

AMY KLOBUCHAR'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

Senator Amy Klobuchar's housing plan is a broad, high-level set of policy ideas that are best described as an expansion of contemporary housing policies. Most notably, it would make the Housing Choice Voucher program available to all qualifying households with children. This is alongside other proposals that would give renters more autonomy, such as increased investments in rural rental assistance, an emergency fund for renters, expanding mobility vouchers, and tactics to expand access to justice and fight discrimination. Klobuchar's plan also includes specific provisions for people with disabilities, people experiencing homelessness, and seniors, and proposes to expand access to homeownership.

Key Points:

- ▶ **Offers renters a bit more legal footing** by proposing a new federal grant program to provide access to legal counsel for “people who are dealing with evictions, being denied access to health care and having wages unfairly taken”; prohibiting landlords from unfairly discriminating against renters by banning income discrimination and blacklisting discriminatory landlords; and reinstating some Obama-era rules that have been rolled back by the Trump administration, namely Affirmatively Furthering Fair Housing and the Office of Fair Lending and Opportunity's enforcement and oversight powers, which would monitor fair lending practices.
- ▶ **Institutes some new support for groups facing specific housing challenges**, like rural renters, people with disabilities, people experiencing homelessness, and seniors. Klobuchar's plan would allow for more engagement in rural housing from the private sector by giving residents and developers greater access to information about how to build more housing in rural areas, update regulations on reverse mortgages to protect seniors, invest in homeless assistance grants, and strengthen housing programs that assist people with disabilities. Candidly, we do not see any of these proposals as making a major impact but they are relatively harmless.
- ▶ **Expands the Housing Choice Voucher program:** to all families with children.
- ▶ **Addresses exclusionary zoning**, in a general sense by acknowledging that “outdated” zoning rules drive up the cost of housing. Directly naming the impact of land-use restrictions like zoning on affordability, racial equity, and sustainability is a relatively recent step; though Klobuchar is in lockstep with many other candidates on this point and doesn't provide detail, it's still notable.

WHAT IT REVEALS ABOUT KLOBUCHAR:

Klobuchar has attempted to stake out the moderate lane in her run, and this plan is no departure from that path. Her plan operates firmly within the boundaries of existing national approaches to housing. She proposes to broaden eligibility for some existing programs like Housing Choice Vouchers and the Community Reinvestment Act, along with some additional money, but does not go much further. Even her bolder proposals don't break the mold of relying at least partially on the private sector to mitigate the underlying causes of housing instability. For example, giving renters access to emergency funds for rent is based on the Saving for the Future Act, which Klobuchar co-introduced; this isn't an entitlement program, but rather an employer-matched savings account. Overall, Klobuchar's proposal either reinstates Obama-era policies that have been bitten away at by the Trump administration, or marginally expands the sorts of public-private programs, like LIHTC, that the US developed in lieu of a robust national social housing approach. Klobuchar's proposals would offer some positive, if muted changes to the American housing system but nothing approaching the scale of the crisis.

WHAT'S GOOD:

- ▶ **Encourages siting of subsidized affordable housing projects in more affluent, amenity-rich areas.** Klobuchar proposes to “expand the current allocations to support the construction of additional units,” and specifically notes that she will encourage construction in high-opportunity neighborhoods. LIHTC projects are not currently incentivized one way or the other to go to certain areas, and situating LIHTC projects in high-opportunity neighborhoods with access

to amenities like transit and good schools would begin to integrate racially and economically exclusive neighborhoods.

- ▶ **Gives a nod to tenant autonomy.** Klobuchar's focus on tenant's rights does not include specific rent protections, but is not insignificant in its attempt to transfer some power away from landlords. Her plan would blacklist landlords who have discriminated based on income or “who have been to court over eviction or discrimination on the basis of sexual orientation, gender identity, or veterans status,” a notable step. Further, Klobuchar would return fair lending and anti-discrimination enforcement and oversight powers to the Office of Fair Lending and Opportunity, an important backstop that's been disemboweled by the Trump administration.
- ▶ **Acknowledges restrictive zoning as one cause of housing unaffordability.** Minneapolis' comprehensive plan overhaul, which will legalize triplexes citywide, has become a poster child for how a land-use policy can be changed to directly confront the legacy of segregation inherent in zoning codes that have strangled housing affordability and accessibility. Klobuchar obviously took note of this step in her home state, as well as the current nationwide zeitgeist around zoning.
- ▶ **Acknowledges rural housing issues.** Housing policy is typically described as an urban issue, but most Americans are cost-burdened, regardless of where they live. Low-density rural areas struggle with access to resources and their own acute effects of poverty. Klobuchar's plan would “increase affordable rental housing in communities” through increased investments, improve training for state, local and federal agencies and improve

and expand programs that provide technical assistance to rural nonprofits to boost rural housing development, and encourage lenders to use their existing mortgage portfolio data to better serve rural mortgage markets.

- ▶ **Restores Obama-era protections.** While this isn't a particularly progressive or earth-shattering stance, it's an important one. The Trump administration's approach to housing has been to roll back or neutralize policies like Affirmatively Furthering Fair Housing, which set a federal, top-down standard for what local municipalities can and cannot do. This is critical to desegregating housing and providing greater access to opportunity, as well as closing the racial wealth gap. Klobuchar would restore AFFH, as well as enforcement and oversight powers to the Office of Fair Lending and Opportunity. She would also "reverse the Trump Administration's proposed changes to federal housing subsidies that could triple rent for some households."

WHAT NEEDS WORK:

- ▶ **Falls far short of the need by every conceivable measurable.** While Klobuchar deserves some credit for having a housing plan at all, her proposals offer little help to the American families desperately looking for stable housing amidst a housing shortage of 9 million homes, over 500,000 people living on the street, and full one-sixth of the U.S. population paying a burdensome share of their income in rent. Her proposal includes no new social housing, no significant expansion of rental subsidy, no rent stabilization, and no aggressive measures to end exclusionary zoning. It is difficult to identify how many Americans would benefit from this housing plan, but it is likely lower than under other candidates' proposals.
- ▶ **There are no dollar amounts attached.** Klobuchar proposes to pay for her plan by raising the capital gains rate to the income tax rate for households making over \$400,000 annually; funding also rests in part on her infrastructure plan's proposal, which includes nods to housing, to raise the corporate tax rate to 25 percent. But she doesn't tie specific dollar amounts to what she's proposing, so it's nearly impossible to tell what the relative value of each of her policies is to her, or to each other. Campaign plans are supposed to be broad-based, but it's impossible to say whether Klobuchar would fiscally emphasize, say, Housing Choice Vouchers over expanding access to homeownership. Further, saying that she would make a "significant investment" in Housing Choice Vouchers is hard to gauge without a sticker price attached to it, or an estimate of the number of households that would benefit.
- ▶ **Broad in scope, but light on details.** The most tangible action in the majority of Klobuchar's suggestions is to restore Obama-era housing policies like AFFH and the CRA, but when it comes to, for example, actually providing rural rental assistance, her plan merely states that she "will strengthen rural rental assistance programs and significantly increase investments in the rural housing supply, which includes expanding affordable housing programs serving Native Americans." This isn't tangible, and doesn't provide much insight on how Klobuchar would actually make any of this happen, which has the deleterious effect of coming off as tokenizing. Unsurprisingly, there are scant details on how Klobuchar would actually implement any of these programs beyond light incentives to places that actually follow what she's proposing, which doesn't

account for the proclivity of municipalities to strenuously avoid changing their housing policies. Likewise, suggestions like “encourage a share of new rental housing to be built in a senior friendly way” aren’t descriptive, and don’t indicate a commitment to actually putting these policies in place.

▶ **Zoning is addressed, but only nominally.**

Similarly, despite acknowledging zoning restrictions as significant, Klobuchar’s approach is to “prioritize areas that have updated their zoning rules when awarding federal housing and infrastructure grants.” Since municipalities are effectively incentivized not to change their zoning regulations, this likely would not do much to overhaul land-use codes.

▶ **Restoring AFFH doesn’t go far enough to combat segregation in housing.**

Restoring AFFH is a critical step to ensuring that we are on a path of less racial segregation in housing, rather than more. But it doesn’t begin to close the racial wealth gap, and nowhere in Klobuchar’s plan is there specific language around racial segregation.

▶ **Beyond zoning, there’s no emphasis on the geographic implications of housing distribution.**

Though Klobuchar proposes to restore the AFFH rule, which is critical to ensuring fair and equal access to housing, there’s little acknowledgement of exurban sprawl, which is exclusive and a substantial climate stressor.

▶ **How, exactly, are we going to do this Housing Choice Vouchers thing?**

Klobuchar proposes a substantial of Housing Choice Vouchers to families with children—which should happen—but doesn’t specify how, or how much it would cost.

▶ **Not everyone is a homebuyer, and homeownership in America is racialized.**

While Klobuchar provides some renter protections that should be well-received, especially the right to counsel, her proposal fundamentally falls into the longstanding American tradition of homeownership as wealth-building—without accounting for historical inaccessibility to property ownership on the part of minority groups. Down payment assistance and credit development are fine and good, but unless they are deliberately redistributed to people of color, they will largely perpetuate existing housing segregation.

WHAT WE WOULD ADD:

▶ **Penalize jurisdictions that don’t participate in proposed policies.**

Klobuchar’s approach to zoning, for example, is to “prioritize areas that have updated their zoning rules when awarding federal housing and infrastructure grants.” Given the long history of the use of local control to exclude people based on income or race, it’s entirely likely that some areas would merely opt out of federal housing and infrastructure grants to avoid updating their zoning. A stronger approach would be to predicate federal transportation funding on equitable zoning, as several other candidates do. Given exclusionary communities’ dependence on driving, this approach would be far more likely to effect their behavior.

▶ **Invest in widespread affordable home options outside the private market, be that public housing or public-private social housing, or ideally both.**

Klobuchar's opponents are proposing between 3 million and 9 million new homes outside the private market, which would bring astounding new fairness and opportunity to the U.S. housing system. Although Klobuchar makes a vague reference to increasing funding for the Low Income Housing Tax Credit (the least efficient path to affordable housing), her plan offers no specificity of funding or additional new homes created. Her proposal inherently falls far short in this regard.

▶ **Attention for new – or at least existing – public housing.** Given her political brand, it seems unlikely that Klobuchar will ever put forward a bold proposal to expand public housing. Her plan would be far stronger if she did, but at least she should offer support for existing public housing, which is falling into disrepair due to federal disinvestment.

- ▶ **Support for rent stabilization,** at the national or at least state/local level - Klobuchar is likely avoiding rent control and other more capitalism-skeptical reforms to keep her business-friendly moderate profile intact but without any effort to improve the financial security of renters, her policy underwhelms both in terms of political support and policy impact.
- ▶ **Attach price tags to her proposals -** Klobuchar offers no indication what she will spend on even the middling programs she proposes. Without funding commitments, it is difficult to assess the impact of her policy agenda and suggests some lack of seriousness about the issue.