discussion among academics and practitioners alike concerning the power of diverse collaborations to effect social transformation, and it is this conversation which in part drew me to this project. As a budding political scientist, there is something very appealing about the notion that through collaborative problem solving, communities are able to dismantle entrenched public problems. I therefore, chose to employ Stone et. al.'s civic capacity argument because I found it to be the urban governance model most amenable to explaining the presence of broad and diverse political coalitions. While the initial findings of this dissertation hinted at a causal relationship between civic capacity and policy responsiveness, further analysis revealed that the connections were rather superficial. What first appeared to be high levels of civic capacity turned out to not be cross-sectoral collaboration at all, but rather coalition style politics.

The inability of civic capacity to explain affordable housing policymaking is somewhat disconcerting – especially considering that in many respects, this was a" most likely" research design. It is my assessment however, that the lack of explanatory power has less to do with the model itself and more to do with the phase of the policy process it was used to explore. It is quite possible the

conversations of cross-sectoral collaboration are more appropriate for examining the political dynamics around policy implementation, than the sometimes factious politics that often precede policy adoption. Affordable housing, in particular is a highly controversial issue. Not only does it typically require the redistribution of substantial resources, but it is also mired by deep seated stereotypes which play into notions of the deserving and undeserving poor. Sometimes the result is highly contentious politics which are viewed in terms of a zero-sum game. While such issues sometimes avail themselves to compromise, they, by nature are far less susceptible to collaboration.

The notion that collaboration is more likely to occur at certain stages of the policy process rather than others is an important take-away from this research. Collaborative problem solving is increasingly being offered as an alternative to "politics as usual". While the potential benefits offered by collaboration are indeed compelling, scholars may need to proceed with caution when searching for collaboration in a sea of proverbial conflict.

Future Research

Moving forward, there is substantial area for additional study, particularly as it relates to these social reformist coalitions. In many ways, coalitions like the Affordable Housing Network, the Housing Alliance and Affordable Housing Now defy much of what we have assumed about such efforts – that they are episodic and ephemeral, rarely leading to systemic change. On the contrary, these collaboratives proved highly sophisticated, engaging in strategic and innovative campaigns to effectively advance their policy objectives.

While this research offered some insight into how such coalitions work, there is still much to be learned about how these movements actually succeed. Despite informal organizational structures, decentralized leadership and limited financial resources, these non-profit steered coalitions were able to sustain themselves and foster policy change.

Future research could likewise explore the influence of cultural and institutional factors on coalition emergence? Do certain political structures or political cultures produce stronger, more diverse non-profit sectors? If so, is this demonstrated in other policy arenas as well?

These represent just a few potential directions that future research could take, however the unchartered nature of this area of study allows for any number of paths.

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Appendix

Table A.1 Peterson's Three Policy Arenas City Limits (1981)	
	Description
Developmental Policies	***Description:*** These policies promote growth and tend to have a positive impact on the fiscal condition of cities because they provide the greatest per capita economic benefit. ***Examples:*** sports arenas, condominiums, infrastructure projects, etc.
Allocational Policies	***Description:*** Also referred to as "caretaker" or "housekeeping" policies, these activities primarily deal with service delivery and tend to have a neutral impact on the fiscal condition of cities because the supply of a given service is matched to fit the demand for the given service. ***Examples:*** public safety, trash collection, snow removal etc.
Redistributive Policies	***Description:*** These policies transfer wealth from more affluent residents to less affluent residents for the purpose of providing a social safety net and tend to have a negative impact on the fiscal conditions of cities because they result in a net loss of economic resources. ***Examples:*** Social welfare, health care, education, affordable housing, workforce development.

Table A.2: Common Local Affordable Housing Policies

Policies	Description
Voluntary Inclusionary Zoning	Policies which encourage developers to develop a certain percentage of affordable units with every new housing development.
Mandatory Inclusionary Zoning	Ordinances which require developers to include a certain percentage of affordable units in their projects.
Housing Trust Funds	A funding mechanism which sets aside resources for the exclusive purpose of producing affordable housing. Housing trust funds are funded through various means including tax increment financing, commercial linkage fees and property transfer fees.
Property Tax Reforms	Policies that mitigate tax increases which result from sharp fluctuations in property values.
Commercial Linkage Strategies	Fees or other requirements on new commercial developments which are in turn used to fund the development of affordable housing.
Tenant Protections	Policies that bolster tenant rights. These usually include protections from things like steep rent increases and unwarranted evictions.
Rent Control	Laws or ordinances that protect renters from exorbitant increases in rent.
Land Banks	Land banks are public authorities created to hold, manage or develop foreclosed or otherwise abandoned properties.
Urban Renewal Resources (tax increment financing)	Resources that are typically used for the purpose of urban redevelopment projects but are at times in part, set aside for the production of affordable housing.

Table A.3: Portland Interview Participants

Public Sector	
Beth Kaye	Bureau of Housing and Community Development
Barbara Sack	Bureau of Planning
Amalia Alarcon	Office of Neighborhood Involvement
Mary Carrol	City of Portland, Mayor's Office (formerly members of
Jamal Folson	Erik Sten's staff)
Komi Kalevork	Portland Development Commission
Steve Rudman	Housing Authority of Portland
Gretchen Kafoury	City of Portland
Non-Profit Sector	
Martha McClennan	Northwest Housing Alternatives
Nick Sauvie	Rose CDC
Sarah Stevenson	Innovative Housing Inc.
Bobby Weinstock	Northwest Pilot Project
Cece Hughley Noel	Southeast Uplift
Richard Harris	Central City Concern
Maxine Fitzpatrick	Portland Community Reinvestment Initiative
Allison Handler	Portland Community Land Trust
Joe Wycowski	Community Vision
Mary Kyle McCurdy	1000 Friends of Oregon
Cynthia Luckett	Enterprise Community Partners
Allison Adcox	Coalition for a Livable Future
Julie Massa	Community Development Network
Michael Anderson	Community Development Network
Private Sector	
Don Keuth	Phoenix Community Alliance
Dan Klocke	The Downtown Phoenix Partnership
Jim Rounds	Elliott Pollack and Company
Rus Brock	Homebuilders of Central Arizona
David Adame	McCormack Baron Salazar
Frank Enriquez	Meridian Bank
Others	
Charles Heying	Portland State University
Karen Gibson	Portland State University
Carl Abbott	Portland State University
Paul Leistner	Portland State University
Dave Mazza	Portland Alliance

Table A.4: Phoenix Interview Participants

Public Sector	
Ruth Osuna	Office of the City Manager
Kim Dorney	City of Phoenix Housing Department
Kate Kreitor	City of Phoenix Neighborhood Services
Belinda Diaz	City of Phoenix Neighborhood Services
Joseph Belval	City of Phoenix Neighborhood Services
Michael Johnson	City of Phoenix City Council
Donald Maxwell	City of Phoenix, Community and Economic
Debra Wilkins Stark	Development
Fred Karnas	Phoenix Planning Department
	Arizona Department of Housing
Non-Profit Sector	
Edmundo Hildago	Chicanos por la Causa
John Ramirez	Chicanos por la Causa
Michelle Dimurio	Habitat for Humanity - Valley of the Sun
Eva Ordonez Olivas	Phoenix Revitalization Corporation
Patricia Garcia Duarte	NHS Phoenix Inc.
Debbie Ellis	Habitat for Humanity - Valley of the Sun
Teresa Brice	LISC
Sherry Ahrentzen	The Stardust Center for Affordable Housing and
Elisa de la Vara	Family
Andrew Gordon	Office of Representative Pastor
	Arizona Multibank
Private Sector	
Don Keuth	Phoenix Community Alliance
Dan Klocke	The Downtown Phoenix Partnership
Jim Rounds	Elliott Pollack and Company
Rus Brock	Homebuilders of Central Arizona
David Adame	McCormack Baron Salazar
Frank Enriquez	Meridian Bank
Others	
Jim McPherson	Flinn Foundation
Kristen Koptiuck	Arizona State University
John Hall	Arizona State University
Jay Butler	Arizona State University
Joanna Duke	Arizona State University

Table A.5: Atlanta Interview Participants

Public Sector	
Valerie Wilson	Atlanta Beltline Partnership
Terri Lee	City of Atlanta Housing Bureau
Waymon Winston	Atlanta Development Authority
Ernestine Garey	Atlanta Development Authority
Dawn Luke	Atlanta Development Authority

Non-Profit Sector	
Marie Cowser	Historic District Development Corporation
Joan Garner	Historic District Development Corporation
Mtamanika Youngblood	Annie E. Casey Foundation/HDDC
Young Hugley	Reynoldstown Redevelopment Corporation
Bruce Gunter	Progressive Redevelopment Inc.
John O' Callaghan	Atlanta Neighborhood Partnership Inc.
Andy Schneggenburger	AHAND
Kate Little	GSTAND
Clara Axam	Enterprise Community Partners
Protip Biswas	United Way's Regional Commission on Homelessness
Don Phoenix	NeighborWorks America
Gayle Hayes	Annie E. Casey Foundation
Anita Beaty	Atlanta Metro Taskforce for the Homeless
Hattie Dorsey	ANDP (formerly)
Kimberly Cameron	MACDC
Nathaniel Smith	ANDP (formerly) Emory University
Bill Bolling	Atlanta Food Bank

Private Sector	
Ray Kunianski	Fabric Developers
Noel Kalil	Columbia Residential
Christ Burke	Home Builders Association of Metro Atlanta
Egbert Perry	The Integral Group
A.J. Robinson	Central Atlanta Progress Inc.

Others	
Larry Keating	Georgia Tech
Thomas (Danny) Boston	Georgia Tech
Dan Immergluck	Georgia Tech
Kate Grace	Office of University-Community Partnerships
Frank Alexander	Emory University Law School
Johnathan Springston	Atlanta Progressive News

Table A.6: Washington D.C. Interview Participants

Public Sector	
Michael Kelly	DC Housing Authority
Art Rogers	Office of Planning
Leila Edmonds	Department of Housing and Community Development
Maribeth DeLorenzo	Department of Housing and Community Development
Buwa Binitie	New Communities Initiative
Harry Sewell	D.C. Finance Agency
Marion Barry	District of Columbia
Natwar Gandhi	Office of the CFO
Betsy Keeler	Office of the CFO
Leslie Steen	Deputy Mayor's Office
Non-Profit Sector	
Mike Wallach	Anacostia Economic Development Corporation
Dominic Moulden	ONE DC
Kenneth Ellison	SOME
Bob Moore	Columbia Heights Development Corporation
John Moore	Washington Interfaith Network
Coleman Milling	Washington Interfaith Network
Linda Leeks	Empower D.C.
Ed Lazere	DC Fiscal Policy
Bob Pohlman	CNHED
Ramon Jacobson	LISC
Marty Mellett	LISC
David Bowers	Enterprise Community Partners
Cheryl Cort	Washington Regional Network
Private Sector	
Don Keuth	Phoenix Community Alliance
Dan Klocke	The Downtown Phoenix Partnership
Jim Rounds	Elliott Pollack and Company
Rus Brock	Homebuilders of Central Arizona
David Adame	McCormack Baron Salazar
Frank Enriquez	Meridian Bank
Jeffrey Gelman	DC Building and Industry Association
Others	
David Garrison	Brookings Institution
Richard Green	GWU, Center for Washington Studies
Dwight Cropp	GWU, Public Administration
Hal Wolman	GWU, Political Science
Thomas Kingsley	Urban Institute
John McIlwain	Urban Land Institute
Clarence Stone	GWU, Political Science