

THE HCRC AFFORDABLE HOUSING ENDOWMENT ANNUAL REPORT OF ACTIVITIES



JULY 2021

By Philip ME Garboden

In 2018, the University of Hawai'i at Mānoa established the HCRC Professorship in Affordable Housing Economics, Policy, and Planning, thanks to the generous donations of the Hawai'i Community Reinvestment Corporation (HCRC), American Savings Bank, Hale Mahaolu Central Office, the Hawaii Housing Development Corporation (HHDC), the Hawai'i Island Community Development Corporation (HICDC), Hawaiian Electric Charitable Foundation, Mr. Randolph G. Moore, and Tracy J. Takano.

This position was filled by Dr. Philip Garboden who holds a Doctorate in Sociology from Johns Hopkins University as well as a Masters in Applied Math and Statistics and a Masters in Public Policy from the same institution.

This report highlights the work of this endowed position over its first three years, highlighting both local and national projects undertaken by Dr. Garboden, supported by graduate and undergraduate assistants, and collaborating faculty.

The COVID-19 pandemic exposed vast inadequacies in our housing system both locally and nationally. In the midst of crisis, having the flexibility afforded by the HCRC endowment proved critical in allowing Dr. Garboden to assist state and county decision makers around rent relief and affordable housing preservation.

In short, we offer this report in deep gratitude to those who supported the creation of this endowed position and hope that our activities so far measure up to their generosity.

RESPONDING TO COVID-19 WITH TIMELY RELIABLE DATA ANALYSIS

Our primary focus this past year and a half has been helping Hawai'i weather the COVID-19 pandemic and the associated economic downturn. Dr. Garboden was appointed to the *House Select Committee on COVID-19, Housing and Homelessness Subcommittee*, which was tasked with providing guidance to the state legislature on matters related to the pandemic and housing. The committee included researchers, advocates, and practitioners, and spent the bulk of 2020 and 2021 assisting in the design of the State's rent relief programs.

Our main contribution to the committee has been forecasting the need for assistance and tracking housing market trends. Most critically, we conducted an assessment of the need for rental assistance ("Estimating the Need for Rental Assistance in Hawaii," UHERO Blog Post, June 2020) using ACS microdata that allowed us to simulate job losses through the population. This report, we have been told, was widely circulated by policymakers and was partially responsible for the substantial allocation of CARES money to rent relief.

This analysis was updated throughout the year through two blog posts analyzing rental market trends ("The August Rental Market: Struggling Tenants and Rising Vacancies" and "November Rental Market: Troubling Signs Remain As State Prepares for an Uncertain 2021") and an updated forecast of need for rent relief ("Estimating COVID-19 Induced Rental Housing Hardship in 2021").

Dr. Garboden was also appointed to the *House Committee on Eviction Moratorium and Landlord Mediation* which worked with a variety of stakeholders to determine best practices for when the eviction moratorium was lifted. The committee's work resulted in legislation ensuring that all tenants receive mediation services which, ideally, will connect them to rent relief support thus reducing displacement. To support this committee, we drafted a series of internal memos outlining the risks of eviction faced by struggling families as well as the long-term consequences of the crisis on the State's rental housing stock.

Finally, we have worked closely with HHFDC to draft the application for Homeownership Assistance Funds from the US Treasury. Using data on mortgage forbearance and delinquency, we have assisted the state in estimating demand and making allocations.

Throughout the crisis, we have endeavored to publically disseminate best practices to ensure housing stability during the crisis, giving numerous talks about the pandemic and housing (including as a part of UH's *Better Tomorrow Speak Series* with Matt Desmond which had over 1,000 registrants). Our analyses have been quoted in nearly all local media as our work is trusted as both objective and data-driven.

We are grateful that HCRC support allowed us to be near the front lines of these critical decisions.

MAKING A DIFFERENCE IN HAWAII

In addition to crisis response, we have also engaged in a series of longer-term research projects in Hawaii over the last three years. These are all designed to assist State, County, and non-profit agencies in improving living conditions for poor and low-income families.

Analysis of Impediments to Fair Housing in Hawai'i

Over the last 24 months, we have been conducting the mandated *Analysis of Impediments to Fair Housing for the State of Hawai'i*, which looks at discrimination and other barriers to housing access on the basis of age, gender, race, ethnicity, disability, familial status, religion, and national origin.

This work was done in partnership with Co-PIs Jennifer Darrah and Krysia Mossakowski from the UH Department of Sociology, Hayden Shelby from the Department of Urban and Regional Planning, and Dina Shek and Deja Ostrowski from the Richardson School of Law. Because all agencies receiving Federal funding is required to undertake an Analysis of Impediments every five years, the clients for this project included The Hawaii Public Housing Authority (HPHA); The Department of Human Services' Benefits, Employment and Support Services Division (DHS-BESSD); The Hawai'i Housing Finance and Development Corporation (HHFDC); The City and County of Honolulu's Department of Community Services (DCS); The County of Hawai'i's Office of Housing and Community Development (OHCD); The County of Maui's Department of Housing and Human Concerns (DHHC); and The Kauai County Housing Agency (KCHA); and the Department of Hawaiian Home Lands (DHHL).

We split the analysis into two phases to ensure both deep analysis and compliance with the Federal deadline of January 1st 2020. The first phase focused on legal compliance and staff awareness regarding fair housing issues. We circulated a survey of all staff at each agency to assess their knowledge, summarized the findings, and made recommendations for additional training. Our Co-PIs from the Medical Legal Partnership at the Richardson School of Law also reviewed all documents used by the agencies for compliance, making recommendations for revisions as appropriate. These Phase 1 reports are complete and should be publically available on the agencies' webpages.

The second phase, currently underway, involves a more comprehensive analysis of how housing systems in Hawai'i limit the ability of protected classes to identify safe and secure housing in neighborhoods that fits their needs. This analysis uses two main sources of data: 1) a longitudinal interview study of families looking for housing with a housing voucher and 2) stakeholder interviews with a wide range of individuals. A final report from this phase is forthcoming at the end of 2021.

Because data collection with families looking for housing was disrupted by the pandemic (forcing us to transition to phone interviews), we have recently drafted a whitepaper related to the ways in which COVID-19 interrupted the housing searches of families who were recently issued vouchers ("Using a Housing Voucher during the COVID-19 Pandemic"). Our argument, briefly stated, is that the COVID disruption exposed otherwise obscured aspects of our housing system with important consequences for families before, during, and after the pandemic.

HPHA Needs Assessment and Other Analyses

We have also conducted a couple of research projects funded by the Hawaii Public Housing Authority.

The most significant of these consisted of a needs assessment with a random sample of families living in public housing (conducted with PI Jennifer Darrah). Our team conducted 75 interviews with a random sample of residents in three public housing projects (with an over 80% response rate). Recently, we finalized a *Needs Assessment Report* for HPHA and are looking forward to partnering with them to develop a vision for public housing redevelopment.

In a separate analysis, we conducted a national scan of Public Housing Authorities to identify how PHAs are stepping out of their traditional responsibility (vouchers and public housing) to collaborate on the development of affordable housing projects.

The first academic paper from this project's pilot data was published in *Housing and Society* and features two outstanding UH graduate student assistants, Nathalie Rita and Rachel Engel. The paper is entitled "Contesting the Right to the City Under Scarcity: The Case of Micronesians in Hawai'i's Public Housing" and examines the stigmatization of COFA families in public housing.

We are currently working on two other papers from this study.

The first, again with Nathalie Rita, looks at the shifting process of waitlist prioritization for public housing, its impact on who is served, and its articulation of changing notions of "deservingness." This paper is currently under review.

Second, with Katia Polster, I am working on a paper focused on how families in public housing navigate work and the PHA's volunteer hour requirement. Specifically, we highlight barriers to economic upward mobility for public housing families that could be addressed through policy reform.

Informing Philanthropic Support of Low-income Homeownership

In 2021 we collaborated with the Hau'oli Mau Loa Foundation to make recommendations regarding their grantmaking for low-income homeownership. In order to produce those findings, we conducted broad stakeholder engagement with experts in various aspects of affordable housing financing and development. Perhaps more importantly, we also conducted interviews with a set of individuals participating in the self-help housing project on Hawai'i Island, working to understand the needs, aspirations, and challenges of program participants.

The report summarizing our findings has been drafted and should be available to the public in late 2021.

Inventorizing the Small-Multifamily Rental Sector in Hawaii

One of the many concerns post-COVID is the preservation of Hawai'i's unsubsidized rental stock. Despite the best efforts of many, landlords are frustrated and housing prices have never been higher (nationally and in the state). Little can be done about the potential loss of single family rentals, but the small multi-family rental sector is much more actionable. Indeed, recent research has shown that small multi-family rentals achieve and maintain affordability far more readily than other portions of the unsubsidized rental stock.

The first step is getting a sense of the stock as it exists. Over the first half of 2021, we have been inventorizing the stock of small multifamily rentals on Oahu and hope to release the data publically by the end of 2021.

Evaluating the Windward Eviction Prevention Program

One of the primary challenges of the COVID-19 pandemic has been getting rent relief into the hands of people who need it. While Hawai'i has outperformed nearly all other states in this regard, there are still challenges related

to accessing traditionally marginalized communities. In 2021, the Castle Foundation (along with other philanthropic partners) launched an initiative to use community partners on Windward Oahu to proactively recruit families into the program.

The Castle Foundation requested that Dr. Darrah (UHM Sociology) and Dr. Garboden support the process as learning partners, helping to evaluate the process and make recommendations for improvement. Our team has been closely working with initiative's community partners and providing real-time observations to the Castle leadership team.

Housing and Well-being in Hawaii

With funding from the Ulupono Foundation and in collaboration with UH economics professor Dr. Inessa Love, this project considered the determinants of subjective well-being in Hawaii. We used Gallup data to assess the demographic and neighborhood predictors of individual well-being across the state. Data limitations were endemic to this work and the project was designed to be explorative in nature. Nevertheless, two core findings emerged. First is that there does not appear to be substantial variation in subjective well-being across neighborhoods after adjusting for individual characteristics. Because neighborhood characteristics are causally associated with individual outcomes, this finding does not suggest that neighborhoods don't matter, only that the mechanism by which they impact subjective well-being is primarily at the individual level.

Second, the oft-stated fact that Hawai'i's population has the highest subjective well-being is not consistent throughout the income spectrum. The poor in Hawai'i are just as unhappy as the poor on the mainland (using both adjusted and unadjusted poverty thresholds). And the rich in Hawai'i are just as happy as the rich elsewhere. The major difference is that individuals around 300 percent of the poverty line are significantly happier here than elsewhere, suggesting that the quality of life benefits associated with our state mostly accrue to this group.

Two reports from this project are available on UHERO's website as working papers.

PUBLIC ENGAGEMENT AND NON-PARTISAN ADVOCACY

The HCRC endowment has also allowed us to devote significant time to non-partisan public engagement and information dissemination around affordable housing issues in Hawai'i.

Dr. Garboden serves, for example, on the State's Infrastructure Investment Strategy Work Group, part of the Hawaii Interagency Council for Transit-Oriented Development and connect frequently with industry, philanthropic, and government groups. Recently, Dr. Garboden participated in the Hawaii's House Committee on Intrastate Commerce's panel on the eviction moratorium.

We have also given a number of public talks, mostly related to COVID. These include:

- "PAL Kaua'i Radioshow." KKCR Kaua'i Community Radio
- "Using a Housing Voucher during the COVID-19 Pandemic." American Planning Association, Hawaii Chapter.
- "COVID-19: Resiliency and Recovery." Kaiāulu Webinar Series, Kapi'olani Community College;
- "Rooted to Our Land: Movie Screening and Panel Discussion." Hawai'i Appleseed;
- "Inconvenience Sampling for Planning 2.0." Hawaii Book and Music Festival;
- "Whence NIMBY?" Hawaii Book and Music Festival;
- "Housing after the Pandemic: Threats and Opportunities." Hawaii Economic Association;
- "Hawaii's Coming COVID Eviction Crisis & How To Stop It" University of Hawaii's Better Tomorrow Speaker Series (with Matthew Desmond (keynote), Nalani Fujimori Kaina, Stanley Chang, and Micah Kāne);

- “Responding to Hawaii’s Housing Needs in the Context of COVID-19: Early Results from a Study of Housing Choice Voucher Recipients” Myron B. Thompson School of Social Work, Continuing Education Presentation (with Jennifer Darrah-Okike and Hayden Shelby);
- “Our Homes: Ending the Housing Crisis” Sponsored by Senator Stanley Change and Faith Action of Community Equity’
- “Housing Affordability in Hawai’i, Post COVID.” Hawai’i Transit Oriented Development (TOD) Committee
- “Reconciling Sustainability and Affordability” Institute for Sustainability and Resilience, Honolulu, HI, 2019.
- “Do We Have a Plan for That?” Faith Action Housing Summit, Honolulu, HI, 2019.
- “Housing Affordability in Theory and Practice.” Kauai Housing Summit, Lahui, HI, 2019
- “Housing Vouchers and Opportunity: What Drives Landlords’ Willingness to Participate in the Housing Choice Voucher Program” Pacific Rim International Conference on Disability and Diversity. Honolulu, HI, 2019 (with Minda Golez).
- “Housing Supply and Affordability: A Research Summary” Hawaii Senate & House Joint Committee on Housing. Honolulu, HI, 2019.
- “Inclusionary Housing Requirements: The Debate” Federalist Society of Hawaii. Honolulu, HI, 2019.
- Panel Participant, Palolo Housing Roundtable, Honolulu, HI, 2018.

BUILDING LOCAL EXPERTISE THROUGH TEACHING AND MENTORSHIP

Perhaps the most significant impact of the HCRC endowment is mediated through our teaching and mentorship.

Over the last three years we have employed fourteen students in GAships, and coauthored reports or academic publications with all of them. This has given us a change to provide directed training to what I hope to be the next generation of housing researchers in the state.

Dr. Garboden has also served on seventeen students’ capstone, thesis, and dissertation committees, providing feedback on their progress towards a Masters in Urban and Regional Planning, a PhD in Planning, or a Doctorate in Architecture.

Dr. Garboden has also routinely taught three courses, urban economics, qualitative methods, and a seminar on housing policy. A fourth related to causal inference, is scheduled for this spring.

INFORMING FEDERAL HOUSING POLICY THROUGH NATIONAL WORK

Beyond our local work, we have also maintained a robust research agenda related to Federal housing policy.

Improving the Housing Choice Voucher Program

Nationally, the Housing Choice Voucher Program (HCV, formerly Section 8) struggles to identify sufficient landlords willing to participate, particularly in low-poverty communities. To assess the program and make recommendations, we conducted 157 interviews with landlords and property managers, most randomly sampled in Baltimore, MD, Cleveland, OH, Dallas, TX, and Washington DC. These interviews addressed their experience with the HCV program and well as their work more broadly. Our findings were consolidated into a report published by the Department of Housing and Urban Development entitled *A Research Report: Urban Landlords and the Geography of Opportunity* (this works was done

in collaboration with Eva Rosen, Georgetown University, Meredith Greif and Stefanie DeLuca, Johns Hopkins University, and Kathryn Edin, Princeton University).

Based on our findings, HUD commenced a national listening tour of landlords in which we participated. HUD has now proposed an evaluation of landlord incentives through an expansion of the Moving to Work program. Along with a team from Abt Associates, we won the bid to create the evaluation methodology and are now in the process of submitting the bid for the full evaluation.

We have also commenced analysis of administrative data provided by HUD to test hypotheses related to landlord exit from participation in the HCV program; a whitepaper from which is forthcoming.

Understanding Landlords

While the focus of our landlord interviews was the HCV program, it also gave us an opportunity to understand the role of landlords more generally within urban housing markets. We have published several academic papers in this regard. The first looked at the phenomenon of serial filing, when a landlord files for eviction each month as a tool for rent collection, with no intention of removing the tenant. This paper was published in the preeminent urban sociology journal and was one of the top ten most downloaded in 2019, garnering over 1,000 downloads in its first year.

Other work related to why amateur investors decide to purchase rental real estate, landlord management practices, and interracial discrimination are all forthcoming.

We also signed an advance contract with Princeton University Press for a book, tentatively titled *American Landlord* from the project (with co-author Eva Rosen from Georgetown University)

Effect of Housing Mobility Programs

We have also examined the impact and implementation of housing mobility programs, a special kind of voucher that helps families relocate to low-poverty neighborhoods. These programs have been shown by Raj Chetty (and others) to have significant positive impacts, particularly young children.

Our research in this area has been two-fold. First, we are nearing completion of a paper assessing the causal effect of mobility on children's academic achievement (measured via standardized test scores). We take advantage of variation of programmatic capacity to assess exposure impacts, finding modest positive gains.

We also recently produced a report, published by Mobility Works and the Poverty and Race Research Action Council (PRRAC) related to best practices used by mobility programs in attracting landlords in "opportunity areas" and have recently begun a collaboration to assess landlord involvement in the CMTO project in Seattle.

Leveraging Big Data for Decision-making

Finally, we have continued to work on how so-called "big data" can be used to improve urban decision-making. This included a recently published book chapter related to the use of Big Data in macroeconomic forecasting (in a book edited by UHERO's Peter Fuleky).

We are also nearing publication of a piece using combinatorial optimization to identify demolition targets in Baltimore, MD – a city with over 16,000 vacant and abandoned properties and nowhere near enough funds to remediate the program. This tool, designed in collaboration with data scientists from Johns Hopkins, resolves several frustrating optimization issues related to row-home demolition, in which one home's demolition incurs costs associated with retaining walls unless adjacent properties are also demolished.

CONTINUING THE HCRC IMPACT: 2021 AND BEYOND

Reflecting on our goals for the last year, it is hardly surprising that several of them were deferred by the need to shift focus onto COVID-19. While such a reorientation was ultimately necessary, it has delayed the important work of developing a dynamic data dashboard of Hawai'i's housing conditions; one that highlights core trends in as close to real time as possible. We envision this to be our top local priority whenever the rush of COVID related research support dies down.

Our work on the Analysis of Impediments has also prompted questions related to housing voucher discrimination. To assess the severity of this, we are seeking funding to conduct an audit study (a methodology that entails contacting rental listings with random differences to assess discrimination). This study could collect critical data on the challenges voucher families face in the rental market and, ideally, also assess other forms of ethnic discrimination such as against Hawaiians and other Pacific Islanders.

From a pedagogical perspective, one of the core goals of our work is increasing housing-related expertise in communities across the state. One of the most glaring gaps are programs that merge housing and planning expertise with Hawaiian knowledge. Although fundraising was interrupted by COVID-19, one of the short term goals is to identify funding for Native Hawaiian students to pursue graduate education in urban planning.