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**From Hurdles to Bridges:
Local Land-Use Regulations and the
Pursuit of Affordable Rental Housing**
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Introduction

Since the 1970s, affordable housing has shifted from a federal to a shared local, state, and federal issue. As coastal areas have experienced mounting affordability problems, their state and local governments have done much more to promote and even require housing affordability. But we still know little about the impacts of these programs on rental housing.

This chapter reviews the variety of state and local approaches to affordable housing, placing them in the context of state laws and local action on land use and housing development more broadly, and discussing what we know and don't know about the combined impact of these policies on rental housing. It then reports on the incidence of local affordable housing policies in the 50 largest metropolitan areas, showing that jurisdictions in three states—California, Massachusetts, and New Jersey—account for the vast majority of local affordable housing programs.

The paper then reviews local housing policy in three case-study cities in states with different approaches to housing and land use policy: California, Massachusetts, and Florida. These cities (Pleasanton, in the San Francisco metropolitan area; Newton, just outside Boston; and Coral Gables, adjacent to Miami) all are affluent, job-rich suburbs where housing policy is either well rooted or newly emerging. The chapter ends with conclusions about why local housing programs emerge, their evolving impacts on affordable housing supply, and the role of state government in improving their performance, especially with respect to rental housing.

Local Government Housing Programs in Local and State Context

Interest has mounted in the past 10 to 15 years in local programs that encourage or even require affordable housing construction. This review section provides a background on these programs within the context of local land-use regulations and state laws and policies on planning and affordable housing.

Local Governments and Affordable Rental Housing

Local governments influence housing tenure and housing affordability with regulations and expenditures. Many recent studies of affordable housing at the local level focus on

inclusionary zoning.¹ It is probably no accident that these programs emerge in the states and regions with the most serious housing affordability problems, and where local governments have been enthusiastic and empowered to adopt restrictive land-use regulations. But local governments also spend money on housing, both passed through from federal and state governments and generated internally, sometimes directed into local housing trust funds.² This section discusses how land-use regulations affect tenure and affordability—often reducing both the quantity and the affordability of rental housing—and how local governments use regulations and funding to make housing—especially rental housing—more affordable.

Land-Use Regulations, Tenure, and Affordability: Exclusion as the Expected Norm

Local land-use regulations can make housing more costly (and thus less affordable) by both restricting supply and increasing demand for housing.³ Most studies of land-use regulations and housing affordability have asked how and whether land-use regulations raise the single-family house prices. From these studies, we can infer that regulations that raise single-family house prices will also raise rents because of connections between rental and ownership markets. But some regulations can cause shifts between housing types by raising land prices and thereby encouraging higher density. A functioning urban growth boundary,⁴ for example, raises land prices, even absent changes in the demand for housing, and therefore creates pressure for higher density housing types.⁵ Multi-family housing tends to be rented, and renters operate in housing markets that are often only loosely coupled to owner-occupied housing markets.

Malpezzi (1996) and Pendall (2000) provide more direct evidence about connections between local land-use regulations and rent. In a cross-sectional study of rents and housing

¹ Karen Destorel Brown, *Expanding Affordable Housing Through Inclusionary Zoning: Lessons from the Washington Metropolitan Area*. Brookings Institution Center of Urban and Metropolitan Policy, 2001. Available July 13, 2006 at <http://www.brook.edu/es/urban/publications/inclusionary.pdf>. Nico Calavita, Kenneth Grimes, and Alan Mallach, “Inclusionary Housing in California and New Jersey: A Comparative Analysis.” *Housing Policy Debate* 8(1), 1997: 109-142. Nico Calavita, “Inclusionary Housing in California: The Experience of Two Decades,” *Journal of the American Planning Association*, 64(X), 1998: pp-pp.

² Mary Brooks, *Housing Trust Fund Progress Report 2002: Local Responses to America’s Housing Needs*. Center for Community Change, 2002, available July 13, 2006 at <http://www.communitychange.org/shared/publications/downloads/HousingSurvey2002.pdf>.

³ Arthur C. Nelson, Rolf Pendall, Casey J. Dawkins, and Gerrit J. Knaap. “The Link between Growth Management and Housing Affordability: The Academic Evidence,” pp 117-158 in Anthony Downs, editor, *Growth Management and Affordable Housing: Do They Conflict?* Washington, DC: Brookings Institution Press, 2004.

⁴ Some UGBs are so loose that they don’t work. See Pendall, Martin and Fulton 2002.

⁵ In some regions with functioning growth boundaries, lot sizes have declined; moderating price inflation in the house + lot package, but a UGB that works necessarily imposes higher costs per square foot of land + house.

prices in 1990 in 60 large cities, Malpezzi found higher rents in cities with strict state-level regulation, but not in those with strict local regulation.⁶ Based on data from a 1994 survey of 1160 jurisdictions in the 25 largest metropolitan areas, Pendall (2000) found that very low density (or “exclusionary”) zoning decreased housing supply in the 1990s, especially the supply of multi-family housing. In jurisdictions with limited housing supply, in turn, rental housing was more expensive. Other “growth-managing” regulations had no such consistent effects on the local housing stock or prices.⁷

Local land-use regulations are also critically important in the location of households subsidized with federal and state funds. Local governments have long had the authority to approve or disapprove sites for subsidized housing, both in the era of public housing construction and in the present. And families with housing choice vouchers cannot live in areas without rental housing and are unlikely to choose jurisdictions whose policies have raised rents above fair market rents (FMRs).⁸

Many observers contend that exclusion isn’t a coincidence, but rather the consequence of deliberate and concerted actions by affluent suburban residents to control access to their communities. By doing so, these “home voters” (to use William Fischel’s terminology) reduce congestion of their public services, thereby forestalling the need to raise taxes. They also believe they protect their property values. To the extent that local governments are small, they will tend to be more internally homogeneous, attracting residents who want a particular mix of taxes and public services and who want to pay a certain amount for those services. Home voters are hypothesized to vote in local elections primarily to protect the status quo of property values, taxes, and services; metropolitan areas and states composed largely of small local governments dominated by home voters therefore are more likely to witness more extensive exclusionary zoning at the municipal scale.⁹

⁶ Stephen Malpezzi, Housing Prices, Externalities, and Regulations in U.S. Metropolitan Areas, *Journal of Housing Research* 7(2), 1996, 209-241.

⁷ Rolf Pendall, “Local land-use regulation and the chain of exclusion.” *Journal of the American Planning Association* 66(2), 2000: 125-142.

⁸ Rolf Pendall, “Why voucher and certificate users live in distressed neighborhoods.” *Housing Policy Debate* 11(4), 2000: 881-910.

⁹ William A. Fischel. *The Homevoter Hypothesis: How Home Values Influence Local Government Taxation, School Finance, and Land-Use Policies*. Harvard University Press, 2001; add references to Downs, Opening Up the Suburbs; Danielson, Politics of Exclusion; Tiebout 1956.

Indeed, Pendall et al. (2006) find that exclusionary zoning does dominate the landscape in the Midwest and Northeast, where the metropolitan landscape is divided into a large number of small suburbs. Exclusionary local governments, by this definition, have very low ceilings on permitted residential development and often proscribe development of apartments anywhere within their boundaries. In metropolitan Boston, for example, 70 percent of jurisdictions have zoning ordinances that limit development in residential zones to less than eight units per acre; about 55 percent would bar the development of a hypothetical apartment complex with eight units per acre even by special permit. Exclusionary mechanisms are much less common at the jurisdictional scale in the South and West, where metropolitan areas tend to have larger numbers of middle-sized cities and suburbanization happens under the governance of extensive and often populous counties rather than townships.¹⁰

Despite expectations that suburban governments will cater to their home voters and do all they can to exclude low-income residents for class-based, consumption-based, or race-based reasons, suburban governments all over the U.S. are beginning to adopt programs and take actions to grow a more diverse housing stock. In the next sections, I discuss the nature of these programs and the state rules that shape them.

(De)Regulatory Affordable Housing Programs

Two local regulatory programs make demands on developers and, predictably, produce more impressive results with respect to housing production. *Inclusionary zoning* (IZ) programs mandate the incorporation of affordable housing in otherwise market-rate housing developments. Some IZ programs allow developers to pay fees in lieu of providing housing; some automatically provide a density bonus to compensate for the affordable housing mandate. Porter (2004) estimates that IZ and density bonuses have produced a maximum of 90,000 housing units nationwide, the majority of these in states that require or encourage IZ programs.¹¹ This estimate seems low, however; according to a 2003 survey, over 100 California local governments had IZ beyond the requirements of redevelopment or coastal-zone law; in just a third of these

¹⁰ Rolf Pendall, Robert Puentes, and Jonathan Martin. 2006. *From Traditional to Reformed: A Review of the Land Use Regulations in the Nation's 50 largest Metropolitan Areas*. Washington, DC: Brookings Institution Metropolitan Policy Program.

¹¹ Douglas R. Porter, "Promise and Practice of Inclusionary Zoning" in Anthony Downs (ed.) *Growth Management and Affordable Housing: Do They Conflict?* Brookings Institution Press, 2004, 212-248.

jurisdictions, local programs had produced over 34,000 units by 2003.¹² Some of the earliest IZ policies were adopted around metropolitan Washington, DC, in Montgomery County, MD, and Fairfax County, VA, but Fairfax County's mandatory policy was overturned by the Virginia state legislature. Other early adopters tend to be large cities like San Francisco and Boston. *Linkage fees* are charges on developers of non-residential space to fund affordable local housing subsidy programs. The two best-known linkage-fee programs are those in Boston and San Francisco; Boston's program generated \$45 million between 1986 and 2000, helping fund nearly 5000 housing units, and San Francisco's generated about \$38 million between its adoption in 1981 and 2000.¹³

More politically palatable in most jurisdictions are incentive programs that encourage but don't mandate affordable housing production or contributions, usually by *deregulating* housing construction. The best-known of these is the *density bonus*, which offers density incentives without affordable housing mandates. But a host of other strategies has also been documented, with a large compendium of reporting on the U.S. Department of Housing and Urban Development (HUD) Regulatory Barriers Clearinghouse web site.¹⁴ Probably the best-known of these are *fast-track permitting*, which places affordable housing development at the front of the development queue and expedites approvals, and *waivers* for development impact and permit processing fees.

Local Spending On Affordable (Rental) Housing

In addition to (de)regulatory strategies for housing affordability, local governments spend money to subsidize affordable housing production, retention, and rehabilitation. Most of this money comes from federal and state governments. Two federal block grant programs—CDBG and HOME—pass money directly to local governments large enough to attain “entitlement” status. Some cities generate substantial funding from their own sources to expand their

¹² California Coalition for Rural Housing and Non-Profit Housing Association of Northern California, *Inclusionary Housing in California: 30 Years of Innovation*, 2003, available July 10, 2006 at http://www.nonprofithousing.org/knowledgebank/publications/Inclusionary_Housing_CA_30years.pdf.

¹³ Boston Redevelopment Agency, “Survey of Linkage Programs in Other U.S. Cities with Comparisons to Boston,” May 2000, Available July 10, 2006 at http://www.ci.boston.ma.us/bra/PDF/ResearchPublications//pdr_534.pdf.

¹⁴ HUD Regulatory Barriers Clearinghouse, <http://www.huduser.org/rbc/>, accessed July 9, 2006.

affordable housing programs, often directing these funds into dedicated local housing trust funds¹⁵ alongside funds from in-lieu fees and federal or state sources.

Based on a 1994 survey with responses from 408 cities with at least 25,000 residents, Basolo (1999) found mean local own-source expenditures on housing of about \$2.5 million in FY 1994-1995, but the median and mode were both zero; a few cities, notably New York (discussed below), drove up the mean. The mean expenditure of federal funds was \$2.9 million, but the median was \$333,000.¹⁶ Large cities, those receiving substantial federal housing funds, and those with high median housing values were more likely to spend any of their own funds on housing; entitlement status, however, reduced own-source spending, suggesting that smaller entitlement cities substitute federal for local dollars on affordable housing. The number of local governments in the metropolitan area made local expenditures less likely. The magnitude of local housing expenditures among cities that spent any funds responded to different forces, however. State mandates for housing planning and local fund set-asides (see discussion below) tend to prompt higher local spending levels; smaller cities and those with higher home ownership rates spend less of their own money on housing.¹⁷

New York City is the outstanding national example of local funding for subsidized housing, having spent over \$5 billion between 1985 and 1995.¹⁸ Between 1987 and 2002, New York City contributed capital to over 33,000 new housing units, nearly 50,000 rehabilitated vacant units, and over 120,000 rehabilitated occupied units, rebuilding entirely some neighborhoods that had been written off as doomed a generation earlier.¹⁹

How States Shape Local Affordable Housing Programs

Local governments don't adopt (de)regulatory strategies or spend money to promote housing affordability in response only, or even mainly, to local constituencies; indeed, they are often forced or induced to take on affordable housing programs by their state governments. While most states take a laissez-faire attitude toward local affordable housing programs and

¹⁵ See Mary Brooks, [citation], on housing trust funds.

¹⁶ Victoria Basolo, "The Impacts of Intercity Competition and Intergovernmental Factors on Local Affordable Housing Expenditures," *Housing Policy Debate* 10(3), 1999: 659-688, citation at page 671.

¹⁷ Basolo 1999.

¹⁸ Alex Schwartz, "New York City and Subsidized Housing: Impacts and Lessons of the City's \$5 Billion Capital Budget Housing Plan," *Housing Policy Debate* 10(4), 1999: 839-878.

¹⁹ Alex Schwartz, *Housing Policy in the United States* (New York: Routledge, 2005), pages 198-199.

spending, a handful have intervened more forcefully to promote either or both density and affordability. Some states, however, have foreclosed options for their local governments to adopt aggressive housing programs. (Figure 1 summarizes the main local tools and describes how states shape local governments' adoption of them; Figure 2 summarizes key state policy interventions in California, Florida, and Massachusetts, whose jurisdictions are profiled later in this paper.)

Comprehensive Planning and Growth Management

About 25 states require their local governments to adopt comprehensive plans, which universally include land-use elements (chapters) and almost universally include housing elements (chapters). In about a dozen of these states, local plans must meet state growth management requirements. But only four or five states—California, Florida, New Jersey, Oregon, and Washington—have aggressively required local governments to plan for affordable housing, through three main mechanisms: site adequacy requirements, sometimes coupled with “fair share” provisions; density mandates; and requirements for housing subsidy programs.

Fair share housing requirements, in place in New Jersey and California, allocate regional housing demand forecasts to local jurisdictions and require them to accommodate that housing. Local governments do so by adopting housing elements that identify sites where affordable housing is feasible; state agencies review local housing elements and judge whether they comply with state statute. New Jersey's fair-share allocations pertain only to housing for those earning less than 80 percent of the area median income, whereas California's pertains to both market-rate and low-income housing.²⁰

California, Oregon, and Washington work most seriously to promote higher *housing density*, thereby providing an impetus for the production of multi-family (and consequently rental) housing. Oregon, best known for its UGB requirement, also requires all its cities to adopt plans that meet the state's housing goal (“Goal 10”). Jurisdictions around Portland also must abide by the Metropolitan Housing Rule, which requires planning for high-density housing.²¹ In some metropolitan areas, California's housing element law translates into density guidance from

²⁰ Stuart Meck, Rebecca Retzlaff, and James Schwab, *Regional approaches to affordable housing*, 2003. Chicago, IL: American Planning Association Planning Advisory Service report 513/514.

²¹ Division 7 of Chapter 660 of the Oregon Administrative Rules, available July 9, 2006 at http://arcweb.sos.state.or.us/rules/OARS_600/OAR_660/660_007.html.

the state Department of Housing and Community Development (HCD). Washington's Growth Management Act (GMA) requires local governments to designate land in their comprehensive plans and zoning maps for multi-family and high-density single-family housing, based on local growth projections.

States that require housing elements also typically require that local governments enact *programs* to foster affordable housing production. State review of local programs, however, varies widely across the nation and even within states.

Inclusionary and Pro-Apartment Mandates

Several states require or strongly encourage their local governments to enact inclusionary zoning or density bonuses. The strongest mandates are probably those in California, where redevelopment agencies are required to incorporate low- and moderate-income housing in new developments within project areas.²² This requirement adds up to substantial affordable housing production; in FY 2004-2005, for example, agencies reported assisting about 7800 inclusionary units.²³ State reports suggest that all these inclusionary units receive subsidy from the low- and moderate-income housing funds that agencies must set aside from tax-increment revenues (see discussion below). In addition, the California Coastal Act requires inclusionary units in new housing in the coastal zone.²⁴

Another state intervention, the *builder's remedy*, is a key source of pressure for affordable housing in New Jersey, Massachusetts, Connecticut, and Rhode Island. In all four states, the state government establishes thresholds or benchmarks for affordable housing in all municipalities; when a local government has not surpassed that threshold, builders can challenge them for obstructing approval of projects including affordable housing. In New Jersey, local governments can "immunize" themselves against such challenges by enacting a state-certified housing element; usually, certified elements incorporate inclusionary zoning with density bonuses. In the three southern New England states, municipalities face builder's remedy challenges until at least 10 percent of the housing is subsidized. In the past five years, however,

²² California Health and Safety Code Section 33413(b) (accessed July 9, 2006 at <http://www.calredevelop.org/Leg/ComRedeveLaw2005.pdf>).

²³ California Department of Housing and Community Development, Division of Housing Policy Development, *California Redevelopment Agency Housing Activities During Fiscal Year 2004/2005*, June 2006, accessed July 9, 2006 at <http://www.hcd.ca.gov/hpd/rda/04-05/rdasum04-05.pdf>, pages 12-13.

²⁴ California Coastal Act: Chapter 7, Article 1. Accessed July 10, 2006 at <http://www.coastal.ca.gov/ccatc.html>.

these provisions have been modified in Massachusetts and Rhode Island to encourage the integration of land-use planning and housing planning, thereby erecting hurdles to some builder's remedy challenges. In August 2003, Illinois adopted a threshold-based statute that integrated both housing planning and IZ as mechanisms for local governments to protect themselves from builder challenges.²⁵

Mandatory density bonuses have applied in California since at least the mid-1980s. Until 2004, developers could apply for a density bonus of 25 percent in exchange for a 10 to 20 percent affordability commitment; based on perceptions of the inadequacy of those incentives, the state Legislature has sweetened the maximum bonus to 35 percent and required additional concessions, in exchange for providing as few as five percent affordable housing units.²⁶

A final area of state intervention into local land-use regulation grabs fewer headlines because, rather than a statutory provision, it comes from *case law: limitations on local exclusionary zoning* practices. Pennsylvania is probably the best-known example of this tendency; builders have historically won challenges against municipal zoning ordinances that exclude apartments.²⁷ (Recently, however, Pennsylvania's legislature relaxed its statutes to encourage multi-municipal planning.²⁸) In such states, the baseline practice of suburban zoning is not as aggressively anti-density as in southern New England and New Jersey, and as a consequence "anti-snob zoning" ordinances are not as obviously necessary a counterweight to exclusionary practices. One might expect a higher bar for exclusionary zoning in states with strong "Dillon's rule" traditions—i.e., where courts proscribe local actions that are not expressly permitted by state law—and those with strong private property rights ideologies. But in others, where home rule authority is strong and courts traditionally weigh community desires against

²⁵ Stuart Meck, Illinois Enacts Housing Appeals, Planning Statute. *Zoning News* (American Planning Association), October 2003, available July 10, 2006 at <http://www.planning.org/affordablereader/znzp/znoc03b.htm>. For an early appraisal of the act in the Chicago area, see Charles Hoch, Suburban Response to the Illinois Affordable Housing and Planning Act, February 15, 2005, http://www.uic.edu/cuppa/upp/people/faculty/Hoch/suburban_response_fulldoc.pdf.

²⁶ Barbara Kautz, A Public Agency Guide to California Density Bonus Law, Adapted from Presentation for County Counsels' Association of California Land Use Fall 2005 Study Section Conference, available July 10, 2006 at http://www.cacities.org/resource_files/24444.Analysis%20of%20Density%20Bonus%20Law.pdf.

²⁷ See for example *Surrick v. Zoning Hearing Board of Upper Providence Township*, 476 Pa. 182, 382 A.2d 105 (1977).

²⁸ See Joanne Denworth, *Planning Beyond Boundaries: A Multi-Municipal Planning and Implementation Manual for Pennsylvania Municipalities*, 10,000 Friends of Pennsylvania, 2002; table of contents available July 10, 2006 at http://www.10000friends.org/downloads/Planning_Beyond_Boundaries_excerpt_032906.pdf?PHPSESSID=5c153b3746df4f4e8f19371cd8f1d91c.

those of landowners, exclusionary zoning can often continue to hold sway. The highest court in New York, for example, issued a decision in 1975²⁹ that appeared at first to limit exclusionary zoning, but the impact since then has been limited.³⁰

Funding Mandates

California appears to be unique in the nation in *requiring local expenditures* for affordable housing. Specifically, when a local government captures rising property taxes in a designated redevelopment area, the redevelopment agency must set aside 20 percent of the increment to fund low- and moderate-income housing.³¹ After the state legislature enacted this provision, many local governments first set aside but declined to spend the funds. A subsequent amendment to the legislation required them to spend the set-aside or redirect it to other agencies. In FY 2004-2005, \$1.24 billion was generated by redevelopment agencies statewide, and \$963 million was spent.³²

Prohibitions

States also shape enactment of local programs by prohibiting some of them, either by statute or through case law. At the top of the “prohibited” list is inclusionary zoning. In over half the states, local government programs and activities must be authorized explicitly in statute. The extent of such authorization for local IZ and linkage fee programs is unclear and beyond the scope of this paper, but is likely to be modest considering the politics of most of these states and the strength of the “growth machine” there. Oregon’s state legislature banned inclusionary zoning in 1999.³³

The Politics of State Pro-Housing Policies

Typically, pro-housing policies are the consequence of significant actions in state legislatures and courts by affordable housing, civil rights, and market-rate housing advocates,

²⁹ *Berenson v. Town of New Castle* (341 N.E.2d 236 (N.Y. 1975)).

³⁰ Henry A. Span, How the Courts Should Fight Exclusionary Zoning, *Seton Hall Law Review* 32: 1-107.

³¹ California Health and Safety Code Section 33334.2 (accessed July 9, 2006 at <http://www.calredevelop.org/Leg/ComRedeveLaw2005.pdf>).

³² California Department of Housing and Community Development, Division of Housing Policy Development, *California Redevelopment Agency Housing Activities During Fiscal Year 2004/2005*, June 2006, accessed July 9, 2006 at <http://www.hcd.ca.gov/hpd/rda/04-05/rdasum04-05.pdf>, pages 1-2.

³³ 1999 OR H.B. 2658, in code at Oregon Revised Statutes § 197.309 (2006).

sometimes working in coalitions to overcome resistance by municipalities and their lobbyists in the state capitals. In all cases, it appears that at least acquiescence, if not support, from market rate home builders, is a prerequisite for passage of state-level initiatives to promote affordable housing actions by local governments. In California, for example, the state's housing element law was strengthened in the early 1980s as a consequence of a coalition between rural and urban affordable housing advocates with the California Homebuilders' Association. Market-rate builders also were key in the evolution of New Jersey's fair system, since they responded so hungrily to the incentives set out by the state Supreme Court in the *Mount Laurel II* ruling. Florida's Sadowski Act, too, required painstaking coalition-building among an even broader group of interests that included environmentalists (represented by 1000 Friends of Florida), anti-poverty and affordable housing advocates, and the Florida Homebuilders Association. Oregon, too, provides examples of homebuilders' power; their support helped clinch two referenda on the state's growth management program in the late 1970s and early 1980s, but their opposition to inclusionary zoning led the state legislature to enact a preemptive statute in the late 1990s.³⁴

While home builders have played a powerful role in key moments by enacting legislation to force local action on affordable housing, local governments—who ultimately must implement the policies—have tended to gain back ground over time. Nowhere is this clearer than in New Jersey, where legislators adopted the Fair Housing Act in 1985 to encourage less aggressive responses to regional housing needs than those set forth by the *Mount Laurel II* court. Since then, housing markets in New Jersey have shifted in ways that reduce the attractiveness of Mount Laurel-type developments, undercutting builder interest. Meanwhile, the state Supreme Court has become more respectful of local initiatives and restrictions, and the state has vigorously pursued growth management and open-space preservation to reduce development in suburban and exurban areas. California's courts have tended to favor local governments in battles over their fair-share responsibility and treated HCD's reviews of housing elements as merely advisory and not dispositive. The anti-snob zoning laws in both Massachusetts and Rhode Island came under severe attack in the late 1990s when market-rate developers began to use the appeals process to build projects with only a small share of affordable units. In both cases, the result appears to be the evolution of approaches that resemble New Jersey's Fair Housing Act, reducing the threat of builders' remedy lawsuits in jurisdictions that plan for affordable housing.

³⁴ Sources forthcoming on this paragraph.

It remains to be seen whether this trend will so reduce the attractiveness of the states' housing policies that market-rate builders lose interest; if it occurred, the long-term sustainability of any pro-housing policy structure would be in question.

Local Housing Programs: Unanswered Questions

Since the 1970s, local and state action on affordable housing has become more sophisticated in the United States. We know that in perhaps a half-dozen states with serious problems of housing affordability and (to a lesser extent) racial residential segregation, local housing programs have emerged that fuse land-use based approaches with funding, sometimes even generated locally. But until this writing, there has not been an exhaustive national database allowing reporting on an inventory of local affordable housing programs; we don't really know the magnitude of these programs or the extent to which they are spreading.

Since we don't know much about the extent to which local governments have adopted new housing programs, it should come as little surprise that we have little direct information on their impact on affordable rental housing. The most recent evaluation of IZ in California, for example, does not clearly specify the extent of rental versus ownership housing production.³⁵ Similarly, although we know that linkage fee programs have begun to mature—especially in San Francisco and Boston—we don't know whether these programs aim to promote rental housing in particular.

Another gap in the current research is knowledge about how local housing programs fit together. Most studies have been conducted with reference to a specific housing approach, especially IZ. While useful, these studies can miss the value of interlocking systems of programs in producing homes for the hard-to-house. High-quality tax-credit projects for extremely low income single mothers with teenaged kids need much more than IZ; they also need CDBG contributions, fee waivers, fast-tracking, density bonuses, local redevelopment funding, available infrastructure, and collaboration among planners who regulate development, nonprofits who build the housing, and local housing planners who help negotiate the process.

³⁵ California Coalition for Rural Housing and Non-Profit Housing Association of Northern California, *Inclusionary Housing in California: 30 Years of Innovation*, 2003, available July 10, 2006 at http://www.nonprofithousing.org/knowledgebank/publications/Inclusionary_Housing_CA_30years.pdf.

Beyond the gaps in our knowledge of how local *housing* programs fit together, we also lack knowledge about how local housing programs fit into local development, redevelopment, and preservation strategies. Since housing is the single biggest user of urban and suburban land, we need to know much more about the land-use context of local housing plans, policies, and programs. If mandatory programs like IZ and linkage fees add a layer of regulation in already complex and discouraging development environments, they are likely further to discourage development rather than produce much new affordable housing.³⁶ If local governments adopt housing programs within the framework of land-use policies that encourage housing production more generally, on the other hand, mandatory programs can make a big contribution.

Research Questions and Methods

The remainder of this paper is dedicated to filling some of these gaps by answering two main research questions. First, what is the extent of local housing-program adoption in the 50 largest U.S. metropolitan areas? How many local governments have programs? Which programs are most popular? And what is the geographic variation in adoption of programs? I answer these questions by referring to a 2003 mail survey of local governments in the 50 largest metropolitan areas in the United States. The survey (whose questions appear at http://www.brookings.edu/metro/pubs/20060810_Survey.pdf) was mailed to planners or elected officials in all jurisdictions with at least 10,000 residents and a sample of smaller jurisdictions in 17 metropolitan areas where large jurisdictions accounted for a small share of the metropolitan population or land area.³⁷

Second, what are the histories and impacts of local housing programs in affluent, “built-out” suburban job centers? How have local politics and state law interacted to foster the emergence of these programs? What is the relationship between housing programs and land-use regulation more broadly? These cities make interesting studies because they are the sites of substantial goal conflicts. They have substantial resources—staff capacity and tax base, in

³⁶ Benjamin Powell and Edward Stringham. *Housing Supply and Affordability: Do Affordable Housing Mandates Work?* Reason Public Policy Institute Policy Study 318, available July 10, 2006 at <http://www.rppi.org/ps318.pdf>; but see critique of this study: Victoria Basolo and Nico Calavita, *Policy Claims With Weak Evidence: A Critique of the Reason Foundation Study on Inclusionary Housing Policy in the San Francisco Bay Area*, Available July 10, 2006 at http://www.nonprophousing.org/actioncenter/campaigns/download/IH_counteracting_critics.pdf.

³⁷ For more details on the survey, see Rolf Pendall, Robert Puentes, and Jonathan Martin, forthcoming, [Name of publication, URL here].

particular—and thus can develop very sophisticated responses, if they choose, to development pressure and housing affordability problems. In some states, they face increasing pressure from external forces (e.g., state law, developers) to accommodate more affordable housing because the people who work there can't afford to live there. But internally, their “home voter” residents³⁸ often resist all forms of housing development, including both high density housing and affordable rental housing. Increased density, in particular, can generate conflict not only because of concerns about anticipated impacts on property values but also because of impacts on traffic and community identity.

I answer this second question with case-study profiles of three cities: Newton, Massachusetts; Pleasanton, California; and Coral Gables, Florida. I chose them because of their locations in metropolitan areas with substantial housing affordability problems but with different general approaches to land-use and development regulation. They are among the more affluent middle-sized cities in their regions (with populations ranging from 42,000 to 85,000), and each has at least 45,000 jobs, with many—and sometimes the majority—of their low-wage workers commuting in from lower-income cities. Newton and Pleasanton have long-standing affordable housing programs, while Coral Gables is currently considering an affordable housing program.

The National Picture: Affordable Housing, Regulation, Funding

In 2003, an estimated 17 percent of jurisdictions in the 50 largest U.S. metropolitan areas had an incentive-based affordable housing program of some kind (Table 1); 10 percent of the total had only one incentive, 3 percent two incentives, and 1 percent had three or more incentives. (Estimates of program incidence by metro areas within states are available at [insert URL for Brookings web site here].) The jurisdictions that have incentives are larger than those without; they account for 52 percent of the population and 27 percent of the land area in the U.S.

Incentive programs are, however, largely confined to a few states. California, New Jersey, and Massachusetts account for an estimated 606 (56 percent) of the 1,089 jurisdictions offering any kind of regulatory incentive for affordable housing, even though they together account for only 19 percent of all jurisdictions. These three states also lead in the share of all jurisdictions with incentive programs. Nearly nine out of 10 California jurisdictions are

³⁸ William A. Fischel. *The Homevoter Hypothesis: How Home Values Influence Local Government Taxation, School Finance, and Land-Use Policies*. Harvard University Press, 2001.

estimated to have an incentive program, with the next closest state—Massachusetts—weighing in with 46 percent of jurisdictions offering an incentive of some kind, and New Jersey and Connecticut following in the mid-30 percent range.

An estimated 10 percent of jurisdictions offer a *density bonus* for affordable housing, making this the single most important regulatory affordable housing program. The impact of density bonuses, however, far outstrips its incidence at the jurisdictional scale, since they are available in jurisdictions accounting for 35 percent of the population in these 50 metropolitan areas and 21 percent of the land area. Thanks to state mandates, California is the density bonus leader, with 81 percent of jurisdictions estimated to use them.³⁹ Between a quarter and a third of jurisdictions offer density bonuses in Massachusetts, Connecticut, Washington, and Delaware.

Only about five percent of the jurisdictions in the 50 biggest metropolitan areas are estimated to have mandatory *inclusionary zoning*; these jurisdictions include 14 percent of the metropolitan population and 5 percent of the land area. California again leads adoption of IZ, with over 35 percent of jurisdictions (124 jurisdictions) estimated to use IZ. Jurisdictions with IZ are mainly bigger cities, with 45 percent of the metropolitan population in the “big four” CMSAs (Los Angeles, San Francisco, San Diego, and Sacramento) and only 10 percent of the land area. In San Francisco and Sacramento, over half the jurisdictions had IZ in 2003, much higher than in San Diego (40 percent) or Los Angeles (22 percent).

In New Jersey, about a quarter of jurisdictions (143 in all) have IZ; these jurisdictions account for 27 percent of the population and 36 percent of the land area. These statistics show the impact of the Mount Laurel rulings, which essentially mandated IZ in “developing” suburban townships that had not yet accommodate much affordable housing. The surprise in New Jersey, however, is only an estimated 11 percent of its jurisdictions offer density bonuses. In Maryland, well-known for IZ because of Montgomery County’s pioneering program, only an estimated four jurisdictions (18 percent of those for which estimates were made), with about a quarter of the state’s metropolitan population and land area, now have IZ. The Massachusetts part of metropolitan Boston also had a fairly high incidence of IZ, with 14 percent of jurisdictions containing 35 percent of the metro area’s population. In 21 of the 37 states, none of the respondents had IZ; most of these states were in the South and Midwest, but they also include Pennsylvania, Arizona, Oregon, and DC.

³⁹ California law requires local density bonuses; responses to this question must therefore be treated with caution.

How do jurisdictions with IZ differ from those without it? Considering that state policies tend to target different kinds of jurisdictions for policy interventions, it is appropriate to consider this question separately within the three states where the largest number of jurisdictions that responded to the survey have IZ: California, Massachusetts, and New Jersey. In California, 71 of 172 city respondents had IZ in 2003; 17 of the 97 respondents from Massachusetts cities and towns and 30 of 101 New Jersey municipalities reported that they had IZ. Table 2 reveals few common factors across the three states that distinguish jurisdictions with and without IZ; in all three states, median contract rent is higher in jurisdictions with IZ. On a more limited level, the data suggest that jurisdictions with IZ have higher shares of white non-Hispanic (California, New Jersey) and Asian (Massachusetts, New Jersey) residents, and lower shares of Hispanic residents (California, New Jersey). New Jersey jurisdictions with IZ also have significantly lower shares of black residents than those without IZ. IZ localities also have higher incomes and newer housing stock in California and New Jersey and higher shares of housing in single-family detached stock and owner-occupied tenure in New Jersey. Massachusetts departs somewhat from these patterns, with lower shares of housing in single-family and higher shares of renters, and slightly older housing stock ($p=0.12$).

The 2003 survey also asked whether local governments accepted *in-lieu fees*. An estimated 275 jurisdictions did so, 4 percent of the total, with 10 percent of the population and 4 percent of the land area. The geographic incidence of in-lieu fee programs parallels that of IZ and density bonus, with California (26 percent), New Jersey (22 percent), and Massachusetts (14 percent) at or near the top of the list. Within California, the San Francisco Bay Area again tops the list of jurisdictions with in-lieu provisions, 49 in all (43 percent of jurisdictions, 47 percent of the population); in no other metro area in the U.S. did more than a third of jurisdictions take in-lieu fees. Virginia (16 percent) and Colorado (five jurisdictions estimated, 19 percent of the total) also appear to make extensive use of in-lieu fees for affordable housing.

Affordable housing *linkage fees* on commercial development, closely related to in-lieu fees and IZ, are again limited mainly to California, New Jersey, and Massachusetts. Linkage fees have spread beyond the big cities where they first garnered national attention; an estimated 25 California jurisdictions (7.5 percent of the total, with 18 percent of the metropolitan population) and 46 New Jersey cities and townships (8.2 percent, with 14 percent of the population) have linkage fees. Ten Massachusetts cities and towns (4 percent, 19 percent of the population) had

linkage fees in 2003. Florida and Kentucky were the only other states in which more than five jurisdictions were estimated to have linkage fees in 2003.

The final two incentives the survey asked about were *fast-track processing* (3.3 percent of jurisdictions nationally) and *fee waivers* (4.0 percent of jurisdictions). California again led states in the incidence of fast-tracking, but in this instance the San Francisco Bay Area lagged the other metropolitan areas, with just 15 percent of jurisdictions offering a faster process for affordable projects; jurisdictions in Sacramento (30 percent) and San Diego (28 percent) evidently place a higher priority on “customer service” for affordable housing, with Los Angeles (20 percent) falling between the smaller metros and San Francisco. High-growth metro areas where affordable housing incentives are otherwise uncommon also use fast-tracking more often than the national average. These include Phoenix, Las Vegas, Miami, Denver, Tampa, San Antonio, and Raleigh. Many of these same metropolitan areas lead the nation in offering fee waivers for affordable housing: Sacramento, San Francisco, Phoenix, Denver, San Diego, Orlando, Miami, and Raleigh.

Local Land Use and Housing Policy in “Built-Out” Affluent Suburban Job Centers

The interplay between zoning, other growth regulations, local affordable housing programs, and rental housing production and affordability takes a distinctive shape in affluent suburban job centers. In this section, I examine the co-evolution of regulation, housing prices, and housing policies in three built-up (and putatively “built-out,” according to their zoning and planning policies) but wealthy suburbs: Pleasanton, California; Coral Gables, Florida; and Newton, Massachusetts.

Background: Population, Housing, and Politics in the Case-Study Cities

These three cities are among the more affluent middle-sized suburbs in their regions; all also have substantial numbers of jobs. In fact, they differ more in their population size than they do in their employment bases; Newton had 83,830 residents in 2000, Pleasanton had 63,650, and Coral Gables had 42,250, while the number of jobs ranged from 45,000 (Newton) to 55,000 (Pleasanton) (Table 3). The median income of Coral Gables of \$66,839 (1999) lagged that in both Newton (\$86,052) and Pleasanton (\$90,859), but it exceeded the Miami CMSA median income by 75 percent, while Newton and Pleasanton had median incomes 66 and 46 percent of

their metropolitan areas' medians, respectively. In all three cities between 20 and 25 percent of households earned over \$150,000 in 1999. All three cities have populations that are over 80 percent white, and none is more than 4 percent black (Table 4); in Coral Gables, 46 percent of residents were Latino in 2000, with nearly one-fifth of the total born in Cuba. Pleasanton's population was 8.5 percent Hispanic in 2000 (a much lower share than the 20 percent metropolitan level), and Newton's was 2.5 percent Hispanic.

Consistent with their relatively high incomes, the three cities have housing that is dominated by expensive owner-occupied single-family dwellings. Home ownership rates ranged from 66 percent in Coral Gables to 73 percent in Pleasanton in 2000. Housing values in the three cities are very high, with median self-reported values in 2000 of \$337,000, \$438,000, and \$435,000 in Coral Gables, Newton, and Pleasanton respectively; all three cities had median monthly costs for owners with mortgages of between \$2100 and \$2300. Gross rent in 2000 was \$754, \$1083, and \$1219 in the three cities, well above the metropolitan area medians. Pleasanton has the largest share of single-family detached and attached housing (78 percent), while both Coral Gables and Newton have about 60 percent single-family housing units. Newton stands out for its large share (about a quarter) of dwellings in two- to four-unit buildings, and Coral Gables for its large number of multi-family units (30 percent of the total, compared with about 15 to 17 percent in the other two cities).

Jobs in all three cities in 2000 paid lower wages than city residents earned. About half the jobs in Coral Gables paid wages less than \$30,000 in 1999, but only 38 percent of Coral Gables residents earned wages that low (Table 5). The corollary figures for Newton and Pleasanton were 44 percent and 37 percent of jobs, respectively, and 33 percent and 27 percent of resident workers. At the highest wage levels, that relationship was reversed, with between 27 percent and 32 percent of resident workers earning over \$75,000 per year but between 13 and 20 percent of local jobs earning that amount. The variation between local wages and local housing costs means that in all three cities, substantial numbers of low-wage workers commute in from elsewhere; in both Newton and Coral Gables, the largest source of low-wage workers (those with household incomes below \$35,000) was their respective neighboring central city (Boston and Miami, respectively).⁴⁰

⁴⁰ Data on California were not available.

In other respects, the cities differ from one another fairly substantially. Newton is an older city, having grown up around a series of about a dozen villages as a streetcar suburb in the late 1800s and early 1900s; only 3.5 percent of its housing stock as of 2000 had been built in the 1990s. Coral Gables is a postwar suburb, but it is the product of a 1920s master plan by Florida real estate magnate George Merrick, with strong design controls and a close association with tenets of the New Urbanism. About 8 percent of its 2000 housing stock was built in the 1990s. Pleasanton, finally, combines aspects of an “edge city” at the crossroads of two outer-ring Interstate highways (580 and 680) with a historic (late-1800s) downtown and its associated neighborhoods. About a quarter of Pleasanton’s housing stock as of 2000 had been built in the 1990s. Despite these distinct growth histories, however, all three of the cities have policies discussed in more detail below that will hinder future housing growth; their residents and decision-makers now consider themselves mostly or entirely “built-out.”

A final difference is political. Party registration in Newton (2004) is heavily Democrat (47 percent) and only 10 percent Republican. Pleasanton and Coral Gables, by contrast, have heavier Republican registrations, at 39 percent and 44 percent, respectively, compared with Democratic registrations of 37 percent and 33 percent. All three counties are predominantly Democrat (39 percent to 12 percent in Middlesex County, 55 percent to 18 percent in Alameda County, and 42 percent to 34 percent in Miami-Dade).⁴¹

Land Use and Housing Policies in Newton, Massachusetts

Newton’s land-use pattern is typical of much of the Boston metropolitan area, with historic centers of settlement (“villages”) surrounded by lower-density residential neighborhoods. Interstates 90 (the Massachusetts Turnpike) and 95 (Mass. Rte. 128) both traverse the city, with one interchange each, as does heavily traveled Mass. Rte. 9. Newton is well served by the Massachusetts Bay Transit Authority (MBTA), with three commuter rail stations, seven light rail (Green Line) stations, and 10 bus routes.

⁴¹ Pleasanton data: Alameda County Registrar of Voters, Report of Registration as of September 8, 2006, available October 14, 2006 at http://www.acgov.org/rov/reg_statistics.htm. Newton data: Commonwealth of Massachusetts Enrollment Breakdown as of 8/30/2006, available October 14, 2006 at <http://www.sec.state.ma.us/ele/elepdf/stparty06.pdf>. Coral Gables: Miami-Dade County Elections report, available October 14, 2006 at <http://elections.metro-dade.com/currstat.html>.

Newton's draft comprehensive plan shows that its population and housing stock will continue growing, although slowly. The plan positions Newton to return, in some ways, to its history as a streetcar suburb, protecting its single-family neighborhoods from change but encouraging intensification in mixed-use centers. Corresponding with this land-use shift is the city's hope for at least four new rail stations (two commuter stations, two Green Line), around which new mixed-use development centers (transit oriented developments) would emerge. The Land Use and Transportation elements of the draft Comprehensive Plan have mutually supportive policies that support higher density, mixed-use development around transit, shared and centralized parking, and gradual replacement of single-story with multi-story buildings in commercial areas and along commercial strips. In all, according to the comprehensive plan, the city can accommodate another 2,400 dwelling units under the current zoning, even assuming significant use of discretionary special permits, which are required for all residential structures with three or more units.⁴²

Under current zoning, residential density would increase mainly, if not entirely, under the business and mixed-use designations. Four of the five business districts allow dwelling units above the first floor. The tallest buildings allowed by the zoning ordinance occur in the Business 4 district, where a special permit could allow a structure up to 8 stories (96 feet) with an FAR of 3.0. The city has two mixed-use districts where housing is allowed either as of right or by special permit; the as-of-right height ceilings are two and three stories, respectively, but special permits allow a maximum of four stories in these districts. None of the exclusively residential zones allows such high densities or tall buildings.

Under what conditions would special permits be expected to be granted that would significantly increase the city's rental housing stock? The special permit process—which, as noted below, is the trigger for the city's IZ policy—requires a two-thirds vote of the city's 24 aldermen, who may not approve any special permit unless they can find that the site is appropriate, the use will not adversely affect the neighborhood, there will be no nuisance or serious hazard to vehicles or pedestrians, and access to the site over streets is appropriate for the type(s) and number(s) of vehicles involved.⁴³ Newton's comprehensive plan notes that auto

⁴² Draft Comprehensive Plan, housing element (5/5/2005), page 3.

⁴³ City of Newton, City Ordinances (2001 version), Section 30-24 (d), Available July 4, 2006: http://www.ci.newton.ma.us/Legal/Ordinance/chapter_30_article_4.htm.

registrations in the city grew by 14 percent in the 1990s and total trip ends by 7 percent, despite practically no growth in housing and jobs.⁴⁴ On the other hand, the plan also notes a decline in Newton's auto-based commuting in the 1990s (from 81 percent to 75 percent of workers) with a corresponding increase in walking to work and working at home, suggesting that traffic growth may decelerate soon.⁴⁵

Newton has a very active affordable housing program. It is the lead city in a HOME consortium; it also receives CDBG funds as an entitlement city. It has its own housing authority, which owns 481 housing units and administers 442 Section 8 vouchers.⁴⁶ Even so, Newton has not met the threshold of 10 percent subsidized units that would protect it from challenges under Chapter 40B. Its affluence and location make it a potential target for (hostile) 40B challenges from private-sector developers who hope to build a mainly market-rate development; indeed, 12 Chapter 40B projects with around 500 affordable housing units were approved between 1977 and 2001.⁴⁷ Its large size, affluence, and liberal population also support a very competent city planning staff and citizen boards of all kinds. Furthermore, the city has a small but successful non-profit builder, CAN-DO, with a record of working for over a decade within the city's rules.

In 1977, Newton became the first city in the Commonwealth to adopt an inclusionary zoning program,⁴⁸ but it had an "informal" inclusionary policy even in the 1960s.⁴⁹

The original 1977 ordinance required all developments seeking a special permit to provide 10 percent of the units as affordable. The primary means of accomplishing this objective was to lease these units to the Newton Housing Authority (NHA) as low-income rental units, but there also were other options available to a developer such as providing units off-site or making cash payment in lieu of any units. In 1987, the Board of Alderman wanted to provide more consistency in how this ordinance was applied and, perhaps, increase the amount of units being provided. The board modified the ordinance to require developers to set aside 25 percent of the bonus units allowed under a special permit as compared to the number of units allowed by right. ... Additional language

⁴⁴ Draft Comprehensive Plan, transportation and mobility element (12/1/2005), pages 2 and 4.

⁴⁵ Draft Comprehensive Plan, transportation and mobility element (12/1/2005), page 3.

⁴⁶ Draft Comprehensive Plan, housing element (5/5/2005), page 8.

⁴⁷ Engler, Robert. "An Inclusionary Housing Case Study: Newton, Massachusetts," Inclusionary Zoning: Lessons Learned in Massachusetts, NHC Affordable Housing Policy Review, vl. 2, Issue 1, January, 2002. Available June 30, 2006: http://www.mhp.net/termsheets/zoning_12_14_01.pdf.

⁴⁸ Horsley Witten Group, Inclusionary Zoning Urban Case Study, prepared for the Massachusetts Office of Environmental Affairs as part of the Smart Growth Toolkit; no date, available June 30, 2006 at http://www.mass.gov/envir/smart_growth_toolkit/pages/CS-iz-newton.html.

⁴⁹ Engler, Robert. "An Inclusionary Housing Case Study: Newton, Massachusetts," Inclusionary Zoning: Lessons Learned in Massachusetts, NHC Affordable Housing Policy Review, vl. 2, Issue 1, January, 2002. Available June 30, 2006: http://www.mhp.net/termsheets/zoning_12_14_01.pdf.

expanded the period of affordability, provided tighter regulations in lieu of fees and widened the applicability of the ordinance to other developments.⁵⁰

All the units created under the 1987 version of the ordinance were rental units owned by the original developer and leased through the NHA to households earning less than 50 percent of AMI.⁵¹ Residential builders did not like this arrangement:

The developer [was] responsible for heating these large units and paying the condominium dues—which may or may not be covered by the lease payments. This makes the economics of the inclusionary ordinance a long, unnecessary burden on the developer.⁵²

In 2003, the city amended the IZ ordinance for the first time since 1987, broadening the scope but making the affordability levels shallower.⁵³ Rather than requiring that 25 percent of the “bonus” density accommodated by a special permit be affordable, the new ordinance simply requires that 15 percent of all housing built under a special permit (most of the city’s new housing) be affordable. Additionally, at least 10 percent of the total habitable space in the development must be affordable, meaning the affordable units could be smaller than average. But for the first time, the ordinance would yield both for-sale and rental units; in 2004, the aldermen clarified the 2003 amendments to assure that the mix of inclusionary for-sale and rental units was the same as in the market-rate units. Two-thirds of the for-sale units would be affordable at 80 percent of AMI, with the remainder at 120% of AMI; the rental units would be affordable to a variety of households, as long as the mean income of all assisted households not exceed 65 percent of AMI. The developer must still own rental units for the 40-year affordability term and lease them to the NHA.⁵⁴ Builders can also apply to build inclusionary units off site (in partnership with a non-profit), rehabilitate existing units, or pay an in-lieu fee. Developers of up to six market-rate units are required to make a “cash payment of three percent of the sales price for for-sale housing, or three percent of the assessed value of each unit for rental housing.”⁵⁵

⁵⁰ Engler, op cit., 18-19.

⁵¹ City of Newton, City Ordinances (2001 version), Section 30-24 (f), Available July 4, 2006: http://www.ci.newton.ma.us/Legal/Ordinance/chapter_30_article_4.htm .

⁵² Engler, op cit., 18-19.

⁵³ This text includes both the 2003 amendment (X-48) and the clean-up amendments from 2004 (X-125), available July 4, 2006 at <http://www.ci.newton.ma.us/Aldermen/ORD%20REVISIONS/x-48.htm> and http://www.ci.newton.ma.us/Legal/Amendments/2004-2005_amendments/X-125.pdf, respectively.

⁵⁴ Horsley Witten Group, op cit.

⁵⁵ Horsley Witten Group, op cit.

Proceeds of the funds are divided equally between the NHA and the City of Newton's planning and development department.

Up to 2001, Newton's IZ policy and ordinance had provided about 225 units of affordable housing, about half the production of Chapter 40B units.⁵⁶ This low production partly resulted from the modest inclusionary requirement between 1987 and 2003:

“The city's zoning code allows multifamily development in relatively few areas of the city and at densities which are not conducive to producing much affordability. Because the density increases allowed by special permit are not significantly higher than those densities allowed by right, the formula tied to 25 percent of the increase simply does not create very many units. In order to make it a more effective tool, zoning densities have to be increased under the special permit and the ordinance has to be made more inclusive, more flexible, with higher affordability requirements and with more administrative control in relation to city housing policy.”⁵⁷

It appears that the modification of Newton's IZ ordinance in 2003 made a tradeoff. A larger amount of affordable housing would be required, and it would be required as a condition of approval for all development, but the affordability level is shallower. Since the inclusionary units are leased through the NHA, however, there is a chance that at least the shallowly subsidized rentals will be leased to families with vouchers.

The most recent addition to Newton's affordable housing tool kit is a local Community Preservation Act (CPA) ordinance, adopted in 2000 shortly after the Legislature approved the Commonwealth's CPA. Under the state act's terms, local governments are permitted to raise their own taxes to provide funding for open space, historic preservation, and affordable housing; at least 10 percent of the funds must be devoted to each of the three uses. Thus far, Newton has far exceeded that mandate for affordable housing; as of FY 2005, the city had spent \$5.69M for housing, \$2.42M for open space, \$1.76M for historic preservation, and \$1.64M for recreation.⁵⁸ The CPA funds have assisted 81 affordable units (all of which depend on multiple subsidy sources).

⁵⁶ Engler, op cit., 18.

⁵⁷ Engler, op cit., 21.

⁵⁸ City of Newton Community Preservation Committee. 2005. Annual Report 2005. Web page accessed October 14, 2006, available: <http://www.ci.newton.ma.us/Planning/CPAC/FY05%20CPC%20Annual%20Report.pdf>.

Land-Use and Housing Policies in Pleasanton, California

More than many slogans, Pleasanton's—"City of Planned Progress"—describes the city well. Development in this eastern Bay Area city has been more closely planned and monitored than would be imaginable in many other states, driven by both elected officials and citizens at the ballot box. The City Council adopted a building permit cap in 1978 to tie development more closely to infrastructure capacity, updating it periodically and closely tracking the progress of residential development.⁵⁹ A general plan policy restricts annual building permit issuance to a maximum of 750 units, but the implementing ordinance sets the cap at 350 units per year. City residents have also used their initiative and referendum powers aggressively to control the pace, location, quality, and ultimate amount of residential development in the city. In 1996, voters approved an ultimate cap of 29,000 housing units in the city.⁶⁰ Pleasanton also has a voter-approved greenbelt, limiting the outward extent of development. At this writing, Pleasanton is in the midst of a general plan update, but it is not considering an increase in its buildout.

Pleasanton's slow-growth attitudes have been nowhere more evident than in the city's plans for a flat, vacant 508-acre parcel long owned by the City of San Francisco's water department just a few blocks from its historic downtown and bordering Interstate 680. A commission of Pleasanton citizens recommended in March 1993 the development of 3,000 housing units and 750,000 square feet of commercial space for the site, but successively hostile city councils pared back the housing to 581 dwellings and increased employment and public open space to 192 and 320 acres, respectively.⁶¹

Pleasanton's zoning ordinance allows multi-family housing in four zones, the densest of which allows one dwelling per 1500 square feet of lot area (29 units per acre) with a 40-foot height limit. Multi-family housing is also allowed under a PUD designation, where density varies according to negotiations between the city and builders. The general plan, by contrast, does not place an upper limit on density; its high-density category allows eight or more units per acre. No land is currently vacant and zoned for high-density development.

Pleasanton has at least a 25-year history of planning for affordable housing. It has a housing specialist within its planning department; it also has a public housing authority with one

⁵⁹ Pleasanton City Code section 17.36.010, on-line at <http://66.113.195.234/CA/Pleasanton/index.htm>.

⁶⁰ Jason B. Johnson and Bernadette Tansey, November 4, 1999, Thursday. Voters Take Long Look At Sprawl. The San Francisco Chronicle, Final Edition, Pg. A1. Accessed via Lexis-Nexis academic, June 19, 2006.

⁶¹ References for this paragraph: Brewer, Carter, Johnson, King, Pena.

50-unit senior project. The HUD Picture of Assisted Housing (1998) listed about 40 vouchers in the city, most of them administered by the Alameda County Housing Authority. The city's 2003 affordable housing inventory included 449 family units and 396 senior units including the PHA's project.⁶² But by June 2006, income restrictions had expired for 149 family units produced in response to growth management exemptions in the 1990s.⁶³ The remaining assisted family rentals produced under the exemption incentive have rents only \$50 to \$75 below market rates, because their rents were targeted at 80 percent of AMI,⁶⁴ but those produced with the city's IZ program (adopted in 2000, as discussed below) have deeper affordability. A January 2000 rent survey showed two-bedroom rents in the most recent 99 BMR units as low as \$845, compared with over \$1500 for market rents.⁶⁵ As an entitlement city, Pleasanton had access to CDBG funds of about \$300,000 in FY 2005-2006.⁶⁶ Since Pleasanton's voters have rejected proposals to form a redevelopment agency, no low-income housing funds are generated from tax increment districts. The city has been an active partner in at least a half-dozen affordable projects produced with for- and non-profit builders, using a combination of bond finance, fee waivers, land donations and leases.⁶⁷

The most active affordable housing programs now are inclusionary zoning (IZ), dating from 2000, and the housing fund, which applies to most non-residential development and was adopted in the 1990s.⁶⁸ The ordinance requires a set-aside of 15 percent of multi-family dwellings as affordable to low- and very low-income residents, and 20 percent of single-family dwellings must be affordable to very low, low, and moderate-income households. "Affordable" is defined as having housing costs less than 35 percent of household income; the income ceilings are 50 percent, 80 percent, and 120 percent of the county's HUD-established median incomes for the very low, low, and moderate income households respectively. Inclusionary units must be dispersed and identical to other units in their exteriors, but they may be smaller and have fewer

⁶² City of Pleasanton, 2003 adopted general plan housing element, page 33.

⁶³ City of Pleasanton, 2003 adopted general plan housing element, page 52; City of Pleasanton, Below-Market Rental Housing Opportunities, web page accessed June 22, 2006, available <http://www.ci.pleasanton.ca.us/community/housing/below-market-rental.html>.

⁶⁴ Personal communication, Assistant City Manager Steve Bocian, July 19, 2006.

⁶⁵ City of Pleasanton, Average Vacancy Rates and Rents in Major Apartment Complexes, January 2006, available: <http://www.ci.pleasanton.ca.us/pdf/housing-rents-0601.pdf>.

⁶⁶ City of Pleasanton Comprehensive Annual Financial Report for the year ended June 30, 2005.

⁶⁷ Personal communication, Assistant City Manager Steve Bocian, July 19, 2006.

⁶⁸ Pleasanton City Code section 17.44, on-line at <http://66.113.195.234/CA/Pleasanton/index.htm>.

amenities than market-rate units.⁶⁹ They must remain affordable in perpetuity. The city has established incentives to encourage builders to build the housing instead of opting out with in-lieu fees; since adoption of IZ in 2000, no residential builders have paid fees in lieu of building housing.⁷⁰ Builders may also propose alternatives⁷⁰ to either incorporating units or paying fees, including building inclusionary units off-site, dedicating land, or transferring IZ units to other builders. Revisions to the condominium conversion ordinance are currently under consideration that would apply a 25 percent inclusionary requirement to condominium conversions⁷¹; the largest apartment project in the city, a 520-unit development, obtained approval in summer 2006 for condominium conversion, but an affordable housing agreement was included as a condition of approval.⁷²

The city's housing fee applies to commercial, office, or industrial development, and to residential projects. Non-residential developments currently pay \$2.31 per square foot. Every single-family house of 1500 square feet or more carries a charge of \$8,739; smaller residences, including multi-family units, pay \$2,166 per unit.⁷³ Residential projects are entirely exempt if they provide their mandatory inclusionary units as lower-income⁷⁴ housing; moderate-income units in single-family projects are exempt, but market-rate units in those developments are subject to the fee. Second units, one-for-one residential reconstruction, and churches are also exempt.⁷⁵ At the end of the 2004-2005 fiscal year, the lower-income housing fund had a balance of \$15.7 million.⁷⁶ The city's total affordable housing inventory in 2006 stands at 845 units, most of these for seniors.⁷⁷

In the past, Pleasanton's affordable housing programs and policies have balanced affordable home ownership with rental housing, but in the last year or so the city council has recognized that home ownership is too costly to subsidize in such a high-cost market. Consequently, it decided to shift its emphasis; it adopted a policy that at least two-thirds of the

⁶⁹ Pleasanton City Code section 17.44.050, on-line at <http://66.113.195.234/CA/Pleasanton/index.htm>.

⁷⁰ Personal communication, Assistant City Manager Steve Bocian, July 19, 2006.

⁷¹ Proposed amendment to Pleasanton City Code Section 17.44, dated 6/7/2006 and available on line as of June 16, 2006 at <http://www.ci.pleasanton.ca.us/pdf/draft-res-condo-text.pdf>.

⁷² Personal communication, Assistant City Manager Steve Bocian, July 19, 2006.

⁷³ City of Pleasanton Affordable Housing web page, accessed June 16, 2006, available: <http://www.ci.pleasanton.ca.us/community/housing/>.

⁷⁴ That is, affordable at 80 percent of AMI.

⁷⁵ Pleasanton City Code section 17.40.040, on-line at <http://66.113.195.234/CA/Pleasanton/index.htm>.

⁷⁶ City of Pleasanton Comprehensive Annual Financial Report for the year ended June 30, 2005, page 30.

⁷⁷ Bay Area Economics economic development report, 2006.

housing fund should be spent on very low and low income rental housing. With its flexible IZ ordinance, Pleasanton can also work with single-family housing builders to secure participation in the development of new rental housing to fulfill the inclusionary requirement. Additionally, the city council has recently added conditions of approval to recent rental projects that require the owners to accommodate housing choice voucher users, and the city is considering setting aside a portion of the housing fund as an annuity to capitalize a local housing voucher program.⁷⁸

Pleasanton's annual growth cap and restrictions on density did not stop it from exceeding the overall housing supply allocation from ABAG's 1988-1995 regional housing needs determination (RHND, or "fair share" allocation). Like most Bay Area cities, however, Pleasanton far exceeded its RHND-determined need for moderate- and above-moderate income housing. By contrast, only 395 of the needed 497 low-income units and 83 of the 745 needed very low income units were built. Availability of vacant and zoned sites also did not pose serious obstacles to rental housing construction; among the more significant events of the decade, in fact, was a successful appeal by Hacienda Business Park developer Joe Callahan to convert some of the office park to multi-family housing in the early 1990s in the face of slack office demand.

Since 2000, however, growth restrictions in Pleasanton have begun to pinch more severely. The overall buildout limit of 29,000 units was enough, but only barely, to accommodate the city's fair share of the regional housing need for 1999-2006, assigned by ABAG at 5,059 units. The implementing ordinance for the building-permit cap, however, sets a maximum of 350 units per year "until build-out."⁷⁹ This would keep the city from approving enough units to meet its fair-share assignment, but the city council has the option of overriding the ordinance as long as the city issues fewer than 750 units (the ironclad cap provided by the general plan). The complex allocation rules in the ordinance sets aside 50 units per year for affordable housing projects in a fast-track process, but all other projects—even those incorporating inclusionary units—face the cap, which operates on a first-come, first-served basis and thus can exhaust all allocations partway through the year.⁸⁰

When it reviewed Pleasanton's 2003 housing element, the state Department of Housing and Community Development (HCD) initially ruled that it could comply with state law, provided

⁷⁸ Personal communication, Assistant City Manager Steve Bocian, July 19, 2006.

⁷⁹ Pleasanton City Code section 17.36.060, on-line at <http://66.113.195.234/CA/Pleasanton/index.htm>.

⁸⁰ Pleasanton City Code section 17.36.070, on-line at <http://66.113.195.234/CA/Pleasanton/index.htm>.

that it rezoned sufficient sites to accommodate between 800 and 900 multi-family housing units by June 2004. HCD specified that the city should carry out a program proposed in the housing element to rezone land for higher-density housing. The city now does not expect to carry out that program until at least 2007.⁸¹ This led HCD to decertify the housing element, making Pleasanton one of only six jurisdictions in the nine-county, 100+-jurisdiction Bay Area, out of compliance with state law by HCD's reckoning.⁸² City staff assert that the rezoning will occur well before the next housing element is due in June 2009.⁸³⁸⁴

Land-Use and Housing Policies in Coral Gables, Florida

Coral Gables is almost completely developed; by 1995, only 20 acres of its 12.4 square miles were listed as "vacant" in its comprehensive plan. It has fairly intense residential development. Its zoning code restricts heights to three stories in most of the city but allows up to 13-story apartment buildings in certain areas with a maximum FAR of 2.0 and density of 60 dwellings per acre.⁸⁵ The most intensive commercial development in the city would be in areas with a special mixed-use overlay, where the maximum FAR is 3.5 and the maximum height is 100 feet; these mixed-use zones also allow residential development at up to 125 units per acre. One consequence of this intense development, combined with a road system sized for an earlier era, is that most of its roadways operate at Level of Service "F."⁸⁶ To allow continued development, the city has received an exemption to the state's concurrency requirement for the Gables Redevelopment Infill District (GRID).⁸⁷ Like elsewhere in South Florida, Coral Gables has experienced substantial redevelopment pressure. One recent large project, for example, involves the demolition of an existing 10-story commercial building, a three-story commercial

⁸¹ Cathy Creswell, Deputy Director, California Department of Housing and Community Development, letter to Pleasanton City Manager Nelson Fialho, March 23, 2006.

⁸² California Department of Housing and Community Development. 2006. *Status of Housing Elements in California*, 2005 Report to the Legislature.

⁸³ Although state law calls for a five-year housing element cycle, practically every round of housing elements has been delayed because of state budget cuts. Bay Area cities will next update their housing elements in 2009.

⁸⁴ Personal communication, Assistant City Manager Steve Bocian, July 19, 2006.

⁸⁵ Coral Gables Zoning Code, Article 3, section 3-4, available July 9, 2006 at http://www.coralgables.com/CGWeb/documents/planning_docs/CGZC2004/06Art03UseDistRegs.pdf.

⁸⁶ DIA, I-5.

⁸⁷ DIA, I-5.

building, and several single-family homes to build 10- and 16-story mixed-use buildings and townhomes valued at \$82 million.⁸⁸

Unlike Massachusetts and California, both of which interject a regional component into local housing planning, Florida requires cities and counties to plan for the people who already, or are expected to, live there. State statutes (and DCA's review) require local governments to accommodate future growth and affordable housing needs based on projections that are in turn based on their recent past.

Coral Gables's housing policy history—in short, it has never had one until now—reflects these state-level rules. The city's 1995 housing element (certified by the state growth management agency along with the rest of the comprehensive plan) concluded that it had a surplus of affordable housing because it had more low-income housing units than low-income households.⁸⁹ Coral Gables has accommodated little affordable housing in the past and has no federally subsidized housing.

By 2006, however, the city had to revise its comprehensive plan to account for the next 10 years of growth. A new housing element was at the top of the list of needed revisions, partly because city planners understood that DCA and the South Florida RPC would not allow them again to ignore affordable housing needs.⁹⁰ To develop a new housing plan, Coral Gables hired Robert Burchell, a nationally recognized housing planner. A series of exemptions and conservative definitions of affordability led to a final estimate of 186 needed new affordable units and 2,111 existing burdened households.⁹¹ The report suggests meeting all the need for new housing but only 106 units of the existing need in the next 10 years.⁹² Additionally, the report targets 145 units for rehabilitation or preservation in the next 10 years.

In May 2006, city planners moved the report toward implementation by presenting the Planning and Zoning Board (PZB) with a new affordable housing ordinance containing inclusionary zoning and a non-residential linkage fee. They gave the Board two IZ options: apply a 10 percent mandate citywide for all single- and multi-family development without any bonuses,

⁸⁸ Deserae del Campo, Commercial development booming in Coral Gables, Miami Today, September 22, 2005,

⁸⁹ DIA, III-14.

⁹⁰ City Planner Javier Betancourt, Minutes of the Coral Gables Planning and Zoning Board (verbatim transcription), May 10, 2006, pages 34-35. Available 6/12/2006 at <http://www.citybeautiful.net/NR/rdonlyres/16505D86-0A99-4F19-94C8-F0D21AF8729F/489/051006PZBVerbatimMinutes.pdf>.

⁹¹ Housing study, 36-37.

⁹² Housing study, 48.

or apply IZ only in one mixed-use zoning district with a removal of density restrictions, increases in permitted heights, and substantial commercial-industrial density bonuses as incentives. Either option would allow developers to opt out with an in-lieu fee paid into a new affordable housing fund. The linkage fee program was presented in much less detail but provided only one affordable unit for every 15,000 square feet of non-residential space.⁹³

Several provisions of the proposed affordable housing ordinance might limit its effectiveness. First, the ordinance would apply to any household earning up to 120 percent of the *city's* median income, “as established by the U.S. Department of Housing and Urban Development (HUD).”⁹⁴ Commentary by city staff on the ordinance, and in a PZB meeting on the programs in June 2006, stated that this would mean a maximum household income of \$93,000. Second, for both the fee programs, the draft ordinance would allow Coral Gables to create partnerships with other jurisdictions and spend the funds not only within but also within five miles of the city limits.⁹⁵ Third, the ordinance would give preference to senior citizens, residents, and workforce, in that order, with a requirement that a resident or worker demonstrate that they had lived or worked in the city for at least a year.⁹⁶

Lessons from Affluent Suburbs

These three affluent, job-rich suburbs provide important lessons about the origins, impact, and trajectory of affordable housing programs and policies. In the end, these cities show the limitations of affordable housing policies in places that continue to consider themselves suburbs rather than central cities, even long after they have become job hubs in their own rights. To have a serious impact on affordable rental housing, they will have to transcend their suburban roots and become new kinds of stars in their metropolitan constellations.

Local Constituencies, State Law, and Professional Staff Help Local Housing Policy Emerge

How can we explain the emergence of progressive local housing policies in these affluent suburban job centers? In Newton, the answer seems obvious; it's a liberal city in a liberal region,

⁹³ Staff report May 10, 2006, Draft Affordable Housing Regulations.

⁹⁴ The draft ordinance does not clarify where HUD makes determinations of a city's median income. See Affordable Housing Program, Draft Ordinance as of May 10, 2006, section 32-1.B.1.

⁹⁵ Affordable Housing Program, Draft Ordinance as of May 10, 2006, section 32-1.E.4.

⁹⁶ Affordable Housing Program, Draft Ordinance as of May 10, 2006, section 32-1.B.

47 percent Democrat and 10 percent Republican as of 2004—only slightly less Democrat and more Republican than Boston (54% and 9%, respectively). Many of its residents are teachers and college professors who embrace an activist role for government in all respects. A core group of affordable housing advocates and non-profit housing developers have become key constituencies in the city, working to ensure that its housing element reflects their priorities. A series of mayors and city councils has carried forward the demands of these constituencies, but bending where necessary to the will of local residents who prefer not to have affordable housing nearby. The city's special permit process permits project-by-project review of almost all new development, slowing the approval processes but still letting some development occur.

In Pleasanton, the answer is less obvious. Pleasanton has the highest Republican registration of any Alameda County city at 39% and the second-lowest Democrat registration at 37%. Pleasanton's assistant city manager, however, notes that in the 1970s and early 1980s, a core group of long-time residents became concerned that their children could not afford to live nearby, and that they themselves would find it difficult to remain in the city on fixed incomes in the future. Ever since, Pleasanton—like Newton—has had engaged citizens with concerns about affordability who have pressed for increasingly aggressive policies. But these citizens have not always won the battles; some of them strongly oppose the current housing build-out, and some tried to get the city to set aside land for affordable housing on the former San Francisco Water site—but were defeated at the polls. Indeed, the citizen initiative has played a key role in setting land use and housing policy throughout Pleasanton's recent history. Time and again, residents have gone to the ballot to reduce development capacity, protecting what they perceive as their quality of life by maintaining the density and landscape of suburbia. The city manager believes that Pleasanton's housing policies might not exist at all if the residents voted on all of them.

Coral Gables is even more Republican than Pleasanton (42%). There is little evidence that an active citizenry has ever engaged the affordable housing issue there, and indeed, there are no affordable housing projects in the city.

There are also forces at work in all three cities, however, that both encourage the adoption of local housing programs and reinforce them once adopted. First, state housing policy sets the stage in all three cities. In Pleasanton and Coral Gables, state planning mandates provide a platform for active residents to come forward in support of affordable housing. These mandates also give convenient camouflage to elected officials and city staff who support affordable

housing in spite of public sentiments against it. The same can be said for Chapter 40B in Newton; not just developers, but also housing advocates and even city staff use it to counterbalance the exclusionary tendencies of home voters. It remains to be seen whether the nascent push for “workforce housing” by Florida’s Department of Community Affairs and especially the Southeast Florida Regional Planning Council will have such robust impacts in Coral Gables, especially in the absence of a strong citizen constituency for affordable housing.

Second, local affordable housing policies and programs have become professionalized in both Pleasanton and Newton. Pleasanton’s assistant city manager has been working on affordable housing issues in the city since 1988; its previous planning director retired after a couple decades’ service to the city. Newton has city staff and a very active local public housing authority, as well as locally based housing providers, with similar track records. The staff would prudently assert that they do not initiate policy, nor are they responsible for any aggressive programs, and that instead, they are responding to elected officials, who in turn respond to their constituents. When these constituents want affordable housing programs, policies, and projects, however, the professional city staff are ready, willing, and able to make these ideas work effectively. Coral Gables, by contrast, lacks staff with a strong track record of working to make affordable housing work; in fact, the city contracted out its housing study to an out-of-town expert.

Impacts of Local Programs on Rental Housing Are Hard To Track

The three case-study cities show that it is difficult to link specific programs, such as IZ, to impacts on any particular component of the housing stock (rental, ownership, assisted living, and so on). One has to look more broadly at each city’s land-use and housing policies, and see how, together, they prepare the groundwork for affordable ownership and rental housing. In Pleasanton’s case, IZ is only one of a number of housing programs that get layered together, with efforts and funds commingled, to produce affordable housing. The city has been a partner in about a half-dozen low-income tax-credit projects, providing fee waivers, housing fund contributions, land, staff time, and other contributions to hard and soft costs. In Newton, the story is similar and perhaps even more complex since the city and the housing authority both work—sometimes together, and sometimes separately—on housing.

Attributing specific results to programs is also complex because the programs evolve; in fact, the cases suggest that adaptation and evolution is the rule and not the exception. Pleasanton had a weak, incentive-based IZ program from 1978 to 2000. In 2000 it enacted mandatory IZ with a substantial very low income requirement and long (now perpetual) affordability terms. It has also shifted from a moderate preference for affordable home ownership toward a heavy recent preference for very low income rental housing, mainly because city dollars can go farther—especially when layered with other subsidy sources—in rental housing than in owner-occupied housing. Given the conservatism of the local electorate, these preferences could easily shift at any time, but state housing element law might provide a counterweight to local politics. Newton also evolved from an informal IZ policy (in the late 1960s) to a formal ordinance in the late 1970s. In Newton, however, recent shifts have been toward shallower affordability for a larger number of units, and for the first time the IZ program will begin to produce affordable owner-occupied housing. Coral Gables, finally, has only an initial set of recommended programs, without any track record at all, but even these are undergoing modification during the process of adoption. They are almost certain to be massaged more in the future, and they may radically change if Florida’s home builders win their legal assault on IZ.

Effectiveness of Local Housing Programs Depends On Underlying Land Use Policies

Both Pleasanton and Newton have housing policies that grew stricter while their land-use regulations tightened and vacant land was developed. If the suburban jurisdictions most likely to support intervention (absent a state mandate) are those with affluent residents and those with relatively high housing costs, and these tend to be precisely the jurisdictions that already have fairly restrictive land-use regulations (to protect and create amenities and infrastructure that such residents value), then there may be a built-in limit to the effectiveness of strong housing policy. In other words, it may be no accident that strong housing programs did not emerge in these affluent suburban jurisdictions while they could still have an appreciable impact on the supply of affordable housing.

Indeed, all three of these cities, but especially Pleasanton and Newton, are intensely difficult places in which to build new housing of any kind. Pleasanton has consistently delayed major developments, reduced permitted density on residential development plans after approving them, limited outward expansion, and reduced the number of building permits that can be issued

per year and in total. With so many constraints on development and in such a strategic location, land costs in the city are astronomical; the market would likely support mid- to high-rise residential development with a substantial affordable rental component. But city residents clearly reject the transformation of Pleasanton into a mixed-income jurisdiction, preferring instead to encourage the construction of large single-family houses selling for well over \$1 million each. Newton, like Pleasanton, still has land-use policies that reflect its self-image as a collection of villages connected by bucolic suburbia. A serious transformation of these villages to high-density, high-rise transit hubs may occur sometime in the future, but not until something occurs that shift the city's politics in a fairly dramatic way. And even Coral Gables, which allows high densities and residential towers over 100 feet, is locked into a master plan developed in the 1920s for a different world; its citizens defend the image of the city handed down by that plan almost everywhere, leaving very few sites on which redevelopment and densification can occur. Even there, high-rise and high density do not translate to low-cost rentals; owner-occupied condominiums and upscale apartments, instead, are the rule, and the city now must respond to needs for "workforce" housing.

State Policy Shapes Local Action

These three cities sit in states with very distinct approaches to local planning for land use and affordable housing. California requires a general plan, and requires local governments to submit their housing elements for state review. It also has a strong tradition of home rule and citizen control over land use. Florida has a strong state growth management law and an affordable housing trust fund, but the trust fund is weakly linked to local planning, and the growth management law has not until recently been tightly linked to local programs for housing affordability. Massachusetts has historically had few mandates or controls on local planning for land use or housing, allowing local governments to experiment widely with their own programs but allowing builders to appeal local denials of affordable housing in jurisdictions with fewer than 10 percent subsidized units.

The housing programs in Pleasanton and Newton have much in common, despite their political differences and the differences in state governance of local housing and land-use policy. The main similarity between California's and Massachusetts' approaches is in the existence, at least in the background, of a threat that local governments could lose control over land

development if they fail to accommodate affordable housing. Such a threat has not historically been prominent in Florida, where growth management has mainly served to ensure adequate infrastructure capacity and to protect the natural environment. Hence we might expect both Pleasanton and Newton to have more aggressive policies than Coral Gables. But now, largely because of pressure from the state Department of Community Affairs (DCA) and the South Florida Regional Planning Council, Coral Gables is on the brink of adopting IZ and linkage fees, which will constitute its first effort to bring affordable housing to the city.

Florida's laws, however, are too weak to resolve the limitations of policy-making for affordable housing in a context with a limited constituency and information base. As of this writing, Coral Gables's planning commissioners believe they can meet the city's workforce housing needs by encouraging the development of housing for people earning over \$90,000 per year, and that they can defensibly do even that much as far as five miles away from their city limits. Whether this will really pass muster with regional and state planners remains to be seen. But even assuming that state planning requirements really do give Coral Gables a mandate of creating housing at all income levels within its own borders to satisfy demands for its future housing needs, that mandate will likely be limited by at least two aspects of the state's planning laws. First, the laws do not—as California's do—allocate growth to jurisdictions according to a desirable land-use pattern at the regional scale; instead, they require jurisdictions to meet population projections that are based on their own recent histories. Second, Florida's planning law projects the future need for affordable housing based on a jurisdiction's track record in accommodating low income households in the past, again unlike California's RHND process, which is designed to assign more affordable housing units to jurisdictions that have not accommodated affordable housing in the past.

But California's housing element law has problems of its own. It is weaker than the state's tradition of accommodating slow-growth sentiments at the ballot box and in city ordinances. After over 20 years of growth restrictions, the planning and development process in Pleasanton has not been seriously affected by the housing element law, although compliance with the law does enter into the public debate. This is mainly because the "bottom line" for development has been set by voters at the ballot box, and no legal challenges have yet arisen that would rule such limits unlawful. Furthermore, housing element review is only one step in the process of affordable housing development. HCD's reviews take in only the intended actions of

local governments; implementation and long-term performance, however, usually occur out of view, if they occur at all. In Pleasanton, unusually, HCD followed up to see whether a proposed program had in fact been adopted, and only retroactively decertified the city's housing element. This decertification has brought threats of lawsuits, but nothing concrete so far.

Conclusion

Cities, metropolitan areas, and states across the United States are currently in the midst of an affordable housing policy revolution. Advocates for affordable housing convince more cities every day to adopt inclusionary zoning ordinances, and even when cities don't adopt IZ ordinances they extracting affordability as a condition of approval for new development. At the same time, home builders are waging an equally or more ferocious campaign to discredit and defeat IZ in the courts and state legislatures. Once confined to California, New Jersey, and Maryland, IZ became common in other states—especially Massachusetts—by 2003. But already by 2006, new fronts have opened in the campaign over IZ, especially in Florida but also in Colorado.

This paper shows that IZ, while significant, constitutes only one part of the local housing agenda in the most active cities. Indeed, density bonuses are more common than IZ, though probably less effective; now, more cities are adopting linkage fees as well, and some are even putting their own money to work on affordable housing. The case studies show some of the promise of aggressive IZ policies in fast-growth cities, but they also point up the limitations of IZ and the need to couple it and other affordable housing programs and policies with broader land-use policies. Pleasanton and Newton must be judged not only on the basis of what share of new development must be made affordable, nor even on the depth or length of the affordability terms in the new housing, but also on the gross production. The numbers from the local programs have been significant to date, but in neither city have local actions been enough to satisfy anything like the true housing need. In Coral Gables, of course, there is no track record because until now the city has had no programs.

State legislatures can and should take note of the impact of the differing housing policies of these three states. Much maligned though it is for being ineffective and costly, the California housing element requirement—and with it, the supply-oriented Regional Housing Needs Determination (RHND) process—has much to recommend it. Rather than simply encouraging

local governments to adopt a “silver bullet” program like IZ, California’s housing element mandate requires that local governments study their own housing needs, consider the needs of their regions, and adopt plans, programs, and policies to meet the needs. The housing element not only produces housing (especially shifting housing toward multi-family stock in jurisdictions with housing elements that comply with the law); it also creates constituencies for housing and professional local planning staff who can work to make housing happen. Massachusetts, by comparison, has a simple rule: if you have 10 percent, you don’t have to do anything else, and if you don’t, you can either wait for a hostile project or try to collaborate for a friendly project. Thus far, Massachusetts policies have not been enough to push even a very active city like Newton over the 10 percent threshold; Massachusetts lacks either an overall supply mandate or a planning requirement. And Florida, last, has a vaunted growth management program—a strong planning requirement—but it lacks a process that addresses supply or encourages a broad programmatic approach to affordable housing.

California’s plan-heavy approach also is better suited than those of the other two states to addressing the crisis in rental housing. This is true, first and foremost, because most rental housing is still not built as affordable housing. Since California’s housing policy begins with total supply and then breaks that supply into four income tiers, it nearly automatically points many local governments to high-density market-rate housing that has a high probability of being rented. These rentals might be opened for voucher users; local governments in California, and probably elsewhere, have the power to require managers to rent to HCV users as a condition of approval. A plan- and zoning-based approach, furthermore, establishes the necessary conditions for the development of projects with low income housing tax credits, which most states (though not Massachusetts) will not award before local governments sign off on the proposed site.

The prospects for widespread adoption of “California-style” housing elements, however, appears to be remote; indeed, Illinois adopted the simple Massachusetts-style anti-snob zoning rule, not a planning mandate. In states without planning mandates, of course, we can’t expect legislatures to embrace housing plan mandates or regional housing needs determinations. In other states, planning more broadly remains under siege by property-rights advocates, and defenders of planning are understandably preoccupied with saving what they have. Even New Jersey appears to be shifting away from a planning approach to a universal inclusionary

requirement. These shifts promise to deliver more inclusionary zoning ordinances in the coming years, but the true impact of IZ on affordability and on affordable rental housing in particular, is likely to be disappointing in the absence of a broader local housing agenda.

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Figure 1: Summary of Local Housing (De) Regulatory Measures

	Description	Examples of state-level positions		
		Prohibit	Enable	Encourage or require
Inclusionary zoning	Housing builders required to provide affordable housing or in-lieu fee	Oregon, Virginia	Louisiana (recent)	In specified municipalities: New Jersey, Southern New England, Illinois(?); in redevelopment areas, California
Density incentives	Incentive encourages affordable housing construction or fee generation	None?	Most	California
Linkage fee	Commercial-industrial developers pay fees into a housing fund	Unknown	California, New Jersey, Florida?, Massachusetts	
Fee waivers	Affordable housing exempt from some local impact or application fees	Unclear for development impact fees	Most, for planning application fees	Unknown
Fast-track permitting	Affordable developments advanced in queue	Unknown	Unknown	Unknown

Figure 2. Main State Influences on Local Housing Programs, California, Florida, and Massachusetts

Action	Impact	California	Florida	Massachusetts
Planning provisions				
Mandatory comprehensive plan with housing element	Increases attention to long-term need; builds constituencies; integrates land and housing planning	Yes	Yes, with review of entire plan	Cape Cod?
State review of local housing elements	Increases quality of local housing elements	Strong	Weak	None
Other planning	Special areas and circumstances encourage or require planning for housing	Redevelopment areas	Unknown	"Chapter 40R" areas may immunize against "hostile 40B" projects
Fair share requirement	Requires localities to accommodate affordable housing	All local governments must respond to prospective regional housing need in their housing elements	No provision	10% threshold to eliminate threat of hostile 40B projects
Builder's remedy	Court or administrative override of local actions or policies that constrain affordable housing development	In statute, but not used actively	None	Hostile 40B projects: builders can challenge local denials in state Housing Appeals Board

Pro-density provisions	Encourage/require designation of sites at densities that support affordable/rental housing types	Implemented through state housing element review	In some areas (e.g., S Florida, Eastward Ho!)	None
Funding mandates	Requires localities to spend money on affordable housing	Mandate for jurisdictions with redevelopment areas (20% of TIF set aside)	No mandate, but encouragement of local funding through state housing trust fund	None

Figure 3: Main Lessons, Three Case Studies

Impact of programs on affordable housing

Newton

Long history of integrated programs yields around 1000 (?) subsidized units, mainly rental, by for- and non-profit developers; current shift toward balance of owner-occupied and rental housing

Pleasanton

Integrated city plans, policies, programs yield around 1000 (?) units, mix of rental and ownership; early programs termed out, recent ones long-term; shifting from mixed own-rent to emphasis on rental

Coral Gables

None yet; programs under discussion; no affordable housing in the city; likely emphasis is on owner-occupied housing for middle-income households

Factors underpinning and constraining success

State law

Chapter 40B used to smooth approvals on "friendly" 40B projects; threat of "hostile" 40B projects maintains pressure to accommodate new affordable housing, devote CPA resources

State housing element law requires substantial action; viewed locally as toothless, but may be a tool to help local advocates keep housing on the agenda

State Growth Management Act is the principal motivation of adoption of new affordable housing policy

Local constituencies for housing

Citizen committees, locally based non-profit builder (CAN-DO), large body of selectmen usually includes some housing advocates

Citizen committee keeps housing on the agenda despite background conservatism; slow-growth movement gaining ground

None in evidence

Professional staff

City planning staff brokers IZ implementation; Housing Authority accepts and manages privately generated affordable units; dedicated staff for Commonwealth Preservation Act implementation

Assistant City Manager working on housing in the city since 1988; highly professionalized system for growth management, infrastructure; housing authority maintains senior complex

City used New Jersey consultant to develop housing action plan; little evidence of strong staff expertise on housing; no PHA

Development restrictions

Little developable land left; permitted density declining through time; high-density development allowed only under "special permit" system; future significant constraints to new development

City approaching ultimate housing limit of 29,000; annual 350-unit permit cap, with incentives for affordable housing; insufficient multi-family sites designated to accommodate "fair share"

Very high density permitted in some parts of city, but most of city is "built out" as the culmination of a cherished 1920s master plan

Table 1: Incidence of (De) Regulatory Housing Programs by Census Division

		Total	West		Midwest		South			Northeast	
	Juris.		Pacific	Mountain	West North Central	East North Central	West South Central	East South central	South Atlantic	Mid-Atlantic	New England
Total (N)	Juris.	6,584	525	170	311	1,771	829	160	700	1,700	418
	Pop'n (M)	161.5	33.8	8.7	3.6	26.0	18.3	3.5	29.0	29.6	8.9
	Sq Mi. (K)	300.0	64.8	64.1	6.4	36.0	40.9	8.5	46.3	23.7	9.2
Density bonus	Juris.	9.7	60.1	6.1	6.9	1.1	0.5	3.4	11.0	4.4	26.0
	Pop'n	35.4	77.9	33.1	21.8	3.4	15.5	47.0	30.2	34.0	33.5
	Sq Mi	20.7	47.4	13.4	5.4	2.1	2.2	18.7	30.6	10.2	26.9
Inclusionary zoning	Juris.	5.2	24.5	3.2	0.5	0.3	0.0	0.9	1.2	9.0	9.8
	Pop'n	13.9	38.3	10.8	0.7	0.6	0.0	25.0	8.7	10.2	21.8
	Sq Mi	4.6	8.7	0.5	0.3	0.1	0.0	7.2	7.1	12.3	10.6
In lieu fees	Juris.	4.2	17.5	3.2	0.4	0.2	0.0	0.0	2.5	7.3	7.6
	Pop'n	10.3	23.5	9.8	1.0	1.8	0.0	0.0	15.0	7.1	9.5
	Sq Mi	4.2	7.5	0.4	0.3	0.3	0.0	0.0	8.5	12.2	6.9
Fast tracking	Juris.	3.3	13.6	4.8	0.0	1.2	3.1	0.0	4.8	2.5	4.1
	Pop'n	11.8	25.5	29.6	0.0	0.5	5.5	0.0	17.1	4.5	4.8
	Sq Mi	9.9	30.8	2.7	0.0	0.2	1.3	0.0	13.1	4.1	3.9
Linkage fees	Juris.	1.6	4.8	0.6	0.0	0.3	0.4	3.9	1.4	2.7	2.3
	Pop'n	7.0	15.2	6.4	0.0	2.1	5.5	0.9	7.1	3.6	10.3
	Sq Mi	2.4	6.3	0.2	0.0	0.4	0.9	0.2	2.2	5.0	2.1
Fee waivers	Juris.	4.0	18.7	5.7	4.4	1.2	1.6	4.7	6.1	1.9	5.3
	Pop'n	14.6	20.8	24.5	14.0	2.1	26.0	2.7	22.0	5.1	6.2
	Sq Mi	7.7	13.0	2.5	3.1	0.7	4.2	7.5	18.9	3.9	5.2
Other incentives	Juris.	3.7	9.6	2.2	8.6	3.1	3.1	0.0	2.2	2.3	6.4
	Pop'n	11.4	25.0	4.5	6.3	1.5	14.8	0.0	16.1	4.0	3.5
	Sq Mi	5.4	8.4	0.3	10.6	1.1	2.6	0.0	15.2	3.7	6.0

		West			Midwest		South			Northeast	
		Total	Pacific	Mountain	West North Central	East North Central	West South Central	East South Central	South Atlantic	Mid-Atlantic	New England
Total (N)	Juris.	6,584	525	170	311	1,771	829	160	700	1,700	418
	Pop'n (M)	161.5	33.8	8.7	3.6	26.0	18.3	3.5	29.0	29.6	8.9
	Sq Mi. (K)	300.0	64.8	64.1	6.4	36.0	40.9	8.5	46.3	23.7	9.2
Any incentive	Juris.	16.5	67.1	14.6	11.4	5.7	5.4	9.7	16.0	14.6	36.9
	Pop'n	52.3	87.2	46.3	32.2	25.5	35.5	54.6	51.0	52.6	47.8
	Sq Mi	26.8	52.5	16.3	8.0	7.1	7.5	26.1	40.6	22.8	37.5
One	Juris.	9.8	35.5	5.7	6.4	2.6	3.6	6.3	9.9	9.2	27.5
	Pop'n	22.5	32.3	12.3	21.1	3.0	13.3	23.0	20.9	37.5	27.6
	Sq Mi	11.5	14.5	13.6	5.1	2.3	2.2	11.7	16.8	13.0	27.7
Two	Juris.	2.9	19.2	2.5	0.5	0.2	0.0	0.9	3.6	2.1	5.1
	Pop'n	13.1	37.7	19.4	0.7	1.7	0.0	25.0	12.5	4.3	5.0
	Sq Mi	8.7	25.9	1.1	0.3	0.2	0.0	7.2	13.8	4.6	5.5
Three	Juris.	1.0	6.7	0.6	0.0	0.0	0.1	0.0	0.4	1.1	1.5
	Pop'n	3.9	6.5	1.1	0.0	0.0	4.4	0.0	5.7	1.7	10.9
	Sq Mi	1.5	3.3	0.0	0.0	0.0	0.7	0.0	2.9	2.1	1.6
Four or more	Juris.	0.3	2.3	0.6	0.0	0.0	0.0	0.0	0.0	0.5	0.0
	Pop'n	1.9	7.4	6.4	0.0	0.0	0.0	0.0	0.0	0.2	0.0
	Sq Mi	1.0	4.3	0.2	0.0	0.0	0.0	0.0	0.0	0.8	0.0

Table 2: Average Characteristics of Jurisdictions with and without IZ, California, Massachusetts, and New Jersey

	California			Massachusetts			New Jersey		
	IZ	No IZ	Sig.	IZ	No IZ	Sig.	IZ	No IZ	Sig.
LN Population (2000)	10.91	10.78	0.369	10.63	9.71	0.000	10.12	9.61	0.040
Percent white	61.1	49.2	0.001	86.1	91.1	0.149	81.6	73.6	0.035
Percent black	3.6	4.9	0.156	3.3	1.4	0.206	5.1	10.7	0.021
Percent Asian	12.0	13.2	0.518	5.3	2.4	0.036	7.7	4.0	0.026
Percent Hispanic	19.6	29.2	0.003	3.4	3.3	0.953	4.3	9.9	0.001
Percent housing vacancy	4.1	4.5	0.533	3.5	4.0	0.638	4.0	9.3	0.004
Percent owner occupied	62.6	61.5	0.623	65.6	74.7	0.038	80.2	69.5	0.001
Median household income	\$65,887	\$57,504	0.023	\$61,057	\$67,320	0.316	\$73,358	\$60,961	0.009
Percent single-family detached houses	57.0	60.3	0.174	54.4	67.9	0.023	71.0	61.7	0.026
Percent houses built in 1990s	15.6	11.9	0.072	9.7	11.7	0.306	15.0	9.7	0.012
Median year structure built	1972	1968	0.013	1955	1960	0.116	1969	1960	0.001
Median contract rent	\$948	\$823	0.004	\$770	\$654	0.011	\$800	\$730	0.076
Median housing value	\$363,742	\$287,570	0.012	\$260,741	\$236,595	0.441	\$214,897	\$192,324	0.267
Local to metro income ratio	1.20	1.16	0.462	1.17	1.29	0.316	1.46	1.22	0.005
Local to metro rent ratio	1.20	1.15	0.306	1.23	1.04	0.011	1.23	1.15	0.118
Local to metro value ratio	1.29	1.22	0.527	1.37	1.25	0.441	1.16	1.10	0.561
Local value to metro income ratio	6.54	5.73	0.134	4.98	4.52	0.441	4.27	3.85	0.286
Jurisdictions	101 without IZ, 71 with IZ			80 without IZ, 17 with IZ			71 without IZ, 30 with IZ		

Boldface type indicates a significant difference at $p < 0.05$.

Table 3: Population and Housing Statistics, Three Cities, 2000

	Coral Gables	Newton	Pleasanton
Population	42,249	83,829	63,654
Household income (1999)			
Median	\$66,839	\$86,052	\$90,859
Metropolitan median	\$38,632	\$52,306	\$62,024
Ratio, city median: metro median	1.73	1.65	1.46
Percent over \$150,000	22.2	24.7	20.9
Housing units	17,796	32,112	23,987
Occupied	16,734	31,201	23,317
Rented	5,669	9,498	6,210
Percent rented	33.9	30.4	26.6
Single-family detached/attached	11,098	19,392	18,347
Percent	62.5	60.4	78.0
Multi-family, 2-4 units	1,356	7,918	1,139
Percent	7.6	24.7	4.8
Multi-family, 5 or more units	5,316	4,793	4,045
Percent	29.9	14.9	17.2
Built since 1990	1,469	1,127	6,072
Percent built since 1990	8.3	3.5	25.3
Housing prices: Medians			
Gross rent	\$754	\$1,083	\$1,219
Housing value	\$336,800	\$438,400	\$435,300
Monthly owner costs (with mortgage)	\$2,309	\$2,259	\$2,186
Jobs (2000)	49,215	45,775	55,140
Square miles	12.4	18.1	21.7
Population/square mile	3,407	4,631	2,933
Jobs/square mile	3,969	2,529	2,541

Source: U.S. Census Bureau, 2000 Census of Population and Housing, SF3, extracted by the author. Census Transportation Planning Package (CTPP2000) data on place-of-work of the U.S. population based on 2000 Census long-form questionnaire responses.

Note that jobs are primary jobs and do not account for second jobs. Boston metropolitan area median income is based on the Boston NECMA by 1993 OMB definitions. Miami and San Francisco metro areas are CMSA level.

Table 4: Population by Race and Ethnicity, Three Cities and Metro Areas, 2000

	Totals						Percents of total		
	Cities			Cities			Metropolitan areas		
	Coral Gables	Newton	Pleasanton	Coral Gables	Newton	Pleasanton	Miami	Boston	San Francisco
Total:	42,202	83,829	63,569	100.0	100.0	100.0	100.0	100.0	100.0
Not Hispanic or Latino:	22,579	81,706	58,405	53.5	97.5	91.9	59.7	94.0	80.3
White alone	20,176	72,546	48,010	47.8	86.5	75.5	36.3	82.9	50.4
Black or African American alone	1,388	1,488	696	3.3	1.8	1.1	19.2	4.6	7.0
American Indian and Alaska Native alone	41	96	166	0.1	0.1	0.3	0.1	0.2	0.4
Asian alone	633	6,316	7,339	1.5	7.5	11.5	1.7	3.9	18.3
Native Hawaiian and Other Pacific Islander alone	0	0	53	0.0	0.0	0.1	0.0	0.0	0.5
Some other race alone	49	188	150	0.1	0.2	0.2	0.3	0.7	0.3
Two or more races	292	1,072	1,991	0.7	1.3	3.1	2.0	1.8	3.6
Hispanic or Latino:	19,623	2,123	5,164	46.5	2.5	8.1	40.3	6.0	19.7
White alone	18,593	1,418	2,950	44.1	1.7	4.6	33.8	2.5	8.1
Black or African American alone	143	76	40	0.3	0.1	0.1	0.9	0.3	0.2
American Indian and Alaska Native alone	17	7	59	0.0	0.0	0.1	0.1	0.0	0.3
Asian alone	0	7	53	0.0	0.0	0.1	0.0	0.0	0.2
Native Hawaiian and Other Pacific Islander alone	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Some other race alone	572	503	1,380	1.4	0.6	2.2	3.6	2.6	9.2
Two or more races	298	112	682	0.7	0.1	1.1	1.9	0.5	1.7

Source: U.S. Census Bureau, 2000 Census of Population and Housing, SF3, extracted by the author.

Table 5: Jobs and Employed Residents, Coral Gables, Newton and Pleasanton, 2000

By wages 1999

	Jobs (People working in the city)					
	Total			Percent of total		
	Coral Gables	Newton	Pleasanton	Coral Gables	Newton	Pleasanton
Total	49,215	45,775	55,140			
With earnings	47,490	44,710	53,879	100.0	100.0	100.0
<\$10K	7,360	6,855	5,770	15.5	15.3	10.7
\$10-20K	8,965	5,925	6,570	18.9	13.3	12.2
\$20-30K	8,110	7,025	7,394	17.1	15.7	13.7
\$30-50K	10,910	11,715	13,905	23.0	26.2	25.8
\$50-75K	5,595	7,320	9,770	11.8	16.4	18.1
\$75K+	6,550	5,870	10,470	13.8	13.1	19.4
No 1999 earnings	1,730	1,069	1,285			

	Employed residents (Workers living in the city)					
	Total			Percent of total		
	Coral Gables	Newton	Pleasanton	Coral Gables	Newton	Pleasanton
Total	28,860	44,215	34,480			
With earnings	28,218	43,290	33,855	100.0	100.0	100.0
<\$10K	4,200	5,325	3,280	14.9	12.3	9.7
\$10-20K	3,349	4,215	3,055	11.9	9.7	9.0
\$20-30K	3,189	4,540	2,860	11.3	10.5	8.4
\$30-50K	5,400	9,545	7,035	19.1	22.0	20.8
\$50-75K	4,135	7,900	6,925	14.7	18.2	20.5
\$75K+	7,945	11,765	10,700	28.2	27.2	31.6
No 1999 earnings	650	935	630			

	Ratio: Jobs per employed resident		
	Totals		
	Coral Gables	Newton	Pleasanton
Total	1.71	1.04	1.60
With earnings	1.68	1.03	1.59
<\$10K	1.75	1.29	1.76
\$10-20K	2.68	1.41	2.15
\$20-30K	2.54	1.55	2.59
\$30-50K	2.02	1.23	1.98
\$50-75K	1.35	0.93	1.41
\$75K+	0.82	0.50	0.98
No 1999 earnings	2.66	1.14	2.04

Source: Census Transportation Planning Package (CTPP2000) data on place-of-work of the U.S. population based on 2000 Census long-form questionnaire responses.