

## CHAPTER 8

### Concluding Thoughts on a Model Program for Regional Approaches to Affordable Housing

That there is no one best way to address the provision of affordable housing in the United States on a regional or multijurisdictional basis should be evident from the analyses of programs in the previous chapters. When the programs are viewed together, it is easy to see how diverse the approaches are, given the varying political structures and institutional capacities of states, regions, and local government as well as the interests of the nonprofit and private sectors.

As this report has demonstrated, evaluating *quantitatively* the success of these programs in determining and meeting affordable housing production needs is extremely difficult. The exceptions are those states or regions where there exist: (a) an agreed-upon mechanism for establishing present and future need and (b) a system for monitoring the production and retention of affordable units. Only in states like Connecticut, Massachusetts, New Jersey, and Rhode Island is evaluation clearly possible: each relies on uniform methodologies or a fixed percentage for gauging need, and each has a state-level agency charged with tracking affordable units. In the Twin Cities region, by contrast, the regional affordable housing goals are negotiated between the Metropolitan Council

and the local governments. Housing need is what participating local governments agree to in the administration of the Livable Communities Act. And in California there is no effective mechanism for identifying on a state-wide or regional basis how much affordable housing is being produced to fulfill statewide and regional needs, as the state's Little Hoover commission has observed.

Finally, this report also shows that the gap between need and production is especially dramatic in high-cost or high-growth areas. For example, while the Massachusetts housing appeals program appears successful at getting affordable housing built, only a small number of local governments have reached the state-established goal of making at least 10 percent of all units in each community affordable, growing from three in 1972 to 23 in 1997, out of a total of 351 cities and towns (see Chapter 6). *These results are for a program that has existed for 33 years.* Although affordable housing has been built in many Massachusetts communities where none existed before, not enough production is occurring because of a lack of either adequate subsidy programs or private developer interest, even with a relatively supportive statewide system in place.

Despite the diversity of approaches, the problem of quantitative evaluation, and the gap between need and production this PAS Report describes, the authors optimistically propose a series of elements that should be taken into consideration when developing a model program for regional approaches to affordable housing. These elements are grouped into two types: second-best alternatives and best alternatives. The former are better at expressing good intentions than producing positive results; the latter are action-oriented solutions more likely to result in actual housing. Nonetheless, both sets of approaches offer a starting point for regions that are contemplating the problem of affordable housing for the first time.

#### SOME SECOND-BEST APPROACHES

Several approaches described or suggested by this study offer solutions that are not likely to lead to much change, here described as second-best approaches. These include the following:

(1) *Aspirational regional planning for affordable housing that has no express required linkage to local comprehensive planning and land development regulation.*

New Hampshire's statutory structure provides an example of this approach. Despite the high quality of the regional housing plans, meticulous in their attention to detail, and the conscientious efforts of regional planning commissions to set measurable goals, local governments in the state are not required by statute to adopt housing elements or to do anything at all with respect to affordable housing. This nonregulatory approach is more remarkable because of the landmark New Hampshire Supreme Court antiexclusionary zoning ruling, the 1991 *Britton v. Town of Chester* decision, which would suggest that local governments should be bound by statute (see discussion of New Hampshire below). It falls to regional planning agencies, lacking any genuine state authority, to persuade local governments to address regional housing needs in their local plans. Regional housing plans are simply hortatory. As the research shows, the approach that a number of New Hampshire regional agencies have taken is simply to prepare the comprehensive plans with the housing elements for the local governments themselves, which ensures that at least the regional perspective is incorporated into local plans. Nonetheless, the selection of implementation measures and the good will with which they are implemented are fundamentally local decisions and attitudes.

(2) *Emphasis in regional and related local planning on study and analysis but with no commitment to production.*

This approach is a subset of (1) above. A number of regional and local plans reviewed in this study contain exhaustive documentation of housing conditions and statements of the need for affordable units. Some acknowledge the need but fail to quantify its dimensions in measurable terms. Moreover, when it comes to proposing actions that would actually result in the production of new affordable units or the rehabilitation of existing housing stock and to making certain that the units produced or rehabilitated would remain affordable, these plans fall short. The implementation measures proposed in the plans are mere tinkering, such as suggestions for minor changes to development regulations like optional overlay districts. They fail to create institutional mechanisms and permanent funding sources to ensure affordable housing. They also fail to make substantive changes to local development regulations: they make no efforts, for example, to change densities to make affordable housing feasible, to require set-asides of affordable housing in market-rate developments, to accelerate approval procedures, or to zone adequate vacant land for affordable housing. All of these changes are components of the more successful New Jersey and California programs wherein local governments must also identify sites for affordable housing projects as part of their local housing plans.

(3) *Modest grants to study the problem of affordable housing at the regional or local level or modest penalties for failing to do so.*

A number of states provide local governments with modest grants to prepare comprehensive plans with housing elements; this approach is typical when planning laws are substantially amended to require the preparation of completely new plans. It is certainly desirable to plan for affordable housing, but mandating that it be done while failing to provide sufficient resources is a good way to generate resentment at the local and regional levels and to ensure inadequate plans.<sup>1</sup> Certain approaches seem to be exercises in futility. These include state programs that (a) penalize local governments for failing to complete acceptable housing plans by cutting off money for grant programs for affordable housing, or (b) authorize private parties (more often than not, nonprofit advocacy groups) to assume the time and expense of enforcing planning requirements for housing with little compensating benefit, as is the case in California.<sup>2</sup>

#### A PROGRAM OF BEST PRACTICES AND STRATEGIES

This section describes a set of best practices and strategies for affordable housing. Some of the elements were suggested by participants in APA's symposium on regional approaches to affordable housing in Chicago, October 29–30, 2000 (see Appendix C).

(1) *The most important element in ensuring the provision of affordable housing on a regional basis is political will and leadership.*

Political will and leadership are necessary to raise the issue and keep it before citizens and, at the same time, respond to efforts to oppose affordable housing. This political will and leadership can come from elected officials, as it did in Connecticut when it enacted its housing appeals act, or from the business community, as in the case of the San Francisco Bay Area and the Chicago region. Major employers, especially those who depend on low- and moderate-income workers or who are finding it hard to recruit out-of-the-region employees because of high housing costs, and economic development groups like chambers of commerce must be enlisted in the cause. Alliances must be formed as well with affordable housing advocacy

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groups. In any case, political will and leadership are absolutely essential to initiate and maintain a regional strategy.

(2) *Advocates for regional change must reframe the question of the need for affordable housing as a market inefficiency to be corrected rather than as charity or welfare for the poor or less deserving.*

The affordable housing issue must consequently be recast as an issue of jobs and housing or of housing for workers; it must be described as crucial to keep the region economically competitive with other regions that already provide such housing. Bruce Katz, director of the Brookings Institution Center on Urban and Metropolitan Policy, put it this way:

Affordable housing has been demonized in the public mind. It is largely associated with and saddled with a series of negatives—crime, distressed neighborhoods and declining property values. These public images persist even though many empirical studies have refuted these negative claims and even after the federal government has taken major efforts to demolish the most troubled public housing developments and stimulate the development of economically integrated communities. Affordable housing is associated exclusively with the very poor. That means most Americans assume, wrongly, that the issue has nothing to do with them. It also means that the issue has a weak base from which to build majoritarian coalitions that can spur political and policy action. (Katz 2002)

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Without affordable housing, it may be argued, enormous stress is placed on a region's employers (including local government employees, such as firefighters, police officers, sanitation workers, and school teachers) by limiting the available pool of workers within commuting distance. Under this strategy, opinion leaders and elected officials must tie the need for affordable housing to quality-of-life issues like traffic congestion, equal access to educational and employment opportunities, and patterns of development. These connections can be made through the media and by conducting regional forums to give the issue ongoing visibility. Provision of affordable housing must become part of a region's political and economic culture.

A study commission of the New Hampshire legislature on workforce housing (see Chapter 4) has recommended just such an approach. In its November 2002 report, it states, "We must dispel the myths surrounding workforce housing, to change the perception that multifamily housing negatively impacts local budgets, property values, and the quality of life more than other forms of residential development" (New Hampshire Legislative Commission 2002, 2).<sup>3</sup> The report suggests that the state legislature direct the New Hampshire Finance Authority and Office of State Planning to "analyze the impact of residential development, especially of workforce housing, and actively disseminate this information to local decision makers and the general public with the goal of establishing the broadest possible common understanding of the true costs and benefits to individual communities" (p. 6).

(3) *A regional institution must be charged with identifying and understanding the scope of the affordability problem on a regional basis and creating a forum for action.*

Housing markets are regional, not statewide or local. But because the federal government withdrew support for regional housing planning, for more than two decades regional planning agencies have failed to undertake such planning. Consequently, in the areas of the United States where regional housing planning does occur, it is carried out only by private advocacy groups or by regional planning agencies that are charged with the responsibility by state law (as in California and New Hampshire). Many

regional planning agencies today focus solely on transportation planning and, to a lesser extent, noncontroversial areas like open space and farmland preservation and thus fail to address the full spectrum of regional interests.

A regional planning agency needs to view affordable housing as part of its regular scope of responsibilities; it cannot be dismissed as someone else's problem. An agency needs to ask such questions as: Where is affordable housing located in the region?; Who lives in or needs it?; To what extent is market activity meeting the needs of low- and moderate-income families?; and To what extent is there an imbalance between jobs and housing? (See also Appendix D.) A regional planning agency needs to be held responsible for setting measurable affordability goals for the region and its local governments and for working with local governments and the private sector as well as the state to see that these goals are achieved. Outside of the programs identified in this report, this goal-setting and cooperation are simply not happening.

*(4) Advocates for affordable housing production must understand the role of the market.*

Those undertaking state, regional, and local plans must grasp the functioning of the housing market in their respective regions. Factors such as commuting times; consumer preferences; labor, land, and materials costs; the capacity of home builders and developers for innovation; and interest rates will all affect regional markets. Sometimes changes in the market can compel changes in strategy. For example, in Ames/Story County, Iowa, discussed in Chapter 7, the market for housing shifted between the initiation of the countywide planning study and the creation of a multijurisdictional housing program. As noted above, in Ames, opportunities to buy existing homes expanded as occupants of those homes purchased more expensive dwelling units. Housing filtering occurred, freeing up owner-occupied dwellings at the moderate-income end of the housing market. At the same time, the rental market in Ames loosened up, and building new rental units was not necessary. However, smaller communities in Story County did not have a sizable rental market. There, it made more economic sense to provide assistance to a program offering down-payment and closing-cost assistance to low- and moderate-income homeowners than to initiate a subsidized program of new construction for owner-occupied housing and rental units. By contrast, in California—and especially in the San Francisco Bay Area—an absolute shortage of housing exists, especially affordable housing. The solution to the housing problem there—both for rent and for sale—is to build more of it, for *all* segments. The approach taken in Story County would not work in San Francisco; planners must therefore fully understand their housing market and be prepared to make rapid shifts to accommodate changing market conditions.

This approach would suggest that housing planning efforts must be revisited constantly, no less than every five years, and in some cases more often. The planning system that identifies housing needs for all levels of income must be a dynamic one. Constant monitoring of production levels, income groups affected, and availability of buildable land are absolutely essential in order to give the planning system credibility. Housing plans that have a 10- to 20-year horizon are clearly unrealistic.

*(5) The state's role is critical, especially in high-cost, high-growth regions of the United States.*

While regional planning agencies have a role to play, the state itself is the strongest actor. It is not surprising that the two most aggressive pro-

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gram types—the fair-share programs in New Jersey (initiated first through lawsuits and later by the legislature under pressure from the state supreme court’s *Mount Laurel* decisions) and (to a much lesser extent) California, and the state-level housing appeals acts in Massachusetts, Rhode Island, and Connecticut—grew out of a recognition in these high-cost or high-growth areas that the state needed to intervene aggressively in order to ensure that local governments were providing opportunities for affordable housing. While these programs have met with varying degrees of success, as this report has shown, they nonetheless demonstrate that the state must intervene when voluntary local efforts prove ineffective.

Despite its attractive and rational planning qualities (at least to planners), a fair-share process similar to New Jersey’s was rejected by the Blue Ribbon Commission in Connecticut, which in 1989 recommended instead the creation of a state-level housing appeals procedure (discussed in Chapter 6). Terry Tondro, a University of Connecticut law professor who co-chaired the commission, recalled that the group considered a *Mount Laurel*-style approach but rejected it for two reasons. First, it depended on a judiciary “that was active enough to compensate for the lack of initiative in the other two branches of the state government” (Tondro 1999, 1,138). Second, the approach hinged on finding a plaintiff to participate in a lawsuit, and that “would have resulted in a delay of several years before [a fair-share] Act would have had an impact while awaiting a decision on the all but certain appeal to the Connecticut Supreme Court.” Added to these potential problems was the necessary, considerable commitment to an independent state bureaucracy that would oversee the administration of a fair-share system by calculating housing need figures, establishing affordable housing goals, and monitoring compliance, which was unlikely in Connecticut.

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The state role is critical for other reasons. State government can act independently and use its resources, bureaucratic and fiscal, to reward or punish those who fail to provide affordable housing opportunities. It is interesting to speculate whether the affordable housing problem in certain regions of the United States would have been mitigated by the kinds of aggressive state intervention found in the environmental area, where litigation and the prospect of withholding of federal transportation funds are sticks that can be used to compel compliance. In addition, state government can establish such entities as state-level housing trust funds, through state housing finance agencies, or authorize local governments to establish them. Through them, states can ensure that housing development occurs in areas where public services are or will be available. Similarly, state financing programs can achieve multiple objectives, with affordable housing as one of them. A good example of just such a state program is the Vermont Housing and Conservation Board, which operates a trust fund with the twin goals of providing affordable housing as well as conserving natural areas, agricultural land, historic properties, and recreational lands (see Chapter 5). The affordable housing aspect of the program includes significant measures to prevent urban sprawl by giving preference to rehabilitation, historic preservation, infill, and projects that are part of a neighborhood or downtown revitalization plan. By combining the two objectives under one institutional structure, the state ensures political support for the continuation of the program because its elements are so closely linked.

Finally, the state can establish uniform reporting requirements for regional planning agencies, local governments, and other actors in the provision of affordable housing so that a clear statewide and regional picture can show the extent of the affordable housing problem and the progress

being made to address it. As noted above in Chapter 4, reporting failures are a problem that has beset the California fair-share program; uneven requirements for monitoring the actual provision of bona fide affordable housing among local governments make it difficult to conduct an accurate assessment of the 22-year-old program's effectiveness on a statewide or even regional basis.

(6) *States need to be aggressive in persuading local governments to remove regulatory barriers to affordable housing.*

Lifting regulatory barriers to affordable housing is a theme that has run through federal reports and studies dating from 1968 onward to the Kemp Commission report in 1991 and the Millennial Housing Commission report in 2002. Yet as this study has shown, little significant progress has been made on the matter in any state, except possibly in New Jersey where the removal of regulatory barriers is part of the *Mount Laurel* antiexclusionary zoning doctrine. Indeed, this study was able to unearth only one state-administered program, in Florida: it persuades local governments to systematically analyze local development regulations and their administration so as to make it possible to build housing at lower cost and in less time. California has only recently enacted similar legislation, although the program created has yet to be funded.<sup>4</sup> To the state's credit, a New Hampshire legislative commission on workforce housing has recognized the need to create such a mechanism and has proposed that the state do so. Nonetheless, because land-use regulation is seen as a local issue, state legislatures are reluctant to intervene. Yet it is clear that *overregulation (or merely misdirected regulation) is a significant factor in the availability of sites for affordable housing, the development standards to which such housing must be built, and the procedures by which development permits are approved.*<sup>5</sup>

State intervention can take the form of barrier removal grants, as suggested by the Kemp Commission in 1991, technical assistance, or the development of model codes and development standards. State action to eliminate regulatory barriers may also be linked to state-level procedures to review and certify local housing elements; states can also implement laws to ensure that a local government's own zoning and related codes do not stand in the way of providing the affordable housing opportunities that the housing elements call for.<sup>6</sup> Finally, the failure by local governments to review their development regulations on a periodic basis can provide a legal mechanism for questioning their continuing validity in relation to measurable affordable housing goals contained in local comprehensive plans, with the burden shifting to the local government to justify the lack of congruence between what a plan says and what land development regulations allow or permit.

(7) *Reliable sources of funding for subsidies and for supporting infrastructure for affordable housing are essential.*

If the housing market required no subsidies to build affordable units, such units would (assuming that builders were behaving rationally) be provided in varying degrees as a matter of course. It may, of course, be the path of least resistance for home builders to focus on market-rate or upscale housing because development approval for it will be easy to secure, it involves little governmental entanglement, it is more prestigious, and it generates higher profits. As this report has noted, a large number of housing trust funds, whose purpose is to subsidize the construction and rehabilitation of affordable housing, have been created recently at the state, regional, and local levels.<sup>7</sup> The more visible and interventionist the trust fund, like the regional ARCH fund in Seattle, the more effective it seems to

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be.<sup>8</sup> Indeed, in the case of ARCH, the monies can be spent in *any* part of the region that ARCH covers to take advantage of affordable housing opportunities wherever they occur, a desirable objective especially in the high-cost Seattle area.<sup>9</sup> Similarly, affordable units may need to be built in places with limited infrastructure or in places where the infrastructure needs to be revamped (as in central cities), so that grants to provide such infrastructure thus eliminate excuses not to approve affordable housing projects on inadequately served sites as well as provide quality living environments.

One issue that is still unclear to the authors of this PAS Report is the impact of incentives to local governments and to private developers to get them to provide opportunities for affordable housing—specifically how powerful or fiscally sizable must incentives be to change or redirect behavior? As Chapter 4 indicates, one of the best-known incentive programs, the Livable Communities Act (LCA) in the Twin Cities region, has had mixed results in providing affordable opportunities in the seven-county region. In large part, these mixed results may reflect the mixed feelings that metropolitan communities and their political leaders have had with regard to affordable housing opportunities. Those mixed emotions were reflected in the legislative battle that produced the LCA, a struggle chronicled by Myron Orfield (1997, 104-54), a state representative at the time who labored to construct a coalition of mutual interests among urban and inner-ring suburban legislators, mayors, and council members. Unfortunately, the same ambivalence continues to affect participation in the program, the level of effort exerted by municipalities toward the achievement of negotiated goals, and even toward reporting their results. It is undoubtedly also true, as the Metropolitan Council asserts, that the program is underfunded (Peterson 2002), but that clearly is not the only issue—simply one that makes production of affordable housing that much more difficult. It remains to be seen how much progress the Council can make over time in overcoming these challenges.

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There is also the question of the degree to which private home builders themselves actually want to build affordable housing, even when faced with a regulatory system that encourages them to do so.<sup>10</sup> One newspaper account of a local government in the Boston, Massachusetts, metropolitan area attempting to providing opportunities for affordable housing in order to comply with the state housing appeals act, Chapter 40B, is indicative of the uncertain lure of certain types of development incentives to the private sector and how well it responds (or wants to respond) to them. According to Anthony Flint in the September 9, 2002, edition of the *Boston Globe*, the town, Grafton, “changed its zoning to encourage multifamily housing close to the center of town, to contain sprawl and offer more affordable choices besides the large-lot single-family home.” Despite this effort, “[n]o developer was interested in anything but single-family home subdivisions, however, and today some 400 large, high-end homes are set to be built among the woods and streets.” In addition, the town has been subject, nonetheless, to a spate of appeals under Chapter 40B. Town officials believe that “[T]hese developers don’t give a hoot about affordable housing.” In response, a developer’s representative contended that the measures the town took were “economically impractical” and the “town planning was defective.”

Similarly, there have been no national efforts (although see the Metropolitan Council effort described in Chapter 4) to clearly tie federal funding for transportation to the provision of affordable housing, which would be one of the most powerful incentives to get states, regions, and local governments to modify transportation priorities by rewarding areas that perform with respect to affordable housing. (At the same time, the reluctance to do so may also be linked by the diversity of the affordable housing prob-

lem in the U.S. and the conceptual difficulty of devising a single or even multiple linkage approaches that would work consistently.) Linking the provision of affordable housing to transportation funding is an approach that was considered by the Millennial Housing Commission, the federal group that was charged by Congress in 2000 with formulating a new direction for the nation's housing program, but the Commission ultimately failed to act on the matter (Eisenberg 2002).

(8) *Local governments must have a full toolbox of techniques to provide affordable housing opportunities. Often this toolbox requires state authorizing legislation or hands-on assistance.*

The toolbox includes:

- authorization or requirements for development incentives for affordable housing such as density bonuses, including mandatory set asides for such housing as part of market-rate development;
- procedures for land-market monitoring in order to ensure that there is always an adequate supply of properly zoned land for affordable housing;
- authorization, as noted above, to establish local and regional housing trust funds and to use general fund monies and linkage fees for affordable housing purposes;
- authorization to waive development permit and impact fees for affordable housing projects;
- authorization or requirements for accessory dwelling units;
- planning enabling legislation that describes in clear terms requirements for a housing element in a local comprehensive plan and that ensures that communities provide a range of housing types beyond upscale single-family homes. Such legislation should ensure that present and future housing needs are analyzed in a regional context and that the analysis is reflected in the housing element itself, with clear, measurable production goals—new production and rehabilitation—for the community. The legislation should require an implementation program that includes concrete public action, including a program of regulatory barrier removal; and
- ongoing technical assistance from the state or regional planning agencies to assist in the development of affordable housing programs, including analysis of housing supply and demand, assistance in establishing mechanisms for establishing subsidy programs, rehabilitation programs to retain low-income housing stock, and regulatory barrier removal (see above).

This study has documented an extraordinary array of regional approaches from around the nation to address the need for affordable housing and a long history of concern about the problem. The diversity of approaches and the fact that such experimentation is taking place at the state, local, and regional levels are clear indications that the issue has gained a far broader constituency that it had more than 34 years ago, in 1968, when the National Commission on Urban Problems made its report to Congress and the president. While these programs vary in effectiveness due to resources, inherent flaws in program design, and aggressiveness in their administration, that they exist at all confirms, as the Millennial Housing Commission stated in its report to Congress (2002, 14), that “Affordability is the single

greatest housing challenge facing the nation.” It is an understatement to say that the programs described in this study are barely adequate to respond to this immense need. We hope APA’s research can help states, regions, local governments, nonprofit organizations, employers, and the private housing sector better address that challenge, and continue to innovate and, in particular, actually produce affordable housing.

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—MILLENNIAL HOUSING COMMISSION

## ENDNOTES

1. Readers should be aware that the authors of this report understand that planners, of course, almost always favor more money for planning. However, during the course of the study, many of those interviewed by APA researchers frequently mentioned the cost of undertaking planning and the substantial impact it has on local governments, particularly on smaller ones with limited resources. This lack of funding is a very real problem, and designers of new housing programs cannot ignore it.
2. In 2002, California amended its planning statutes to prohibit a city or county from reducing, requiring, or permitting the reduction of the residential density—whether by administrative, quasi-judicial, or legislation action—to a level below that used by the state Department of Housing and Community Development to determine compliance with the housing element law, unless the city or county makes written findings supported by substantial evidence that the reduction is consistent with the adopted general plan, including the housing element, and that the jurisdiction’s share of the regional housing need as specified. The local government would have to show, among other things, that the remaining residential sites identified in the housing element were adequate to accommodate the jurisdiction’s share of the regional housing need. The new law also requires a court, until a sunset date of January 1, 2007, to award attorneys fees and costs of a suit to plaintiffs or petitioners who propose a housing development if the court finds that an action of a city or county violates these provisions, unless the court determines that awarding fees and costs would not further the purposes of the new law or that the action was frivolous (A.B. 2292, approved September 19, 2002, and adding California Government Code Section 64863).
3. The New Hampshire commission concludes, “Local land-use regulations and the municipal regulatory process have had a significant role in preventing or deterring the private sector from responding to the shortage of workforce housing. It is imperative that the Legislature take immediate steps to ensure that zoning and planning procedures at the local level as well as state policy and regulations that influence them change to promote the development of workforce housing, not impede it” (New Hampshire Legislative Commission 2002, 2). The commission report calls for a selective mechanism to expedite relief from municipal actions—as defined by criteria established by the New Hampshire legislature—which deny, impede, or significantly delay qualified proposals for workforce housing. The commission also recommends the provision of direct technical assistance for communities to carry out their responsibilities and to offer opportunities for the creation of workforce housing (referring to the mandate of the 1991 state supreme court decision, *Britton v. Chester*, 134 N.H. 434, 595 A.2d 491), a study commission to identify and review state agency rules, and regulatory policies that affect the cost of housing development or limit such development (p. 2).
4. For a statute providing financial incentives to local governments for removing barriers to low- and moderate-income housing as well as middle-income housing, see Florida Statutes, Sections 420.907 et seq. (2001) concerning the state housing incentives partnership, especially Section 420.9076 about the adoption of affordable housing incentive plans and committees. It should be noted that California has enacted incentive-based legislation, discussed in Chapter 7, that provides monies for assistance in the form of second mortgage loans for down-payment purposes to qualify-

ing cities and counties that have taken prescribed actions to remove regulatory barriers to affordable housing (California Assembly Bill 1170, approved September 20, 2002). The operation of the legislation was conditioned on the enactment of a state bond issue for affordable housing, Proposition 46, which passed in November 2002. Monies must still be appropriated for the program's purposes.

5. See, for example, Luger and Tempkin (2000). This excellent book is based on case studies in New Jersey and North Carolina and quantifies the differential effects of regulation, including land-use controls, on housing costs. It distinguishes "normal" from "excessive" costs.
6. For an example of a model statute that would require periodic review of local development regulations, see Meck (2002, Section 7-406), which requires a systematic review of the local comprehensive plan and development regulations every five years, focusing in particular on affordable housing issues.
7. As of 2002, there were more than 275 housing trust funds in cities, counties, and states. As part of that total, 38 states have established housing trust funds. Of these, 17 were created before 1990; another 15 were created before 1995. The remaining six have been put in place since then (Brooks 2002, 1, 7).
8. It was noteworthy to the authors of this report that local governments participating in ARCH actually contributed monies from their general funds as well as dedicated monies from locally levied linkage fees paid by developers. These contributions represent an important level of commitment (see Chapter 5, Table 5-1).
9. By contrast, the trust funds in Sacramento, California, described in Chapter 5, are separate, and each jurisdiction (the City of Sacramento and Sacramento County) allows homes to be built with the trust funds only in their respective jurisdictions.
10. David Godschalk (1992, 423), a professor of city and regional planning at the University of North Carolina at Chapel Hill has observed: "Attacking state and local regulations has also been popular within the homebuilding industry. This conveniently overlooks the predilection of private builders to orient their production to the up-scale end of the housing market, often ignoring less profitable opportunities to serve lower income consumers. How many times have we seen big, expensive houses crammed onto small lots that had been zoned for moderate-priced units?"