



**Kaysville City Planning Commission
Meeting Notice and Agenda**

The Kaysville City Planning Commission will hold a regular meeting on October 10, 2024, at 7:00 PM in the Council Chambers of the Kaysville City Municipal Building located at 23 East Center Street. The public is encouraged to attend in person or may view the meeting online via www.Kaysvillelive.com.

1. Welcome and Meeting Order
2. Declaration of Conflict of Interest
3. Discussion on moderate income housing zoning incentives
4. Approval of the minutes from the September 26, 2024 Planning Commission Meeting
5. Other matters that properly come before the Planning Commission
 - a. Reports
 - b. Correspondence
 - c. Calendar
6. Adjournment

On a Notice of Meeting was posted in accordance with Utah State Code Section 52-4-202 (3).

Mindi Edstrom
Community Development Department



PLANNING COMMISSION STAFF REPORT

To: Kaysville City Planning Commission

From: Melinda Greenwood, Community Development Director; Anne McNamara, Senior Planner

Date: October 7, 2024

Agenda Item #3: Discussion on Moderate Income Housing Zoning Incentives

Meeting Date	October 10, 2024
Application Type	Discussion
Applicant	Kaysville City
Chapter Title Section	N/A – Moderate Income Housing Incentives

1. BACKGROUND

Prior to drafting an ordinance for moderate income housing incentives, staff would like to have a discussion on the topic with the Planning Commission. A variety of documents are attached, all of which have some connection to moderate income housing. The documents are provided to the Planning Commission as a primer and conversation starter, with the hopes that some direction can come from the Commission during Thursday's meeting.



UTAH FOUNDATION
RESEARCH • ANALYZE • INFORM

JULY 2024

An Appetite for Housing Affordability

Insights from Utah's Municipal Officials

AN APPETITE FOR HOUSING AFFORDAILITY

INSIGHTS FROM UTAH'S MUNICIPAL OFFICALS

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About the Utah Foundation

Since 1945, leaders, legislators, and community members have relied upon the **illuminating, independent, and nonpartisan public-policy research** produced by the Utah Foundation to support informed decision-making on topics that matter most. As a 501(c)3 with broad community support and a 60-member board, the Utah Foundation exists to empower **civic engagement as the foundation for enhanced quality of life for Utahns.**

Research Report 822

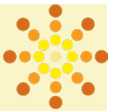
INTRODUCTION

The Utah Foundation’s vision is to encourage “Empowered civic engagement as the foundation for enhanced quality of life in Utah.” To accomplish this, its mission is to “Inform and engage with illuminating, independent, nonpartisan public policy research.” Given that housing was the top issue for voters in the 2024 Utah Priorities Project, there is perhaps no better topic on which to inform and engage Utahns.¹

In broader response to this concern about housing, many in the public sector are attempting to utilize policy levers to help make housing more affordable in Utah. To understand these levers, this report explores – with the help of survey responses – the perspectives of municipal officials and staff concerning the provisioning for affordable housing in general. It then discusses how to best spark civic dialogue between municipal officials and residents about housing diversity and affordability. The report addresses general messaging strategies and techniques to address residential concerns while seeking to improve communication between residents, mayors, city council members, and city planners. Finally, the report concludes with a discussion of the type of housing diversity Utahns want in the present and may wish for in the future.

¹ The Utah Foundation, “Priced Out and Fed Up: Cost of Living and Political Dysfunction are Voters’ Top Issues,” April 30, 2024, <https://www.utahfoundation.org/wp-content/uploads/rr819.pdf>.

HIGHLIGHTS OF THE SURVEY AND THIS REPORT



- “Affordable housing” is understood by municipal officials to mean a variety of things, from simply “low quality” and “dense” housing to more technical definitions based on local area median income. This likely parallels many residents’ perceptions.
- Municipal officials and staff recognize a shortage of diverse housing options and appreciate the need for accessory dwelling units (71%), encouraging “middle housing” (66%), and smaller lots (57%).
- Many municipal officials and staff seem to oppose Utah’s Moderate Income Housing Plan requirement, some of whom perceive it as a heavy-handed, state-level intervention that is less well-suited to rural and suburban municipalities.
- Many municipal officials and staff see the most substantial barrier to affordable housing as emanating from community opposition (56%).
- Most survey respondents (79%) say that municipal officials who pursue affordable housing over resident concerns face political consequences.
- Modifying the nature and content of the dialogue between municipal officials and communities can increase the availability of housing diversity in various communities across the state.

This report is directed toward multiple audiences. First, the report serves as a tool for policymakers to better understand their aggregated perceptions and community concerns while developing both the vocabulary and the strategies to address them. Second, this report encourages and informs developers hoping to construct diverse housing projects. It does this by providing insights into the thoughts of elected officials and municipal staff that may arise from residential policy concerns. Finally, this report is directed toward those very residents to generate a more informed and productive dialogue between them and their municipalities and developers when discussing the complex and often intertwined sets of political, social, and economic issues related to the provisioning for diverse and more affordable housing options.

SURVEY METHODOLOGY

In the spring and summer of 2024, the Utah Foundation surveyed over 600 elected officials and housing-oriented municipal staff across the state. The online survey, sent via email, garnered about 100 responses and a response rate of more than 15%. The Utah Foundation sought responses from representatives of the 85 Utah cities with populations of roughly 5,000 or more. Representatives from 52 cities responded. The survey responses and analysis are included throughout this report.

MUNICIPAL PERSPECTIVES, EDUCATION, AND MESSAGING

Nationally, municipal officials reveal that a top concern is the present cost of housing in their cities. According to a 2023 National League of Cities survey of municipal officials, 46% of respondents noted that increasing housing diversity (a variety of housing types existing across a spectrum of prices) constitutes a high priority. Coincidentally, 46% of respondents in the West chose either a lack of affordable units for low and very low-income individuals or a lack of affordable workforce housing as their top municipal concerns. Regionally, this was the highest total in the country.²

Similarly, Boston University conducted its Menino Survey of Mayors in 2022. This survey – which focused on the mayors of 118 U.S. cities having more than 75,000 residents – specifically explores economic opportunity, poverty, and well-being. Housing costs feature prominently in mayoral responses. In fact, 81% of mayors identify housing as one of the top two economic challenges facing their city.³ Similarly, when asked how they might help alleviate poverty given an unexpected windfall of funds, the top two responses (58% and 56%, respectively) were “initiating rental assistance programs” and “homeownership programs.”⁴ Simultaneously, most mayors noted that they were being held politically accountable for housing costs and general inflation to a much greater degree than they had control over.⁵

2 National League of Cities, “Housing Supply is a High Priority for Local Governments,” <https://www.nlc.org/resource/housing-supply-is-a-high-priority-for-local-governments/>.

3 Boston University Initiative on Cities, “Economic Opportunity, Poverty and Well-Being,” https://www.surveyofmayors.com/files/2023/04/2022-Menino-Survey_Poverty-Safety-Report_Final.pdf.

4 Ibid.

5 Boston University Initiative on Cities, “Economic Opportunity, Poverty and Well-Being,” https://www.surveyofmayors.com/files/2023/04/2022-Menino-Survey_Poverty-Safety-Report_Final.pdf.

Fortunately, numerous strategies exist to accomplish housing goals that can be employed by city or town officials and by housing developers. To employ these strategies locally, however, it is necessary to understand the perspectives of municipal officials in Utah, understand the process by which Utah's municipal officials are educated on housing issues, and understand the barriers to effective municipal messaging in Utah as they pertain to housing affordability and potential diversity.

PERSPECTIVES OF MUNICIPAL OFFICIALS AND STAFF

The Utah Foundation asked several survey questions of municipal officials and staff to understand their perspectives on affordable housing in general. The questions seek to gain specific insight into the perceived definition of housing affordability, the most important aspects of affordability, support for various housing policies, and more specific support for Utah's Moderate-Income Housing Plan requirement.

Affordable Housing Defined

The U.S. Department of Housing and Urban Development defines affordable housing as "housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities."⁶ The Utah Foundation sought to determine whether that was the typical understanding of the term by using two open-ended questions to explore respondents' perspectives regarding affordable housing.

Elected officials and municipal staff were asked, "When you hear the term "affordable housing," what is the first thing that comes to mind?" The responses to this question highlight a significant concern over the lack of genuinely affordable housing. The consensus is that current market conditions, developer practices, and ambiguous definitions contribute to this issue. Some respondents also offer specific definitions and price points for what they may define as affordable housing. Many feel that broader systemic changes are needed to address the disparity between wages and current housing costs in the state. The role of government and developers in creating solutions is a recurring theme in responses to this question, with a strong sentiment that more accountability and policy effectiveness are required. Finally, a palpable concern exists for the welfare of lower-income and young households when attempting to afford housing absent modifications to local policy.

Definitions and Understanding. In spite of state law setting precise definitions according to household income levels, there is a wide range of interpretations regarding precisely what constitutes affordable housing.⁷ Definitions presented by survey respondents include housing for those making 80% or less of area median income, smaller and more basic homes, or housing that costs 30% or less of take-home pay. It is also important to note that several respondents find the term ambiguous and broad, thus indicating a need for a more precise and standardized definition. Some respondents were focused on the confusion of others regarding the term, noting that it is often "misunderstood," while other respondents seemed to imply that the term is used as a "broad brushed platitude." One particularly interesting response noted a distaste for the term "affordable housing" and preferred a "balanced community" as a stated objective.

6 U.S. Department of Housing and Urban Development, "HUD User Glossary Archives," https://archives.huduser.gov/portal/glossary/glossary_a.html.

7 Utah State Legislature, 2020, https://le.utah.gov/xcode/Title35A/Chapter8/35A-8-S2201.html?v=C35A-8-S2201_2020051220200512.



Housing Types and Preferences. Respondents mention various housing types as potentially affordable. This includes starter homes, townhomes, apartments, duplexes, and other high-density housing options. That said, responses also provided a palpable preference for ownership (e.g., “owning a lot” and “more homeownership”) over renting, which is often associated with less social stability and higher long-term family costs. To accomplish this, respondents made explicit reference to smaller homes, mixed-use projects, and multifamily developments with deed restrictions embraced to maintain affordability. Curiously, there was less focus on basic increases in construction quantities to yield affordability with supply.

Government and Policy. Some respondents express frustration with current state government policies yet suggest that state laws alone cannot overcome market factors. Statements like “laws the State has put in place” and “stripping cities of power” illustrate this frustration with state policy and its relation to Utah’s current housing market. Conversely, some respondents issued calls for more effective governmental intervention, with some suggesting cost control, better financing for infrastructure, and forcing developers to participate in potential solutions.

Housing Costs. Several responses to this survey question mention specific price points or home sizes that are – or might be considered – affordable or attainable for lower-income households. Examples include “\$250,000” and “starting at \$300,000,” while other responses focus on size, noting that “1,200 square ft., 3 bed, 2 bath” might be defined as “affordable.”

Developer and Market Influence. Many respondents feel that developers prioritize profit, contributing to Utah’s lack of affordable housing. Statements like “Developers will ALWAYS put profit over affordability”

and “Developers are just lining their pockets” reflect this sentiment. Some responses call for holding developers accountable for creating affordable housing and passing savings on to home purchasers. Still, other respondents call out the legislature for shifting the blame for housing costs onto municipalities, while others simultaneously and explicitly blame municipal zoning policies. The high price of land is also noted as a barrier to affordable housing regardless of incentives that might exist.

Affordability Issues. In survey responses, there is a clear trend as many respondents believe affordable housing is non-existent or unattainable for the young people and young couples seeking it. Respondents noted that “There is no such thing” as affordable housing anymore, that such housing is “unattainable,” or that believing such housing even exists is “a fantasy.” These were not isolated characterizations of Utah’s current housing market. Economic factors also dominated this discussion with respondents noting that the “market does not allow for real affordability” anymore and that broader “macro-economic factors” drive the market independent of local realities.

The Most Important Aspects of Affordable Housing

The Utah Foundation then asked its second open-ended question. This question explored municipal officials’ perceptions regarding “the two or three most important aspects of affordable housing.”

The responses emphasize the importance of reducing costs, including housing prices, interest rates, and inflation, to achieve affordable housing. There exists a strong preference for smaller, well-built homes that maintain quality. Respondents express a need for varied housing types integrated into communities with a focus on homeownership to build household wealth. Integration of housing into a variety of neighborhoods, provisioning for infrastructure, and sufficient but simple housing quality are also critical factors in creating sustainable, affordable housing solutions for Utah. Developer practices and market factors, such as prioritizing profit and the impact of high interest rates, are also seen as significant barriers. Governmental intervention and balanced policies are noted as necessary to address these challenges.

Affordability and Cost. Respondents strongly emphasize the need to lower the cost of housing, utilities, and food. High costs in general (inside and outside the housing sphere) are perceived as a significant barrier to affordable housing. Examples of survey responses include “Lower the cost of housing” and “High costs, low pay, move-in money.” Many respondents also rightly note that high interest rates significantly impact affordability at present. Lower interest rates and higher inventory levels are seen as essential for making housing more affordable for Utah residents. Examples of responses include “Interest rates, inventory, and quality jobs that pay well.” Another respondent again explicitly notes the need for “Lower interest rates and less inflation.”

Quality and Size. Respondents also note a desire for affordable housing to maintain good quality despite being less expensive and characterized by smaller units. This includes being “Safe, well built, sustainable” and “Quality building standards, smaller sq. footage.” Respondents suggest smaller homes with more basic finishes as a way to achieve affordability while still providing quality housing.



Housing Types and Integration. Survey respondents also called for a wider variety of housing types integrated into communities rather than existing as socio-economically segregated. Examples of objectives include mixed-income developments and affordable housing integration into higher-cost areas. Examples of comments included “Housing integrated into medium to high-cost housing developments” and “Ensuring that each city has a wide variety of housing types across a spectrum of affordability.” The phrase “diversity of options” was specifically used to assert the need for a “variety of housing types and price points.” Many respondents also noted a preference for homeownership over renting, seeing it as a way to build equity and stability. Examples of comments included “Providing homes - not just apartments” and “Giving (an) opportunity for people to build equity in owning a home.”

Location and Infrastructure. Survey responses note that affordable housing needs to be in the right places – such as close to jobs and services. Examples of comments in this sphere include “Equitable location, equitable quality” and some noting that housing needs to be “Close to jobs, close to services, close to transportation.” Investment in infrastructure is also seen as necessary to support affordable housing, such as the specific assertion that we need to “Start investing in infrastructure outside of the I-15 corridor.”

Market and Developer Influence. Responses to this question also highlight the assertion that developers prioritize profit, contributing to Utah’s lack of affordable housing. Survey respondents also initiated a call for developers to build more affordable and smaller single-family homes rather than high-density units that simply maximize profit. Examples of responses include “Developers who put profit first” and the hope that “Developers building modest houses rather than maximizing density.” Some responses also suggest that governmental intervention, such as subsidies and incentives for developers, is necessary to achieve affordable housing. Examples of responses include making “Government subsidies available” and noting that “Builders need a carrot or stick to incentivize construction.”

Government Policies and Market Factors. Respondents highlight the need for balanced government regulations to ensure affordability without stifling the market. Examples of comments include “Free market, flexibility, avoiding overregulation and prohibitive requirements” as well as “Government regulations/restrictions, market forces, inventory.” Increasing the supply of single-family homes and addressing market demand is also seen as crucial. Examples of comments include, “High Density = High Prices...Increase supply of single-family homes to meet demand” and “Expanding the number of units available.” There were also responses made in reference to upzoning in order to allow single-family homes to be built on smaller lots. This is in spite of city officials generally not zoning for such things.⁸ Further, it is clear that many respondents believe that current mortgage interest rates are substantially responsible for the state’s lack of home affordability. Simultaneously, other survey responses assert that many rents are higher than what a mortgage might be, almost downplaying the significance of mortgage interest rates and hinting at much more sweeping and systemic barriers to housing access.

Support for Various Housing Policies

When asked about affordable housing and how to facilitate it, survey respondents were most supportive of zoning reform to allow for smaller lots (57%), building public/private partnerships (62%), encouraging accessory dwelling units (71%), and encouraging “middle housing” (66%). Middle housing is defined as housing that occupies the “middle” ground between large-lot, single-family homes and large apartment complexes. It offers the potential to increase the supply of housing, but at a scale that is less objectionable to most neighbors and with strong design quality that can improve upon neighborhoods.⁹ The survey question did not define the term middle housing; instead, it left it up for interpretation. It is possible that some respondents believe that the term refers to middle-income housing, often referred to as “workforce housing.”

Respondents described themselves as less supportive of options such as reforming zoning for multifamily housing (37%), providing density bonuses (30%), streamlining the permitting process (25%), requiring inclusionary zoning (30%), and upzoning (28%). That said, “upzoning” and the more acceptably phrased “zoning reform to allow for smaller lots” are effectively the same.

Regarding Utah’s Moderate Income Housing Plan requirement (Utah Code 10-9a-407 and 17-27a-408), survey results were particularly decisive. Under the plan, “moderate-income housing” is defined as “housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the city is located.” For example, in 2023, Salt Lake County’s 80% AMI limit for a family of four was \$92,400, Utah County’s was \$87,600, Washington County’s was \$80,960, and Summit County’s was \$122,400.¹⁰

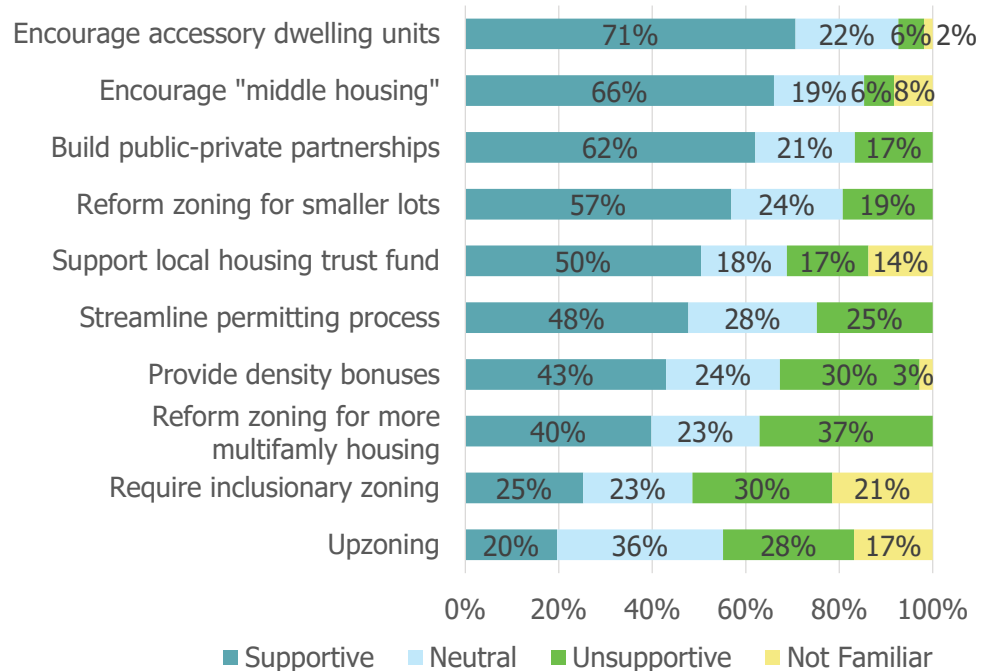
8 Envision Utah, “Fixing the Housing Crisis,” 2023, <https://envisionutah.org/attainable-housing>.

9 The Utah Foundation, Middle Housing Project, <https://www.utahfoundation.org/middle-housing/>.

10 Fannie Mae, Area Median Income Lookup Tool, <https://ami-lookup-tool.fanniemae.com/>. And Salt Lake County, Office of Regional Development, <https://slco.org/regional-development/housing-community-development/apply-for-grant-funding/income-guidelines>.

Accessory Dwelling Units (ADUs) and middle housing are the most popular affordable housing options.

Figure 1: Survey question: “When thinking about affordable housing, how supportive are you in having your municipality enact or expand the following: supportive, neutral, unsupportive, not familiar with term.”



Source: Utah Foundation municipal officials survey.

State code mandates that municipalities “provide a realistic opportunity to meet the need for additional moderate-income housing within the next five years.” To do so, communities must “select three or more moderate-income housing strategies described in State code for implementation, including one additional moderate-income housing strategy for municipalities with a fixed guideway public transit station” and provide an implementation plan.¹¹ Municipalities must choose from a menu of 26 strategies, including “Rezone for densities necessary to facilitate the production of moderate-income housing” or “Demonstrate creation of, or participation in, a community land trust program for moderate-income housing.” Priority consideration for municipalities necessitates a minimum of five or six compliant strategies.¹²

Several representatives from cities with which the Utah Foundation spoke explained their personal opposition to Utah’s Moderate Income Housing Plan requirement. One said that their communities are “built out” or nearly so. Accordingly, easily following the requirements under the requirement does not seem likely. In fact, Ogden City officials recently spoke out on the topic.¹³ It seems that negative opinions often focused on the diverse nature of cities being neglected by the nature of the requirement.

¹¹ Utah State Legislature, <https://le.utah.gov/xcode/Title10/Chapter9a/10-9a-S403.html>.

¹² Utah Department of Workforce Services, “Utah’s Dedication to Affordable Housing,” <https://jobs.utah.gov/housing/affordable/moderate/#:~:text=The%20Utah%20Code%20of%20Amendment,which%20the%20city%20is%20located.%E2%80%9D>.

¹³ Tony Semerad, With land running out, Utah city seeks to ban most new apartments in key commercial zones, the Salt Lake Tribune, <https://www.sltrib.com/news/2024/07/05/with-land-running-out-utah-city>.

Given this, just over 36% of Utah Foundation’s survey respondents note that the plan is “hurting,” and only 14% assert that the requirement is helping. That said, and perhaps this is encouraging, the remainder of respondents are either unfamiliar with the requirement or neutral (a total of 50%). Comments made relating to this survey question tend to focus on the implementation’s overly bureaucratic nature and inefficacy.

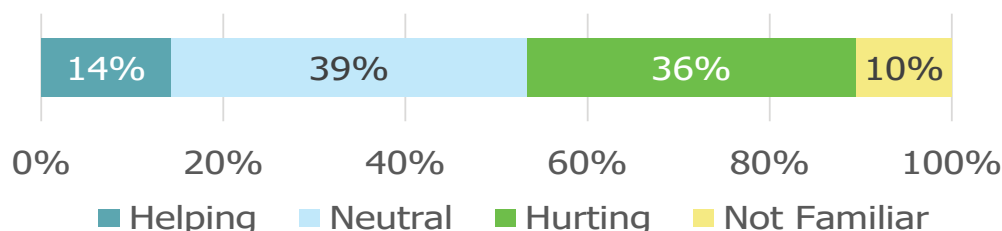
State vs. Local Control. Open-ended survey responses to this question highlight a strong resistance to state-mandated influence placed upon municipal officials and their choices. Respondents noted that the policy might be back-firing and “pushing some in the opposite direction.” They also assert that the state-level requirement is very much a “one size fits all” requirement that is difficult or impossible to impose upon a diverse set of cities. In particular, one response noted that their municipality is already “built out,” with little physical space to comply with state requirements relative to other cities. Conversely, it is also possible that more rural communities lack existing restrictions that the state is attempting to eliminate. Given that, their options from which to choose are reduced relative to their urban counterparts.

Inequities and Unintended Consequences. Survey respondents also note that bad actors exist in the current system, successfully feigning compliance while others genuinely seeking to comply are being unfairly penalized. It is also noted that the plan does not address “how developers respond to cost reductions,” such as seeking to increase profits rather than build more affordable housing. Another comment noted that some cities are being hurt, but little incentive is created for developers to “build owned small lot properties.”

Suggestions for Improvement. Survey responses noted that state-based data gathering and educational initiatives might be more productive than much less flexible reporting requirements for cities. Calls were also made to implement a more flexible moderate-income housing requirement that effectively considers municipal diversity. This would likely entail a separate set of policy options for urban, suburban, and rural communities tailored to general housing realities and existing (or absent) policies in these locales. The general perception that state policy is hurting rather than helping the housing situation in Utah is reflected in the response, noting that the plan is “just another way for the state to be mandating things that should be handled on a local level.”

Most municipal officials think the moderate-income housing plan requirements do more harm than good.

Figure 2: “Generally, around the state, what is your opinion of the Moderate Income Housing Report requirement in Utah Code (10-9a-407 and 17-27a-408)? Helping, Neutral, Hurting, Not familiar with this term.”



Source: Utah Foundation municipal survey.

THE EDUCATION OF MUNICIPAL OFFICIALS

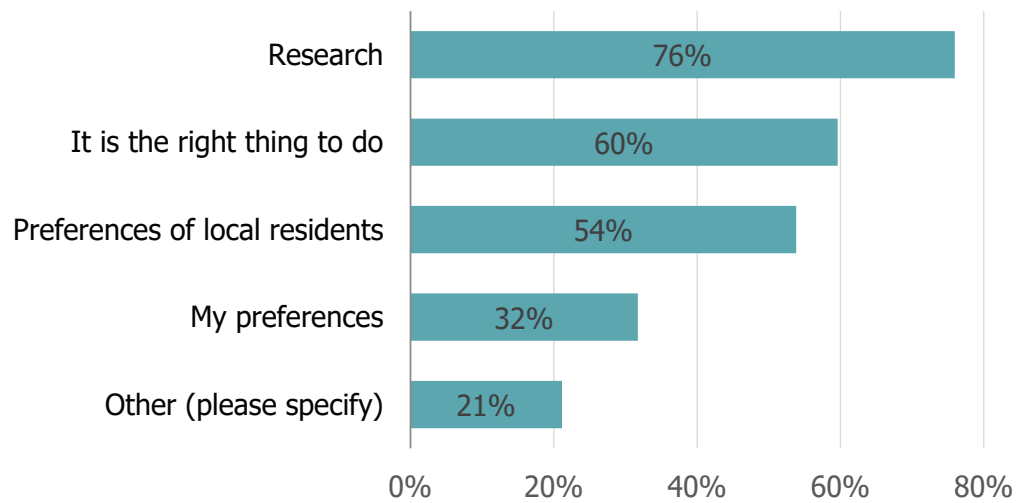
One approach to facilitating affordable housing in Utah for municipal officials and developers might be to better understand how local officials come to their opinions and actions on the subject. The Utah Foundation survey asked them what informs their approach, the sources of housing-related information, and their perceived barriers to policy implementation. Finally, it is important to have a baseline of information regarding the cost and benefits of fostering affordable housing.

What Informs Your Affordable Housing Preferences?

This survey question investigates the professional views of municipal officials about affordable housing. Most respondents noted that their professional views are based on research (76%). Roughly 54% said that their views are informed by residents' preferences, and just over 60% of respondents stated that their preferences are ethically driven by the reality that a policy option is "the right thing to do." Only 31% of respondents noted that their own personal preferences informed their views regarding affordable housing. This implies that more objective research is the primary driver of municipal opinion with regard to affordable housing and that any residential opposition is likely secondary, though possibly still significant.

Municipal officials prioritize research and the right thing over individual preferences.

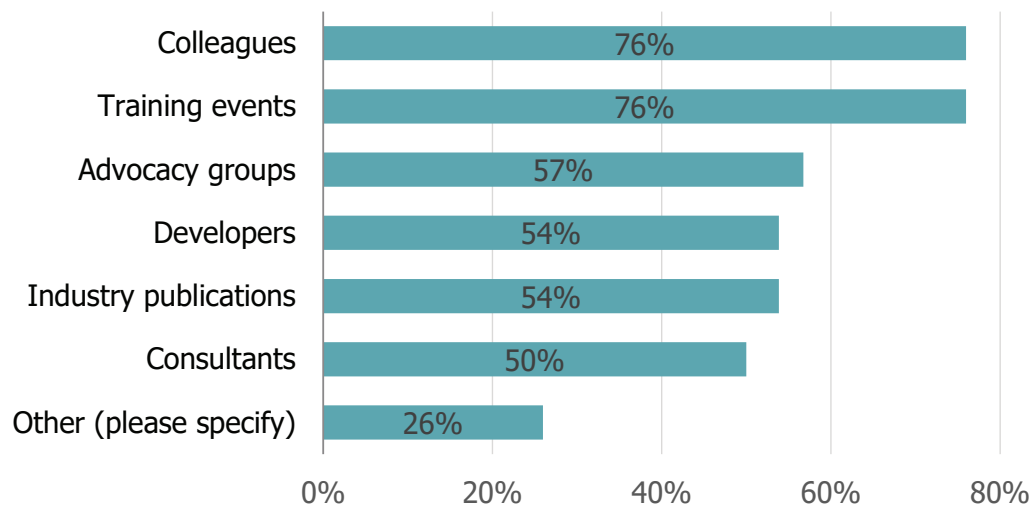
Figure 3: "What informs your professional view regarding affordable housing? (choose all that apply)."



Source: Utah Foundation municipal survey.

Municipal officials get their knowledge from colleagues and training events.

Figure 4: “Where do you get your information about affordable housing? Check all that apply.”



Source: Utah Foundation municipal survey.

What are Your Sources of Housing Information?

When asked where they received their information about affordable housing, municipal officials overwhelmingly noted training events and colleagues as sources (76% for each). Industry publications and real estate developers were noted as sources slightly less regularly, at 54% each, while consultants and advocacy groups were sources of information for 50% and 57% of respondents, respectively. This result again highlights the general reliance on possibly more objectively derived insights when municipal officials are exploring the topic of affordable housing.



Perceived Obstacles to Affordable Housing

When asked about the most significant obstacles to increasing affordable housing, the most common response was “community opposition” by over half of the respondents (56%). The next most common responses were financing barriers (35%) and insufficient infrastructure capacity (27%). A shortage of builders and materials was also noted as significant by (27%) of respondents. In descending order of significance, the demand for larger homes (26%), land use/zoning obstacles (20%), and internal political opposition (19%) were also noted as factors adversely influencing affordable housing availability.

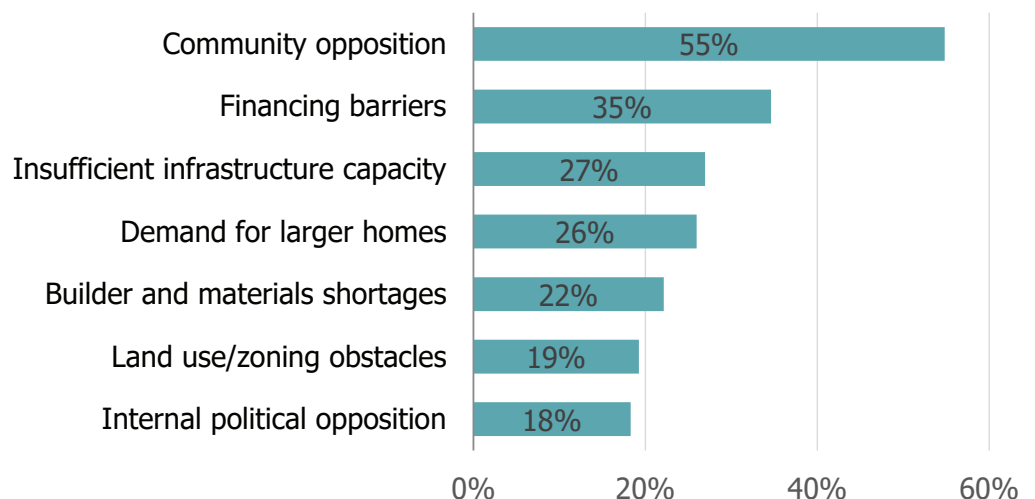
This, in combination with the above responses, highlights what can be perceived as a disconnect between residents and municipal officials. While some community opposition to specific projects can certainly be productive, if literature and consultants are the primary drivers of municipal opinions in favor of affordable housing and “community opposition” still exists, then it would seem that existing messaging at least sometimes fails to bring the two groups into agreement.

Costs and Benefits of Fostering Affordable Housing

Noting its diverse nature, a direct and transparent discussion of both the benefits and costs of affordable housing is likely to be a good foundation for understanding the apparent division between what appear to be municipal preferences and at least occasionally perceived residential opposition. For example, affordable housing costs can be divided into those that are primarily explicit and implicit. There are expenses associated with incentivizing builders to construct such housing, and there may be costs for local infrastructure expansion, road usage and maintenance, and localized water usage. Implicit costs to residents may be the loss or moderation of previous neighborhood character with housing diversity, a more varied

Opposition to affordable housing emanates from the community.

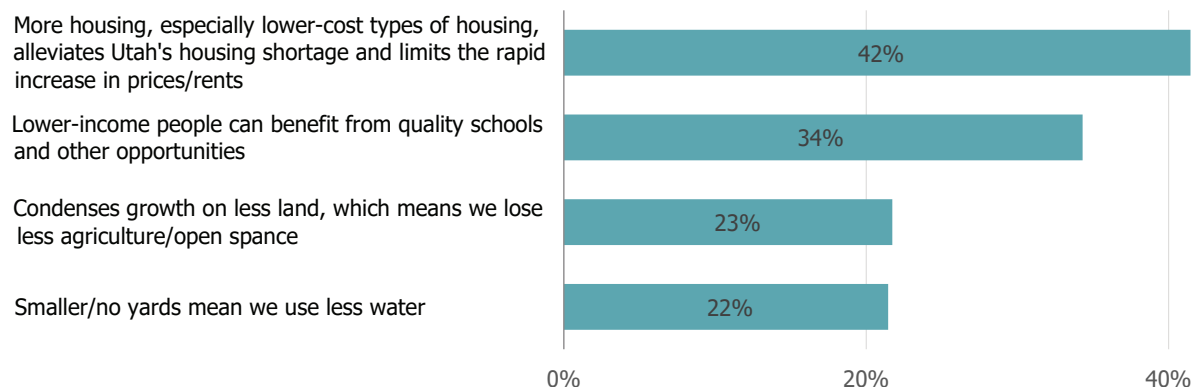
Figure 5: “What are the two most significant obstacles to your municipality increasing its affordable housing? Choose two only.”



Source: Utah Foundation municipal survey.

Benefits of housing diversity include slowing price increases?

Figure 6: “What are the benefits of allowing greater housing variety?”



Source: Envision Utah Values Messaging Guide

socioeconomic landscape in certain areas, or blocked mountain views from new building height limits. Given this, a very important part of persuading those who may be opposed to more diverse housing options is making it very clear that benefits emanating from affordable housing can overcome the costs. It is also important for municipal officials to recall that research indicates that the most vocal residents attending city council meetings do not generally represent the preferences of the general population.¹⁴

A recent survey by Envision Utah highlights the perceived benefits of housing variety. Each listed percentage represents the frequency with which each choice is selected as a top three option by respondents. Perhaps not surprisingly, the top result is more housing, lower-cost housing, and slowing rapidly increasing rents. The second highest result is the reality that, with affordable housing and housing diversity across various zip codes, lower-income residents will benefit from higher-quality schools and other opportunities that are historically geographically determined. Third is the reality that geographically condensed population growth means that fewer open spaces and agricultural lands are lost to development. This reality also means that land is preserved for future growth rather than used inefficiently in the present.

In addition to the more immediate benefits, there are also long-term benefits to fostering affordable – and particularly ownable – housing options. Home affordability and ownership are also associated with lower levels of homelessness, higher educational attainment rates in children, superior educational outcomes, and higher levels of household wealth.¹⁵ These may result in lower municipal expenditure on the social problems associated with the opposite scenarios. Funds could then be reallocated to increase open space, improve streets, improve schools, or otherwise increase quality of life.

¹⁴ Strong Towns, “Who is the ‘Public’ at Public Meetings?,” 2018, <https://www.strongtowns.org/journal/2018/8/27/who-is-the-public-at-public-meetings>

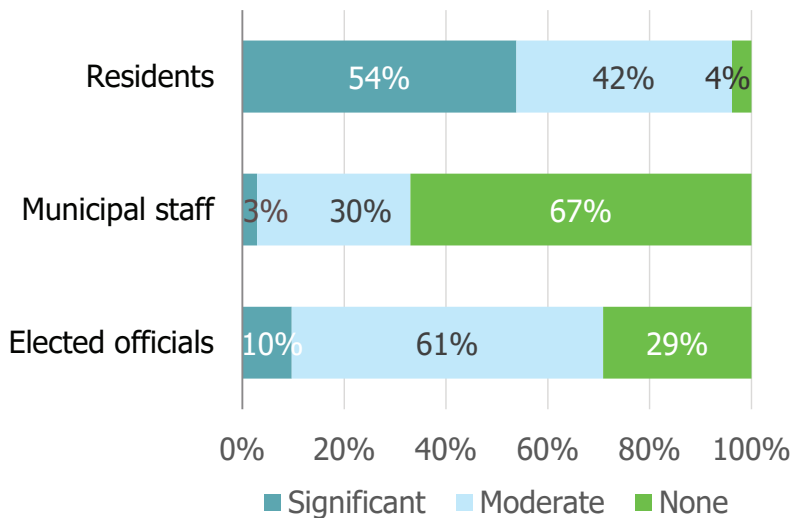
¹⁵ Utah Foundation, “Moving Utahns Toward Homeownership: Benefits, Rates, Affordability, and Obstacles,” 2024, <https://www.utahfoundation.org/reports/moving-utahns-toward-homeownership/#:~:text=The%20origins%20of%20Utah's%20housing,during%20peak%20household%20formation%20years.>

MESSAGING TO MUNICIPALITIES

In a politicized environment, sometimes words can begin to carry a positive or negative charge or even become buzzwords dissociated from their meanings. For example, the term “affordable housing” can create images of cheap government-built blocks of rental units. That said, as highlighted in the Utah Foundation’s survey respondents’ definitions of affordable housing, the term can mean many things that often differ across individuals, groups, and time. Municipal officials using possibly loaded language can sometimes result in less affordable housing and less housing diversity. It may, therefore, be better to discover and prioritize neutral or positive language that conveys facts unladen from negatively impactful political biases. To better understand how to use this language effectively, it is important to examine the perceived sources of opposition to affordable housing, the political consequences of ignoring these sources, and the desire for broader state intervention in policymaking. After addressing these, this report explores alternatives to historically utilized language.

Residents often push back against affordable housing.

Figure 7: “Is there vocal pushback in your city from these groups regarding affordable housing?”



Source: Utah Foundation municipal survey.

The Sources of Pushback Against Affordable Housing

About 61% of survey respondents note that affordable housing opposition emanates to a “moderate” degree from elected officials. Another 10% indicated that “significant” opposition came from elected officials. Conversely, 67% of respondents noted no opposition from municipal staff, while 30% noted “moderate” opposition from this group.

Nearly 54% of respondents indicated significant opposition from residents, and 42% reported moderate opposition from the same group. Only about 4% of respondents stated no opposition to affordable housing from residents. These figures highlight that municipal officials perceive that affordable housing opposition emanates not primarily from within their ranks but from those they represent.

Consequences of Ignoring Residential Concerns

The potential political consequences of ignoring residential concerns about affordable housing are noted in survey responses. In fact, 78% of respondents said they strongly or somewhat agreed that municipal officials face such consequences. Only 8% of respondents somewhat or strongly disagreed that political consequences face officials who ignore residential concerns about affordable housing. Given the general anticipation of political consequences in the presence of the above-described resident pushback in the face of affordable housing policy, it is likely that affordable housing policy is curtailed, even given the objective nature of municipal research on the subject.

The Desirability of Political Cover from the State

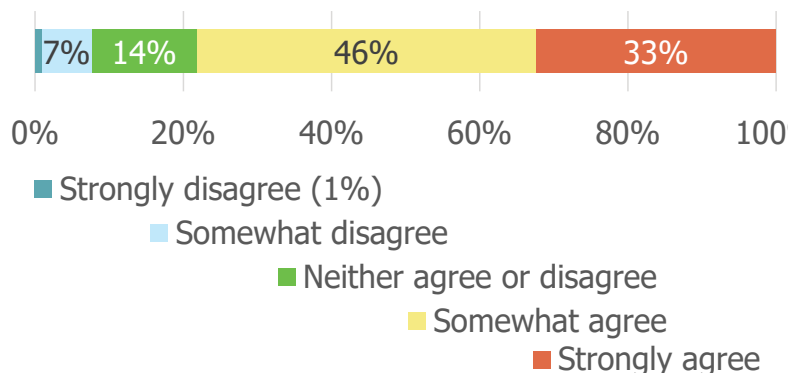
Developers and municipal officials unable to provide affordable housing due to residential concerns may benefit from broader state-level legal interventions. The Utah Foundation recently spoke with a Utah legislator in a leadership position who suggested that elected officials at the city and county levels would often “welcome political cover” for affordable housing. Legislators could provide political cover for local elected officials facing opposition from constituents threatening their elected positions and potentially the long-term welfare of the municipality in question or even neighboring municipalities. Of course, such protections necessitate both a state’s willingness to potentially accept objections from local municipalities that may feel imposed upon and a willingness to accept potential blowback from voters at the state level who may feel that their opinions and rights have been ignored or usurped.

That said, in a particularly striking survey result, when asked if they might welcome additional state-mandated regulations to provide cover for housing policy to encourage housing diversity and affordability, nearly 65% of respondents responded “not at all,” while 27% accepted the possibility “moderately.” Only 8% noted they would “very much” welcome such state-level intervention.

In fact, the very idea of the need for “political cover” is offensive to some respondents. For example, one said that “local government is responsible to the people they elect and reflect the view of those people... political cover is insulting to the people and those properly elected local officials...”

Many municipal officials acknowledge the consequence of ignoring residential concerns.

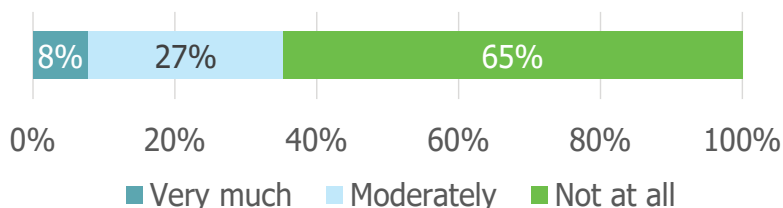
Figure 8: “Do you agree or disagree with the statement: ‘Municipal officials who pursue affordable housing over resident concerns face political consequences.’”



Source: Utah Foundation municipal survey.

Many municipal officials do not want state involvement in local policy.

Figure 9: “Would you welcome additional state-mandated regulations to provide municipal officials with “guidance” or “political cover” for increasing housing density and affordability?”



Source: Utah Foundation municipal survey.

Enhanced Messaging to Achieve Municipal Results

Constructing a messaging strategy to enhance the dialogue between municipal officials, developers, and residents can serve to facilitate affordable housing. Envision Utah has worked in this sphere, and the Utah State Legislature has allocated \$1 million toward this process via the Utah Workforce Housing Advocacy.

To create examples of how simple vocabulary changes might alter or improve the broader message of policymakers in search of increasingly diverse and affordable housing, Envision Utah surveyed Utahns to explore the efficacy of various options. While they are quick to note that the messages are not meant to be embraced verbatim, they suggest that the broader employment of various similar terms and phrases are likely to resonate with Utahns given their survey results.¹⁶

“The people who work in your community, including teachers, firefighters, and police officers, should have access to housing they can afford in your community. More small-lot homes, townhomes, duplexes, and apartments can create this affordable housing for your community members.”

Envision Utah notes that the above message is effective because it avoids the term “density,” as survey respondents found it less palatable, and emphasizes choice, variety, and options. It also focuses on housing as a fundamentally family and community-based issue rather than something tied to socioeconomic class or status.¹⁷ The message also clearly emphasizes the public safety sector of society on the theory that opposition to housing for these groups is likely to have broader unpalatable consequences for the community.

“More housing, especially lower-cost types of housing, alleviates Utah’s housing shortage and limits the rapid increase in prices/rents.”

Similarly, Envision Utah notes that the above statement appeals to those concerned about housing access and affordability. The statement also alludes to the reality that more affordable housing impacts home prices and rents outside the “affordable” sphere. Further, the statement polled particularly well with those who self-described as opposing growth.¹⁸

“If we share growth across all our communities by adding more housing options with well-planned transportation and quality open space, we can keep housing costs down, reduce how much time we spend in a car, and preserve quality of life for more Utah families.”

This messaging approach effectively highlights the direct cost-related benefits of affordable and diverse housing while noting the necessity of augmenting housing policy with things like transportation infrastructure. However, it also emphasizes broader and more peripheral quality-of-life benefits such

¹⁶ Envision Utah, “Talking to Utahns: Values Messaging Guide,” 2023, <https://static1.squarespace.com/static/5c059ead36099b1445c1d246/t/62a2572a0eb06f161c923d2a/1654806348432/Growth+Messaging+Guide+2022.pdf>.

¹⁷ Ibid.

¹⁸ Ibid.

as parks and walkable communities while addressing the commonly stated concerns about growth.¹⁹ Notably, the above message subtly gives some credence to resident concerns and does not dismiss them.

“When we add more housing options in all of our communities, we give more Utahns the chance to be part of strong communities and benefit from great schools.”

Envision Utah notes that the above message is compelling as it appeals to values emphasizing community and family. It also appeals to neighborliness and the desire for fairness in society.²⁰ The statement also emphasizes child welfare in its reference to schools.

Considering the above, it is important to recall that Utah demographics constantly change, just as residential concerns may change over time. Given this, the preferred messaging techniques may need to be revisited periodically and evolve over time.

Messaging that Caters to What Utahns Want

The interests of present and future Utahns should concern Utah’s elected officials and city planners as they formulate development plans for their municipalities. In that sphere, the primarily desired housing type should likely top the list of concerns.

Utah Foundation research suggests that aesthetics strongly drives that decision and that the appearance of a single-family home or units appearing to be a

Utahns’ housing preferences are largely based on aesthetics.

Figure 10: “Would you welcome additional state-mandated regulations to provide municipal officials with guidance for increasing housing density and affordability?”

	Influenced me positively	Influenced me negatively	Had no influence
It appeared to be a single-family house.	81%	6%	14%
It appeared to be a multi-family house.	40%	37%	23%
It had a less prominent garage/parking.	30%	17%	53%
It was a large multi-family development.	15%	67%	18%

Source: Utah Foundation municipal survey.

19 Envision Utah, “Talking to Utahns: Values Messaging Guide,” 2023, <https://static1.squarespace.com/static/5c059ead36099b1445c1d246/t/62a2572a0eb06f161c923d2a/1654806348432/Growth+Messaging+Guide+2022.pdf>.

20 Ibid.

Style and size matter when accepting housing diversity.

Figure 11: Question: “Which other factors were important in choosing the picture(s)?”

	“Important”
Style	72%
Scale (size compared to other homes)	62%
Setback from the road	35%
Other (open-ended)	17%

Source: Utah Foundation municipal survey.

small multi-family home is a positive influence on acceptance.²¹

Similarly, style and scale can also increase the acceptability of higher levels of housing diversity, and messaging should also be centered around these factors.

If a home appears to be a single-family home, is stylish in that it fits in with the surrounding neighborhood, and is not dramatically larger or smaller than surrounding homes, it is much less likely to face neighborhood opposition.²²

That said, it is important to remember that household preferences change, which can complicate matters for elected and other municipal officials in understanding the needs and desires of Utah’s citizenry. For example, in the early months of the pandemic, surveys suggested

that families with children in school were more interested in detached homes with larger yards.²³ Given the reduced options for enjoying outdoor space during lockdowns, this makes sense. Perhaps tellingly, and more recently, most Americans who have either recently purchased a home or are considering a purchase prefer single-family detached housing over other housing types. This could be a function of affordability, however, as those with a serious preference for other housing types are priced out of those as well. Only about 15% would prefer single-family attached housing – often considered middle housing.

In addition to changing preferences, both demographics and affordability can change. Millennials may find themselves more able to purchase homes as interest rates decline, and the boomer generation may age into a circumstance in which the realities of aging make their large homes less desirable.

CONCLUSION

This report is a resource for elected officials, municipal staff, developers, and other Utahs in three distinct ways. First, it provides a better understanding of opinions within municipalities. Second, it provides a better understanding of information acquisition strategies adopted by municipalities. Finally, it offers a discussion of how municipalities might best present their own objectives in an environment sometimes opposed to affordable housing.

21 Utah Foundation, “Middle Housing Study, Part III: Utahns’ Development Preferences,” January 11, 2022, <https://www.utahfoundation.org/reports/middle-housing-study-part-iii-utahns-development-preferences/>.

22 Ibid.

23 Utah Foundation, “Is the Middle Missing?,” January 2022, <https://www.utahfoundation.org/wp-content/uploads/rr795.pdf>.



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GUIDING OUR GROWTH

A STATEWIDE CONVERSATION ABOUT UTAH'S FUTURE

GUIDING OUR GROWTH

A statewide conversation
about Utah's future



By better understanding how Utahns prefer to address population growth-related concerns, decision-makers can align with constituents' desires, safeguard quality of life, and confidently plan for the future.

December 1, 2023

GuidingOurGrowth.utah.gov

GUIDING OUR GROWTH



Unmatched natural beauty. Countless outdoor recreation options. Strong families. Connected communities. One of the most vibrant economies in the U.S. There's so much that makes Utah special. And what makes Utah great is also what makes Utah grow.

Many families choose to stay here, generation after generation. Others recognize all that Utah has to offer and choose to move here. As long as Utah is a quality place, people will stay and newcomers will arrive. Growth is a part of life when you live in an exceptional state. In fact, Utah was the fastest-growing state in the nation between 2010 and 2020, and nearly two-thirds of Utah's growth came from internal growth rather than migration.

According to the Kem C. Gardner Policy Institute, Utah's population is projected to increase from 3.4 million today to 5.4 million in 2060. So, it's not a question of **IF** Utah will continue to grow, but **HOW** Utah will continue to grow. Growth can threaten what makes Utah great if we don't plan for it. We must work together to protect or improve Utah's housing costs, water resources, transportation convenience, recreation opportunities, and sense of community.

Growth decisions aren't easy, and opinions about growth vary. Regardless of how individuals feel about growth, it's important to think about what we can do now to safeguard Utah's future quality of life.

Guiding Our Growth is a statewide conversation about how we can keep Utah a great place for our families and communities as we grow. It is a broad effort to explore what actions make sense as our population continues to increase.

EXECUTIVE SUMMARY

Through a listening effort with elected officials and policymakers across the state, project partners identified housing, water, transportation, and open space as four pressing issues. This became the foundation of a public survey, allowing Utahns to “Be Heard” and share their perspectives.

Outreach, engagement, and public participation in the Guiding Our Growth “Be Heard” campaign included:

- More than 30 regional workshops
- 1.7 million online engagements
- 68,000 ad campaign clicks
- Input from all 29 of Utah’s counties
- 28,000 survey responses
- 30,000 open-ended comments

Public input shared through Guiding Our Growth showed that Utahns want to maintain a high quality of life through focused growth in city and town centers alongside thoughtful consideration of the how housing, water, transportation, and open space relate to each other.



Survey results received between May and August 2023 revealed that the majority of Utahns want to strengthen the center of each community and ensure that Utah is a quality home for future generations. To accomplish these goals, most Utahns:

- **Don't think we should try to stop growth**, but acknowledge that how we grow matters.
- **Think we should focus growth in city and town centers** where we can build on existing infrastructure.
- **Prefer to grow “in and up”** rather than out and like the idea of more compact development.
- **Desire thoughtfully designed new neighborhoods** with convenient access to parks, trails, shopping, transportation, and more.
- **Want a variety of housing products** and price points built in context-sensitive ways.
- **Favor proactive water conservation** and shared responsibility.
- **Value the option to travel in different ways**, including by public transit, bicycle, and car.
- **Would like to preserve open spaces** within and around communities.

WHAT WE HEARD

Utahns want to allow more housing, with a variety of housing products and price points, built in context-sensitive ways.

Utahns also shared more specific input within each key topic area.

HOUSING

Urban Utahns

Want to see more housing offered in a greater variety of types throughout urban areas. Younger Utahns and renters are particularly supportive of this approach.

60% want to see underperforming strip malls, big box stores, and parking lots redeveloped into housing.

60% want more townhomes, duplexes, and accessory dwelling units, like basement or mother-in-law apartments.

59% want more new houses to be built on smaller lots and want to incentivize the construction of smaller homes.

57% want the number of housing units with the potential for owner occupancy, including single-family houses, condos, and townhomes, to increase.

52% want Utah to be more selective about the types of new businesses or development we seek to attract to our state.

"We need to utilize the land we have and quit taking over more. We need to preserve the natural environment as much as possible."

- survey comment, Iron County resident

Rural Utahns

Want much of the state's growth to focus around existing town centers and main streets, and a majority oppose building new housing on large, spread-out lots.

50% want sweat equity home-building programs to expand.

46% want more new houses to be built on smaller lots.

46% want more proactive investment in, or frameworks for, financing new infrastructure, like roads and utilities, to support the construction of new housing.

39% want more townhomes, duplexes, and accessory dwelling units like basement or mother-in-law apartments.

37% want short-term rentals to be limited through regulation.

"Many of us have lived in Utah for a long time and hate the growth. I choose to live rural so that my kids have more opportunities and don't get lost in the crowds. Low crime rates, knowing our neighbors, walking distance to so many things (schools, stores, work). Growth changes all of this. Our quality of life suffers with too much growth too fast."

- survey comment, Sevier County resident

WATER

Urban Utahns

Support proactive water conservation efforts.

- 80%** want rebates or incentives provided to encourage low water-use landscape conversions.
- 73%** want natural stormwater drainage systems implemented in all new developments to improve water quality.
- 71%** want low-water-use landscaping required in all new residential and commercial areas.
- 71%** want more investment in municipal-scale water recycling and reuse systems.
- 67%** want more efficient irrigation practices, like irrigating only on odd days, to be incentivized or required.

"We've given up our privilege to waste water. If we want to continue to live and thrive here in Utah, we need to do our part to conserve."

- survey comment, Davis County resident

"I like the idea of restricting housing when we don't have enough water but fear that it will harm low-income people the most."

- survey comment, Salt Lake County resident

Rural Utahns

Support residential and commercial water conservation efforts as well as agricultural irrigation optimization.

- 70%** want rebates or incentives to encourage low water-use landscape conversions.
- 64%** want more investment in new water infrastructure projects (reservoirs, wells, pipelines, aquifer storage).
- 57%** want increased investments in agricultural water optimization projects.
- 55%** want more investment in municipal-scale water recycling and reuse systems.
- 55%** want to require low-water-use landscaping in all new residential and commercial areas.

"We need to be smart about how we think about and how we use water in a prioritized fashion. We should learn from and use all the techniques successfully used by other arid / desert countries."

- survey comment, Carbon County resident

"The water challenge has to be addressed not only by agriculture and communities, but industries with big water needs."

- survey comment, Juab County resident

Utahns favor proactive water conservation and shared responsibility.

TRANSPORTATION

Urban Utahns

Want significant investments in public transportation and trails and more compact development in downtowns and near public transit to support transportation choices.

67% want more investment in bicycle and pedestrian infrastructure.

66% want zero-fare public transportation to be provided.

66% want more apartments, condos, and townhomes near transit stations and downtowns.

65% want increased funding for public transportation to serve urban areas.

64% want more investment in public transportation for peak usage of tourism areas.

"New business growth and housing in the center. Concentrate people, jobs, and essential shopping (food) in the city center. Build in blighted city centers."

- survey comment, Tooele County resident

"Public transportation needs to be more convenient than driving and parking. We've prioritized freeways for long enough. Now we need to prioritize public transportation."

- survey comment, Salt Lake County resident

Rural Utahns

Want better transportation connections.

58% want public transportation services implemented to connect smaller towns to larger cities.

53% want investment in statewide passenger rail.

53% want improvement or expansion of high-use state highways and main streets, like Highways 6, 189, and 191.

51% want a statewide trail network implemented to connect communities across Utah.

51% want more investment in public transit for peak usage of tourism areas.

"Require ergonomic or bike/walk paths for ALL new developments and require that the path hooks up with other paths. So [people] can actually get from one end of town to another."

- survey response, Millard County resident

"Encourage affordable housing to counter high housing costs. Enact conservation requirements to fend off the day we run out of water. And don't build too many roads. I favor mixed, in-town, and out-of-town solutions, so people have choices based on personal preference and what they can afford."

- survey comment, Wayne County resident

Utahns value the option to travel in different ways, including by public transit, walking, biking, and driving.

OPEN SPACE

Urban Utahns

Want development to fill “in” rather than grow “out” to conserve open space, and for new development on “the edge” to focus on master planned communities with extensive open space and a variety of housing types.

- 73%** want more natural-area recreational amenities (trailheads, campgrounds, mountain bike/hiking/equestrian/OHV trails, parking, restrooms) on state or county lands.
- 72%** want more urban trails and trailheads, like the Jordan River Parkway, Virgin River Trail, and Murdock Canal Trail.
- 64%** want new libraries, recreation centers, or senior centers to be designed in a way that also provides multipurpose outdoor recreation space.
- 63%** want schools and churches to partner with communities to provide recreation space and allow community access.
- 63%** want more public park spaces, plazas, and community-gathering places as communities grow.

“Let’s be good stewards of our land by taking up less of it.”

- survey comment, Davis County resident

“I strongly prefer infill, and if new areas must be developed I’d prefer planned walkable communities.”

- survey comment, Cache County resident

Rural Utahns

Want to preserve open space by focusing growth in master-planned communities or growing on smaller lots close to town.

- 67%** want more natural-area recreational amenities (trailheads, campgrounds, mountain bike/hiking/equestrian/OHV trails, parking, restrooms) on state or county lands.
- 58%** want ongoing agricultural uses encouraged by prioritizing prime farmlands in long-range planning efforts.
- 54%** want agricultural zoning to be utilized in areas desired for agricultural preservation.
- 53%** want the preservation of open space through conservation easements or purchases.
- 45%** want to allow clustering homes on smaller lots in order to set aside areas for open space.

“Spread-out lots are a waste of space. Small clusters are better and leave open spaces.”

- survey comment, Uintah County resident

“Green spaces and parks/community garden spaces can also be built on small lots next to smaller lots for new housing so people can have community space not so spread out. Trails can connect multiple smaller open spaces close to town.”

- survey comment, Carbon County resident

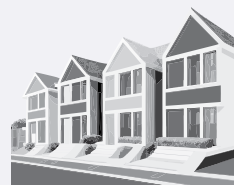
Utahns would like to preserve open spaces within and around communities.

WHAT POLICYMAKERS CAN DO

Utahns said they would support policymakers further exploring some specific growth-related strategic investments and policy considerations.

STRATEGIC INVESTMENTS

- Public Transit
- Walking and Biking Trails
- Roads and Highways
- Open Space Preservation
- Landscape Retrofit Rebates
- Water Infrastructure
- Agricultural Water Conservation
- Recreational Amenities



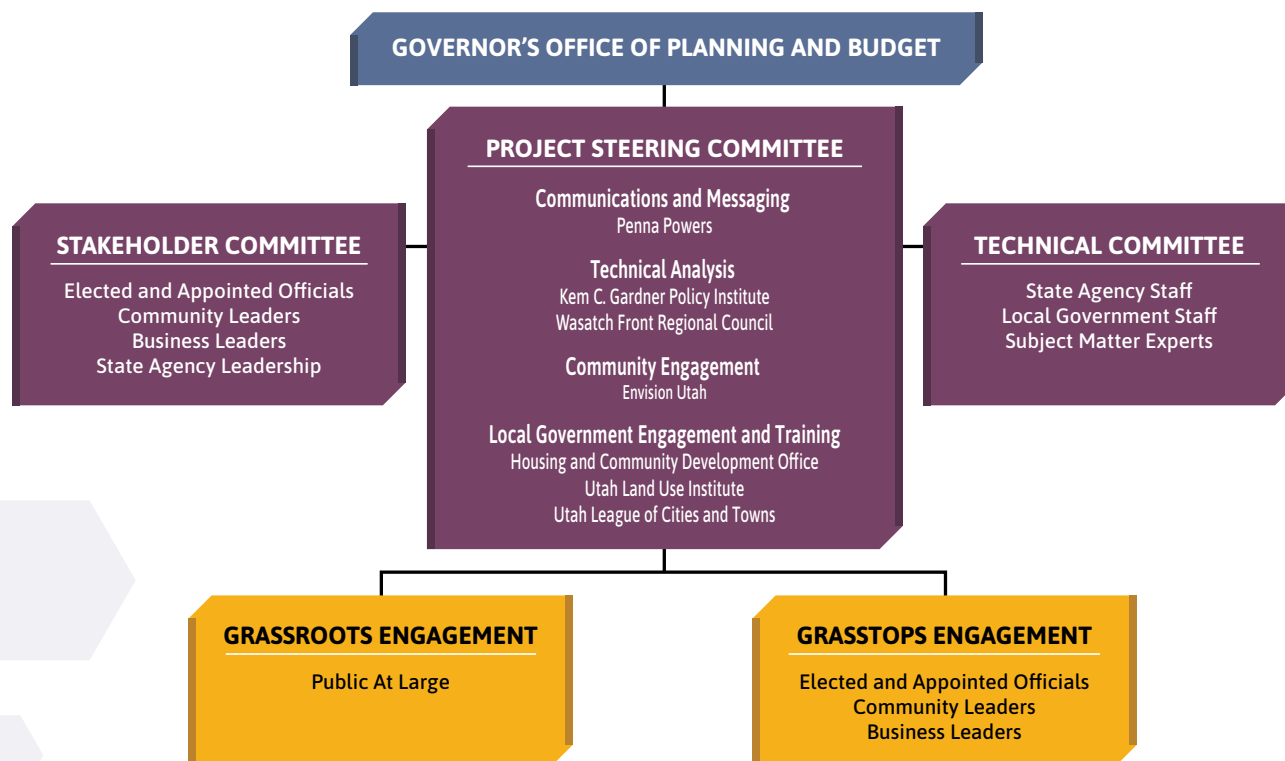
POLICY CONSIDERATIONS

- Enable More Homes to be Built
- Plan for Smaller Homes on Smaller Lots
- Encourage More Multi-Unit, Owner-Occupied Housing, Like Townhomes and Condos
- Promote Redevelopment and Infill
- Plan for Housing and Growth in Strong Community Centers and Near Public Transit
- Encourage Master Planned Communities
- Support Waterwise Landscaping
- Recruit Businesses Selectively, Prioritizing Quality Jobs Over Quantity

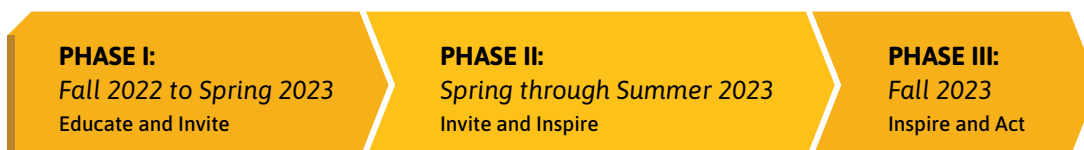
THE PROCESS

Guiding Our Growth started in Fall 2021 when the Governor’s Office of Planning and Budget (GOPB) was asked to work with community partners to develop a proposal for a statewide growth conversation. GOPB teamed with organizations from all over the state, representing a variety of perspectives and expertise areas, to complete this task. These groups include the state’s seven associations of government, Utah League of Cities and Towns, Envision Utah, Kem C. Gardner Policy Institute, Utah Land Use Institute, and the Department of Workforce Services. Many additional community stakeholders contributed to the effort through stakeholder and technical committees.

The effort was funded by the generous support of the Utah State Legislature.



The project included three phases.



The project kicked off with interactive presentations and a series of information-gathering workshops throughout the state. Project partners also administered a preliminary survey to help identify Utahns' key values and the most pressing issues facing our state. Four primary growth-related areas of concern emerged: housing, water, transportation, and open space.

This input drove the development of a broad public survey to solicit Utahns' opinions and perspectives on growth issues. Utahns were invited to "Be Heard" during the survey period between May 11 and August 31, 2023. In addition to the primary survey, which invited everyone to participate, a random-sample version was also administered, with similar results. Three distinct versions of the survey were created to tailor input gathering to the actual experiences of Utah communities: Urban, Growing Rural, and Slow/No Growth.

Respondents explored challenges and options in each of the key topic areas (housing, water, transportation, and open space), considered the pros and cons of each approach, and then selected their preferred options to guide our growth. The survey included a "Stop Growth" option for each topic area, along with a description of the realistic impacts of trying to stop growth.

Utahns were invited to take the survey primarily through a social media advertising campaign.

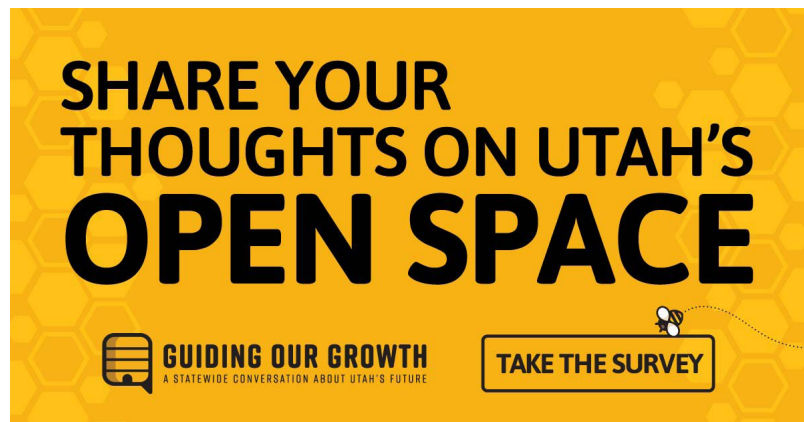


Among the survey respondents:

- 61% were between the ages of 25 and 54 (compared to 48% of all Utahns)
- 72% were homeowners (compared to 70% of all Utahns)
- 44% reported an annual income below \$99,999 (compared to 62% of all Utahns)

A focused effort was used to gather input from minority Utahns, including:

- In-person outreach at community and cultural events
- Spanish language promotional and educational videos
- Spanish language paid advertising
- Interview with Telemundo
- Stipends to community-oriented nonprofits for survey promotion
- Alternative news outlets: SLUG, Utah Stories, Catalyst





Utah State Legislature
 Governor's Office of Planning
 & Budget
 Wasatch Front Regional
 Council
 Envision Utah
 The Utah Land Use Institute
 Kem C. Gardner Policy Institute
 Utah League of Cities
 and Towns

Mountainland Association
 of Governments (MAG)
 Workforce Services Housing
 & Community Development
 The Office of the Property
 Rights Ombudsman
 Uintah Basin Association
 of Governments
 Southeastern Utah Association
 of Local Governments

Five County Association
 of Governments
 Bear River Association
 of Governments
 Six County Association
 of Governments
 ...and many additional
 partners and contributors.

GUIDING OUR GROWTH

Full survey results, the random sample results, and the survey questions can be found at: GuidingOurGrowth.utah.gov



A Performance Audit of Utah Housing Policy

A Case for Statewide Strategic Planning
and Accountability

Office of the Legislative
Auditor General

Report to the UTAH LEGISLATURE





Audit Subcommittee

President J. Stuart Adams, Co-Chair
President of the Senate

Senator Evan J. Vickers
Senate Majority Leader

Senator Luz Escamilla
Senate Minority Leader

Speaker Brad R. Wilson, Co-Chair
Speaker of the House

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House Minority Leader

Audit Staff

Kade R. Minchey, Auditor General, CIA,
CFE

Leah Blevins, Audit Manager, CIA

Jake Dinsdale, Senior Audit
Supervisor, CIA

Tanner Taguchi, Audit Staff

Whitney Fitzgerald, Audit Intern





Office of the Legislative Auditor General

Kade R. Minchey, Legislative Auditor General

W315 House Building State Capitol Complex | Salt Lake City, UT 84114 | Phone: 801.538.1033

Audit Subcommittee of the Legislative Management Committee

President J. Stuart Adams, Co-Chair | Speaker Brad R. Wilson, Co-Chair

Senator Evan J. Vickers | Representative Mike Schultz

Senator Luz Escamilla | Representative Angela Romero

November 14, 2023

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report:

“A Performance Audit of Utah Housing Policy” Report #2023-16.

An audit summary is found at the front of the report. The scope and objectives of the audit are included in the audit summary. In addition, each chapter has a corresponding chapter summary found at its beginning.

This audit was requested by the Legislative Audit Subcommittee.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

Kade R. Minchey, CIA, CFE

Auditor General

kminchey@le.utah.gov





PERFORMANCE AUDIT

UTAH HOUSING POLICY



KEY FINDINGS

- ✓ **1.1** Time is running short to accelerate action on housing policy.
- ✓ **1.2** Utah should adopt state-level measures and targets for housing needs and construction.
- ✓ **2.1** The Legislature could change local land use regulations to overcome regulatory limits on population growth.
- ✓ **2.2** To encourage statewide housing goals, Utah could implement incentives and penalties for noncompliance.
- ✓ **3.2** Concerns about city compliance with specific requirements and timeliness were largely unfounded.



RECOMMENDATIONS

- ✓ **1.1** The Legislature should require the creation of a state-level strategic plan for housing in Utah, including goals to address the current housing shortage and forecasted population growth.
- ✓ **1.3** The Legislature should consider the range of state-level policy options presented in this report to create a program to set and manage state-level housing production targets.
- ✓ **2.2** The Legislature should consider options to increase zoning density on a wide scale within the state.
- ✓ **2.3** The Legislature should consider policy options to craft additional penalties and incentives associated with housing targets to better ensure local government compliance.
- ✓ **3.1** As part of any statewide housing strategic planning, the Legislature should consider metrics to better track both actual and potential housing production.

AUDIT REQUEST

This audit was requested by the Legislative Audit Subcommittee to review state and local policies related to quality, efficient, and effective housing in the state of Utah.

Our efforts were primarily focused on the middle of the market where first-time buyers are hoping to attain home ownership.

BACKGROUND

Utah's significant population growth—combined with slower housing production—has resulted in a shortage of housing units.

Without enough housing to satisfy demand, home prices have increased, making it difficult for buyers to find housing at an affordable price.

Because the lack of housing affordability negatively impacts critical areas of public policy, the need to address this issue is a strategic imperative for policymakers at all levels of Utah government.

Summary continues on back >>

REPORT SUMMARY

1.1 Time Is Running Short to Accelerate Action on Housing Policy

A long-term analysis of city planning data highlights the risk of running out of space for housing, supporting the importance of strategies to deliver more space-efficient housing options.

If cities do not allow for the construction of more units on less land, parts of the Wasatch Front could begin to run out of housing capacity in less than 20 years.

1.2 Utah Should Adopt State-Level Measures and Targets for Housing Needs and Construction

The shortage of housing in Utah, and the economic pain associated with it, are a collective problem. However, the regulatory decisions that most directly impact the pace of housing production are

decentralized and are made at the county and city level. There is currently no state-level forecast of housing needs, or efforts to set statewide housing strategy or measure progress toward a common goal.

2.2 To Encourage Statewide Housing Goals, Utah Could Implement Incentives and Penalties for Noncompliance

While 2020-2022 saw Utah cities issue record numbers of building permits, cities that prefer single-family homes or low-density zoning can use their authority to stifle multifamily or high-density residential projects.

If statewide housing goals are created, housing policy research shows that incentives and penalties are needed to hold local leaders accountable to those goals.

Going Forward, Utah Needs to Build 27,900 Housing Units per Year to Keep Up with Forecasted Growth

Our team analyzed both historic building permit data and household population forecasts. We found that Utah needs near record levels of housing construction over the next 20 years to avoid a worsening housing shortage.

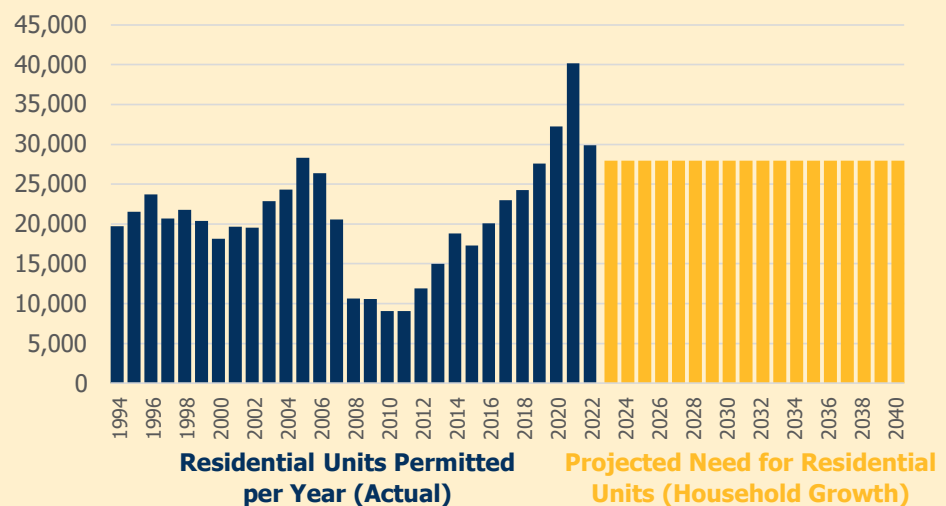


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Introduction

Accelerating Housing Production Is a Strategic Imperative for the State of Utah

Utah's significant population growth—combined with slower housing production after the Great Recession—has resulted in a shortage of housing units. Without enough housing to satisfy demand, home prices have increased, making it difficult for first-time and lower-income buyers to find housing within an affordable price range.¹ According to state demographers, Utah is expected to continue to experience significant population growth. These factors lead housing analysts to believe that Utah's shortage of housing units will get worse before it gets better.²

Because the lack of housing affordability negatively impacts critical areas of public policy—including the state's economy, labor market, and transportation—the need to address this problem is a strategic imperative for policymakers at all levels of Utah government. Rallying together to make the most of today's opportunities to wisely accelerate housing production can help Utah overcome the effects of chronic housing shortages that are also seen across the country.



Utah's rapidly growing population, combined with historically low housing production, has resulted in a housing unit shortage.

This report makes the case that the Legislature is well positioned to establish a state-level housing strategy—combined with proper legal incentives—to better guide land use decisions made by local governments. Without an overarching, unifying goal, Utah will miss opportunities to address the housing needs of a growing population.

¹ The Department of Housing and Urban Development deems housing as affordable when the occupant pays no more than 30 percent of gross income for housing costs, including utilities.

² Kem C. Gardner Policy Institute; see Chapter 1 for an expanded discussion of this point. Though deficient housing supply is a driving component of Utah's housing problems, other significant factors—like mortgage interest rates and the cost of construction materials and labor—also impact housing affordability.



State Policymakers Have Already Acted to Address Housing Affordability

Utah's political leaders have already set housing affordability as a policy priority, stating that the construction of higher density, owner-occupied housing units will enable upward mobility for young families, setting them on the path of home ownership and equity. Leaders have warned that without smart policies to keep up with the growth associated with a strong economy, there is a risk that Utah's future potential for prosperity will be limited.

Over the last several years, the Legislature has passed numerous bills to address different aspects of the state's housing problem, including the five highlighted below.

2018	HB 259	Required municipalities to create a moderate-income housing plan
2018	HB 430	Created the Commission on Housing Affordability under the Department of Workforce Services
2019	SB 34	Modified requirements for moderate-income housing plan preparation and reporting
2021	HB 1003	Disallowed cities from regulating design elements on most single-family homes and duplexes
2022	HB 462	Modified moderate-income housing plan requirements and required certain municipalities to establish a vision and plan to develop land in areas surrounding public transit stations
2023	SB 174	Modified penalties for noncompliance with moderate-income housing plan; added a timeline for municipalities to review a subdivision application

Source: Auditor generated from Utah Legislature website.

In addition to the Legislature, other governmental entities are working to address housing affordability issues.

- The governor has said, "We want to make sure that this is a place where our kids and grandkids can live the same types of amazing lives we have." To that end, his office recently issued the Guiding Our Growth survey to citizens, asking for input on the approach the state should take to address our growing population.



- The Commission on Housing Affordability includes members from several public and private entities who provide a diverse set of perspectives and propose policy recommendations for the state.
- The Division of Housing and Community Development reviews moderate-income housing plans prepared by local governments. This function is intended to hold local governments accountable for implementing required housing measures.
- Local governments participate in crafting housing legislation and are on the front lines of implementing new housing initiatives.



Cities that want growth have exhibited the ability to accommodate it.

Conversely, cities that do not want growth can control it by limiting the pace and type of development.

Despite the work of these groups to address housing issues, the information presented in this report shows that Utah could be better positioned to provide affordable home ownership opportunities for individuals and families.

Local Governments Are Essential Partners with the State to Ensure Sufficient Housing

Municipalities and counties are key partners in addressing the housing shortage, because statute grants them broad powers to control the pace and density of housing development. *Utah Code*³ spells out the sweeping authority given to cities and counties concerning housing production, stating:

Utah Code 10-9a-102(2) and 17-27a-102(1)(b):

"To accomplish the purposes of this chapter, a municipality (or county) may enact all ordinances, resolutions, and rules and may enter into other forms of land use controls and development agreements that the municipality (or county) considers necessary or appropriate for the use and development of land."

If a city and its leadership want to accommodate growth, they can use these statutory powers to balance the need for housing with important factors such as traffic, infrastructure, and projected tax revenues. Indeed, some Utah cities are doing just that.

³ See *Utah Code* 10-9a and 17-27a, the Land Use, Development, and Management Acts for municipalities and counties, respectively.



However, if a city's residents and leaders oppose housing growth, or if they want only single-family detached homes—a recipe for trouble as Utah continues to grow—the city's elected leaders can use their statutory powers to stifle housing construction, essentially pushing the problem to its neighboring governments.

This audit report summarizes policy ideas from across the country showing how states can collaborate with local governments and provide incentives to motivate desired outcomes.



BACKGROUND

State policymakers have prioritized addressing Utah's rapid growth and accompanying housing demand. However, significant obstacles prevent Utah from achieving its housing goals. The increase in housing demand has not been met with adequate supply. While Utah cities have approved record numbers of residential building permits in recent years, Utah is still experiencing a housing shortage.

FINDING 1.1

Time Is Running Short to Accelerate Action on Housing Policy.

NO RECOMMENDATION

FINDING 1.2

Utah Should Adopt State-Level Measures and Targets for Housing Needs and Construction.

RECOMMENDATION 1.1

The Legislature should require the creation of a state-level strategic plan for housing in Utah. This plan should define success and include goals that specifically address the current housing shortage and forecasted population growth.

RECOMMENDATION 1.2

The Legislature should consider amending the land use, development, and management acts at both the county and city level to clearly emphasize housing production and affordability as primary goals of land use regulations.

RECOMMENDATION 1.3

With information gathered from strategic planning, the Legislature should consider the range of state-level policy options presented in this chapter to create a program to set and manage state-level housing production targets.



CONCLUSION

Other states are beginning to address their own housing shortages. Each state's approach is different, providing a range of state intervention and local control. Utah policymakers should consider the approaches other states have taken to determine whether a combination of these policies would incentivize housing production and improve affordability.





Chapter 1

The Legislature Should Create State-Level Housing Policy Objectives

To address several broad topics related to housing in Utah, we have organized our main research and policy findings across chapters 1 and 2 of this report. In this chapter, we describe how local governments could be planning better for future population growth and how state-level guidance is needed to set meaningful policy targets and strategy. Chapter 2 explores local-focused housing policy options the Legislature may wish to implement.

1.1 Time Is Running Short to Accelerate Action on Housing Policy

A long-term analysis of city planning data highlights the risk of running out of space for housing, supporting the importance of strategies to deliver more space-efficient housing options. Utah's record population and household growth has outpaced housing production, leaving the state with a shortage of housing units.⁴ Housing experts believe this shortage will get worse in coming years, and our analysis supports this idea. This shortage is the main reason housing is unaffordable for many Utah residents. We believe the Legislature should consider taking action to orient leaders at all levels of government toward a common vision for housing.

If Cities Do Not Allow the Construction of More Efficient Housing Options, Population Growth Could Begin to Exceed Wasatch Front Housing Capacity in Less Than Twenty Years

A real estate market development model based on Wasatch Front cities' and counties' current general plans shows that Utah could begin to run out of space for housing in about twenty years. This is because general plans for parts of the Wasatch Front do not allow for enough housing to accommodate projected population-growth.



Models based on cities' and counties' general plans, along with demographic projections, show that Utah could begin to run out of space for housing in less than twenty years.

⁴ Because people tend to live together as family members, roommates, etc., demographers use population data to calculate the number of households that form each year. Broadly speaking, each household needs a home, so this is a key metric in any assessment of housing supply and demand.



Statute requires local governments to create general plans to set long-term goals for, among other things, the number of housing units they want to allow.⁵ The Wasatch Front Regional Council (WFRC)—as part of its transportation planning responsibility—uses an aggregated version of that general plan data from each local government within its jurisdiction to model residential demand and simulate real estate development.⁶ This work is done with the engagement of the cities and counties in the area.

The WFRC real estate model is designed to distribute forecasted, annual county-level population, household, and employment growth.⁷ Importantly, the WFRC model's baseline scenario assumes that cities will allow more housing and other development in city and town centers that cities have helped identify as part of the Wasatch Choice regional vision process.⁸

To show how critical these city and town centers are for future housing capacity, we requested that WFRC run a 'no-centers' scenario with their model, removing the centers from the analysis for cities that have not yet included them in their general plan. In other words, because some cities have not formally committed to—and are not bound by—the center-based planning work, we wanted to see what may happen if the cities never adopt the centers as envisioned.

As Figure 1.1 shows, the resulting 'no-centers' model indicates that if local governments in Salt Lake and Davis counties do not allow for more housing in their general plans, they could begin to run out of space for housing before 2050. We believe this paints a picture of a system in need of unifying targets and strategy.

⁵ See *Utah Code* 10-9a-403 and 17-27a-401. Although city general plans are only advisory (see *Utah Code* 10-9a-405), they represent the most concrete efforts to show “the long-term goals and the proposed extent, general distribution, and location of land for housing for residents of various income levels” (see *Utah Code* 10-9a-403(2)(a)(i)(A) and (2)(a)(iii)). In contrast, cities' zoning maps reflect land types and uses currently in effect. Zoning changes often are checked against the general plan to verify that the proposed change is in harmony with long-term goals.

⁶ The Wasatch Front Regional Council is an Association of Governments (AOG) and also serves as a Metropolitan Planning Organization (MPO). The Council focuses its transportation analysis and planning efforts on Weber, Davis, and Salt Lake Counties.

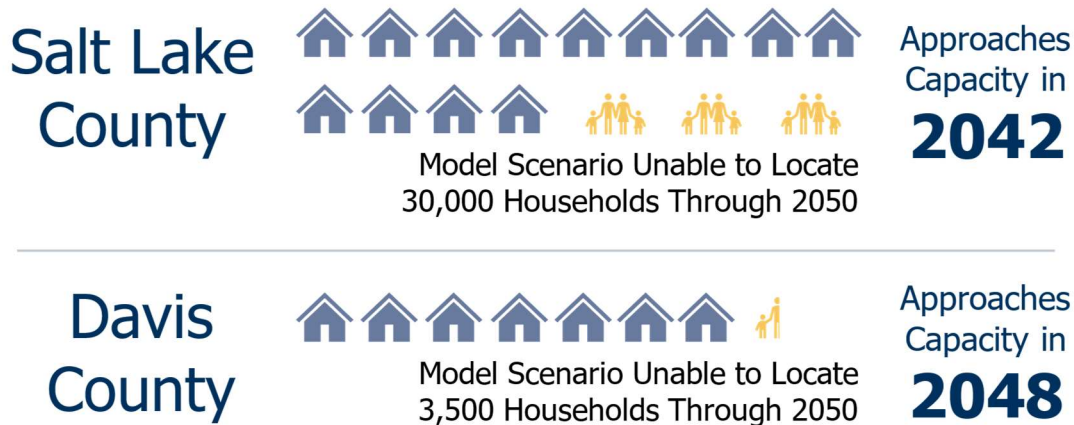
⁷ The Kem C. Gardner Policy Institute generates these growth forecasts as discussed later in this chapter.

⁸ To explore these potential city and town centers, see the interactive Wasatch Choice map at: <https://wasatchchoice.org/vision-map/>



Figure 1.1: A Growth Model Using Current General Plans Shows Salt Lake and Davis Counties Approaching Full Capacity in the 2040s.

If cities allow more space-efficient housing on less land in city and town centers, the model shows that these two counties can absorb population growth through 2050. While this is far from a perfect vision of the future, we believe these results should spur discussions about policy action that is more ambitious, coordinated, and strategic.



Source: Wasatch Front Regional Council; see Appendix A for the full text of the WFRC analysis.

As Figure 1.1 shows, current housing plans in Salt Lake and Davis counties do not have enough room to accommodate official household growth projections. The good news, however, is that if cities in these counties commit to strategies like wisely planned city and town centers, where more housing units are built on less land, both counties should be able to provide enough housing capacity to meet forecasted growth through 2050. This potential for meaningful change is key to the recommendations later in this chapter.

Notably absent from Figure 1.1 are other Wasatch Front counties and high-growth areas like Utah, Weber, and Washington counties. These areas have undergone similar modeling and were found to have enough capacity for household growth through 2050.⁹ However, additional details about these growth models can provide useful context for both state and local land use policy.



Cities can plan better to accommodate forecasted growth. The Legislature can help by setting targets and strategy.

⁹ Weber County was included in the WFRC modeling analysis reflected in Figure 1.1.



Lagging Housing Production

The models attempt to “find a home” for all new households through 2050, assuming housing will be built as long as additional residential capacity exists. In reality, we know that home production in Utah is already lagging behind household growth. Even if we have capacity, growth is still outpacing production.



Single-Family Homes



Much of the housing capacity in current general plans comes from low-density, single-family detached homes expanding into undeveloped areas. This threatens open spaces and agricultural land and can create new infrastructure and transportation challenges.

General Plans

Cities can and will change their general plans as Utah continues to grow. We believe that fact represents opportunities for better planning and increased housing density.



Long-Term Planning



Population growth is projected to continue beyond 2050, further emphasizing the need for more ambitious long-term planning.

Taken together, these factors paint a picture of a system in need of unifying targets and strategy. Our audit team, along with housing policy experts, believes that the state Legislature is best positioned to provide such targets and strategies. We discuss this policy option more fully later in the chapter.

It is encouraging that many local governments already seem to recognize the need to increase housing density in strategic ways. The WFRC cities’ stated intent to develop higher density city and town centers, while not yet fully implemented in local land use policies, is a clear sign that conversations are already taking place to meet the challenge of population growth by building more housing units on less land.



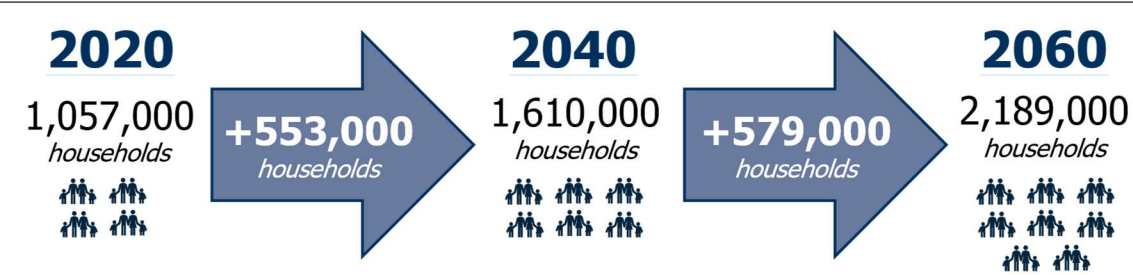
The Legislature may wish to create policy requiring more ambitious, coordinated action at the city and county level to ensure that land use policies are serving the long-range goals of the state.



Housing Construction Must Accelerate Significantly to Keep Pace with Household Growth Forecasts

Looking to the future, state demographers at the Kem C. Gardner Policy Institute (GPI)¹⁰ predict that Utah will continue to see significant household growth through the coming decades, as shown in Figure 1.2.

Figure 1.2: State Demographers at GPI Project That More Than a Million New Households Will Be Formed in Utah by 2060. From 2020 to 2040 alone, more than 550,000 new Utah households are expected. Ideally, each household would have a place to live.



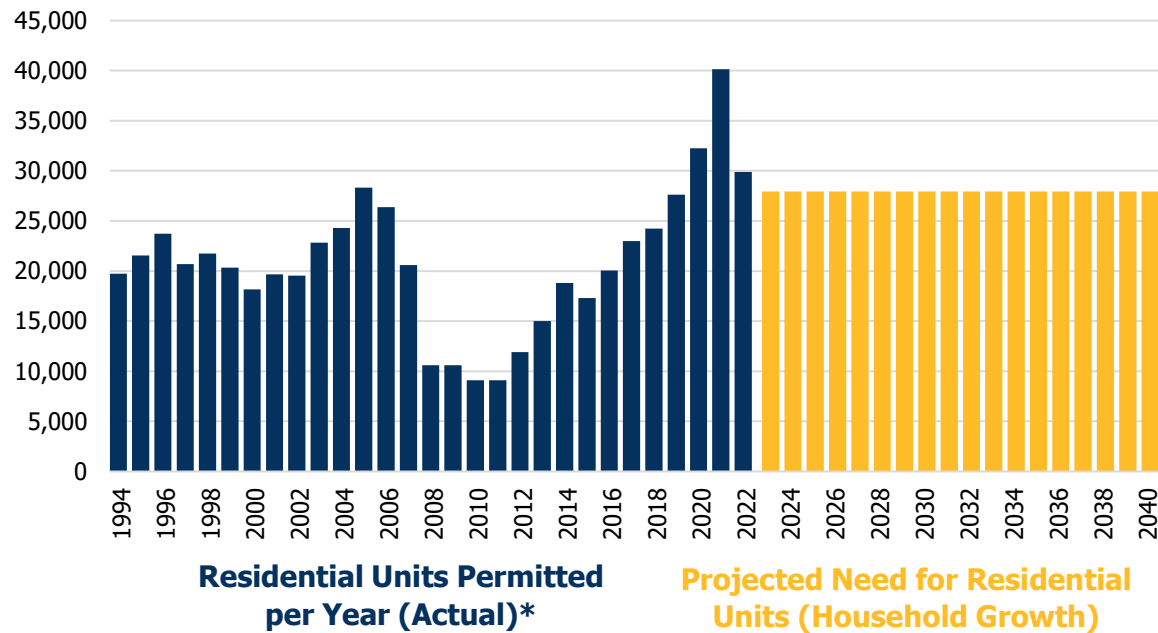
Source: Kem C. Gardner Policy Institute, 2020–2060 Projections (rounded).

Comparing the significant growth forecast in Figure 1.2 against the historical pace of housing construction gives a sense of the scale of construction needed to keep up with Utah’s growing population. Figure 1.3 plots GPI data about historical residential building permits next to GPI data about future household projections. The comparison demonstrates that to keep pace with growth, Utah will need more new housing units per year than what has been built in any prior year since 1994 (except for 2005 and the period from 2020 to 2022).

¹⁰ The Kem C. Gardner Policy Institute is designated in statute as the official source for Utah demography analysis and forecasts. GPI also produces authoritative analyses and forecasting of housing supply and demand in Utah.



Figure 1.3: Going Forward, Utah Needs to Build 27,900 Housing Units per Year to Keep Up with Forecasted Population Growth. More housing units per year are needed than have been built in any prior year since 1994 (except for 2005 and the period from 2020 to 2022).



Source: Auditor analysis of GPI's Ivory-Boyer construction database, household shortage calculations, and household growth projections.

* See Appendix B for an analysis of residential units permitted from 1994-2022.

The magnitude of housing development required to erase the current housing deficit and keep pace with projected growth is clear in Figure 1.3. Although governmental entities do not directly build housing, setting the right mix of public policy could create more favorable conditions to create housing at the level needed to keep pace with population growth. To be clear, attempting to build out of a housing shortage is a difficult task, and there are very few success stories to draw lessons from. Nevertheless, because the supply shortage is the root of the problem, increasing the supply of housing is an essential strategy. Every additional unit provides a home for an additional family. We believe policymakers at both the state and local level can take significant steps to create a better environment for housing development.

Record Population Growth Will Likely Continue to Outpace Housing Construction

To keep pace with growth, Utah will need more new housing units per year than what has been built in almost any prior year since 1994. According to Census 2020 data, Utah's population grew about 18 percent between 2010 and 2020. This was the highest growth rate in the nation at the time and was well above the national average of 7 percent.



Because people tend to live together as family members, roommates, etc., demographers use population data to calculate the number of *households* that form each year. Broadly speaking, each household needs a home, so this is a key metric in any assessment of housing supply and demand. Housing analysts at

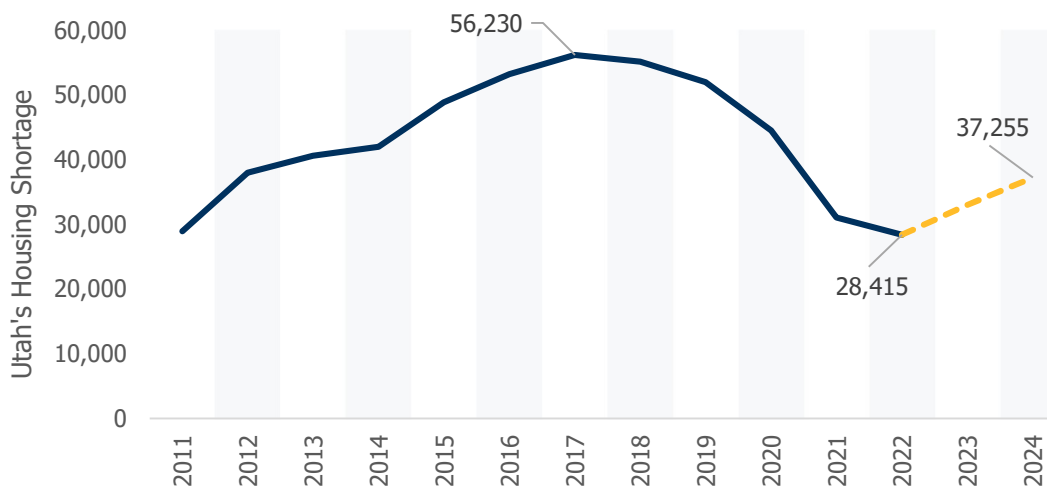


Utah's shortage of housing units has ranged from approximately 28,000 to 56,000.

GPI have compared data on Utah households against the rate of residential construction since 2010 and found that home construction has not kept pace with growth. The shortage of housing units has ranged from approximately 28,000 to 56,000.

Figure 1.4 shows these GPI estimates of Utah's housing shortage over time. For example, by 2017, there was a shortage of 56,230 housing units relative to the increase in the number of households since 2010. With record housing construction, the shortage fell to 28,415 in 2021 but, concerningly, GPI is forecasting that the shortage will begin to climb again through 2024. Significantly, at no point since 2011 has Utah had enough housing.

Figure 1.4: Utah Lacks Enough Homes to Keep Pace with the Growing Number of Households. GPI analysts predict that the housing shortage will increase in future years.



Source: Kem C. Gardner Policy Institute.*

*The housing shortage is calculated by comparing annual residential construction permits against household formation. When household formation is greater than unit construction, an annual housing deficit results and is carried into the next year's analysis where the process is repeated.

Even though construction outpaced household formation from 2018 to 2022, reducing Utah's overall housing shortage during that period (see Figure 1.4), GPI estimates that Utah currently lacks around 28,000 units relative to new households in the state since 2010.



1.2 Utah Should Adopt State-Level Measures and Targets for Housing Needs and Construction

The shortage of housing in Utah, and the economic pain associated with it, are a collective problem. However, the regulatory decisions that most directly impact the pace of housing production are decentralized and are made at the county and city level. There is currently no state-level forecast of housing needs, or efforts to set statewide housing strategy or measure progress toward a common goal.¹¹

Aside from the immediate pain felt by individuals and families who cannot afford to buy a home, unaffordable housing can negatively impact the larger economy. One study shows that constraints on housing lowered aggregate economic growth across neighboring cities because workers were less able to access job centers.¹² Unaffordable housing near job centers can also lead to an increase in traffic demand and congestion as people find homes elsewhere and then must commute longer times and distances to work. Housing policy analysts and academic researchers have also identified a strong connection between high rent prices and homelessness.¹³ After three years of population decline, a 2023 poll in California found that nearly half of respondents were considering leaving the state, primarily due to the high cost of living driven by high housing costs.

Multiple housing experts point to state government as the best-positioned level of power to craft broad housing policy.¹⁴ A state-level housing strategy—along with proper incentives, and penalties (see Chapter 2)—could better organize decentralized local government decisions toward meaningful targets for housing production. It could also provide important political cover for local leaders who can face intense



A state-level housing strategy could better organize decentralized local government decisions toward meaningful targets for housing production.

¹¹ The Division of Housing and Community Development is currently working with the Kem C. Gardner Policy Institute to develop five-year projections of future needs for moderate and affordable rental housing.

¹² Chang-Tai Hsieh and Enrico Moretti, “Housing Constraints and Spatial Misallocation,” *American Economic Journal: Macroeconomics* 11, no. 2 (April 2019): 1–39.

¹³ Alex Horowitz, Chase Hatchett, and Adam Staveski, *How Housing Costs Drive Levels of Homelessness* (Philadelphia: Pew Charitable Trusts, 2023).

¹⁴ Jenny Schuetz, *How Can State Governments Support Healthier Housing Markets?* (Washington, DC: The Brookings Institution, 2021); Shazia Manji, Truman Braslaw, Chae Kim, Elizabeth Kneebone, Carolina Reid, and Yonah Freemark, *Incentivizing Housing Production: State Laws from across the County to Encourage or Require Municipal Action* (Berkeley, CA: Turner Center for Housing Innovation, 2023).



pressure from constituents who do not want smaller, more affordable housing in their cities.¹⁵ This problem is not unique to Utah and must be overcome to solve the state's housing shortage.

Given the scale of the problem, and the various stakeholders in the public and private sectors, creating a broad strategic plan could be the best first step. A strategic plan can gather smart ideas, set ambitious targets, and find relevant performance benchmarks to correct Utah's housing shortage. We see success with such an approach in Utah's Coordinated Action Plan for Water, produced by multiple key stakeholders in 2022. We also see states like Oregon, Montana, and others engaging in aggressive state-level strategic planning to combat housing problems and preserve overall prosperity.¹⁶ With a strategic housing plan in place, the Legislature could then create the necessary statutory framework to help ensure that the plan is implemented.

RECOMMENDATION 1.1

The Legislature should require the creation of a state-level strategic plan for housing in Utah. This plan should define success and include goals that specifically address the current housing shortage and forecasted population growth.

Other States Have Adopted a More Statewide Approach to Address Housing Needs

Other states are employing a spectrum of state-level involvement to address housing problems. In Utah, state-level regulation in housing is quite low compared with that of the states we reviewed. The Legislature could adopt parts of other states' plans to create a regulatory system that meets the unique needs of Utah and its residents.

The policy concepts we present here are relatively new, which limits our ability to measure their effectiveness. There is a significant lag between enacting housing policy and determining whether the policy is effective. It takes time for state departments, local governments, and builders to determine how to

¹⁵ This attitude is commonly referred to as having a "not in my backyard" or NIMBY mindset.

¹⁶ Oregon's Goal 10 initiative helped lay the strategy groundwork for legislation that followed. In Montana, the governor organized stakeholders to strategize and craft legislation. In Connecticut, a zoning atlas was created by academics and regional planners to provide better data on land use regulations across the entire state. Utah is currently in the process of joining this effort to create its own zoning atlas.



implement the policy, additional time for implementation, and more time for the market to respond to the changes.

Nevertheless, we believe that relevant ideas put in practice elsewhere may be beneficial to Utah policymakers.

California Takes an Intense State-Level Approach to Housing Policy.



California has faced housing affordability problems for much longer than Utah has. As a result, the state has been attempting to legislate solutions for years. With California's problems worsening, a significant revamp of state housing policy was completed in 2017 and continued statutory amendments have occurred since that time. Compared with other states, California is more prescriptive and complex in its housing production goals.



The approach of distributing statewide housing goals to regional governments mirrors the way real estate markets function and requires a collective approach to solve a collective problem.

In simple terms, California's Department of Housing and Community Development (DHCD) sets specific goals for housing production. The goals are then distributed to regional councils, which assign goals to individual cities. In turn, the cities must then produce rigorous housing plans according to state guidelines.¹⁷ After a city submits a plan, DHCD reviews the plan and ensures compliance with state statute and the allocated housing targets. If the city meets all the criteria, then its housing plan is certified. It is not uncommon for DHCD and cities to go through three to four rounds of review and revision.

According to DHCD, most cities are fully compliant with state requirements. However, if a city refuses to comply with state requirements, there are multiple penalties that could be applied, including:

¹⁷ Requirements for the plans include (1) estimating the specific housing potential of land parcels, (2) committing to rezone the city to achieve housing targets, and (3) implementing housing production strategies.



- Significant financial penalties up to \$600,000 a month
- Decertification of housing element, leading to ministerial review requirements for all developments

Despite the lengthy planning processes, this program has resulted in a substantial shift in rezoning. Since 2017, cities in California have rezoned for significantly higher densities compared to previous years. In 2021, it is estimated that rezoning allowed for 500,000 additional units of housing. Compared with rezoning that took place in 2014, which resulted in 50,000 additional units, California's 2021 rezonings are significant. Time will tell whether these changes in land use regulation will result in more housing units and whether these new units will improve affordability.



Oregon has implemented state-level housing policy that is less intense than California's approach.

In 2019, Oregon began the process to create a statewide housing planning program to assess housing needs. This would become the basis for the Oregon Housing Needs Analysis (OHNA), enacted in 2023. Because OHNA regulations have not been fully developed, it is difficult to determine the effect that Oregon's approach will have on the state's housing supply and prices.



Oregon's program is designed to compare a city's progress to that of other cities.

The state's role is to create housing goals in terms of housing units. As in California, OHNA's targets for housing production are meant to be ambitious and motivate changes to policy.

OHNA is designed to compare a city's progress on housing production to that of other cities in the same region and peer cities of a similar population. Corrective actions are taken only when a city is falling behind its peer cities or is refusing to implement agreed-upon policy changes. Whether penalties are imposed after corrective action is taken depends on if the city is acting in good faith with stated housing production strategies. If a city willfully neglects its responsibility, the state governing body issues an enforcement order to compel compliance with stated plans.



Montana's approach sets broad policies and allows local governments to manage compliance.

Instead of empowering an executive agency like California and Oregon, Montana has recently taken a more policy-centered approach by passing multiple bills that, broadly speaking, seek to make it easier to build housing. Some of the bills forced certain cities to allow apartments, accessory dwelling units, and duplex housing in more areas.

The Montana legislature also passed a spending package that includes slightly more than \$100 million for a housing infrastructure fund, about \$50 million for a mortgage assistance program, and \$50 million in affordable housing loans. This legislation passed with the support of the Montana League of Cities and Towns.

Montana's new statute also establishes the importance of affordable housing as a key purpose of planning in these terms:

Montana Senate Bill 382 Section 2 (2)(a)

"Coordinated and planned growth will encourage and support sufficient housing units for the state's growing population that are attainable for citizens of all income levels."

Utah's statute, by contrast, contains no reference to affordability among the several purposes stated for land use, development, and management acts at both the county and city level.¹⁸ Making affordable housing a purpose for the regulatory power of local governments could provide cities with both a mandate and political cover to approve more affordable (i.e., smaller and denser) development when existing residents seek to block it. Chapter 2 expands the discussion of local-level policy options.

¹⁸ See *Utah Code* 10-9a-102 and 17-27a-102.



RECOMMENDATION 1.2

The Legislature should consider amending the land use, development, and management acts at both the county and city level to clearly emphasize housing production and affordability as primary goals of land use regulations.

Utah Can Choose Variations of These Policy Options to Create a More Tailored State-Level Approach

The approaches of California, Oregon, and Montana represent a sliding scale of intensity in terms of state involvement in land use and housing development. The Legislature should review options from other states and other comparable options. A primary consideration for any pro-housing solution is the need to ensure that the state can continue to grow and prosper. The Legislature should not rule out ambitious options; instead, it should look to craft a solution that is best suited for Utah's circumstances and preferences.

When evaluating these options, the Legislature should expect to invest more resources into the executive agencies tasked with carrying out any new functions.¹⁹

RECOMMENDATION 1.3

With information gathered from strategic planning, the Legislature should consider the range of state-level policy options presented in this chapter to create a program to set and manage state-level housing production targets.

¹⁹ If executive agency action is needed in response to legislation in Utah, the Division of Housing and Community Development within the Department of Workforce Services would be the most likely agency for that. The division currently staffs the Commission on Housing Affordability and monitors compliance with moderate-income housing plan laws.





BACKGROUND

Utah has made significant legislative efforts to encourage affordable housing, but other states have taken more aggressive policy action to address housing underproduction. Although these policies are still evolving—and their impact is not yet well understood—we believe Utah policymakers may wish to consider these examples as an expanded list of what is possible. This chapter details policy options adopted in other states that pertain to local government authority and process (whereas Chapter 1 recommendations focus on state-level policy).

FINDING 2.1

The Legislature Could Change Local Land Use Regulations to Overcome Regulatory Limits on Population Growth.

RECOMMENDATION 2.1

The Legislature should consider whether to expand the moderate-income housing plan requirements to include forecasting benchmarks for household growth.

RECOMMENDATION 2.2

The Legislature should consider options to increase zoning density on a wide scale within the state.

FINDING 2.2

To Encourage Statewide Housing Goals, Utah Could Implement Incentives and Penalties for Noncompliance.

RECOMMENDATION 2.3

The Legislature should consider policy options to craft additional penalties and incentives associated with housing planning and targets to better ensure local government compliance.



CONCLUSION

Across the country, states are passing varied policies to increase the supply of affordable housing. We believe that the Legislature should review policies on zoning reform as well as incentives and penalties from other states and consider implementing similar programs in Utah.





Chapter 2

Facing Similar Housing Markets, Other States Have Created Policy Focused on Local Governments

Utah Has Recently Passed Policy to Increase Housing Affordability, but Other States Have Gone Further

Although Utah has made significant legislative efforts to encourage affordable housing, other states have taken more aggressive policy action, focusing on increasing housing production. Although these policies are still evolving—and their impact is not yet well understood—we believe Utah policymakers may wish to consider them as an expanded list of what is possible in this space.



The Legislature may want to consider housing production policies in other states as an expanded list of what is possible in this regulatory space.

This chapter details policy options adopted in other states that pertain to local government authority and process.²⁰ Because data about the effectiveness of these policies is limited, we rely heavily on scholarly work and policy research, as cited throughout our analysis. The sections in this chapter focus on specific policy examples in the following categories:

- Local land use regulations
- Penalties and incentives

Broadly speaking, scholars have found that pro-housing policy often develops over multiple years through an iterative approach.²¹ For example, the California legislature has modified its Regional Housing Needs Allocation (RHNA) or “housing element” law more than twenty times since 2017. These policy iterations tend to happen as lawmakers find opportunities to refocus intent and counteract noncompliance.

²⁰ The recommendations in Chapter 1 focus on state-level policy, while this chapter addresses the local level.

²¹ Shazia Manji, Truman Braslaw, Chae Kim, Elizabeth Kneebone, Carolina Reid, and Yonah Freemark, *Incentivizing Housing Production: State Laws from across the County to Encourage or Require Municipal Action* (Berkeley, CA: Turner Center for Housing Innovation, 2023).



Typically, housing policy involves multiple strategies and develops over time through an iterative approach.

Scholars also show that housing policy tends to enact multiple strategies at once, as opposed to narrowly focusing on small, targeted concepts.²² For example, Oregon’s and Montana’s recent housing legislation implemented provisions related to state-level housing strategy, city land use powers, city housing review

and approval processes, incentives for compliance, and penalties for noncompliance. This broad approach is necessary because housing production involves many complex, interrelated systems.

2.1 The Legislature Could Change Local Land Use Regulations to Overcome Regulatory Limits on Population Growth

As described in Chapter 1, Utah faces an acute need for more housing. We believe the related findings in this chapter further support the need for the Legislature to consider adjustments to local land use duties and authority to create more opportunities for housing construction.

City and County Land Use Regulations Heavily Impact How Utah Will Grow

Because statute gives cities and counties almost total control over land use within their jurisdictions, local regulations collectively dictate how Utah can grow.²³ Although there are important reasons statute gives local governments this power, studies and policy research have shown that restrictive land use regulations can limit housing production, causing:

- Housing shortages (and related price increases)
- Stifled economic growth by constraining the labor market
- Expansion of urban sprawl as residents and workers seek affordable places to live²⁴

²² Ibid., 9.

²³ See *Utah Code* 10-9a-102(2); 10-9a-505(1); 17-27a-102(1)(b); 17-27a-505(1).

²⁴ Joseph Gyourko and Raven Molloy, “Regulation and Housing Supply” (NBER Working Paper Series 20536, Cambridge, MA: National Bureau of Economic Research, 2014); Edward L. Glaeser, Joseph Gyourko, and Raven E. Saks, “Why Have Housing Prices Gone Up?” *American Economic Review* 95, no. 2 (May 2005): 329–33; Maxwell Austensen, Janelle Jack, Charles McNally, Jaden Powell, and Hayley Raetz, *The Case Against Restrictive Land Use and Zoning* (NYU Furman Center, 2022).



In simple terms, local governments are required by statute to create long-term plans to account for present and future needs, as well as growth and development.²⁵ Under current statute, these plans are advisory only.²⁶ Local governments are also empowered to create zoning districts to regulate and restrict the type, size, and density of development that can occur on a plot of land.²⁷ This includes whether the land can be used for agricultural, industrial, commercial, or residential purposes. Residential zones establish minimum lot size, density (how many homes per acre), and whether single-family or multifamily homes can be built.



Statute gives cities and counties control over zoning. Currently, most of the land in Utah's major cities is zoned for single-family detached homes, which may lead to certain areas running out of space.

Pressure from citizens, along with other factors, has led local legislative bodies to favor single-family homes on relatively large lots.²⁸ Most of the land in Utah's largest cities is currently designated for single-family detached homes, which means certain areas could begin to run out of space for housing before 2050.²⁹

The Legislature Could Tie Existing Land Use Requirements to Projected Population Growth

In recent years, the Legislature has expanded certain city and county planning requirements to include a moderate-income housing plan. Although this plan requires goals and strategies to meet moderate-income housing needs, it is not tied to population projections as seen in states with more aggressive housing policies, like Oregon and California.

In those states, population growth targets are used to gauge whether certain planning and zoning decisions will reasonably accommodate projected population growth. For example, local governments in California are required to submit plans detailing the specific locations where they will rezone land to accommodate a specific growth number forecasted by the state. If locations fail to plan or zone for their portion of the growth forecast, penalties are prescribed,

²⁵ *Utah Code* 10-9a-401(1), 17-27a-401(1).

²⁶ *Utah Code* 10-9a-405, 17-27a-405(1). Counties may adopt an ordinance mandating compliance with the general plan.

²⁷ *Utah Code* 10-9a-505, 17-27a-505.

²⁸ Single-family home lots are typically larger relative to more space-efficient, "missing middle" housing types like townhouses, duplexes, fourplexes, stacked triplex, cottage court units, etc.

²⁹ See Finding 1.1 in Chapter 1 of this report.



such as withholding of certain state funding or the limited loss of specific land use authority.

In light of our findings from Chapter 1 about Utah’s outlook for growth and housing capacity, we believe the Legislature may want to consider similar options to benchmark moderate-income housing plans to Utah’s official projections for household growth. Doing so could allow local governments the flexibility to accommodate their portion of Utah’s population growth as they see fit.

RECOMMENDATION 2.1

The Legislature should consider whether to expand the moderate-income housing plan requirements to include forecasting benchmarks for household growth.

To Spur Housing Production, States and Cities Have Employed Upzoning

Zoning for single-family homes influences not only the capacity for growth, but also the affordability of housing. Land costs factor heavily into the overall cost of a home. As land prices increase, a house on a smaller lot will be less expensive than the same house on a bigger lot. Denser housing, like townhomes or condos, allows developers to disperse land costs over more homes, lowering the overall cost of the home. This can also spur development by making projects less capital intensive per unit. Figure 2.1 highlights this principle.

Figure 2.1: Denser Housing Allows Developers to Disperse Land Costs. By dispersing the land cost, the overall cost of each home is lowered.



Source: Auditor generated.

Therefore, not only will denser zoning allow Utah to better keep pace with population growth, it can also serve to reduce the cost of housing.



We found multiple examples of states and cities attempting to remove zoning constraints on housing production. Most of these efforts employ some degree of “upzoning,” requiring local jurisdictions to allow more homes to be built on less land. A few of these zoning reform bills are highlighted below.

Oregon upzoned medium and large cities. Medium-sized cities must allow duplexes in residential zones. Large cities must allow for duplexes, triplexes, fourplexes, cottage clusters, and townhomes.



If Oregon’s policy were implemented in Utah, there would be 39 large cities and 28 medium cities.³⁰



Minneapolis passed an ordinance that allowed duplexes and triplexes in lower density districts previously zoned only for single-family or two-family dwellings.

Due to environmental concerns, a county judge ordered a halt on upzoning in Minneapolis. This ruling has not prevented upzoning forever; rather it requires the city to prove no significant environmental impacts before moving forward.



Pennsylvania requires all jurisdictions to zone for different types of housing, including multi-family. This ‘fair share’ policy aims at building affordable units through market mechanisms. If a jurisdiction does not provide its fair share, developers can sue municipalities to “overcome exclusive zoning.”

Aggressive Upzoning in New Zealand Has Spurred New Housing

Because upzoning efforts in the United State have been relatively recent, we were unable to see whether they have been effective. However, in 2016, Auckland, New Zealand, made an aggressive effort to upzone and consolidate land use authority and research has been done on the impacts of those changes. Our typical practice is to compare Utah to other states; however, this was not possible

³⁰ Oregon statute considers medium-sized cities to be non-Portland Metro cities with a population of 10,000-25,000. Large cities are non-Portland Metro cities with a population higher than 25,000 and Portland Metro cities with a population over 1,000.



due to a lack of comparable data. We therefore looked to relevant research in New Zealand as it pertains to Utah's housing situation.

In 2016, Auckland upzoned nearly three-quarters of its residential area to allow for multifamily housing. Since then, legislation has been passed by the New Zealand government to allow for medium density in all large cities.



Research shows that the Auckland upzoning resulted in an additional 26,903 dwellings permitted during the study period.³¹ Much of this growth is in attached (multi-family) units. From 2016 to 2021, there was a tenfold increase in attached dwellings permitted in Auckland.³² Because multiple factors can impact the cost and relative affordability of housing, additional research is underway to study the impact of these New Zealand policies on housing prices.

Utah's recently passed First-Time Homebuyer Assistance program caps qualifying properties at \$450,000 to encourage builders to construct affordable homes. Program administrators report that many applicants have purchased townhomes or condos because, in today's market, those are the units that first-time buyers can afford. Although this example is not directly related to the New Zealand housing policies mentioned above, it suggests that upzoning can clear the way for housing units that are more affordable simply because they are smaller and use less land.

Given the concerns regarding population growth described in Chapter 1, we recommend that the Legislature consider upzoning options to increase zoning density on a wide scale. This approach would create a uniform growth mandate across all selected jurisdictions.

RECOMMENDATION 2.2

The Legislature should consider options to increase zoning density on a wide scale within the state.

³¹ Greenaway-McGrevy R, Phillips P (2022), *The Impact of Upzoning on Housing Construction in Auckland*, Cowles Foundation for Research in Economics, Yale University.

³² Ibid., 6.



2.2 To Encourage Statewide Housing Goals, Utah Could Implement Incentives and Penalties for Noncompliance

Even if the Legislature enacts state goals and policies as recommended in



If statewide housing goals are implemented, incentives and penalties will hold local leaders accountable to those goals.

Chapter 1, local governments have broad control over development within their boundaries. Cities that prefer single-family homes or low-density zoning can use their authority to stifle multifamily or high-density residential projects. If statewide housing goals are created, housing policy research shows that incentives and penalties are needed to hold local leaders accountable to those goals.³³

Incentives Can Encourage Desired Outcomes

Incentives encourage and support cities that take pro-housing actions. Most incentive programs are tied to some sort of funding; however, others give builders special privileges for affordable housing projects. Examples of incentive programs in other states are listed below.

California gives a density bonus to developers if they include a certain percentage of units that are affordable to low- to very low-income residents. Recent amendments require jurisdictions to adopt the density bonus law.



California has an Infill Infrastructure Grant program that funds infrastructure for mixed-use and residential infill projects. Projects must demonstrate readiness, affordability, proximity to transit, and more.



Massachusetts' Chapter 40R provides incentives for jurisdictions that adopt a "smart growth" overlay district. Jurisdictions receive between \$10,000 and \$600,000 immediately and \$3,000 per unit when a permit is issued.

When considering policy options, it is important to implement both penalties and incentives. Incentives, like infrastructure grants, can empower cities that want to build more housing but lack the necessary resources. Incentives also

³³ Madeline Baron and Lorelei Juntunen, "Oregon Housing Needs Analysis Implementation Project—Task 10 Best Practice Review" (ECONorthwest, 2022).



support cities and counties that are already considered “pro-housing.” However, for cities and counties that are opposed to new development, incentives will not be enticing. For these cities and counties, clear statewide goals and penalties may be more motivating.

Penalties Can Support Compliance

Utah Code requires certain cities and counties to create a moderate-income housing report and submit it annually for review by the Housing and Community Development Division with the Department of Workforce Services. Those that fail to do so, or fail to implement the plan, are ineligible for state Transportation Investment Funds and must pay a penalty to the Olene Walker Housing Fund beginning in 2024.

Other states, having experienced challenges with compliance, have implemented more severe penalties. These penalties include fines, loss of land use control, and developer overrides.³⁴ A few examples are summarized below.



California has various penalties associated with RHNA. For example, jurisdictions that submit a housing element late are required to provide an update after four years, not eight. Additionally, jurisdictions that are noncompliant with their housing elements are also noncompliant with their general plans. Jurisdictions that have noncompliant general plans can no longer make permitting decisions.

Massachusetts’s Chapter 40B allows developers to petition for a development override in jurisdictions that have fallen behind in affordable housing production. Developers can petition the local zoning board of appeals if the project contains a certain number of affordable units, typically 20 to 25 percent.



A jurisdiction in Massachusetts can avoid these overrides if it meets one of three requirements: 10 percent of its housing stock is subsidized, it has an active housing production plan, or if it has dedicated deed restricted housing in 5 percent of the total area zoned for residential, commercial, or industrial use.

³⁴ Commonly referred to as the “builder’s remedy,” this is where developers get special development rights and can override city land use authority for projects in which a portion of units are set aside for lower income individuals.



Illinois requires jurisdictions in which less than 10 percent of the housing stock is affordable to create housing plans. If the goals in the housing plans are not met, developers can appeal a permit denial seeking a development override.

New Hampshire requires a jurisdiction's land use code to provide reasonable and realistic opportunities for workforce housing. In jurisdictions that do not provide these opportunities, courts can approve construction on workforce housing projects that have previously been denied.



In New Hampshire statute, workforce housing is defined as for-sale housing affordable up to 100 percent of the U.S. Department of Housing and Urban Development's calculation of "average median income" (AMI); for-rent housing is affordable up to 60 percent AMI.

In Chapter 3, we discuss some Utah cities that appear to be attempting to circumvent legislative intent. To encourage the addition of much-needed housing, we recommend that the Legislature consider a combination of penalties and incentives like the examples laid out in this section.

RECOMMENDATION 2.3

The Legislature should consider policy options to craft additional penalties and incentives associated with housing planning and targets to better ensure local government compliance.





BACKGROUND

As described in Chapter 1, housing affordability is a statewide issue, yet land use control is concentrated in cities and counties. Thus, cities and counties play a vital role in alleviating the housing affordability crisis.

FINDING 3.1

Some Cities Have Used Their Broad Land Use Authority to Circumvent New Laws.

NO RECOMMENDATION

FINDING 3.2

Concerns About City Compliance with Specific Requirements and Timeliness Were Largely Unfounded.

NO RECOMMENDATION

FINDING 3.3

Data About Entitled Units Does Not Give an Accurate Sense of Near-Term Housing.

RECOMMENDATION 3.1

As part of any statewide housing strategic planning, the Legislature should consider metrics to better track both actual and potential housing production.



CONCLUSION

We identified cities that are using their broad land use authority to circumvent new housing laws. However, after meeting with various developers, cities, and counties, we found no widespread problems with statutory compliance regarding specific developer concerns. Also, while the number of entitled units is an important measure showing local government actions to approve housing units, we believe policymakers should better understand the limitations inherent in the data.





Chapter 3

Cities Differ in Their Attitudes and Approaches Toward Housing

It is difficult to make comprehensive statements about Utah cities and counties because of the different approaches they take toward land use management. Nevertheless, we believe that the limited city ordinances and processes we reviewed as part of this audit can be informative for policymakers.

Some Utah cities exercise their land use authority to circumvent the intent of new pro-housing laws while remaining technically within the bounds of the law. Such examples suggest that policymakers will have to fine-tune housing policies multiple times over several years. In addition, our limited review of specific complaints against cities found no widespread problems with statutory noncompliance

We believe that relevant metrics, as an essential component of a strategic plan (as recommended in Chapter 1), will give the Legislature better insight into the efforts of individual cities and counties and the state as a whole. With that in mind, this chapter also discusses some limitations of using data about entitled units to measure a city's land use activity.

3.1 Some Cities Have Used Their Broad Land Use Authority to Circumvent New Laws

Our audit process identified examples where we believe cities used their broad authority over land use and development to circumvent policy changes from the Legislature. These examples illustrate why housing policy is often refined over multiple years, as discussed in Chapter 2. The laws mentioned here were broadly intended to ease the process of housing construction, thus increasing the housing supply at a faster rate with lower costs. By sidestepping these policies, cities are voiding the intended purpose. This avoidance of legislative intent is not uncommon in states that have had to repeatedly return to housing legislation to close loopholes.



Some cities across Utah used their broad authority over land use to circumvent recent policy changes. By sidestepping these policies, cities are voiding the intended pro-housing results.

The first examples are related to House Bill (H.B.) 1003, which was passed in special session in 2021 and prohibited certain design requirements for single-family and twin homes.



Soon after the bill’s passage, the city of Springdale passed an ordinance to reduce the maximum allowable size and height for certain residential units.³⁵ Property owners can now build larger, taller homes only if they “voluntarily” comply with the design standards that were outlawed by H.B. 1003. We also found that some cities had not updated their ordinances to comply with the design requirement prohibitions of H.B. 1003. One city explained that its design standards, while still in their city ordinances, are not being enforced. We believe that this city should repeal its noncompliant city code.

The Legislature also passed H.B. 82 in 2021 and S.B. 174 in 2023 to permit internal accessory dwelling units (IADUs, also known as “mother-in-law apartments”) to be built in any area zoned primarily for residential use.³⁶ In response, the City of Lehi cited concerns about infrastructure capacity and passed a temporary ordinance—the day before the law went into effect—to prohibit IADU construction in its planned community zones.³⁷ We believe that such a sweeping ordinance, albeit temporary, should have been founded on better analysis, and we question a political subdivision’s approach to counteract the state legislature’s intent in this way.



A cat-and-mouse pattern of policymaking is not uncommon in housing.

We believe that the policy-making authority of the Legislature should not be circumvented as it was in the examples above. More importantly, any future policy creation should consider the broad powers highlighted in these examples and be prepared to limit pertinent powers and institute penalties when

there is evidence of circumvention. This cat-and-mouse pattern of policymaking also occurs in other states that are seeking state-level solutions for housing affordability. For example, California has followed this pattern of policymaking with the Regional Housing Needs Allocation (RHNA) or “housing element” law. Over the past five years, many updates have been made to correct issues or loopholes identified in different housing elements. For real change to be made, policymakers should be prepared to annually adjust and tighten housing requirements.



Policymakers should prepare to act as evidence of circumvention arises.

³⁵ In two key residential zones, the city reduced the size of residential units from 5,000 to 3,000 square feet. The allowable height was reduced by 5 feet.

³⁶ See *Utah Code* 10-9a-530.

³⁷ The ordinance was passed under *Utah Code* 10-9a-504(1), which allows a municipality’s legislative body to pass a temporary land use ordinance if there is a compelling, countervailing public interest.



3.2 Concerns About City Compliance with Specific Requirements and Timeliness Were Largely Unfounded

During our audit, interested parties raised concerns about whether certain cities have imposed unreasonable development requirements or reviewed building permits in a timely manner. These concerns warrant examination, because the cost of a home can increase when unreasonably slow city processes add interest costs on construction loans or when a city requires unnecessary materials or design elements.

Although we were unable to substantiate accusations that cities had placed unfair roadblocks in the path of development, this finding does not necessarily



We reviewed various complaints about cities and counties and found them to be largely immaterial.

mean that all cities are acting appropriately in terms of requirements and timeliness. Some cities may use some of these tactics to slow down development; however, after reviewing all complaints that were specific enough to allow follow-up, we were unable to find evidence of cities acting in bad faith regarding requirements and timeliness.

After narrowing the list of complaints to those we could vet, we met with developers, cities, and other relevant parties to better understand the details. We found the concerns to be largely immaterial. For example:

- A developer complained that a city's site plan review was not done according to statute, was redundant, and took far too long. We found that the city's process should have been faster but that the developer was not correct in his understanding of the law or the city's process.
- Concerns were shared about a city changing exterior window design requirements between phases on a townhome development. The city acknowledged that it had missed these window requirements during the first phase of review. However, the city maintained that its mistake did not exempt subsequent phases from the ordinance in question.
- We reviewed complaints that a city's water requirements for a new residential development were unreasonable. Given the nuance and unknown variables at play, we do not believe the city's requirements were unreasonable.
- We also examined the review process for building permits in six large cities following complaints of delays. We found a handful of examples



where the permit review was delayed by a day or two, but the overwhelming majority of permits were reviewed within the time limits in statute.

3.3 Data About Entitled Units Does Not Give an Accurate Sense of Near-Term Housing

Throughout the audit, we saw reports to legislators and the Commission on Housing Affordability about “entitled units” as a key metric of what cities are doing to combat the housing shortage.³⁸ While the number of entitled units is an important measure showing local government actions to approve housing units, we believe policymakers should better understand the limitations inherent in the data.

First, many entitled units may not actually be built for years. For example, we spoke with Eagle Mountain officials who told us that the city has nearly 10,000 units that have been entitled for more than twenty years. Such delays can happen as developers work to plan the project, overcome obstacles, and obtain financing. In some cases, the entitled units are a long way from the infrastructure needed to build in the near term. Saratoga Springs officials explained that the city has around 19,000 entitled units, but that some areas of the city, encompassing several thousand of those units, are likely years away from having the infrastructure needed to develop homes on that land. Understanding this, policymakers can use entitlement numbers to lead conversations about areas of the state where strategic infrastructure investments could unlock potential housing units.

Second, the number of entitled units does not give information about the density of future development. As our analysis in Chapter 1 shows, proceeding with current plans—which include many single-family detached homes—could lead to a point where Wasatch Front counties begin to run out of space for new housing. It is not prudent to build exclusively single-family homes to the capacity of Utah’s scarce land for housing. To plan for and accommodate growth, better information is needed about total capacity, and unit density is the key element in the housing equation.



Information about entitled units is not the best way to measure a city’s action on housing development.

³⁸ In this usage, a housing unit is considered to be entitled when the property owner has a legal right, whether through zoning or a development agreement, to build the unit.



Finally, the Utah League of Cities and Towns has reported more than 160,000 entitled units from a sample of cities. While this number indicates concrete efforts made by cities to allow potential housing, even if every unit were built within the next twenty to thirty years, the amount of housing would still fall short of actual need, based on the population projections described in Chapter 1.



There are better ways to track housing units that are on a more realistic path to completion.

Instead of looking at entitled units as the main metric of development, some cities track units that are more likely to develop in the near future. We worked extensively with Saratoga Springs to review its list of *improved lots*. These are lots for which infrastructure improvements already exist and for which a building permit is the only—and very likely—step remaining until construction. Several of the empty lots we visited to vet this data now have completed homes up for sale.

As part of the strategic planning concept recommended in Chapter 1, we recommend that the Legislature consider metrics to better track both actual and potential housing production throughout the state. The Kem C. Gardner Policy Institute already tracks the number of residential units permitted in the state, and this information has been an invaluable resource for this audit. The Legislature should consider requiring cities to produce data about improved lots or lots in other stages of active development to better gauge both potential and near-term housing production.

RECOMMENDATION 3.1

As part of any statewide housing strategic planning, the Legislature should consider metrics to better track both actual and potential housing production.





Complete List of Audit Recommendations





Complete List of Audit Recommendations

This report made the following seven recommendations. The numbering convention assigned to each recommendation consists of its chapter followed by a period and recommendation number within that chapter.

Recommendation 1.1

We recommend that the Legislature consider requiring the creation of a state-level strategic plan for housing in Utah. This plan should define success and include goals that specifically address the current housing shortage and forecasted population growth.

Recommendation 1.2

We recommend that the Legislature consider amending the land use, development, and management acts at both the county and city level to clearly emphasize housing production and affordability as primary goals of land use regulations.

Recommendation 1.3

We recommend that with information gathered from strategic planning, the Legislature consider the range of state-level policy options presented in this chapter to create a program to set and manage state-level housing production targets.

Recommendation 2.1

We recommend that the Legislature consider whether to expand the moderate-income housing plan requirements to include forecasting benchmarks for household growth.

Recommendation 2.2

We recommend that the Legislature consider options to increase zoning density on a wide scale within the state.

Recommendation 2.3

We recommend that the Legislature consider policy options to craft additional penalties and incentives associated with housing planning and targets to better ensure local government compliance.

Recommendation 3.1

We recommend that as part of any statewide housing strategic planning, the Legislature consider metrics to better track both actual and potential housing production.





Appendices



A. Wasatch Front Regional Council – Explanation of Real Estate Market Development Model Analysis



In WFRC and MAG's Real Estate Market Model (REMM), geographically-specific development capacity ceilings are used as constraints as REMM simulates both future greenfield development and potential future redevelopment of properties with existing structures. The development capacity ceiling for individual parcels within the WFRC area is assumed to be *the greater of either*:

1. the allowable density specified for that geographic area in each city's recent general plans, or
2. a 'centers-based override' assumption, for parcels that are within one of the four types of urban centers – whose boundaries and scales were developed collaboratively as part of the Wasatch Choice Regional Vision – that the containing city has indicated are likely to be reflected in future updates to their general plan.

In REMM, future growth in each Wasatch Front county is modeled separately in order to meet the year-by-year county-level growth projections¹ forecasted by the University of Utah Gardner Policy Institute's (GPI) Demographics group, in support of the Utah Population Committee (as established in [Utah statute](#)). If the 'centers-based override' capacity additions (criterion #2 above) are removed from REMM's assumptions for allowable future capacity ceilings to create a 'no-centers scenario', the current version of the model is unable to develop enough housing units in some counties to meet the future housing unit demand as forecasted by GPI. When this *capacity insufficiency* happens in a future year that REMM is modeling, it adversely impacts the results for that year and all subsequent years being modeled in the scenario. So, reaching the capacity threshold for a future year essentially means that REMM can't perform future year distributions from that year forward for the scenario. *The year that the capacity insufficiency is reported by the model should not be taken as an absolute milestone, but rather a relative indicator.* As REMM is grounded in existing market conditions and trends, it is not able to foresee and apply all potential changes to the regional real estate market as this threshold is approached.

The table below shows the amount of unplaced households, by county, under the conditions of the 'no-centers' scenario. Currently, in the 'no-centers' scenario, Salt Lake County reaches a capacity insufficiency first when the urban centers assumptions are removed, and is not able to develop enough housing to meet growth, starting around year 2043 of the model. Davis County reaches a capacity insufficiency beginning in the year 2048 of the model. In regional planning discussions, it is perhaps more a commonly held belief that Davis County will run out of

¹ GPI's population and employment projections are updated every four years, at the midpoint of the four year cycle used by Utah's transportation agencies for long range planning. The next projections update is expected in Spring/Summer 2025.

development capacity before Salt Lake County. One possible reason our scenario result does not reflect this may be that the development capacities – in the general plan information collected from Davis County cities in 2020 and used in REMM – already reflects some of the higher capacities of the "centers-based override" layer that is turned off in the analysis of the 'no-centers' scenario.

REMM Year	Unplaced Households		
	Salt Lake County	Davis County	Weber County
2041	0	0	0
2042	-100	0	0
2043	-1000	0	0
2044	-2700	0	0
2045	-4300	0	0
2046	-7700	0	0
2047	-12300	0	0
2048	-17900	-1000	0
2049	-24200	-2300	0
2050	-30900	-3500	0

In the case of both Salt Lake and Davis counties, the REMM model continues to redevelop existing parcels and add new housing units past the year that it reaches the capacity insufficiency threshold for the affected county. However, the deficit in the model grows larger each year after this constraint is hit, through 2050, the current horizon year of the modeling period used to support the Regional Transportation Planning period.

It is important to note that REMM's primary purpose is as a future growth *distribution* model that allocates GPI's forecasted county-level household and job growth to the much smaller traffic analysis zones used by the regional travel demand model. Although using REMM to explore scenarios like this one is possible and potentially insightful, ***the resulting capacity insufficiency results we are sharing should not be considered/presented as a projection per se***. Rather, the results are best communicated as a relative indicator of potential market conditions that may need further understanding and attention.

B. Analysis of Residential Units Permitted from 1994-2022



Listed here are the 30 Utah jurisdictions with the highest number of residential building permits from 2018-2022. The data is sorted from largest to smallest in the Total column.

Figure B.1: The 30 Utah Jurisdictions with the Highest Number of Residential Building Permits from 2018-2022. Of note, the top 10 cities accounted for 66,693 units permitted from 2018-2022. This was 43.3 percent of the state total of 154,132 permits during this period.

		Residential Building Permits Issued (in units)					
	Jurisdiction	2018	2019	2020	2021	2022	Total
1.	Salt Lake City	877	3,894	2,282	4,131	2,679	13,863
2.	Lehi	1,444	1,587	1,080	2,198	2,249	8,558
3.	St. George	1,357	1,511	1,847	1,620	1,493	7,828
4.	South Jordan	1,092	1,044	1,272	1,796	924	6,128
5.	Herriman	2,053	1,532	967	858	696	6,106
6.	Eagle Mountain	854	1,113	1,339	1,674	1,069	6,049
7.	Saratoga Springs	653	730	1,536	1,763	1,159	5,841
8.	American Fork	377	539	769	2,323	637	4,645
9.	Washington	553	1,164	929	960	735	4,341
10.	West Valley City	211	398	1,212	330	1,183	3,334
11.	Draper	898	606	779	226	719	3,228
12.	West Jordan	601	643	650	1,034	165	3,093
13.	West Haven	228	571	728	1,075	465	3,067
14.	Cedar City	419	291	596	845	864	3,015
15.	Hurricane	439	388	695	680	682	2,884
16.	Layton	499	354	796	544	601	2,794
17.	Spanish Fork	460	286	440	661	836	2,683
18.	Murray	240	228	238	1,000	795	2,501
19.	Syracuse	365	311	394	873	526	2,469
20.	Provo	388	337	675	674	371	2,445
21.	Orem	563	864	182	301	388	2,298
22.	Logan	211	480	814	181	373	2,059
23.	Vineyard	718	359	467	344	73	1,961
24.	Clearfield	196	109	347	960	321	1,933
25.	Payson	238	395	311	279	626	1,849
26.	Tooele	236	391	332	552	262	1,773
27.	Bluffdale	564	65	583	440	65	1,717
28.	Santaquin	214	231	430	571	254	1,700
29.	Salt Lake County	60	157	390	320	771	1,698
30.	Midvale	521	427	286	221	236	1,691

Source: Kem C. Gardner Policy Institute, Ivory-Boyer Construction Database.

This table lists the 30 Wasatch Front jurisdictions (i.e., those from either Weber, Davis, Salt Lake, or Utah counties) with the lowest number of residential building permits issued from 2018-2022.

Figure B.2: The 30 Utah Jurisdictions with the Lowest Number of Residential Building Permits from 2018-2022.

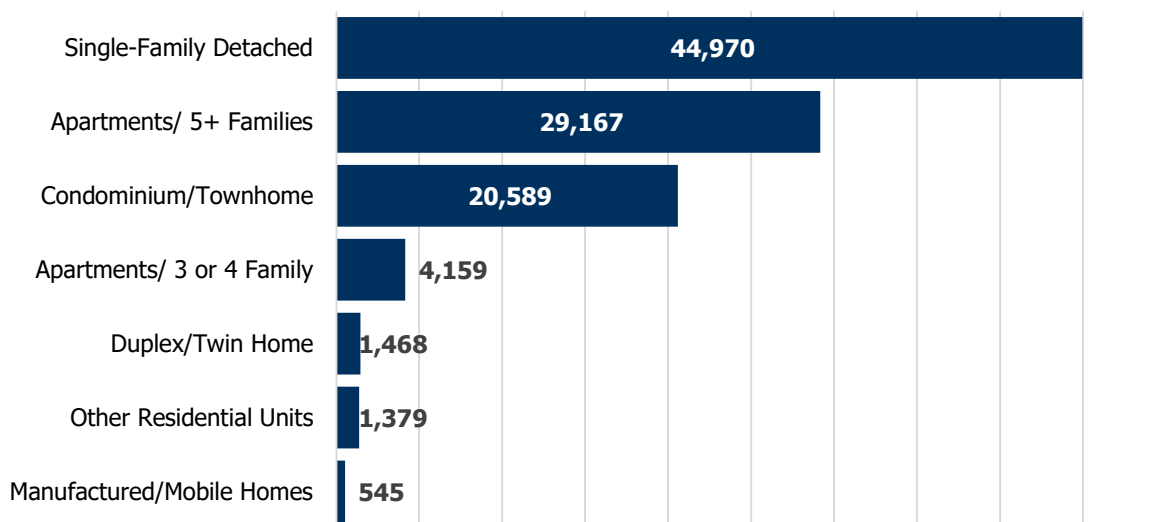
	Jurisdiction	2018	2019	2020	2021	2022	Total
1.	Alta	0	0	0	0	0	0
2.	Woodland Hills	0	0	0	0	0	0
3.	Goshen	0	0	3	2	7	12
4.	Uintah	13	3	1	1	0	18
5.	Davis County	5	9	6	0	0	20
6.	Harrisville	12	0	1	3	9	25
7.	Holladay	7	4	1	4	22	38
8.	Fruit Heights	13	7	21	4	9	54
9.	Riverdale	10	11	28	18	2	69
10.	Sunset	15	1	42	0	13	71
11.	Washington Terrace	14	2	39	14	5	74
12.	Huntsville	9	8	9	41	12	79
13.	Cedar Hills	6	7	20	51	4	88
14.	Elk Ridge	21	12	22	35	3	93
15.	West Bountiful	35	47	20	22	9	133
16.	Centerville	14	13	38	40	61	166
17.	Alpine	31	13	22	67	45	178
18.	Utah County	33	25	44	54	41	197
19.	Pleasant View	36	21	63	87	65	272
20.	Woods Cross	47	98	97	39	32	313
21.	Farr West	55	108	78	64	33	338
22.	Bountiful	103	67	50	56	106	382
23.	South Weber	112	133	81	53	19	398
24.	Cottonwood Heights	90	62	38	117	144	451
25.	Lindon	85	136	98	115	77	511
26.	South Ogden	174	51	54	182	55	516
27.	Roy	123	116	114	61	112	526
28.	Plain City	163	81	94	105	105	548
29.	Clinton	118	109	121	152	83	583
30.	Riverton	137	119	150	59	126	591

Source: Kem C. Gardner Policy Institute, Ivory-Boyer Construction Database.

The data on building permit approval shows exceptionally high levels of residential construction from 2020-2022. As the next chart shows, 44 percent of the total 102,277 permits approved during this period were for single-family detached homes with another 29 percent approved for apartment projects with 5 or more units. On the surface, seeing such high numbers of residential units being built is good news when the priority is to provide enough housing for all households in the state. However, in light of the concerns about limited land and huge forecasted future growth, building so

many single-family homes could be seen as a concerning trend. Especially since research from the Gardner Policy Institute is beginning to show that buyers earning less than 80 percent of the area median income are still struggling to find affordable housing.

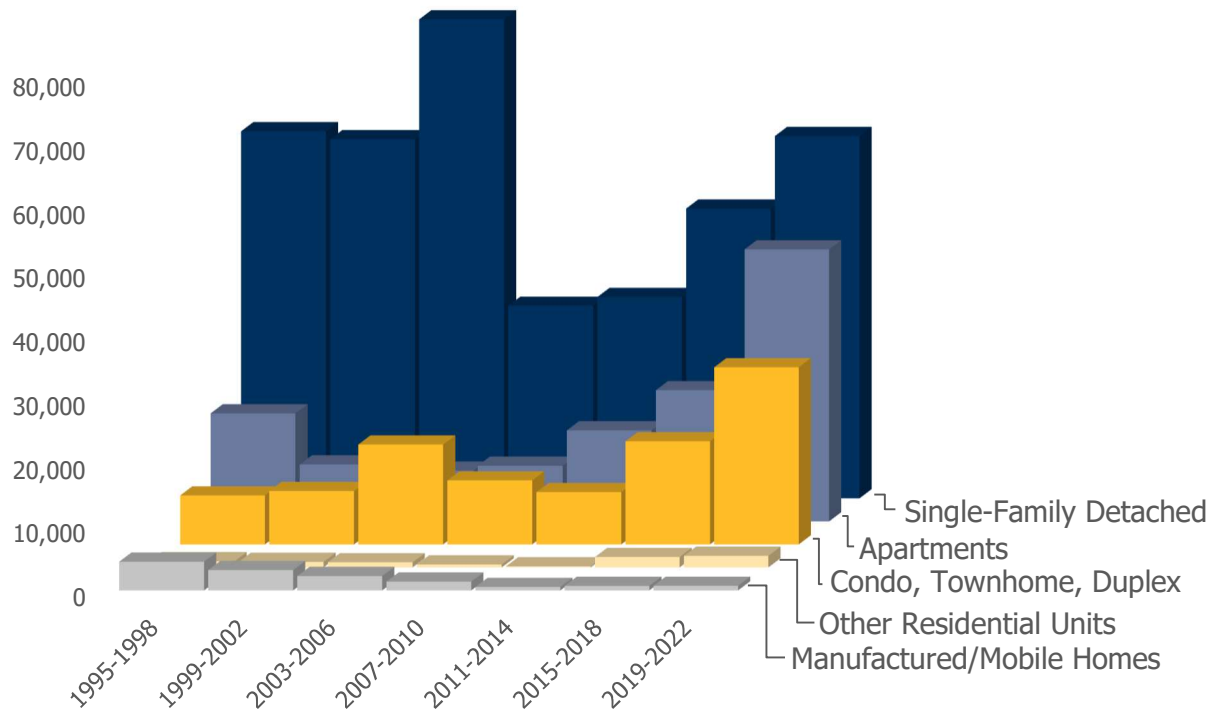
Figure B.3: The Majority of Residential Permits Approved from 2020-2022 Were for Single-Family Detached Homes and Apartment Projects with Five or More Units.



Source: Kem C. Gardner Policy Institute, Ivory-Boyer Construction Database.

The next chart shows the same breakdown of residential construction type back to the mid-1990s. In all periods shown here, single-family detached homes dominate among new residential construction. As our report makes clear, building more housing units on less land seems to be a critical strategy; these numbers can give a sense of how that approach may differ from the past.

Figure B.4: In All Periods Shown Here, Single-Family Detached Homes Dominate Among New Residential Construction.



Source: Kem C. Gardner Policy Institute, Ivory-Boyer Construction Database.



Agency Response



A. Audit Response - Utah League of Cities and Towns



November 6, 2023

Kade Minchey, CIA, CFE
Auditor General
Office of the Legislative Auditor General
W315 State Capitol Complex
Salt Lake City, UT 84114



Re: Response to the Performance Audit of Utah Housing Policy ("Audit") Report No. 2023-16

Dear Mr. Minchey:

The Utah League of Cities and Towns (the "League") appreciates your team's work and collaboration exploring how Utah policymakers can plan for population growth and housing affordability. Our response below addresses the Audit's recommendations and findings.

The League hopes that the legislative response to the Audit builds on the 24 significant bills in the last five years that the Legislature has passed and local governments are implementing to improve how we plan for growth.¹ Per the Audit on pages 15-16, "there is a significant lag between enacting housing policy and determining whether the policy is effective. It takes time... to determine how to implement the policy, additional time for implementation, and more time for the market to respond to the changes."

Between 2019 and 2022, Utah's local governments permitted more housing units than any other four-year period in state history on record, including a record number of townhomes and apartments. As a result, Utah's housing shortage decreased from 56,230 in 2017 to 28,415 in 2022.² Utah's local governments have also zoned for and entitled more than 190,000 housing units³ for which building permits have not been requested. Unfortunately, significant economic headwinds in 2022 and 2023—which neither state nor local governments can influence—including interest rates, materials and labor shortages, and inflation, are reducing the ability of developers to produce more housing units.

Specific Responses to Audit Recommendations

Recommendation 1.1: *The Legislature should require the creation of a state-level strategic plan for housing in Utah. This plan should define success and include goals that specifically address the current housing shortage and forecasted population growth.*

Response: The League believes that a strategic plan that addresses affordable home ownership, housing affordability, infrastructure needs, economic development, and population growth—in collaboration with the state, local governments, the private sector, and residents—would be worthwhile. The League believes that the primary target should be more affordable home ownership opportunities for Utahns. The League also wants to ensure financially sustainable infrastructure and the quality of life for current and future residents.

¹ Charting Utah's Growth Legislation, September 2023 (see attached)

² Kem C. Gardner Policy Institute, "State of the State's Housing Market 2022-2024" ([The State of Utah's Housing Market, 2022-2024](#))

³ ULCT 2023 Internal Housing and Land Use Survey

Recommendation 1.2: *The Legislature should consider amending the land use, development, and management acts at both the county and city level to clearly emphasize housing production and affordability as primary goals of land use regulations.*

Response: The Land Use, Development, and Management Acts (LUDMA and CLUDMA) define the purpose of land use regulations in 10-9a-102 and 17-27a-102 and the current purpose list is silent on housing. We agree that housing should be added to the list.

Recommendation 1.3: *With information gathered from strategic planning, the Legislature should consider the range of state-level policy options presented in this chapter to create a program to set and manage state-level housing production targets.*

Response: The League cautions that any “targets” should recognize what government controls and what government does not control. Cities plan for housing, but the private sector builds the housing. The Audit explains on page 27 that other states have not had time to determine the efficacy of state targets.

One of the largest impediments to housing production in greenfield areas and redevelopment is infrastructure, including water, sewer, and roads. The League supports state investment in infrastructure that could unlock housing units, particularly for affordable home ownership.

Recommendation 2.1: *The Legislature should consider whether to expand the moderate-income housing plan requirements to include forecasting benchmarks for household growth.*

Response: The League is hesitant about this recommendation in light of the experiences in other states (see recommendation 1.3). The other states that have set benchmarks do not yet have results of whether those policies have improved housing affordability or affordable home ownership.

The League is also concerned about benchmarks that are outside of governmental control to achieve based on examples that cities have reported to us. For example, multiple Utah cities have zoned for unlimited density near transit stops but the market has only produced wood-framed podium-style apartment buildings due to the cost of building larger steel-framed buildings. The wood-framed buildings are more profitable for developers to build and easier for developers to finance, but they do not maximize the planning and zoning opportunities available on that limited available land near transit.

Additionally, other cities have reported that they eliminated lot lines and zoned for increased density, but the homebuilders only built to a fraction of the entitled density. Finally, one city indicated that a homebuilder with more than 2,000 entitled housing units had reduced their anticipated housing production by about 50% due to economic conditions in 2023.

Recommendation 2.2: *The Legislature should consider options to increase zoning density on a wide scale within the state.*

Response: Utah’s cities and towns have enacted zoning regulations to increase residential density in many places across Utah. The League is concerned about potential one size fits all state action that mandates certain outcomes without consideration of infrastructure, geography, geology, or planning. The League has supported legislation that has contributed to increased residential zoning in the right places.

For example, the League endorsed, and cities are implementing, HB 462 from 2022, which requires certain cities to proactively create Station Area Plans (SAPs) by 2025. Those cities with Frontrunner, TRAX, or bus rapid transit stops (more than 100 in the Utah Transit Authority district) must plan for housing affordability, transportation connectivity, environmental sustainability, and economic opportunity.

Vineyard and Farmington recently certified their station area plans, which collectively could result in at least 10,500 housing units within a half mile of their Frontrunner stations.

Additionally, Utah has ranked in the top five states for housing permits per capita over the last five years. Utah also has the 15th smallest median residential lot size in the country.⁴ In other words, Utah's residential areas have more density today than many places in the country.

Density does not always equate to more affordability or more affordable home ownership. For example, cities have reported examples to the League of where they have zoned for smaller lots, but the market has produced large housing units on those small lots that are not affordable. Additionally, cities have also reported that some townhomes and small lot developments are turning into for-rent products and investor-owned inventory.

Recommendation 2.3: *The Legislature should consider policy options to craft additional penalties and incentives associated with housing planning and targets to better ensure local government compliance.*

Response: Utah has significant legislation in the “incentives and penalties” space, including some that have not yet gone into effect. In recent years, Utah enacted legislation that requires local governments to plan for moderate-income housing (MIHP) and submit annual reports to the Department of Workforce Services (DWS) to demonstrate how local governments are implementing the plans. If local governments are not in compliance, then they are ineligible for Transportation Investment Fund and Transit Transportation Investment Fund dollars, which consist of hundreds of millions of state dollars annually. During the 2023 interim, the Commission on Housing Affordability recommended aligning additional state funds to local government compliance with MIHP. For the first time, in 2024, a city that is non-compliant with MIHP will have to pay nearly \$100,000 for the year to the Olene Walker Housing Fund.

Last year, 97.5% of cities were in compliance with MIHP. Even so, the League has been frustrated with annual changes to the MIHP statute and processes, which complicates the ability of local governments to know exactly how to comply. That said, the League has been working with DWS on this point.

Finally, the League is concerned about additional penalties related to policies which do not ultimately facilitate outcomes of enhanced affordable home ownership opportunities.

Recommendation 3.1: *As part of any statewide housing strategic planning, the Legislature should consider metrics to better track both actual and potential housing production.*

Response: The League supports consistent and clear data about housing production in Utah. The State of Utah has not regularly collected data about the housing units that local governments have planned but the private sector has not yet built. Local governments plan for housing through the entitlement process which empowers a property owner to build up to a defined density.

The League has gathered data from 66 cities across Utah on the number of entitled units. The data shows more than 190,000 entitled units for which building permits have not yet been requested. This data demonstrates to us that local governments are planning and zoning for housing units, even when there may be public pushback. The League also acknowledges the point on page 38 of the Audit that the 190,000 entitled units are in various stages of the development process and welcomes additional metrics and data analysis about the obstacles preventing the development of those housing units.

⁴ 2022 Angi Median Residential Lot Size Index ([Lot Size Index by US States \(angi.com\)](https://www.angi.com/lot-size-index))

Additionally, the metrics should include other uses of residential units that impact the availability of housing for homeowners including the scope of short-term rentals and investor ownership. For example, the Kem C. Gardner Policy Institute studied the scope of short-term rentals in Utah in 2021 and found more than 19,000 short-term rentals.⁵ In some areas, the expansion of short-term rentals has outpaced the production of new housing units for residents.

Specific Responses to Audit Findings

Finding 1.1: *Time is Running Short to Accelerate Action on Housing Policy.*

Response: The League believes that the acceleration has been underway as the Legislature has enacted at least 24 significant bills to improve land use planning and try to facilitate housing affordability and affordable home ownership. The League has supported nearly all those bills.

For example, the Legislature enacted SB 174 and HB 406 in 2023—which the League endorsed—that modified how local governments administer subdivision applications. The bills define the subdivision approval process, eliminate public hearings for final review, and codify time frames for the review of improvement plans. This new subdivision process should improve the timeliness of review and approval of residential subdivisions which should reduce the carrying costs for home builders. These bills do not fully take effect until 2024. The “acceleration” should recognize that many critical bills are still being implemented and have yet to fully bear fruit.

Additionally, the Audit states that government does not build housing and market forces drive housing production. To that end, there are many market forces that state and local governments cannot influence, including interest rates, inflation, labor shortage, materials costs, land costs, infrastructure challenges, preferences of buyers/renters, and return on investment.

The League wants to improve opportunities for affordable home ownership, ensure infrastructure that is fiscally sustainable, and enable the quality of life of current and future residents.

Finding 1.2: *Utah Should Adopt State-Level Measures and Targets for Housing Needs and Construction.*

Response: See response to Recommendation 1.3

Finding 2.1: *The Legislature Could Change Local Land Use Regulations to Overcome Potential Regulatory Limits on Population Growth.*

Response: The League believes that most cities are using their land use authority responsibly to strategically plan for housing, infrastructure, open space, and educational and economic opportunities. As referenced in recommendation 3.1 above, League data shows that 66 cities have zoned for and entitled more than 190,000 housing units. With an average of 3.08 Utahns per household, those entitled units, when built, could accommodate approximately 585,200 new Utahns. As referenced in recommendation 2.3, the vast majority of cities have complied with MIHP demonstrating that cities generally are using their authority responsibly.

Finding 2.2: *To Encourage Statewide Housing Goals, Utah Could Implement Incentives and Penalties for Noncompliance.*

⁵ Kem C. Gardner Policy Institute, 2022 Short-term Rental Inventory ([Short-Term-Rental Inventory \(utah.edu\)](https://www.kemcgi.org/short-term-rental-inventory))

See response to recommendation 2.3 above.

Finding 3.1: *Some Cities Have Used Their Broad Land Use Authority to Circumvent New Laws.*

Response: We recognize that there are some local governments that have not complied with land use laws, but they are the exceptions. The League has not opposed consequences (state funding alignment, Property Rights Ombudsman dispute resolution process, litigation, MIHP non-compliance fee) in place for those communities if they willfully have not followed the law.

Finding 3.2: *Concerns about City Compliance with Specific Requirements and Timeliness Were Largely Unfounded.*

Response: The League appreciates this finding which indicates that city leaders are generally collaborative and work in good faith to respect property rights and plan for growth.

Finding 3.3: *Data about Entitled Units Does Not Give an Accurate Sense of Near-Term Housing.*

Response: See response to recommendation 3.1 above.

Conclusion

We appreciate your collaboration with the League and your analysis on this issue.

Sincerely,



Cameron Diehl
ULCT Executive Director
cdiehl@ulct.org



B. Audit Response - Department of Workforce Services





State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of Workforce Services

CASEY R. CAMERON
Executive Director

GREG PARAS
Deputy Director

NATE MCDONALD
Deputy Director

KEVIN BURT
Deputy Director

November 6, 2023

Department of Workforce Services Response to A Performance Audit of Utah Housing Policy

On behalf of the Department of Workforce Services/Housing and Community Development Division, we would like to thank the Office of the Legislative Auditor General for including us in this audit endeavor. The department provides staff support to the Commission on Housing Affordability. In this role of support and in collaboration with the commission chairs, we can assure the audit's findings and recommendations are presented to the full commission as next steps are identified.

We agree with the audit's premise that a statewide strategic plan tailored to our unique statewide needs should be a priority. In upcoming months, the department, in partnership with the Kem C. Gardner Policy Institute, will be releasing a database that provides population growth and housing deficit projections for municipalities with a population of at least 5,000. This data paired with infrastructure, natural resource and land availability data will provide the foundation for a statewide and local strategic plan.

Through the Housing and Community Development Division, DWS administers the federal and statewide housing programs primarily through the Olene Walker Housing Loan Fund. The department stands ready to work with the legislature and the Governor's Office to implement any new applicable housing policies, including the development of a statewide and local strategic plan.

We look forward to continuing the conversation with other key stakeholders and the Commission on Housing Affordability.

Christina Oliver, Division Director
Housing and Community Development
Department of Workforce Services



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American Planning Association

Making Great Communities Happen

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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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

Legislative and Policy Committee

George Homewood, FAICP, Chair
Whit Blanton, FAICP
Brian Campbell, FAICP
Aldea Coleman
Kara Drane, AICP
Jessica Garrow, AICP
Daniel Haake, AICP
Charles Liuzzo
Sarah Marchant, AICP
Wendy E. Moeller, FAICP
Ramona Mullahey
Pete Parkinson, AICP
Jennifer Raitt
Dan Reuter, FAICP
Edward Sullivan
Susan Wood, AICP

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AICP President
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Wendy D. Shabay, AICP, Director Region III
Leo Asuncion, Jr., AICP, Director Region V
Kristen Asp, AICP, Director Region VI
Kara W. Drane, AICP, Director at Large
Lauren Driscoll, AICP, Director at Large
Marjorie Press, Director at Large, Focused
Fleming El-Amin, AICP,
Director at Large, Focused
Ben Hitchings, FAICP, Director,
Chapter Presidents Council Chair
David Fields, AICP,
Director, Divisions Council Chair
Rachael Thompson Panik,
Director, Student Representatives
Council Chair

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.

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.

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 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 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 metro areas 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.

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 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 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 with attention to ensuring all populations have access to information in a variety of formats.

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 better understanding of the variations in acceptable housing occupancy standards across cultures to encourage and support flexibility in housing occupancy standards while ensuring safe, humane, and reasonable standards of living. Housing occupancy varies across different sociocultural groups including different preferences for multigenerational and larger households.

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 high-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 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 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 but not limited to 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>.

Housing Supply Accelerator Playbook

SOLUTIONS, SYSTEMS, PARTNERSHIPS



A PARTNERSHIP BETWEEN

NLC NATIONAL
LEAGUE
OF CITIES
CITIES STRONG TOGETHER



American Planning Association
Creating Great Communities for All

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Accessory dwelling unit in Walla, Walla, Washington. Photo by Celeste Noche.

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THE AUTHORS

Lauren Lowery, *Director, Housing and Community Development, Municipal Practice, National League of Cities*

Michael Wallace, *Legislative Director, Housing, Community, and Economic Development, Federal Advocacy, National League of Cities*

Jason Jordan, *Principal, Public Affairs, American Planning Association*

Emily Pasi, *Public Affairs Director, American Planning Association*

Liz Lang, *Marketing and Communications Director, American Planning Association*

Stephanie Onuaja, *Program Manager, Housing and Community Development, Municipal Practice, National League of Cities*

Mia Chapman, *Intern, Housing and Community Development, Municipal Practice, National League of Cities*

ABOUT THE NATIONAL LEAGUE OF CITIES



The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people. NLC works to strengthen local leadership, influence federal policy and drive innovative solutions. As the oldest and largest organization representing cities in America, NLC is focused on the issues that matter most to cities—from the largest metros to the smallest towns. The National League of Cities is a trusted partner to local cities and a steadfast voice for municipal issues in Washington, D.C.

ABOUT THE AMERICAN PLANNING ASSOCIATION



The American Planning Association is an independent, not-for-profit educational organization that provides vital leadership in creating great communities for all. APA and its professional institute, the American Institute of Certified Planners, are dedicated to advancing the profession of planning, offering better choices for where and how people work and live. APA's nearly 40,000 members work in concert with community residents, civic leaders and business interests to create communities that enrich people's lives.

FROM CLARENCE ANTHONY, CEO & EXECUTIVE DIRECTOR, NATIONAL LEAGUE OF CITIES

Foreword

The COVID-19 emergency changed everything. When the pandemic arrived in the United States, the threat of stark economic decline jeopardized years of hard-won progress on housing following the declines of the Great Recession. Cities, towns and villages were essential to preventing a crushing wave of evictions and foreclosures. Through federal emergency programs like Emergency Rental Assistance, Community Development Block Grants (CDBG), HOME Investment Partnerships Program (HOME) and, most significantly for housing supply, the State and Local Fiscal Recovery Fund (SLFRF), local leaders did what they said they would do in countless interviews and surveys—prioritize the housing needs of their residents. With additional flexibilities recently granted by the U.S. Department of Treasury for housing, SLFRF is on pace to become the federal government’s largest grant program for housing supply, with \$18.5 billion already budgeted for housing-related uses since enactment.

Although such funds are an acknowledgment that local governments are essential for preserving and expanding housing stability, the tools of local government have also come under scrutiny with regard to housing. Zoning, for instance, is a politicized issue now. **Zoning and other local regulatory authorities are important** to meet the wide-ranging and evolving needs of cities and towns for housing and beyond housing. Local governments are utilizing these important regulatory tools to address their residents’ housing needs

as documented in the many case studies found throughout the playbook. For all that, zoning and similar tools alone are not a singular solution to closing the housing supply gap and should remain under the jurisdiction of local governments. But the way forward on housing does not run exclusively through local governments. Rather, the Housing Supply Accelerator recognizes all housing market participants, public and private, must step up and do more to achieve lasting improvements in housing supply.

The Housing Supply Accelerator, developed in partnership with the American Planning Association, is a step up on the promise of the NLC’s 2019 Housing Task Force report, [Homeward Bound: The Road to Affordable Housing](#). With commitments from the National Association of Home Builders, the National Association of REALTORS® and the Mortgage Bankers Association, this approach takes our efforts beyond the confines of government action alone.

This playbook is not just another report. The strategies and solutions identified by the Housing Supply Accelerator Steering Committee recognize that local conditions are dynamic and that there is great variation in the specific housing needs of cities, towns and villages across the country. Readers of this playbook, including federal and state lawmakers, should understand we are providing a menu of strategies because of the findings of the Housing Supply Accelerator Steering Committee that no single approach or strategy can comprehensively or consistently account for the different housing conditions and specific housing needs of all cities and



Clarence Anthony
CEO & Executive Director,
National League of Cities

towns across the nation. To advance the supply of the most needed types of housing in any given community, state and federal officials must work in real partnership with local leaders, utilizing public and private resources. **Preempting local authority will not close the housing supply gap.**

As the voice of America's cities, towns and villages in D.C, NLC will continue to fight for direct funding to local governments as the most effective and efficient housing crisis intervention strategy, as evidenced by the all-hands-on-deck response to the pandemic. We have seen time and again that when state and federal government provide local leaders with the resources they need, they more than meet the moment. Increasing the nation's housing supply is no exception.

NLC is grateful for the thoughtful engagement between NLC and APA members, and the contributions of other associations representing public- and private-sector interests over many convenings within the last year. We also owe our thanks to Steering Committee Co-Chairs Mayor Corey Woods of Tempe, Arizona, and Angela Brooks, FAICP, for guiding the steering committee and ushering this playbook to completion. We also extend our deep appreciation for the determined leadership of NLC Past President, Mayor Victoria Woodards of Tacoma, Washington, in prioritizing housing and keeping our efforts grounded in a vision of people and partnerships equal endless possibilities.

FROM JOEL ALBIZO, FASAE, CAE, CEO, AMERICAN PLANNING ASSOCIATION

Foreword

How best to create housing abundance and affordability is a classic “wicked problem.” Difficult to solve. Complex. With changing and interconnected variables. When we confront today’s housing crisis, we face difficulties and dimensions that are economic, social, spatial, historical and multisectoral.

Despite these obstacles, creating housing supply by increasing housing diversity, attainability and equity is an essential challenge of our time.

Progress on housing can unlock opportunity in many other areas—health, wealth, education and prosperity. That’s why the work of the Housing Supply Accelerator has taken a unique path: exploring differing perspectives and examining diverse needs to find shared strategies and policies that can be implemented now. While we recognize that no single solution will solve the housing problem, we believe that meaningful progress can be made through a wide array of reforms that collectively move our communities and nation in the right direction.

Planners are proud to join with local elected leaders, developers, home builders, REALTORS® and the housing finance industry in this effort to better understand the problem and find opportunities for progress that we all agree can, and should, be made. We’ve asked hard questions of each other, of ourselves and of the housing system. Through these conversations over the last year, we’ve

identified a range of actionable and impactful ideas that communities can embrace now.

One thing is clear: Reform is essential.

Outdated approaches must change, and new, disruptive forces must be addressed, and this playbook seeks to lift up ways to improve the system that drives and defines new housing options. These strategies offer both a better, more comprehensive approach and specific interventions and policies that are scalable to fit the diversity—geographic, political and economic—of the country.

As planners, we’re ready to apply our data-driven insights and deep understanding of the trends affecting communities to help elected leaders navigate change and achieve a shared vision for more abundant, affordable housing. We’re proud to partner with the National League of Cities in this effort to better understand the housing challenge and identify practical solutions.

While we’re proud of this new resource, we recognize that this work is only the beginning of the journey to meaningful, sustainable change. We’re committed to supporting reform and working together, today, tomorrow and for as long as it takes to create greater housing opportunities for all.

Thank you for joining us.



Joel Albizo, FASAE, CAE,
CEO,
American Planning Association

Introduction

We are accelerating toward solutions to address nationwide housing shortages, which impact housing affordability, diminish the quality of life of individuals and families and inhibit economic growth in communities.



Single-family, ADU and multifamily dwellings. Photo by Mark E McClure/Sightline Institute.

What Are We Accelerating Toward?

In cities, towns and villages across the nation, local leaders are facing a pressing challenge: [a shortage of nearly four million housing units](#). The impacts of this shortage—felt keenly by residents, community leaders, community planners and businesses alike—include low rates of housing vacancies/availability, escalating rents, soaring home purchase prices, workforce shortages and more. This [supply gap](#) is particularly pronounced in affordably and moderately priced housing, especially in rental housing units. Research has also shown that [housing supply is not growing](#) proportional to demand, exacerbating affordability gaps for lower-income households.

The pandemic relief programs enacted under the American Rescue Plan Act (ARPA) provided local governments a unique, one-time opportunity to assess and respond to residents' immediate housing needs and housing supply deficits that pre-date the pandemic. As of the third quarter of 2023, the U.S. Department of Treasury reported that State and Local Fiscal Recovery Funds (SLFRF) grantees budgeted approximately [\\$18.5 billion](#) for more than 2,900 housing projects [by 943 state, local and tribal governments](#). Despite significant flexibility to invest in projects and services other than housing, local governments collectively are taking the lead to make a massive and historic investment of SLFRF funds to meet their residents' housing needs, including supply.

In 2022, the White House unveiled [an action plan](#) to deploy federal resources to address the nationwide housing supply gap.



WHAT IS HOUSING SUPPLY?

APA & NLC envision a world where all communities have a supply of housing options that are diverse, attainable and equitable.

Addressing housing supply shortages will require a multifaceted approach that includes expanding, preserving and improving local housing supply.

EXPANDING: Expansion entails the production of new housing units across various types to meet the local demand for housing effectively.

PRESERVING: Preservation entails safeguarding existing housing stock, thereby preventing the loss of affordability and deterioration in quality. This includes the preservation and adaptive reuse of historic buildings for residential use.

IMPROVING: Improvement focuses on enhancing the quality, safety and livability of existing housing stock, ensuring that it meets the needs of residents effectively.

Financial resources focused on local governments have been allocated in the form of direct funding, pilot programs and incentives. The resources included the U.S. Department of Housing and Urban Development's [Pathways to Removing Obstacles to Housing \(PRO Housing\)](#) grant program that supports communities who are actively taking steps to address barriers to affordable housing, such as undertaking regulatory reform, addressing unmet

“Expanding or diversifying local housing supply stands out as a high priority for local leaders. However, despite the urgency of this priority, local leaders across diverse geographies encounter substantial hurdles.”

infrastructure needs or filling gaps in financing. The White House's Housing Action Plan also encourages new approaches to [commercial-to-residential efforts](#) by tweaking existing programs and expanding resources like the [Commercial to Residential Federal Resources Guidebook](#). Expanding access and usefulness of federal funding programs to local governments is a proven approach to helping local leaders tackle challenges effectively. Despite this progress, substantial work remains to fully meet housing needs across the country.

Genuine, reliable and thoughtful partnerships within the inter-governmental framework itself and with actors in each sector of



Housing that is diverse, attainable and equitable shapes the vision of the Housing Supply Accelerator campaign. Photo courtesy of Sightline Institute/Flickr.

the housing market can be the bedrock for a successful effort. Ultimately, solutions must be comprehensive and include multiple sectors to address the compounding challenges presented by the housing landscape—resolving market forces, identifying funding sources, evaluating and updating housing supply policies and procedures as appropriate and embracing innovation and fostering collaboration.

In response to housing challenges faced at the local level, the **National League of Cities (NLC)** and the **American Planning Association (APA)** joined forces to **launch the Housing Supply Accelerator, a national campaign focused on locally driven housing supply solutions** with a narrow focus on ways to **expand, preserve and improve the quantity and quality of housing units**.

Three guiding principles—**Diverse, Attainable and Equitable**—shape this campaign's vision for ensuring that housing supply meets the varied needs of every resident.

DIVERSE: Encompasses a wide variety of housing at a range of costs, types and tenure. This ensures that the housing supply provides for the diverse needs of residents.

ATTAINABLE: Signifies cost-appropriate for a range of households. This ensures there is no exclusion based on financial capacity.

EQUITABLE: Indicates meeting households where they are and supporting those disproportionately excluded from opportunities. This ensures fair and just access to housing for everyone.

The goal of the campaign is to aid local government efforts to meet their residents' housing needs by:



ACCELERATING TO MORE HOUSING SUPPLY

The Housing Supply Accelerator Playbook is for local officials working to boost housing supply in communities nationwide. From removing barriers to housing to demystifying housing finance, this playbook aims to inspire and supercharge locally led efforts that meet communities where they are and close the nation's housing gap.

- **Providing expertise and insight** into local housing supply challenges to inform locally driven policy solutions.
- **Elevating awareness of successful local initiatives** to the national level, emphasizing the essential role of cities and communities in addressing housing shortages.
- **Facilitating greater alignment among all stakeholders** involved in the housing supply pipeline, including local governments, real estate professionals, builders, laborers, developers, financial institutions and state, regional and federal agencies, to develop quality housing.
- **Developing a playbook with strategies** for cities and communities to address their housing needs, providing a foundational resource for them to build upon.
- **Enhancing local capacity** to work toward tackling housing shortages and navigating housing needs effectively.

The **playbook** is meant to serve as a starting point for engagement and alignment through public-private partnerships to produce attainable and locally driven plans of action that account for differences in local capacities and local market conditions. The playbook does this by highlighting new and existing solutions supported by city examples.

The **playbook does not offer stand-alone solutions** to the nation's housing crisis. Rather, it offers a way forward for communities to address their pressing housing supply needs as identified by leaders and stakeholders in the communities themselves. It builds on the findings of the Housing Supply Accelerator Steering Committee and their engagement with representatives of private-sector associations in the housing industry. The playbook

LOCALLY DRIVEN SOLUTIONS AROUND THE COUNTRY

Communities are experimenting, innovating and restoring housing options to support increases in housing supply.



❶ Promoting transit-oriented development

❷ Creating land banks and community land trusts

❸ Permitting missing middle housing

❹ Supporting rehab and repair tools

❺ Reducing parking minimums

❻ Allowing accessory dwelling units

ALSO:
Changing building codes

Shortening permitting times

Providing pre-development capital

Clockwise from top left: Photos by Rebecca Noble; stevegeer, FatCamera/Getty Images; Celeste Noche; dies-irae/Getty Images, Mark E McClure/Sightline Institute/Flickr.

elevates partnerships and engagement as the foundational first step necessary to develop and launch practical solutions.

Lastly, by increment or by leap, success for the campaign will be the positioning of communities to take full advantage of solutions, funding and partnerships available today and in the future. Addressing the housing supply issue stands as one of the most critical challenges and critical opportunities of our time.

What Is Happening Across Cities and Communities?

Cities and communities throughout the United States are navigating the challenges of bolstering their housing supply to meet the diverse needs of residents. This period is characterized by innovation, experimentation and growing receptiveness to locally driven reforms, with examples emerging nationwide. For instance, a [Duplex Repair Program](#) was launched in the City of Detroit to preserve almost 150 units of duplexes and other small-scale rental affordable housing supply. Similarly, in Missoula, Montana, the city and county governments [collectively dedicated publicly owned land](#) to support the development of three affordable apartment projects. While specific housing needs vary widely by community, a consistent theme emerges: there is an overarching need for more housing nationwide and a recognition of the vital role that local governments play as part of the solution.

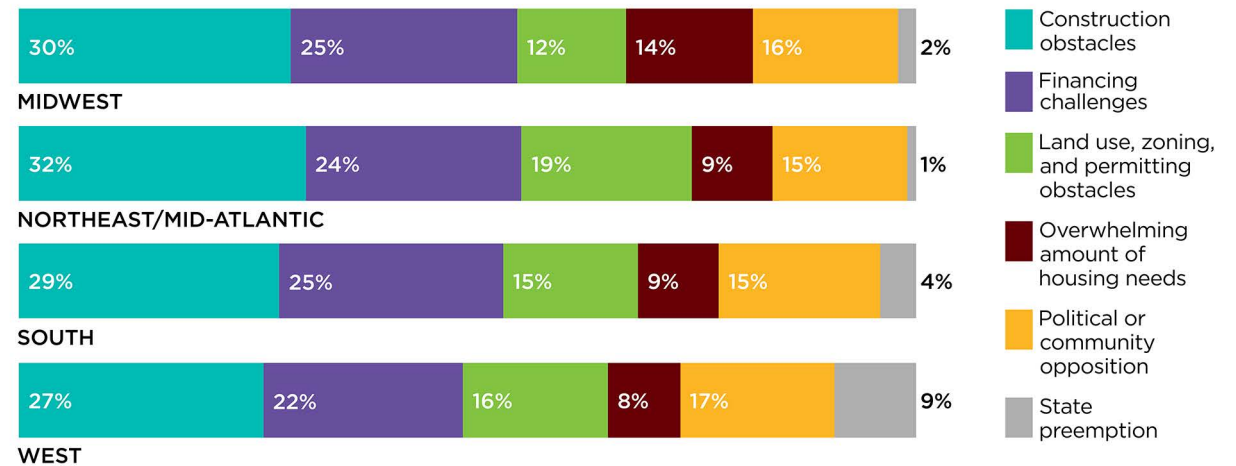
NLC conducted a nationwide survey of local elected officials from January to February 2023 to learn more about the challenges that cities face regarding local housing supply and to gauge their responsiveness to policy pathways and solutions. A total of 301 cities representing all 50 states responded to the survey.

The findings revealed that **expanding or diversifying local**

TOP HOUSING SUPPLY HURDLES BY REGION

Local leaders find common ground in the challenges they face to increase housing supply. For further information, download the [Housing Supply Accelerator Fact Sheet](#).

PERCENT OF REGIONS' TOP HURDLES



SOURCE: NLC Housing Supply Pulse Survey, January 2023 to February 2023

housing supply stands out as a high priority for local leaders.

However, despite the urgency of this priority, **local leaders across diverse geographies encounter substantial hurdles**. These include a shortage of developers or laborers for construction, limitations in financing new construction and renovations, difficulty accessing grants, regulatory obstacles, community opposition and state policy (see chart above).

Regarding their existing supply, many city leaders identified the lack of affordable units and workforce housing as their top concern. Midwestern, Southern and Western city leaders reported an insufficient range of housing options for their diverse housing needs, while Northeastern and Mid-Atlantic city leaders expressed concerns about the poor quality and conditions of their housing stock.

Additional challenges outlined in the survey include costly infrastructure needs associated with increased housing; preservation of current affordable housing stock; an abundance of vacant, abandoned or derelict homes; and a weak or declining housing market (see chart at right).

Finally, when considering different roles for each level of government, the majority of respondents saw local government in a leading role when making housing production and preservation decisions as well as land use and regulatory choices. By contrast, most respondents looked to the federal government and their state government for funding, incentives, technical assistance and support with partnerships.

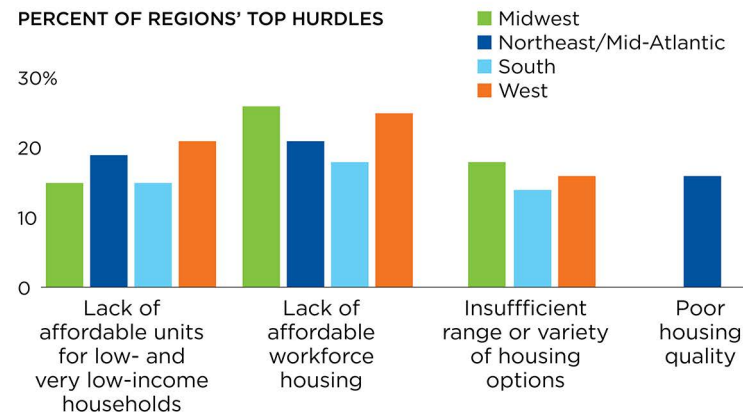
In addition to the survey, **NLC and APA organized listening sessions** as another avenue to actively engage local leaders. These sessions sought to gather insights from cities of different sizes and geographical contexts on their housing supply challenges and successes. There were four sessions of NLC members organized by regions: Midwest, Northeast/Mid-Atlantic, South and West.

The dialogue in these sessions further validated the survey results across the four regions. Taken together, the survey and listening sessions provided an initial view into the prevailing trends and needs of cities, offering a foundation for targeted efforts to address local housing challenges nationwide.

Today's housing supply challenges have begun to unleash a

TOP THREE CONCERNS REGARDING LOCAL HOUSING SUPPLY CHALLENGES

Local leaders' top housing concerns are largely shared across regions. For further information, download the [Housing Supply Accelerator Fact Sheet](#).



NOTE: This graphic only shows the top three concerns per region. Other concerns include insufficient support or pathways to homeownership for low- and moderate-income households; new or costly infrastructure needs related to housing preservation of current affordable housing stock; too many vacant, abandoned or distressed homes; no concerns about housing supply; weak or declining housing market; and too much housing.

SOURCE: NLC Housing Supply Pulse Survey, January to February 2023

period of significant innovation and progress. Communities are looking at a range of factors—from the development review process, to land use regulations and financing tools, to new partnerships—to improve and evolve the wide-ranging systems affecting housing



WHAT DOES LOCALLY LED REFORM MEAN?

In this playbook, “reform” and “locally led reform” mean the exercise of authority by local governments. For local governments, reforms are possible as an exercise of local authority. This is categorically different from reform accomplished through state or federal preemption, which can limit or eliminate local authority and hurt the collaborative process needed to truly unlock innovation and lasting progress.

supply. From Walla Walla, Washington, to [Arlington County, Virginia](#), and across the nation, local officials and planners are seeking new ways to work, regulate, engage and partner to remove obstacles and improve housing outcomes for all residents. While local leaders recognize their responsibilities in addressing local housing supply needs, local governments cannot tackle these challenges in isolation. Successful solutions to overcome housing shortages will require private and public stakeholders across the housing spectrum to work together to solve housing supply challenges. Addressing these challenges is a shared responsibility.

What Do Cities and Communities Need?

Cities and communities face an **urgent need for increased funding, technical assistance and tools** to effectively address their pressing housing supply challenges. Most crucially, **cities and communities can benefit from coordination among all stakeholders in the housing development ecosystem and a comprehensive approach to confront the growing housing shortage.**

NLC and APA envision local governments, state, regional and national stakeholders, private companies, financial institutions and nonprofit organizations coming together to co-develop a housing supply built on locally led solutions that is diverse, attainable and equitable.

Recognizing the limitations local governments have in resolving the crisis on their own, achieving alignment on barriers and co-developing local solutions is paramount. To address the supply challenge, stakeholders must collaborate, acknowledging that no single actor possesses a standalone solution.

Given the diverse nature of our communities, each locale requires unique housing solutions tailored to meet the needs of



Given the diverse nature of our communities, each locale requires unique housing solutions. Photo courtesy of Sightline Institute/Flickr.

residents now and in the future. Furthermore, achieving housing goals within each locale's unique housing development landscape and structures necessitates effective communication and agreement among stakeholders and the cultivation of relationships where they are lacking.

While incremental steps may appear small individually, their collective impact can lead to transformative shifts in the housing

“Successful solutions to overcome housing shortages will require alignment and collaboration with private and public stakeholders across the housing spectrum.”

landscape. Shifting perspectives on current limitations and fostering collaborations on solutions can rapidly push the boundaries of what can be achieved. Immediate and sustained collaborative action at the local level will result in progress on a nationwide scale. Through this alignment among diverse stakeholders, communities can work toward implementing solutions that address the current challenges and pave the way for a more diverse, attainable and equitable housing future.

What Have We Accomplished and Learned So Far?

Launched November 2022, the Housing Supply Accelerator Campaign was led by NLC President and Tacoma, Washington, Mayor Victoria Woodards and APA President Angela D. Brooks, FAICP. Steering Committee Co-Chairs include Tempe, Arizona, Mayor Corey Woods and APA President Angela D. Brooks, FAICP. The steering committee included local leaders and planners—each with unique perspectives and experiences in intergovernmental relations, housing policy, planning, real estate, architecture, finance or development—to guide the efforts. (For the full Steering Committee see the box at right.)

A city-led dialogue, the Housing Supply Accelerator brought together housing-related partners around the table to build a forum that fosters honest dialogue and effective collaboration.

Throughout 2023, NLC and APA convened the Steering Committee, local leaders, planners, regional, state and federal stakeholders, as well as private and nonprofit organizations. The initiative prioritized incorporating the unique perspectives within the housing development ecosystem to address difficult topics through facilitated constructive discussions.

Housing Supply Accelerator Steering Committee

NLC REPRESENTATIVES

Campaign Co-Chair: Mayor Victoria Woodards, *City of Tacoma, Washington*

Steering Committee Co-Chair: Mayor Corey Woods, *City of Tempe, Arizona*

STEERING COMMITTEE MEMBERS

Mayor Angela Birney, *City of Redmond, Washington*

Vice Mayor Jolien Caraballo, *City of Port St. Lucie, Florida*

Carolyn Coleman, *Executive Director, League of California Cities*

Theresa Kuhns, *CEO, Maryland Municipal League*

Mayor Bianca Motley Broom, *City of College Park, Georgia*

Council President Vop Osili, *City of Indianapolis, Indiana*

Mayor Aftab Pureval, *City of Cincinnati, Ohio*

Councilmember Adriana Rocha Garcia, *City of San Antonio, Texas*

Mayor Mark Shepherd, *City of Clearfield, Utah*

APA REPRESENTATIVES

Campaign Co-Chair: Angela Brooks, FAICP, *Director, Corporation for Supportive Housing*

Steering Committee Co-Chair: Angela Brooks, FAICP, *Director, Corporation for Supportive Housing*

STEERING COMMITTEE MEMBERS

Vincent Bertoni, AICP, *Planning Director, City of Los Angeles, California*

Andrea Brown, AICP, *Executive Director, Michigan Association of Planning*

Kimberly Driggins, *Executive Director, Washington Housing Conservancy, Washington, D.C.*

Taiwo Jaiyeoba, *Former City Manager, City of Greensboro, North Carolina*

Emily Liu, FAICP, *Former Director, Louisville Metro Office of Planning and Design Services, Louisville, Kentucky*

Sarah Marchant, AICP, *Chief of Staff, New Hampshire Community Loan Fund*

Jennifer Raitt, *Executive Director, Northern Middlesex Council of Governments, Lowell, Massachusetts*

Angela Self, AICP, *Planning Administrator, City of Garland, Texas*

Arlova Vonhm, AICP, *Zoning Division Chief, Arlington County, Virginia*

John Zeanah, AICP, *Director, Division of Planning & Development, City of Memphis & Shelby County, Tennessee*

Cross-sectoral involvement—from 34 cities, towns and villages; 66 private-sector representatives, including financial institutions, universities, philanthropic organizations, real estate professionals, builders, developers and nonprofit housing organizations; four regional agencies; and three federal agencies—expanded understanding of the challenges and laid a strong foundation for impactful collaboration and innovative housing development solutions.

At four convenings, the steering committee and other invited stakeholders examined the key drivers of the nation's local housing supply challenges—construction and development; finance; land use and regulations; and the interconnected issues of infrastructure and workforce challenges. These targeted convenings provided insights into the challenges hindering housing supply growth while lifting up a dynamic landscape of innovation across communities nationwide.

Key takeaways from each convening include:

CONSTRUCTION AND DEVELOPMENT: (Held in Chicago, Illinois) The necessity for increased public-private partnerships to effectively tackle the national housing crisis emerged as a key takeaway. Identified areas of opportunity included enhancing community engagement, streamlining development processes and embracing innovative construction methods.

FINANCE: (Held in Tacoma, Washington) Convening insights emphasized the importance of providing local leaders with education and tools to better understand housing development finance, the significance of forging partnerships between the public and private sectors and the availability of federal grants and resources available to local governments to assist with addressing local

housing challenges. Additionally, the discussions pinpointed the necessity to convene financial institutions to deliberate on the restrictions they impose, particularly concerning housing typologies they may not be familiar with funding.

LAND USE AND REGULATIONS: (Held in Washington, D.C.) A key takeaway was a call for enhanced transparency, predictability and flexibility within the regulatory landscape. The discussion emphasized that achieving this requires a deep understanding of the scope and limitations of zoning and other land use policies. It involves identifying gaps and opportunities for innovation and an openness by all participants to positive change.

WORKFORCE AND INFRASTRUCTURE CHALLENGES: (Held in Atlanta, Georgia) The importance of strategically aligning infrastructure and economic development investments with housing development and planning for current and future workforce needs to address local housing supply challenges were key takeaways. Attendees also emphasized the need to address infrastructure and workforce needs at the local, regional and state levels.

A Path Forward to Addressing Housing Supply Challenges

This section examines the current housing supply challenges and identifies a systems approach to address those challenges.



Townhouses in Austin, Texas.
Photo by Tricia Daniel/Shutterstock.

Current Housing Supply Challenges

Understanding the inherent challenges of producing, preserving, and improving housing supply is crucial for crafting effective solutions. The discussion that follows provides context for challenges to addressing housing supply as discovered through the NLC nationwide survey, Housing Supply Accelerator convenings and listening sessions, complemented by additional research.

Construction and Development

The United States grapples with significant challenges in housing supply, stemming from a **prolonged decline in residential construction rates**. Following the Great Recession, the United States experienced a substantial drop in housing construction rates. Between 2008 and 2018, the nation experienced the [lowest home construction numbers](#) since 1960, resulting in a substantial housing unit deficit. The construction industry also faced persistent challenges during the COVID-19 pandemic in 2020. [High costs of materials and labor coupled with supply chain challenges](#) caused many projects to come to a halt, further exacerbating the existing housing supply shortages.

Adding to these challenges is a **shortage of skilled labor**, which further impedes construction efforts. Despite historically low unemployment rates ([at 4.9 percent for residential construction workers](#) as of August 2023), the demand far exceeds the available supply of workers. The construction industry requires an [estimated 740,000](#)



A skilled labor shortage is impeding construction efforts. Photo by AzmanJaka/E+/Getty Images.

[new workers annually](#). Impeding the growth of skilled workers is a [training gap](#) in the industry and an aging workforce. In 2021, the [median age](#) of construction workers was 42 years.

Developers are also required to meet important, but at times challenging, federal, state and local requirements. Although many

“The nation’s almost four million-unit housing deficit is the result of challenges from every corner of the housing ecosystem.”

of these requirements serve an important purpose in the interests of health and safety, their collective impact places additional time and money demands on developers, which are ultimately added to the total cost of the development. These may include environmental review, permitting at various levels of government and zoning limitations including public review processes, among others. These increased costs may serve as unintended barriers that are particularly pronounced for smaller developers.

Developers also face uncertainties in the form of costs associated with legal services, design, inspection and impact fees. The time value of money becomes a crucial factor, as prolonged timelines result in increased expenses. The complexities in the regulatory landscape, coupled with financial constraints and time uncertainties, elevate risks for developers, further impeding efforts to address the housing deficit. These constraints faced by developers underscore the need for collaboration and communication between developers and local officials as local governments strike the right balance on spending necessary to improve predictability and transparency in

EMPOWERING SMALL-SCALE DEVELOPERS

The City of South Bend, Indiana, has introduced the [Build South Bend](#) online toolkit, designed to assist small developers with sourcing properties, performing due diligence, producing necessary permits and more. The toolkit reflects a collaborative effort involving local banks, contractors, real estate agents and various city departments. By offering valuable guidance and resources to small developers, the toolkit aims to inspire community members to pursue their own projects to spark small-scale change in neighborhoods.

their process and collecting revenue for housing production, rehabilitation and other housing-related costs such as sewer and water facilities and neighborhood amenities.

Beyond new construction, there is a **pressing need to preserve and improve existing housing stock** to enhance safety, health and energy efficiency. The [construction phase](#) involves assembling qualified tradespeople and complying with various codes regulating construction, asbestos, fire safety, energy efficiency, historic preservation, lead paint, radon and more. Renovation projects can involve customization and increased administration, which in turn can drive up costs and complicate estimating costs accurately. Furthermore, finding specialized labor to tackle renovations poses additional challenges.

Finance

The success of housing development relies on a robust financial system shaped by banks, federal and state governments, community development financial institutions and private lenders. Initiating any housing development project, whether new or a renovation, demands substantial capital. Evaluating financing options requires careful consideration of requirements, risk tolerance and repayment timelines.

One significant financial challenge to increasing housing supply is the cost of the development process, which is affected by factors both within and beyond the influence of local governments. Throughout the development process, developers face financial considerations from conceptualization to construction and beyond. These encompass site acquisition costs, construction costs, taxes, insurance, consultant fees, legal fees, development fees, financing fees and operational costs. The cost of renovating an existing

“**Local governments have limited financial sources, emphasizing the need for states to play a more defined role in facilitating funding.**”



WHAT ARE IMPACT FEES?

Impact fees, also called system development charges, are payments required by local governments of new development for the purpose of providing new or expanded public infrastructure required to serve new households or to offset the cost of public amenities.

residential property involves similar expenses and sometimes requires property acquisition.

Major rehabilitation and adaptive reuse projects face unique challenges due to their nonstandard and less predictable construction processes. Developers often encounter financial and time constraints while securing necessary funds and insurance. Unanticipated structural issues and code requirements can also set back projects. Moreover, the specialized nature of these projects poses a challenge in finding qualified personnel, which often comes at a premium cost.

Small-scale developers face challenges in the development process due to financial obstacles, which can create a high barrier to entry for smaller developers to undergo the same processes as larger developments. The fixed costs associated with development make the standard approach prohibitively expensive for smaller property developers, limiting the diversity of housing typologies produced to match the needs of each locality.

Additional barriers to small-scale developers, specifically [Black](#), Indigenous and people of color (BIPOC) developers, include qualifying for and securing equity and debt capital as well as perceived risk in real estate lending and investments. Due to certain liquidity and net worth requirements imposed by financial institutions and investors, a measurable disparate impact is imposed on BIPOC developers. Persistent discriminatory outcomes like these show that the legacy of racism in housing and landownership has not been addressed—including [government-sanctioned discrimination](#) like redlining, discriminatory lending, race-based federal mortgages program and racially and ethnically restrictive deed covenants.

Developers' abilities to deliver profitable housing projects are

paramount for effectively addressing the housing shortage. Developers secure loans and equity with the expectation that the development will yield sufficient revenue to repay loans and provide returns to investors. The rising costs of land, labor and materials significantly contribute to developers' overall expenses, influencing their decisions on what to build to ensure a viable return on investment.

Furthermore, **inadequate water infrastructure** presents a significant financial challenge, particularly for smaller cities and those in frontier areas. The [absence of water systems](#) burdens local governments financially and presents obstacles for developers, leading



WHAT ARE FRONTIER CITIES?

Frontier cities are sparsely populated areas that are geographically isolated from population centers and services.

An adaptive reuse project in Santa Ana, California, transformed a former office building into 58 affordable apartments for artists. Photo courtesy of Studio One Eleven.

to additional costs and uncertainties in the development process. This financial and infrastructural barrier can deter investment and stall housing projects, exacerbating the housing supply shortage in rural cities.

There is also a **pressing need for direct funding and intergovernmental coordination between federal, state and local governments** for housing production and renovation. Housing development often stalls, or the number of units set aside as affordable is reduced, due to the financial gap between projected revenue and the amounts developers must repay lenders and investors. Complex housing capital stacks can bridge financing gaps, but coordination across funding entities and financing complexities to close on multiple funding sources lead to increased development timelines and costs. Additionally, various financial sources may come with their own restrictions and stipulations on what can be built.

Local governments have limited financial sources, emphasizing the **need for states to play a more defined role in facilitating funding**. The role of state governments in supporting local government financing needs is not always well defined or consistent. Because [states have the power](#) to establish their own funding streams and administer funds for several federal housing programs, their role in funding is particularly crucial, especially in smaller cities that do not receive direct federal program funding. Additionally, infrastructure support for housing production is a critical gap that requires state and federal financial support and regional planning to unlock opportunities for housing development in rural areas.

While financial challenges for housing development encompass a range of factors including high development costs,

insufficient financial products for affordable housing and rural areas, barriers to entry for small developers, risk-analysis requirements from banks and [insurers that drive up development costs](#) and broader economic trends, there's also the complexity of coordinating multiple funding sources. These challenges have significant implications for housing availability, affordability and stability for residents across various communities.

Land Use and Regulations

Zoning is an important component of the regulatory landscape, drawing attention when examining the local government's role in bolstering the local housing supply. Zoning can be used to regulate the compatibility of uses, safeguard public health and natural resources and regulate how a plot of land can be used, ranging across single-family residential, multifamily residential and mixed use. It determines the size, shape and design of the buildings that can be built to accommodate that use. Finally, zoning determines who makes the decision to approve projects based on a set of criteria and whether or not a public hearing is required as part of a specialized process.

Zoning is a critical tool for local governments to manage development. Historically, however, zoning has also been used to propagate racially discriminatory outcomes and limit housing options. Today, it's still possible for zoning to take on **exclusionary characteristics, contributing to racial and socioeconomic segregation in less obvious ways**.

By regulating housing typology, housing density and proximity to certain areas, zoning has played a role in segregating people based on their socioeconomic status. Richard Rothstein's work in *The Color of Law* demonstrates that even after the Supreme

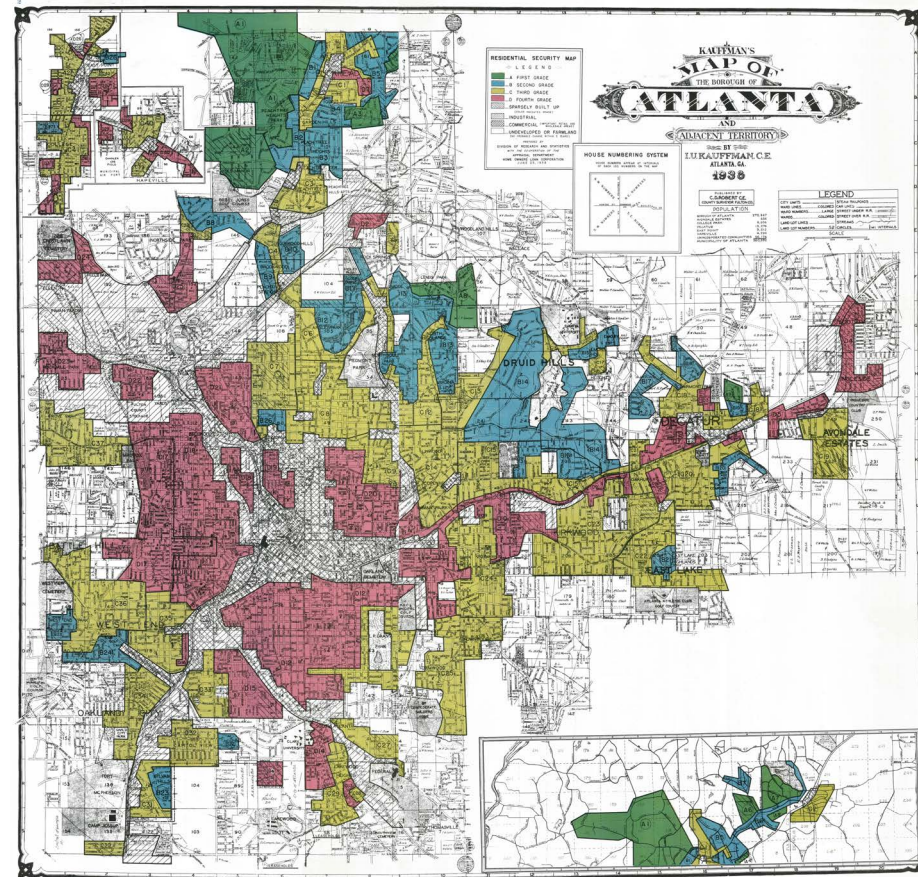
Cities and communities are increasingly pursuing new, innovative approaches to housing policies. Locally-led solutions often include updates to codes, processes, and standards that meet local needs.

Court invalidated overt racial zoning, many communities realized that zoning based on permitted forms of housing or minimum lot size could achieve the same result by [making many neighborhoods less affordable](#) to less white, less abled and less wealthy households.

Prohibiting specific housing typologies or densities to maintain only single-family detached housing can negatively impact equitable access to housing and community resources by dictating where people with diverse economic statuses can live. While eliminating the single-family zoning status alone will not guarantee new development of additional housing types—such as duplexes, triplexes, fourplexes or more affordable housing units—unless accompanied by supportive public policies and subsidies, prohibiting all but one type of housing will serve as a barrier to increased density and expanded supply, which could help create more affordability over time. Evidence shows single-household-only residential zoning [has a disproportionate impact](#) on the ability of historically disadvantaged and vulnerable groups to access attainable housing and quality schools and services. Additionally, it encourages sprawling development and greater reliance on cars for transportation, posing challenges for infrastructure needs and sustainability goals.

Because a disproportionate percentage of low-income households are headed by BIPOC, older adults, or persons with disabilities, these laws and restrictions tend to lead to racially segregated neighborhoods with persistent histories of disinvestment.

Beyond zoning and racial equity considerations, the intergovernmental **regulatory landscape that governs land use is complex, multilayered and often does not work together seamlessly.** Characterized by a mosaic of federal, state and local laws and regulations



Historic zoning codes have led to racially segregated neighborhoods with persistent histories of disinvestment. Source: Mapping Inequality. Home Owners' Loan Corporation (HOLC) City Survey Files, 1935–1940.

including environmental, zoning and building codes that shape and guide the development of land, these regulations can constrain and delay housing production. In addition, the division of responsibility over land use between state and local governments is often different state by state. For example, some states have policies such as



WHAT IS MISSING MIDDLE?

Once prevalent but now frequently restricted by local codes, “missing middle housing” refers to building types that provide housing and design options between a single-family home and midrise multifamily buildings. This housing includes accessory dwelling units, duplexes, fourplexes, cottage courts and courtyard buildings. Essential for creating diverse and affordable housing options that maintain the scale and sense of lower-density homes, promoting missing middle housing is often the focus of local regulatory reform efforts.

urban growth boundaries and statewide building codes that play a major role in how cities can support housing supply development.

The local regulatory system encompasses zoning ordinances, subdivision rules, homeowner association (HOA) requirements, codes, standards, permitting processes and reviews related to design, environmental impact and historical preservation. Furthermore, **secondary land use controls such as deed restrictions can act in lieu of zoning regulations.** The unique variations in these regulations from one locality to another contribute to a complex framework when seeking solutions.

Insufficient efforts to improve coordination, either between different levels of government or with private actors like financial institutions and deedholders, will significantly amplify the time, cost and unpredictability associated with housing project approvals and completion. Consequently, developers often decide to [prioritize less regulated areas for construction](#).

The role of states in [addressing housing supply needs](#) can either facilitate or impede local action and impact housing strategies. States give localities the power to zone through Zoning Enabling Acts. In Home Rule states, the state provides municipalities the ability to exercise power (via local laws and charters) that the state has authority to delegate, without any explicit delegation of the power, as long as no state laws preempt the power. In states governed by Dillon's Rule, municipalities can only adopt an array of housing policy tools with explicit state permission. As is often the case, there are also unique variations on this arrangement. In Colorado, for instance, authority to act on matters of local and municipal concern is derived from the Colorado Constitution and a municipality's locally enacted charter and ordinances, [rather than state statutes](#).

As local conditions change due to economic factors, environmental changes and evolving constituent needs, regulatory outcomes can drift from their original purpose or become unsuitable to meet current communities' needs and values. Due to this issue, it is important for local governments to have a complete understanding of their regulatory environment and its impact when developing a housing action plan or updating codes to advance goals identified in local plans, and the authority to exercise flexibility through use laws and regulations to achieve greater housing diversity, attainability and equity. Many cities and towns have enacted regulatory updates and other changes to address housing challenges.

Infrastructure

Infrastructure is the foundation of economic growth, social mobility, public safety and community resilience, making it a paramount consideration for municipalities seeking to expand their housing supply. However, **limited financial resources for new infrastructure development and the maintenance of existing infrastructure** pose significant barriers for local governments. For many communities, this can be the [deciding factor](#) for whether new housing can be built, serviced and maintained.

The condition of infrastructure in the United States is currently at a critical juncture. According to the American Society of Civil Engineers (ASCE), the nation's infrastructure received a [C-minus grade](#) in its *2021 Report Card for America's Infrastructure*, indicating a pressing need for intervention. This grade reflects the conditions of various [infrastructural elements](#), such as transit systems receiving a D-minus, drinking water scoring a C-minus and wastewater management scoring a D-plus. In addition, 43 percent of public road systems are in poor or mediocre condition. These

Rural areas, in particular, encounter high infrastructure challenges, with many lacking fundamental necessities such as water and sewer systems. This absence not only hampers the development of new housing but also limits the potential for growth and economic development in these regions.

factors collectively impact the ability of municipalities to effectively service their new and existing housing supplies.

Furthermore, **existing infrastructure inadequacies leave many cities and communities susceptible to the adverse impacts of climate change**, such as flooding and wildfires. However, adapting infrastructure to climate change comes at a high cost, accounting for [88 percent of the forecasted adaptation costs](#) globally, according to the United Nations Environment Programme.

Recognizing the urgency, Congress passed the [Bipartisan Infrastructure Investment and Jobs Act](#) in November 2021. It aims



Flooding in South Carolina caused by a hurricane. Photo by Ryan Johnson/Flickr.

to address the critical need for upgrading and maintaining the nation's infrastructure, acknowledging the profound impact poor infrastructure can have on human safety, equity, resiliency and economic output. States also play a role in supporting localities by providing funding for infrastructure development. For instance, Rhode Island's 2024 Budget Bill allocates [\\$39 million to support housing development](#). Of that, \$21 million is for targeted housing projects, \$4 million for transit-oriented development and to assist localities with upzoning related to transit and \$4.3 million to support housing-related infrastructure, including road and utility connections. This is a good example of inter-governmental collaboration that **supports essential local government responsibilities** through funding and capacity building. Despite these efforts, **local governments with limited budgets struggle to maintain existing infrastructure while meeting the growing demand for housing**. Rural areas in particular encounter sizeable infrastructure challenges, with many lacking fundamental necessities, such as water and sewer systems. This absence hampers the development of new housing and limits the potential for growth and economic development in these regions.

It's essential to note that infrastructure also encompasses social and service infrastructure, including fire and police stations, schools, health-care facilities and access to commerce. The availability of these services impacts the livability of housing developments. The infrastructure challenges that municipalities face underscore the need to align infrastructure investments with current and future housing needs, emphasizing the interconnectedness of these elements for sustainable and resilient municipal development.

HOW STATES CAN SUPPORT LOCAL EFFORTS

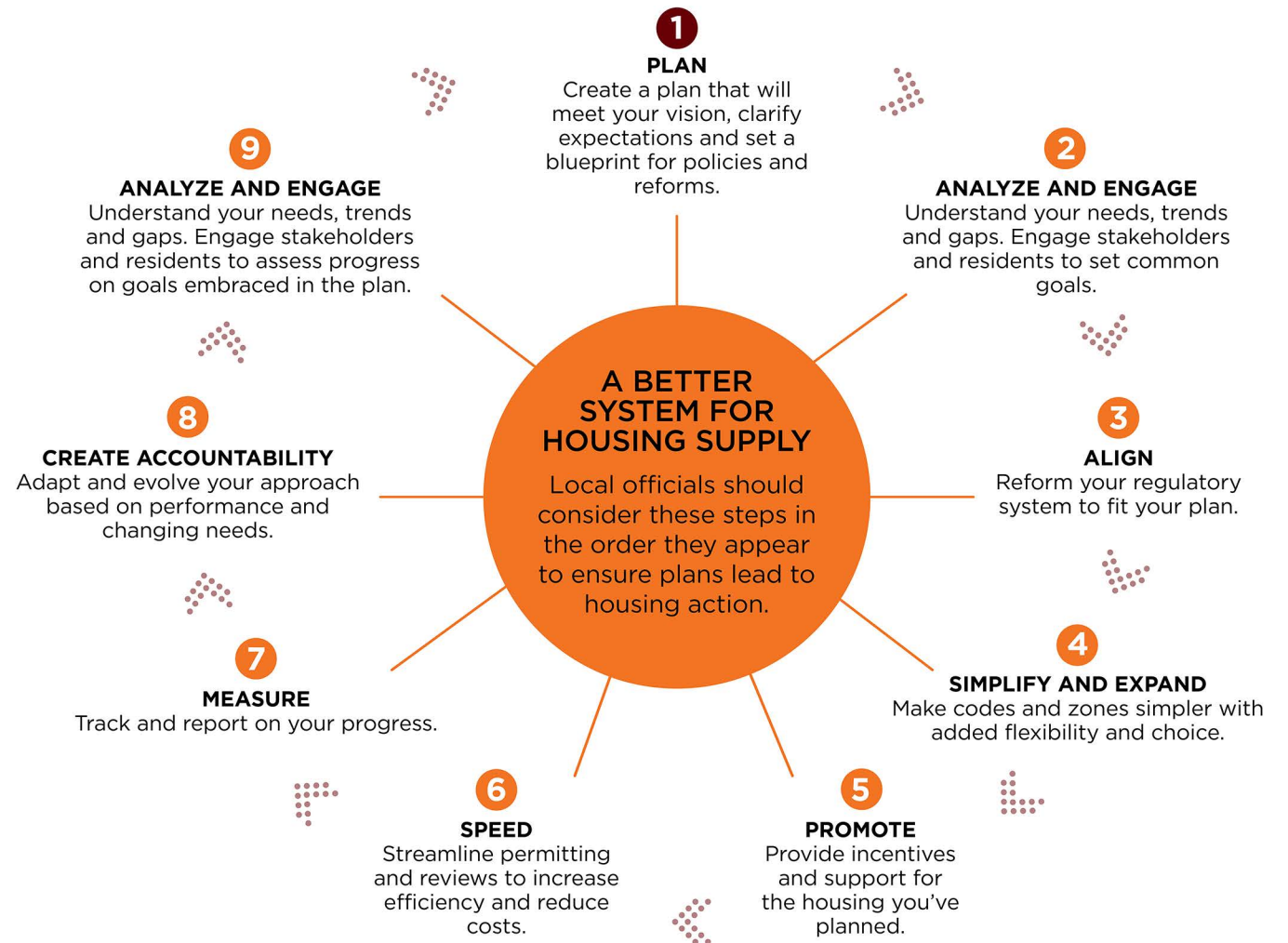
States can support local efforts by providing access to resources including funding, technical and capacity assistance. By contrast, state intervention uncoupled from resources often takes the form of preemptions. Source-of-income discrimination, short-term rentals, institutional investors and anti-displacement ordinances are among the issues outside of the scope of this playbook that may impact housing supply challenges that cities, towns and villages have been prohibited from directly addressing in various states.

Systems Approach to Addressing Housing Supply Challenges

Housing supply challenges involve myriad factors: construction and development; finance; land use and regulations; and infrastructure and workforce. A systems approach to addressing housing supply recognizes that all these factors are interconnected. This comprehensive perspective seeks solutions that effectively address the causes and impacts of housing supply challenges with an emphasis on collaboration.

The housing market is intricately linked to economic forces like inflation, interest rate and labor market conditions, which directly impact construction costs and affordability. The systemic effects of regulatory systems must be considered when making regulatory processes more transparent, predictable and flexible. In the same light, prioritizing infrastructure and related services connected to housing becomes imperative to address local housing needs effectively.

Left unaddressed, these challenges will further hinder communities' abilities to meet local housing supply needs. Recognizing the multifaceted nature of housing supply challenges, a systems approach through an equity lens avoids one-size-fits-all solutions. Instead, it embraces the complexity of the issue,



acknowledging the necessity for multilayered solutions tailored to the challenges in each locality.

A systems approach strives for coordination and synergy among the various sectors influencing housing supply. Instead of concentrating solely on the issues within one sector, it emphasizes the understanding that each sector must operate successfully individually for collective success. This involves aligning efforts across construction, development, finance, land use and regulations and workforce and infrastructure to create a collective impact in addressing housing supply shortages.

Collaboration among stakeholders, both public and private, is paramount to the success of addressing housing supply challenges. With a unified front, local governments, planners, developers, builders, real estate professionals, financial institutions, state and federal partners and other stakeholders can work toward tackling housing supply challenges with solutions that meet diverse local housing needs and address the root causes of housing shortages.

COLLECTIVE SUCCESS THROUGH COLLABORATION

The solutions embraced in this playbook are supported by our core partners across the housing sector: National Association of Home Builders, Mortgage Bankers Association and National Association of REALTORS®.



How Should Cities and Communities Use This Playbook?

This playbook is a resource for local leaders and planners addressing housing supply challenges in their cities and communities. The playbook is also a useful resource for private and public stakeholders to productively engage and collaborate with cities, towns and villages and share in the responsibility of addressing housing supply challenges. It is intentionally designed to be flexible, allowing users to tailor their exploration based on their needs. The playbook is not structured linearly and does not need to be read sequentially. Instead, users should leverage the table of contents to guide them to the areas where they specifically require guidance or seek inspiration.

The playbook serves as a starting point, providing a foundation to build upon and inspiration that solutions are viable at various stages of the journey. It aims to demonstrate the range of possibilities, through new and existing strategies, supported by city examples. This playbook serves as a roadmap for cities and communities to begin navigating housing supply challenges.

Sections

“Accelerating Housing Supply in Your Community” has four sections: [Collaboration and Partnership](#), [Construction and Development](#), [Finance](#) and [Land Use and Regulations](#).

The Collaboration and Partnership section explains the Housing Supply Accelerator (HSA) partnership framework and how to launch a local HSA. The other three sections focus on specific barriers for addressing housing supply challenges and offer a variety of tailored strategies.

Readers can navigate directly to the sections that align with the barrier(s) or obstacle(s) in their community to explore possible solutions. For instance, if a community is dealing with finance-related challenges, we recommend that they explore the Finance section for relevant strategies. Alternatively, readers can review all sections and decide which section to delve deeper into, based on their needs. The goal is to provide a resource with solutions to meet the unique needs of different communities.

STRATEGIES

Within each section, readers will find a range of strategies organized by complexity, ranging from beginner to advanced levels. Local leaders can filter through the section based on their progress, opting to start from the beginning for foundational information or jump to the middle or end for more advanced solutions. If a municipality has implemented some of the strategies, they can skip ahead. The playbook is designed to be accessible and relevant to cities and communities at every phase of their housing supply initiatives.

MENU OF OPTIONS

Within most of the strategies, readers will find a corresponding menu of options offering a range of potential approaches or solutions. This feature allows readers to explore new ideas and initiatives. Each option has a brief description intended to guide cities and communities in conducting further research and tailoring these solutions to their unique context.

TIPS



Within most strategies, there are tips to offer readers helpful considerations and practical advice. Crafted to inspire

creative thinking and promote effectiveness, these tips offer solutions to potential hurdles and hands-on suggestions.

CASE STUDIES

CASE STUDY

Most strategies incorporate case studies, offering real-world examples of successfully executed strategies. These case studies provide detailed explanations of how other cities and communities implemented the strategy effectively and their lessons learned. They present a diverse range of opportunities and practical insights. Importantly, these case studies reassure cities and communities that they are not facing housing challenges alone.

What This Playbook Is Not

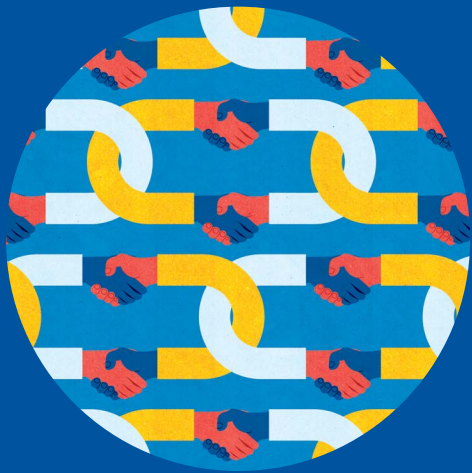
This playbook is **not a prescriptive list of recommendations** for all cities and communities to follow rigidly. It acknowledges that communities face unique challenges within their markets. That's why the playbook provides a range of ideas and solutions that can be tailored and adapted.

This playbook is **not a static report on housing supply challenges**; instead, it provides actionable steps to accelerate cities forward in their efforts. Rather than offering an analysis, this resource is a practical guide that empowers communities with tangible strategies to address their unique housing supply challenges.

The playbook **solutions are not absolute**. We encourage local leaders to engage with housing-related stakeholders, both public and private, in their communities and gain a deeper understanding of their local housing supply challenges. Cities are also encouraged to seek to learn from peer cities and understand how to coalesce stakeholders in their localities to replicate results.

The playbook serves as a starting point, providing a foundation to build upon and inspiration that solutions are viable at various stages of a user's journey.

Accelerating Housing Supply in Your Community



**Collaboration
and Partnership**



**Construction
and Development**



Finance

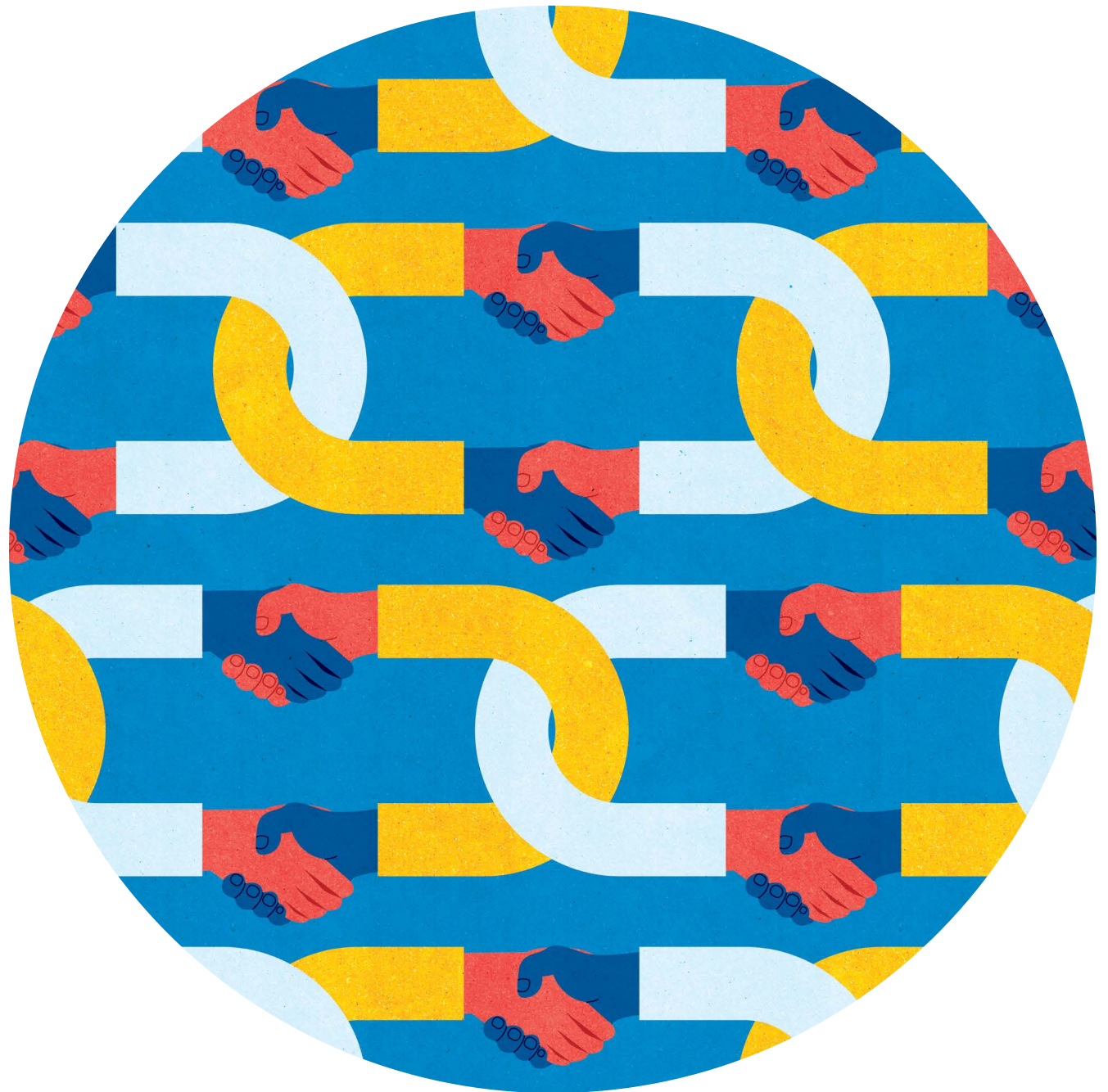


**Land Use and
Regulations**

Click image or text to advance to any section

Collaboration and Partnership

This section is intended to assist you in the identification of core housing decision-makers for your community, and to provide a blueprint for critical engagement that can lead to success.



Housing Supply Accelerator as a Model

The Housing Supply Accelerator (HSA) campaign can serve as a model and an example of collaboration and partnerships for cities and communities. Prior to the release of this playbook, the National League of Cities (NLC) and American Planning Association (APA) spent a year organizing and convening local officials, community planners, national associations representing the main sectors of the housing industry and other critical organizations that research and report on housing policy. What set these convenings apart from prior national efforts was the participation of core partners from national associations who represent the key decision-makers of the housing supply pipeline. Crucially, the campaign selected core partners whose choices impact housing attainability in municipalities, without regard to present or past disagreements.

The core partners embraced the goals of improving voluntary public/private-sector alignment and boosting positive outcomes. Each one made the year-long commitment to participate in all the convenings and interim discussions. HSA's core partners include

- Mortgage Bankers Association
- National Association of Home Builders
- National Association of REALTORS®

Efforts were focused on defining a common vocabulary for housing issues; renewing understanding of the roles, practices and values of each sector to identify consensus; and finding new ways forward where conflicts exist.

This section is intended to assist you in the identification of core housing decision-makers for your community, and to provide a blueprint for critical engagement that can lead to similar success.

One challenge the core partners identified throughout all of the convenings was poor communication—both among core partners and with the public—which can derail worthwhile development that otherwise has everything necessary to proceed. Miscommunication, when it comes to housing supply, is nearly as consequential as the inability to access resources. Strategies for clear and persuasive communications to community stakeholders, whether “not in my backyard” (NIMBY), “yes in my backyard” (YIMBY) or industry partners, became another focus of this effort.

While this process was critical to the campaign's efforts at the national level, it will not guarantee success at the local level. To replicate this process locally, start by identifying all core decision-makers impacting housing supply in your community. If any sector is missing, new systems' practices and directions that can work in concert to increase the availability, affordability and attainability of housing opportunities for your residents could take more time to develop.

This section aims to help you identify core housing decision-makers for your community, and to provide a blueprint for critical engagement that can lead to achievement of housing goals.

The Housing Supply Accelerator's Partnership Framework

The HSA utilizes a partnership framework to build an actionable level of consensus—not perfect consensus. This approach rejects condemning any one sector for the housing conditions in your community and instead fosters collaboration through more

informed decision-making, regular communication and common understanding. The framework's goal is to effectively incorporate a variety of stakeholder perspectives and resources into every phase of the campaign.

STAKEHOLDERS SHOULD CONSIDER INCLUDING REPRESENTATIVES AUTHORIZED TO SPEAK ON BEHALF OF:

- Local governments
- Community planners
- Residential builders (laborers)
- Real estate professionals
- Private and nonprofit developers
- Financial institutions
- Interest groups focused on housing supply
- Public housing authorities
- Local public policy or philanthropic organizations
- State housing agencies
- Local field offices of federal agencies: U.S. Housing and Urban Development, U.S. Department of Transportation, U.S. Office of the Comptroller of the Currency and/or U.S. Department of Agriculture.

This list of stakeholders is a template to help plan your convening. You may wish to add important community stakeholders, such as civic leagues and neighborhood association leaders, or members of faith-based organizations who can provide their perspective and help persuasively communicate your vision and efforts to the public. Or you may choose to bring in community stakeholders later if housing supply issues are divisive or bruising in your community. Although a degree of “real talk” is necessary to address existing tensions within the core group, careful consideration of partner selection can avoid giving naysayers or other opponents an easy opportunity to derail efforts. Consider

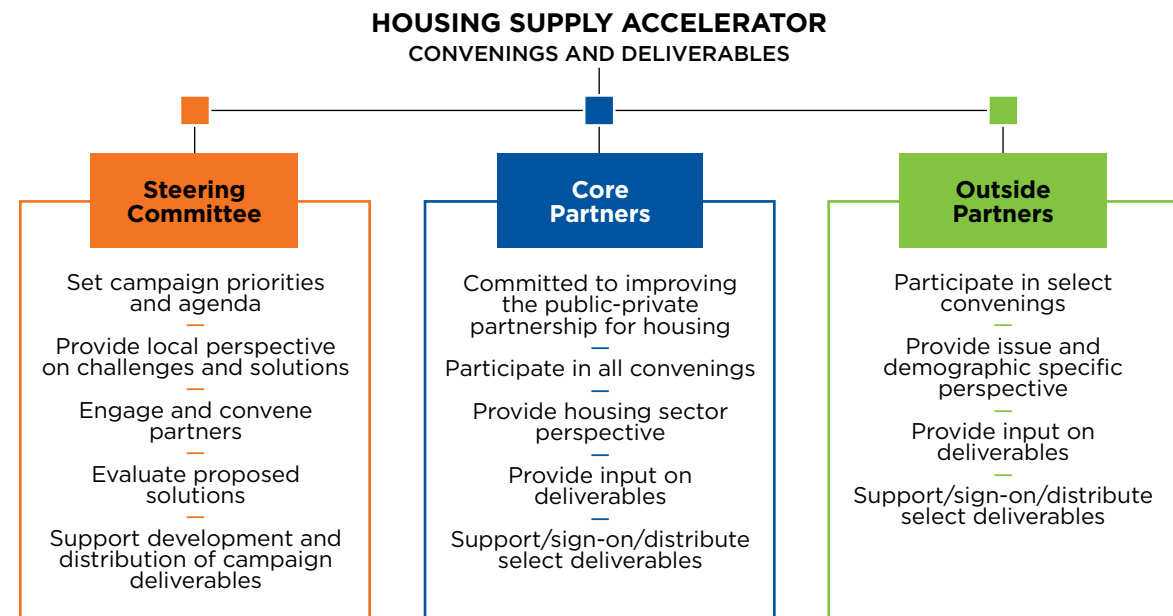
a professional facilitator to offer advice on the best approach for your community and/or to help core partners work through any issues without evident consensus.

The HSA partnership framework included three central groups: the steering committee, core partners and outside partners.

The **steering committee** included elected officials and

HSA PARTNERSHIP FRAMEWORK

Three main stakeholder groups served as the center of the HSA partnership framework: the steering committee, core partners and outside partners.



professional planners responsible for creating and enacting housing supply policies, who participated in convenings and working group meetings throughout the campaign. **Core partner organizations** included those whose decisions directly accelerate or hinder efforts to add housing and appropriate housing typologies to a community. The National Association of Home Builders, the National Association of REALTORS® and the Mortgage Bankers Association are foundational for housing supply. **Outside partners** are one or more degrees removed from decision-making that directly impacts housing supply in a community, such as public policy groups, public interest groups, academic researchers and locally active foundations and philanthropies. Outside partners agree to provide key insights on barriers, challenges and opportunities related to housing supply to help the steering committee and core partners make more informed decisions to set attainable goals.

How to Launch a Local Housing Supply Accelerator

To establish a local HSA that develops and commits to a common action plan, communities can implement a partnership framework and host convenings and related working groups associated with housing supply (see graphic at right).

STEP 1: Establish a Steering Committee

Thoughtful selection of local leaders to a steering committee is vital for success. Generally, steering committee members should have experience working directly with communities of focus, or have expertise in housing policy, planning or development. Members should hold a position of accountability to residents, whether elected or appointed, employed or contracted by the



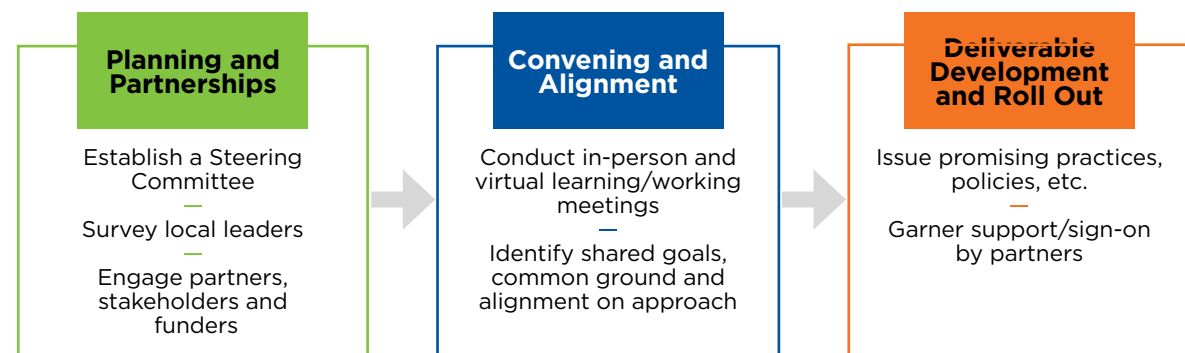
A survey of a broad cross-section of residents (beyond those already engaged) can provide a baseline of current community housing views and help measure changes in public sentiment from your future efforts through subsequent surveys.

local government, or otherwise be broadly recognized for their leadership.

We strongly recommend including local elected officials and planning professionals who will ultimately bear responsibility for the future enactment and execution of your action plan. Members could also include city or county housing staff, code enforcement and economic development staff, intergovernmental officers or liaisons and regional council of government representation.

If a community lacks local housing or planning professionals, consider going further afield than jurisdictional boundaries as long as there remains a strong connection to the community. A multi-jurisdictional effort with neighboring localities, county participation and regional expertise is acceptable and may even strengthen local efforts.

HOW DO YOU LAUNCH A LOCAL HOUSING SUPPLY ACCELERATOR?



It is also important to receive input from those who can speak to the housing supply challenges as experienced by constituents and the broader community, including historic and evolving perspectives. Community and stakeholder engagement of members will help you communicate your vision as it is in development, and with hope will create conditions for the community to move forward together. This approach is better than trying later to persuade a skeptical community all at once.

This is also the time to begin outreach to potential core and outside partners, and, importantly, potential funders.

STEP 2: Convene the Steering Committee, Core Partners and Outside Partners

Give careful consideration to who participates and how that participation is structured. Core partners are industry actors that can provide a range of practical perspectives into the state of financing, construction and preservation, rental leasing and home sales. Before the first convening with the steering committee, secure core partners' commitment to participate in your process and to keep an open mind. Major surprises or false expectations can set you back.

Core partners and the steering committee work to find common ground to build understanding and trust, identify a shared set of goals for public and private entities, develop recommendations for process and systems changes that improve alignment and efficiencies and champion implementation of HSA recommendations locally.

Prior to the discussion, provide access to relevant information and education. This can come from a common set of facts or from an outside partner's policy expertise. Outside partner organizations can include housing associations, public policy organizations,



Secure participation commitments and, if possible, financial commitments from nongovernment funders. Municipal budgets are often tight, and there may not be enough flexibility to support the efforts of the partnership framework. Setting up a “toolbox” of surveys, data and/or analytics, room and board for visiting experts, technology needs and professional facilitation is costly. Persuade those who stand to indirectly benefit from your efforts—major employers, health-care systems, school systems and philanthropic organizations—to contribute financial support.

analytics and data experts, universities and institutions with an interest or history of involvement in housing issues. Such organizations often have general expertise and informed views on regulatory processes, local laws and ordinances that could help inform the steering committee.

You may also consider seeking outside partners doing public policy or public interest work directly in your community, or larger groups with state and national footprints not yet directly invested in your community's outcomes. Suggested organizations include state [APA chapters](#), [state municipal leagues](#) and county associations, chambers of commerce, metropolitan planning organizations and public policy advocates. In addition to expertise, these organizations can introduce local governments to new housing sector partners and potential sources of funding. These groups can help in reviewing and identifying gaps or missing elements in your efforts.

Outside partner interaction with the steering committee should be politically unbiased. Access to issue expertise free of political influence is a key to bring about more informed decision-making on housing issues by local leaders.

STEP 3: Engage State and Federal Government Partners

Because the HSA model seeks **locally derived** housing supply solutions, engage state and federal partners that offer information, tools, services, programs, grants and/or other resources.

At the state level, potential partners include state housing, community development, transportation and economic development agencies. At the federal level, potential partners include regional and local field offices of the U.S. Department of Housing Development, local USDA Service Centers for Rural Development, regional community affairs officers from the Office of the Comptroller of the

Currency (an independent bureau of the U.S. Department of the Treasury) and branches of the Federal Reserve Bank. The missions of these executive branch offices may align with your community's housing efforts.

STEP 4: Selecting Convening Issues

Housing is a complex and multifaceted product of a range of sectors and services. Because of its complexity, HSA decided to focus exclusively and narrowly on housing supply—specifically, the production of new supply and the preservation and improvement of current supply. Based on this focus, the HSA convenings included:

- construction and development;
- finance;
- land use and regulations; and
- workforce and infrastructure challenges related to housing supply.

Though these four issues areas are interconnected in the practical application of housing development and preservation, each is sufficiently consequential at the national level to warrant a separate examination and discussion. Depending on your community's needs and challenges, your issues list may be larger or smaller. Remember, this is a template you can personalize for your community.

In between formal convenings focused on overarching issues, smaller focused working group meetings can aid in tackling difficult or niche issues. Steering committee members, core partners and outside partners offer policy expertise and share their perspectives in working group meetings. These forums are useful for deep dives on complicated issues and allow partners to resolve deeper conflicts free from the glare of a formal convening. Following working group meetings, participants provide their findings and outcomes to the steering committee in a formal setting. They also report unresolved



Consider designating a “Chief Housing Officer” to coordinate the implementation of the action plan and maintain relationships with core partners and other housing-related partners. This can help ensure the action plan progress is monitored/adjusted and allows for a local point of contact for housing supply issues.

views or positions so the steering committee may provide additional direction.

STEP 5: Delivering on Commitments and Executing Your Action Plan

Following the substantial work of information gathering, partner engagement and development of a coordinated action plan, it's finally time to act.

Your action plan will include locally driven housing supply solutions, some of which will be beyond the direct control of local governments. Keeping these elements in alignment and holding partners accountable to one another will take effort and regularly scheduled ongoing communication among core partners.

At this step of the process, champions—including core partners, outside partners, major employers and other key community voices—can influence public opinion. Use your champions' voices and platforms to create opportunities for public education and engagement.

Develop a communications plan and a crisis plan for publicizing endorsed action steps that anticipate supportive and critical community reactions. Crisis planning in advance is especially helpful if your community includes well-funded opposition groups. The campaign has an important role and responsibility in preparing champions to communicate locally driven findings and plans for action effectively and persuasively. As part of your communications plan, host a media training session for your champions to practice responses to critical questions and viewpoints. It is crucial for your champions to be visible and speak from a newly unified perspective.

Construction and Development

This section offers an array of strategies in construction and development to guide communities in shaping their housing landscapes effectively.





AT A GLANCE

13 Strategies to Support Construction and Development

Click the arrows → to advance to a strategy.



1 Engage local housing stakeholders and refine goals for local housing supply.



2 Identify gaps, obstacles and opportunities in building permit processes.



3 Review internal operations, organizational structure and management to ensure project reviews and permitting procedures are efficient and timely.



4 Evaluate, improve and streamline the city's development process.



5 Facilitate the development of small-scale residential projects.



6 Promote and facilitate infill development.



7 Minimize discretionary reviews.



8 Expedited or streamlined processes in high-priority housing development areas.



9 Take inventory of available land supply.



10 Facilitate housing development on public and privately owned land.



11 Create programs to support new and emerging small-scale developers.



12 Adopt innovative residential construction technologies.



13 Partner with organizations promoting careers in residential construction.



STRATEGY 13

Case Study: Waterloo, Iowa

Hawkeye Community College students gain hands-on experience.

This section offers an array of strategies in construction and development to guide communities in shaping their housing landscape effectively.

From fostering inclusive dialogues with housing constituents to streamlining permitting processes, each strategy supports increasing housing availability across diverse typologies. Strategies encourage local leaders to assess and leverage resources and partnerships to alleviate barriers for developers. Furthermore, they encourage cities and communities to embrace innovative construction methods to meet the demands of local housing supply.

Within each of the following strategies, you will find tips or menus of options that provide valuable context and insights for implementation, as well as case studies that show the strategy in practice.

STRATEGY 1

Engage local developers, real estate professionals, residential homebuilders and community members to refine local housing supply goals. Host community listening sessions to gather feedback on challenges to increasing, preserving and improving local housing.



When hosting community listening sessions, focus on cultivating collaborative engagement between local developers, real estate professionals, residential homebuilders and community members. Encourage an open and inclusive dialogue that allows all stakeholders to share their perspectives, ideas, concerns and solutions. By fostering a collaborative environment, you can build consensus, identify common goals and collectively address challenges in increasing, preserving and enhancing the local housing supply. Establishing community and resident needs during the pre-development stage also allows for mitigating unexpected late-stage challenges and delays that can arise from community pushback.

Sugar Land, Texas (Population: 111,032)

CASE STUDY

In response to demolitions and concerns over changing neighborhood character in Sugar Land's historic Hill area, the City Council acted by establishing a [Hill Steering Committee](#) in 2018. This committee, comprising residents and property owners, aimed to engage the community in discussions about potential modifications to development standards and other initiatives to preserve the neighborhood's character. By fostering open dialogue and community involvement, the program sought to facilitate conversations regarding neighborhood changes and involve residents in shaping future development decisions. Through a community engagement process, the program aimed to overcome challenges in creating housing that aligns with the desires of long-standing residents while addressing the evolving needs of the community and market.



The historic Hill area of Sugar Land, Texas. Photo courtesy of City of Sugar Land, Texas.

STRATEGY 2

Conduct a comprehensive assessment of the building permit and land entitlement processes to identify gaps, obstacles and opportunities to streamline the process for applicants.



Find a balance between regulatory compliance and creating a user-friendly experience for applicants. When assessing building permits and land entitlement processes, prioritize transparency, predictability and flexibility. Actively engage with developers to gather feedback and address gaps in the current processes. Regularly review and update protocols based on feedback and changing circumstances.

Portland, Oregon (Population: 625,503)**CASE STUDY**

The City of Portland [conducts an annual survey](#) to continually enhance its permitting processes. Initial findings from a 2021 customer survey led to subsequent improvements aimed at aiding customers in navigating the permit application process effectively. This survey assessed customer experiences, focusing on the ease of accessing information on the city's website. More than half of customer respondents reported improvements in the permitting resources provided on the website. The greater clarity in minimum submittal requirements for permit application was a vital addition to the permitting process overall.

7 QUESTIONS EVERY ELECTED OFFICIAL COULD ASK THEIR PLANNER

1. How long does it take?
2. Who gets to decide?
3. What's required?
4. What do developers need?
5. What tools do we have to help developers?
6. How do we make the permitting process more efficient?
7. What are the obstacles preventing people from building what we plan for?

STRATEGY 3

Review internal operations, organizational structure and management practices to ensure project reviews and permitting procedures are efficient and timely. Minimize departmental and regulatory overlaps and simplify internal regulatory processes.



Conduct a thorough inventory of the internal project review process, evaluating each stage from initiation to completion. Identify areas suitable for streamlining and determine where additional resources may be needed. Consider cross-training personnel to handle a broader range of tasks and implement digital tools to automate routine processes, minimizing manual intervention.

Rancho Cordova, California (Population: 79,332)**CASE STUDY**

The City of Rancho Cordova has [transitioned to using digital solutions](#) to streamline internal operations and enhance citizen engagement. The city is home to one of the largest employment centers in the region and has a significant portion of the population under age 35. Recognizing the importance of streamlined processes and user-friendly solutions, the city took proactive steps to retire its outdated software in favor of a modernized permitting and licensing system. This transition not only yielded tangible benefits such as significant time savings for staff but also facilitated a more agile and responsive approach to meeting citizen needs. With the implementation of the new system, the city saw an uptick in user engagement, garnering over 5,000 users leveraging the platform and a 38 percent increase in online license purchases.

STRATEGY 4

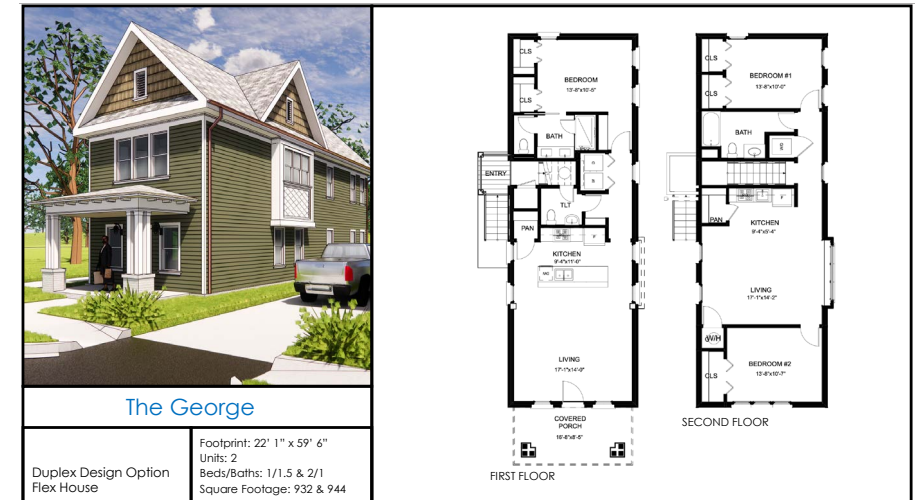
Evaluate, improve and streamline the city's development process, including establishing performance measures and accountability processes related to review timelines.

MENU OF OPTIONS

4.1 CONCIERGE SERVICE: Concierge service presents a complementary service offered to developers to navigate the city's development process for new construction or renovations. This specialized service provides a clear and efficient roadmap for housing projects from the initial development to the approval and permitting stages. The primary aim is to enhance the efficiency and success of housing projects by proactively addressing potential challenges and ensuring a seamless progression throughout the process.

4.2 EXPEDITED DEVELOPMENT REVIEW: An expedited development review process aims to significantly reduce the timeline required to ensure compliance with regulatory processes for new construction or renovations. This approach can be adaptable, allowing each locality to determine the specific types of projects eligible for a fast-tracked process and delineate the areas in the jurisdiction where this is permitted. Localities can leverage an expedited development review process to address their specific housing priorities, enabling them to achieve their goals faster while maintaining regulatory standards. While localities should strive to offer reliable and equitable delivery of services, expedited development processes can provide short-term, fast-tracked solutions to building necessary housing.

Municipalities are encouraged to assess and leverage resources and partnerships to alleviate development barriers for developers.



One of the pre-approved architectural designs curated by Pattern Zones Co for the City of Fayetteville, Arkansas. Original design by Robert Sharp.

Fayetteville, Arkansas (Population: 93,949)**CASE STUDY**

The City of Fayetteville is developing a program to streamline residential construction in its Downtown and Walker Park neighborhoods by offering [pre-approved architectural designs](#). This initiative aims to expedite the permitting process, saving residents time and money while providing new housing options. There will be 30 designs available, including single-family homes, townhomes, duplexes and cottages. These designs are part of the city's priority for compatible infill, as outlined by the city's 2040 Comprehensive Plan. By utilizing pre-reviewed plans provided by the city's Development Services Department, applicants can navigate the building process more efficiently and cut development costs that often impede small-scale housing development.

Columbus, Ohio (Population: 905,748)**CASE STUDY**

The City of Columbus introduced a [\\$100 million Housing Action Fund](#) aimed at expanding affordable housing options in Franklin County, implemented by the Affordable Housing Trust for Columbus & Franklin County in collaboration with Franklin County, corporate partners and The Columbus Foundation. The initiative offers low-cost loans to developers committed to specific affordability criteria and to preserve and expand housing units. The availability of pre-development capital through public-private partnerships and the Housing Action Fund seeks to help small and nonprofit developers fund the building and preservation of necessary affordable housing in Columbus.

STRATEGY 5

Examine and implement processes to facilitate the development of small-scale residential projects such as duplexes, triplexes, fourplexes, cottages and other neighborhood-scale housing types.

MENU OF OPTIONS

5.1 PRE-APPROVED DESIGN PLANS: As elaborated in the previous strategy, pre-approved design plans are particularly well suited for small-scale projects. They provide developers with a straightforward and cost-effective route for small-scale housing development projects.

5.2 TECHNICAL ASSISTANCE: Establishing and supporting technical assistance programs is vital to training small-scale developers

BOOSTING HOUSING CHOICE WITH PERMITTING

Communities and cities nationwide are turning to pre-approved architectural designs and plans to expedite permitting processes that slow and add costs to housing development. These process improvements are leading to more housing choice from Fayetteville, Arkansas, to Groveland, Florida. Learn more in the case studies spotlighted throughout this section.

and individuals without prior housing development project experience. These programs equip developers with the essential knowledge required to finance projects, strategize effectively and comprehend the intricacies of the development process. Support existing programs financially or through city partnerships to cast a wider net of interested developers. Training can help ensure more diverse developers can enter the housing ecosystem, contributing to the construction of needed housing options.

5.3 FACILITATE PRE-DEVELOPMENT CAPITAL: The capital required to kick-start a project is a potential barrier to entry, particularly for small-scale developers. Localities can facilitate access to pre-development capital needed to overcome expenses associated with project starts. Localities can make pre-development capital available through loans or grants that developers can use to cover land costs, design fees, site work, permitting costs and environmental due diligence. This method ensures adaptability to diverse financial scenarios, promoting inclusivity in the development landscape.

South Bend, Indiana (Population: 103,453)**CASE STUDY**

The City of South Bend has introduced the [Build South Bend online toolkit](#) designed to assist small-scale developers in sourcing properties, performing due diligence, producing necessary permits and more. The toolkit reflects a collaborative effort involving local banks, contractors, real estate agents and various city departments. By offering valuable guidance and resources to small-scale developers, the toolkit aims to inspire community members to pursue their own projects.

Groveland, Florida (Population: 18,505)**CASE STUDY**

The City of Groveland, located in fast-growing Central Florida, recognized the need for a more streamlined residential development process. The city developed a [portfolio of pre-approved architectural plans](#), complete with zoning and code approval, to alleviate the financial burden, time constraints and uncertainties typically associated with small-scale residential projects. The city is reducing impact fees for missing middle housing types and delaying fees for any developers using the pre-approved plans to allow for smaller developers to secure necessary financing. These initiatives aim to incentivize the mix of housing types and community features to facilitate smart growth, all while preserving at least 50 percent of the city's utility service area for conservation and agriculture.

STRATEGY 6

Promote and facilitate infill development, encouraging compact development that utilizes existing infrastructure to maximize efficiency and connectivity and minimize sprawl.



When considering [infill development projects](#), identify areas with underutilized/vacant spaces or buildings. Infill development can also target grayfield and brownfield sites. Grayfields include stand-alone buildings, vacant shopping strips, and large malls that are outdated and no longer serve community needs. Brownfields are previously developed sites potentially contaminated from past use, requiring remediation to ensure safety. By repurposing these spaces, communities can revitalize their neighborhoods and address housing shortages.

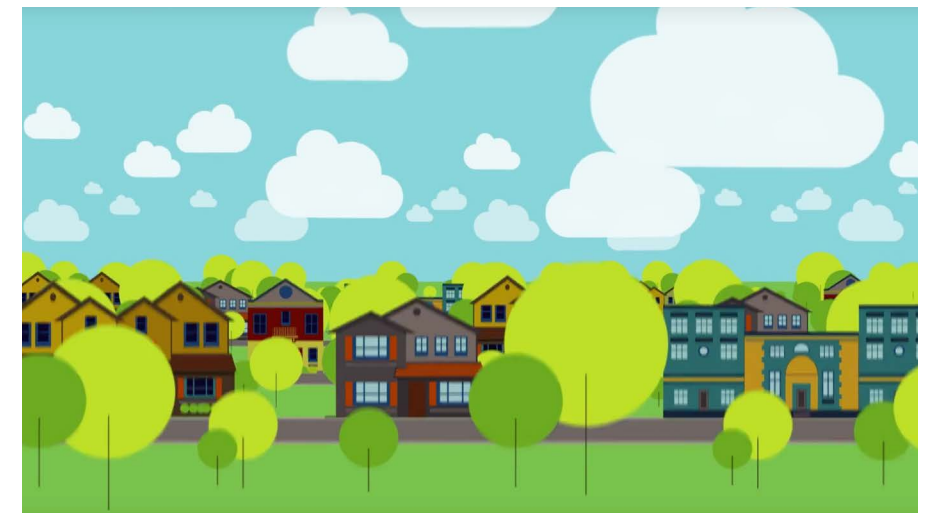
**WHAT IS RESIDENTIAL INFILL DEVELOPMENT?**

Residential infill development refers to the development of new housing on vacant or underutilized land in previously developed areas. The term encompasses everything from a single new dwelling in an established neighborhood to multifamily residences in strategic locations. For built-out communities, residential infill is the only option to satisfy demand for additional housing. For communities with room to grow outward, residential infill represents an opportunity to use land, infrastructure and services more efficiently.

A City of Tacoma, Washington, video explains the Residential Infill Pilot Program.

Tacoma, Washington (Population: 219,346)**CASE STUDY**

The City of Tacoma launched the [Residential Infill Pilot Program](#) to allow construction of missing middle housing within predominantly single-family neighborhoods while maintaining harmony with neighborhood patterns and character. It permits four housing types, ranging from two-family residences to small multifamily and cottage housing developments. The program allows for flexibility in how units are arranged on sites, provided developments adhere to the site's One Tacoma Comprehensive Plan density ranges. The city hopes to showcase successful examples of these housing types through the pilot program to inform future Council decisions regarding regulatory approaches to missing middle housing. One such effort, known as the [Home in Tacoma Project](#), is a citywide rezoning initiative that will result in permitting missing middle housing in areas currently limited to single-family development.



Yuma, Arizona (Population: 95,548)**CASE STUDY**

The City of Yuma introduced the [Infill Incentive Plan](#) to promote infill development and revitalize neighborhoods. Developed through collaboration among city departments, the plan establishes the Infill Overlay District (IO) and offers incentives to encourage development within this zone. The plan includes the Infill Incentive Toolkit, which equips developers with resources to address regulatory challenges and financial barriers. This toolkit offers various incentives to invest in infill properties, including financial benefits and regulatory flexibility.

STRATEGY 7**Promote simplified and efficient review processes to minimize discretionary reviews.**

Regularly assess and refine project review procedures to expedite approval timelines without compromising regulatory standards. In areas with repetitive project types or with established prioritized housing development focus, consider leveraging ministerial (by-right) or administrative project reviews. These streamlined processes are particularly suitable for approved project types with already established standards. Embracing these efficient review mechanisms ensures a responsive regulatory framework.

STRATEGY 8

Consider implementing a separate permitting process for residential development projects outside the pre-approved framework, including the potential impacts and benefits of

changes. This includes expedited or streamlined processes in high-priority housing development areas or for housing types identified in adopted housing plans.



In high-priority housing development areas, precisely define the criteria for housing types eligible for expedited or streamlined processes, especially those identified in adopted housing plans. Clearly outline the parameters to facilitate meeting housing goals while maintaining regulatory standards.

Kirkland, Washington (Population: 92,175)**CASE STUDY**

The City of Kirkland [developed two innovative programs](#) to enhance housing options and promote sustainable construction practices within the community. The Pre-Approved

The City of Kirkland, Washington, developed a pre-approved detached accessory dwelling unit (DADU) program, with pre-approved plans that can significantly reduce design fees. Rendering courtesy AHOUSE STUDIO.



Detached Accessory Dwelling Unit (DADU) Program offers homeowners a streamlined process to add affordable living space to their properties. By utilizing pre-approved plans, homeowners benefit from expedited permit review and can significantly reduce design fees. Similarly, the High Performing Green Building Program incentivizes the construction of energy-efficient structures by providing expedited permit review for buildings exceeding standard energy-efficiency requirements. These buildings prioritize sustainability, water efficiency and indoor air quality.

STRATEGY 9

Take inventory of available land supply, brownfields, land controlled by public agencies and private land.



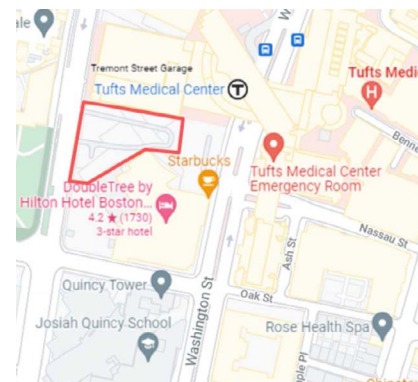
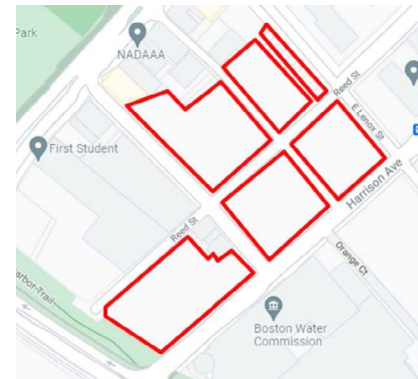
Creating an assessment of available land supply is important to identify strategic opportunities and optimize land use for housing development. Develop a comprehensive assessment of available land supply for housing development, using a geographic mapping system (GIS) to document vacant land. This approach facilitates accurate recordkeeping and streamlines the process of keeping the list current. In localities with colleges and universities, explore research partnerships with institutions to undertake inventory projects, leveraging their resources and expertise while creating learning experiences.

Boston, Massachusetts (Population: 675,647)

CASE STUDY

In 2022, the City of Boston conducted and released the [Public Land for Public Good: Citywide Land Audit](#). This comprehensive audit inventoried all city-owned and quasi-city

Boston's Public Land for Public Good Audit identified and mapped vacant and underused parcels.



agency properties, pinpointing vacant or underutilized parcels. Initial findings revealed 9.5 million square feet of vacant or underutilized land, representing 5.4 percent of the total land under city ownership. The audit results will help the city decide how best to use city-owned land to serve the community. Land use options include the creation of safe, affordable housing units in key locations; fostering transformative community development projects to enhance the city's cohesion; and deploying land for homeless services and transitional housing. To date, the city has made significant strides advancing many of these parcels to serve its evolving needs.

STRATEGY 10

Facilitate housing development on public and privately owned land.

MENU OF OPTIONS

10.1 DONATED OR DISCOUNTED CITY-OWNED LAND: Consider donating or discounting city-owned land for housing development. This approach can help improve development processes to better meet the needs of both developers and municipalities.

10.2 REVIEW AND UPDATE PUBLIC AGENCY RULES AROUND THE REDEVELOPMENT, REPURPOSING OR DISPOSITION OF UNDERUSED/UNUSED SURPLUS PROPERTY: Consider conducting a comprehensive review to identify specific rules and regulations that may act as barriers to land utilization.

10.3 VACANT, ABANDONED OR DERELICT PROPERTIES: Identify

and utilize vacant, abandoned or derelict properties for housing development, contributing to both community revitalization and increased housing supply.

10.4 LAND OWNED BY TRANSIT AGENCIES, SCHOOL DISTRICTS AND FAITH-BASED ORGANIZATIONS: Through strategic partnerships, explore the potential of land owned by transit agencies, schools and faith-based organizations for housing development.

Carrboro, North Carolina (Population: 21,295)

CASE STUDY

The Town of Carrboro is taking steps to address its affordable housing needs by [using publicly owned land parcels](#). The approved multistep approach involves conducting thorough site analyses to determine the feasibility of affordable housing development on the land. The process involved cross-sectoral collaboration between various stakeholders, including community members, city officials and technical experts to ensure alignment with local needs and priorities. By leveraging publicly owned land, the Town of Carrboro aims to create accessible and sustainable housing solutions.

STRATEGY 11

Support funding and/or partnerships with community development corporations or community-based organizations to launch a developer program.

MENU OF OPTIONS

11.1 SMALL-SCALE DEVELOPER PROGRAM: Support programs geared to nurture and train small-scale housing developers that

FAITH-BASED DEVELOPMENT

Religious institutions are emerging as a key development partner to communities pushing to produce more attainable housing. By removing existing barriers to housing development on faith-based properties, cities and communities can increase housing supply.

LEARN MORE AT PLANNING.ORG:

[Transforming Empty Churches into Affordable Housing Takes More Than A Leap Of Faith](#)

recognize their unique challenges and seek to enhance their capabilities.

11.2 EMERGING BLACK, INDIGENOUS, PEOPLE OF COLOR

(BIPOC) PROGRAM: Support programs that train emerging BIPOC developers to address their underrepresentation in the housing development process and the barriers they face. Due to systemic wealth disparities, accessing early-stage development capital presents a significant challenge for BIPOC developers, who may be required to [demonstrate a substantial equity contribution](#) to secure funding from lending institutions. [Additionally, BIPOC developers often lack](#) the financial support, networks and experience required to secure funding for housing projects. Implementing a targeted program that offers training, opportunities and resources for BIPOC individuals would promote diversity within the developer landscape.

11.3 FAITH-BASED DEVELOPMENT PARTNERSHIPS: Explore partnerships with faith-based institutions to tap into their potential as developers. Encourage and support faith-based organizations in contributing to housing development initiatives. This strategic approach expands the pool of developers and fosters collaboration and support within the local community.

Austin, Texas (Population: 961,855)

CASE STUDY

The [Austin Small Developer Training Program](#), funded by the Austin Housing Finance Corporation, offers a unique opportunity for small-scale developers, historically excluded from the market, to play a larger role in addressing the region's housing challenges. It provides essential resources, such as a free four-month training course, technical assistance, mentorship



Damian Ellis is one of the developers who have benefitted from a training program. Photo from Capital Impact Partners video.

and networking. This collaboration between Capital Impact Partners, HousingWorks Austin and the City of Austin seeks to close wealth gaps and promote equitable investment in underserved communities.

Atlanta, Georgia (Population: 498,715)

CASE STUDY

The Mayor's Faith-Based Development Initiative (FBDI) seeks to create a pipeline of community-based organizations that leverage existing development incentives to expand affordable housing development. [This initiative aims to produce 2,000 units](#) of affordable housing within eight years. Established by the city's Office of Housing and Community Development in conjunction with Atlanta's housing agencies, the initiative provides resources and support to participating organizations at every stage

of the development process—from assessing each organization's readiness through the FBDI Quick Start Guide to providing access to zoning information and market conditions. Through visioning sessions, technical workshops and peer mentoring, organizations receive guidance and expertise to navigate housing development best practices effectively.

STRATEGY 12

Position your local government to adopt new and innovative residential construction technologies by initiating pilot programs.

MENU OF OPTIONS

12.1 MANUFACTURED HOUSING: [Manufactured houses](#) are constructed entirely within a factory on a permanent frame. These homes are transported as a unit or in parts to the site and installed under the federal HUD building code, known as Manufactured Home Construction and Safety Standards.

12.2 MODULAR HOUSING: [Modular houses](#) are prefabricated houses, constructed in a factory as multiple box-like modules before being transported to the desired location for assembly. These homes [adhere to local, state or regional codes](#) applicable to their designated site, like traditional site-built homes.

12.3 PANELIZED HOUSING: Panelized housing consists of prefabricated panels containing the [roof, wall panels and floor systems](#) that are transported to the site for assembly. Panelized homes must meet local, state or regional codes for where they are sited.

12.4 3D PRINTED HOUSING: 3D printed housing [uses 3D printing technology](#) to construct homes layer by layer, often made of cement. The printer dispenses the paste-like mixture, following the floor plan created on computer-aided design (CAD). Construction can occur on-site or off-site.

12.5 MASS TIMBER CONSTRUCTION: [Mass timber](#) is known for its strength, lightweight nature and faster construction time. It has lower carbon material compared to concrete and steel, offering an environmentally conscious alternative for larger housing projects.

Jackson, Mississippi (Population: 153,701)

CASE STUDY

The City of Jackson, in collaboration with the Mississippi Manufactured Housing Association (MMHA), Rosemont Human Services and the Neighborhood Assistance Corporation of



Jackson, Mississippi, is working to boost quality affordable housing options through manufactured homes. Photo by Chris Nicely/ManufacturedHomes.com.

America (NACA), launched an initiative to boost quality [affordable housing options](#) through manufactured homes. The involvement of MMHA brings industry expertise to the project, ensuring cost-effective yet high-quality housing solutions. NACA's involvement ensures financial counseling and access to affordable mortgages that promote homeownership opportunities. This collaboration aims to change attitudes toward manufactured homes by demonstrating how they can create affordable and sustainable housing options.

STRATEGY 13

Explore and leverage partnerships with local home builder associations or community technical assistance colleges to promote and encourage careers in residential construction trades.

MENU OF OPTIONS

13.1 PARTNERSHIPS WITH EDUCATIONAL INSTITUTIONS AND ORGANIZATIONS:

Partner with entities that train individuals in the residential building and trades industry. Consider partnering with school systems to spark student interest in construction careers, with early engagement before high school. Large organizations that participate in similar training programs include the Home Builders Institute and the National Center for Construction and Education Research.

13.2 UPSKILLING AND RESKILLING PROGRAMS: Collaborate with the private sector, educational institutions and industry stakeholders to establish upskilling and reskilling programs specifically designed for the construction workforce. Upskilling programs aim

to enhance the knowledge, expertise and capabilities of individuals within the construction workforce, aligned with industry advancements and technological changes. Reskilling programs train individuals from related fields to meet the specific demands of the construction industry.

13.3 EXISTING WORKFORCE DEVELOPMENT PROGRAMS:

Evaluate and leverage workforce development programs that promote careers in residential building and trades. Identify opportunities for enhancement or collaboration to maximize impact. Leverage partnerships for students to secure work experiences and connections in the building industry to lead to jobs.

13.4 EXPANDED APPRENTICESHIP PROGRAMS: Create, strengthen and/or expand apprenticeship programs within the residential building and trades industry that provide practical, hands-on training and mentorship opportunities.

Waterloo, Iowa (Population: 67,314)

CASE STUDY

The Waterloo City Council [partnered with Hawkeye Community College](#) to facilitate hands-on learning for students enrolled in its Sustainable Construction and Design program as part of the city's 2030 Vision Plan. By selling vacant lots for \$1 and allocating funds for labor and materials, the City Council enables students to gain practical experience while addressing the shortage of affordable housing and rebuilding the community. The sale of these vacant lots also works to eliminate blight, invest in older neighborhoods and train the future workforce for housing infill projects. Local contractors donate labor and materials,



First-year students in the Sustainable Construction and Design program at Hawkeye Community College in Waterloo, Iowa, learn about building a foundation. Photo courtesy of Hawkeye Community College.

stretching public funding, and provide mentorship opportunities for students. This partnership also promotes energy-efficient housing construction, contributing to sustainability goals and reducing home energy costs. Graduates of the program enter the construction field, helping to meet the workforce needs of the construction industry and driving economic growth in the Cedar Valley region.

Rochester, Minnesota (Population: 211,328)

CASE STUDY

The City of Rochester, through its participation in the Bloomberg Philanthropies' Global Mayors Challenge, has developed a program to help BIPOC women enter the construction industry. Equity in the Built Environment is a co-design concept program born out of community engagement and a collective drive to [remedy the health, income and labor disparities](#) deepened by the COVID-19 pandemic. The construction of a local medical center introduced more than 2,000 annual construction jobs vital to the economic recovery of the community. Through this program, Rochester seeks to develop strategies that address the need for a larger workforce and promote diversity and inclusion in the residential building and trades industry.

Finance

This section presents readers with a range of finance strategies aimed at bolstering production, preservation and the improvement of local housing supply.



AT A GLANCE

17 Strategies to Support Financing Housing Supply

Click the arrows → to advance to a strategy.



1 Develop a funding strategy.



2 Use federal housing funding.



3 Use state housing funding.



4 Leverage federal infrastructure funding.



5 Use FEMA funding for disaster resilience.



6 Use FEMA funding for post-disaster rebuilding.



7 Investigate intercommunity collaboration for housing planning and financing.



8 Leverage public-private partnerships.



9 Partner with financial institutions.



10 Use proven gap financing strategies.



11 Explore alternative financing strategies.



12 Explore housing policy levers.



13 Convene financial institutions on small-scale multifamily development.



14 Convene financial institutions on weatherization and climate adaptation.



15 Convene financial institutions on cooperative or shared equity housing models.



16 Develop innovative financing tools to facilitate adaptive reuse.



17 Pilot a pay-for-performance project.



STRATEGY 4

Case Study: Redmond, Washington

An affordable housing TOD complex. Photo courtesy of Sound Transit.



his finance section presents readers with a range of strategies aimed at bolstering production, preservation and the improvement of local housing supply. These strategies encourage cities and communities to inventory available

funding sources and leverage federal- and state-level financial resources to their fullest extent.

This section also explores the role of the private sector, philanthropic foundations and community-based organizations in financing housing development, offering insight into alternative funding avenues. Finally, this section explains how cities and communities can convene financial institutions to advocate for developing missing financial products tailored to the diversity of housing types needed at the local level.

Within each of the following strategies, you will find tips or menus of options that provide valuable context and insights for implementation, as well as case studies that show the strategy in practice.

STRATEGY 1

Take inventory of all allowable financial tools and programs available to a local government to develop a funding strategy that supports the production, preservation and improvement of local housing supply.

MENU OF OPTIONS

1.1 FEDERAL PROGRAMS: Explore the array of financial tools and programs at the federal level specifically designated for funding local housing initiatives. While many federal programs are explicitly tailored for housing, it's essential to recognize that some programs address related areas like infrastructure and sustainability. Consideration of these programs is crucial, as they may offer funding for housing-related projects aligned with specific criteria and objectives.

1.2 STATE PROGRAMS: Study the financial tools and programs available at the state level to support local housing initiatives. States often serve as the administrators for various federal housing funds directed to local governments. Additionally, they allocate financial resources to local governments, such as tax credits and grants, that can advance local housing initiatives.

1.3 LOCAL POLICIES AND PROGRAMS: Examine all policies and programs available at the local level to fund local housing initiatives. This may include incentives, tax abatements, local housing trust funds and bonds that can finance housing development.

1.4 PRIVATE AND PHILANTHROPIC FUNDING:

Consider partnerships with private, nonprofit organizations and philanthropic organizations interested in financing local housing initiatives. Identify organizations that align with the goals of improving and preserving the local housing supply and assess the opportunities for collaboration.

Hood River, Oregon (Population: 8,313)

CASE STUDY

To fund the development and preservation of affordable housing, the City of Hood River prepared an [Affordable Housing Strategy](#) to identify a more diverse set of potential funding sources. In addition to traditional funding options, Hood River explored establishing a new Urban Renewal District, which uses tax increment financing to fund identified priorities such as affordable housing, pursuing a General Obligation Bond backed by property tax increases, and using revenue from a 1% Construction Excise Tax to provide developer incentives and acquire land for affordable housing. Additionally, the strategy identified partner funding sources available at the local, regional and state levels to fund a variety of housing programs.

San Antonio, Texas (Population: 1,434,625)**CASE STUDY**

San Antonio's [Strategic Housing Implementation Plan](#) demonstrates a collaborative approach to addressing housing needs through a blend of federal and state funds, tax credits, bonds and public-private partnerships. San Antonio collaborated with community members to assess local housing needs and develop goals to create and preserve deeply affordable housing. To meet housing needs for the next 10 years, San Antonio needs an estimated \$3 billion, including \$1 billion from local resources. In collaboration with the county, Housing Authority and Housing Trust, the city leverages various funding sources to achieve its housing goals. By tapping into a range of financial mechanisms and partnerships, San Antonio aims to meet its housing targets and foster a sustainable and inclusive approach to community development.

STRATEGY 2

Use federal housing funding to produce, preserve and improve local housing supply.

MENU OF OPTIONS**2.1 PATHWAYS TO REMOVING OBSTACLES TO HOUSING (PRO HOUSING) GRANT:**

The PRO Housing grant, a program through the U.S. Department of Housing and Urban Development (HUD), awards grants of up to \$10 million to local governments that have documented significant housing needs. Local governments must demonstrate they have taken steps to identify, address or remove barriers to housing production and preservation. Barriers may encompass challenges related to zoning and land use, financial gaps, deteriorating infrastructure and community amenities and climate resilience.

UNLOCKING HOUSING SUPPLY SOLUTIONS THROUGH FINANCING

Missing financing tools is a significant barrier for communities in the push to build more diverse housing. Communities should take the following steps to close housing development finance gaps:

- ✓ **Inventory** available funding sources.
- ✓ **Leverage** federal- and state-level financial resources.
- ✓ **Convene** financial institutions to advocate for local solutions.

2.2 COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG):

CDBG, a HUD program, provides annual grants on a formula basis to states, cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. This grant supports housing-related activities such as residential property rehabilitation but does not fund construction of new housing.

2.3 SECTION 108 LOAN GUARANTEE PROGRAM (SECTION 108):

Section 108, a HUD program, provides CDBG recipients with the ability to leverage their annual grant allocations to access low-cost, flexible financing for economic development, housing, public facility and infrastructure projects. Housing-related activities eligible under this program include housing rehabilitation and affordable housing construction in limited circumstances.

2.4 HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME):

HOME, a HUD program, provides formula grants to states and localities, often in partnership with local nonprofit organizations. These grants fund a range of housing activities, including construction, acquisition, and/or rehabilitation of affordable housing for rent or homeownership or providing direct rental assistance to low-income individuals.

2.5 EMERGENCY SOLUTIONS GRANTS PROGRAM (ESG):

ESG, a HUD program, is a formula grant awarded to metropolitan cities, urban counties, territories and states to assist people with quickly regaining stability in permanent housing after experiencing a housing crisis and/or homelessness. This program funds various

eligible activities, such as outreach to people experiencing homelessness, improving emergency shelter conditions, supporting homelessness prevention efforts, providing rapid re-housing assistance, implementing Homeless Management Information Systems (HMIS) and limited administrative activities.

2.6 RURAL HOUSING SERVICE: The Rural Housing Service, a HUD program, provides programs dedicated to constructing or improving single-family housing and essential community facilities in rural areas. These programs encompass loans, grants and loan guarantees. Additionally, the U.S. Department of Agriculture (USDA) provides program support services to facilitate all rural development programs that require architectural and appraisal services.

2.7 LOW-INCOME HOUSING TAX CREDIT (LIHTC): Administered by the Internal Revenue Service (IRS) and authorized under the Tax Reform Act of 1986, LIHTC provides private investors with a federal income tax credit as an incentive for equity investments in affordable rental housing. The program allocates \$9 billion in annual tax credits to state housing finance agencies, distributed based on state population. The credits are then extended to developers to offset expenses related to the acquisition, rehabilitation or new construction of rental housing intended for low-income households. This federally funded program is administered by individual states, ensuring targeted support for local housing needs.

2.8 INDIAN COMMUNITY DEVELOPMENT BLOCK GRANT (ICDBG): ICDBG, a HUD program, provides grants for the development of American Indian and Alaska Native communities, including housing rehabilitation and land acquisition to support

EIGHT U.S. FEDERAL PROGRAMS EVERY LOCAL LEADER SHOULD KNOW

Local elected officials and planners can leverage the following federal programs to close financing gaps and speed housing development in their communities:

Pathways to Removing Obstacles to Housing Program

Community Development Block Grant

Section 108 Loan Guarantee Program

HOME Investment Partnership Program

Emergency Solutions Grants Program

Rural Housing Service

Low-Income Housing Tax Credit

Indian Community Development Block Grant

new development and, on occasion, new construction. This grant program also supports the development of community facilities and economic opportunities, primarily for low- and moderate-income persons.

Omaha, Nebraska (Population: 486,051)

CASE STUDY

The City of Omaha [leveraged \\$20 million in American Rescue Plan Act \(ARPA\) funding](#) to secure an additional \$20 million in philanthropic contributions to produce and preserve affordable housing for renters, homebuyers and homeowners throughout the city. Additionally, the city received approval for \$20 million in HUD Section 108 funds to support the development and preservation of affordable housing within its Neighborhood Revitalization Strategy Areas (NRSAs). In collaboration with Front Porch Investments, these initiatives unite funders, community stakeholders and housing-supportive entities to tackle Omaha's housing challenges head-on. Through impact-driven funds and the provision of low-interest loans and grants, Front Porch streamlines the investment process for affordable housing development.

STRATEGY 3

Use state housing funding to produce, preserve and improve local housing supply.

MENU OF OPTIONS

3.1 HOUSING TRUST FUNDS: Leverage state-level housing trust funds to allocate resources for the production and preservation of housing at the local level. The state determines how funds are administered, permissible uses and funding sources of the trust

fund. Funding from the housing trust fund can address various local housing needs, aligned with state regulations.

3.2 HOUSING TAX CREDITS: States can institute a program mirroring the federal LIHTC to stimulate private investment in attainable housing. This initiative offers [nonrefundable state tax credits](#) to investors involved in housing projects, thereby incentivizing their support for the development of attainable housing.

3.3 GRANT PROGRAMS: States can establish dedicated grant programs aimed at preserving, rehabilitating and constructing new housing units. These initiatives provide targeted financial support to address the critical relationship between housing, infrastructure and development.

3.4 STATE ALLOCATION OF HUD BLOCK GRANTS: [States play a crucial role in managing federal housing funds](#), including three significant HUD Block grants, HOME, CDBG and ESG, explained in the previous strategy. Localities can seek access to these block grant funds through their state. In some cases, states distribute funds to localities using a predetermined formula.

State of Virginia (Population: 8,631,373)

CASE STUDY

Virginia Housing's [Innovative Demonstrations Program](#) was established in 2019 to invest in innovative housing solutions, including advanced factory-built housing. Through internally generated funds, Virginia Housing established this grant program aimed at fostering partnerships between manufacturers, developers and local jurisdictions to encourage the acceptance of advanced factory-built homes and other housing innovations within

An example of Virginia Housing's 3D printed housing. Photo courtesy of Alquist.



zoning regulations. This encompasses next-generation modular and manufactured homes, which offer benefits such as improved quality, reduced construction time and costs and decreased environmental impact. With high demand for affordable starter homes, particularly in underserved communities, Virginia Housing prioritizes expanding the inventory of affordable housing options. Virginia Housing has also supported other advances in housing production, including accessory dwelling units and 3D concrete printing. By providing grants and resources, Virginia Housing's Innovative Demonstrations Program promotes innovative housing solutions and equitable access to homeownership and wealth building in historically marginalized communities.

State of Delaware (Population: 989,946)

CASE STUDY

The Delaware State Housing Authority (DSHA) implemented construction financing strategies to address disparities in affordable housing development across the state. DSHA

allocated \$5 million to establish the [Area of Opportunity Land Bank Program](#). This initiative aims to provide affordable housing developers with “the gift of time” and resources to navigate the competitive real estate market in areas of economic promise. Due to the competitive nature of LIHTC funding, the Area of Opportunity Land Bank Program was specifically designed to help developers secure site control while they work to resolve development challenges and secure the necessary funding that often impedes affordable housing development in these areas of the state.

STRATEGY 4

Leverage federal infrastructure funding for the production, preservation and improvement of the local housing supply by aligning housing, infrastructure and climate resilience planning.

MENU OF OPTIONS

4.1 BIPARTISAN INFRASTRUCTURE LAW (BIL): The BIL directs housing-related grants through key federal agencies, including HUD, U.S. Department of Transportation (DOT), Environmental Protection Agency (EPA) and U.S. Department of Health and Human Services (HHS).

Thriving Communities Program: Funded by the BIL, the Thriving Communities Program provides technical assistance to communities, facilitating the co-design and advancement of infrastructure projects addressing critical social, economic, environmental and mobility needs. Localities can apply through HUD or DOT based on their specific needs.

VIRGINIA ENCOURAGES LOCAL INNOVATION WITH STATE FUND

Embracing factory-built housing in local zoning rules is one way to diversify housing options. Virginia Housing’s Innovative Demonstrations Program, created in 2019, provides grants and resources to communities committed to promoting innovative housing solutions and equitable access to homeownership in historically marginalized communities.

• HUD’s Thriving Communities Technical Assistance (TCTA)

Program: Centered on housing, HUD’s TCTA aims to enhance local capacity for integrating housing with transportation planning while supporting equitable development in disadvantaged communities. **Focus areas include** identifying land near transportation suitable for housing development, preserving affordable housing among new infrastructure, reducing regulatory barriers to location-efficient housing and improving coordination among public entities.

• **DOT’s Thriving Communities Program:** The Thriving Communities Program focuses on addressing transportation needs aligned with housing, land use and economic development, as well as providing technical assistance in underresourced communities. Eligible applicants—local, state and tribal governments, metropolitan planning organizations, transit agencies and regional planning organizations—must collaborate with two other organizations that serve as implementation partners, support local capacity or represent marginalized community voices.

Brownfields Program: The EPA’s Brownfields Program allocates grants and technical assistance to enable states, communities, tribes and nonprofit organizations to help transform brownfield sites into community assets. The program aids in prevention, inventorying, assessment, cleanup and reuse of such sites. After site assessment and cleanup, the land can return to safe and sustainable use, appropriate for housing development.

The Low-Income Home Energy Assistance Program (LIHEAP):

LIHEAP, a Health and Human Services program, provides support to eligible low-income households for heating and cooling energy costs, bill payments, energy crisis interventions, weatherization and

energy-related home repairs. States, federally recognized tribes and tribal organizations (including Alaska Native communities) and territories may apply for direct LIHEAP awards and then provide assistance to households in need.

4.2 INFLATION REDUCTION ACT (IRA): The IRA awards housing-related grants through the U.S. Department of Energy (DOE) and HUD.

DOE's Home Energy Rebates Programs: The Home Energy Rebates Programs consist of two key initiatives. First, the [Home Efficiency Rebates Program](#) incentivizes comprehensive whole-home energy-saving upgrades, promoting increased energy efficiency throughout residential properties. Second, the [Home Electrification and Appliance Rebates Program](#) encourages the adoption of high-efficiency electric appliances and energy-efficient products by offering point-of-sale discounts to consumers. [State entities apply to DOE](#) for these rebate programs and administer them to make the rebates available to homeowners.

DOE's High-Efficiency Electric Home Rebate Act (HEEHRA): HEEHRA offers grants to states and tribes for administering rebate programs benefiting low- and middle-income recipients for electric home appliances. DOE is still setting guidelines for state energy offices to administer the rebates. Once DOE makes funds available to the states, [the state entities will set up and administer the programs](#) to make the rebates accessible to homeowners.

HUD's Green and Resilient Retrofit Program (GRRP): GRRP offers direct loans and grants for projects seeking to improve energy or

water efficiency, indoor air quality, sustainability, zero-emission electricity generation, low-emission building materials, energy storage, building electrification or addressing climate resilience in eligible HUD-assisted multifamily properties. This program operates at the property level, allowing eligible properties receiving HUD assistance to apply for GRRP funding.

Redmond, Washington (Population: 73,256)

CASE STUDY

Redmond has experienced significant housing pressures related to the vibrant and [significant economic growth in the Puget Sound region](#). In the coming years, Redmond will experience the activation of four regional light rail stations and a shared-use path to enhance transit and accessibility. These improvements provide opportunities for community benefits, especially for lower-income residents, from efforts such as using Sound Transit surplus

Sound Transit surplus property is being used for the creation of affordable housing in developments like Seattle's Cedar Crossing Plaza Transit-Oriented Development. A parcel in Redmond, Washington, is slated for similar development. Photo courtesy of Sound Transit.



property for the creation of affordable housing. [HUD's TCTA technical assistance providers](#) collaborate with city staff to develop strategies for affordable housing preservation and displacement prevention. Redmond offers an example of leveraging multiple sources of federal funding and technical assistance to invite new infrastructure development while addressing the threat of housing displacement.

White Hall, Alabama (Population: 806)

CASE STUDY

In collaboration with [Closing America's Wastewater Access Gap Community Program](#), efforts are underway to address wastewater treatment challenges in White Hall. Situated in the Black Belt region, the town lacks functional wastewater systems, which is a significant resident concern. White Hall has a unique geography where industry, housing, commercial centers and natural resources span a large area with no town center. Additionally, the distance between homes makes it difficult to implement central wastewater systems. The prohibitive cost of installing septic systems



Inflation Reduction Act funding is supporting efforts to address areas in Alabama without wastewater systems, where some residents resort to makeshift solutions. Photo by Lance Cheung/USDA media.

has led some residents to resort to makeshift solutions. The pilot program team initiated a community wastewater assessment, identified solutions, provided access to funding opportunities and created a sustainable plan to cover ongoing costs.

STRATEGY 5

Use Federal Emergency Management Agency (FEMA) funding for disaster resilience.

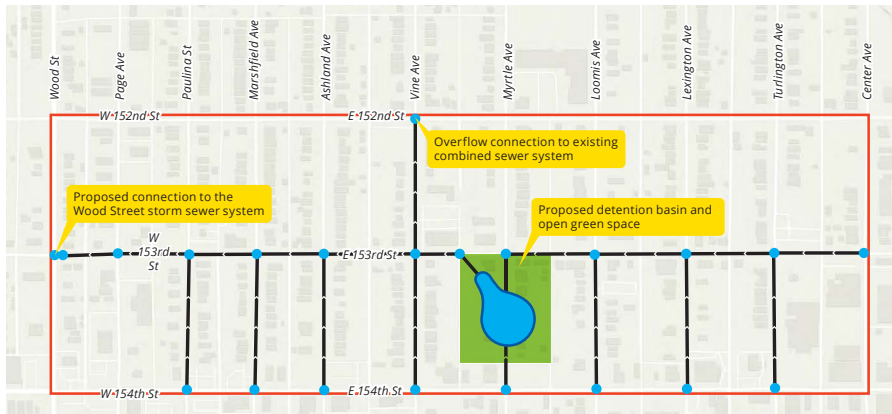
MENU OF OPTIONS

5.1 BUILDING RESILIENT INFRASTRUCTURE AND COMMUNITIES

(BRIC): BRIC provides funding to states, federally recognized tribes and U.S. territories to address future risks associated with natural disasters and foster the development of resilient communities. Local governments can apply for funding through their State Hazard Mitigation Officers, who provide subgrants to local entities. This program includes a dedicated funding stream focused on capacity-building activities, such as planning and building code adoption and enforcement. While the primary focus is on planning against risks in critical community facilities, the funding can cover residential planning and code adaptation, recognizing the potential for agency partners to seek funding for housing-related initiatives.

5.2 FLOOD MITIGATION ASSISTANCE PROGRAM: The Flood Mitigation Assistance Program enables states, federally recognized tribes, U.S. territories and local governments to access funding aimed at eliminating the risk of repetitive flood damage to buildings insured by the National Flood Insurance Program. Local governments can apply for funding through their State Hazard Mitigation

Officers, who provide subgrants to local entities. Allowable activities include mitigation planning, localized flood risk reduction projects and individual Flood Mitigation Projects. These funds can be applied to housing in communities. Local governments can include individual homeowners in their sub-applications.



The Harvey, Illinois, stormwater basin project location map. Source: Harvey Central Park Stormwater Detention Basin Fact Sheet.

Harvey, Illinois (Population: 20,324)

CASE STUDY

Harvey is an underserved community with a history of storm-related infrastructure challenges [facing recurring issues with flooding due to combined sewer systems](#). Past storm events have impacted hundreds of structures, including homes, community facilities, businesses and roads. To address these challenges, the community intends to utilize FEMA funding for disaster relief to implement a nature-based solution: constructing a 23-acre-foot stormwater detention basin equipped with native wetland plants and additional storm sewers. This project aims to mitigate future flooding and protect more than 100 structures from the effects of storms and floods.

Chelsea, Massachusetts (Population: 40,785)

CASE STUDY

The Island End River Coastal Flood Resilience Project is a comprehensive approach to [addressing coastal flood risks in the City of Chelsea](#). With more than 500 acres at risk due to the area's topography and hydrology, this project implements hybrid gray and nature-based flood resilience measures. Featuring a mix of vegetated berms, floodwalls, flood gates and living shorelines, it aims to safeguard an industrial district and residential neighborhoods from coastal flooding. This project is part of a series of regional flood prevention projects to collectively protect buildings, homes and infrastructure from natural disasters. Beyond flood protection, the project promises to enhance environmental justice in neighborhoods, safeguard critical energy and food security and provide waterfront access and community open spaces.

STRATEGY 6

Use Federal Emergency Management Agency (FEMA) funding for post-disaster rebuilding with future resilience.

MENU OF OPTIONS

6.1 HAZARD MITIGATION GRANT PROGRAM (HMGP): HMGP provides state, local, tribal and territorial governments with funding to develop hazard mitigation plans and rebuild in a manner that prevents future disaster losses in their communities. Local governments can apply for funding through their State Hazard Mitigation Officers, who provide subgrants to local entities. Funding is contingent upon the development and adoption of hazard mitigation plans created by local, state, tribal and territorial governments. The grant funds mitigation projects, such as flood protection for homes and

businesses, retrofitting to increase resilience and the construction of safe rooms for communities and individuals. While individual households cannot directly apply for grants, local governments can collaborate with their community to develop an HMGP grant proposal.

Mexico Beach, Florida (Population: 1,800)

CASE STUDY

In the aftermath of Hurricane Michael's devastating impact on Mexico Beach in 2018, FEMA funds played a major role in post-disaster rebuilding efforts through the [Recovery and Resiliency Partnership](#) (RRP). Through collaboration with EPA and FEMA, RRP has forged a more sustainable future for Mexico Beach. The resulting Recovery and Resiliency Partnership Stormwater Management and Greenspace Project reflects a collective vision for enhanced stormwater management and resiliency in housing. The project also strives to fund the creation of stormwater ponds, a greenway-blueway trail system and restoration of a local park. Rebuilding efforts also help reduce stormwater and flood damage to homes, buildings and infrastructure.

Colorado Springs, Colorado (Population: 487,961)

CASE STUDY

Following the 2012 Waldo Canyon Fire in Colorado Springs, FEMA's Story Map outlines the city's wildfire mitigation efforts. Despite prior initiatives utilizing Pre-Disaster Mitigation grants, which saved an estimated \$75 million and 250 homes, [more than 340 homes were destroyed by the fire](#). Colorado Springs intensified its resilience strategies by enacting a fire-resistive building code and engaging in comprehensive community outreach. Collaborating with the Colorado Springs Housing and Building Association, the city's fire department developed initiatives to fortify residential structures against wildfires. This

In Colorado Springs, more than 340 homes were destroyed by the Waldo Canyon Fire. Photo by Arina P Habich/Shutterstock.



collaboration led to Ordinance No. 18-50, amending the International Fire Code to boost mitigation requirements for high-risk areas.

STRATEGY 7

Investigate intercommunity collaboration for housing planning and financing.



Explore the possibility of partnering with neighboring communities to engage in collaborative planning, strategizing and financing of housing initiatives—especially in rural areas and areas with small populations and limited organizational capacity. This collaboration can take place [across towns, cities, counties or](#)

[regions](#). This approach fosters resource pooling, knowledge sharing and comprehensively addressing the housing needs of residents across different locales.

Jefferson, Washington, Ozaukee and Waukesha Counties, Wisconsin (Population: 584,645)

CASE STUDY

Jefferson, Washington, Ozaukee and Waukesha Counties formed the [HOME Consortium](#) to create a housing development fund aimed at constructing affordable housing across the four counties. By joining forces, the consortium members became eligible to receive federal HOME program funds to support the creation and maintenance of affordable housing. The HOME Consortium allocates funds to develop affordable housing, implement home rehabilitation projects and provide down payment assistance programs.

San Luis Obispo County, California (Population: 282,443)

CASE STUDY

The Housing & Infrastructure Regional Framework represents a collaborative planning initiative spearheaded by seven incorporated cities, the County of San Luis Obispo and the San Luis Obispo Council of Governments (SLOCOG) [to address the region's housing and infrastructure shortage](#). The framework inventories infrastructure barriers and housing priorities, identifies available grant funding options to address infrastructure needs, evaluates affordable-by-design housing characteristics and lays the groundwork for the future 2027 Regional Housing Needs Assessment (RHNA). The framework does not dictate specific actions. Instead, it supports regional cooperation and encourages each community to find unique local solutions while contributing to regional objectives.

FINANCING ATTAINABLE HOUSING ACROSS COUNTIES

In Wisconsin, Jefferson, Washington, Ozaukee and Waukesha Counties joined forces to leverage federal HOME program dollars not otherwise accessible to the rural counties on their own. The fund is creating new housing options for families across the income-level spectrum.

STRATEGY 8

Leverage public-private partnerships to fund the production, preservation and improvement of local housing supply.

MENU OF OPTIONS

8.1 LOCAL MAJOR EMPLOYERS: Cultivate strategic partnerships with local or regional major employers, tapping into their potential to fund housing projects. Engage employers in direct investment into new or existing housing developments through avenues such as low-interest rate loans, grants or gap financing that support new construction and preservation efforts. Local universities and post-secondary institutions can also serve as strong partners and institutional funders, pursuing the shared goal of increasing housing for students and the greater community.

8.2 PHILANTHROPIC FOUNDATIONS: Establish partnerships with philanthropic foundations interested in contributing to housing development. These collaborations can result in grants, donations and impact investments to finance new construction or preservation efforts.

8.3 NONPROFIT ORGANIZATIONS: Partner with nonprofit organizations dedicated to addressing housing needs in the community to align housing goals and leverage their expertise. Many are actively involved in affordable housing development maintenance and rehabilitation.

8.4 REGIONAL AND COMMUNITY BANKS: Partner with regional and community banks for housing development. These financial

FINANCE

institutions can commit to providing low-interest loans for housing development and often serve as crucial gap financing partners. The [Community Reinvestment Act \(CRA\)](#) was established to incentivize banks to address the credit needs of the communities where they operate, particularly in low- and moderate-income neighborhoods. Under the CRA, banks can engage in eligible community activities, such as investing in affordable housing.

8.5 HEALTH-CARE SYSTEMS: Recognizing the significant impact of housing on community health and well-being, health-care institutions emerge as valuable partners in supporting housing initiatives. Forge partnerships with local health-care systems to provide direct investments or contribute to housing-related programs. Nonprofit hospitals, due to their [tax-exempt status](#), serve their communities through community benefits. Engage in meaningful discussions with health-care leaders to align organizational goals with local housing needs, fostering a collaborative approach to address both housing and health challenges.

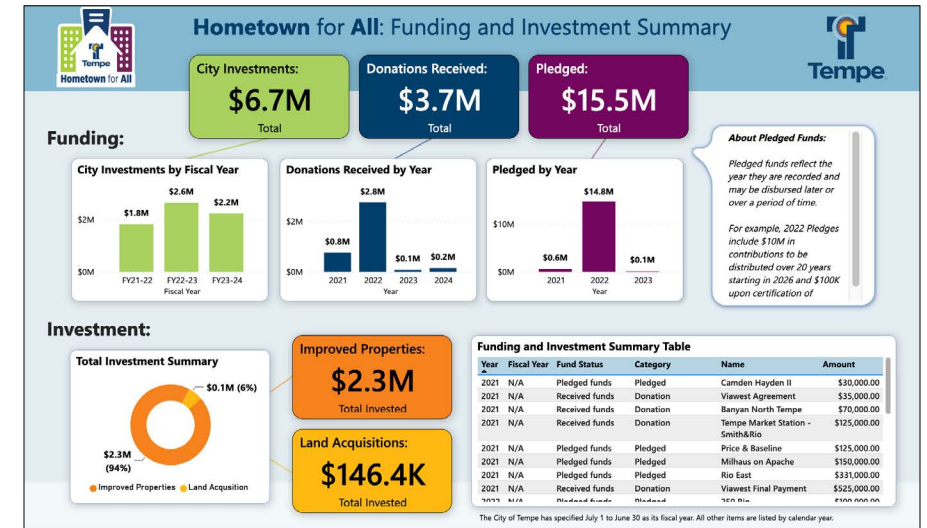
8.6 PUBLICLY TRADED REAL ESTATE INVESTMENT TRUSTS (REITS): Explore partnerships with publicly traded investment trusts that specialize in residential real estate. This collaboration allows local governments to access private capital for housing development. [REITs can invest in](#) both new construction projects and the rehabilitation of existing housing stock, contributing to a diverse and resilient housing supply.

Tempe, Arizona (Population: 180,587)

CASE STUDY

Tempe's [Hometown for All initiative](#), established by the Tempe City Council in January 2021, is a program

The online dashboard for Tempe, Arizona's Hometown for All initiative.



designed to foster growth of affordable and workforce housing options through innovative funding strategies. While private developers play a crucial role in Tempe's housing landscape, Hometown for All facilitates the creation of new affordable housing units. A key feature of the program is its unique funding mechanism: 50 percent of certain permitting fees are earmarked for affordable and workforce housing projects. In addition, Hometown for All provides an avenue for voluntary donations from developers to support the city's efforts. The nonprofit organization Tempe Coalition for Affordable Housing manages these funds to acquire permanently affordable properties, secure land for partnership developments and revitalize city-owned properties. The initiative has resulted in \$6.7 million in city investments and \$3.7 million in donations to create the next generation of housing opportunities. Another \$15.5 million in pledges will support future growth.

Knoxville, Tennessee (Population: 190,728)

CASE STUDY

Amidst the sharply increasing demand for housing and the untapped potential for a revitalized waterfront, the East Tennessee REALTORS® (ETR) seized the opportunity to apply for the National Association of REALTORS®'s [Transforming Neighborhoods Program](#). Leveraging strong relationships with key stakeholders, including city council members, city staff and the local university, ETR successfully secured funding for a focused study by the Counselors of Real Estate (CRE) Consulting Corps. This strategic initiative addresses the demand for housing and resonates with Knoxville's overarching vision of fostering a dynamic waterfront district.

STRATEGY 9

Partner with financial institutions that have a shared goal of producing, preserving and improving local housing supply.

MENU OF OPTIONS

9.1 COMMUNITY BANKS: Identify and engage with community banks that actively support community development and housing projects. These partnerships can utilize funds for financing pre-development costs, construction expenses and gap financing to bolster community housing initiatives.

9.2 CREDIT UNIONS: Establish partnerships aimed at advancing housing goals, capitalizing on their dedication to community development and potential financial contributions to housing projects. Credit unions can play a pivotal role by committing to providing



In tandem with the city's vision of a dynamic waterfront district, a focused study addresses the demand for housing in Knoxville, Tennessee.

low-interest loans for housing development, serving as essential partners in gap financing.

9.3 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

(CDFIS): Partner with CDFIs to leverage their specialized expertise and resources in supporting housing development. CDFIs are lenders that operate with a mission to offer fair and responsible financing to communities, including rural, urban, Native American and others, that are underserved by mainstream financial institutions. Collaborations with CDFIs provide local governments with access to affordable financing options, technical assistance and additional resources.

9.4 GREEN AND/OR INFRASTRUCTURE BANKS: Explore collaborations with green and/or infrastructure banks to secure financial support for housing initiatives. These partnerships would require placing emphasis on addressing green adaptation and infrastructure barriers in housing development.

9.5 FEDERAL HOME LOAN BANKS: Cultivate strategic partnerships with regional Federal Home Loan Banks to access dedicated funding and resources for local housing development. These banks extend financial support to member institutions like commercial banks, credit unions, savings banks, insurance companies and CDFIs, which address local needs such as housing, job creation and economic growth. Federal Home Loan Bank members in your locality can partner with community developers, nonprofit organizations and public agencies to administer community programs and grants tailored to housing initiatives.

FINANCE

Winooski, Vermont (Population: 7,997)**CASE STUDY**[The City of Winooski and the Opportunities Credit Union](#)

developed three new funding initiatives through the Winooski Housing Trust Fund to expand affordable housing options within the community. These initiatives target various stakeholders, including first-time homebuyers, owner-occupants and professional developers. The goal of these initiatives is to facilitate the creation, preservation and rehabilitation of affordable housing units. The Down Payment Assistance Grants or Loans program provides financial support to low-to-moderate income first-time homebuyers to ease the burden of a down payment when buying a home. The Home Improvement Loans initiative offers assistance to owner-occupants seeking to rehabilitate their properties. Lastly, the Affordable Housing Construction and Rehabilitation Loans program extends support to real estate developers and public housing agencies that construct or renovate housing catered to low-income individuals and families.

STRATEGY 10

Use proven gap financing strategies to produce, preserve and improve local housing supply.

MENU OF OPTIONS

10.1 GENERAL OBLIGATIONS BONDS: General obligation bonds are government-issued bonds that are repaid from state or local general funds or a dedicated tax. Local governments can use these to fund or subsidize affordable housing projects. [The proposed bond approval process involves](#) city or county board approval, an election/referendum for public endorsement that is subject to state constitutional requirements.



By focusing on these tailored tips, local elected officials and community planners can play a crucial role in shaping housing policies and development strategies that meet the diverse needs of their communities and foster sustainable, equitable growth.

1 FORGE PUBLIC-PRIVATE PARTNERSHIPS

Collaborate with private entities to tackle housing challenges by providing financial incentives and regulatory support for affordable housing projects. Utilizing public-private partnerships maximizes resources and enhances the scalability of housing development initiatives.

2 OPTIMIZE PUBLIC RESOURCES

Enhance the impact of government-owned

land and grants through strategic partnerships with nonprofits, developers and community land trusts.

3 MITIGATE RISKS PROACTIVELY

Develop robust risk management plans to address market, construction and regulatory risks associated with housing projects. Proactive risk mitigation strategies instill confidence in lenders and stakeholders, facilitating smoother project execution.

4 ENGAGE IN COMMUNITY DEVELOPMENT INITIATIVES

Collaborate with the lending community to invest in community development projects, including affordable housing initiatives, in alignment with the goals of the Community Reinvestment Act (CRA). Such initiatives foster social and economic growth while meeting housing needs.

5 OFFER FINANCIAL EDUCATION AND SUPPORT

Provide financial literacy programs and support services to underserved communities, empowering them to access affordable housing options and improve financial stability. This proactive approach promotes financial inclusivity and addresses housing disparities.

6 EMPOWER COMMUNITY DEVELOPMENT ORGANIZATIONS

Allocate funding and resources to community development organizations dedicated to addressing housing challenges and promoting economic development in low- and moderate-income areas. Supporting these organizations not only fulfills CRA obligations but also fosters sustainable growth and opportunity within communities.

FINANCE

10.2 GREEN, SOCIAL AND SUSTAINABILITY BONDS: Investigate the utilization of bond instruments specifically designed to finance housing projects with a focus on incorporating social and sustainability components.

10.3 TAX INCENTIVES AND ABATEMENTS: Implement tax incentives and abatements to encourage private investment in housing development. By providing tax relief or exemptions, the local government can create an encouraging environment for the private sector to participate in addressing housing needs. Consider tailoring these incentives to align with specific housing goals, such as promoting affordable housing, sustainable development or revitalization of targeted areas within the community.

10.4 TAX INCREMENT FINANCING (TIF): Leverage TIF to capture increased property tax revenues resulting from enhanced property values in a designated area to reinvest in needed housing development projects.

10.5 BELOW-MARKET FINANCING OF AFFORDABLE HOUSING DEVELOPMENT: To enhance the economic feasibility of affordable housing projects for developers, establish financing mechanisms that offer loans with below-market interest rates or lower fees. Local authorities could identify various [potential funding sources for issuing below-market loans](#), including federal funding sources (e.g., HOME and CDBG), proceeds from the sale of tax-exempt private activity bonds, activation of housing finance agency reserves, local housing trust fund proceeds or general revenue.

10.6 CAPITAL SUBSIDIES: [Capital subsidies](#) entail covering a portion of the costs associated with developing rental or for-sale properties to reduce the financing required from a conventional lender. Use these subsidies for [affordable housing developments from various federal, state and local channels](#), including proceeds from the sale (syndication) of federal or state LIHTCs, HOME or CDBG grants; proceeds from the issuance of general obligation bonds; housing trust funds; special-purpose state tax credits (e.g., historic tax credits); and funds raised through tax increment financing and the Federal Home Loan Banks' Affordable Housing Program.

Chicago, Illinois (Population: 2,746,388)

CASE STUDY

The City of Chicago went to market in early 2023 with [\\$160 million](#) in Chicago Social Bonds. These bonds are instrumental in funding the [Chicago Recovery Plan](#), a \$1.2 billion

To boost the revitalization and sale of vacant city lots and other housing and infrastructure investments across Chicago, the city issued a social bond in early 2023.
Photo by Steve Geer/iStock/Getty Images Plus.



initiative to boost housing and infrastructure investments across the city. With a \$160 million offering, these bonds support various projects, including the construction of more than 2,000 units of affordable housing, the establishment of safe emergency shelters for the homeless, the revitalization and sale of vacant city lots, citywide tree planting and the electrification of city fleet vehicles. The city offered the bonds to Chicago residents and individual investors, rather than large financial institutions, to prioritize community involvement. The use of social bonds and other financing strategies enables cities like Chicago to mobilize resources efficiently and address critical housing needs effectively.

Richmond, California (Population: 116,448)

CASE STUDY

The City of Richmond, in collaboration with the Richmond Community Foundation (RCF Connects), developed a strategy to [combat blight and promote local homeownership](#). Through a social impact bond funded by private capital, the city and RCF Connects financed the rehabilitation of abandoned properties and addressed longstanding barriers to homeownership in the Richmond area. The social impact bond prioritizes the rehabilitation of properties that developers and homebuyers consider “too risky,” including properties with significant environmental challenges and those in the court system for tax delinquency and probate. Since its inception in 2015, this initiative has successfully rehabilitated and sold many affordable homes.



Blighted houses are purchased, renovated and sold to first-time homebuyers in Richmond, California, with the help of a social impact bond. Photo courtesy RCF Connects.

STRATEGY 11

Explore alternative financing strategies to produce, preserve and improve local housing supply.

MENU OF OPTIONS

11.1 INFILL CREDIT LENDING INSTRUMENT: In pursuit of fostering a conducive environment for smaller-scale developers, this strategy centers on the exploration of tailored financial solutions. Investigate credit lending instruments that are explicitly designed to bolster smaller-scale developers and infill development. Strategically engage with financial institutions that champion lending instruments to empower emerging small-scale and BIPOC developers to showcase their creditworthiness and contribute to addressing local housing needs.

11.2 LOCATION-BASED CREDIT LENDING INSTRUMENT: Delve into the creation of innovative lending instruments with a focus on spurring development in areas that face challenges in accessing capital, whether due to issues of race, discrimination or geographical constraints. This strategy aims to address existing gaps in the financial landscape, specifically targeting underserved areas and promoting small-scale development.

STRATEGY 12

Explore housing policy levers to assist with preserving local housing supply.

MENU OF OPTIONS

12.1 SHARED-EQUITY HOUSING MODELS: Shared Equity Housing

models use subsidy dollars to lower the initial cost of a home to an affordable price and restrict the selling price to keep it affordable for subsequent purchasers to ensure lasting affordability. Municipalities can invest in a one-time subsidy to retain affordability in their communities and allow families that would typically not be able to build wealth, sale after sale. Types of shared equity housing models include the following:

Community Land Trust (CLT): CLTs are nonprofit organizations governed by a board of CLT residents, community residents and public representatives that provide lasting shared equity homeownership opportunities for families and communities. The land is owned by the CLT. The homeowner buys the house, not the land, at a more affordable price.

Limited-Equity Cooperatives (LEC): A LEC is a homeownership model in which residents purchase a share in a development (rather than an individual unit) and commit to resell their share at a formula-determined price. This arrangement maintains affordability at purchase and over the long term.

Deed-Restricted Housing Programs: Deed-restricted homeownership is a mechanism for preserving the long-term affordability of units through a government or philanthropic subsidy, inclusionary zoning or affordability incentive that reduced the price below market levels.

12.2 LAND BANKS: Land banks are public authorities or nonprofit organizations created to acquire, hold, manage and sometimes

WHITE HOUSE ACTION COULD MAKE OFFICE-TO-HOME CONVERSIONS SIMPLER

With office vacancies at an all time high, the White House is taking steps to support and accelerate commercial-to-residential conversions through new federal financing and tax incentives, technical assistance and the reuse of federal properties.

LEARN MORE AT [PLANNING.ORG](https://planning.org):

[Top Five Takeaways: White House Housing Fact Sheet](#)

redevelop property to return these properties to productive use to meet community goals, such as increasing attainable housing or stabilizing property values.

Twin Cities, Minnesota (Population: 741,503)

CASE STUDY

[Land Bank Twin Cities](#) strives to capture strategic real estate opportunities to benefit people with low- to moderate- incomes, prioritizing BIPOC to remedy deep racial disparities that exist in housing, health and opportunity. The Land Bank offers a variety of services to the Twin Cities, including brokering property purchases, land banking and lending for property loans. To date, the land bank has deployed \$109 million for land acquisition, enabled the development of 3,544 housing units and facilitated 1,415 mission-driven projects.

Albany, New York (Population: 99,224)

CASE STUDY

[The Albany County Land Bank \(ACLB\) and the Albany Community Land Trust \(ACLT\)](#) joined forces in 2017 to tackle vacancy, abandonment and affordability challenges in Albany. Their partnership aims to bridge the racial wealth gap and offer permanent affordability in stable and weaker housing markets. Recognizing racial disparities, ACLB established the Underserved Communities Committee to address inequities exacerbated by historical housing discrimination. Through initiatives like the Equitable Ownership Program and the Inclusive Neighborhoods Program, ACLB acquires specific properties while ACLT leverages its expertise in affordable housing development. The Equitable Ownership Program aims to reduce barriers to homeownership by offering properties below market value and partnering with a community development financial institution (CDFI).

STRATEGY 13

Convene community and regional financial institutions to discuss financing small-scale multifamily development, such as duplexes, triplexes, fourplexes, accessory dwelling units (ADUs) and manufactured housing.



Highlight the increasing demand for diverse housing types and the necessity for innovative funding systems to support this shift—specifically, funding for developing duplexes, triplexes, quadruplexes, townhomes and ADUs. Emphasize that small-scale developers face challenges in obtaining financing through traditional channels. Consider forming partnerships with innovative fintech companies capable of addressing this gap, providing alternative means to assess creditworthiness and offering financial solutions tailored to the needs of small-scale developers.

Napa, California (Population: 138,013)

Napa Valley Community Foundation (NVCF) and Redwood Credit Union (RCU) have [formed a partnership to promote the widespread adoption of ADUs](#) in Napa and Sonoma Counties. This collaboration resulted in the development of an ADU construction loan product tailored to incentivize homeowners to finance ADUs. RCU is facilitating the management of the ADU lending program while NVCF is allocating reserves to mitigate potential losses for the credit union under new underwriting standards. These standards consider future ADU rental income, which is a departure from traditional loan products. Since the inception of the program in 2021, RCU has funded 29 ADU loans with an additional 26 projects in progress.

Supported by various stakeholders, including local governments and individual donors, the Napa Sonoma ADU Center has already helped 561 homeowners begin ADU core partners projects since May 2020, with many additional projects underway.

STRATEGY 14

Convene community and regional financial institutions to discuss financing housing weatherization and climate adaptation.



Emphasize the critical role of climate-resilient housing in mitigating risks for the community and financial institutions. Highlight that adaptation measures improve homeowners' outcomes and benefit insurers and financial institutions by reducing future risks. Advocate for developing financial products, incentivizing, and rewarding sustainable and healthy housing practices.

Burlington, Vermont (Population: 44,743)

Burlington's [Net Zero Energy goal](#) aims to reduce and ultimately eliminate fossil fuel usage in heating and ground transportation in collaboration with the Burlington Electric Department to deploy energy-saving measures. As part of this initiative, the [Weatherization Repayment Assistance Program \(WRAP\)](#) allows homeowners and renters to finance qualifying weatherization projects, such as insulation and air sealing, through a monthly charge on their utility bill. Additionally, several local credit unions, including Green Mountain Credit Union, Opportunities Credit Union, Vermont Federal Credit Union and the Vermont State Employees Credit Union, offer special rates on loans for weatherization and other purchases that support the city's Net Zero Energy objective.

STRATEGY 15

Convene community and regional financial institutions to discuss financing to support cooperative or shared equity housing models.



Highlight the growing demand for alternative affordable ownership models like cooperative or shared equity housing models, emphasizing the benefits of these models for residents and the community—especially lower-income residents. Advocate for financial products that cater to the unique needs of cooperative and shared housing models, fostering partnerships that align with the evolving housing landscape.

STRATEGY 16

Develop innovative financing tools to facilitate adaptive reuse and commercial-to-residential conversions and identify and reduce existing regulatory barriers.



Acknowledge the potential of adaptive reuse and commercial-to-residential conversions in addressing housing needs and revitalizing targeted areas. Highlight the importance of innovative financing tools to overcome challenges in repurposing existing commercial structures into housing. On the regulatory front, collaborate with architects, structural engineers, mechanical, electrical and plumbing (MEP) engineers and code officials to identify conversion challenges and establish best practices. Through this collaborative effort, aim to streamline the transformation process, making it more feasible for developers to make conversions.

**WHAT IS ADAPTIVE REUSE?**

The process of converting buildings that have outlived their original purpose to accommodate new uses. Incorporate adaptive reuse to boost supply in your community.

LEARN MORE AT PLANNING.ORG:

[How Adaptive Reuse Can Help Solve The Housing Crisis](#)

STRATEGY 17

Pilot a pay-for-performance project that could finance housing development that supports the production, preservation and improvement of local housing supply.



When piloting a pay-for-performance project to finance housing development, establish clear and measurable performance metrics aligned with production, preservation and improvement goals. Engage stakeholders to define key indicators and criteria for success, ensuring transparency and accountability in the financing model.

Denver, Colorado (Population: 715,522)**CASE STUDY**

The Denver [Supportive Housing Pay for Success \(PFS\)](#) initiative—also known as the Denver Supportive Housing Social Impact Bond Initiative or Denver SIB—was launched in 2016 and served people experiencing chronic homelessness and high rates of arrest, primarily for low-level offenses associated with the experience of homelessness. This program utilized a Pay for Success (PFS) contract to finance supportive services and leveraged significant housing resources and Medicaid services. By the end of 2020, the Denver SIB had housed 283 participants in new project-based and existing scattered-site units across Denver. Housing resources were leveraged from the Colorado Division of Housing and the Denver Housing Authority. Financing for new project-based construction leveraged Low-Income Housing Tax Credits with gap financing provided by the City of Denver and the State of Colorado. Denver continues to serve the SIB's target population with these dedicated housing resources and a new annual line item for supportive services established in the city budget.

Land Use and Regulations

This section offers strategies in land use and regulations intended to guide communities in shaping their housing landscapes.



AT A GLANCE

14 Strategies to Guide Land Use and Regulations

Click the arrows ➡ to advance to a strategy.



1 Plan for increased housing supply.



2 Create enhanced housing elements of comprehensive plans and housing action plans.



3 Initiate education, outreach and engagement campaigns on zoning and local housing supply challenges.



4 Take inventory of zoning regulations and other pertinent land use policies.



5 Explore how to update zoning districts to promote housing supply.



6 Update restrictive lot, building form, context requirements and design standards.



7 Analyze and update property use regulations.



8 Facilitate housing supply into new plans for downtown and suburban redevelopment.



9 Take a more flexible approach to nonconforming uses.



10 Speed or streamline processes for housing development review and approval.



11 Update building codes to meet evolving community needs.



12 Use regulatory and policy tools to preserve and improve existing housing options.



13 Identify existing housing and other areas susceptible to climate hazards.



14 Strategically coordinate land use regulations.



STRATEGY 13

Case Study: Norfolk, Virginia

Risk mitigation and housing impact initiatives. Photo by Kristen Zeis.

This section offers strategies in land use and regulations intended to guide communities in shaping their housing landscapes.

Housing plans, land use regulations and development regulations are powerful tools affecting

housing supply, production and availability. These plans and codes reflect a community's vision for the future and directly shape where and how to build housing and what housing options and opportunities to make available to residents. Crafting thoughtful plans that align local and regional housing goals and objectives with zoning and land use codes is critical for boosting housing supply and production. Updating local regulations and expanded planning efforts can create new flexibility and options while advancing affordability, attainability and equity. Grounded in data-driven insights, local governments can remove obstacles, meet the needs and interests of all residents and ensure that other housing policies and programs can achieve better outcomes.

Within each of the following strategies, you will find tips or menus of options that provide valuable context and insights for implementation, as well as case studies that show the strategy in practice.

STRATEGY 1

Plan for increased housing supply with data-driven insights, a clear sense of desired outcomes and robust engagement to create a vision and method for increasing housing supply.



Comprehensive plans and housing action plans are a critical foundation for increasing housing supply. The plan encapsulates a community's vision for the future and establishes where to develop, what to develop and where to direct resources. The plan should also link housing supply to vital infrastructure, transportation options and job centers. It should drive policy choices, regulatory changes and capital investments to boost housing supply, increase flexibility and speed the permitting process. The plan should include specific goals, tools, reforms, characteristics and potential priority locations for key housing elements, such as workforce housing, missing middle housing, mixed-income housing, mixed-use development and multifamily housing. Update plans regularly.

Charlotte, North Carolina (Population: 874,579)

CASE STUDY

In 2021, Charlotte adopted a groundbreaking new comprehensive plan, [Charlotte Future 2040](#). The plan established

a policy framework specifically aimed at boosting housing supply and affordability, and it directed a set of housing-supportive investments. Following the adoption of the plan, the city adopted a series of zoning reforms in its Unified Development Ordinance, re-legalizing select multifamily housing by right in parts of the city previously restricted to single-family housing. The changes followed extensive resident and developer consultation aiming to increase diverse housing options and open neighborhoods of high opportunity for all residents.

STRATEGY 2

Create enhanced housing elements of comprehensive plans and housing action plans, such as housing demand, short-term housing goals, targeted areas for increased production and density and an actionable schedule to meet goals.



After planners and local officials align applicable regulatory structures to support and advance the housing goals in the plan, extend similar alignment in the budget, Capital Improvement Plan and other policy tools that set infrastructure investment priorities. Follow a systems approach—such as through streamlining regulations, public investments, and integration with transportation and other infrastructure plans and funding—to

help support housing goals by critical infrastructure to advance a broader land use and development vision.

Greenville, South Carolina (Population: 70,720)

CASE STUDY

The City of Greenville partnered with the local association of REALTORS® and other housing stakeholders to create [Impact Greenville](#). The coalition aimed to better understand the barriers and opportunities for missing middle housing supply. The coalition worked with consultants to develop a “missing middle housing scan” and “missing middle housing deep dive.” These reports analyzed existing regulatory structure and critical market conditions to develop reform recommendations. Impact Greenville incorporated these concepts in its new award-winning GVL 2040 Comprehensive Plan. The work of Impact Greenville and the comprehensive plan led to the identification of critical areas for missing middle housing and a set of updates of land use and code regulations to support the development of new housing opportunities.

STRATEGY 3

Initiate education, outreach and engagement campaigns to clarify the concept, uses and historical impact of zoning to better understand local housing supply challenges.



Focus outreach initiatives on collective problem-solving and understanding key conditions, trends and desired outcomes. Start with shared housing supply goals and clear definitions. This approach encourages residents to work toward a common goal instead of debating abstract ideas or individual projects. Blend high-tech and “high-touch” tools to leverage technologies to

promote a deeper understanding of various options’ implications and ensure that outreach reaches deeply into communities. These tactics also allow residents to explore historic patterns and impacts. Effective engagement campaigns will highlight past actions, trends, common goals and potential solutions.

Arlington County, Virginia (Population: 238,642)

CASE STUDY

When Arlington County began working on updating its zoning and land use regulations to promote missing middle housing, planners and local leaders designed an [innovative and extensive process of stakeholder and public engagement](#). The effort featured numerous public meetings, virtual engagements, digital whiteboards, pop-up events and virtual walking tours. It also focused on renters, a group frequently left on the sidelines of these

Homes in the Lyon Park neighborhood of Arlington County, Virginia. An innovative and extensive public engagement process smoothed the way for zoning and land use regulation reform in the county. Photo by Alyssa Schukar.



discussions. To help stakeholders understand the history of zoning in the county—its legacy and current housing conditions—planners created a multipart research compendium designed as a highly accessible resource. In addition to the compendium, the County released a racial and socioeconomic analysis to support decision-makers and stakeholders. The outreach and engagement campaign preceded the development of policy recommendations and continued in different phases with multiple tactics through final adoption.

STRATEGY 4

Take inventory of zoning regulations and other pertinent land use policies to understand housing types permissible in your city and to locate areas that can support housing growth and areas with limitations.

MENU OF OPTIONS

4.1 SCENARIO PLANNING AND SIMULATION TECHNOLOGY:

Use scenario planning and simulation technology tools in planning, regulatory review and citizen engagement processes to help all stakeholders better understand potential housing supply goals, performance, regulatory impacts, changes and market conditions.

4.2 ENGAGE STAKEHOLDERS ON HOUSING SUPPLY CONCERNS:

Convene stakeholders across the housing development and delivery spectrum to discuss existing constraints and possible alternatives.

4.3 INTEGRATE EQUITY, USABILITY AND INNOVATION IN HOUSING-RELATED LAND USE REGULATIONS: Review and revise

housing-related land use regulations and give attention to equity, usability and innovation.

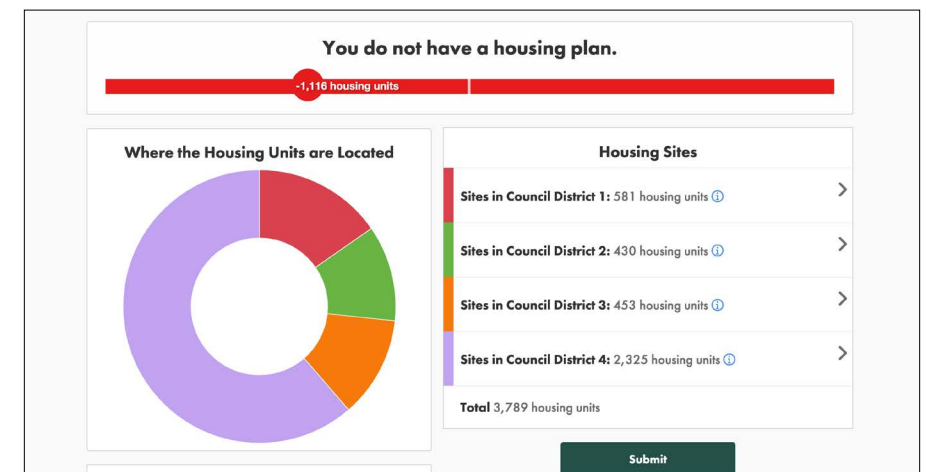
4.4 CONDUCT FREQUENT REVIEWS OF LAND USE AND REGULATIONS: Conduct regular review and analysis of the impact of zoning, land use and related regulations and fees on housing affordability to determine if policy shifts are warranted.

Elk Grove, California (Population: 176,121)

CASE STUDY

Under California law, the City of Elk Grove was charged with the goal of planning 4,000 new homes, including more than 2,000 units for lower-income residents. To gain public support for the plan, city officials turned to [new simulation technology that put residents in the role of planners](#). Residents used that tool to easily explore and prioritize a range of options that incorporated real-world constraints from market realities to existing regulatory obstacles. Residents could try different combinations

A sample page from the Elk Grove, California, simulation technology.



of sites to reach the goal, and once they identified where to locate the required number of new housing units, they could submit their suggested housing plan to the City Council with just a click. Aggregated resident input directly informed the final plan, which gave residents ownership and a deeper understanding of the challenges.

STRATEGY 5

Explore how to update zoning districts to promote housing supply, increase options, simplify regulations and effectively serve the current and changing needs of your local community.

MENU OF OPTIONS

5.1 CONSOLIDATE ZONING DISTRICTS: Simplify and consolidate the number of zoning districts and allow greater diversity of housing types. Over time many communities have tackled changing conditions and needs by adding more specific zoning districts. Consolidating similar districts could make the code easier to understand and more flexible. Other tools, such as performance or form standards, can also address various use-related needs without the complexity of adding zones.

5.2 ESTABLISH MIXED-USED ZONING DISTRICTS: Study and establish new mixed-use zoning districts or allow a wider mix of residential and nonresidential uses in zoning districts. Part of overall zoning district simplification or consolidation is the opportunity to create more mixed-use districts that accommodate a wider array of potential uses. In addition to new housing opportunities, these districts help mitigate transportation impacts and bring residents

DELIVERING HOUSING SUPPLY THROUGH PLANNING

Cities and communities are using comprehensive plans to advance local reform and speed housing production. Nearly 21,000 new units were permitted in Minneapolis from 2017 to 2022 as a result of key reforms embraced in the 2040 Comprehensive Plan, according to Pew.

The impact? Minneapolis' moves to increase supply have tamed rent increases and decreased homelessness in Hennepin County, where Minneapolis is located.

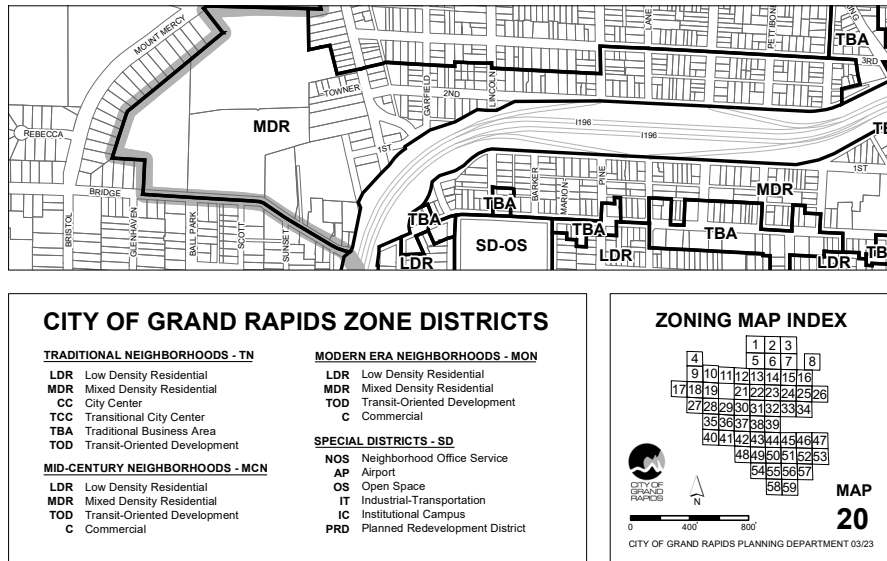
LEARN MORE AT [PLANNING.ORG](https://planning.org):
[Saying No To Nimbys:](#)
[A Planner's Guide To](#)
[Mastering Pushback and](#)
[Passing Zoning Reform](#)

closer to desired retail and commercial amenities, especially for residents working from home.

5.3 EVALUATE AND ESTABLISH NEW OR EXISTING ZONING DISTRICTS THAT ALLOW RESIDENTIAL USE TYPES: Study and establish new zoning districts or amend existing districts to promote housing, especially multifamily housing, in areas well-served by transit. Modernizing zoning codes is often foundational for re-legalizing a variety of lower-density housing types like missing middle housing. While other tools may be needed to facilitate the development of these units, allowing them as part of the code is a necessary first step.

5.4 IMPLEMENT PERFORMANCE STANDARDS: Create and implement performance standards for uses that promote mixed-use or greater diversity of use environments. Performance standards are a tool to address legitimate concerns associated with the impact of new development, such as noise, without limiting options and constraining supply. Clear standards can prohibit nuisances and hazards within the context of allowing a greater range of uses.

5.5 ALLOW FLEXIBILITY FOR RESIDENTIAL USE ON LAND OWNED BY FAITH-BASED OR EDUCATIONAL ORGANIZATIONS: Create new flexibility for residential use on land owned by religious or educational organizations to boost housing supply. Consider combining this new flexibility with other standards or requirements around performance, design or affordability targeting to address housing needs and support these community institutions.



A page from the Grand Rapids, Michigan, zoning detailed map set.

Grand Rapids, Michigan (Population: 198,893)

CASE STUDY

After several years of study and engagement, the City of Grand Rapids [adopted a new zoning ordinance](#). The reconfiguration collapsed zone districts from multiple residential and commercial zone districts to a combination of three “Neighborhood Classifications” and a simplified list of “Zone Districts.” Residential zone districts, for example, shrank from seven to two but still offered a wide variety of housing types. The Zoning Code also provides incentive-based policies, such as minimum lot area reductions in exchange for meeting housing goals like accessible units and mixed-income housing. A review for uses listed as permitted and meeting all applicable standards (e.g., building design standards) is a counter review or director review process. A use listed as a special land use requires a public hearing with the Planning Commission so notified neighbors can provide input.

STRATEGY 6

Explore how lot size, building form, context, and design requirements in your zoning code may be impacting housing diversity, affordability and equity. Update and modernize these standards to meet the current and changing needs of your community.

MENU OF OPTIONS

6.1 REDUCE OR REMOVE LIMITS ON SINGLE-HOUSEHOLD MINIMUM LOT SIZE REQUIREMENTS FOR DIFFERENT TYPES OF HOUSING: [Large lot requirements are often barriers](#) to delivering attainable and affordability housing and limit overall options. Use other context and performance approaches to deal with neighborhood concerns.

6.2 REDUCE OR ELIMINATE MINIMUM DWELLING SIZE AND MAXIMUM FLOOR AREA RATIO STANDARDS: These rules can effectively require construction of more expensive homes that are less affordable to historically disadvantaged and vulnerable communities and reduce housing diversity and attainability for all.

6.3 REDUCE OR REMOVE LIMITS ON MULTIFAMILY DEVELOPMENT DENSITY, MINIMUM DWELLING UNIT SIZES OR MAXIMUM DWELLING UNITS PER ACRE: These restrictions tend to force the construction of fewer, larger and/or more expensive dwelling units within these buildings. Another factor to consider is building material and design standards. Although municipalities can use these tools to address performance standards and legitimate safety issues, misuse of these tools can create exclusionary barriers and

exacerbate affordability challenges. Consider reviewing and updating these standards.

6.4 MODIFY OR REMOVE RESTRICTIONS ON SPECIFIC BUILDING OR SITE FEATURES THAT ARE COMMONLY FOUND AND DISPROPORTIONATELY REGULATED IN HISTORICALLY DISADVANTAGED NEIGHBORHOODS: This approach can aid in preserving critical cultural or historical context while boosting housing supply. It is also an important equity tool in areas vulnerable to gentrification pressures.

6.5 RIGHT-SIZING PARKING REQUIREMENTS: Most communities have requirements for developers to provide a minimum number of parking spaces per housing unit. Growing transportation alternatives and evolving residential preferences are good reasons to review and amend parking requirements that may not match current needs. The [reduction or elimination of parking requirements](#) can incentivize development where it's desired and make new housing more affordable. Overall improvements in local and regional transportation systems are prompting a growing number of cities to reduce or eliminate these requirements. Common approaches: eliminate the requirement near transit or in high mobility option areas of downtown, reduce minimums based on the size of the project or create parking maximums.

Lexington, Kentucky (Population: 322,570)

CASE STUDY

In 2018, Lexington adopted a series of reforms to promote infill and mixed-use development. The key updates included [minimum parking requirements and allowing retail and](#)

Growing transportation alternatives and evolving residential preferences are good reasons to review and amend parking requirements that may not match current needs.

[multifamily](#) by right in specific commercial areas. Lexington also converted to B6-P zoning, also called a “Planned Shopping Center.” This change allowed aging retail along commercial corridors to shed excess parking and transform into new retail and residential development. Planners could allow by-right residential development with no height limit, with virtually none of the opposition that happens when upzoning within existing residential areas.

STRATEGY 7

Analyze and update property use regulations to legalize a broader range of housing options and supply to effectively serve the current and changing needs of your community.

MENU OF OPTIONS

7.1 DIVERSE RESIDENTIAL USE TYPES: Expand the list of residential use types permitted in neighborhoods to include nontraditional and missing middle housing, including modest-scale multifamily residences. These housing types include accessory dwelling units (ADUs), duplexes, triplexes, quadplexes, townhouses and courtyard housing. New demands for greater housing diversity and affordability are leading to updates aimed at relegalizing these units.

7.2 ACCESSORY DWELLING UNITS (ADUS): Allow ADUs subject only to conditions needed to mitigate potential impacts on neighboring properties. This would exclude a public hearing, other discretionary review processes or owner-occupancy requirements. Permitting ADUs as an allowable use is rarely sufficient to spur actual production. Codes and policies make these units easier to build and

finance. Reducing regulations on ADUs, such as parking requirements and increasing ease of development, can boost production.

7.3 RESIDENTIAL DEVELOPMENT IN COMMERCIAL AREAS: Allow multifamily and mixed-use developments in all commercial areas. In most instances, areas zoned for commercial uses meet all the criteria for making multifamily housing and mixed-use developments successful and beneficial. Encouraging multifamily development in these zones also brings residents closer to desired amenities and reduces the transportation impacts of new housing. This approach has positive environmental impacts and provides a boost for retail and commercial businesses. Allowing by-right multifamily and mixed-use development in commercial areas is another important strategy in promoting post-pandemic downtown revitalization.

7.4 MANUFACTURED AND MODULAR HOMES: Allow manufactured and modular homes in many residential districts, protect existing manufactured housing parks and allow the creation of new manufactured housing parks with quality common open space and amenities.

7.5 UNIVERSAL DESIGN: Adopt Universal Design requirements for a significant share of new housing construction to better accommodate the needs of older adults and persons experiencing disabilities.

Portland, Maine (Population: 68,408)

CASE STUDY

Since 2014, average rents in Portland have increased by more than 80 percent as the city faces a serious housing problem. After careful planning and analysis, Portland opted to improve upon state mandates by approving a reform package

EXPANDING HOUSING OPTIONS KEY TO HOUSING SUPPLY

Local regulatory reform is a step for ensuring residents have the housing options they need. By allowing for more choice, people have a better chance of getting the housing that meets their needs—from seniors choosing to age in place to young families starting a home.

LEARN MORE AT
PLANNING.ORG:
[Housing Diversity](#)
[Encourages Age-Friendly](#)
[Accessible Communities](#)

[allowing multifamily housing of up to four units](#) on all residential lots by designating the entire city as a growth area (with sensible modifications for the Casco Bay islands) and allowing ADUs by right. The city also eliminated any parking requirements for these new units and increased flexibility in dimensional limitations, including lot size. These updates were approved within the broader context of previous local initiatives aimed at housing supply, including inclusionary zoning, special financing programs and a surplus land program.

STRATEGY 8

Integrate housing supply into new plans and visions for downtown and suburban revitalization and redevelopment.

MENU OF OPTIONS

8.1 UPDATE AND REVISE CODES AND POLICIES FOR ADAPTIVE REUSE: Adaptive reuse is a vital tool for redevelopment and historic preservation. Update codes and standards related to adaptive reuse to facilitate the reuse of older and historic properties for residential uses.

8.2 PERMIT AND FACILITATE COMMERCIAL-TO-RESIDENTIAL CONVERSIONS: Commercial building vacancy rates are high in most downtowns and central business districts. As commercial properties struggle to regain pre-pandemic occupancy levels, residential use is an option. Often this requires changes to existing zoning codes and other regulatory accommodations, as well as potential financial support.

8.3 UPDATE LIVE/WORK AND OCCUPATIONAL USE REGULATIONS:

Accommodating the demands of remote work and desire for mixed use requires updating rules and zoning for occupational use and live/work arrangements. Increasing opportunities for mixed use and occupational use can support revitalization and housing goals.



Pittsburgh created a combination of zoning reforms and financing support to facilitate conversions of underused office buildings to housing. Photo by Tupungato/Shutterstock.

Pittsburgh, Pennsylvania (Population: 302,971)

CASE STUDY

As in many communities, Pittsburgh's downtown commercial vacancy rate remains high with occupancy well below pre-COVID levels. At the same time, demand for both affordable housing and access to downtown amenities continues to increase. [The city stepped in with a combination of zoning reforms and financing support](#) to help facilitate the conversion of underused Class B and Class C office buildings to housing. The city changed zoning rules to ease interior conversions, capped

zoning review fees and established a loan fund for conversion projects that include dedicated affordable units. Eligible projects must be in the central business district and reserve at least 20 percent of units for households earning less than 80 percent of area median income (AMI), with affordability preserved for a minimum of 40 years after occupancy.

STRATEGY 9

Take a more flexible approach to nonconforming uses.



Adding language that specifies scenarios for nonconforming uses, structures, lots and site elements can create more flexibility in dealing with older structures and lots to broaden the range of housing opportunities available for reuse and new construction. Options for new flexibility include expanding timeframes for resuming discontinued residential uses, adjusting petition and review processes, easing regulations for improvements and rehabilitation and exempting housing uses from reconstruction limitations. Developing a second category of nonconforming use within a zoning code that supports the continued existence of some uses—including expansion, rehabilitation and the right to rebuild—can preserve neighborhood assets and increase housing options.

St. Paul, Minnesota (Population: 311,527)

CASE STUDY

In St. Paul, increasingly restrictive zoning changes created a growing number of nonconforming uses in many of the city's historic neighborhoods, and the restrictions on improving, rebuilding, resuming use of and rehabilitating these properties created significant barriers to preserving affordable housing and

creating housing options. To tackle this challenge, the city removed neighbor petition requirements, [streamlined the process for the reestablishment of residential nonconforming use](#) and expanded use of a mixed-use traditional neighborhood zoning designation that made many existing structures conforming. This approach is aimed at increasing housing options and protecting historic neighborhoods.

STRATEGY 10

Speed or streamline processes for housing development review and approval.

MENU OF OPTIONS

10.1 EXPAND ADMINISTRATIVE OR MINISTERIAL REVIEW:

Administrative or ministerial review is a development approval conducted by a zoning administrator or other municipal staff. Expanding administrative review cuts down on development costs by reducing the amount of time required to get a project approved. Requiring a permitted use to go to a planning commission or an elected body for site plan review is an added step that can increase costs. Expanding ministerial reviews to include conforming mixed use, missing middle projects and ADUs can significantly help facilitate production. Other considerations include preliminary reviews and a clear set of exceptions approvable by staff, which can limit the need for variances.

10.2 FOCUS LEGISLATIVE REVIEW AND APPROVAL: Focusing legislative action by elected bodies on overall policy, changes to zoning ordinance text or maps and select development agreements can improve permitting processes and limit legislative variance actions.

“Updating, modernizing and reforming local codes is a step to ensuring that other housing policies and programs can achieve better outcomes.”

Zoning administrator and planning commission reviews speed approvals and improve consistency. They also limit the potential for vocal opponents to use political pressure to delay or redefine projects that are consistent with the adopted plan and related codes.

10.3 DEVELOP A PATTERN BOOK OF PRE-REVIEWED DESIGN PLANS:

Pattern books are collections of pre-reviewed plans established by a local government for local use. These may be unique to the jurisdiction or licensed from existing collections. These designs aid small-scale developers, encourage development that supports the local plan and speed reviews.

10.4 DEVELOP PATTERN ZONES: Pattern zones are a technique that incorporates expedited permitting of plans from a designated pattern book into local zoning, permitting specific patterns by mapping them onto specified parcels.

10.5 COMBINE STREAMLINED REVIEWS AND ELIMINATION OF DISCRETIONARY APPEALS WITH INCENTIVES: Municipalities can eliminate or strictly limit reviews, entitlement and approval processes for targeted affordable housing projects while adding density or design-focused incentives to promote and speed development of new supply. [Early analysis suggests](#) this approach expedites projects and limits or eliminates the need for additional subsidies.

Claremore, Oklahoma (Population: 19,580)

CASE STUDY

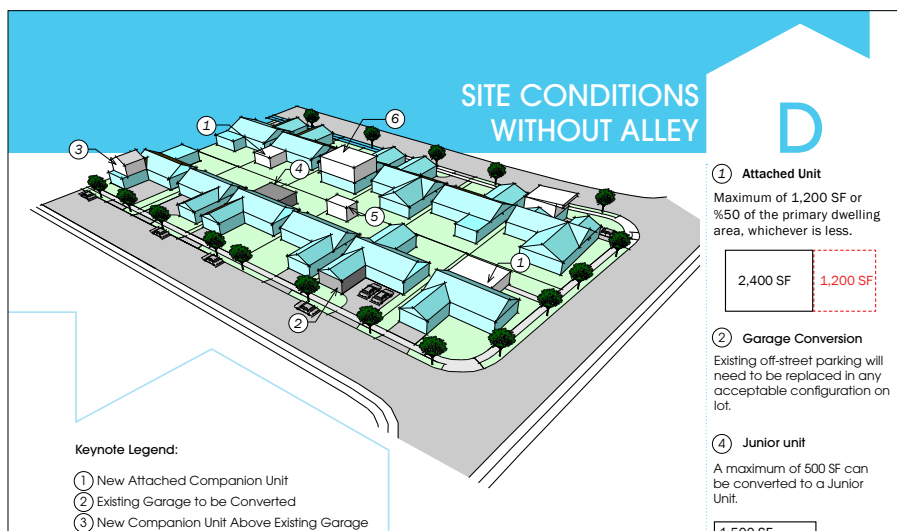
Claremore is a small college town and commuter city experiencing a surge in demand for housing. After adopting the Claremore 2040 Comprehensive Plan, the city moved to speed housing production by [creating a new Unified Development](#)

[Code](#) and implemented a pre-approved design plan. The city launched a pilot project to demonstrate some of the designs. The effort led to significant growth in applications, approvals and new construction. To further speed production and lower costs, next steps include creating more design options per building type, increasing architectural variety and incorporating elements associated with modular and other new building technology.

San Diego, California (Population: 1,386,932)

CASE STUDY

The City of San Diego, Pacific Southwest Association of REALTORS® and other supporters of ADU production [collaborated on a free digital handbook](#) to help homeowners looking to design and build ADUs. The handbook explained key concepts, helped residents understand renovation project financing and provided guidance that led to increased ADU development and faster permitting.



A page from a free digital handbook created by supporters of ADU production in San Diego.

STRATEGY 11

Explore how to update building codes to effectively serve the current and changing needs of your community.

MENU OF OPTIONS

11.1 USE THE RESIDENTIAL CODE: Allow two- to six-unit residential buildings to follow the International Residential Code (IRC) rather than the International Building Code (IBC). Allowing the use of the more flexible IRC for a wider range of missing middle housing types will lower costs and promote production of these units. The more stringent IBC standards necessary for larger multifamily developments can increase costs and act as a barrier to development, despite other code changes that legalized their use. IRC standards combined with new building materials, design and technologies can maintain safety standards while lowering overall costs and facilitating increased supply.

11.2 ALLOW SINGLE-STAIR CONSTRUCTION: Allow single-stair construction (not double-loaded corridors) up to five stories. This design practice has long been in use internationally. Several states are either explicitly allowing this approach or studying how to reform codes to permit it. This approach allows more flexibility in design, ensuring units serve more needs with greater affordability.

11.3 PARTICIPATE IN THE INTERNATIONAL CODE COUNCIL (ICC): Serve on the ICC Code Development Committee and advocate for code changes that will reduce barriers for housing production.

11.4 SUBMIT CODE CHANGE PROPOSALS TO THE ICC: Submit code change proposals via ICC's cloud-based program [cdpACCESS®](#).

Memphis, Tennessee (Population: 633,104)**CASE STUDY**

The [Memphis 3.0 Comprehensive Plan](#) includes a focus on encouraging housing supply, particularly missing middle housing options. Driven by the plan, city officials examined potential barriers to missing middle development in their zoning and building codes. The city [updated the local building code](#) to make buildings like triplexes and quadplexes easier to build. This included applying the residential code to three- to six-unit structures and removing the sprinkler requirement for buildings with two-hour fire-rated walls and floor/ceiling assemblies. The revisions in the building code maintain equivalent safety standards while lowering development costs and helping the city realize the vision of its comprehensive plan.



A multifamily building in Seattle with a single staircase, which allows for construction on smaller parcels and more diverse unit configurations serving a broader range of needs. Photo source: Sean Jursnick/X.

Seattle, Washington (Population: 737,015)**CASE STUDY**

Requirements for two-stairway design of multifamily buildings had a profound impact on structural and architectural options for apartments across the United States. Decades ago, Seattle took a different approach. The city [allowed single-stair design](#) for buildings up to six stories tall with a cap of four units per story. This flexibility included fire provisions to ensure safety. This design allows construction on smaller parcels and more diverse unit configurations serving a broader range of needs. Several states have initiated studies intended to recommend potential changes and reforms for single-stair design.

STRATEGY 12

Use regulatory and policy tools to preserve and improve existing housing options and culturally sensitive assets, expand housing equity, and provide critical energy and resilience benefits to expand housing supply and opportunity.

MENU OF OPTIONS**12.1 ADOPT BUILDING FORM AND DESIGN STANDARDS:**

Consider adopting building form and design standards that protect the quality and character of historically disadvantaged or vulnerable households and businesses and do not impose undue cost burdens. In combination with more flexibility elsewhere in the code, a community can promote housing supply while protecting vulnerable communities.

12.2 OVERLAY ZONE TO PRESERVE RESIDENTIAL AREAS FROM SPECULATION:

Consider establishing specialized overlay zones to help protect residential areas that are affordable for low- and moderate-income households but are susceptible to speculative development pressures by any local, state or federal program.

12.3 OVERLAY ZONE TO IMPROVE HEALTH OUTCOMES AND ENVIRONMENTAL JUSTICE:

Consider establishing specialized overlay zones to improve health outcomes and environmental justice by preventing the concentration of pollution or environmental hazards, including hazards related to climate change, especially near historically disadvantaged and vulnerable populations.

12.4 CREATE A FAIR HOUSING ACTION PLAN OR ASSESSMENT TO ENSURE AFFORDABILITY, AVAILABILITY AND ATTAINABILITY OF HOUSING AND OPPORTUNITY:

Explore ways to further fair housing, eliminating discrimination and segregation. Create actions to eliminate barriers to choice, including affirmative marketing plans and ensuring equitable regulatory practices.

Houston, Texas (Population: 2,304,580)**CASE STUDY**

Houston aimed to balance preserving the unique cultural character of some of its prominent historically Black communities with promoting growth and opportunity. [The city approved an ordinance](#) that establishes a process for creating new Conservation Districts, which enables the adoption of design guidelines that address the scale, siting and appearance of additions and new development, as well as demolitions and building relocations. A conservation district provides flexible standards that neighborhoods can pick and choose from—such as roof pitch and

A home in Independence Heights, one of the areas included in Houston's Conservation Districts. Middle-class Black families moved into this area and established the neighborhood around 1908. Photo courtesy of Texas Historical Commission.



building setback—to maintain the neighborhood's character. It differs from a traditional historic district, which has standards that are more fixed. Conservation and heritage district designation allows community members to establish a nonprofit fund for investment in improvements to the public right-of-way and create neighborhood strategic plans.

STRATEGY 13

Identify existing housing and areas throughout the community that are susceptible to climate hazards.

MENU OF OPTIONS**13.1 INVENTORY OF HAZARD-PRONE HOUSING STRUCTURES:**

Establish an inventory of hazard-prone housing structures in the

locality, informed by technology tools, datasets and/or community-level input. Such a review may lead to a re-evaluation of development standards or other policies aimed at mitigating potential loss.

13.2 MAP HAZARD-PRONE AREAS: Establish a map of hazard-prone areas in the locality. New tools and data sets are available to improve local hazard mapping, including federal resources like the National Oceanic and Atmospheric Administration's (NOAA) [Digital Coast](#) and FEMA's [Hazus program](#). Geographic information system (GIS) programs can play a vital role in integrating hazard-related data to produce maps and visualizations that aid decision-makers and residents.

13.3 INTEGRATING HAZARD MITIGATION PRINCIPLES:

Explore how zoning ordinances, subdivision ordinances and building codes integrate hazard mitigation principles for new construction and renovation. Many communities have developed a range of plans that address hazard mitigation from pre-disaster mitigation plans to hazard elements of comprehensive plans. Integrate these various plans, including relevant neighborhood or small area plans, with housing plans to ensure that development codes and ordinances align with hazard mitigation and efforts to promote new housing supply take into account hazard-related concerns.

13.4 INCORPORATE USE OF VULNERABILITY ASSESSMENTS

AND MEASURES: The coordination of housing, hazards and climate mitigation should incorporate new measures focused on vulnerability assessment, social impacts and environmental justice. New tools, such as the [Social Vulnerability Index](#) developed

by the University of South Carolina, can help communities create a deeper understanding of costs and benefits.

Norfolk, Virginia (Population: 238,005)

CASE STUDY

Facing a growing threat from flood and sea level rise, the City of Norfolk undertook [planning and policy initiatives](#) to better understand the impact on housing and steps to mitigate risk. Through a series of initiatives, Norfolk established a policy framework that integrates housing and resilience. Innovations include a flexible resilience quotient system in the zoning code that allows developers to choose risk reduction methods to meet

Red-colored permeable pavers mitigate flood risk on a neighborhood street lined with historic homes in Norfolk, Virginia. Photo by Kristen Zeis.



resilience needs. It also includes the integration of overlay zones with varying requirements and incentives to deal with the highest-risk and most vulnerable areas. These programs seek to combine flexibility with predictability to help meet broad, citywide resilience goals. The regulatory initiatives come with additional funding and technical assistance to ensure that resilience goals do not negatively impact housing affordability. At the neighborhood level, the adoption of new standards for evaluating costs and benefits that take into account social vulnerability factors can inform this work.

STRATEGY 14

Strategically coordinate subdivision regulations, engineering standards, development impact fees, building codes and environmental regulations to reduce the time, cost and unpredictability of housing project approval.

MENU OF OPTIONS

14.1 CREATE OR UPDATE A UNIFIED DEVELOPMENT ORDINANCE

(UDO): A UDO serves to integrate zoning and subdivision rules with other regulations, such as design guidelines. A UDO is a helpful policy tool for enacting reform. It is also a common feature in form-based codes.

14.2 DESIGNATION FOR PRIORITY INFILL LOTS, THOSE ALREADY PLATTED IN ESTABLISHED NEIGHBORHOODS WITH EXISTING INFRASTRUCTURE BUT CURRENTLY UNDEVELOPED:

For such infill lots, consider making changes to impact fees, permit fees and infrastructure tap fees to encourage development of these existing lots.

The Buffalo Green Code, which reduced and eliminated parking requirements, spurred a revival of Buffalo's historic building stock, like the transformation of the Pierce-Arrow Motor Car Factory into loft apartments. Photo courtesy of Apartments.com.

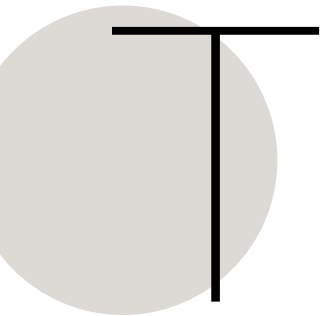


Buffalo, New York (Population: 278,349)

CASE STUDY

The City of Buffalo adopted its [Buffalo Green Code](#) to [reduce and eliminate parking requirements](#) and promote downtown infill development and density. The Green Code is a UDO and part of the city's form-based code. The approach eliminated parking requirements for developments of less than 5,000 square feet and provided alternative options for developments larger than 5,000 square feet, if served by transit. The city has achieved significant growth in its downtown residential population.

Conclusion



The housing landscape stands at a pivotal juncture, demanding that communities address local housing supply challenges with urgency and innovation. Housing supply issues are not isolated; they weave a complex web of challenges, similar to the layered solutions required to address them. As we accelerate toward a future where housing is diverse, attainable and equitable for all, the imperative for collaboration and alignment within the housing landscape is undeniable.

Effectively addressing housing supply shortages requires a holistic systems approach. Collaboration among housing stakeholders, both public and private, is paramount to success. With a unified front, local governments, planners, real estate professionals, developers, builders, financial institutions and state, regional and federal partners can implement strategies to meet the diverse local housing needs within their areas of influence.

In the 21st century, we must develop housing that is human-centered, responsive, adaptable and resilient. Future housing planning must intertwine with economic development, transportation, land use, building codes and environmental sustainability. Furthermore, local, state and regional planning must be aligned—emphasizing shared strategies, goals and resources that empower local governments to effectively confront housing shortages.

While acknowledging efforts such as the American Rescue Plan Act and the Bipartisan Infrastructure Law funding that assist cities and communities with addressing housing supply challenges,

we must also recognize the need for more financial resources to keep pace with inflation and labor costs. We must simultaneously address the obstacles within the housing supply ecosystem to ensure successful outcomes. This ongoing work prioritizes housing production, improving and preserving existing housing and the stability of all residents.

This playbook serves as a guide and a call to action to embrace complexity and champion collaboration. No singular solution can resolve the housing supply crisis. Instead, each concerted effort shapes a diverse, attainable and equitable housing future. The combination of local housing strategies, in coordination with all housing stakeholders, will propel us forward, one step at a time. **Tackling this national housing supply shortage at the local level demands collective momentum to achieve meaningful progress.**

Appendix

Resources from the National League Of Cities

Housing Supply is a High Priority for Local Governments

NLC's Housing Supply Accelerator Fact Sheet, *Housing Supply is a High Priority for Local Governments*, offers insight into the challenges that cities and towns face regarding their local housing supply needs. The aftermath of the 2008 subprime mortgage foreclosure crisis and the ongoing challenges caused by the COVID-19 pandemic led to a severe housing supply shortage. This scarcity has created affordability challenges for both buyers and renters, reinforcing long-standing inequities and limiting access to opportunity.

Community Land Trusts: A Guide for Local Governments

NLCs and Grounded Solutions Network's report, *Community Land Trusts: A Guide for Local Governments*, offers an introduction to the community land trust (CLT) model for housing, sheds light on the benefits CLTs bring to residents and cities and highlights key ways that municipal governments and local leaders can initiate or support CLTs in their communities.

Resources from the American Planning Association

Equity in Zoning Policy Guide

APA's Equity in Zoning Policy Guide positions planners to lead the way on zoning changes at the local, state and federal levels. This guide prioritizes reversing and alleviating the disproportionate

impacts of zoning through three aspects of zoning: rules, people and mapping. The Equity in Zoning Policy Guide also provides community planners with solutions that allow communities to boost housing supply, production and fairness.

Housing Policy Guide

APA's Housing Policy Guide identifies policy solutions for planners and local, state and federal elected officials that address dire housing challenges—including accessibility, affordability and availability—plaguing rapid- and slow-growth communities nationwide.

Why your community needs planning-led zoning reform

Elected leaders are turning to community planners for their insights and data-backed policy ideas to overcome restrictive zoning that prevents housing development in places where people most need choice.

From parking minimums to building more housing near transit, planners—together with decision-makers—are finding innovative, locally led ways to make housing more affordable, accessible and available to residents.

This curated resource will provide local elected and appointed leaders practical guidance, success stories and inspiration for how to move forward innovative housing supply solutions.



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SALT LAKE CITY GUIDE TO **AFFORDABLE HOUSING INCENTIVES**



SALT LAKE CITY GUIDE TO **AFFORDABLE HOUSING INCENTIVES**

This guide was prepared by the Planning Division as a resource to assist you on the process of incorporating Affordable Housing Incentives on your project proposal. It provides general guidelines for property owners. Some of the standards have been summarized or phrased in a different way. This document does not replace the standards in code. It is recommended to work with a City Planner to help you answer any questions and coordinate your application.





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	Type A Single & Two Family Zoning Districts
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Overview



The city adopted a zoning amendment authorizing affordable housing incentives (AHI) in December 2023 with an effective date of April 30, 2024.

The incentives are intended to encourage the development, construction, and preservation of housing in the city.

There are two primary goals of the AHI. First, they are to help public and private dollars that go into building affordable housing create more housing units. Second, they are to create additional opportunities for property owners to provide new, affordable housing units. Depending on the zoning district, the AHI allow for additional housing types, additional units or density, additional height, reduce parking requirements for smaller projects, and provide planning process waivers or modifications.

There are three types of incentives – Type A, Type B, and Type C. Each type applies in different zoning districts and has different affordability requirements. All require a percentage of the units to be affordable at an amount at or below the area median income (AMI) and have options for homeownership or rental units.

This document describes the AHI in a more graphic based format and provides guidance on requirements from other city departments including building and fire code and public utilities. These codes often add construction costs that may be significant.

Use this document as a starting point for learning about the AHI and planning a project. Refer to city code and meet with city staff for additional information. We recommend following the process on [page 55](#).

As you plan your project & before you submit a zoning incentives application, it is recommended that you meet with staff in two separate meetings:

- 1. Development Review Team (DRT) meeting:** held by Zoning, Building Services, Public Utilities, Transportation and Engineering Division Staff.
- 2. Pre-submittal meeting:** held by the Planning Division.

These meetings will identify city requirements that may have substantial additional costs and detail the zoning and affordability requirements to use the AHI.



Eligibility



Affordable Housing Incentives (AHI) are available in all zoning districts where residential uses are permitted



FIND YOUR ZONING DISTRICT

There are different incentives in different zoning districts. Find out the zoning district of your property on the **Salt Lake City Zoning Lookup Map** | maps.slcgov.com/mws/zoning.htm



LOCAL HISTORIC DISTRICTS

A **Certificate of Appropriateness** is required for new construction, exterior modifications, including window replacement or painting previously unpainted brick, on properties located in a local historic district. Dwellings and units may be added in historic districts provided they meet the city's historic preservation standards and design guidelines.

Learn more about Historic Preservation | www.slc.gov/historic-preservation



GENERAL QUESTIONS?

For general questions, contact the Planning Division at 801.535.7700 or zoning@slcgov.com

For questions regarding Historic Preservation, email us at historicpreservation@slcgov.com

Your Property

PROPERTY LINES

SETBACK

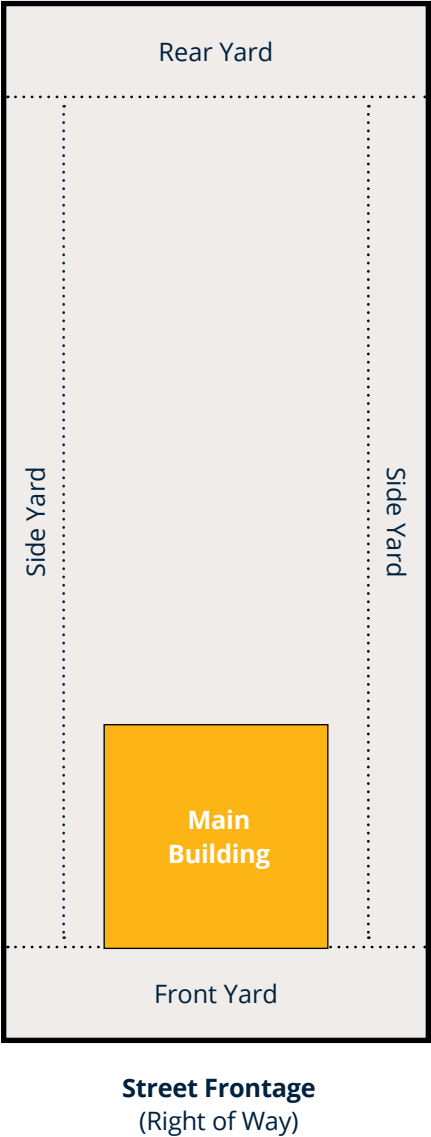
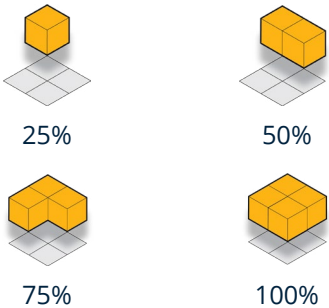
An area measured from property lines and required to be maintained as open space, free of any structures from the ground to the sky.

Properties using the AHI must meet the yard setback requirements for the zoning district.

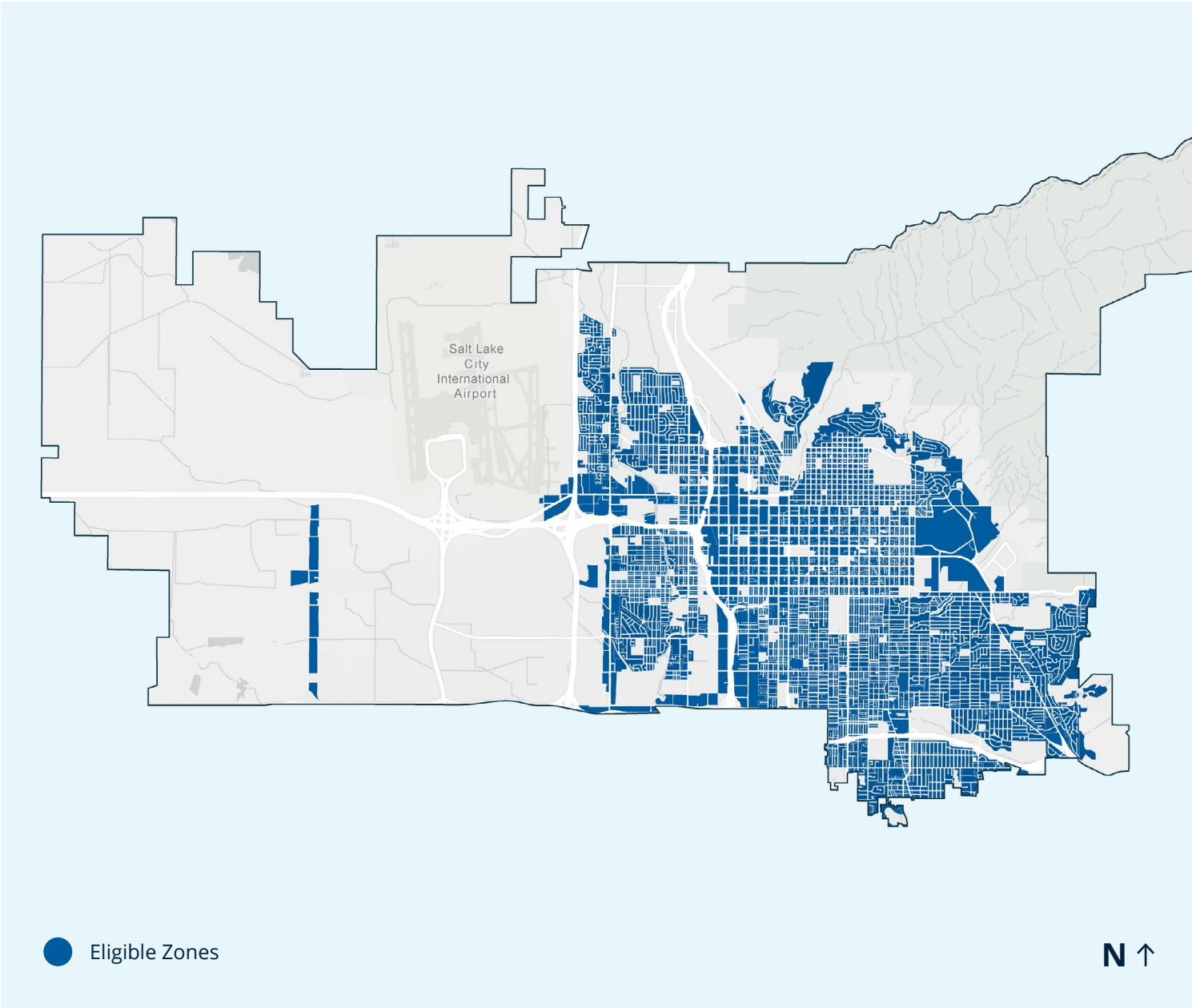
WHAT IS BUILDING COVERAGE?

Building Coverage is the percentage of a lot covered by buildings.

An affordable housing incentive (AHI) development must comply with the maximum coverage requirements.



Eligible Zoning Districts



TYPE A

- FR-1
- FR-2
- FR-3
- R-1/5,000
- R-1/7,000
- R-1/12,000
- R-2
- SR-1
- SR-1A
- SR-3

TYPE B

- RMF-30
- RMF-35
- RMF-45
- RMF-75

TYPE C

- CB
- CC
- CG
- CN
- CSHBD1
- CSHBD2
- D-1
- D-2
- D-3
- D-4
- FB-SC
- FB-SE
- FB-MU11
- FB-UN1
- FB-UN2
- GMU
- I
- MU
- MU-8
- RB
- RMU
- RMU-35
- RMU-45
- RO
- SNB
- TSA-Core
- TSA-Transition

Affordability



The affordable units will be available only to households with an annual income at or below the SLC Area Median Income (AMI)

Area Median Income (AMI): This is the midpoint of the region's income distribution set by HUD (Department of Housing & Urban Development). This number is updated annually. See the city's website for current numbers.

The incentives allow for rental or homeownership units. There are different affordability requirements for Type A, B and C incentives. See the following pages for information on each incentive type.



AFFORDABLE RENTAL UNITS

The monthly rent cannot exceed HUD's maximum monthly gross rate for the affordable unit type. The monthly rent must be in a written lease and must include all housing costs, such as utilities.



AFFORDABLE HOMEOWNERSHIP UNITS

The total yearly cost for housing, covering mortgage payments, insurance, property taxes, condominium, parking and other fees must not be more than 30% of the maximum monthly income allowed for the Area Median Income (AMI) level. This calculation assumes a household size equal to the number of bedrooms in the unit, plus one person.

Requirements



Affordable units permitted by the AHI are required to remain affordable for at least 30 years

Note: A restrictive covenant must be recorded against the property to ensure compliance with affordability requirements.



AFFORDABLE HOMEOWNERSHIP UNITS

The future sales price is limited by the terms of the restrictive covenant. The city must be notified of any future sale and will have a right of first refusal.



COMPARABLE UNITS

Affordable units must be comparable to market rate units, if any, in the development including with respect to entrance location, dispersion throughout the building or site, number of bedrooms, and access to amenities.

This does not apply to units in single and two family zoning districts.

Compliance



ANNUAL REPORTING - RENTAL UNITS

Owners will be required to submit annual reports that verifies compliance with affordable housing conditions, including tenant income and rental rates.

This may include submitting required reporting for the Utah Housing Corporation, Olene Walker Housing Loan Fund, or similar funding source.



ENFORCEMENT

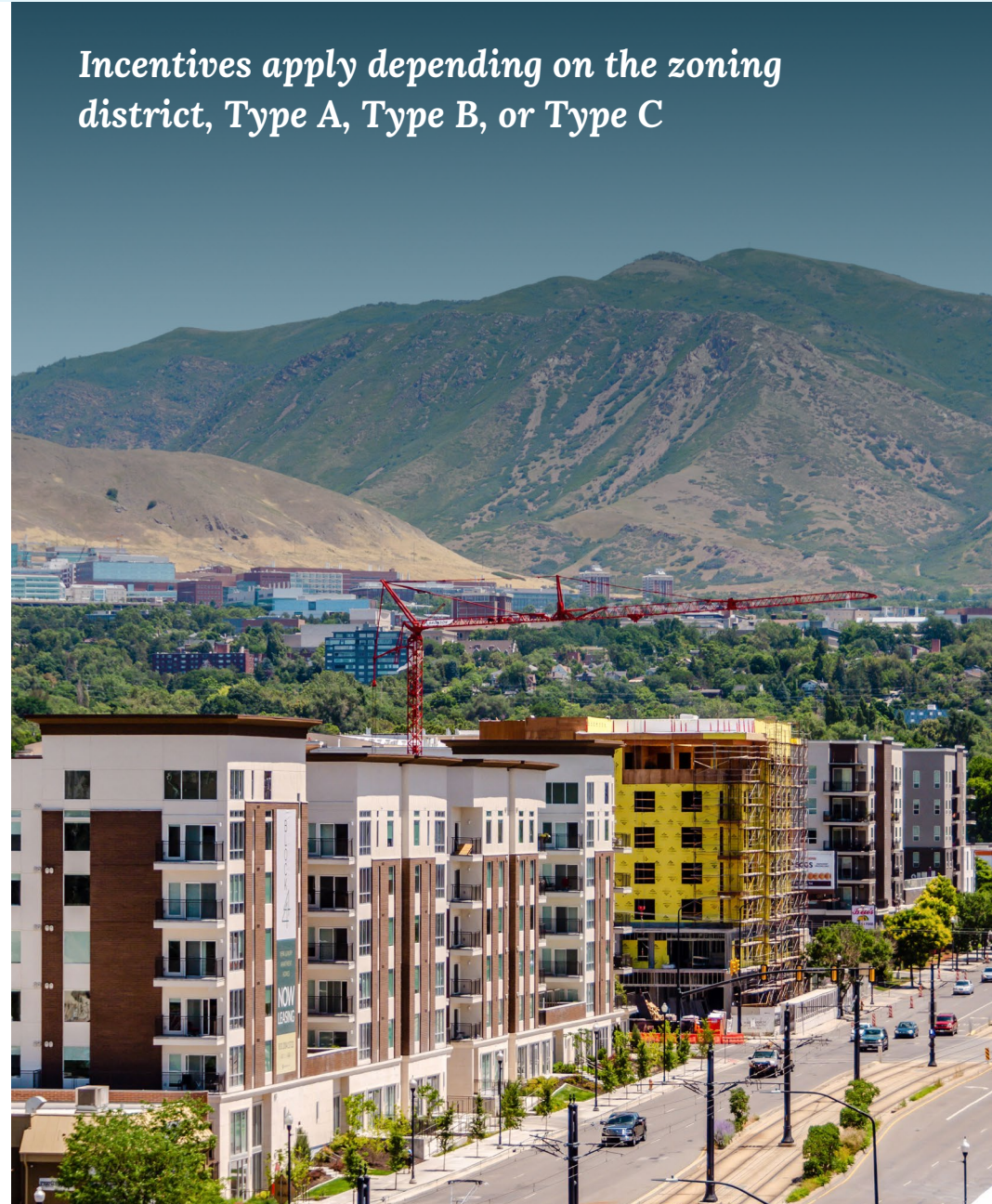
Property owners who do not comply with required rental rates or annual reporting will be subject to enforcement, including daily fines.

If fines exceed \$5,000, the city may place a lien on the property and revoke the owner's business license.

Incentives



Incentives apply depending on the zoning district, Type A, Type B, or Type C



TYPE A

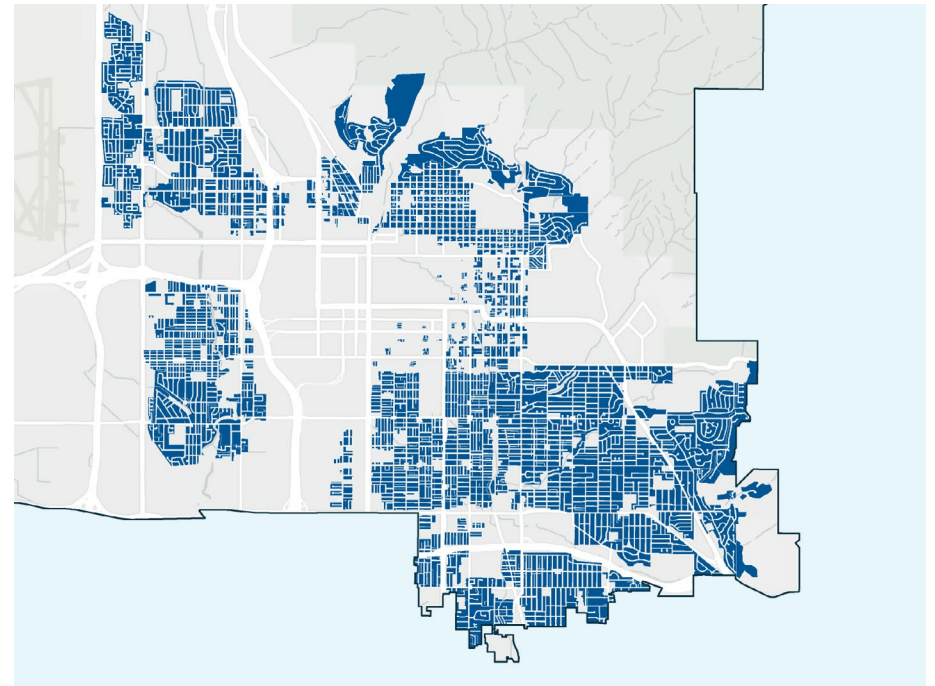


Type A | Single & Two Family Zoning Districts



APPLICABLE ZONING DISTRICTS

- FR-1
- FR-2
- FR-3
- R-1/5,000
- R-1/7,000
- R-1/12,000
- R-2,
- SR-1
- SR-1A
- SR-3



Type A | Incentives



ADDITIONAL HOUSING TYPES ALLOWED

- Twin Home And Two-Family
- Three-Family Dwellings
- Four-Family Dwellings
- Row Houses
- Sideways Row Houses
- Cottage Developments



DENSITY

- Lots may contain up to four units.
- Existing lots may be divided such that each unit, not including accessory dwelling units (ADUs), is on its own lot.
- New lots are exempt from minimum lot area, lot width, and lot frontage requirements. This is not applicable to vertical or stacked developments.
- For the purposes of the AHJ, before an ADU is considered one unit and counts towards the number of units permitted.

Note: There are additional development and design standards in the Housing Type Regulations and Design Standards section on [page 37](#).



ARRANGEMENT OF DWELLINGS

- **New Construction:** New dwelling units may be arranged in any manner within a building, as a second detached dwelling, as attached units, or as a cottage development with three or more detached dwellings.
- **Existing Building:** When an existing building is maintained, new units may be added internal to the existing structure, as an addition, or as a second detached dwelling. Any addition must comply with the standards of the base zoning district; however, the addition may contain additional units. 50% of the exterior walls of the existing dwelling, including the front elevation, must remain as exterior walls.
- All other zoning requirements apply.



PARKING

Only one off-street parking space per unit is required. One detached garage, or covered parking space, no greater than 250 sq. ft. per unit, may be provided for each unit.



YARDS

Minimum required yards must apply to the perimeter of the properties in the development and not to the individual principal buildings within the development.

Type A | Affordability Requirements



AFFORDABLE HOMEOWNERSHIP DEVELOPMENTS

must meet at least one of the following criteria:

NEW CONSTRUCTION: 50% of the units must be affordable to those with incomes at or below 100% AMI.

EXISTING BUILDING: If the existing building is maintained and new units are added, 25% of the units must be affordable to those with incomes at or below 100% AMI.



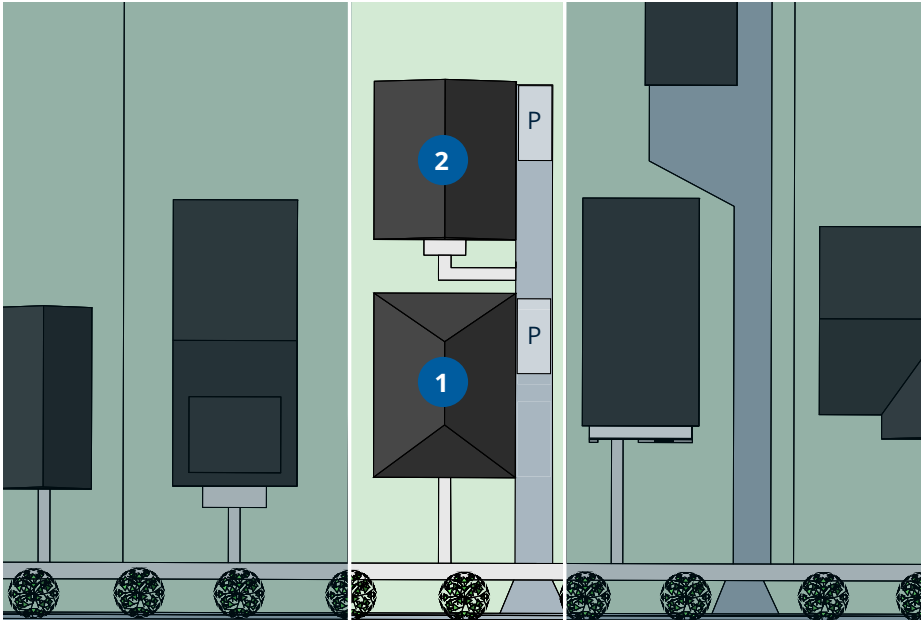
AFFORDABLE RENTAL DEVELOPMENTS

must meet at least one of the following criteria:

NEW CONSTRUCTION: 50% of the affordable units must be affordable to those with incomes at or below 80% AMI.

EXISTING BUILDING: If the existing building is maintained and new units are added, a minimum of one of the units must be affordable to those with incomes at or below 80% AMI.

Example | Second Detached Dwelling



- 1. PRINCIPAL DWELLING
- 2. AHI SECOND SINGLE-FAMILY DWELLING

Principal Dwelling: 1,500 sf
Second Dwelling: 1,300 sf
Lot Coverage: 40%
Lot Size: 7,000 sf

SETBACKS
Min. Front Yard: 20 ft
Min. Rear Yard: 25 ft
Min. Side Yard: 6 ft, 10 ft

TYPE B

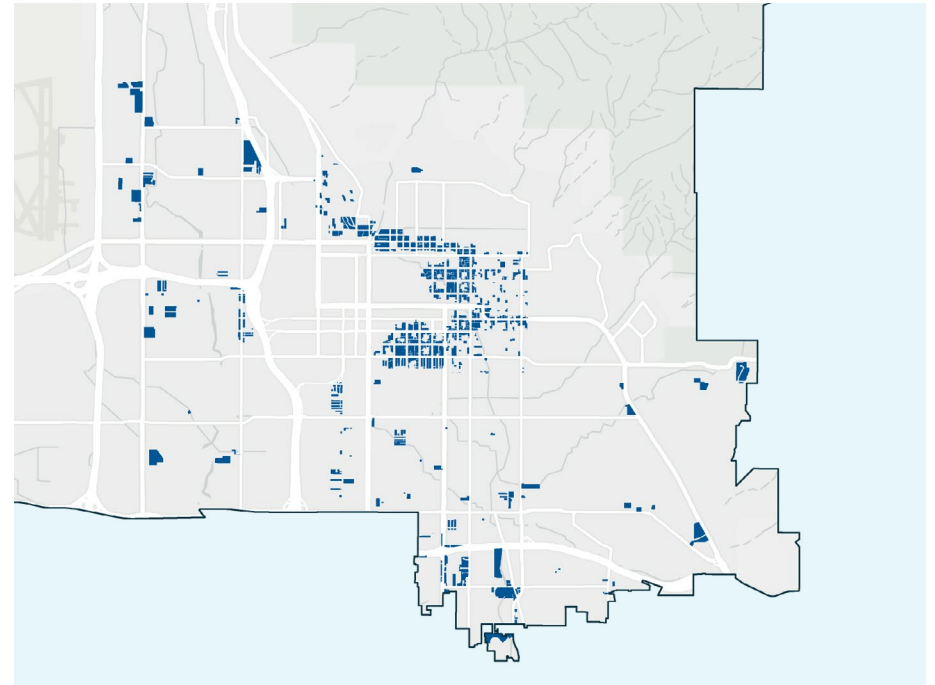


Type B | RMF Zoning Districts



APPLICABLE ZONING DISTRICTS

- RMF-30
- RMF-35
- RMF-45
- RMF-75



Type B | Incentives



DENSITY

The qualifying provisions for density found in the minimum lot area and lot width tables for the RMF-35, RMF-45, and RMF-75 zoning districts do not apply. In the RMF-30 zoning district, the minimum lot size per dwelling unit does not apply.



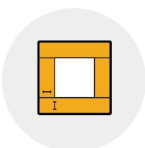
UNIT MIX

No more than 25% of the units in the development may be less than 500 square feet to promote a mix of unit sizes.



PARKING

Only one off-street parking space per unit is required for developments with fewer than 10 units. The city's off-street parking requirements apply when there are more than 10 units.



YARDS

The minimum required yards apply to the perimeter of the properties in the development and not to the individual principal buildings within the development.



LOT WIDTH

The minimum lot area and lot width identified in the zoning district tables do not apply.

Note: There are additional development and design standards in the Housing Type Regulations and Design Standards section on [page 37](#).

Type B | Affordability Requirements



AFFORDABLE HOMEOWNERSHIP DEVELOPMENTS

must meet at least one of the following criteria:

10% of units must be affordable to those with incomes at or below 80% AMI.

5% of units must be affordable to those with incomes at or below 60% AMI.



AFFORDABLE RENTAL DEVELOPMENTS

must meet at least one of the following criteria:

40% of units must be affordable to those with incomes at or below 60% AMI.

20% of units must be affordable to those with incomes at or below 50% AMI.

40% of units must be affordable to those with incomes averaging no more than 60% AMI and these units must not be occupied by those with an income greater than 80% AMI.

TYPE C

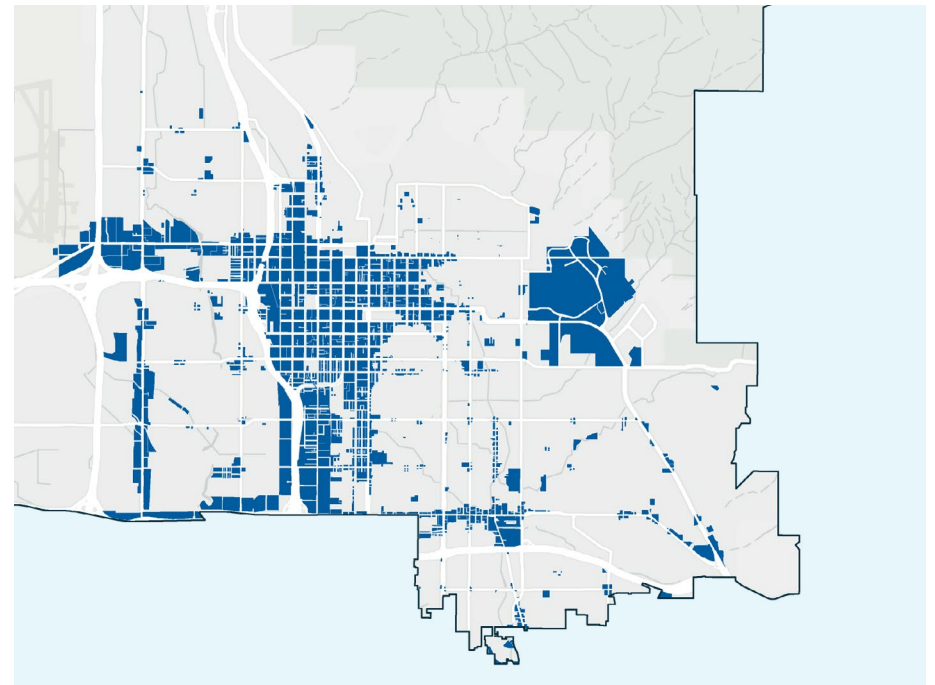


Type C | Other Zoning Districts



APPLICABLE ZONING DISTRICTS

- CB
- CC
- CG
- CN
- CSHBD1
- CSHBD2
- D-1
- D-2
- D-3
- D-4
- FB-SC
- FB-SE
- FB-MU11
- FB-UN1
- FB-UN2
- GMU
- I
- MU
- MU-8
- RB
- RMU
- RMU-35
- RMU-45
- RO
- SNB
- TSA-Core
- TSA-Transition





ADDITIONAL HOUSING TYPES

Row houses, sideways row houses, and cottage developments are permitted in the **CB** (Community Business), **CC** (Corridor Commercial), **CG** (General Commercial), and **I** (Institutional) zoning districts.



ADMINISTRATIVE DESIGN REVIEW

Planning Commission hearing is not required for:

- Buildings in the **CSHBD1** and **CSHBD2** zoning district that exceed 20,000 square feet in size.
- Buildings in the **CB** zoning district that exceed 7,500 gross square feet of floor area for a first-floor footprint or in excess of 15,000 gross square feet floor area.



ADDITIONAL HEIGHT

Additional height and administrative design review are permitted as identified in the tables on the following pages. The additional story cannot exceed 12' in height.

Early engagement notice requirements to recognized organizations are not applicable.

WHAT IS DESIGN REVIEW?

Design Review is a planning process that evaluates the design and impact of a proposed development. Planning staff reviews and can approve an administrative design review application. The Planning Commission can approve additional modifications not identified as administrative through a public hearing process.

RESIDENTIAL

ZONING	PERMITTED MAX. HEIGHT WITH INCENTIVE
RMU-35	45' with administrative design review, regardless of abutting use or zone.
RMU-45	55' with administrative design review, regardless of abutting use or zone.
RB	One additional story; density limitations listed in the land use table do not apply.
RMU	Three additional stories with administrative design review.
RO	One additional story.

FORM - BASED

ZONING	PERMITTED MAX. HEIGHT WITH INCENTIVE
FB-MU11	Three additional stories with administrative design review.
FB-UN2	One additional story.
FB-SC	One additional story.
FB-SE	One additional story.
FB-UN1	Three stories, but not to exceed 30' in height.

Type C | Incentives

COMMERCIAL

ZONING	PERMITTED MAX. HEIGHT WITH INCENTIVE
SNB	One additional story.
CB	One additional story.
CN	One additional story.
CC	45' with administrative design review; additional landscaping may be met by meeting requirements in 21A.52.050.H.3.c.5.
CG	Two additional stories with administrative design review. Three additional stories with administrative design review for properties in the mapped area in Figure 21A.26.070.G.
CSHBD1	129' with administrative design review.
CSHBD2	72' with administrative design review.
TSA-Transition	One additional story with administrative review.
TSA-Core	Two additional stories with administrative review.

DOWNTOWN

ZONING	PERMITTED MAX. HEIGHT WITH INCENTIVE
D-1	Administrative design review is permitted when a design review process is required.
D-2	Two additional stories with administrative design review.
D-3	Three additional stories with administrative design review.
D-4	Three additional stories with administrative design review. 375' and administrative design review in mapped area in 21A.30.045.E.2.b.

OTHER

ZONING	PERMITTED MAX. HEIGHT WITH INCENTIVE
GMU	Two additional stories with administrative design review.
MU	60' with administrative design review, with residential uses in all principal buildings.

Note: There are additional development and design standards in the Housing Type Regulations and Design Standards section on [page 37](#).

Type C | Affordability Requirements



AFFORDABLE HOMEOWNERSHIP DEVELOPMENTS
must meet at least one of the following criteria:

10% of units must be
affordable to those with
incomes at or below 80% AMI.

5% of units must be
affordable to those with
incomes at or below 60% AMI.



AFFORDABLE RENTAL DEVELOPMENTS
must meet at least one of the following criteria:

20% of units must be
affordable to those with
incomes at or below 80% AMI.

10% of units must be
affordable to those with
incomes at or below 60% AMI.

10% of units must be
affordable to those with
incomes averaging at or below
60% AMI and these units must
not be occupied by those with an
income greater than 80% AMI.

10% of units must be
affordable to those with
incomes at or below 80% AMI
and these units must have two
or more bedrooms.

5% of units must be
affordable to those with
incomes at or below 30% AMI.

5% of units must be
affordable to those with
incomes at or below 60% AMI
and these units must have two
or more bedrooms.

5% of units must be
affordable to those with
incomes at or below 80% AMI
and these units must have
three or more bedrooms.



Planned Development | Waivers



A planned development is not required for:

- Multiple Buildings on a Single Parcel: More than one principal building may be located on a single parcel and are allowed without having public street frontage.
- Principal buildings with frontage on a paved public alley or public street.
- Development in the Community Shopping (CS) zoning district.

Any other modifications not identified above require a Planned Development.

Note: To be eligible for the Planned Development waiver, a development must meet the affordability requirements for the applicable zoning district in Type A, Type B or Type C.

WHAT IS A PLANNED DEVELOPMENT?

A Planned Development is a type of land development that allows for more flexibility than is otherwise allowed. It is intended to provide for a development that is an improvement to one that could be built following a strict application of the regulations. It requires review and approval by the Planning Commission.

Lot | Requirements



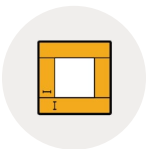
Lots without public street frontage may be allowed without a planned development when:

- The overall development site complies with required yard setbacks.
- The front and corner yards of the perimeter are maintained as landscaped yards.
- The overall development complies with maximum building coverage.
- Required off street parking stalls for a unit within the development are permitted on any lot within the development.
- A final plat documents that all lots within the subdivision have adequate access to a public street by way of easements, a shared driveway, or a private street.
- An entity, such as a homeowner association, must be established for the operation and maintenance of any common infrastructure.

Row House | Requirements



Row House + Sideways Row House developments must meet the following requirements:



PERIMETER YARD REQUIREMENTS

- **Front Yards:** The front yard and corner side yard of the base zoning district apply.
- **Side Yards:** A minimum of 10 feet on one side of the building and 6 feet on the other interior side yard unless a greater yard is required by the base zoning district.
- **Rear Yard:** The rear yard of the base zoning district applies.



NUMBER OF UNITS

In these single and two family zoning districts, there is a minimum of three and a maximum of four residential dwelling units per building.

Row House | Requirements



BUILDING LENGTH FACING STREET

- **Single and Two Family Districts:** The building length must not exceed 60 feet or the average of the block face, whichever is less.
- **RMF Districts:** The building length must not exceed 100 feet.
- **Other Zoning Districts:** The building length must not exceed 175 feet.



BUILDING ENTRY FACING STREET

At least one operable building entrance on the ground floor is required for each unit facing the primary street facing façade. All units adjacent to a public street must have the primary entrance on the street facing façade of the building with an unenclosed entry porch, canopy, or awning feature. The entry feature may encroach in the front yard setback, but may not be closer than 5 feet from the front property line.



BUILDING MATERIALS

50% of any street facing facade must be clad in durable materials. Durable materials include stone, brick, masonry, textured or patterned concrete, and fiber cement board. Other materials may be used for the remainder of the facade adjacent to a street.



PARKING REQUIREMENT AND LOCATION

No more than one off-street parking space per unit is required. All provided parking must be located to the side of the street facing building façade, behind a principal structure that has frontage on a street, or within the principal structure.



GARAGE DOORS FACING STREET

Garage doors are prohibited on the façade of the building that is parallel to, or located along, a public street.



PERSONAL OUTDOOR SPACE

Each unit must have a minimum outdoor space of 60 square feet where the minimum measurement of any side cannot be less than 6 feet.



BLANK WALL

The maximum length of any blank wall uninterrupted by windows, doors, or architectural detailing at the ground floor level along any street facing façade is 15 feet.



SCREENING OF MECHANICAL EQUIPMENT

All mechanical equipment must be screened from public view and sited to minimize its visibility and impact. Examples of siting include on the roof, enclosed or otherwise integrated into the architectural design of the building, or in a rear or side yard.



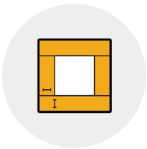
GLASS

The façade of each floor facing a street must contain a minimum of 15% glass.

Cottage Developments | Requirements



Cottage developments must meet the following requirements:



PERIMETER YARD REQUIREMENTS

- **Front yards:** The front yard and corner side yard of the base zoning district apply.
- **Side yards:** A minimum of 10 feet on one side of the property line and 6 feet on the other interior side yard, unless a greater yard is required by the base zoning district.
- **Rear yard:** Rear yard of base zoning district applies.



SETBACKS BETWEEN INDIVIDUAL COTTAGES

All cottages must have a minimum setback of 8 feet from another cottage.

BUILDING ENTRANCE

All building entrances must face a public street or a common open space.



AREA

No cottage may have more than 850 square feet of gross floor area, excluding basement area. There is no minimum square foot requirement.



BUILDING MATERIALS

50% of any street facing facade must be clad in durable materials. Durable materials include stone, brick, masonry, textured or patterned concrete, and fiber cement board. Other materials may be used for the remainder of the facade adjacent to a street.



OPEN SPACE

A minimum of 250 square feet of common, open space is required per cottage. At least 50% of the open space must be in a courtyard or other common, usable open space. The development must include landscaping, walkways or other amenities intended to serve the residents of the development.



PERSONAL OUTDOOR SPACE

A minimum of 120 square feet of personal outdoor space is required in addition to the open space. The personal outdoor space must provide a private yard area for each cottage and will be separated with a fence, hedge, or other visual separation to distinguish the private space.



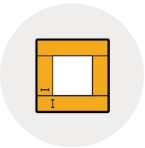
PARKING

No more than one off-street parking space per unit is required. All provided parking must be located to the side of a street facing building façade, behind a principal structure that has frontage on a street, or within the principal structure.



The following provisions apply to all other buildings containing more than two residential units

Note: If the base zone has a greater design standard requirement, that standard applies.



PERIMETER YARD REQUIREMENTS

- **Front Yards:** The front yard and corner side yard setback of the base zoning district apply.
- **Side Yards:** For housing types not otherwise allowed in the zoning district, a minimum of 10 feet on each side property line, unless a greater setback is required for single-family homes.
- **Rear Yards:** Rear yard of base zoning district applies.



GLASS

The surface area of the façade of each floor facing a street must contain a minimum of 15% glass.



BUILDING ENTRANCES

The ground floor must have a primary entrance on the street facing façade of the building with an unenclosed entry porch, canopy, or awning feature. Stairs to second floor units are not permitted on street facing elevations.



BUILDING MATERIALS

50% of any street facing facade must be clad in durable materials. Durable materials include stone, brick, masonry, textured or patterned concrete, and fiber cement board. Other materials may be used for the remainder of the facade adjacent to a street.



OPEN SPACE

Open space area may include landscaped yards, patios, dining areas, and other similar outdoor living spaces. All required open space areas must be accessible to all residents or users of the building.



SINGLE & TWO-FAMILY ZONING DISTRICTS

120 square feet of open space with a minimum width of 6 feet must be provided for each building with a dwelling.



ALL OTHER ZONING DISTRICTS

A minimum of 10% of the land area within the development must be open space, up to 5,000 square feet. Open space may include courtyards, rooftop and terrace gardens and other similar types of open space amenities. All required open space areas must be accessible to all residents or users of the building.

Additional Requirements

City divisions and departments have other requirements that are applicable during the building permit review process



Building Code | Requirements



BUILDING CODE

801.535.7155 | slcpermits@slcgov.com

Detached units, Duplex/Two-family units, Townhome/Row house units:

- The primary regulating code for these projects is the International Residential Code (IRC).
- Fire separation including both vertical and horizontal assemblies (R302.3). All through and membrane penetrations to be protected (R302.4).
- Seismic upgrades are required when there is a live load increase of more than 10%, with an added story, or conversion of storage space to habitable space.
- Separate heating systems (M1602.2)* All ducts to be within the individual fire areas or dampered at penetrations.
- All ducts, including dryer ducts and fan exhausts to be within the individual fire areas.
- Separate and accessible natural gas shut offs (G2420.1.3).
- Separate and accessible water shut offs (P2903.9.1). Independent water heater systems must be downstream of these shut offs.*
- Separate and accessible sewer clean outs (P3305.2.10).
- Separate and accessible power disconnects (E3601.6.2). Independent panels and over-current devices must be downstream of these disconnects.*
- Separate means of egress, but can be off of a shared interior entry. Each should comply with dimensions for the required egress (R311).

* Each mechanical system or electrical panel must be independently accessed for service from the respective dwelling unit.

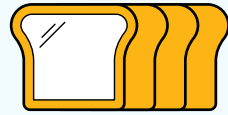
Building Code | Requirements



TOWNHOME SPECIFIC GUIDANCE

Townhomes are two or more units that extend vertically from the ground to the roof and have at least two exterior walls. Townhomes cannot extend over one another to any degree.

Think of townhomes like a loaf of bread where each unit is a single vertical slice.



ADDITIONAL GUIDANCE

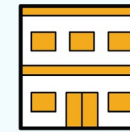
- Structures with more than two units that do not meet the townhome requirement fall under the International Building Code (IBC) and are subject to more extensive and restrictive code requirements. One is the requirement for fire sprinklers.
- Where there are four or more units in a single structure, accessibility (ADA) requirements apply.
- IBC governed projects require a Development Review Team (DRT) meeting and building code consultation, especially if the applicant is not experienced with this type of project.



Salt Lake City follows the building and fire codes adopted and amended by the State of Utah

INTERNATIONAL BUILDING CODE (IBC)

The IBC is a model building code that is adopted as a base code standard in most of the U.S. Its requirements address public health, safety, and general welfare for occupants of new and existing buildings and structures. Multifamily buildings with more than three units and stacked units are regulated by the IBC.



INTERNATIONAL RESIDENTIAL CODE (IRC)

The IRC applies to the design and construction of one- and two-family dwellings and vertically oriented townhouses not more than three stories above grade.

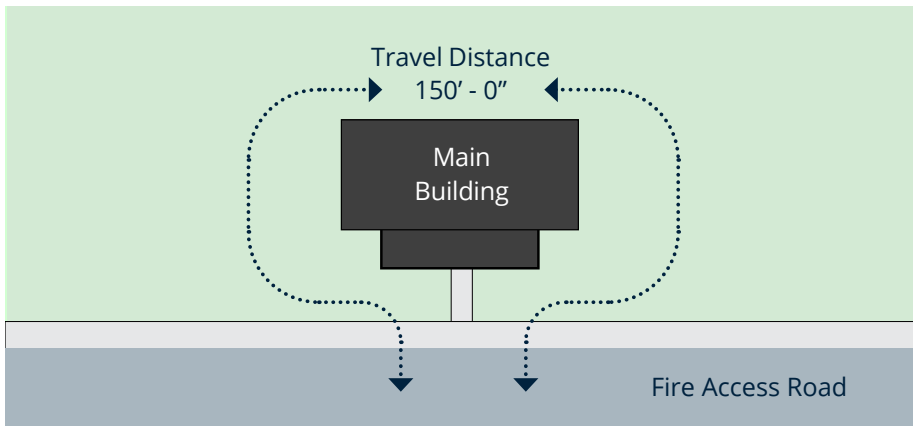




FIRE CODE

801.535-7968 | slcpermits@slcgov.com

- **Access Roads:** Approved fire apparatus access roads must be provided for every facility, building or portion of a building. The fire apparatus access road shall extend to within 150 feet of all portions of the building and all portions of the exterior walls of the first story of the building as measured by an approved route around the exterior of the building or facility.
- **Access Width:** Fire apparatus access roads must have an unobstructed width of not less than 20 feet, exclusive of shoulders, except for approved security gates in accordance with IFC Section 503.6, and an unobstructed vertical clearance of not less than 13 feet 6 inches.
- **Dead End Fire Access Roads:** Fire access roads greater than 150 feet must be provided with an emergency turn a round. Hammerhead turn areas are increased to 80 feet to accommodate SLC FD apparatus. [IFC 503.2.5]



- **Firefighter Access:** All structures need to provide a calculated clearance from permanent obstructions or lot lines to allow firefighter access. Distances are calculated by taking the height of the building times 70% plus 4 feet, with this dimension measured from the exterior wall. This is the distance they need to provide for approved access.
- **Unoccupied Structures & Fire Apparatus Access:** A fire apparatus access road must be provided when any portion of a single or two family dwelling, or a detached garage or shed that is more than 120 square feet, is constructed more than 600 feet from a hydrant. This is measured by an approved route around the exterior of the facility or building. Measurements are following the drive route, and in straight lines and right angles. Fire hydrants shall provide the minimum fire flows required. Check with Public Utilities for flows and size of existing water mains. [IFC 507.5.1]
- **Structures Over 30 Feet Tall:** A minimum access road width of 26-feet shall be provided for structures greater than 30-feet or where fire hydrants are located along the access road. The road shall be free from overhead obstructions such as power or utility lines and trees. [IFC503.2.1 Appendix D]
- **Alternative Means And Methods:** If fire department access (access roads) cannot be met in accordance with IFC 503.1.1, the applicant may submit for an alternative means and methods proposal that would be reviewed by the Fire Marshal.

Note: Additional fire access road requirements may arise, up to and including grade, approach, and departure angles, driving surface, etc. Contact Building Services for additional information and to talk to a fire plans examiner.

Public Utilities | Requirements



PUBLIC UTILITIES | Development Services

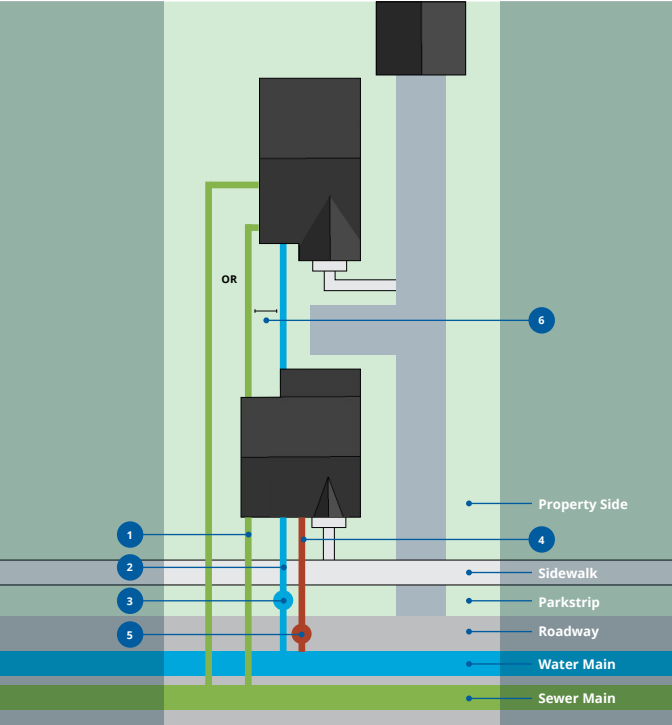
801-483-6727 | pudevsv@slcgov.com

- Public Utility permit, connection, survey, and inspection fees will apply.
- All utility design and construction must comply with APWA Standards and SLCDPU Standard Practices.
- All utilities must meet horizontal and vertical clearance requirements. Water and sewer lines require 10 feet minimum horizontal separation and 18" minimum vertical separation. Sewer must maintain 5 feet minimum horizontal separation and 12" vertical separation from any non-water utilities. Water must maintain 3 feet minimum horizontal separation and 12" vertical separation from any non-sewer utilities.
- Site utility and grading plans will be required for building permit review. Site utility plans should include all existing and proposed utilities, including water, irrigation, fire, sewer, stormwater, street lighting, power, gas, and communications.
- Applicant must provide fire flow, culinary water, and sewer demand calculations to SLCDPU for review. The public sewer and water system will be modeled with these demands. If the demand is not adequately delivered or if one or more reaches of the sewer system reach capacity as a result of the development, a water/sewer main upsizing will be required at the property owner's expense.
- For any development covered by an HOA, CC&R's must address utility service ownership and maintenance responsibility from the public main to each individual unit.
- SLCDPU does not allow shared sewer laterals between homes on adjacent properties.

- Site stormwater must be collected on site and routed to the public storm drain system. Stormwater cannot discharge across property lines or public sidewalks.
- One culinary water meter is permitted per parcel and fire services, as required, may be permitted for each property. Each service must have a separate tap to the main. Lots over 0.5 acres in size may have a separate irrigation water meter and service. For multiple units on a single property or covered by an HOA, a single culinary water meter is required.
- A minimum of one sewer lateral to the public sewer system is required per building. An additional structure with a dwelling unit may connect to the primary structure's sewer, if the primary structure's sewer lateral passes a video inspection with SLCDPU present.
- Any site disturbance over 1 acre requires a SWPPP. Disturbances between 0.2 acres and 1 acre in SLCDPU's High Profile Construction Areas also require a SWPPP.
- Any lot 1 acre or greater is required to submit a Technical Drainage Study, retain the 80th percentile storm with green infrastructure, and provide detention to the effect that no more than 0.2 cfs/acre is released.

Note: Adding units may place greater demands on utility systems, which could require property owners, at their expense, to upgrade the off-site public utilities to ensure sufficient capacity.

Example | Site Utility Plan



- | | |
|--------------------------|---|
| 1. Sewer service line(s) | 5. Valve |
| 2. Water service line(s) | 6. Separation of sewer lateral from water or fire service lines |
| 3. Water meter | |
| 4. Fire service line | |

Sewer Lateral

10' minimum horizontal separation between water or fire service lines.

Separate sewer lateral to the public sewer main is required for each building. A second detached dwelling can connect to the primary dwelling's sewer, if the existing sewer lateral passes a video inspection with SLCDPU present.

Fire Service Line (if required)

Any fire service line must be entirely separate from the culinary water line. Fire services can be installed, as required, to each building.

Water Service Line

Only one culinary water meter is permitted per parcel. Lots over 0.5 acres in size may have a separate irrigation water meter and service. For multiple units on a single property or covered by an HOA, a single culinary water meter is required.

Note: The above-listed items are minimum requirements. Additional details will be required during building permit review.

Zoning | Requirements



ZONING REVIEW

Impact fees will be assessed with most new primary structure construction. This includes adding additional residential structures and ADUs.

There is an Impact Fee Assessment Form to determine the amount | [www.slcdocs.com/building/Impact Fee Assessment Form 3-21 autofill.pdf](http://www.slcdocs.com/building/Impact%20Fee%20Assessment%20Form%203-21%20autofill.pdf)



Process



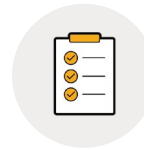
Salt Lake City uses this process to ensure your proposal meets all necessary requirements and regulations



DESIGN REVIEW TEAM MEETINGS

Planning and Zoning, Building Services, Public Utilities, Transportation and Engineering divisions conduct DRT meetings to ensure project stakeholders and the City are informed of City requirements and considerations will impact a project, saving everyone time and money during project development.

These meetings are informal and advisory only. No decisions are made and advice is not binding.



PRE-SUBMITTAL MEETINGS

The Planning Division holds informal pre-submittal meetings for potential projects. These provide an opportunity for applicants and owners to meet with planning staff to discuss the zoning and incentives requirements.

Find out more | www.slc.gov/planning/schedule-a-presubmittal-meeting

Process



Glossary



This glossary can help you get familiar with commonly used terms in the planning and construction of your project

Area Median Income (AMI)

This is the midpoint of the region's income distribution set by HUD (Department of Housing and Urban Development). Half of the households in the region earn more than the median and half earn less than the median. The Salt Lake City Metro Area includes Salt Lake and Tooele counties.

Building Coverage

That percentage of the lot covered by principal or accessory buildings, including cantilevered portions of the building.

Cottage Development

A unified development that contains a minimum of two and a maximum of eight detached dwelling units with each unit appearing to be a small single-family dwelling with a common green or open space. Dwellings may be located on separate lots or grouped on one lot.

Department of Housing and Urban Development (HUD)

The Federal agency responsible for national policy and programs that address America's housing needs, that improve and develop the Nation's communities, and enforce fair housing laws.

Design Review

A design that is allowed only after review and approval per chapter [21A.59](#) of the zoning ordinance.

It includes a comprehensive evaluation of a development and its impact on neighboring properties and the community as a whole, from the standpoint of site and landscape design, height, setbacks, front facade glass, architecture, materials, colors, lighting and signs in accordance with a set of adopted criteria and standards.

Final Plat

Final document and platting process required to create a new subdivision or condo development.

Local Historic District

A contiguous geographically definable area that contains buildings, structures, sites, or other features that contributes to the historic preservation goals of Salt Lake City. All properties within a local historic district are subject to the regulations of Section [21A.34.020](#) the H Historic Preservation Overlay District.

Planned Development

A type of land development that allows for more flexibility than is otherwise allowed under a strict application of zoning requirements and/or lot configuration, in order to create a development that achieves/ implements adopted development policies/goals of the city. Requires review and approval per [21A.55](#).

Restrictive Covenant

A legally binding document that is to be recorded on the property. The use of the incentives requires a restrictive covenant that must be approved by the city attorney. Prior to the issuance of a building permit for construction of a building using the incentives, the restrictive covenant must be recorded by

the city with the Salt Lake County Recorder. The agreement must guarantee compliance with the affordability requirements for a term of 30 years. It transfers with the land such that future owners will be subject to the requirements.

Row House

A series of attached single-family dwellings that share at least one common wall with an adjacent dwelling unit and where the entry of each unit faces a public street. Units may be stacked vertically and/or attached horizontally. Each attached unit may be on its own lot.

Sideways Row House

A series of attached single-family dwellings that share at least one common wall with an adjacent dwelling unit and where the entry of each unit faces a side yard as opposed to the front yard. Units may be stacked vertically and/or attached horizontally. Each attached unit may be on its own lot.

Zoning Districts

Areas of the City designated in the city's zoning ordinance in which requirements and standards for the use of land and buildings are prescribed.

Resources



QUICK LINKS

Title 21A.52 Zoning Incentives
codelibrary.amlegal.com/codes/saltlakecityut/latest/saltlakecity_ut/0-0-0-70622

Zoning Lookup Map
maps.slcgov.com/mws/zoning-lg.htm

CITY DEPARTMENTS

Planning Division
www.slc.gov/planning
zoning@slcgov.com
801.535.7700

Building Services Division
www.slc.gov/buildingservices
building.services@slcgov.com
801.535.7968

Public Utilities
www.slc.gov/utilities
pudevsvserv@slcgov.com
801.438.6727

OTHER

Utah Housing Corporation
utahhousingcorp.org
801.902.8200

Olene Walker Housing Loan Fund
jobs.utah.gov/housing/affordable/owhlf/programs.html
385.522.0645

Planning Division

451 S State Street, Room 406
Salt Lake City, UT 84114
P.O. Box 145480



**Kaysville City Planning Commission Meeting Minutes
September 26, 2024**

The Planning Commission meeting was held on Thursday, September 26 2024 at 7:00 pm in the Kaysville City Hall located at 23 East Center Street.

Planning Commission Members in Attendance: Chair Mike Packer, Commissioners Megan Sevy, Wilf Sommerkorn, Erin Young, and Katie Ellis

Planning Commissioners Absent: Commissioners Paul Allred and Debora Shepard

Staff Present: Melinda Greenwood, Anne McNamara and Mindi Edstrom

Public Attendees: City Councilmember Abbi Hunt, Matt Guest, and Britany Johnson

1- WELCOME AND MEETING ORDER

Chair Packer welcomed all in attendance to the Kaysville City Planning Commission meeting.

2- DECLARATION OF CONFLICTS OF INTEREST

There were no declarations of conflicts of interest from the Commissioners.

3- CONDITIONAL USE PERMIT FOR A RELIGIOUS USE FOR AN LDS STAKE CENTER AT APPROX. 2103 WEST 200 NORTH.

Anne McNamara introduced the Conditional Use Permit agenda item. She presented the size of the lot as 3.92 acres and said it is currently zoned R-1-20. Ms. McNamara clarified that the steeple on the chapel would comply with height requirements and would only be 71' tall. Since the building height is about 31' the steeple would be an additional approximate 70'. Ms. McNamara said that the chapel is required to have 201 parking spaces and they are providing 243 spaces. She said that as far as comments from the public, staff received one email and one phone call inquiring on the nature of the project and the building orientation of the building on the property.

Staff recommended approval of the Conditional Use Permit for 2103 West 200 North for religious uses with any conditions Planning Commission see necessary.

Britany Johnson, a representative for Uncommon Architects, approached the Commissioners and confirmed the information presented was accurate.

Commissioner Sommerkorn made a motion to approve the Conditional Use Permit for religious use for an LDS Stake Center at approximately 2103 West 200 North. Commissioner Sevy seconded the motion and the vote was unanimous in favor of the motion (5-0).

Commissioner Packer: Yay
Commissioner Ellis: Yay
Commissioner Young: Yay

Commissioner Sevy: Yay
Commissioner Sommerkorn: Yay

4- APPROVAL OF THE MINUTES FROM THE AUGUST 8, 2024 PLANNING COMMISSION MEETING

Commissioner Ellis made a motion to approve the minutes from the August 8, 2024 Planning Commission meeting. Commissioner Young seconded the motion and the vote was unanimous in favor of the motion (5-0).

Commissioner Packer: Yay
Commissioner Ellis: Yay
Commissioner Young: Yay
Commissioner Sevy: Yay
Commissioner Sommerkorn: Yay

6- OTHER MATTERS THAT PROPERLY COME BEFORE THE PLANNING COMMISSION

Ms. Greenwood announced the upcoming Utah Land Use Institute conference and the APA Conference.

Ms. Greenwood also shared that items such as zoning incentives, a car wash ordinance and the Small Area Plan that will be coming up for discussion in the future.

7- ADJOURNMENT

Commissioner Packer motioned to adjourn the meeting at 7:48 pm.