AREAS OF PRACTICE

Housing and Community Development
Housing

Fair Housing Act
Housing Trends
Affordability
Homelessness
Inclusionary Housing
Improving the diversity of housing types
APA Housing Policies
• Title VIII of the Civil Rights Act of 1968
• Prohibited housing discrimination on the basis of race, color, religion, or national origin.
• Amendments in 1974 and 1988 further prohibited discrimination due to sex, disability, or familial status.
• States housing laws that prohibit discrimination on the basis of sexual orientation, marital status, or other.
• Prohibits discrimination in the selling, renting, and financing of housing.
• Requires state and local governments to take actions to promote diverse, inclusive communities.
What the Fair Housing Act means for Planning

- Does not preempt local planning or zoning, but common land-use planning and zoning techniques are incompatible with fair housing goals.

- Key terms:
  - Reasonable accommodation: adjustments that are necessary to allow disabled persons equal opportunities to use and enjoy housing.
  - Differential treatment: any policy or action that denies or complicates access to housing based on a protected status.
  - Differential effects or disparate impacts: neutral policy or action that has a greater effect on one or more protected groups.
Planning Best Practices

• Permit a range of housing types, including multifamily residences, small lot residences, and manufactured homes, in a variety of locations.

• Definition of “family” that accommodate various types of functional family equivalents (blended families, unmarried couples, disabled persons, or small groups of unrelated individuals).

• Define small group homes as “family” and treat like any other single family residence.
Housing Trends

Housing starts

- Slower than before the recession
- Just keeping pace overall, but not for certain socio-economic sectors.

The percentages of unit types

- Single-unit structures 67% (slight increase)
- Multi-family 26% (constant)
- Mobile homes 6% (declining)

Average size of single-family units declined during the recession, now on the increase.

- 2008: 2,528 sf
- 2009: 2,402 sf
- 2016: 2,637 sf

Average size of single-family units declined during the recession, now on the increase.

- 2008: 2,528 sf
- 2009: 2,402 sf
- 2016: 2,637 sf
Housing Trends (continued)

### Average single-family home cost
- $356,000 (2016)
- Increase 34% in five years
- Requires $103,200 household income

### Multi-family
- more being constructed
- but prices are increasing

### Vacancy Rates – trend is lower
- 2008: 2,528 sf
- 2009: 2,402 sf
- 2016: 2,637 sf
Housing Trends (continued)

• Overcrowded conditions rising - 3.9%
• Older housing – losing at higher rate
• 10% of the 4.7 million rental units with affordability restrictions will expire in next 5 years
Causes of the inability of the construction industry to produce housing

- Lack of skilled workers
- Rising cost of building materials
- Depletion of land
- Impact of land use and zoning practices
Affordability

• 30% of income spent on housing is the threshold standard
  • 35% spend more
  • 8.1 million extremely low-income households spend more 50% means a shortage of approximately 7.4 million homes

• Wages have not kept up with increasing housing costs
  • Since 1973 wages increased 10%, housing costs 30%

• Transportation costs contribute to housing affordability
  • “Drive to Qualify” phenomena
  • Long commutes contribute to total cost burden
Homelessness

• Estimated to be ½ million
  • Increasing at 1% / year
  • 33% families with children
  • More in large metro than in smaller towns

• Community responses
  • Sanctioned encampments
  • Emergency rental assistance programs
  • Long-term “master leasing”
  • Enforcement
  • The Housing First model
  • Tiny house villages
  • Temporary winter shelters programs
Inclusionary Housing

**Definition:** mandatory or requirements for new residential developments to include a certain percentage of desirable housing units; or voluntary programs that offer density bonuses or other incentives in exchange for desired units. Can be for rental or owner-occupied units.

Purposes for Inclusionary housing:
- Affordable housing
- Socioeconomic Integration
- Workforce Retention and Attraction
- Support Transit Oriented Development
- Anti-Displacement
Inclusionary Housing Incentives

- Density /intensity bonus
- Parking reduction
- Waiver of other development regulations
- Expedited processing
- Waiver of fees
- Subsidies
Creating a Diversity of Housing

- Universal design and vistability principles
- Aging in place
- Missing middle housing
- Accessory dwelling units
APA Policy Agenda for Housing

1. Modernize State Planning Laws
Update state laws to promote local planning efforts and provide housing resources to solve our most pressing affordability challenges.

2. Reform Local Codes
Modernize codes and rules to respond to the growing need for more housing — no matter the type or cost.

3. Promote Inclusionary Growth
Provide everyone with a fair opportunity to access affordable housing and economic prosperity, while addressing the effects of gentrification.

4. Remove Barriers to Multifamily Housing
Adopt local plans that not only expand family housing choices but also make them easier and more affordable to access.

5. Turn NIMBY Into YIMBY
Transform community engagement and involve everyone in the planning process from the start.

6. Rethink Finance
Promote innovative thinking about how to fund affordable housing in the future.
Planning for Housing

Key Concepts in Housing Planning:

- **Household:** one or more persons living in a single dwelling unit who are related or not.
- **Household Formation:**
  - About 31% of households in the US live in central cities; about 31% in suburbs; and about 38% in rural areas.
  - The average size of a single-family home in the US has increased over 50% since 1970, while the average household size has decreased.
  - Single-person households are growing faster than larger ones.
- **Housing Tenure:**
  - About 2/3 of US households are owner occupied, with the remaining households representing renter-occupied units.
- **Publicly Assisted Housing:**
  - Over the past five decades, the US government has used a number of strategies to enable more Americans to be able to have adequate housing regardless of their income level. Up until the 1970s, the federal government funded the construction of housing units for low- and moderate-income households. Later on, various programs were developed to provide financial assistance through vouchers to enable these groups to pay the difference in rents between the market rate and their ability to pay. The federal government no longer builds publicly assisted housing units.
- **Inclusionary/Exclusionary Housing Policies:**
  - Communities use housing policies and zoning ordinances to influence the mix of housing units and their associated price points. Some communities, desiring to provide a wide array of housing choices to their residents use “inclusionary” policies. Communities who want to keep certain groups from residing there use exclusionary policies.
- **Jobs/Housing Balance:**
  - Refers to a concept where a community strives to develop an equal number of jobs within the community at the appropriate price points to correspond to the number and price of housing units in the community. This enables people to avoid long commutes to work and provides for a balance of needed public facilities and services.
- **Manufactured Homes:**
  - About 1/3 of our housing units are manufactured homes (mobile homes, prefabricated units, etc.)
- **Senior Housing, Universal Design, and Lifelong Communities:**
  - Special planning efforts are being made in some communities to accommodate the unique needs of the elderly population. This component of the population is growing rapidly in the US.
  - Some communities are encouraging “universal design,” which results in fewer physical barriers to mobility in homes for seniors.
  - Some communities are making special efforts to create lifelong communities where appropriate housing units, transportation, medical facilities and services for seniors are located within close proximity. This allows people to “age in place,” residing in the home one has lived in for years, comfortably, safely and independently.
Planning for Housing

Legal Landmarks

- Several landmark legal cases occurring during the 1970s and 1980s have formed the foundation of housing planning in the US. Details on these cases can be found in AICP Exam Resource Listing for Housing:
  - Southern Burlington NAACP v. Township of Mount Laurel (1975) – known as Mount Laurel I
  - Moore v. City of East Cleveland (1977)
  - Village of Arlington Heights v. Metropolitan Housing Development Corp. (1977)
  - City of Cleburne v. Cleburne Living Center, Inc. (1985)

Significant Federal Actions and Programs

Since 1932, the US Congress has passed housing legislation and other laws affecting housing that are pertinent to planning for housing in communities. Some of the most significant laws are summarized in this handout. Detailed information can be found in the AICP Exam Reference Guide.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ACTION</th>
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</thead>
<tbody>
<tr>
<td>1932</td>
<td>Creation of the Federal Home Loan Bank System</td>
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<tr>
<td>1934</td>
<td>National Housing Act</td>
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<tr>
<td>1937</td>
<td>Wagner-Steagall Housing Act</td>
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<tr>
<td>1947</td>
<td>Housing and Home Finance Agency (HHFA) created</td>
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<tr>
<td>1949</td>
<td>Housing Act (also called the Wagner-Ellender-Taft Bill)</td>
</tr>
<tr>
<td>1949–1973</td>
<td>Urban Renewal Program created and implemented</td>
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<tr>
<td>1954</td>
<td>Housing Act</td>
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<tr>
<td>1959</td>
<td>Housing Act</td>
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<tr>
<td>1964</td>
<td>Housing Act</td>
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<tr>
<td>1965</td>
<td>Housing and Urban Development Act creates HUD</td>
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<tr>
<td>1968</td>
<td>Civil Rights Act (also known as the Fair Housing Act)</td>
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<tr>
<td>1968</td>
<td>Housing and Urban Development Act, including the New Communities Act</td>
</tr>
<tr>
<td>1970</td>
<td>Housing and Urban Development (HUD) Act creates Community Development Corporations (CDCs)</td>
</tr>
<tr>
<td>1974</td>
<td>Section 8 Housing Program to assist low-income households (renters)</td>
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<tr>
<td>1974</td>
<td>Housing and Community Development Act creates the Community Development Block Grant (CDBG) program</td>
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<tr>
<td>1975</td>
<td>Emergency Housing Act (emergency federal aid to underemployed and unemployed homeowners)</td>
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<tr>
<td>1986</td>
<td>Low Income Housing Tax Credit (alternative method of funding housing for low- and moderate-income households; enables nonprofit housing organizations to raise housing construction funds by selling tax credits to investors and corporations)</td>
</tr>
<tr>
<td>1987</td>
<td>Stewart B. McKinney Act (first major law responding to homelessness)</td>
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<tr>
<td>1988</td>
<td>Fair Housing Amendments (expands fair housing to cover community residences, group homes, and halfway houses)</td>
</tr>
<tr>
<td>1990</td>
<td>Cranston-Gonzalez National Affordable Housing Act (established HOME [Home Ownership Made Easy] Program)</td>
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<tr>
<td>1992</td>
<td>Office of Federal Housing Enterprise Oversight (HUD responsible for Fannie Mae and Freddie Mac oversight)</td>
</tr>
<tr>
<td>1992</td>
<td>HOPE VI Program (created by US Congress to replace large-scale, low-quality public housing with smaller, low-risk, higher-quality, mixed-income units)</td>
</tr>
<tr>
<td>1992</td>
<td>Housing and Community Development Act (creates Section 202 for supportive services for the elderly)</td>
</tr>
<tr>
<td>1994</td>
<td>HUD Multi-Family Housing Disposition Rule (disposed of apartment buildings due to foreclosure)</td>
</tr>
<tr>
<td>1996</td>
<td>Housing Opportunity Extension Act (evicts people with drug or alcohol abuse or criminal records from public housing; funds Habitat for Humanity)</td>
</tr>
<tr>
<td>2000</td>
<td>Manufactured Housing Improvement Act (building standards for modular units)</td>
</tr>
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Planning Tools, Technique and Standards

The following tools, techniques, and standards are used by planners engaged in planning for housing.

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordability Standard</td>
<td>No more than 30% of one’s income should go toward monthly housing costs (about 25% of renters are living in poverty and some pay as much as 50–70% of their income on housing).</td>
</tr>
<tr>
<td>Housing Affordability Index</td>
<td>A measure of the financial ability of a family to buy a house established by the National Association of Realtors; an index of 100 means that the family earning the national median income has just enough money to qualify for a mortgage on a median-priced home; an index below 100 means the family does not have sufficient funds to qualify for a mortgage; an index of over 100 means the family has more than sufficient funds.</td>
</tr>
<tr>
<td>Analysis of Housing Demand</td>
<td>May include a study of household trends (i.e., household size, aging of the population, employment, income trends, commuting patterns, etc.)</td>
</tr>
<tr>
<td>Analysis of Housing Need</td>
<td>May include a study of the affordability index, housing conditions, trends, and key local issues.</td>
</tr>
<tr>
<td>Analysis of Housing Supply</td>
<td>May include analysis of home ownership and rental patterns, housing costs, rental costs, supply of housing, and future supply of housing based on expected development.</td>
</tr>
<tr>
<td>Sources for Housing Information</td>
<td>US Department of Housing &amp; Urban Development; US Census Bureau; State Housing Departments; Regional Planning Councils; National Association of Home Builders; National Association of Realtors; County Property Appraiser; Zillow</td>
</tr>
<tr>
<td>Housing Affordability</td>
<td>For moderate- and low-income families, the difference between median income levels and median housing prices require more than 30% of income to be spent on housing. In 2010, the median household income was $49,276 and the median sale price of all homes was $171,695.</td>
</tr>
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# Planning for Housing

<table>
<thead>
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<tbody>
<tr>
<td>Inclusionary Zoning</td>
<td>Used to provide affordable housing opportunities to low-income and moderate-income households. Key legal case involves Mount Laurel, which required jurisdictions in NJ to provide their fair share of affordable housing.</td>
</tr>
<tr>
<td>Fee-in-Lieu</td>
<td>Developers making payments, usually to a local housing authority or to a local affordable housing trust fund, instead of providing affordable housing units as part of their development project.</td>
</tr>
<tr>
<td>Group Homes</td>
<td>Semipermanent or permanent homes of between 2 and 20 people living together for a special purpose, such as disability or addiction recovery.</td>
</tr>
<tr>
<td>Continuum of Care</td>
<td>Relates to the current federal policy model for addressing homelessness that the majority of homeless people can be moved into housing; also means the “cycle of aging.”</td>
</tr>
<tr>
<td>Adaptive Reuse</td>
<td>Relates to the creative use of an existing building, rather than demolition.</td>
</tr>
<tr>
<td>Jobs/Housing Balance</td>
<td>Refers to a broad goal to align the number, type, and salary level of jobs in a jurisdiction with its population characteristics; aligning these reduces the amount of long-distance commuting, traffic congestion, and travel times.</td>
</tr>
<tr>
<td>Lifelong Communities</td>
<td>Refers to programs by the federal, state, and local jurisdictions to create opportunities for people to have appropriate housing choices at all times in their life cycle in the community.</td>
</tr>
</tbody>
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**Supplementary Materials**

The following supplementary information can assist in understanding the nature of planning for housing:

- APA Website
- Handbook for Planning for Housing
- Introductory sections of the APA Policy Guides on Factory Built Housing; Homelessness; Housing; the Supply of Public and Subsidized Housing; and Pathways in American Planning History
Housing Policy Guide

Approved by APA Delegate Assembly, April 14, 2019
Ratified by APA Board of Directors, May 14, 2019

planning.org/policy
The American Planning Association advocates for public policies that create just, healthy, and prosperous communities that expand opportunity for all through good planning. APA’s advocacy is based on adopted positions and principles contained in policy guides. These guides address the critical policy issues confronting planners and communities by identifying solutions for local, state, and federal policy makers. Policy guides are led by the APA Legislative and Policy Committee, ratified by the APA Board of Directors, and developed through the careful and extensive involvement of planners across the country. APA policy guides articulate and advance the principles of good planning in law and regulation.

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Cover: Westlawn Gardens in Milwaukee, recipient of a 2018 APA National Planning Excellence Award, created 250 new affordable housing options in a community where they were needed most. Born out of a master-planning process, Westlawn Gardens is an example of the type of housing options possible when planners, community members, and public and private partners work together to create a shared vision.

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Introduction

“In order for communities to function, there must be an adequate supply of housing in proximity to employment, public transportation, and community facilities, such as public schools. The housing stock must include affordable and accessible for sale and rental units, not only to meet social equity goals, but in order to ensure community viability. The development of a diverse and affordable housing stock must be carried out without sacrificing sound regulations that are in place to protect the environment and public health.”

— Housing Policy Guide, 2006

While the goals of the 2006 Housing Policy Guide remain as valid as ever, progress has been mixed over the past 13 years. Many of the same challenges remain and some, particularly housing availability and affordability, have worsened. Many desirable communities are out of reach for those earning an average wage and too many Americans must spend an inordinate amount of their income on housing expenses. In addition, the long-term adverse effects of discriminatory financial lending practices and exclusionary zoning—including redlining—continue to impact the social, cultural, ethnographic, and economic diversity of our urban, exurban, and suburban regions in ways that negatively impact low-income and minority households disproportionately.
Emerging Trends

1. Inventory and conditions

The nation’s housing supply has continued to rise from 122.7 million units in 2004 to 134.1 million in 2016 but at a slower rate than previous years. While housing stock keeps ahead of overall household growth, it fails to meet the needs of changing socioeconomic characteristics of the population.

Housing starts have slowed, with an average of 0.8 million units built annually from 2010 through 2016 compared to a 1.1 million average previously. The percentages of unit types in the national housing supply varied slightly: The number of single-unit structures rose from 67 percent to 67.4 percent; multiunit structures were constant at 26 percent; and mobile homes declined from seven to 6.3 percent.

According to the U.S. Census Bureau’s Characteristics of New Single-Family Houses Completed, the average size of single-family homes constructed nationally declined during the Great Recession from a high of 2,528 square feet in 2008 to a low of 2,402 in 2009, then steadily increased to 2,637 square feet in 2016. Beyond increased space, most of these new homes contain additional amenities such as multiple bathrooms.

The national average single-family home price was $356,160 in 2016, increasing 34 percent over a five-year period. While there are variations in household income, cost burden is measured as not paying more than 30 percent on housing costs. For an average owner not to be cost burdened, their income would have to be $103,200 annually to have afforded the “average” single-family home constructed in 2016. Renters can face an even higher burden.

Average home lot sizes decreased from a high of 18,871 square feet in 2009 to a low of 15,167 in 2013, rising the following years to 16,381 in 2015 and dropping to 15,641 in 2016. The National Association of Home Builders/Wells Fargo Housing Market Index found that the percentage of builders reporting a low or very-low supply of lots in their markets rose to 64 percent in 2017 from nine percent in 2009.

National annual average multifamily housing construction more than doubled from 2010 (155,000 units) to 2016 (358,000 units). Newly constructed units, unless subsidized as affordable housing, had higher sales and rental prices consistent with increased pricing of the newly constructed single-family homes. The deviation of construction and land cost increases and stagnating incomes put much of the newly constructed multifamily dwelling units beyond the reach of even those of median income.

According to the State of the Nation’s Housing 2018, there are four primary impediments to stronger housing construction. The first is a deficient supply of skilled workers. The second is a rise in cost of building materials. Third is the depletion of developable lots and fourth, the impact of land-use regulations and zoning on the density and type of construction. Productivity gains in housing construction have lagged against other industries, an additional impediment to the market.

Over 41 million households in the United States (approximately 35 percent) are described as cost burdened, meaning these households are spending more than 30 percent of their income on housing expenses. The numbers are increasingly dire for those households that earn roughly a minimum wage income. Assume the breadwinner in a household earns $10 per hour at a full-time job; this equates to an annual household income of $20,000 per year. This income cohort represents 15 percent of U.S. households and more than 80 percent of these low-income households are cost burdened.

Further complicating the issue is the fact that wages have not increased proportionally to housing costs. After adjusting for inflation,
wages are only 10 percent higher in 2017 than they were in 1973 (with annual real wage growth just below 0.2 percent). During that same period, the cost of housing increased almost 30 percent nationally and at significantly higher percentages in markets such as New York City, Los Angeles, San Francisco, Seattle, and Washington, D.C. According to the *State of the Nation’s Housing 2018* report by the Joint Center for Housing Studies of Harvard University, “In 1988, when the first *State of the Nation’s Housing* report highlighted historically high homeowner-ship costs, the national home price-to-income ratio was 3.2, with just one metro posting a ratio above 6.0. In 2017, the national price-to-income ratio stood at 4.2, and 22 metros had ratios above 6.0.” As a rule of thumb, most banks consider a home price-to-income ratio in the 3.0–3.5 range generally financeable (assuming minimal outstanding debt obligations for car loans, student loans, credit cards, etc.).

As the cost per square foot to build housing continues to increase, a greater number of units built by the private market have moved to higher rent or for-sale units while losing lower rent or for sale units. With the average cost per square foot for new construction in the $150 to $300 range (geography dependent), it is impossible to build a new 1,500-square-foot single-family house that is affordable to households earning the U.S. median income of $57,652 (in 2017) without a public subsidy in the form of land, money, or both. Unfortunately, many of the state and federal programs are limited to assisting only those households at 60 percent area median income (AMI) or less. The reality is that housing is often unaffordable to households earning up to 120 percent AMI (and higher in many markets). A tiered approach to the provision of subsidies and economic incentives, especially at the local level, is necessary to ensure the construction and preservation of a wide range of affordable housing types in our nation’s communities.

Scaling back the size of newly constructed housing offers some cost savings provided that the minimum buildable lot size is reduced accordingly to realize a savings on land acquisition. Homes in the 900- to 1,200-square-foot range are becoming more commonplace, but the trend in America is still toward larger houses. According to the U.S. Census, the size of the average single-family house increased from 1,535 square feet in 1975 to 2,169 square feet in 2010—an increase of 41 percent.

**3. Housing Location**

There is an increasing disconnect between job location and housing supply, placing greater demands on our transportation system and causing a greater proportion of time and income to be spent on commuting.

**Long Commutes.** Driven in part by the search for affordable housing, rising commute times are an issue both regionally and nationwide, adding even more expenses to full-time workers. Brookings Institution research found that between 2000 and 2012, more Americans took on outsized commutes: The number of jobs within the typical commute distance for residents in a major metro area fell by seven percent nationwide. The 2015 American Community Survey found that the country’s average commute rose to 26.4 minutes in 2015, and the number of Americans who live in one county and work in another soared from 23.5 million to 40.1 million between 1990 and 2014, a 71 percent increase. More time behind the wheel or on a bus or train is taking more money from the working poor.

The census data shows the longest commutes are also the fastest growing. The number of workers who are over the age of 16 grew by roughly 1.7 percent from 2014 to 2015 (a total of 148.3 million workers). But the number of workers with 45-minute commutes grew even faster (3.5 percent). The number with hour-long commutes grew even faster than that (5.1 percent). And workers with extreme commutes—90 minutes or more—grew by the fastest rate of all (eight percent). At the other end of the spectrum, the number of workers with commutes less than 10 minutes actually shrank.

But research increasingly finds that for many, longer drives are a direct result of a dearth of housing near jobs, especially in increasingly expensive downtown districts. Our dreary national commute reflects larger choices about zoning, housing development, and infrastructure investments which add to the affordability crisis that has gotten worse over the last decade, especially for the poor and the middle class.

The median commute distance for those earning $15,000 a year or less has jumped from 12 to 21 miles between 2006 and 2013. There’s also a pronounced racial dimension to the increase in commuting time. Brookings Institution research found that as more lower-income urban Americans are pushed to suburban areas due to rising rents, the number of jobs near the typical Hispanic (17 percent decline) and black (14 percent decline) resident in major metro areas declined much more steeply than for white residents (six percent decline).

**Production.** Nationally, the number of households grew by 11.2 million between 2005 and 2015, while only 9.9 million new housing units were constructed during the same period. Only 10 of the nation’s 50 largest metros have produced enough new housing to keep pace with job growth in recent years. Job growth tends to be centered in the counties containing a core city while a greater share of housing units is added to the surrounding suburbs—leading to heightened levels of undersupply in the core cities.

There is a strong correlation between the number of jobs and rent growth from 2005 to 2015. Real estate values plummeted following the Great Recession and construction came to a near halt across the country, with the number of new housing units permitted to be constructed dropping to the lowest level on record in May 2009. Since then, the housing market and the overall economy have recovered, but new construction continues to lag. The number of companies building homes dropped by 50 percent from 2007 to 2012, and the construction industry is currently facing a serious labor shortage. The resulting lack of new construction is contributing to rising rents, which are creating an affordability crisis in many parts of the country.

In the postrecession period, most large metros are lacking in housing supply but are high in demand. When we focus on the postrecession period from 2010 to 2015, only 10 of the 50 largest metros added fewer than two jobs per residential building permit.

**Cost/Income.** Out of 30 metro areas that increased economic productivity, average wages, and standard of living since 2010, only 11 were able to distribute that growth across income groups.
4. Housing Needs for All
Over the past 12 years, home design has evolved to building homes that accommodate the changing demographics of our nation. More housing is being developed for a mix of life stages and at a range of price points, including extended families and caretakers, those who may need first-floor living and zero-step entries, larger families, and single-person households. A diversity of housing types accommodates all needs.

Universal Design and Visitability Principles. Creating a range of housing options for residents in a community is one way for older adults to not only remain in their homes, but also remain in their communities. Over the past decade, builders have implemented more Universal Design and Visitability elements in housing design as standard rather than as an option. The principles emphasize the design of buildings and environments that are accessible to all people, regardless of age, disability, or other factors.

Aging in Community. According to AARP’s Public Policy Institute, the vast majority of people age 50 and older want to stay in their homes and communities for as long as possible. However, Fannie Mae’s research anticipates that aging baby boomers will trigger an exodus in the housing market. Fannie Mae states: “The beginning of a mass exodus looms on the horizon, fueling fears of a ‘generational housing bubble.’” Such a scenario “would reverberate through the housing market and economy,” Fannie Mae’s report states that “the number of homeowners who reach age 65 by the year 2026 will drop by 10.5 million to 11.9 million, more than the loss of 9.2 million in that age bracket from 2006 to 2016.” A broader range of housing options benefits a broader range of people and households, including accessory dwelling units and smaller rental homes. Community planning should incorporate access to amenities such as parks, trails, and transportation networks near existing housing for older populations.

Cost Burden. Housing and transportation are the two biggest expenses in a typical U.S. household. Statistics suggest that the combination of housing affordability and affordable transportation is an issue for more than two-thirds of Americans, with the nation’s lowest-income households absorbing the greatest costs. Access to alternative modes of affordable transportation, particularly transit, is critical to these households.

Future Home Owners. More than 32 percent of Americans age 18 to 35 currently reside with their family. There may be a number of reasons for this. The first is the lack of a range of housing options in regions throughout the United States. The second is the increased economic instability of young adults due to increased personal debt burden and, in some locations, lack of access to job growth opportunities. These two issues combined present barriers to future home ownership and economic stability.

Impacts of Immigration. For decades, immigration has affected communities throughout the United States. According to Joint Center for Housing Studies data, immigrants currently make up 20 percent of renter households and 12 percent of home owners. From 2006 through 2016, these households have been shown to stabilize both urban and rural communities that might have otherwise lost populations.

Sustainable Design. In the past few years, efforts to create more sustainable homes have increased. There has been progress in the use of cleaner fuels and renewable energy for home heating. From 2010 to 2016 electric heat increased from 34.2 percent of the market to 37.7; solar increased from 1.26 to 1.82 percent. Utility gas/bottled/LP gas decreased from 63.1 percent to 62.5; however, fuel oil/kerosene increased from 15.6 to 16.1 percent and use of wood from 9.3 to 10.3 percent.

Increased interest in carbon reduction leads to greater focus on energy efficiency of lighting, plug loads, HVAC systems, and water-saving devices as well as improved building codes. While there is considerable variation in state policies, most encourage use of the measures cited above.

This factor and carbon reduction strategies in all other sectors is reflected in the steady decline of annual per capita energy use (300 million BTU) and CO₂ emissions (15.8 metric tons of CO₂) in 2017, lower than any year after 1970.

A passive house combines a high level of comfort with very low energy consumption through an efficient envelope requiring less heating and cooling. The number of passive house projects certified or in construction rose from 25 in 2011 to 350 in 2016, providing approximately 3,000 housing units. Net-zero buildings, very efficient buildings with solar and batteries that produce as much energy as they use, are increasing as states adopt more stringent energy codes. Currently the Net-Zero Energy Coalition estimates there are more than 5,000 NZE single-family homes and 7,000 multifamily units nationwide. For example, by 2020 all new buildings in California will meet these standards, producing 100,000 NZE homes annually.

Homelessness. In 2017, the U.S. Department of Housing and Urban Development (HUD) reported that 553,742 people experienced homelessness in the United States on a single night. Two-thirds of the homeless were located in transitional housing or emergency shelters, with the remaining third in unsheltered locations. Thirty-three percent of the homeless were in families with children; the remaining 67 percent were single individuals. Most of the families were in sheltered situations.

From 2016 to 2017, there was an overall increase in the homeless population of one percent, consisting of a rise in homeless individuals counterbalanced by a five percent decline in the number of homeless families. This is the first reported increase in national homelessness in seven years. The increase occurred in major cities, with a decrease in the homeless in smaller towns and statewide. Across the nation there was an increase in the persons experiencing homelessness who were...
unsheltered. On a particular night in January 2017, approximately 24 percent of those experiencing homelessness were chronically homeless, a decline of five percent from 2007. However, the share of unsheltered chronically homeless increased from 65 percent to 69 percent.

Approximately half of the homeless are located in one of five states: California (25 percent), New York (16 percent), Florida (six percent), and Texas and Washington (four percent). There are also wide variances by state in the percentage of homeless unsheltered, ranging from a high of 77.8 percent in California to a low of 6.9 percent in Iowa.
Policy Positions

**POSITION 1 Modernize state and local laws to ensure housing opportunities are available, accessible, and affordable to all.**

**Position 1A** The American Planning Association and its Chapters and Divisions support the modernization of state planning laws to ensure that state enabling statutes for zoning promote local planning efforts and provide housing resources to solve our most pressing affordability challenges. State involvement and resources are needed to ensure consistency and universal participation among municipalities. States should require binding comprehensive plans or a specific community-wide housing plan that both understand current and future housing trends and actively plan for the availability and affordability of housing. Further, states should not prohibit jurisdictions from establishing inclusionary housing and zoning programs and related rules and regulations aimed at creating and preserving housing. Mandates, funding, technical assistance, or other incentives may be used. Further, states should designate a single agency to oversee housing policy, support local planning, and achieve key production and affordability goals.

**Position 1B** The American Planning Association and its Chapters and Divisions support the modernization of local zoning bylaws and ordinances to increase housing production, while taking local context and conditions into account. While challenging to confront and, ultimately, amend or dismantle exclusionary zoning, rules, and practices, planners must take the lead in modernizing zoning. Local jurisdictions should adopt bylaws or ordinances, policies, and incentives that facilitate a range of housing types and densities and that serve a diversity of housing needs. Local jurisdictions should review and modernize bylaws and ordinances and planners need resources to make updates happen and to ensure adequate public engagement occurs.

Updates to bylaws and ordinances should address mixed use and multifamily development, including affordability. Updates should also include rezoning for higher densities where there may be existing lower densities. Local jurisdictions should consider reducing or eliminating minimum lot-size requirements, reducing minimum dwelling unit requirements, allowing greater height and density and reducing or eliminating off-street minimum parking requirements, and they should specifically identify and eliminate or minimize regulatory obstacles to the establishment of accessory dwelling units, whether attached to or detached from the principal dwelling unit. Local jurisdictions should also allow for and encourage adaptive reuse and use conversions to encourage housing production. Local jurisdictions should also research and analyze, and as part of any zoning amendment, preempt all restrictive covenants and barriers to fair housing and access to housing choice, including barriers to on-street, overnight parking.

Location should be addressed without compromising equity or resiliency. Local jurisdictions should consider incorporating into bylaws and ordinances transit-oriented development principles and principles that address the importance of housing location in relation to access and proximity to schools, jobs, parks, transportation, and other critical amenities and resources. States should consider moving to a Housing + Transportation Index when determining affordability.

**Position 1C** The American Planning Association and its Chapters and Divisions support a better regional location balance for jobs, schools, and housing. Planners should support a regional fair-share distribution of housing, in general, and affordable housing, in particular, in proximity to employment opportunities. Planners recognize that housing markets closely align with labor markets, and function on a regional scale. Addressing any misalignment between them calls for interjurisdictional dialogue and cooperation. Local jurisdictions should amend zoning and regulations to encourage better balance of jobs and housing, including an increase of mixed uses in downtown and commercial areas, and establishing home occupation standards that have a low regulatory burden.

**Position 1D** The American Planning Association and its Chapters and Divisions recognize and support ongoing and expanded efforts to build market-rate and workforce housing in rural locations. Aging demographics and declining wages, combined with an older unmaintained housing stock, contribute to the need to ensure an equitable supply of safe housing in these areas. State, county, and local planners must ensure that resources, including capital, are directed to housing efforts in these locations, including funding for utilities and infrastructure, such as water and wastewater systems and roads, particularly in areas with lower-income populations.

**Position 1E** The American Planning Association and its Chapters and Divisions emphasize the importance of having an adequate supply of housing, and especially affordable housing, in economic development strategies. State and local jurisdictions should engage with business leaders to provide public messaging on the importance of housing and housing development to meet the needs of economic growth. Examples of potential strategies include: preserving existing mixed-income, multifamily housing stock near major employers and transit hubs in order to create housing opportunities in close proximity.
to new suburban, exurban, and rural employment and service centers; performing housing impact studies, in conjunction with large employers, to analyze the availability of affordable housing for their workforce in proximity to work locations; encouraging employers to invest in their workforce and neighborhoods by supporting employer-assisted housing programs; and supporting transportation and transit improvements to increase job access and tracking and managing impacts from short-term rentals.

**Position 1F** The American Planning Association and its Chapters and Divisions support inclusionary growth to ensure fair opportunities to access affordable housing and economic prosperity, while addressing the negative effects of gentrification. Fair share increases opportunity such as access and proximity to jobs, accredited schools, community centers, and mobility options. State should remove barriers and create enabling legislation to allow local jurisdictions to adopt inclusionary growth and related requirements which may: mandate a minimum percentage of affordable units in a development are set aside in exchange for greater density, allow for a prorated number of affordable units that may be provided off-site, allow for payment to a dedicated fund for use by other developers, and require a diversity of housing unit sizes, including housing units with at least three bedrooms in support of families and households that include caregivers.

**Position 1G** The American Planning Association and its Chapters and Divisions should eliminate barriers to affordable and multifamily housing development and exclusionary zoning, rules, and practices, especially in areas where such development is supported by the necessary transportation, social, cultural, utility, and economic infrastructure. Local jurisdictions should allow multifamily, mixed-income housing as a by-right use and reduce permitting barriers that create development uncertainty, increase the cost of land and development, and stimulate opposition. Local jurisdictions should streamline approval processes that coincide with identified housing needs and demand and establish higher thresholds that are subject to special permit reviews.

**Position 1H** The American Planning Association and its Chapters and Divisions support “enabling design”—design that enables residents of varying levels of physical ability to live in all multifamily housing and single-family residential, and recommends requiring its use in housing assisted with federal subsidies.

**Position 1I** The American Planning Association and its Chapters and Divisions support efforts that foster racial and economic integration. This includes support for the inclusive goals of the National Housing Act of 1949 and the Fair Housing Act of 1968, specifically including the latter’s objective of affirmatively furthering fair housing. It also includes support for the adoption of federal and state laws that would prohibit and provide additional protections against housing discrimination based on the source of income/receiving public assistance and other protected classes, including but not limited to additional protections for ancestry, age, gender identity, genetic information, marital status, sexual orientation, and veteran/military history. Finally, APA supports the dismantling of exclusionary land use and zoning practice and policies that contribute to and continue historic patterns of segregation, which includes discriminatory definitions of family in local zoning and ordinances.

**Position 1J** The American Planning Association and its Chapters and Divisions support efforts to combat housing discrimination and support efforts that foster racial and economic integration. This includes support for the inclusive goals of the National Housing Act of 1949 and the Fair Housing Act of 1968, specifically including the latter’s objective of affirmatively furthering fair housing. It also includes support for the adoption of federal and state laws that would prohibit and provide additional protections against housing discrimination based on the source of income/receiving public assistance and other protected classes, including but not limited to additional protections for ancestry, age, gender identity, genetic information, marital status, sexual orientation, and veteran/military history. Finally, APA supports the dismantling of exclusionary land use and zoning practice and policies that contribute to and continue historic patterns of segregation, which includes discriminatory definitions of family in local zoning and ordinances.

**Position 1K** The American Planning Association and its Chapters and Divisions support efforts to combat housing discrimination and support efforts that foster racial and economic integration. This includes support for the inclusive goals of the National Housing Act of 1949 and the Fair Housing Act of 1968, specifically including the latter’s objective of affirmatively furthering fair housing. It also includes support for the adoption of federal and state laws that would prohibit and provide additional protections against housing discrimination based on the source of income/receiving public assistance and other protected classes, including but not limited to additional protections for ancestry, age, gender identity, genetic information, marital status, sexual orientation, and veteran/military history. Finally, APA supports the dismantling of exclusionary land use and zoning practice and policies that contribute to and continue historic patterns of segregation, which includes discriminatory definitions of family in local zoning and ordinances.

**Position 1L** The American Planning Association and its Chapters and Divisions have a special responsibility to establish affordable, accessible and available housing as core values in states and localities. Engagement of community leaders, elected officials, and the public in support of these core values can lay the groundwork for modernization of state enabling statutes and reform of local plans and codes that may inhibit housing affordability and availability. Effective engagement can also diminish concerns regarding increased density and new housing forms in existing neighborhoods.

**POSITION 2** Preserve existing housing to maintain the quality and overall supply of affordable housing.

**Position 2A** The American Planning Association and its Chapters and Divisions recognize that preservation of the existing affordable housing stock is critical for protecting older owner-occupied and renter-occupied housing. These types of housing units are often the dominant building fabric and largest source of naturally occurring affordable housing for many inner-ring neighborhoods. Communities should develop plans for substandard and abandoned housing and identify properties that risk falling into substandard conditions. Local jurisdictions should ensure that comprehensive housing plan policy
recommendations support the preservation of existing housing stock as a key component of those plans. Incentivizing and/or mandating the preservation of existing affordable housing is also often the most sustainable way a municipality can ensure housing provision. The only exception to this position would be in the case of existing housing that is substandard, the removal of which would give way to higher-density multifamily developments.

**Position 2B** The American Planning Association and its Chapters and Divisions support the preservation of existing affordable housing. In order to stem the loss of existing affordable units in gentrifying neighborhoods due to permanent removal, conversion to other uses, and rent increases, local jurisdictions should support the preservation or replacement of these units. Planners and local policy makers should consider a package of incentives to ensure some level of affordability remains associated with these units. Planners should encourage models to preserve affordable housing units, such as low-equity cooperatives and community land trusts. Local jurisdictions should consider the impact of redevelopment proposals on existing neighborhoods, particularly with regard to the potential for residential displacement of low- to middle-income households. Planners should encourage adoption of inclusionary zoning and regulatory measures that proactively preserve housing that is affordable to low- and very-low-income households along current and future transit corridors, downtowns, and village or community centers. This ensures that transit-dependent populations in developing or redeveloping areas will have continued access to amenities such as jobs, schools, health care, and goods and services.

**Position 2C** The American Planning Association and its Chapters and Divisions support monitoring of existing affordable housing units in state and local jurisdictions. Many communities nationwide have successfully used inclusionary zoning as a means to ensure that a specified percent of new market units developed are rent- or sale-restricted for households earning less than 100 percent of Area Median Income. Planners should ensure that units remain affordable through the term of their deed restriction.

**Position 2D** The American Planning Association and its Chapters and Divisions support options for older adults to age in community. Local jurisdictions should encourage the maintenance and modernization of existing housing by providing or identifying options for financial assistance from loan and grant programs, home modification programs for people with disabilities, and weatherization and home energy assistance programs.

**Position 2E** The American Planning Association and its Chapters and Divisions support options for public education on home ownership, maintenance, and repair. First-time home owners should understand the benefits and responsibility of home ownership.

**Position 3** Encourage environmental sustainability and resiliency as critical elements of housing availability and affordability.

**Position 3A** The American Planning Association and its Chapters and Divisions encourage sustainability, resiliency, and energy and water efficiency in the housing sector. States and local jurisdictions should investigate opportunities to amend zoning and building requirements to increase production of net-zero and passive homes, and homes with water harvesting and gray water systems. Planners should work with the developers to educate energy end users about choosing renewable energy, water conservation and reuse, and sustainable lifestyles.

**Position 3B** The American Planning Association and its Chapters and Divisions encourage additional housing to be located in walkable, transit-rich areas to support broader low-carbon emission choices and goals.

**Position 3C** The American Planning Association and its Chapters and Divisions encourage the siting and design of housing away from flood-prone areas and areas prone to natural disasters and hazards, incorporating green infrastructure into future development. Planners should encourage compact development and mixed use housing to reduce impacts on watersheds and environmentally sensitive areas and in areas prone to natural disasters and hazards.

**Position 3D** The American Planning Association and its Chapters and Divisions should work to ensure that environmental sustainability and resilience are incorporated into the design and construction of all housing typologies.

**Position 4** Ensure that public and private finance keeps pace and innovates to support increased housing availability and affordability.

**Position 4A** The American Planning Association and its Chapters and Divisions support increased financial resources from the federal government to support the preservation and production of housing. Planners should advocate for the continued reauthorization and increased funding for federal housing programs, such as the HOME Investment Partnerships Program, the Community Development Block Grant, Housing Choice Vouchers, and the Native American Housing and Self-Determination Act funding. Planners should support the continued allocation of funds to the National Housing Trust Fund from the profits of Fannie Mae and Freddie Mac. Planners should support increases to the Low-Income Housing Tax Credit Program and reforms to simplify that program. Planners should support the preservation and modernization of federally assisted housing for older residents, including...
Section 202 Supportive Housing for the Elderly and the U.S. Department of Agriculture 515 and 521 programs. Finally, planners should support full federal funding for public housing capital and administrative funds.

Position 4B  The American Planning Association and its Chapters and Divisions support reforms to private financial resources to support the preservation and production of housing. Lending institutions often have inflexible standards or periods of restricted lending. Planners should encourage lending institutions to support mixed use and other nontraditional development formats while avoiding risky lending practices and tax regulation. Lenders also can support housing affordability by reducing requirements for parking spaces. Planners should advocate for reforms to the Community Reinvestment Act to ensure fair lending practices and greater investment in lower-income communities. Lenders must address historic patterns of discrimination practices, particularly against mortgage applicants who are black and Hispanic to ensure that the opportunity of home ownership is available to all.

Position 4C  The American Planning Association and its Chapters and Divisions support the establishment and growth of creative and flexible housing programs, such as the Rental Assistance Demonstration Program (recapitalization of public housing) and the Moving to Work Program (flexible use of housing choice vouchers). As much as possible, planners should seek to use regulatory tools to leverage the power of private capital to create affordable housing, and significant gains can be made through robust inclusionary zoning incentives in areas where the market supports new housing development.

Position 4D  The American Planning Association and its Chapters and Divisions should support the continued role of the federal government in ensuring access to residential mortgage capital support to the housing market either indirectly through existing government sponsored enterprises (Fannie Mae and Freddie Mac), or through some other similar mechanism that also provides ongoing market stability. Planners should support the Duty to Serve program of the Federal Housing Finance Agency as a means of providing access to mortgage financing for low-income home purchasers, including purchasers of manufactured housing. Planners should support the establishment and use of innovative approaches that create home ownership opportunities, such as shared-equity home ownership, resident-owned manufactured housing communities, life-cycle underwriting, and portable and assumable mortgages. Planners should support changes to the mortgage interest tax deduction that directly benefit low- and moderate-income home owners.

Position 4E  The American Planning Association and its Chapters and Divisions support increased coordination among existing federal planning programs, such as the Consolidated Plan required for HUD funds, with state and local plans. Planners should support the alignment of funding cycles among different programs and matching regulatory requirements to simplify developer compliance and to expedite both reviews and approvals of funding applications. Unified application processes will reduce developer regulatory burdens and increase program utility to improve the efficiency of funds deployed. Planners should advocate to their federal representatives the importance of restoring and increasing HUD funding. Further, planners should advocate for federal representatives to address the impacts of recent tax reform on a range of tax credits and related financing tools for housing.

Position 4F  The American Planning Association and its Chapters and Divisions support innovations to government assessment and tax policies. State and local jurisdictions should work together to create reforms to tax assessment policies, creating model frameworks and local assessment categories. Planners should educate assessors and others engaged in local tax policy setting with affordable housing assessment policies. At the federal level, planners should support the establishment of a project-based low-income renters’ tax credit, to be administered at the state level to maximize coordination with other programs such as the Low-Income Housing Tax Credit. Planners should also support the establishment of a middle-income housing tax credit.

Position 4G  The American Planning Association and its Chapters and Divisions should support the establishment of programs at the state and local levels to provide financing for or subsidize development of accessory dwelling units that are targeted for occupancy by lower-income households, including those with Housing Choice (Section 8) and Veterans Affairs Supportive Housing Vouchers, or that have below-market rents.

Position 4H  The American Planning Association and its Chapters and Divisions continue to support the federal Low Income Housing Tax Credit program that provides equity for new and rehab housing developments directed at households earning below 60 percent or 50 percent of Area Median Income. Planners should support the ongoing reform of the associated Qualified Allocation Plans that are a requirement for each state for the allocation of these tax credits. In particular, states should consider the inclusion of criteria that ensure equal representation for rural and urban housing as well as additional locational preferences.

Position 4I  The American Planning Association and its Chapters and Divisions support the ongoing creation and funding of Housing Trust Funds (HTFs) around the country, specifically and solely for the purpose of housing-related expenditures. Whether these funds are established at the local, county, or state level, they are designed to receive ongoing sources of public funding to support the preservation and production of affordable housing and increase opportunities for families and individuals to access decent affordable homes. Planners support funding HTFs via direct allocation from general funds (budgetary line items) as well as the issuance of housing bonds at both the local and state level. Planners should prioritize dedicated funding streams to fund HTFs when possible in addition to annual allocations from general funds. Dedicated funding streams prevent volatile changes in funding based on an administration’s political views. All HTF funds should be limited to expenditures related to creating or preserving affordable housing; use of these funds should not be directed to other projects or budget items.

Position 4J  The American Planning Association and its Chapters and Divisions support the cultivation of partnerships to best utilize the full
range of available resources to develop affordable housing. Local jurisdictions should seek to pair potential partners to broaden community involvement in the production of affordable housing. Organizations and individuals that are not typically involved in housing production, such as arts groups, medical associations, or education coalitions, should be sought out for potential partnerships in addition to nonprofit community foundations.

**POSITION 5** Support funding and program flexibility to provide services, shelters, and permanent supportive housing for people experiencing homelessness, veterans, immigrants, and the formerly incarcerated.

**Position 5A** The American Planning Association and its Chapters and Divisions support continued reauthorization and full funding of federal programs that directly benefit America’s homeless population, including the HUD Continuum of Care Homeless Assistance and Emergency Solutions Grant Programs, and also continued funding of the National Housing Trust Fund, which is used to produce new housing that targets extremely low-income people. Planners should also support the creative and flexible use of other federal, state, and local housing resources that are used to establish and operate shelters and permanent supportive housing for people experiencing homelessness, including veterans, immigrants, and the formerly incarcerated.
Related Policy Guides

In addition to housing, APA has recently or is currently issuing guides on topics as diverse as social equity, water, food policy, and autonomous vehicles. Almost no topic stands completely apart from the others and housing touches upon every other topic. A sampling of relevant Policy Guides includes the following:

**Equity**
The *Planning for Equity Policy Guide*, adopted in 2019, is a comprehensive assessment of the growing disparities in income, opportunity, mobility and choice. Specific to housing, the Policy Guide cites the principal goal of the National Housing Act of 1949 as “realization as soon as feasible of the goal of a decent home and suitable living environment for every American family” and examines where we, as a nation, have fallen short.

**Public Health**
The *Healthy Communities Policy Guide*, adopted in October 2017, defines healthy communities as “places where all individuals have access to healthy built, social, economic, and natural environments that give them the opportunity to live to their fullest potential regardless of their race, ethnicity, gender, income, age, abilities, or other socially defined circumstances.” The Policy Guide emphasizes neighborhood design that is conducive to walking and bicycling.

**Sustainability**
The Sustainability Policy Framework, adopted in January 2016, is intended to supersede the *Planning for Sustainability Policy Guide* adopted in 2000. Among the key elements of the Framework is the goal to “ensure that all elements of the built environment, including land use, transportation, housing, energy, and infrastructure, work together to provide sustainable, green places for living, working, and recreation, with a high quality of life” and specifically that local development codes include “provisions for a variety of housing types (e.g., accessory dwelling units, cohousing, multiplexes, row houses, and mixed use buildings) for neighborhood residents of all ages, with different incomes, needs, and physical abilities.”

**Water**
The *Water Policy Guide*, second update adopted July 2016, stressed the need to evolve from planning for hazard mitigation and flood control to considering the supply, demand, and quality of our drinking water. The recommendations for integrated resource management include community land-use planning that seeks to achieve development that results in sustainable land-use patterns coupled with the efficient use of scarce and/or oversubscribed water supplies. Beyond the obvious recommendations to avoid or minimize housing construction within flood hazard areas, the Policy Guide emphasizes the need to consider proximity to water supply and to incorporate sustainable design practices to reduce water demand.

**Aging in Community**
Implementing housing policies is critical to advancing the *Aging in Community Policy Guide*, adopted in April 2014. The guide states that planners should aim to “provide a range of affordable and accessible housing options. Promote housing development of differing sizes and costs. Better utilize existing housing resources, and advance universal design and visitability standards to promote accessibility in new housing.”

**Surface Transportation**
The *Surface Transportation Policy Guide*, adopted in 2019, emphasizes the role of transportation in mitigating the effects of climate change, how data can be leveraged to make equitable and effective transit decisions, and transportation revenue amid a changing policy landscape. The location of housing relative to job sites is undoubtedly the single most important factor in assessing transportation needs.

Please refer directly to these closely allied policy guides for additional information on these topics: [http://planning.org/policy](http://planning.org/policy).
Inclusionary Housing Program Design Worksheet

Part 1: Defining the Need

Pick one or two of the following primary policy reasons for adopting an inclusionary housing policy in your community.

- Affordable Housing Needs and Obligations
- Socioeconomic Integration
- Workforce Retention and Attraction
- Support Transit Oriented Development
- Anti-Displacement

Most communities that adopt Inclusionary Housing policies do so to address a lack of housing for low- and moderate-income households. Many also adopt Inclusionary Housing to meet community-specific needs such as socioeconomic integration.

Part 2: Program Structure

Type of Program
- Mandatory
- Voluntary

Mandatory policies require developers to provide some percentage of affordable housing in all new developments covered by the policy. Some States prohibit mandatory ordinances. Voluntary ordinances provide incentives to developers to include affordable units in their projects.

Geographic Coverage
- Whole Jurisdiction
- Geographically Targeted Areas

Most ordinances apply to the entire jurisdiction. Some places with specific market conditions and needs target parts of the jurisdiction using planning area designations or economic and market metrics.

Type/Tenure of Development
- Ownership
- Rental
- Both

Depending on the legal and market conditions of a given community, Inclusionary Housing policies sometimes only apply to rental or homeownership types of projects. In most communities, both types of tenure are included in the ordinance.

Project Threshold Size
- All Projects
- 5-10 Units
- 10+ Units
- Other ______

Also known as the “trigger,” this is the minimum size of project that is covered by the policy. 10 units is the most common trigger size, but it can vary widely and is sometimes different for rental and ownership types of projects.
Part 3: Detailed Policy Choices

Percentage of Units Which Must be Affordable (Pick One):  
- 5%  
- 10%  
- 15%  
- 20%  
- 25%  
- 30%  
- Other __________

This is the overall percentage of units within an otherwise market-rate development that must be affordable to households earning below some defined income level. Most policies require between 10 and 20 percent of all units to be affordable.

Affordability Level Rental Units (Pick One):  
- 0-30% AMI  
- 31-50% AMI  
- 51-80% AMI

Ownership Units (Pick One):  
- 51-80% AMI  
- 81-100% AMI  
- 101-120% AMI

This is the income level that households must earn in order to be eligible to live in inclusionary units. Affordability is most commonly defined as a percentage of Area Median Income (AMI) as defined by HUD. For rental units, affordability levels below 60% AMI are typical and for ownership units affordability levels between 80% to 100% of AMI are typical.

Duration of Affordability Requirements (Pick One):  
- Less than 30 years  
- 50 Years  
- 99 Years or In-Perpetuity  
- Different Standards for Rental and Ownership?

This is the period during which inclusionary units must be maintained as affordable through deed restrictions or affordability covenants. In order to stretch scarce public resources, many jurisdictions are opting for longer affordability periods. These also sometimes vary by housing tenure.

Design Standards (Pick One):  
- Exact Comparability  
- Flexibility  
- Different Standards for Rental and Ownership?

Many places require exact comparability between market-rate units and inclusionary units to ensure equity for lower-income renters and homeowners. Other places have found it practical to allow some flexibility, particularly in case where luxury unit finishes would result in extraordinary spending on inclusionary units that could be better leveraged in other ways.
### Part 4: Incentives

**Select and Describe Up to Three Incentives**

- Density Bonus Increase (DU/acre) (%)
- Parking Ratio Reduction (%)
- Other Zoning Variance (Describe)
- Expedited Processing (In Months)
- Fee Reduction/Waiver (Total $/Unit)
- Subsidy (Total $/Unit)
- Tax Abatement (Value and Term of Abatement)

The most common incentive is a density bonus to allow developers to build additional market-rate units to offset the reduced revenues from inclusionary units. Density bonuses are typically given as an increase in allowed dwelling units per acre (DU/A) or floor area ratio (FAR). In some places, density is not a meaningful incentive in of itself and other types of cost offsets are needed.

### Part 5: Compliance Alternatives (Yes or No)

- In-Lieu Fees: Yes  No
- Off-Site Performance:
  - Partnerships with Nonprofits: Yes  No
  - Land Dedication: Yes  No

For practical and legal reasons, many places allow developers to pay fees in-lieu of building inclusionary units on-site. These in-lieu fees can be leveraged by local jurisdictions and nonprofit developers to build affordable housing. Off-site performance is another alternative where developers arrange for the units to be built off-site, typically by either partnering with another developer or by dedicating or donating land.
Planning for Community Development

History of Planning for Community Development

Several key events are associated with the evolution of community development planning in the US. They are identified below:

<table>
<thead>
<tr>
<th>Location/Event</th>
<th>Significance</th>
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<tbody>
<tr>
<td>Salt Lake City, UT</td>
<td>Zion’s Cooperative Mercantile Institution (ZCMI) was founded by Brigham Young as a way to decrease dependence on outside goods.</td>
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<tr>
<td>(1868)</td>
<td></td>
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<tr>
<td>Pullman, IL</td>
<td>Model industrial town was built on the outskirts of Chicago by industrialist Georgia Pullman, a rail car manufacturer.</td>
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<tr>
<td>(1880–1884)</td>
<td></td>
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<tr>
<td>Durham, CA</td>
<td>Experimental cooperative agricultural colony established under the 1917 California State and Settlement Act.</td>
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<tr>
<td>(1917)</td>
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<tr>
<td>Norris, TN</td>
<td>Community was planned as a new town for workers at the Norris Dam, which was a project of the Tennessee Valley Authority (TVA).</td>
</tr>
<tr>
<td>(1933)</td>
<td></td>
</tr>
</tbody>
</table>

Legal Landmarks and Federal Actions

Several landmark laws and/or federal programs pertaining to community development have been initiated since the mid-1930s in the US.

<table>
<thead>
<tr>
<th>Year</th>
<th>Landmark or Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1935</td>
<td>US Resettlement Administration (New Deal Program to carry out land reform and population resettlement).</td>
</tr>
<tr>
<td>1949–1973</td>
<td>Urban Renewal Program (see section on Housing)</td>
</tr>
<tr>
<td>1966</td>
<td>Demonstration Cities/Metropolitan Development Act (see Land Use)</td>
</tr>
<tr>
<td>1974</td>
<td>Housing and Community Development Act (see section on Housing)</td>
</tr>
<tr>
<td>1991</td>
<td>Passage of the Americans with Disabilities Act (ADA) – requires businesses and governments to provide for accommodation of disabled people in transportation and public facilities.</td>
</tr>
<tr>
<td>1991</td>
<td>Intermodal Surface Transportation Efficiency Act (ISTEA) – see section on Transportation</td>
</tr>
<tr>
<td>1998</td>
<td>Transportation Equity Act for the 21st Century (TEA-21) – see section on Transportation</td>
</tr>
</tbody>
</table>
Planning for Community Development

Current Issues and Trends

The following topics represent some key issues and concerns of local communities and planners engaged in housing planning in the US.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livable Communities</td>
<td>Concept that encourages communities to develop themselves so residents live within walking distance of their homes; also encourages transit-oriented development, a variety of housing types, and provision of open space. Similar in concept to that of Clarence in the 1920s (neighborhood unit).</td>
</tr>
<tr>
<td>Crime Prevention through Environmental Design (CPTED)</td>
<td>Concept suggesting that proper design of the built environment can result in a reduction in the fear and incidence of crime and an increase in business activity in commercial areas.</td>
</tr>
<tr>
<td>Safe Routes to School</td>
<td>Federally and state-funded programs to make infrastructure improvements to make it safer for children to walk or bike to school; provides more opportunities for increased physical activity. Techniques include building sidewalks and bike paths and installing pedestrian crossing signals.</td>
</tr>
</tbody>
</table>

Supplementary Materials

The following supplementary information can assist in understanding the nature of planning for community development:

- APA Website
- “Handbook for Community Development Planning”
- Introductory sections of the APA Policy Guides on Historic and Cultural Resources, Neighborhood Collaborative Planning, and Public Redevelopment
Tax Increment Financing

Tax increment financing (TIF) has been described as a redevelopment “credit card” that enables cash-strapped local governments to buy new projects today and pay them off tomorrow. TIF allows municipalities, counties, or designated development agencies to borrow against anticipated growth in property tax revenue to cover the cost of the public improvements needed to help generate that growth.

TIF was long restricted to inner cities, but through the 1980s and 1990s it became the chief economic development tool for suburbs, counties, and rural areas. Today, 49 states and the District of Columbia allow some form of TIF, though implementation standards vary widely. It is used sparingly in New York and Arizona, for example, whereas California has nearly 400 operating redevelopment agencies using it. Midwestern states have been especially enthusiastic in implementing TIF, and the City of Chicago alone has more than 158 TIF districts that cover 30 percent of its land, with another dozen or so awaiting approval.

HOW TIF WORKS

First introduced in the 1950s, TIF is a tool used by cities and other development authorities to finance certain types of development costs. The public purposes of TIF are the redevelopment of blighted areas, construction of low- and moderate-income housing, the creation of employment opportunities, and an improved tax base. With TIF, a city “captures” the additional property taxes generated by the development that would otherwise have gone to other taxing jurisdictions or to general revenue-raising for the city, and uses the “tax increments” to finance public improvement costs such as improvements to streets, signalization, transit, parks, sewer and water facilities, and bicycle and pedestrian amenities.

TIF was reborn in the 1980s as dwindling federal grants for urban redevelopment, reduced tax breaks on municipal bonds, and state-imposed property tax caps pressed local governments to find new ways to finance public development. States passed new TIF enabling laws or amended old ones to allow its use on a wider variety of properties or for a wider array of uses.

Requirements vary, but usually a municipality or county board must find that 50 percent or more of the real property in a proposed TIF district is blighted, in need of rehabilitation or conservation, or suitable and zoned for industrial use. Any new investment proposed for that district must enhance the value of all property in the district, and the economic growth potential of the district must be enough to cover anticipated TIF costs. In addition, government entities (usually with the advice of a consultant who specializes in such analysis) must find that the development to be financed would not have occurred without TIF help.

When a TIF district—also known as a revenue allocation district (RAD), tax allocation district (TAD), tax increment district (TID), or tax increment reinvestment zone (TIRZ)—is set up, officials calculate the value of property within it. Local taxing bodies continue to receive property taxes based on that initial base value; the additional tax revenues collected on the increase in equalized assessed value (EAV) generated by development—the tax increment—is collected by the TIF agency and used to pay off the costs of improving the district.

Once established, TIF projects are typically overseen by a local government department or quasi-public authority set up to administer the program. The state (usually acting through its revenue office) makes sure that the district complies with state laws.
CONTROVERSIES AND CURES

TIF has proven to be as controversial as it is popular, and even the most ardent critics concede that TIF is a useful revenue tool when used carefully. But some projects are not well suited for TIF; for example, studies strongly suggest that increased retail sales in TIF project areas usually come at the expense of sales in other parts of the region. So it is increasingly important for local governments to assess the needs of the community and the benefits and drawbacks of using TIF as a redevelopment tool.

TIF is sometimes not used for projects that will be most beneficial to a community but for those where it is likely to generate the most new revenue. Awarding TIF to projects in such areas may fail the “but for” test—the clause in most TIF statutes that demands that TIF be used only if the anticipated growth in property value at the affected site would not happen “but for” the availability of TIF capital.

Low-density development such as housing in urban areas seldom pays for itself and often adds to the cost burdens of schools and parks even as it diverts property tax revenue from those districts. Business attraction and retention incentives also offer dubious benefits, since they go to companies that don’t always stay put, rather than into land, which does. Critics also have complained that TIF subsidizes sprawl and accelerates gentrification. Further, there is a risk that routine infrastructure investment will be made according to the ability of an area to generate sufficient increment to pay for them, rather than being prioritized through normal budgetary, planning, and capital programming mechanisms.

The most problematic aspect of TIF is the one that is built into the program. TIF diversions short-change government agencies such as schools, parks, and libraries of their share of property tax revenues for as long as a generation, since most TIF districts are designed to last long enough to pay off the bonds that are typically used to finance improvements. Governments can make TIF a more efficient redevelopment tool by encouraging more transparency in the process, allowing school tax exemptions or negotiated agreements with TIF-granting agencies to protect local school revenues from diversion, and implementing clauses requiring developers to pay back all or part of the subsidy if they fail to meet their hiring targets or other obligations under the deal.

THE FUTURE OF TIF

TIF has proven successful in many instances. Indeed, in some situations—such as eliminating a site-specific impediment that is keeping an otherwise profitable site from achieving its highest and best use—it can be an essential tool.

Every state in which TIF has been widely used has seen efforts to make TIF more transparent by imposing more rigorous qualifying standards and oversight. Civic groups and other interested parties have routinely advocated for improving TIF requirements and for implementing reforms to protect other local government units and municipalities. The American Planning Association and its Chapters support several proposed state and local reforms, including:

- placing reasonable limits on the amount of tax increment that can be accrued by a redevelopment project area over a specified period of time;
- setting reasonable performance standards to ensure that redevelopment funds are used within a certain period of time and in the manner intended by the redevelopment plan;
- providing adequate opportunities for other government entities to receive the accrued taxes once a redevelopment project is completed or its statutory time period has expired; and
- providing sufficient guarantees and protections in the event that the private parties who receive tax benefits withdraw from participation.

Even without changing basic TIF statutes, this tool can be used in a fiscally responsible manner. TIF can advance a community’s economic, housing, and blight-eradication goals without unduly diminishing the capability of other taxing entities that serve important public needs.

REFERENCES

1. Published by American Planning Association


2. Other Resources


For more information on this topic visit www.planning.org.
Functional Areas of Practice – Suggested Reading List
Lesson 5 – Housing, Neighborhoods & Community Development

Section 1: Housing

APA PAS Reports
- PAS 516 - Jobs-Housing Balance. 2003
- PAS 548 - Zoning as a Barrier to Multifamily Housing Development. 2007

APA Zoning Practice
- 2006-12: Zoning to Expand Affordable Housing
- 2007-3: Case Studies in Inclusionary Housing
- 2007-7: Is Zoning a Barrier to Multifamily Housing?
- 2012-7: Zoning for Accessory Housing

APA PAS Quick Notes
- QN7 – Inclusionary Housing. 2006
- QN11 – Accessory Dwelling Units. 2009

Planning and Urban Design Standards
- “HOPE VI”; pp. 458-459
- “Housing Needs Assessment”; pp. 509-511
- “Housing Plans”; pp. 31-33
- “Public Housing and Urban Renewal”; pp. 79-80
- Residential House types; pp. 185-195

Local Planning: Contemporary Principles & Practice
- “Promoting Housing Affordability”; pp. 377-384

JAPA
- Joseph Heathcott (2012): Introduction to the Special Issue (Housing); Journal of the American Planning Association 78(4): 357-358

APA Links

APA Policy Guides
- Community Residences
  https://www.planning.org/policy/guides/adopted/commres.htm
- Factory Built Housing
  https://www.planning.org/policy/guides/adopted/factoryhousing.htm
- Homelessness
  https://www.planning.org/policy/guides/adopted/homelessness.htm
- Housing
  https://www.planning.org/policy/guides/adopted/housing.htm
Section 2: Community Development

APA PAS Reports
- PAS 555 - Planning the Urban Forest: Ecology, Economy, and Community Development, 2009

APA Zoning Practice
- 2009-12: Lending a Helping Hand: What Planners Can Do To Turn Around Distressed Properties
- 2010-6: Meeting the Vacant Property Challenge

APA PAS Quick Notes
- QN14 – Understanding Takings, 2008
- QN42 – Community CPTED, 2013

Planning and Urban Design Standards
- “Equity Planning”; pp. 82-83
- “Federal Housing & Community Development Law”; pp. 581-583
- “Garden Cities”; pp. 71-72
- “Neighborhood Plans”; pp. 16-17
- “Renewed Neighborhoods, New Towns, and New Urbanism”; pp. 89-90
- “The Rise of Community Development”; p. 82

Local Planning: Contemporary Principles & Practice
- “CDCs and neighborhood intervention”; pp. 204-206
- “Richmond's Neighborhoods in Bloom”; pp. 199-204
- Neighborhood Unit diagram; p. 126

APA Links
APA Policy Guides
- Neighborhood Collaborative Planning
  https://www.planning.org/policy GUIDES/ADOPTED/NEIGHBORHOODCOLLABORATIVE.HTM
Functional Ares of Practice – Suggested Reading List
Lesson 6: Human & Economic Development

Section 1: Economic Analysis and Forecasting
APA PAS Reports
- PAS 561 - Fiscal Impact Analysis: Methodologies for Planners. 2010
APA Zoning Practice
Planning and Urban Design Standards
- “Economic Base and Econometric Projections”; pp. 507-508
- “Fiscal Impact Analysis”; pp. 518-520
Local Planning: Contemporary Principles & Practice
- “Sizing up the local economy”; pp. 80-84
  - Economic base analysis; pp. 80-82
  - Multiplier; p. 82
  - Input-Output; p. 82

NON-APA Links (Subject to Change)
- Economic Base Analysis & Multiplier
  http://mailer.fsu.edu/~tchapin/garnet-tchapin/urp5261/topics/econbase.htm
- Location Quotient
  http://mailer.fsu.edu/~tchapin/garnet-tchapin/urp5261/topics/econbase/lq.htm
- Shift-Share (Economic Analysis)
  http://mailer.fsu.edu/~tchapin/garnet-tchapin/urp5261/topics/econbase/s-share.htm
- Benefit-Cost analysis
  http://www.fhwa.dot.gov/infrastructure/asstmgmt/primer05.cfm
- Floor Area Ratio (FAR)
  http://www.carfree.com/far.html

Section 2: Economic Development and Revitalization

APA PAS Reports
APA Zoning Practice
- 2014-2: Development Review as Economic Development
APA PAS Quick Notes
- QN48 – Business Improvement Districts. 2014
Planning and Urban Design Standards
- “Business Improvement District”; pp. 646-647
- “Economic Development Plans”; pp. 34-35
- “Empowerment Zones & Enterprise Communities”; pp. 639-640
- “Industrial Parks”; pp. 440-441
- “Main Streets”; pp. 444-446
- “Planned Manufacturing Districts”; p. 644
“Redevelopment Agencies”; p. 645
“Redevelopment Area Plans”; pp. 25-26
“Tax Increment Financing”; pp. 641-643

Local Planning: Contemporary Principles & Practice
- “BIDs come of age”; pp. 193-196
- “Revitalizing older industrial cities”; pp. 144-146
- Main Street Program; pp. 130-131

APA Links
APA Policy Guides
- Public Redevelopment
http://www.planning.org/policy/guides/adopted/redevelopment.htm

APA Economic Development Toolbox
http://www.planning.org/eda/toolkit/
http://www.planning.org/eda/toolkit/2008/

The Creative Class & Economic Vitality
http://www.planning.org/planning/2008/jun/research.htm
http://www.planning.org/planning/2002/jul/creative.htm
http://www.planning.org/research/arts/briefingpapers/vitality.htm

Section 3 – Food Systems, Health and Social Services

APA PAS Reports
- PAS 539/540 - Integrating Planning and Public Health. 2006

APA Zoning Practice
- 2009-2: Zoning for Public Markets and Street Vendors
- 2010-1: A Sound Approach to Regulating Social Service Facilities
- 2010-3: Zoning for Urban Agriculture
- 2011-10: The Effective use of Health Impact Assessments in Land-Use Decision Making
- 2013-9: Food Truck Feeding Frenzy: Making Sense of Mobile Food Vending

APA PAS Quick Notes
- QN24 – Food Systems Planning. 2010
- QN45 – Transforming the Built Environment in Support of Aging. 2013

Planning and Urban Design Standards
- “Farmland Preservation”; pp. 618-620
- “Healthy Cities and Communities”; p. 96

Local Planning: Contemporary Principles & Practice
- “Healthy Cities”; pp. 134-137
- “Preserving agricultural land”; pp. 312-315

APA Links
APA Policy Guide
- Agricultural Land Preservation
http://www.planning.org/policy/guides/adopted/agricultural.htm

- Community and Regional Food Planning
  http://www.planning.org/policy/guides/adopted/food.htm

- Homelessness
  http://www.planning.org/policy/guides/adopted/homelessness.htm

APA Healthy Communities through Collaboration
http://www.planning.org/research/healthy/
http://www.planning.org/planning/2010/feb/healthyplanning.htm

APA Planning for Food Access
http://www.planning.org/research/foodaccess/

APA Planning for Public Health
http://www.planning.org/research/publichealth/

Food Deserts