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Avigail: Hi, I'm Avigai Oren.

Lisa: And I'm Lisa Hernandez.

Avigail: And we're your hosts for scholar Strategy Network's No Jargon. Every other week, we discuss an American policy problem with one of the nation's top researchers without jargon.

Lisa: And this time, we are on our way on the road to a housing act and to mainly talking about housing. Right. This is probably going to be the big rent talk here.

Avigail: Yeah. Yes. There is a quote unquote housing crisis in our country right now, which our guest today really characterizes less as a supply side problem, though certainly we, we do need, you know, new housing supply, but more so as an income inequality problem, what is affordable to one person is not affordable to another. And many Americans are spending a quite astronomical proportion of their income on their housing right now.

Lisa: Yeah, I really appreciate, different, like a perspective change when it comes to conversations around the housing crisis. Because when I think, you know, it's putting the houses forward, like the houses aren't the problem, it's people not being able to afford the houses. Right? I think like sort of that issue facing people approach and like moving that forward, into our psyche here is really important. So I'm excited to learn from this conversation.

Avigail: Yeah. So for this episode, I spoke with Hilary Botein, an associate professor at the Marks School of Public and International Affairs at Baruch College, CUNY, and she is the faculty director of the Master of Science in City Planning program there. She's working on a book about black homeownership in New York City between 1920 and 1970. And before she found her way into academia, she actually worked for 18 years as an attorney and policy analyst on affordable housing and economic justice issues, primarily in New York City.

Here's our conversation.

Professor Botein, welcome to No Jargon.

Hilary: Thank you for having me.

Avigail: So there's a lot of talk right now about Congress, who is trying to pass some legislation to address the housing crisis. The House has already passed a bill. The Senate is working on a bipartisan package aimed at lowering costs and building more housing. And your work specifically focuses on how housing policy more often plays out in cities than in Washington. I would love to begin by kind of grounding us in two terms we hear a lot when discussing these kinds of policies, which is housing affordability and expanding supply. What do we actually mean when we use those terms?

Hilary: So housing affordability is a meaningless term. I'm teaching housing policy this semester and in one of the first classes, I always start by talking about this. Affordability to me is completely different than what affordability means to you, right? It's all relative.

Affordability is a relationship between income and costs. The term that I particularly have an issue with is the term, and I'm putting my fingers in quotation marks. Affordable housing, because that's meaningless if you have no income, no housing is affordable to you. If you earn millions of dollars a year, all housing is affordable to you.

For people who are low income and for people who kind of go up to middle income, we have in the US an assumption that people should spend 30% of their income on housing costs, but even that is a little unclear. Does it include utilities, which can be very significant? Does it include if you're a homeowner, does it include insurance and all the other expenses? Does it include repairs?

And again, if you earn \$1 million a year, I don't really care if you're paying 30% of your income or 75% of your income in housing costs because you have plenty of money. So that's my soapbox railing against the term affordable housing.

I mean, I guess the last thing I would say is the reason it's used a lot when we're talking about housing for low and moderate income people is because in this country, we don't like low and moderate income people. There's a huge stigma against them, against, you know, allocating funding for them, against subsidizing housing for them.

And so over time, you know, advocates and providers of what's now called affordable housing have shifted from calling it low income housing to calling it affordable housing.

It's really kind of a marketing term. I get that, and I understand why they do that. And so I kind of reluctantly use it when we're talking about housing affordability, you know, more broadly, it's clear that we have a terrible affordability crisis in this country.

But I would say actually what we have is people don't have enough income, and that is why they don't have enough money to pay housing costs. Housing gets a lot of the responsibility because for almost everyone, it's their largest fixed expense. And so when people don't have enough income, they're really noticing how much of their income housing is gobbling up.

Avigail: So I think that's actually a great point to segue. So how does that ability to afford relate to supply? So do we actually not have a supply side problem?

Hilary: So this is another issue about which I feel mixed. There's a lot of talk about housing supply. And part of me feels really thrilled about that because as someone who's been working on issues around housing for low income people for all my career, it's great to see people talking about housing supply because we need more housing. And it's sort of part of this whole debate about abundance. And it's created some really interesting kind of partnerships between people on the right and people on the left with every, you know, there's this sort of progressive talk about abundance and supply, and it's not wrong.

But again, it's complicated because I do not agree that if you increase the housing supply at the high end, you know, there is an argument. It's often referred to in the housing economics literature as filtering. It's sort of like trickle down economics. If you provide housing at the high end, the housing will filter down. And so, you know, the housing that was available to someone who is middle class will now become available to someone who's low income.

That's really not the case. Or if it does become available to someone who's low income, it's in such bad shape that we don't want it to be available to that person. So yes, we have a supply problem, but I would say we have the most significant supply problem at the bottom of the housing cost spectrum. So again, great to have the discussion of supply on the table. And as part of that, there's a lot of, in some areas, very interesting and very creative discussions about how we can eliminate barriers to building more housing.

But again, I think we need to tread carefully there because I'm in New York City where, you know, the building code is notoriously incredibly complicated. In some cases,

streamlining production of housing. And again, for me, I would say particularly lower income housing, that's great, but we don't want to throw out very important safety requirements.

One of the areas in which the US has actually improved significantly in the last hundred years or so, people have sanitary housing. And, you know, we're not having although we still have people die in fires, but not as many as we used to. So that whole discussion needs to be thought about carefully as well.

Avigail: Yeah, absolutely. Fire code really has been an improvement in our housing standards for sure. but...

Hilary: But on the fire code, for example, I'm sorry to interrupt.

Avigail: No, no, go ahead.

Hilary: I think it's an important point. The New York Times had a really interesting story last week, I think about how, you know, the requirement that certain buildings have two staircases, two stairways to exit may no longer be necessary because we have so many other improvements in fire safety. And they were able to look back over data about fatalities in fires. None of them happened because there was a lack of egress by another staircase.

You know, again, this is not something I'm totally familiar with, but I thought, oh, that's interesting. Like if you were able to look at the data, my knee jerk reaction was, no, you should never get rid of that requirement. People should be able to get out in a fire. But if it turns out that because we've made so many other advances that that's not necessary, then absolutely we should get rid of that because that's incredibly expensive.

Avigail: Right? I mean, it speaks to the dynamism that is required in our regulatory bureaucracy, for sure. Kind of on that note, what do you think that people in Washington often misunderstand about what cities can realistically do when it comes to housing and increasing supply?

Hilary: The issue of local preferences and local preferences get a very bad rap, because historically they were kind of code for racism and NIMBYism, and they still are in many places. But a mayor and other elected officials, that's part of what they need to manage.

And, you know, thinking about New York City, which I spent a lot of time thinking about, it's incredibly diverse. And some parts of Queens are practically suburban. And then you have Manhattan, which is incredibly dense. And so there really is no one size fits all. And certainly we want to make sure that people of all incomes and all races and ethnicities can live pretty much anywhere.

But we also need to recognize that, you know, neighborhoods have preferences. And even sometimes when the preferences are rooted in, you know, racist ideology and history, there needs to be time to unpack them. So I think that, and in a way, it's like, why should Washington understand that? I mean, every city is different, but I think that that's significant.

Avigail: Yeah. I want to dig into this history a little bit that you've just alluded to because, you know, race and income really do shape where people are actually able to live in the first place. And you've pointed out in your work that housing policy often assumes people can just, you know, move to the right neighborhood and improve their situation, right? It's like the housing equivalent of bootstrapping, right? But why is it a really important reality to keep in mind that race and income shape where people live? And, and that we have to keep that in mind when we talk about housing solutions.

Hilary: Yeah, we keep putting these programs and I think often with very, very good intentions. I mean, an example is the Section 8 program now called the Housing Choice Voucher Program, which was created in the early 1970s in response to what was then seen as the failure of project based public housing. And the idea was that people would get vouchers to subsidize their rent and that they would be able to move anywhere in the more than 50 years since then.

What's become clear is they can't move anywhere, because there's a limit to how much the government will subsidize their housing. I mean, I think that's the biggest impediment. If you give someone a tool to access the private housing market, then they are also constrained by the private housing market, and they're not going to be moving to a wealthy neighborhood.

And then there are other choices that people make. They might want to be around friends and family. They might want to, you know, go into a supermarket that doesn't give them a hard time about their food stamps.

You know, many, many other reasons we have this fantasy that, you know, we give people opportunity everywhere and in fact, we don't. But the related issue to that, we

have this idea that if you are kind of rubbing shoulders with someone who is better off than you are, that it's going to rub off on you, and in particular, that it's going to rub off on children. And that's not really true.

You know, there's been tons of research on this, and I don't conduct this kind of research. So I am just a consumer of it. You know, it certainly appears that if you give people the opportunity to move into neighborhoods with more resources, their children end up, I mean, it's very clear actually, that their children end up doing better, in other words, earning more money when they grow up.

And that's great. It's less clear what the mechanism is that causes that. You know, is it that they're going to better schools? Is it that they feel safer, which is one of the big findings that often happens when people have those options? You know, it's probably a combination, but it's not clear that they're doing better because their friend was richer and that that kind of made them more successful.

Avigail: Well, let's talk a little bit more about public housing and housing vouchers, since those are two of the main ways that the federal government supports, quote unquote, affordable housing. When those programs are reshaped or their funding becomes uncertain, what does that mean for families on the ground? You've just offered a really trenchant critique of both, but they still are sort of a safety net available to people.

Hilary: Yeah. I mean, public housing and housing vouchers are really the only housing that's available to what we call extremely low income people. So people, households that are at or below 30% of the area, median income for a particular area. I'm looking at things from the vantage of a city with very high housing costs and lower income cities with lower housing costs. Very low income people can survive on the private market. In New York City, they can't really.

So they're definitely, you know, what's available to very low, extremely low income people in New York City. NYCHA, the New York City Housing Authority, is now struggling, but for many, many years, it was an incredibly successful housing authority. and I think it's really important to note that public housing can be very successful.

I think that, you know, our president and much of our Congress right now are absolute, you know, horror show for low income housing. However, that's not really anything new. I mean, the federal government has been starving the public housing program in particular, and the Section 8 program to some extent for decades. The public housing program, in fact, really never had a chance.

It was created during the New Deal, and it was really created as a job creation program. If you look at the enabling legislation for the public housing program in 1937, they talk more about jobs than they do about housing, which is fine. I mean, that was the big concern then. But they created the public housing program. And then somewhat astoundingly, no one really thought about the fact that if you were and initially it was going to be for working people.

So you can sort of understand why they didn't think initially that there was going to need to be a deep subsidy, a deep ongoing subsidy for public housing. But they really didn't for a very long time.

So you create public housing. It's not built very well because it's, you know, the federal government building housing to the extent where, you know, some of the projects in New York City and I assume in other cities only had elevator stopping on every other floor. You build it not very well. You put initially working people and then increasingly extremely poor people in it. You don't provide operating subsidy for a long time. Eventually they got it together and started providing operating subsidy. And you don't provide capital funds for deteriorating housing stock.

So that's what's going on, you know, across the country. And again, I'm most familiar with what's going on in New York City. This housing is old. Most of it was built in the 1940s, '50s and sort of the beginning part of the '60s. It's had very, very heavy use. It was never that well built to begin with. And so it's falling apart and it needs major capital expenditures.

And when the federal government doesn't appropriate enough money, both to subsidize the low rents that people are paying, because again, everyone living in public housing and everyone with a Section 8 voucher is paying 30% of their income towards their housing costs, and the government is subsidizing the rest.

So again, think about a public housing project. Everyone in there is paying 30% of their income that comes nowhere near the amount of money that you need to operate it. And then you also need a capital, a regular capital infusion to do stuff like. Replace boilers, fix elevators, which is a huge, huge thing in high rise public housing. You know, just all the normal things that happen with any capital asset.

Section 8 or It's called the housing choice voucher program. But I'm old, so I call it Section 8. Most people do the Section 8 program, you know, gives people a voucher to

subsidize their rent. If you have a voucher, you pay 30% of your income towards your rent and then the government pays the rest up to an established limit.

When Congress doesn't appropriate enough money, a couple of things happen. I mean, first of all, it means that cities have to close their Section 8 programs and can't let anyone else on. It could mean that they stop paying the amount, the voucher subsidy. In most places, they're able to kind of shift money around and keep that covered.

I mean, I know there's been concern about that, but I haven't heard yet of any place being cut off. But even that means, you know, in New York City, for example, if you're in a shelter, one of the ways that you can get out of the shelter is getting off the waiting list for Section 8 or public housing. If the waiting list never opens, you're probably not going to get out of the shelter.

And I always say this when I teach housing policy, don't think about elected and appointed officials as doing things because they're nice or care about people. Think about what they do in terms of money, in terms of fiscal responsibility. And it's a lot more expensive to have someone sitting in a shelter than to have them in an apartment.

Avigail: Well, I'd love to transition then to talking about the debate around Housing First as a way to address homelessness. So Housing First, can you explain what that means to our listeners and why it's become, you know, a strategy?

Hilary: Housing first is an approach to treating homelessness that has been around since the 1990s. It started in New York City or I mean, New York City. We think we're the best at everything. So we always take credit for everything. I mean, it is my understanding that it did. I know some of the people who pioneered it, but who knows, other people were probably doing this before.

And I think there's actually a lot of confusion when people talk about homelessness and we talk about homelessness. We divide people into what are called single homeless and formerly homeless people. Single homeless are people, you know, they're what in the olden days were considered like people living on skid row, adults without children who frequently, although not always, are struggling with some kind of mental health issue or substance use issue.

And I mean, in New York City, we have a right to shelter. So many of them are sleeping in shelters, but a lot of them are sleeping on the street. Family homeless are people with children, and they tend to be homeless for economic reasons. So it's quite different.

They tend to just not be able to afford rent. And again, in New York City we have family shelters that are, you know, they're not nice, but they're a lot more resource rich than the house. You know, they're like apartments.

The Housing First approach was pioneered with single adult homeless people. And the idea behind it is give someone housing and then give them the chance to straighten out their life if they want, until sort of in until the '90s, when this approach started being pioneered, government funded housing often had the requirement, for example, that someone had to be sober before they moved into housing, the Housing First approach says, you really can't expect someone to kind of make these changes to their life when they're living on the street. So give them the housing and then have them move in.

And then, you know, maybe use a harm reduction approach and try to get them to not use substances and get them treatment for mental health. It has been shown over decades now since the '90s to be very cost effective. Again, I always like to emphasize the cost effectiveness.

There have been a bunch of studies showing that supportive housing, which is housing with intensive supportive services, usually volunteer. It's very expensive to operate. However, it's cheaper than someone being on the street who is cycling in and out of a whole bunch of systems of care. They're cycling in and out of shelters, they're cycling in and out of hospitals. They're not getting primary care treatment. So every time they have a minor health problem, they have to go to the emergency room. They're cycling in and out of jail. They're cycling in and out of detox. So they're actually using a ton of services.

If you put them in housing first and they'll straighten themselves out, they're going to start being connected to a primary care doctor. They're just going to, they're obviously not going to be going to shelters. They're probably not going to be going to jail. They're probably not going to be going to detox. So it saves a lot of money.

The kind of clearest example that I always give in thinking about housing first is years ago I did work with people with HIV in housing, and it was around the time when antiretrovirals were starting to become popular. If someone is homeless, you cannot expect them to adhere to a medication regime, particularly medications that need to be refrigerated. And it's actually the same with a lot of medications for mental health issues.

If you get them in an apartment where they have a refrigerator, where they have a clock where they can kind of, you know, set a timer or whatever they need to do. They're going to be a lot more successful in adhering to these regimes. So that's Housing First.

This administration in particular, the Trump administration really doesn't like Housing First. They really don't. And, you know, I think it's just a knee jerk reaction, which I to some extent I understand. They think, why would you give someone something without requiring something from them first? So their response, so their feeling is we need to require people, for example, to be clean and sober before we give them the reward of permanent housing. They think we should put people in transitional housing before they get that reward.

And I kind of get that. I mean, I don't agree with that, but I kind of get it why they're thinking that.

Again, just to go back to sort of money and logistics, it makes absolutely no sense to create. I mean, we used to have transitional housing. We really barely do anymore. It's a waste of money to create housing that people are not living in permanently, that they're just kind of like this weird zone that people are living in while they're proving that they're worthy of getting into permanent housing.

I don't think it's very well thought out. Like they think there may be saving money by not giving people this resource until they proven themselves worthy of it. But in fact, if they have to create a lot of transitional housing, it's going to be more expensive and they're going to have to create a whole bureaucracy to manage it. It makes no sense at all.

Avigail: Might I posit that developers make money when transitional housing is built, the same way that detention centers are developed for immigration enforcement.

Hilary: A great it's a great analogy. And in fact, there was a few months ago they proposed this. One of these transitional housing, sort of like campuses outside Salt Lake City.

And I looked at the plans and that was exactly what I thought. I was like, wow, this looks just like a detention center, which is basically what it is.

Avigail: Right? I will leave that point. I'll leave that point, and we will move on to talking about homeownership and how your work shows that homeownership does, provide stability and pride for many families. But it can also come with unfair risks and unequal opportunities. We can definitely see that going back as far as biased mortgage lending

practices around redlining through the bubble that ended in 2008 with, you know, just subprime lending. Yeah. How does history complicate the way we are talking about homeownership today as the main solution to housing inequality.

Hilary: Yeah. And this is something where I feel like I've had I kind of my feelings have really changed. I was never, you know, a big fan of home ownership. And particularly I was never a big fan of home ownership for low income people. Yeah. I mean, what we saw during the mortgage housing crisis of 2008, 2009 was a lot of people who had been kind of, I don't know if pushed is the right word, but had been encouraged into low income homeownership because it was the Clinton administration really pushed it.

And it was kind of part of, again, sort of this model of let's look at what middle class people do. They are homeowners. How can we make low income people be homeowners? And, you know, then maybe their lives will be like middle income people.

And obviously that didn't work. And a lot of people, you know, were just not ready for home ownership and couldn't really afford it. And then they were very easily preyed upon by subprime lenders.

But I got interested in this issue when actually it was a few years after the subprime lending crisis. And I was looking at historically black neighborhoods in New York City where there had been high levels of foreclosure of subprime mortgages. And I was talking to mainly longtime black homeowners and some of whom had lost their homes, some of whom were at risk of losing their homes, and some of whom had just luckily escaped the crisis.

And I was really struck by how incredibly proud people were. I mean, which obviously I shouldn't have been struck by that, like, anyone should be proud of that. But how people were holding on to their homes. I was particularly looking in Bedford-Stuyvesant in Brooklyn, which is an area that has increased very, very significantly in value. And many people could have sold their homes for, you know, millions of dollars, but they chose not to. You know, in part to keep an asset, but more because it was really this symbol of resiliency.

And so I thought, oh, that's interesting. And actually then I thought, well, that's really interesting. Let me go look for the book about black homeownership in New York City. And I went and looked and there was no such book. So that's why I've been toiling away in the over the next years.

It's a, you know, it kind of small story, but also, I think a really important story. We think about the period in which I'm working on this book between 1920 and 1970 as white flight, and that's because that's the period when many, many white people left central cities and moved to the suburbs. And you were talking about redlining. And that's because, you know, those neighborhoods were redlined and they were enticed by subsidized FHA subsidized initially mortgages and the ability to move to the suburbs.

I mean, it was white flight, but it was also people were not just fleeing. They were pulled by the enticement because it made economic sense. But what's interesting is during that period, so people were leaving. Black people because mainly, again, because of the great migrations from the South, were moving to the North, and some of them were able to buy homes. That's kind of what I've been looking at. I've been seeing and, you know, white people moving homes, black people moving in those areas were still redlined. So they financed their homes through using very precarious and sort of patched together financing schemes. But it was an important anchor in those neighborhoods to kind of go back to what we were talking about earlier.

I also think it's important in thinking about renting. And I'm not saying that these homeowners I've been studying don't care about their homes as assets because they very much do as they should. But there's something a lot bigger than that. There's this sort of emotional and identity based resonance, and that's really, really important. I mean, in New York City, we have rent stabilization, which provides a certain amount of stability for renters.

But in thinking about just sort of housing and people's attachment to housing more and more, I think that's what we need to figure out how to provide, right? There shouldn't be this great gulf between homeowners and renters. We need to kind of move everyone a little bit towards the middle, where everyone feels secure and stable and people buy homes. If you're, I don't know, upper middle class and above, you probably buy a home and you think about what it's worth and how it's going to increase in value. But otherwise, you really don't. You just don't want to be at the mercy of the rental market or whatever. And who can blame anyone? Moving is incredibly stressful.

Avigail: That's absolutely right. I once asked my husband if he would rather move or have oral surgery, and he asked with anesthesia. And I said with anesthesia. And he said I would do that 100%.

Hilary: I mean, there are all these things. If you look at like the most stressful events in in your life, moving is right up there. And when you have children and when you have kids, it becomes so much more complicated. So.

Avigail: Oh, yes, yes. My parents moved me from Minnesota to Florida when I was 12 years old. And oh, did I give them hell. I mean, really, you know, it was not their choice. And I did not make it any easier.

Just to sort of wrap things up. I would love to hear your take on what you think city leaders should be paying the closest attention to right now with the housing debate happening in Washington.

Hilary: City leaders really need to figure out how to marshall all their fiscal resources. I think there's not going to be any federal money for housing coming. Not much coming. So they really need to think about, you know, how they can shift money around, how they can think creatively about taxes and, you know, what they can do.

And, you know, we've been talking about that in New York. And I think it's important to start talking about that in terms of like lower income housing. There's some proposals now. You know, I don't know how much traction they're going to have. But for example, there's a proposed rule out about making mixed immigration status families no longer eligible for public housing. And Section 8 for many, many years, you could have a household where some members were citizens and some were not. And that was okay.

If that goes through, that's going to be like a whole lot of people who are going to lose their housing and city leaders are going to have to deal with that. So I think these changes around eligibility are going to be important.

But I think it's mainly, you know, a money game, like how can you shift around money? How can you figure out ways to increase the coffers? A city does well when everyone in that city is well housed. And we talk about the fiscal crisis in New York City in the 1970s, it's like these dark days. I mean, it didn't last that long, but nobody wants to return to that. It's not going to be good for the city. It's obviously not going to be good for the individual people who will suffer.

But, you know, we don't want the city to be a place where people don't want to visit, where they don't want to do business, all of that. So I think just thinking about it, housing as part of the overall health of the city is really important.

Avigail: Absolutely. Well, Professor Botein, thank you so much for coming on No Jargon.

Hilary: Thank you for having me. It was a delight.

Avigail: And thanks for listening. For more on Professor Botein's work, check out our show notes at [scholars.org/nojargon](https://scholars.org/nojargon).

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