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Housing Information Update #15:
Rethinking Local Affordable Housing
Strategies: Lessons from 70 Years of
Policy and Practice

Michael Morris
Candace Baldwin



This document was prepared by Michael Morris and Candace Baldwin of the NCB Development Corporation.

Prepared for:



Rutgers Center for
State Health Policy

Susan C. Reinhard & Marlene A. Walsh



Robert Mollica

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This Information Update is the fifteenth in a series to be made available to improve awareness and understanding of alternative approaches to expand affordable and accessible housing choices for Americans with disabilities. These updates will feature new publications, policy developments at a federal, state, and local levels, and other strategies being pursued by grantees, community and faith-based organizations, and housing agencies to respond to the Olmstead “Community Inclusion” mandate. These Information Updates are being prepared by Michael Morris, Director of the National Disability Institute at the NCB Development Corporation on behalf of the Community Living Exchange at the Rutgers University Center for State Health Policy. To contact Michael Morris directly, his email address and phone number are mmorris@ncbdc.org, (202) 521-2930.

HOUSING INFORMATION UPDATE NUMBER 15

Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice

A joint effort of the Brookings Center on Urban and Metropolitan Policy and the Urban Institute examined the efficacy of major affordable housing approaches over seven decades in promoting healthy communities and families. The project, funded by the John S. and James L. Knight Foundation, includes a comprehensive literature review of the effectiveness of key housing programs and a summary of the main lessons for local stakeholders as they craft effective affordable housing strategies.

Drawing on lessons from seven decades of housing policy and practice, the report aims to help state and local leaders take on the realities of today’s affordable housing challenge. It examines three broad approaches to affordable housing – rental assistance, homeownership assistance, and regulatory policies – and assesses the effectiveness of each in addressing seven goals for affordable housing:

1. Preserve and expand the supply of good-quality housing units.
2. Make existing housing more affordable and more readily available.
3. Promote racial and economic diversity in residential neighborhoods.
4. Help households build wealth.
5. Strengthen families.
6. Link housing with essential supportive services.
7. Promote balanced metropolitan growth.

The author’s of the report write, “[o]ften, the success of affordable housing programs is determined by the extent to which it achieves a narrow set of objectives, such as the number of new units created or the number of households with affordable housing cost burdens.” “Although important,” write the author’s, “these narrow criteria do not reflect the array of demands currently being placed on affordable housing programs.” The report finds that, if affordable housing policies are to be successful today, they must help promote healthy families and communities. These seven goals are used to provide a comprehensive framework by which state and local leaders should evaluate the

effectiveness of past and future affordable housing programs. Although not all housing programs can meet all seven housing objectives simultaneously, the authors' at Brookings and the Urban Institute, crafted the list to enable state and local leaders to better align the community outcomes they want to achieve with the housing policy approaches they adopt.

The report made three major findings:

1. Rental assistance programs require deep subsidies if they are to reach the neediest households; moreover, to be successful, rental assistance programs should avoid clustering affordable housing in low-income neighborhoods and include efforts to raise the incomes of low-income households.
2. Homeownership among underserved populations has increased, mostly through improved access to mortgage credit; efforts to further expand homeownership should proceed cautiously.
3. Land use and other regulatory policies can have profound effects on the location and supply of affordable housing.

“State and local policymakers, as well as housing advocates, community-based organizations, and funders can draw upon the evidence [presented in this report] as they plan, implement, and evaluate their own solutions to the affordable housing challenges in their communities,” wrote the Brookings Institute. The report suggests six principles to be followed by those involved in crafting and implementing local affordable housing strategies.

1. Housing strategies should be tailored to local market conditions;
2. Housing markets are regional, so housing policies should be;
3. Income policy IS housing policy;
4. Regulation can be a powerful housing policy tool;
5. Race matters; and
6. Implementation matters.

The report concludes that “after decades of federal initiatives that were designed by Washington and administered by HUD or its predecessors, a palpable shift toward state and local control has dominated U.S. thinking about affordable housing policy.” Across the nation, state and local government leaders are struggling to use the limited resources available to them in communities that differ significantly in their market conditions, residential patterns, regulatory regimes, and local goals.

For more information, visit <http://www.brookings.edu/urban>. A summary of the report is available at: <http://www.brookings.edu/es/urban/housingreview.htm> while the report is available at: <http://www.brookings.edu/dybdocroot/es/urban/knight/housingreview.pdf>.