

# Broke in the Big City: Policy Solutions for Housing the American Workforce



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## **Introduction**

Today, urban communities all confront the same challenge: the demand for affordable housing exceeds supply. Cities need to attract workers essential to economic growth, but the desirability of and demand for dense urban development makes affordable housing economically unfeasible. In many urban areas, integral actors in local economies such as teachers, civil servants, and nurses struggle to find safe, affordable housing. Additionally, the next ten years will see an unprecedented increase in the number of retiring baby boomers in search of affordable housing close to major cities. Proximity to doctors, social services, and family living in city centers will increase the competition for affordable housing units and compound the already growing problem. In response, state and local governments and private stakeholders across the nation are advancing policies to address the insufficient supply of affordable housing by concentrating on core challenges in zoning, tax incentives, and public-private barriers. Alone, these suggested policies each have the potential to alleviate the affordable housing shortages confronted in communities across the nation. Together the policies provide a sweeping result that delivers an expedient and sustainable affordable housing supply.

## **Problem Definition**

Major cities across the United States offer significant economic opportunity, enticing individuals and families to move to them, however, these cities are often coupled with high housing costs. San Francisco, Chicago, Boston, and New York confront high demand for and higher costs of single family dwellings making it difficult for the lower income workforce to find safe and affordable housing. Today one in four poor American families spends more than 70% of their income on housing costs.<sup>1</sup> The affordable housing crisis does not just impact the poor. The absence of housing for lower-wage jobs within the community make it difficult for this workforce to both work and live within the same neighborhood. According to the 2014 *How Housing Matters* survey, anywhere from 53 to 69 percent of those surveyed classify the purchase of affordable housing as challenging in their community in every region of the U.S.<sup>2</sup>

Demand for low-cost rental housing far exceeds supply nationally. In 2014, there were only 31 affordable rental units available for every 100 low-income renters whose income falls at or below 30 percent of Area Median Income (AMI).<sup>3</sup> Between 2010-2015 for-sale units of affordable housing within metro areas declined by 38 percent.<sup>4</sup> Any viable policy solution over the next ten years must address supply issues to compensate for this discrepancy. For example, in New York City, only 425,000 housing units are available for the nearly one million households in need of affordable housing.<sup>5</sup>

One major cause of the current affordable housing crisis could be a market failure due to negative externalities. According to policy analyst Michael Mintrom, “Market failures present rationales for government action”.<sup>6</sup> A negative externality can occur when another industry indirectly and negatively impacts a sector. In housing, seemingly positive events and industries have negatively impacted the cost and amount of affordable housing available. Examples include quickly recovering state and city economies, booming construction and housing markets, and extensive employment opportunities in other industries. Though these examples are not negative in and of themselves, a correlation can be drawn from each of these examples to the current lack of supply in affordable housing. Due to this correlation and evidence of market failure, government intervention is justified and can be found in the solutions below.

An effective solution to increasing affordable housing in areas absent of supply focuses on both redevelopment in city centers and affordable housing units in inner-city suburbs. Affordable

housing boosts economic growth and entrepreneurship in America’s urban communities but without sufficient supply, regional economies suffer from the lack of a dynamic workforce.<sup>7</sup> The benefits of affordable housing reach beyond its occupants. Affordable housing attracts and retains workers, increases stable employment in the surrounding economy, provides an important source of revenue for local governments, and reduces the likelihood of foreclosures.<sup>8</sup>

The price of affordable housing varies by region. The Department of Housing and Urban Development classifies affordable housing as either a monthly rent or mortgage which costs less than 30 percent of a family’s income.<sup>9</sup> When families spend more than 30 percent they neglect other necessities and risk long-term housing instability.<sup>10</sup> The supply chain for affordable housing involves many actors. State and local governments, planning commissions, private-sector developers, and existing land owners all play a role. The interplay between various actors can be complicated and lead to stagnation and inefficiencies in solving a problem that needs immediate attention. To mitigate these complex relationships and spur supply increases in the short term, policy solutions should focus on current zoning ordinances, targeted incentives, and leveraging public-private partnerships to address the current hurdles in affordable housing development. The most innovative policy solution is a combination of the three, which focuses on cooperative approaches, combating NIMBYism, while addressing funding challenges.

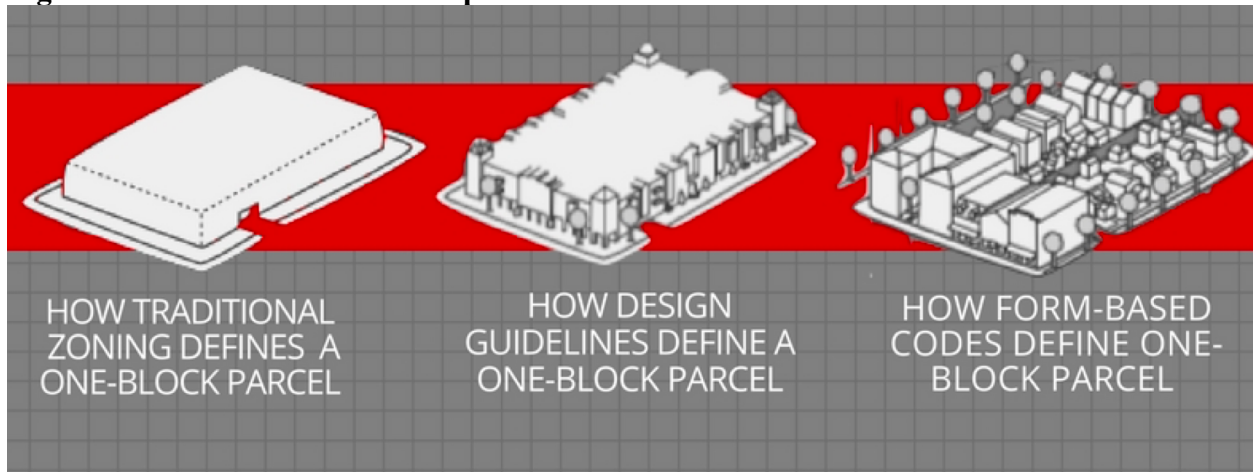
### LOCAL SOLUTION

Conventional zoning at a local level has failed to address the housing needs of urban areas owing to its strict use-based definitions and parameters. As an alternative to conventional zoning, form-based code, smart zoning, or transect zoning focuses primarily on form and then use. Form is defined as the look of a community rather than the use of individual tracts of land.<sup>11</sup> Form-based code is a regulation that communities leverage to preserve the character of urban areas.<sup>12</sup> These codes stipulate design requirements based on the character of the area while simultaneously providing for community needs, such as incentivizing affordable housing or, in strong markets requiring it through mandatory inclusionary zoning.<sup>13</sup> Beyond defining form, these coding updates can be used to create zoning regulations that offer by-right advantages to developers to reduce the risk and uncertainty incurred by undertaking affordable housing development projects.

**Table 1: Traits of Traditional Zoning Versus Form-Based Codes**<sup>14</sup>

TRADITIONAL ZONING	FORM-BASED CODE
Primary focus on use of structure	Primary focus on form and design of structure
Discourages mixed use	Encourages mixed use
High use-based regulations (setbacks, lot size, etc.)	Based on public design and community wants/needs
Frequently long, antiquated, and often amended	Short, concise, and generally current with city master plan
Promotes low-density development	Allows for variances in height, parking restrictions, etc. resulting in increased units without density increases
Numerous fees and delays required for variances	Variance flexibility is built into the zoning code
Little city control over final building appearance	Inherently fosters predictable build results

**Figure 1: Form-Based Code Comparison** <sup>15</sup>



### **Challenges**

The utilization of form-based codes provides an upfront financial benefit for a city as compared to traditional zoning. Impact studies have shown that creating a mixed-use neighborhood center generates more taxable value than a big box store with parking, on the same amount of land.<sup>16</sup> Per unit infrastructure cost is also much lower in a mixed-use development. Developing a plan from the onset also ensures that development occurs in an efficient way, providing more long term value to a community.

The biggest challenge to this zoning plan is correctly establishing and defining goals in a way that is understandable and inclusive of the community that is being impacted. Confusion in the process leads to misconceptions and even fear that changes are arbitrary or unreasonable. Most decisions are made at the government and private sector level and the public in general can feel excluded.<sup>17</sup>

### **Benefits**

Form-based codes can provide an opportunity for local officials to ensure inclusion of affordable housing units through the zoning and building process. As opposed to conventional zoning, form-based codes often only require approval from the local Planning Department rather than the Planning Commission or governing body. Using form-based codes allows for increased influence over the development and improvement of affordable housing without changing local permits or fees. Form-based codes provide an additional level of predictability to the development process benefiting both public entities and the private developers. By preempting logistical issues and delays that commonly occur in the development or redevelopment process, form-based codes allow for a streamlined process that many developers see as an advantage over the slow process of requesting variances in traditional zoning structures. In turn, form-based codes can stimulate the process of converting commercially-zoned areas and structures for residential redevelopment.

Official City of Chicago estimates show that a single new unit can cost up to \$350,000.<sup>18</sup> The city has found that preserving and improving existing buildings has led to more efficient outcomes than just building new affordable housing units.<sup>19</sup> Form-based codes can be utilized in both redevelopment and new building projects. The flexibility provided by form-based codes reduces the level of risk that developers assume, creating opportunities for additional revenues. Form-based codes focus on a specific district and can have built in pre-existing waivers for

building heights, parking requirements, street-level right-of-ways, tax abatements, or cosmetic standards. Developers in Chicago are incentivized to build affordable units in these districts because the code allows developers to build an extra four stories if they maintain 25% of total units be reserved for renters below 60% of Area Median Income.<sup>20</sup> Because affordable housing units are less lucrative for developers to build, the form-based code advantage is an indirect incentive to affordable and market-rate housing development. Thus, form-based codes, in conjunction with the appropriate incentives, can increase the supply of affordable housing with the growth of communities. Likewise, form-based codes have the adaptability to be used in inner-city suburbs and the area that surrounds the downtown city center. These contingent incentives do not require special waivers or public hearings to implement and create an incentive for builders to develop affordable units in areas with form-based codes.

Large cities, such as Boston, are seeing major funding cuts from the Department of Housing and Urban Development. This has led the Boston to turn to other less-expensive solutions to maintain their city-wide housing plans.<sup>21</sup> The resulting costs of form-based codes only involve the cost of hiring consultants to revise or replace existing codes. Form-based codes are more cost-effective for cities because their use eliminates multi-year research into housing potentials. This lower-cost option allows cities to adopt form-based codes and allows developers to utilize the money saved for affordable housing development elsewhere.

Form-based and land use codes can provide a foundation for livable urban communities. Such codes can accommodate affordable workforce housing now and incentivizes the equitable right redevelopment of an area. This option also ensures that there will be sufficient units set aside in the future to handle anticipated growth. These can be encouraged through form-based codes.

By re-focusing organizational efforts around form rather than a separation of uses, a powerful tool is leveraged to increase workforce housing in cities. Form-based codes have precise standards and predictable processes; but misconceptions exist regarding whether codes will be too restrictive and ignore the standards or needs of a community. Form-based codes are a start-to-finish integrated product that combine planning, design, economic development, engineering, and public safety to create a plan that preserves a neighborhood's character and streamlines the process for developers from the onset. Form-based codes can be used to protect or transform an area based on the community standard, while allowing public and private stakeholders to be identified and brought together early in the process. This type of flexibility creates livable spaces or additional affordable housing units in places where only commercial options once existed. It can also help encourage developers expand their vision of what is possible by encouraging them to develop mixed use projects that are market viable.

### **Projections**

The defined cost of implementing code change regulation is limited to the cost of a consultancy firm to write the code specific to the city or neighborhood where it is being implemented. Consultants may charge a city anywhere from \$100,000 to \$250,000 to draft a revised code.<sup>22</sup> Smaller cities with more community-oriented coding changes would also benefit from lower costs. Table 2 demonstrates the maximum possible cost for researching, drafting, and implementing form-based codes in five major cities, including Arlington, Virginia which recently passed a form-based code measure for their Columbia Pike development.<sup>23</sup>

**Table 2: Cost per Unit of Implementing Form-Based Codes in Five US Cities**

CITIES	PROJECTED UNITS FOR 10 YEARS (VIA MASTER PLAN)	COST OF CONSULTANT	COST PER UNIT
San Francisco, CA <sup>24</sup>	36,088	250,000	\$6.92
Chicago, IL <sup>25</sup>	102,500	250,000	\$2.43
Boston, MA <sup>26</sup>	53,000	250,000	\$4.72
New York City, NY <sup>27</sup>	200,000	250,000	\$1.25
Arlington, VA <sup>28</sup>	3,167	250,000	\$78.94

Most major cities have already projected goals for housing unit increases in their city master plans ranging from 10 to 30 years. Table 2 has amortized these projections over a ten-year period from 2018-2027 along with calculated projections assuming the highest possible cost of implementing a form-based code. Obviously, this cost would vary from city to city and these projections do not all include possible housing starts from redevelopment and improved housing units. Regardless, based on the per unit calculations in Table 2, the per unit cost of implementing form-based codes is negligible.

Incalculable cost-savings come from the reduced risk and cost incurred from delayed development because of antiquated restrictions in building codes and burdensome fees that are removed in the form-based code process. In a large-scale development, these fees can run into the hundreds of thousands of dollars and the uncertainty and risk incurred by developers can be a significant deterrent to building in general (see Table 2). A major advantage of form-based codes is streamlining the development process so that fees and delays inherent in traditional coding methods are mitigated through an expedited process. This reduced risk may be the single biggest asset for cities who hope to attract new development in general.

**Table 3: Example of San Francisco Planning Fees<sup>29</sup>**

COST OF CONSTRUCTION	PLANNING CODE FEE	ADDITIONAL % OVER FEE
\$0-10,000	\$370	n/a
\$100,000-500,000	\$4,140	2.832% over \$100,000
\$1,000,000-5,000,000	\$19,333	0.282% over \$1,000,000

## STATE SOLUTION

In addition to local government solutions, state legislatures can play a major role in the long-term development of affordable housing supply. Across the nation, land values are increasing, making affordable housing unattainable. As it stands, for most developers affordable housing is not financially feasible without subsidy. Federal resources are limited, and needs are not being met. During the 2017 Legislative session, Utah adopted House Bill 36, *Affordable Housing Amendments* that provides a model of how states can enhance the incentives for affordable housing with supplementary resources.<sup>30</sup> The policy outlined in HB 36 achieves two objectives on a statewide scale. The first establishes an interest-earning fund to finance affordable housing,

the second component increases tax credits provided to developers for the construction of affordable units.

Utah's proposal establishes an interest-earning fund that different jurisdictions can access to help pay for either new building projects or revitalization of existing housing.<sup>31</sup> Money is appropriated by the state legislature, private contributions, donations or grants from public or private entities, and interest earned on the fund. The fund is readily available to "housing sponsors" including entities from local governments, housing-oriented nonprofits, and private developers that provide affordable housing.<sup>32</sup> These qualified sponsors can access money directly from this newly created *Economic Revitalization and Investment Fund* to assist in the development of affordable housing in their community. The bill prioritizes lending money to sponsors who offer matching funds and need-based applicants.<sup>33</sup> Notably, sponsors who apply for this funding can receive priority approval if they can demonstrate that their local government is working to expand affordable housing through zoning and neighborhood-based solutions like form-based codes, as previously discussed. After 30 years, the sponsor will repay the allocated amount with interest so that there is no long-term deficit to the state.

To stimulate participation in the fund, Utah's House Bill 36, which passed in 2017, increases the existing low-income tax credit provided to housing sponsors. This lowers the tax burden on developers and offers another short-term incentive to build units that are earmarked as affordable. These tax credits are not subsidies or loan programs, but rather a tax credit program for the acquisition and construction of affordable rental units.<sup>34</sup> While the low-income tax credit existed before 2017, House Bill 36 nearly triples the value of that credit from 12.5 cents to 34.5 cents multiplied by the population of Utah. Consequently, the .20 cent average national tax credit provided to affordable housing developers reflects a rate current with inflation.<sup>35</sup> Allocation of the credit, how long it is offered, and when it is rescinded is left up to the discretion of the Utah Housing Corporation, the state's affordable housing authority. This supplements the cost of providing affordable units for developers.

This pair of incentives can be expanded to other states to catalyze affordable housing policies at a state-level. As the stewards of the *Economic Revitalization and Investment Fund*, and similar funds in other states, the legislature maintains discretion in allocating money to housing sponsors. In Utah's case, the cost associated with such a measure is lost income tax revenue equal to the tax credit offered to the sponsor. All other expenses are effectively paid back to the state in the long run. The size of the tax credit and the fund can vary from state to state, but the principles are consistent with useful methods to fund affordable housing throughout the nation.

### **Challenges**

Government programs that incentivize action face the criticism of whether supply side or demand side incentives provide the most impact. This can lead to politicization of issues surrounding incentives to developers rather than directly to low-wage workers who need housing.<sup>36</sup>

Another challenge with creating a fund that incentivizes the development of affordable housing is that developers must compete for this limited resource. This may result in longer waiting periods for developers. These longer waiting periods impede new affordable housing development. Additionally, the tax incentive attracts bigger developers with larger-scale projects, and thus reduces the opportunity for small and nonprofit developers to participate. Unlike some

other proposed solutions to affordable housing, the fund and the tax credit increase juxtapose resource constraints with the vital need for affordable housing supply. Obviously, a major challenge to the passage of bills similar to HB 36 will be unique legislative constraints of each state.

### Benefits

The benefits of another state’s version of HB 36 would be difficult to measure because of the close interconnectedness of federal and state money in housing credits and funds. However, there are some clearly defined benefits both to the state and the private housing development industry. For a State, this solution is revenue-neutral in the long-term. Because money given from the state-managed fund is paid back over time with accumulated fees, there is no cost to the state other than the short-term costs associated with setting up the fund. This means units are being built in the short-term without a cost to taxpayers in the long-term.

The benefits for developers include both money allotted to build housing units and that the size of the tax credit received is multiplied almost three-fold. This means more money up-front and tax savings down the line for developers who have historically overestimated the risk associated with building affordable rental units. These financial benefits mitigate this risk, and the fees related to paying money back to the state are negligible compared to the burden of unsubsidized housing developments. Finally, increasing the size of the housing fund minimizes competition amongst developers for the potential tax credit.<sup>37</sup>

### Projections

In Utah, state credits are used in conjunction with federal tax credits and other funding sources making it difficult to forecast future unit construction. However, basic projections can assume that nearly tripling the value of a tax credit could theoretically triple the potential number of affordable homes being built. This effect potentially multiplies the savings from partnerships among developers due to the reduced level of competition for state government subsidies. By working together and sharing these resources, private partnerships between developers, housing non-profits, and state and local governments could begin to balance the need for affordable housing units over the next ten years.

**Table 4: Projected Developer Costs and Potential Fund Request**

NUMBER OF UNITS	SQ FEET PER UNIT	DCPU	TC LOW/PER UNIT	DEV COST LOW/TOTAL BLDG	POTENTIAL REQUEST
100	600	\$80	\$48,000	\$4,800,000	\$240,000
100	900	\$80	\$72,000	\$7,200,000	\$360,000
100	1100	\$80	\$88,000	\$8,800,000	\$440,000
NUMBER OF UNITS	SQ FEET PER UNIT	DCPU	TC HIGH/PER UNIT	DEV COST HIGH/TOT BLDG	POTENTIAL REQUEST
100	800	\$80	\$64,000	\$6,400,000	\$320,000
100	1000	\$80	\$80,000	\$8,000,000	\$400,000
100	1200	\$80	\$96,000	\$9,600,000	\$480,000

DCPU = Developer cost per unit  
 TCLow=Total cost per unit (low end)  
 TCHigh=Total cost per unit (high end)  
 DevCost Low=Total Cost of Building min  
 DevCost High=Total Cost of Building max  
 Potential Request from Fund=15% for Developer Loan Down Payment

**Table 5: Projected Tax Credit by Population** <sup>38</sup>

YEAR	UTAH POPULATION	RATE	AVAILABLE FUNDS
2020	3,652,547	0.345	\$1,260,128.72
2030	4,387,831	0.345	\$1,513,801.70

**PUBLIC-PRIVATE SOLUTION**

Thus far, the research has suggested a local and state level approach to promoting development of affordable housing. The last approach promotes development in both local and state government by leveraging private-sector partnerships and incentives to address the inadequate supply of affordable housing. Partnerships between cities and developers can stimulate targeted development to address the inadequate supply of affordable workforce housing.

A goal of local governments is to manage future growth. One way to ensure future development is through land banking. Cities acquire problem properties such as abandoned or vacant lots or through foreclosure auctions and transfer them to small developers or nonprofits that agree to local land use goals.<sup>39</sup> In this scenario, cities will need to dedicate some funds to buy land – thus providing “equity” in the project and alleviating this expensive part of the housing equation.

Another way for local governments to ensure future development of affordable housing is through inclusionary zoning. This can be in the form of an overlay zoning requirement that mandates a percentage of a development builds affordable housing or it could be areas of land that the city sets aside for affordable housing development (and in some cases could offer developers incentives, e.g. density, etc.).<sup>40</sup> This process mitigates the displacement of low-income households and will allow for more affordable housing for essential public-sector professionals.<sup>41</sup> Both methods ensure that municipalities determine where affordable housing will occur in the future.<sup>42</sup> Inclusionary zoning in its purist form requires a percent of affordable housing to be built by the developer as part of a market rate project. This will only work in strong markets. In weaker market communities, incentivized opportunities for affordable housing are more appropriate. To ensure mixed-income housing is in place within these communities, deed restrictions can include stipulations on selling, buying or renting that property.

Deed restrictions or land regulations, are recorded to bind the property to a designation of affordability. This is recorded with the county to ensure that future sales of deed restricted property require proof of income and be available only to people with incomes of 60%, 80%, or 120% of area median income. In many cases, the deed restrictions cap the equity to 3% or 5% per year to keep the cost of the housing manageable for the next occupant. This allows people who would otherwise be unable to afford a home a unique opportunity to do so. In some cases, a

community might abate property taxes so that taxes are assessed on only the capital improvements, not the land.

**Table 6: City by Percent of AMI**

CITY	AMI <sup>43</sup>	60% AMI	80% AMI	120% AMI
Salt Lake City	\$47,243	\$28,346	\$37,794	\$56,692
Park City	\$105,102	\$63,061	\$84,082	\$126,122
Ogden	\$41,036	\$24,622	\$32,829	\$49,243
Draper	\$95,804	\$57,482	\$76,643	\$114,965

This solution will also entice cities to invest in construction with targeted loans that are issued to smaller developers and 501(c) organizations that are mission driven toward meeting the needs of all residents in the community. Many organizations that focus solely on creating affordable housing units have sprouted up across the country as the demand has increased. These types of construction loans have an average payback period of between 3-10 months. Loans out of this fund would be for eight months at an interest rate stipulated by the city. After eight months, the construction loans would be converted to a traditional, market-rate mortgage and sold so the city could recoup its initial investment. The small interest earned by the city on these loans would be placed back into the construction fund to finance other projects. Developers or landowners could take advantage of a 5-year tax abatement for this investment in affordable housing. The property tax would be assessed on a tiered schedule starting at the pre-improvement rate for the tax abatement period.

### Challenges

A major obstacle for most cities is the absence of resources. Cities must dedicate a portion of their general funds to acquiring land that will be held until a suitable development opportunity occurs. This is a challenging investment that restricts other capital improvements.

Land banking, in combination with the upfront cost of making construction loans available to smaller developers can put a burden on any city budget. This type of planning and investment requires a city that can take the long-term view of its housing needs. Some cities likely don't have the financial room to implement this approach. Another obstacle for the budget of a city is the direct loss of property tax income. Land sales increase the budget of a city, but if the city itself is the buyer or if the land is given to a tax-exempt organization or a property tax abatement offered as an incentive, then there is either no net income on the initial sale of land or delayed receipt of property tax revenue. For larger cities that have high demand and limited available lots, it can be a burden to give up the revenue potential. For smaller cities with available land, the obstacle is in finding developers that see the potential for growth in the community.

There are additional issues with available infill within most cities, finding the space needed to develop or redevelop is limited without going outside of the urban core.<sup>44</sup> This lack of infill can also lead to community tension or apprehension about increased density in otherwise single-family residential zones. Municipalities must be ready to actively oversee and manage issues surrounding every proposed project to avoid conflicts between development and existing neighborhoods. Lack of neighborhood support can become a complicated and costly issue and can delay affordable housing projects.

## Benefits

The benefits of public-private partnerships can include increased density and revitalization of a city, as well as incentives and advantages for private partners.<sup>45</sup> The benefits to a private partner include reduced costs and barriers to entry in development. To entice private developers, cities and government entities can reduce property taxes, pay improvement taxes, and provide construction loans and land for these developers. These benefits lower barriers to business entry and helps bring in smaller developers by increasing supply and lowering cost.

As cities provide land and cost reductions, private companies promise to create and hold a certain number of units as affordable. The city will benefit by being able to release foreclosed, unused, or other problem property land banks to developers and guarantee some affordable units. In addition, a city can then help focalize where redevelopment occurs.

## Projections

The construction fund allows for smaller projects such as duplexes, fourplexes, and basement apartments to be developed as affordable housing. Cities will decide the initial amount they can put into the fund. The assumptions made are as follows: the cost to the developer is \$80 sq. ft., the units will average a total of 1000 sq. ft., and a construction loan interest rate of 1.25%. Since these are short-term loans the interest put back into the fund is not a lot but over time it will continue to grow. These estimations give an idea of the number of units that can be created by these smaller projects and in a fairly short time frame.

**Table 7: Small Developer Construction Loans**

NUMBER OF UNITS	AMOUNT OF LOAN	8 MONTH INT.
4 Units	\$320,000	\$3,200
3 Units	\$240,000	\$2,400
2 Units	\$160,000	\$1,600

## CONCLUSION

Policymakers and housing advocates across the country recognize the complexity of the affordable housing crisis facing almost all communities over the next ten years. This crisis is no longer contained to low-income renters as more and more middle-income workers struggle to find housing in the cities that they work. Taking a holistic approach to solving this crisis will benefit communities in their entirety. Because this issue affects all levels of earners, a holistic solution involving many stakeholders is the most feasible. Urban centers are best served when state, local and private stakeholders address the imbalance in supply of affordable housing. A blend of these three solutions is the most effective way for cities to combat the supply problem they face over the next ten years. By tackling this problem from multiple angles, a lack of supply can be addressed in zoning, tax, and legislative reform. These solutions can build upon each other and provide a framework for other cities to work from going forward.

It is clear from the critical state of our current housing shortage that a piecemeal approach or a city by city approach in managing growth can no longer be sustained. For the purposes of this paper, it is not possible to measure the effects that these three solutions can have on each other, but the three individually can be summed up. Form-based codes offer an additional cost per unit

of merely the cost of consultancy. On average, this looks to be about \$5 per unit. An HB 36-style solution allows for nearly triple the incentive to developers looking to build housing with zero cost to the state. Finally, public-private partnerships ensure that otherwise subprime development locations are incentivized to be built. In total, cities can meet their specific housing goals while incentivizing partnerships between state, local, and private entities. The compounding function of this menagerie would likely lower the cost toward accomplishing this goal, while potentially speeding up the process for those in search of workforce housing.

It must be noted that although cities generally suffer from supply problems, their specific needs and challenges vary. For example, solutions in San Francisco will not translate directly to those in Salt Lake City. Some cities struggle to preserve existing housing stock while others actively are building new stock. The variation in size and scope reflects the complexity of the problem.<sup>46</sup> These nuances can create barriers to directly translating affordable housing solutions from city to city, and in these cases, a tripartite, cookie cutter solution is not practical.

Because mitigating the costs of affordable housing development are often difficult within the constraints of competitive budgets, the most translatable solution - in lieu of all three approaches - is the implementation of form-based codes (with inclusionary requirements or incentives, depending on the market strength of the individual community) within city planning departments. Although the other two solutions provide direct financial incentives to developers, a less capital intensive solution may provide suitable outcomes in these diverse circumstances. In the absence of a robust combination of the three solutions discussed, the practical implementation of form-based codes with inclusionary or incentivized housing requirements can serve as an adequate stepping stone to ensuring that the supply of affordable housing matches the demand.

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