What AFFORDABLE HOUSING Means for Black America

Project 21

is a program of the

NATIONAL CENTER FOR PUBLIC POLICY RESEARCH
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WHAT AFFORDABLE HOUSING MEANS FOR BLACK AMERICA

is the ninth topic in the Project 21 series "What It Means for Black America." Other topics in the series include:

Critical Race Theory

Environmental Justice

Election Reform

Inflation

Immigration

The Second Amendment

Reparations

Electric Vehicles

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WHO WE ARE

Project 21 is a program of the National Center for Public Policy Research, launched in 1992 to promote conservative and libertarian black leaders in the media so that news coverage better reflects the true diversity of thought within the black community.

Project 21 members have been interviewed over 50,000 times — currently averaging more than two television interviews each day — appearing on Fox News Channel, CNN, C-SPAN, MSNBC, Newsmax and One America News Network. In addition, Project 21 members are interviewed on radio an average of nearly 1.5 times per day and have appeared on major radio stations and shows with hosts such as Sean Hannity, Jim Bohannon and the late Rush Limbaugh. Members are also frequently published and quoted in newspapers, including the *New York Times*, *Wall Street Journal*, *Washington Post*, *Washington Times*, *Detroit News*, *Houston Chronicle* and many others.

Project 21 members come from all walks of life and from all over the country. Its membership includes members of the clergy, business leaders, entertainers, athletes, economists, journalists, attorneys and students.

What Project 21 members have in common is a desire to make America a better place for black Americans — and all Americans — to live and work.

They do so not only by writing op-eds and participating in radio and TV interviews on the most important issues of the day, but also by advancing a positive vision for improving the lives of black Americans. Project 21 publishes the “Blueprint for a Better Deal for Black America" offering specific policy recommendations for helping black America reach its full potential. Notably, these recommendations build on key aspects of Americanism — free enterprise, personal responsibility and limited government — and consequently would result in benefits for the country, not just blacks. It also publishes the “What It Means for Black America” series of monographs that assess policy initiatives for their specific impact on people of color.

Project 21 members give speeches before student, community, business and religious groups; testify before Congress and other government bodies; advise policymakers at the national, state and local level and file public comments on federal rulemakings.

PROJECT 21 LEADERSHIP

HORACE COOPER

CHAIRMAN

In addition to serving as chairman for Project 21, Horace Cooper is a senior fellow and member of the board of directors of the National Center for Public Policy Research. He previously served as deputy director of Voice of America, chief of staff at the U.S. Department of Labor and was a senior aide to the leadership of the U.S. House of Representatives. He also taught constitutional law at the George Mason University School of Law. He is the author of *How Trump is Making Black America Great Again* and *Put Y'all Back in Chains: How Joe Biden's Policies Hurt Black Americans*. He appears regularly on the Fox News Channel and talk radio shows across the nation as a legal and political commentator.

TERRIS TODD

DIRECTOR OF COALITIONS & OUTREACH

Terris E. Todd brings a wealth of experience to our Project 21 team. Todd has served in the federal government, as an advisor for a leading think tank and a board advisor for several organizations. He is multi-talented and his seasoned career includes being an ordained pastor, a public school teacher, school administrator and college instructor. He is also an author and hosts a podcast host.

In 2020, Terris was appointed by The White House to be the executive director of the White House Initiative on Educational Excellence for African Americans in the U.S. Department of Education.

He focused on working with educational professionals in the public and private sectors to elevate and bring awareness to the challenges faced by African-American students in the country, and on leveraging resources to help ensure students are prepared for college and productive careers that contribute to the well-being of society.

A Place to Call Home

The Housing Crisis and Black Americans

"I'm the son of a single mother — growing up, we lived with family until we were able to rent a small place of our own. I know firsthand the importance of access to quality, affordable housing... Costs to buy a home and to rent continue to increase, and homelessness is at record levels. It's past time for Congress to take serious action to reverse decades of failed housing policies and put all Americans on the road to housing."

Senator Tim Scott, South Carolina
September 11, 2024[1]

In lamenting the lack of affordable housing in the United States, Sen. Scott further notes that the left's preferred solution for years "has been to spend trillions on programs that have yielded little results, especially for minorities as homeownership rates for African Americans have barely changed in over 50 years."[2]

What Sen. Scott describes is failure by almost any definition, one that is overseen by the Department of Housing and Urban Development (HUD) along with other federal, state and local bureaucracies. With a predictability bordering on monotony, Congress and whichever administration is in power routinely trod the same path that has repeatedly led to the dead end of broken promises and wasted resources.

While many state and local governments have enacted policies that have driven up the price of homes for renters and homebuyers, by far the greatest harm has come from federal initiatives — often taken in the name of assisting low-income people, upgrading the housing stock available to them, or providing for a cleaner, greener environment for what are euphemistically referred to as "underserved communities."

Too often, families struggling to navigate the housing market find themselves trapped in a cycle of poverty. While HUD provides some assistance, federally subsidized properties have historically concentrated poverty and associated social ills and limited the economic mobility of residents.

Layers of red tape oftentimes prevent assistance from reaching those who need it the most or restrict the production of new, affordable housing entirely. This is especially problematic for Americans seeking federal housing assistance, as the costs associated with over-regulation hit low-income families the hardest. Even worse, assisted housing programs lack sufficient oversight, and Congress has never developed the visibility necessary to measure whether federal programs truly assist the low-income families they are supposed to support.

Furthermore, the housing market is not immune to the consequences of policies adopted to promote seemingly unrelated agendas. Wreckless spending over the past four years drove inflation to such heights that interest rates rose — including for mortgages — adding to the cost of homeownership. What's more, the Biden Administration's open-borders policy allowed untold millions of migrants to flood into the country, putting additional strains on an already tight housing supply. Climate goals that effectively ban natural gas-powered household appliances or mandate more expensive green building materials also make homes more expensive. Zoning, land-use restrictions, and not-in-my-backyard (NIMBY) have all contributed to the housing shortage.

In sum, putting and keeping a roof over one's head can be a tricky business under the best of circumstances. The task at hand is to create conditions that enable communities, whether urban or rural, to meet the housing needs of their residents. Project 21 supports policies at the federal, state, and local levels to remove barriers which both impede black Americans' entry into the housing market and undermine their prospects for acquiring better housing as their incomes rise.

In the same spirit, Project 21 embraces innovative policies that make more land available for residential development, helping to break the logjam that has created a housing shortage in the land of plenty.

A Housing Shortage in the Land of Plenty

The final year of the Biden-Harris Administration witnessed a gathering storm in the nation's housing market, particularly for people of middle- and lower income. Indeed, achieving the American dream of homeownership appeared to be slipping beyond the grasp of too many Americans.

CBRE Research (the global leader in commercial real estate services and investment) reported in spring 2024 that average monthly mortgage payments for a newly purchased home surpassed apartment rents by 38 percent.

"The disparity between mortgage payments and rental costs presents a substantial hurdle for aspiring homeowners," said Matt Vance, America's Head of Multifamily Research for CBRE.

"The sharp increase in the cost of buying a home has made it increasingly difficult for individuals and families to make the transition from renting to owning."[3]

Nor is relief on the horizon. CBRE estimates a shortage of 3.8 million housing units in the U.S. — primarily single-family homes and smaller multi-unit dwellings. These housing types account for approximately 90 percent of the overall shortage, which is expected to persist until at least 2029.[4]

Currently, black homeownership stands at 44.1% compared to 73.3% for whites.

The last year of the Biden administration saw widespread pessimism on the part of people hoping to improve their housing situation. "Renters' views on the ease of obtaining a mortgage deteriorated substantially, with 74.2% stating that obtaining a mortgage is somewhat or very difficult," an annual survey by the New York Federal Reserve found. "In fact, renters' self-assessed probability of ever owning a home decreased to a new series low."[5]

In late 2024, sales of existing homes were on track for their worst year since 1995 for the second year in a row, according to the National Association of Realtors.[6]

Nationally, home prices have grown 48 percent since 2019. But in certain counties in such states as Arizona, Georgia, Pennsylvania and North Carolina prices have more than doubled, according to an analysis of Zillow data, the *Washington Post* reported.[7]

Black Americans, eager to enjoy the advantages of homeownership, find themselves confined to the status of perpetual renters thanks to today's high prices and the rules and regulations that undercut affordability. Currently, black homeownership stands at 44.1 percent compared to 73.3 percent for whites.[8]

The picture for renters is equally bleak.

"Renters were hit hard by the historically high rent increases during the pandemic years," the *Wall Street Journal* noted "especially in Sunbelt cities, such as Phoenix and Tampa, Fla, where rents rose 20 percent or more during 12-month periods." [9]

At the signing ceremony for the bill that created HUD in 1967, President Lyndon Johnson said it would "become known as the single most valuable housing legislation in our history."[10] The results paint a different picture. "In 1967, the U.S. home ownership was 64%," Jack Ryan, author of "Bringing Adam Smith Into the American Home," wrote in the *Wall Street Journal* in November 2024. "Nearly six decades and $3 trillion of spending (in 2024 dollars) later, according to the U.S. Census Bureau, the home ownership rate is nearly ... 64%."[11]

Ryan points out that U.S taxpayers were also on the hook for another trillion dollars resulting from addressing the savings-and-loan (S&L) housing crisis of 1989; the bailout of government-backed entities Ginnie Mae, Fannie Mae, and Freddie Mac after the 2008 housing-driven financial crisis; and the Federal Housing Finance Agency (FHFA) writing off $25 billion a year in bad mortgages. "Add it up, and the U.S. has spent about $4 trillion since 1965 without increasing home ownership, making homes more affordable, or reducing rents," he noted.[12]

*Nationally, home prices have grown **48%** since 2019. But in certain counties in such states as Arizona, Georgia, Pennsylvania and North Carolina prices have more than **doubled**, according to an analysis of Zillow data, the* Washington Post *reported.*

Green Policies

Make Things Worse for Minorities

As if the price pressure on middle- and lower income people — whether renters or aspiring homeowners — were not bad enough, federal policies imposed in the name of combatting climate change have made the situation worse.

In her September 19, 2024 testimony before the U.S. House Committee on the Budget, then Project 21 Membership Director Donna Jackson cited federal housing policies as contributing to the nation's housing affordability crisis.

"Most recently, the Department of Housing and Urban Development (HUD) adopted new green building code requirements for homes qualifying for government-backed mortgages," she told the lawmakers. "According to the National Association of Home Builders, these new requirements could add up to $31,000 per home. And remember, the main purpose of HUD is supposed to be helping first-time and low-income home buyers, but instead the agency is moving in the opposite direction as part of the [Biden] Administration's 'all of government' prioritization of climate policies."[13]

HUD's green building codes Jackson referred to were initiated in the last year of the Obama Administration and were actively

pursued during the Biden years. Under the policy, HUD put rules in place that reduce mortgage insurance premiums for qualifying Green and Energy Efficient Housing. As of Jan. 1, 2022 (latest figures available), over 1,800 FHA multifamily properties have qualified, HUD says.[14]

"For borrowers using FHA-insured financing, this incentive is meant to encourage multifamily property owners to adopt higher standards for construction, rehabilitation, repairs, maintenance and property management that are more energy efficient and sustainable than traditional approaches to such activities," HUD explains.[15]

Overturning the long-established practice of having building codes determined by local governments, HUD is federalizing the whole enterprise, using claims of "efficiency" and "sustainability" to promote a larger climate agenda. By manipulating FHA insurance financing, HUD extended its regulatory writ to produce just the kind of housing Biden appointees and the entrenched bureaucracy wanted the program to have. It appears the costs this would impose on people seeking an affordable place was of no concern to them.

Had the Biden Energy Department's rule been allowed to stand, condensing gas furnaces would have turned out to be little more than a regulatory way station on the way to full electrification — in other words, heat pumps. And that would have significantly raised the price of housing.

Biden Administration policies targeting natural gas also threatened to contribute to the high cost of housing. For example, the previous Administration's proposed regulations tilting the playing field away from gas stoves, gas heaters and gas furnaces not only would have limited consumer choice, they would have added to the housing costs for both homeowners and renters. Residential gas furnaces, for example, were to be subject to Energy Department "efficiency" rules that would have effectively outlawed most affordable models. Under the Energy Department's September 2023 final rule, non-condensing gas furnaces were to make way for condensing ones. The American Gas Association has pointed out a condensing furnace costs on average more than $350 and adds up to $2,200 in installation costs.[16]

Had the Biden Energy Department's rule been allowed to stand, condensing gas furnaces would have turned out to be little more than a regulatory way station on the road to full electrification; in other words, heat pumps. And that would have significantly raised the price of housing.

In the U.S., natural gas is around three times cheaper than electricity.[17] If heat pumps become ubiquitous — not via the marketplace but because of regulatory fiat — their higher costs will further burden homebuyers and renters. Together with rapidly spreading, energy-hungry data centers, replacing gas furnaces with heat pumps and phasing out gas-powered vehicles in favor of EVs would put additional strains on an already shaky electric grid.

Climate policies are also behind green building standards touted by Biden Administration Energy Secretary Gennifer Granholm as "reducing energy burdens on low-income households."[18] While the Energy Department claimed green-building standards would save households $162 annually on utility bills, the practice is already falling short in parts of the country where it has been adopted. "Climate policies often lead to pricing out lower-income residents, as seen in progressive strongholds like New York City," Gabriella Hoffman and Donna Jackson point out. "One report determined 'energy efficiency retrofits' — or government subsidies aimed at 'greening' buildings — in the Big Apple 'increased the perceived value of the unit.' Even green-building advocates concede these retrofits increase housing costs."[19]

The second Trump Administration is lifting the burden that ill-considered climate policies have placed on current and prospective homeowners and renters. Trump has pledged to roll back all manner of green regulations in favor of initiatives that promote American energy dominance globally and drive down energy costs in the U.S. The greatest beneficiaries of such an agenda are people of middle- and lower income, who have suffered the most under regressive climate policies.

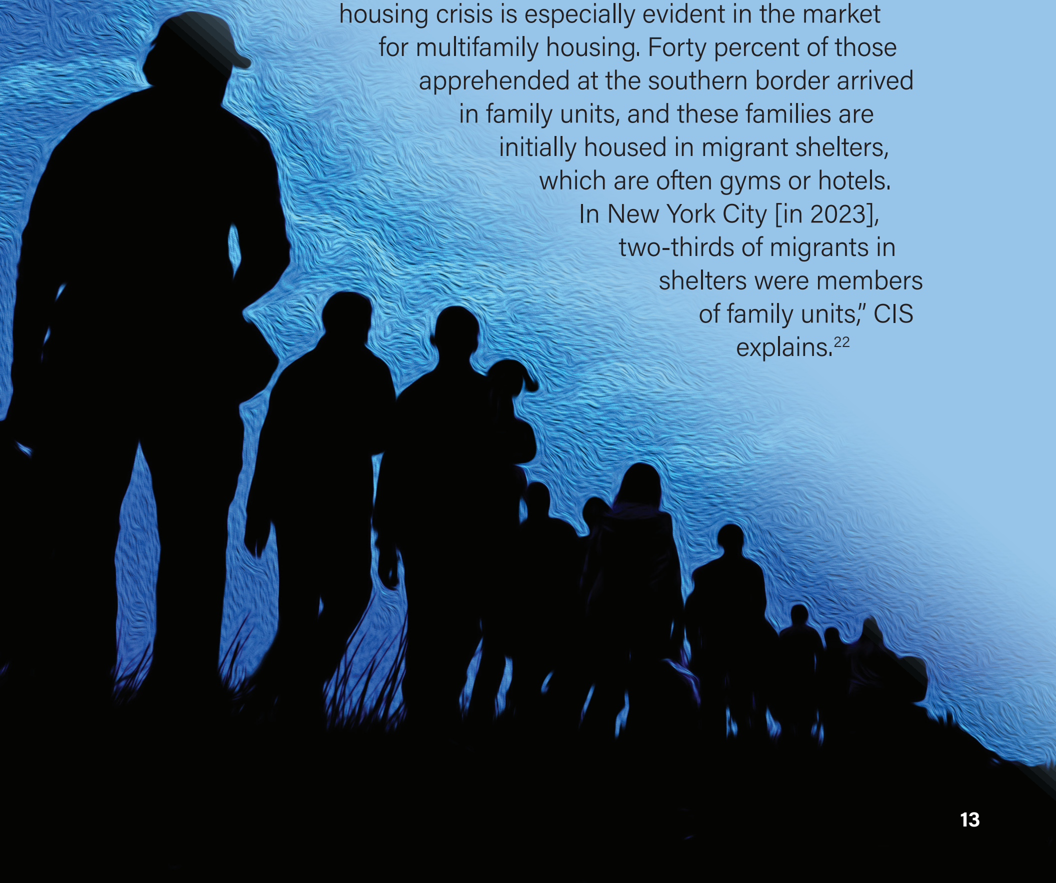
Illegal Immigration and the Cost of Housing

The massive influx of illegal immigrants to the U.S. has exacerbated the nation's housing shortage. Citing data from U.S. Customs and Border Protection (CBP), the U.S. House Committee on Homeland Security reported more than 9.5 million encounters with migrants entering the country illegally, with more than 7.8 million encounters at the Southwest border alone. Adding the number of "gotaways," the committee projected the number to exceed 10 million by the end of 2024.[20]

According to a Center for Immigration Studies (CIS) report, "the foreign-born population has increased by 6.6 million since 2021, with 58 percent of this increase coming from illegal immigration."[21]

Unchecked illegal immigration has had a devastating effect on the lower end of the housing market.

"The role that immigration plays in worsening the housing crisis is especially evident in the market for multifamily housing. Forty percent of those apprehended at the southern border arrived in family units, and these families are initially housed in migrant shelters, which are often gyms or hotels. In New York City [in 2023], two-thirds of migrants in shelters were members of family units," CIS explains.[22]



"When migrants are eventually forced to leave migrant shelters, they often seek out affordable apartments, competing with low-income American citizens at the bottom of the housing market and raising rents for the poorest renters in the country..."

CENTER FOR IMMIGRATION STUDIES (CIS) REPORT • AUGUST 6, 2024

"When these migrants are eventually forced to leave migrant shelters, they often seek out affordable apartments, competing with low-income American citizens at the bottom of the housing market and raising rents for the poorest renters in the country," CIS continued. "Such consequences reveal the injustice of mass immigration, which benefits migrants at the expense of American citizens."[23]

By far the biggest impact of illegal immigration on housing has been in the rental market, according to Steven A. Camarota, CIS's director of research. "Adding very large numbers of people to the country must significantly impact housing prices by driving up demand for rental properties," he testified at a Sept. 25, 2024 hearing before the U.S. House Oversight and Accountability Committee's Subcommittee on National Security and Foreign Affairs. "In the last two years, there have been numerous stories in the media about the increasing cost of housing. The Census Bureau reports that the increase in rents in 2023 was by far the largest in the past decade. This is certainly consistent with the proposition that immigration, including illegal immigration, has significantly increased prices in areas of heavy immigrant settlement."[24]

Camarota then addressed the Biden administration's Cuba, Haiti, Nicaragua and Venezuela (CHNV) "humanitarian parole" program which was launched in January 2023 and provided, under certain circumstances, "safe and orderly pathways to the United States" for up to 30,000 nationals from Cuba, Haiti, Nicaragua and Venezuela.[25] "It is certainly true that many of those who show up at our southern border or who have been flown into the United States under the CHNV program, face difficult circumstances in their home countries," he told the hearing. "But seeing illegal immigrants simply as desperate people facing desperation fails to appreciate that they are also rational risk-takers who are responding to the incentives the [Biden] Administration has created. As long as the illegal immigrants' perspective is that there is a very good chance they will be released if they make it here, they will keep coming in large numbers."[26]

Citing data from U.S. Customs and Border Protection (CBP), the U.S. House Committee on Homeland Security reported more than 9.5 million encounters with migrants entering the country illegally, with more than 7.8 million encounters at the Southwest border alone. Adding the number of "gotaways," the committee projected the number to exceed 10 million by the end of 2024.

Camarota's remarks came six weeks before the Nov. 5 presidential election that gave Donald Trump a second term in office. Since taking office in January 2025, Trump has removed the incentives that brought so many illegal immigrants into the country. And he has begun the arduous process of deporting people who are in the country illegally — a step that promises to bring relief to the nation's residential rental market.

Addressing the crisis at the southern (and northern) borders, and deporting millions of migrants who have entered the country illegally, will be a top priority in Trump's second term. While residents of well-off communities have largely been spared the chaotic conditions open borders have created, many black neighborhoods have had to cope with the crime and housing shortage caused by unchecked illegal immigration. For those bearing the socio-economic brunt of open borders, relief cannot come too soon.

State and Local Governments Often Deepen the Housing Crisis

Misguided federal policies have certainly played a role in driving up the cost of housing, but some state and local governments have made a bad situation worse. Three examples — one on the East Coast, one on the West Coast and one in the heartland — illustrate this point.

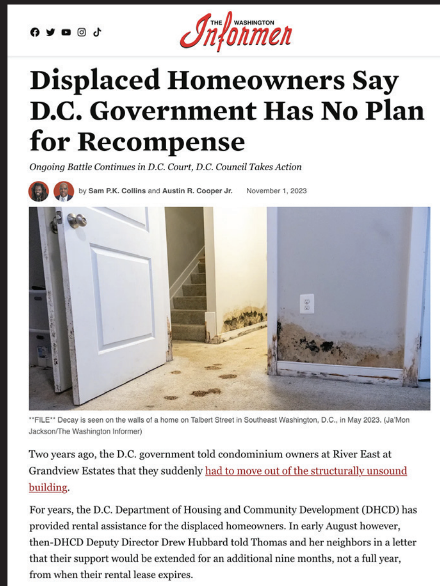
Dozens of black homeowners in Washington, D.C. are without permanent housing after they were forced to evacuate the new but crumbling condos they purchased with the assistance of a D.C. government program created to promote homeownership in the city. In August 2021, months after an engineering firm determined the 46-unit condo building's foundation was unsound, many of the homeowners were urged to vacate. Most of the newly built condos were bought with the help of the District's Homeowner Purchase Assistance Program (HPAP) around 2017. "After moving into their homes," the *Washington Post* reported, "many began to observe massive cracks in the walls and floors, uneven surfaces and many other problems."[27]

The developer, which used $6 million in taxpayer money on the project, has filed for bankruptcy. Lawsuits involving the developer and the D.C. government have been filed, and the displaced owners of the now worthless condos are on the verge of losing rental assistance the city provided after they evacuated their properties. Shoddy construction and sloppy oversight of the HPAP program resulted in a fiasco for the new homeowners.

Things are no better in the Windy City. "Chicago Mayor Brandon Johnson's first affordable housing development is costing $700,000 per apartment unit in a neighborhood where existing units sell for $126,583, according to public records," the Illinois Policy Center (IPC) recently reported.[28]

The overly expensive "affordable" apartments are in a high-crime area of the city. Chicago taxpayers will pay $30.6 million to build the 44-unit CARE Manor complex. Long-time Chicago contractor GMA Construction will receive $1.16 million to build the project, and United for Better Living, a nonprofit overseeing the project, will pocket $1.7 million in developer fees, IPC's investigation revealed.

The high-cost effort to construct low-income housing is hitting Chicago at a time of financial duress. "Spending nearly $700,000 to build a single affordable housing unit is fiscally irresponsible when the city is facing a nearly $1 billion budget shortfall and Johnson is calling for higher property taxes and creating other tax schemes," IPC pointed out.[29]


THE WASHINGTON Informer

Displaced Homeowners Say D.C. Government Has No Plan for Recompense

Ongoing Battle Continues in D.C. Court, D.C. Council Takes Action

by Sam P.K. Collins and Austin R. Cooper Jr. November 1, 2023

FILE Decay is seen on the walls of a home on Talbert Street in Southeast Washington, D.C., in May 2023. (Ja'Mon Jackson/The Washington Informer)

Two years ago, the D.C. government told condominium owners at River East at Grandview Estates that they suddenly had to move out of the structurally unsound building.

For years, the D.C. Department of Housing and Community Development (DHCD) has provided rental assistance for the displaced homeowners. In early August however, then-DHCD Deputy Director Drew Hubbard told Thomas and her neighbors in a letter that their support would be extended for an additional nine months, not a full year, from when their rental lease expires.

Oregon has the nation's most restrictive land-use regulatory system. Cities in Oregon are required to have Urban Growth Boundaries (UGBs). "However," notes Seth Bowman of the Cascade Policy Institute (CPI), "those boundaries are not supposed to be permanent limits to urban expansion. UBGs are required to include enough land to provide for adequate housing over a 20-year period."[30]

In practice, however, once UGBs have been designated, revising them to allow for the construction of new housing is no simple task. In July 2024, the Portland regional government, known as Metro, proposed to "maintain such a tight land supply that single-family homes would account for only 23 percent of all new housing," Bowman points out. "The rest of the units would be apartments or other high-density units."[31]

"The result of this over-regulation is a de facto cartel of landowners with developable land, enforced by government," CPI says on its website. "This has created a shortage of land available for housing in many parts of the state. With the cost of buildable land skyrocketing, it has become impossible to build 'starter homes' or moderately prices apartment complexes in most cities. In response to the government-caused housing crisis, many elected leaders have promoted such policies as rent control. Unfortunately, these policies can only make the problem worse by discouraging new private investment in housing."[32]

U.S. taxpayers spend tens of billions of dollars a year subsidizing housing for low-income households. Previous researchers have shown that subsidized housing costs about 20% more per square foot than unsubsidized homes; that developers capture most of the benefits of such subsidies and that affordable housing does little to make overall housing more affordable because the construction of new subsidized dwellings displaces almost as many unsubsidized homes.[33]

Is Affordable Housing Really Affordable?

This assessment of the sad state of government efforts to help low-income people put a roof over their heads is drawn from Randal O'Toole's April 2024 report, "The Affordable Housing Scam." Written for the Cascade Policy Institute, O'Toole's report points "to a planning ideology that says that more people should live in high-density housing."[34]

By using such policies as urban growth boundaries to promote the dense, mid-rise and high-rise housing, government urban planners, self-styled housing nonprofits and willing developers have formed an "affordable housing industrial complex," O'Toole notes.[35] Many cities, in the grips of the "denser is better" ideology, have convinced state and local agencies administering affordable housing funds to funnel taxpayer money to these politically favored projects. The high cost of building such structures is partly mitigated by subdividing the buildings into tiny, cramped apartments.

"This raises serious questions of equity and social justice," O'Toole writes. "Why should affordable housing funds be used to promote this ideology when a more sensible use of such funds could see twice as many housing units built for the same amount of money? Why should low-income people be consigned to live in cramped apartments when most other Americans get to live in single-family homes that cost less per square foot? Why should low-income people be expected to ride transit and discouraged from driving cars when automobility would give them access to far more jobs and economic opportunities than even the best transit system."[36]

The vast public sums made available to the affordable housing industrial complex have opened the doors to fraud. As O'Toole notes:

- ✖ Politicians have directed affordable housing funds to campaign contributors.
- ✖ Agency officials have accepted bribes to direct affordable housing funds to particular developers.
- ✖ Developers have received more money than they actually needed to build affordable housing and pocketed the difference.
- ✖ Once built, owners of affordable housing may fail to ensure that renter incomes remain below the qualifying income thresholds. An audit of a group of affordable housing projects in New York found that at least 230 tenants were earning more than $250,000 a year and one was earning more than $1.4 million a year."[37]

Such abuses are the inevitable result of the sheer number of federal programs involved in funding low-income housing. They include Low-Income Housing Tax Credits, Home Investment Partnerships Program (a.k.a. HOME), the Housing Trust Fund, the Tax Credit Assistance Program, Community Development Block Grants, and several more. The waste involved in the multi-layered bureaucracy administering Washington's affordable housing programs should be a prime target for the Department of Government Efficiency (DOGE), the commission originally led by billionaire entrepreneurs Elon Musk and Vivek Ramaswamy dedicated to identifying and eliminating wasteful federal programs.

The Harms Wrought by Racializing Housing Policy

In February 2023, the Biden Administration resurrected an Obama-era HUD rule aimed at turning predominantly white suburbs and majority-black urban areas against one another, while usurping the authority of all local governments to manage their affairs. The original 2015 "Affirmatively Furthering Fair Housing" (AFFH) rule was largely scrapped during the first Trump Administration, only to be revived under Biden.

"The AFFH mandate requires the agency and its program participants to proactively take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive communities free from discrimination," a HUD fact sheet proclaimed.[38]

As to how the proposed rule would work, the Biden fact sheet explained it "would faithfully implement the [1968] Fair Housing Act's mandate that HUD ensure that recipients of its funding affirmatively further fair housing (AFFH)."[39] The reference to "recipients of its funding" hints at how Biden political appointees and career bureaucrats at HUD intent to use AFFH to limit local control over zoning, transportation, school districts and other policies. There is hardly a county or municipality in the United States that does not receive HUD dollars. Threatening to withhold such funds if local governments do not follow HUD policies as stipulated in AFFH is a forceful means to assert Washington's will, and testifies to the power of the administrative state.

In announcing the first Trump Administration's withdrawal of AFFH in July 2020, HUD Secretary Dr. Ben Carson called the rule a "ruse for social engineering under the guise of desegregation — essentially turning HUD into a national zoning board."[40] By seizing control over powers traditionally exercised by local governments — in the name of promoting fair housing — the original Obama AFFH and the revitalized Biden AFFH would effectively erase boundaries separating cities from suburbs and suburbs from one another.

"AFFH obligates any local jurisdiction that receives HUD funding to conduct a detailed analysis of its housing occupancy by race, ethnicity, national origin, English proficiency and class (among other categories)," notes Stanley Kurtz of the Ethics and Public Policy

Center. "Grantees must identify factors (such as zoning laws, public housing admissions criteria, and 'lack of regional collaboration') that account for any imbalance in living patterns. Localities must also list 'community assets' (such as quality schools, transportation hubs, parks and jobs) and explain any disparities in access to such assets by race, ethnicity, national origin, English proficiency, class and more. Localities must then develop a plan to remedy such imbalances and submit them to HUD."[41]

Kurtz pointed to the hypothetical case of the greater Philadelphia region to underscore the scope of HUD's power grab.

"So, if some [of] Montgomery County's suburbs are predominantly upper-middle-class, white, and zoned for single-family housing, while the Philadelphia region as a whole is dotted with concentrations of less-well-off African Americans, Hispanics, or Asians, these suburbs could be obligated to nullify their zoning ordinances and build high-density, low-income housing at their own expense."[42]

Not only is it a mystery how this audacious feat of social engineering is supposed to alleviate the nation's housing shortage; the whole scheme may be unconstitutional. AFFH is said to be based on the original Fair Housing Act, but that connection is tenuous at best. The Biden AFFH rule focuses on segregation and uses some version of the word 122 times while the 1968 statute "uses the term 'segregation' or 'segregated' zero times," the Cato Institute's Vanessa Brown Calder points out. Also absent from the rule's supposed underlying statute, she adds, is any mention of " 'concentration' (referring to concentration of poverty or minorities), and it hardly mentions affirmatively furthering fair housing."[43]

Lacking grounding in the Fair Housing Act, the 284-page Biden AFFH was ripe to be challenged in court, where two recent Supreme Court rulings — *West Virginia* v. *EPA* (2022) and *Loper Bright Enterprises* v. *Raimondo* (2024) — severely restrict federal agencies' power to impose rules without specific congressional authorization or to issue regulations based on their own interpretation of unambiguous statutory language.

If the AFFH rule in no way improves black Americans' prospects of achieving better housing, an action by the Biden Department of Justice (DOJ) threatened to harm perspective black homeowners.

In a lawsuit filed in October 2024, DOJ alleged that a Colorado appraiser undervalued a black woman's Denver home while she was trying to refinance the property. As Horace Cooper, Chairman of The Project 21 National Advisory Board, noted in an article for *Daily Signal*, "Undervaluation typically results in a higher interest rate and lower loan amount.[44] The [Biden] Administration is fundamentally trying to expand the federal government's role in housing with little understanding of how meddling with the appraisal process would ultimately affect appraisals and homebuyers."[45]

Proclaiming to be cracking down on housing discrimination against minorities, the Biden DOJ not only went after the appraiser, but also Rocket Mortgage, the lender from whom the homeowner was seeking a lower interest rate. DOJ's action clearly violates the 2008 Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) that requires appraisers to be independent of lenders. Passed in the wake of the 2008 sub-prime mortgage housing crisis, Dodd-Frank sought to end the conflict of interest of having appraisers selected by lenders. "The DOJ's efforts to punish the lender in the Colorado lawsuit threatens the independence of appraisers," Cooper pointed out.[46]

"Rather than pursuing splashy headlines for baseless lawsuits that would ultimately hurt Americans and further exacerbate prices, the government should be diminishing the footprint of the government-sponsored enterprises — namely, Fannie Mae and Freddie Mac — that have helped create a second housing bubble in the past 20 years."

HORACE COOPER
PROJECT 21, CHAIRMAN

He added, "Rather than pursuing splashy headlines for baseless lawsuits that would ultimately hurt Americans and further exacerbate prices, the government should be diminishing the footprint of the government — sponsored enterprises — namely, Fannie Mae and Freddie Mac — that have helped create a second housing bubble in the past 20 years."[47]

Noting the error in Biden's policy, Cooper concluded that "The bottom line is that DOJ's misguided efforts here could wind up hurting all aspiring homeowners, including the very people of color who the Biden Administration says it is trying to stick up for."[48]

THE NEED FOR PERMITTING REFORM

Red tape continues to be a tenacious opponent of improving Americans' access to the homes they require. Nowhere is this more evident than in simply getting the permits to build new housing, or to renovate existing structures. In a November 2024 report, George Mason University's Mercatus Center points out that sclerotic permitting regimes in many states lead to "a morass of delays and waste."

"Permitting delays increase costs and imperil financing, exacerbating Maryland's housing shortage. Because developers must place property under contract before pursuing entitlements, delay-related costs include interest payments, property taxes, insurance, utilities, business operation overhead, and higher financing costs to compensate investors for delays and uncertainty," the Mercatus report points out. "A study conducted in Washington state estimated that each additional month needed for permitting increased building costs by at least $4,400 or 1 percent. Another study on Los Angeles found that reducing delays by 26 percent would increase housing production there by 3 percent."

"Local governments usually bear the blame for delays in permitting, but we do not believe that local governments are intentionally obstructive," the Mercatus report added. "Rather, the difficulty with complying with a mixture of local, state, and federal mandates for forestry conservation, storm water management, transportation enhancements, and other impositions on new development slow down permitting. Such mandates require detailed, time-consuming reviews of site-development plans."

Because delays in obtaining permits add to the already high cost of housing, the current multilayered permitting process is inherently regressive, placing government-sanctioned bureaucratic burdens on those least capable of bearing them. For blacks seeking more comfortable and more convenient places to live, the higher costs resulting from permitting delays for housing present yet another barrier to social mobility, one whose elimination should be a top priority of government at all levels."

PROJECT 21
Black Leadership
Network

What We Believe

There is Work to be Done

Housing policy in the United States should serve the needs of people seeking a place to live — either as renters or prospective homeowners. Liberating the housing market from the social engineering of urban planners, climate activists, open-space advocates, and other special interests who have taken it upon themselves to determine what Americans may and may not call home can only be achieved by rejecting the status quo and striking out in a new direction.

Since taking office in January 2025, the second Trump Administration has reversed many of the harmful federal policies discussed in this booklet — policies that distorted the housing market, making it more expensive for black, and other Americans, to keep a roof over their heads. On May 9, President Trump signed legislation under the Congressional Review Act overturning Biden-era "energy efficiency" standards for household water heaters and walk-in freezers.[49] [50] In April, he issued an executive order directing the Secretary of Energy to "rescind the overly complicated federal rules that redefined 'showerhead' under Obama and Biden." [51]

Similar moves are underway for central air conditioners and washing machines, making them more affordable for people of moderate or low income.[52] On February 28, HUD Secretary Scott Turner terminated in toto the Obama/Biden Affirmatively Furthering Fair Housing Rule that would have added reams of red tape to local governments' housing decisions, effectively making them vassals of the federal government.[53]

More needs to be done. Project 21 recommends a series of steps to remove barriers to finding affordable housing for minorities and everyone else. They include steps that:

- ✔ Support the Trump Energy Department's ongoing rollback of Biden-era rules designed to eliminate gas stoves, gas heaters and gas furnaces from American homes.
- ✔ Pressure state and local governments that have adopted similar policies to eliminate them.
- ✔ Urge local governments to make it easier to convert vacant office buildings to residences, thereby enlarging the housing stock.
- ✔ Reverse HUD policies effectively mandating so-called green building standards in housing throughout the country.
- ✔ Urge Congress to authorize the Interior Department’s Bureau of Land Management to sell land it administers in the West for residential development — alleviating a regional housing shortage.
- ✔ Reduce the size of the bloated federal affordable housing bureaucracy, eliminating redundant programs while increasing federal oversight.
- ✔ Demand that the Justice Department withdraw its lawsuit against an appraiser and lender in Colorado, thereby restoring the independence of appraisers from mortgage lenders.
- ✔ Encourage the Trump Administration’s Department of Government Efficiency (DOGE) to conduct a full-scale audit of all federal housing programs to ensure that taxpayer money is being well spent and that bureaucratic barriers to affordable housing are eliminated.
- ✔ Promote the acceptance of less costly nontraditional housing such as modular homes to provide affordable residences for first-time home buyers and victims of natural disasters.

To learn more about Project 21, please visit:

www.NationalCenter.org/Project-21

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black Americans whose entrepreneurial spirit,
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