

# BERNIE SANDERS'S 2020 HOUSING PLAN

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## DATA FOR **PROGRESS**

Data for Progress is keeping a running tab of housing policy proposals for announced or likely 2020 Presidential contenders. This is not a horse race, process-story exercise - we'll be providing play-by-play policy analysis, ideological context, and suggestions to improve candidates' policies, to help both campaigns and voters get to the best American housing policy.

## OVERVIEW

As of writing, Sanders's housing plan is the most expansive and ambitious proposal of the 2020 primary, pledging over \$2 trillion to build new social housing and fully fund Section 8 housing vouchers, massively expanding investments in new and existing public housing, using all available federal levers to end exclusionary zoning, instituting nationwide rent control and tenant protections, tackling homelessness with proven strategies, offering reparations to victims of predatory capitalism, and connecting housing investments to decarbonization and the Green New Deal.

### Key Points:

- ▶ **Commits nearly \$2 trillion in building new social housing**, to construct 7.4 million new homes for extremely low-income Americans and 2 million additional mixed-income homes to ensure economic integration of social housing, plus further investments in housing in rural America and on Native American reservations.
- ▶ **Invests heavily in public housing**, with a large infusion of resources to restore existing publicly owned homes, repealing the Faircloth Amendment that bans new public housing, and boosting energy efficiency and internet access for public housing.
- ▶ **Transforms the waiting-list-plagued Section 8 rent assistance program into an entitlement** for the millions of eligible families and ensures that landlords cannot discriminate against the families who depend upon the program.
- ▶ **Institutes nationwide standard protections for renters**, including a cap on rent increases, a ban on no-cause evictions, and guaranteed counsel in eviction court.
- ▶ **Enlists a host of tools to combat residential segregation, gentrification, and sprawl** by advancing equitable zoning and transit-oriented development, and discouraging practices that accelerate displacement.
- ▶ **Works to end homelessness** by prioritizing housing-first strategies to move homeless families into permanent shelter and providing the wraparound services many need to ensure the success of that transition.
- ▶ **Creates a new National Fair Housing Agency** and implements other reforms to ensure fair enforcement of key regulations protecting renters and other housing-insecure people from discrimination or unfair eviction.
- ▶ **Supports first-time homeownership and alternative homeownership models**, by directing new resources to first-time homebuyer programs, community land trusts, and other shared equity models allowing for split ownership between groups of people, or between owners and the public.
- ▶ **Attacks predatory capitalism in the housing sector** by pushing Wall Street out of the mortgage consolidation business; increasing transparency, oversight, and regulation of large landlords; abolishing deceptive practices, and offering reparations to victims of the subprime mortgage crisis.
- ▶ **Focuses a portion of the Green New Deal on decarbonizing housing** through retrofits, electrification, and weatherization.

## WHAT IT REVEALS ABOUT SANDERS:

With this plan, Bernie Sanders continues his role as the pace-setter for progressive policy in the 2020 Democratic primary. The proposal commits by far the most financial resources toward affordable housing programs – at least four times what his competitors have put forward. This reflects Sanders’s enduring nonchalance about the price tag of his proposals; indeed he appears to wear the cost of his proposals as a badge of honor and a sign of his unique candor about the problems we face as a nation. Rather than devote any energy toward avoiding sticker shock, Sanders’s plan indicates a grasp of the magnitude of the housing crisis.

While much of the plan reflects his approach to housing in Burlington and Vermont, the plan also powerfully embraces emerging new left urbanism – focusing on equitable zoning, density, transit-oriented development alongside major expansions of social housing and robust, universal protections for renters.

This plan embodies Sanders’s distrust of market forces and preference for public sector solutions to public problems but also reveals his willingness to enlist restructured and strictly regulated markets to ensure that Americans who find homes through the private sector are protected from the predatory and exclusionary forces that have defined the housing system for generations.

## WHAT’S GOOD:

- ▶ **Adopts the sweeping “yes, and” approach the housing crisis demands.** Sanders offers the boldest, largest housing proposal of any 2020 candidate, both in terms of new federal money committed and in terms of strategies

employed to tackle the crisis. Sanders addresses the housing shortage with public, nonprofit, and private housing solutions; he attacks landlord greed through a host of strict regulations; he boosts alternatives to traditional homeownership; and he addresses how housing policy drives the climate crisis in terms of both transportation and energy.

- ▶ **Builds enough homes to meet the need.** Unlike other proposals, the Sanders plan calls for enough new social housing to address the 7.4 million deeply affordable home shortage identified by the National Low Income Housing Coalition. Sanders is also candid about how much this will cost – \$1.48 trillion over ten years.
- ▶ **Prioritizes economically integrated social housing.** Sanders looks to avoid the mistakes of economically segregated 20th century public housing by building an additional 2 million mixed-income homes to share space with the 7.4 million homes for extremely low-income families. Given politicians’ greater responsiveness to middle-class families than poor families, this should make it more likely that the housing receives ongoing maintenance, along with ancillary benefits like enhanced integration of neighborhood public schools. (That said, Sanders does not specifically propose a plan for ongoing maintenance.)
- ▶ **Offers a best-in-class proposal on dismantling exclusionary zoning and ending sprawl.** Sanders correctly identifies the racist and classist history and impacts of exclusionary zoning, and enlists the most powerful tools currently in the federal toolbox to

unmake it across the country. Critically, his plan predicates transportation (along with other federal) funding on localities adopting fair and inclusive zoning and offers incentives to states to preempt local exclusionary zoning. The plan further connects federal funding to zoning and development standards that encourage transit connectivity and discourage sprawl. Beyond being smart federal policy, Sanders's approach to these measures sends a powerful message that defending exclusionary zoning at the local level in the name of socialism is hokum.

- ▶ **Prioritizes security for tenants.** Of all the 2020 presidential proposals, the Sanders plan dedicates the most attention toward providing stability and peace of mind to renters. His nationwide cap on annual rent increases (the higher of 3% or 1.5 times inflation) will gain the most attention and is the easiest to understand but his plan includes other critical protections for tenants. By banning no-cause evictions and providing resources to guarantee a right to counsel in eviction courts, Sanders looks to provide tenants with the security they have lacked for generations.
- ▶ **Moves toward universalist entitlements and ensures all tenants are treated equally.** By turning Section 8 into a fully-funded entitlement, Sanders ensures that all renters receive access to affordable housing regardless of their income, in both the near-term (through housing vouchers) and long term (through his investments in social housing). The Sanders plan further focuses on ending discrimination in housing, by ensuring Section 8 recipients and LGBTQ\* Americans receive the protections of the Fair Housing Act.
- ▶ **Enlists evidence-based approaches to address homelessness.** By pursuing housing-first & wraparound services for individuals and families experiencing homelessness, Sanders embraces the tested strategies that have proven most effective to getting people off the street and into stable, supportive housing. This ensures that the people most endangered by the housing crisis receive the attention and care they need.
- ▶ **Attempts to loosen the stranglehold that traditional homeownership has on US housing politics.** Sanders pays some attention to supporting individual homeownership but the vast majority of his energy around homeownership goes to alternative ownership models like Community Land Trusts, where a public or nonprofit entity owns the land while the tenant owns the physical building. This keeps housing costs down over the long term and ensures that the public reaps the benefits of local public investment, rather than incumbent private property owners. Community land trusts have not scaled in United States and are highly resource-intensive, but a national commitment to them and other shared equity models could make them a more significant component of our housing policy.
- ▶ **Takes on predatory capitalism in housing & offers reparations for its victims.** Sanders takes a customarily broad view of the hazards laid and harm caused by predatory actors in the housing market, both in the leadup to and aftermath of the subprime mortgage crisis. To address this, the Sanders plan looks to ban large-scale sales of mortgages to Wall Street,

cast sunlight on the practices of large corporate landlords, and provide restorative measures to the Americans who were harmed by predatory lending and other parasitic financial practices.

- ▶ **Casts progressive housing policy as a solution to economic inequality and anxiety in politically powerful ways.** By identifying clear heroes and villains, putting forward easy-to-understand policies, and describing the problem and solutions in simple, moral terms, Sanders creates the conditions for housing to become the popular, mobilizing campaign issue it can be.
- ▶ **Places the blame where it rightly belongs.** Sanders focuses his fire on the main perpetrators of the housing crisis – predatory bankers, greedy landlords, racist policymakers, and affluent property owners – and targets his reforms to restrain their influence and rebalance power toward tenants and other working people.
- ▶ **Balances nuanced policies and stark, simple programs.** More than any other candidate’s plan to date, the Sanders housing agenda makes clear whose side he is on – tenants over landlords, people of color and working people over racist, classist NIMBYs, foreclosed families over Wall Street – offering his plan robust rhetorical power. He does this by embracing clear, easily comprehensible policies like nationwide rent control with more intricate reforms like equitable zoning & transit-oriented development.

## WHAT NEEDS WORK:

- ▶ **Nationwide rent control would benefit from treating new housing somewhat differently.** The nationwide rent control program at the center of the Sander housing plan would provide immense certainty and stability for every incumbent renter in America but risks discouraging new construction, if identically applied to homes new and old. While the infusion of 9.4 million new social homes proposed by Sanders would more than address the current home shortage, the United States is set to grow by 30 million people by 2030, which means the country will continue to need a steady and accelerating stream of new privately-owned homes.<sup>1</sup> The consequences of discouraging new construction are serious enough to look to mitigate that risk. A simple solution is to treat new construction differently from existing housing. Options for that include either exempting new housing from rent control for its first 15 years of operation, as California and Oregon have recently done, or modestly raising the cap on rent increases for new housing, potentially to 7% or so (which would have the added benefit of still guaranteeing some security to tenants of new buildings).<sup>23</sup>
- ▶ **There should be a more explicit relationship between spending on new social housing & the Section 8 entitlement.** While the generosity and comprehensiveness of the Sanders plan is one of its greatest assets, it may go further than is necessary in promising to transform Section 8 rental assistance into an entitlement without noting plans to scale down as social housing scales up. While Section 8 is critical to providing affordable housing under the current system, it is fundamentally a subsidy

to private landlords and thus more of a stopgap measure than a permanent solution. Under the Sanders plan – especially the massive expansion of social housing and elimination of exclusionary zoning – the housing system should change enough to significantly lower rents across the board, rendering Section 8 increasingly unnecessary and eventually irrelevant. Although it remains important to keep Section 8 as an entitlement for families that need it, the plan would be stronger by making explicit the intention to make it unnecessary.

## WHAT WE WOULD ADD:

- ▶ **Clearer revenue streams, especially a Land Value Tax.** Sanders deserves hefty credit for identifying precise and candidly significant costs of his plans. However, outside of a few new taxes designed to discourage capitalist abuses, he identifies few pay-fors for the over \$2 trillion he proposes. This may be due to Sanders’s belief in Modern Monetary Theory and the freedom from deficit fear it brings, or due to political calculus to avoid weighing down his popular reforms with less popular taxes. That said, Sanders could enlist some revenue streams that would support and reinforce his intended transformation of the U.S. housing system. Namely, a Land Value Tax like that proposed by Henry George would generate huge amounts of revenue and incentivize rapidly transforming the built environment from McMansions and sprawl to dense apartments, social housing, and transit-connected communities.

- ▶ **Incorporate tenant screening & security deposit standards.** The reforms proposed by Sanders will go a long way toward protecting tenants from the abuses of greedy landlords. Yet landlords, like most capitalists, will often find ways around regulations to extract more income from or power over their tenants. Two common, and thus critical, elements of parasitic landlord behavior that require mitigation are onerous move-in costs and discrimination based on arbitrary tenant screening practices. Landlords frequently require the equivalent of many months rent to move into a rental home, effectively excluding any tenant without significant savings. Similarly, landlords can employ arbitrary and tacitly discriminatory screening processes to exclude tenants – using credit score or background in the justice system, for instance – that act as de facto racial and economic discrimination. Portland, Oregon recently adopted measures capping move-in costs at 1-to-1.5 times the monthly rent and requiring landlords to accept tenants on a first-come-first-serve basis without regard to credit history or most criminal convictions.<sup>4</sup> Sanders would strengthen his plan by adopting measures like these.

## ENDNOTES

1. Sandra L. Colby and Jennifer M. Ortman, “Projections of the Size and Composition of the U.S. Population: 2014 to 2060,” U.S. Census, March 2015
2. Liam Dillon, “Here’s how California’s new plan to cap rent increases would work,” LA Times, 09/05/2019
3. Sasha Ingber, “Oregon Set to Pass the First Statewide Rent Control Bill,” NPR, 02/27/2019
4. Rachel Monahan, “Portland City Council Passes New Tenant Protections Aimed at Helping People With Criminal Histories,” Willamette Week, 06/19/2019