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Analysis: Winds of change?

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The tent camp is already influencing policy – and maybe, if it continues, can succeed in creating real change.

It's not clear what's more astonishing here: young Israelis demonstrating passionately for social justice, or the Netanyahu government [announcing new national legislation](#) promoting affordable housing.

But what is clear is that the tent camp is already influencing policy – and maybe, if it continues, can succeed in creating real change.

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The news from Tuesday's press conference is that the government is starting to veer from the well-worn free market track.

The beginning of the speech was still on the beaten trail: how increasing the supply of homes would reduce prices for all.

But the message became more interesting after that.

One initiative was to sell public land at below-market value to developers who commit to building rental housing, including from 25 to 40 percent submarket rate rentals.

Another proposed measure relates to inclusionary housing legislation, following a well-established practice internationally in which municipalities require developers to allocate a portion of new homes for affordable housing, usually indistinguishable from the market-rate units. And a third component included an ambitious program to meet the need for student housing in the periphery, by building thousands of new dormitory rooms.

These initiatives do differ significantly from past policies. The government is finally adopting measures to promote rental housing at sub-market rates, a significant departure from the national obsession with home

ownership. And the government is finally proposing steps that require significant budgetary commitments, over and above “eliminating bureaucracy.”

As a responsible government, it must know it’s just not possible to develop below-market rate rental housing without subsidies for building and managing the homes. Surely it’s aware that inclusionary housing legislation, everywhere in the world, always comes with a dedicated package of funding streams or financial incentives. And it must be obvious that no private developer is going to build student dormitories in the periphery, where the cost of land is already negligible, without guarantees of an income stream, and probably also direct grants.

So the tent dwellers are right to say “we’ll follow the money” – the prime minister or housing and finance ministers never mentioned the cost of the programs, or the budgetary sources. Neither did they articulate important details of the proposals: who will be eligible for rental housing, how much will it cost, how long can one remain there, who will manage and maintain it, what are the roles and expectations from city government and, critically, where will the new homes be built.

But, assuming the government allocates sufficient budgets, and develops equitable criteria, do these proposals meet the expectations of the tent dwellers? Not yet.

All the proposals were aimed at “young people,” “students,” and “young couples.” But the voices from tent camps have made it clear that the advocates aren’t struggling just for themselves.

They are the voice of a much larger segment of the unrepresented population who are also unable to afford the cost of housing: elderly people whose pensions have been cut and who can’t afford to retrofit their homes for wheelchairs, very poor families who can only find work if they live where they can’t afford the rent, people who purchased their public housing homes and now find themselves unable to maintain the building and those Arab citizens of Israel who don’t own land, and in whose towns there simply is no rental market or homes for sale.

A very different set of solutions is needed for these large groups.

The starting measures include new public housing, rental allowances pegged to household income and to the real costs of rent, and not arbitrarily determined by the Treasury, support for nonprofit social purchasing groups, and loans and grants for home repairs. More creatively, the government could look into funding nonprofit agencies to help owners reinforce their buildings against earthquakes, using national planning benefits, such as TAMA 38, to build new affordable rental housing on the additional floors.

The government could announce plans to help stabilize the existing rental market by allowing cities to offer owners the chance to have their property professionally managed, in return for agreeing to stable rent increases. And they could, and should, devote significant resources to making all our cities, not just Tel Aviv, into vibrant places where creative young people can ride a bike to work, walk their children to school, live next to people very different from themselves and be surprised, once in a while, by what’s around the corner.

The measures announced are an important first step. The tent camp inhabitants, and all their many supporters, can take hope, and remain steadfast in pursuit of inclusive and comprehensive social justice. Perhaps this generation of Israelis will come to believe in their own ability to make a difference. If so – they just might make a better future for all of us.

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