

Economic building blocks

Affordable housing an important step in stabilizing the market

By JUDITH CALOGERO

Wouldn't it be fitting if just as wild speculation in housing caused the current market meltdown, that with a little optimism and a well-executed plan, affordable housing helped restore normalcy and balance to the markets?

Government and the private sector, with the notable exception of community-based housing companies that knew better, successfully fostered a bizarre culture of homeownership in which anyone — even those with no income — could get in on the party.

Our exuberance became so irrational that anyone who chose not to buy in, regardless of their financial status, was made to feel somehow inferior, even un-American.

We had become so obsessed with "maximum square footage at minimum prices," that we marketed the American Dream like a cheap product. Now that dream is in limbo. And along the way, we devalued an entire class of people and their place of residence: renters and multifamily housing.

Now that the tectonic political shifts around us have started to settle, the demanding work of problem solving can begin in earnest. We must return to the idea that the greater density of multifamily housing makes sense economically, socially and environmentally.

The road to economic recovery goes through affordable housing, which is at the confluence of vital currents that flow through our lives. It is the linchpin in the lives of the poor, the disabled and

the elderly.

A federal Section 8 voucher that allows a household to rent an apartment for 30 percent of its income is a bridge over troubled times for a single mother. A safe, decent, affordable apartment provides the surest path between a poor child and a good education. A

On the state level, provide \$500 million in the current budget for affordable housing capital programs to fully leverage federal resources. Restore the Neighborhood and Rural Preservation Programs to full funding levels.

Also, avoid the expansion of prevailing wage requirements. Government

and to make up equity shortfalls for tax credit programs.

Provide 200,000 new project-based or stand-alone Section 8 housing vouchers according to the needs of localities. A further economic stimulus would be to allow families to pay 25 percent of their income for rent instead of 30 percent.

Also, make Troubled Asset Relief Program funds or other resources available to purchase long-term fixed rate housing bonds at reasonable rates, which will establish the market and draw in other Wall Street investors.

Work to ensure that the economic stimulus bill fully capitalizes the public housing program, contains preservation funds for privately owned multifamily housing, and expands the market for the Low Income Housing Credit program.

Families throughout New York depend on the state's affordable housing programs for stability, if not survival. At a time when government budgets are being cut, we should not pull the net out from under our working families.

Instead, we must reinforce it in anticipation of increased demand. We know from recent history that hope is more than just a word. Sometimes it can be a winning strategy.

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handicapped-accessible home provides a foundation for personal independence. The Section 8 voucher is as much infrastructure as is the Northway.

The collateral benefits of housing justify the argument for increasing spending, not reducing it, as a way to stabilize the current financial volatility. An initial dollar invested in affordable housing expands many times over. It goes from builder, to vendor, to supplier and further. It reappears in income to neighboring businesses and in the form of jobs and wages. If this does not meet the classic definition of economic stimulus, I don't know what does.

To that end, I have the following recommendations.

should engender a productive dialogue between labor and the affordable housing industry that helps to bring resolution to this complex issue.

On the federal level, economic stimulus funds earmarked for infrastructure projects and environmentally sustainable green-collar job creation must flow to construction and rehabilitation projects idled or hindered by a deleveraged banking system. Such projects will create thousands of green- and blue-collar jobs.

Make \$5 billion immediately available to states and localities to spur housing and community development,

