



American Planning Association

Creating Great Communities for All

April 2019

Housing Policy Guide

For Delegate Assembly Adoption

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 red-lining—continue to impact the social, cultural, ethnographic, and economic diversity of our urban, ex-urban, 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; multi-unit 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.

Lowered vacancy rates from 2010 to 2016, 2.4 to 1.8 percent in owner-occupied housing and 7.8 to 6.2 percent in rental housing, signal a tightening of the housing market. Vacancy rates are lowest in lower-cost housing, relaxing as the price of units increase.

Overcrowded conditions are reported slightly higher in the 2016 American Community Survey data, rising from 3.4 to 3.9 percent. The survey shows 3.3 percent of households live with more than one person per room while 1.2 million households or 1.1 percent live with more than 1.5 persons per room.

The National Housing Preservation Database indicates that of the nearly 4.7 million publicly supported rental homes, more than 10 percent with affordability restrictions will expire in the next five years. With more than 8.1 million extremely low-income households spending more than half of their income on rent, there is a shortage of approximately 7.4 million homes affordable to the extremely low-income households in need.

There has been an uptick in a loss of older housing inventory. A Hudson Institute analysis found that about 60 percent of low-cost units in 1985 were lost from the U.S. housing stock by 2013 through a combination of permanent removals (27 percent), conversions to other uses (18 percent), and upgrading to higher rents (12 percent). Moreover, just under a third of affordable rentals in 2013 had been low-cost units in 1985, underscoring the importance of affordable housing preservation.

2. Affordability

Perhaps the most significant economic trend of the last 12 years is the widening gap between the highest earners and the average wage. Those at the top of the income curve have seen their earnings increase while the majority has experienced stagnation or reduction. This has directly affected the housing supply, which is steadily bifurcating into strong or weaker markets while the middle range is shrinking.

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 homeownership 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 the minimum buildable lot size is reduced accordingly to realize a savings on land acquisition. Homes in the 900 - 1200 square foot range are becoming more commonplace but the trend in America is still toward larger houses. According to the US Census, the size of the average single-family house increased from 1,535 sf in 1975 to 2,169 sf in 2010 – an increase of 41%.

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 seventy-one 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 post-recession period, most large metro areas are lacking in housing supply but are high in demand. When we focus on the post-recession 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.

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 Homeowners. According to Moss, 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 homeownership 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 homeowners. 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.

Clear indications of the energy market transformation is the rapid increase in the number of passive house and net-zero building projects in the country. Projects exist in states with more stringent building codes such as California and Florida, but are gaining traction in other states and localities that are committed to reducing greenhouse gases substantially by 2030 and 2050.

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 NZE 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 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 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.

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 should work to transform the community engagement process relative to multifamily and mixed-income housing preservation and development. Local jurisdictions should move to active implementation of housing policy and development and build public support for housing affordability. Local jurisdictions should consider developing outreach and engagement strategies to establish a framework and guide dialogue with the public and key stakeholders about housing need, demand, and trends, as well as the consequences of inaction. Local jurisdictions should be inclusive and responsive to a broad range of constituents, while promoting best practices and educating the public.

Position #1J: The American Planning Association and its Chapters and Divisions support efforts to combat housing discrimination and supports 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 rental housing discrimination based on the source of a tenant’s income. Finally, the APA supports the dismantling of exclusionary land use and zoning practice and policies that contribute to and continue historic patterns of segregation.

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. 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, or 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 re-developing 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 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 grey

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 incorporating green infrastructure into future development. Planners should encourage compact development and mixed-use housing to reduce impacts on watersheds and environmentally-sensitive areas.

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 lax 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 homeownership 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 homeownership opportunities, such as shared-equity homeownership, 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 homeowners.

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-only 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 the direct allocation from general funds (budgetary line items) as well as the issuance of housing bonds at both the local and state level. All HTF funds should be limited to expenditures related to housing projects only; use of these funds should not be directed to other non-housing 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 not-for-profit community foundations.

POSITION 5 *Support funding and program flexibility to provide services, shelters, and permanent supportive housing for homeless individuals and families.*

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 homeless individuals and families.

RELATION TO OTHER 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, scheduled for adoption 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, co-housing, 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.”

Transportation

While an update is under way, the current Surface Transportation Policy Guide, adopted in April 2010, emphasizes the need to integrate housing and transportation planning, which are typically addressed at different levels of government and often with little coordination. The location of housing relative to job sites is undoubtedly the single most important factor in assessing transportation needs.

POLICY GUIDE AUTHORS

Angela Brooks, AICP, Co-chair

Jennifer Raitt, Co-chair

Aldea Coleman

Brian Loughlin, AIA

Thomas Eddington, AICP, ASLA

Benjamin D. Frost, Esq., AICP

Michael A. Levine, AICP

Kelly Murphy, AICP

Martha Sickles, AICP