Housing policy framework

I. Create and preserve dedicated affordable housing units
II. Align housing supply with market and neighborhood housing conditions
III. Help households access and afford private-market homes
IV. Protect against displacement and poor housing conditions

Complementary policies in other domains (e.g., health, education, environment)

A housing policy framework for local affordable housing strategies in high-cost regions

Local governments have a critical role to play in addressing the housing challenges faced by their residents. But with dozens of different local housing policies to consider, and unresolved questions about the relative responsibilities and resources of federal, state, and local government, it can be difficult to know where to start and how to structure an effective local housing strategy.

LocalHousingSolutions.org was established to address this need and provide guidance on how to develop effective local housing strategies in regions with high housing costs. (Our materials should also be useful for cities or counties that include high-cost neighborhoods or communities, even if the overall region is not high-cost.) This brief describes the housing policy framework we have established to organize and simplify the numerous housing policy options available to local governments.

Our framework includes four main categories of policies, as illustrated in the graphic above. We recommend that every city and county in a high-cost region consider how they can support activities in each of these categories. Together, the policies in these four categories will help cities and counties increase housing affordability and improve housing quality and sustainability. Cities and counties can also use these policies as part of broader strategies to advance additional policy objectives, such as affirmatively furthering fair housing or reducing homelessness.

We describe below the four main categories of housing policies and identify the main policy options within each category. We also reference the important array of complementary efforts that many localities have underway to address related goals. In
the BRIDGE section of LocalHousingSolutions.org, we provide guidance on many of these complementary areas – including the linkages between housing and other social policy areas, such as health, education, and the environment.

**Main categories of local housing policies**

The four main categories of policies in a local affordable housing strategy are as follows:

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**I. Create and preserve dedicated affordable housing units**

This category includes all of the policies cities, towns, and counties adopt to create and preserve a supply of dedicated affordable housing units that come with legal restrictions ensuring they remain affordable to low- or moderate-income households. The policies in this category range from (a) incentives and requirements for the inclusion of affordable units in new development to (b) policies that generate revenue for affordable housing and (c) subsidies to facilitate the creation and preservation of affordable developments.

See policies in this category.

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**II. Aligning housing supply with market and neighborhood housing conditions**

The policies in this category promote affordability by making it easier for the private sector to increase the overall supply of housing to meet demand. While the rents and home prices of units created through these policies are not legally restricted to affordable levels, the creation of these new units promotes affordability by helping to satisfy the demand of higher-income households who would otherwise compete for (and bid up the price of) housing occupied by middle-income households; this in turn helps reduce the likelihood that middle-income households compete for (and bid up the price of) housing occupied by moderate- and low-income households. The barriers that these policies address – such as restrictive zoning and unpredictable and lengthy entitlement processes – are among the main reasons why housing costs have increased faster than incomes in many of the nation’s urban areas.

See policies in this category.

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**III. Help households access and afford private-market homes**

While there are good reasons to support the development of dedicated affordable housing units, there are also good reasons to focus on helping households access and afford the costs of housing they locate on the private market. Cost is one reason, as
tenant-based rental assistance is often less expensive than project-based rental assistance. Choice is another, as tenant-based rental assistance gives households a wider choice of housing options. To ensure that all households have fair access to the housing units they can afford, this category includes efforts to enforce the fair housing laws. This category also includes closing cost assistance and other programs that help homebuyers overcome obstacles to homeownership.

See policies in this category.

**IV. Protect against displacement and poor housing conditions**

This category includes policies that focus on helping renters and homeowners remain stably housed in the face of such challenges as rising rents, job loss, health crises, gentrification, and mortgage defaults. Housing stability is an important goal of housing policy, contributing to peace of mind and a stability of settings that enable children, older adults and others to thrive. Providing affordable housing is one way to boost stability, but not the only way. Other important approaches include financial and legal assistance to help residents avoid eviction, legal standards that protect households from displacement, and programs to help homeowners avoid foreclosure. This category also includes efforts to enhance housing quality and prevent the loss of existing units to deterioration, such as code enforcement, rehabilitation assistance, and special programs focused on maintaining the ongoing viability and quality of small multifamily housing.

See policies in this category.

**Complementary policies**

In addition to housing policy tools, we recommend that cities, towns, and counties consider ways to link housing policies with complementary policies in the areas of health, education, transportation and the environment to address important societal concerns. For more information, visit the Bridge section of the website.

**Policy sub-categories**

Within each of the four major categories, we have created sub-categories in which we group together policies that all serve a common function, such as “generating revenue for affordable housing” or “preserving existing affordable housing.” These policy sub-categories can be helpful for communities interested in identifying ways to achieve a specific housing goal. For example, a locality interested in generating revenue for affordable housing can learn about and compare a wide range of related policy
options.

How can cities and counties use the policy framework?

There are many ways to use this policy framework. Here are a few:

- Cities and counties that wish to advance a specific function – such as generating revenue to support affordable housing or enhancing renters’ housing stability – can locate the function among the framework’s categories and sub-categories and see specific policy options for advancing it.

- Cities and counties that wish to develop a comprehensive local housing strategy can use the framework as an outline of the policy categories to consider in order to comprehensively address their housing affordability challenges. See below for a list of the categories and sub-categories in the framework or visit the Housing Policy Library to see a full list of all policies.

- Cities and counties can use the framework to facilitate an assessment of their housing affordability strategy. Start by asking what policies your community has adopted within each of the four main categories and whether those policies are impactful enough to meet your needs. Larger cities and counties may wish to do the same with the policy sub-categories. Use the list of policies within each category to identify specific policy options for addressing unserved or underserved functions.

- Cities and counties that already have a comprehensive local housing strategy can review the full list of policies to determine whether there are additional options they wish to consider as part of a “tune-up” of their existing strategy.