

Affordable Housing Insanity

By Michael C. Rohrbeck, 2002

People who love careers in the affordable housing industry must recognize, embrace and accept their own insanity fully. Here's my personal recap of the last 25 years in affordable housing in a perverse take-off on the book titled "I'm Okay, You're Okay". As you read, flash back and tiptoe past the change of presidents, housing secretaries and mayors; remember the joy we felt with housing scandals, tax changes and new legislation.

- ❖ Unemployed people are okay
- ❖ Public Housing is okay
- ❖ Families & Single Mothers with Children are okay -- they need government's help!
- ❖ Section 8 is okay
- ❖ Simple Capital Grants or Very Low Interest Loans are okay
- ❖ Public Housing is not okay; Community-Based Non-profits are okay
- ❖ Capital Grants are not okay; Performing Loans are okay
- ❖ Rich people are okay -- let them invest without risk and partner without liability
- ❖ Banks are okay; Foundations are okay
- ❖ Leveraging and financial layering is okay; nothing simple is okay
- ❖ Consultants and poverty pimp developers are okay
- ❖ Section 8 is scandalous and not okay for families
- ❖ Consultants and poverty pimp developers are not okay
- ❖ Rich investors are not okay (screw them)
- ❖ Corporate investor/poverty pimps are okay
- ❖ Non-profits are sort of okay... for-profit subsidiaries, partners, intermediaries, universities, "Best Practice Studies", earned income strategies and funding cuts can help them be okay
- ❖ Unemployed people are not okay
- ❖ Families & Single Mothers with Children are not okay
- ❖ Seniors, Homeless, Transitional & Special Needs People are okay -- they need government's help!
- ❖ Bricks and mortar are not okay; social services and economic development are okay
- ❖ Consultants are okay again
- ❖ Middle income people are okay -- they need government's help too!
- ❖ Banks are sort of okay -- they just need help with government grants, streamlining (government grants with less strings attached) and still more financial layering!
- ❖ Intermediary/Developer/Lender/Partner/Funder/Technical Assistance Provider/Non-profit/For-Profit/Housing Partnership Hybrid Corporations are okay
- ❖ Community based organizations are not okay, unless they have 401(k)s (I mean 403 [b]s)
- ❖ Refinancing/Restructuring non-profit controlled housing is not okay (leveraging and performing loans were not okay)
- ❖ Refinancing/Recapitalizing of for-profit affordable housing is okay -- they need government's help!
- ❖ Property Managers have never been okay (unless they are temporarily vertically integrated with property development fees, construction profits and/or political connections)
- ❖ Smart Growth, Regional Strategies are okay -- they just need everyone's help who don't want to give it!
- ❖ Section 8 is okay with a voucher (if held by white, two parent, middle income small families)
- ❖ Set Asides and Inclusionary Zoning are okay (subject to the okay of the real estate lobby)