



REGIONAL RESPONSES TO THE NATION'S GROWING HOUSING CRISIS

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A GROWING AND COMPLEX NATIONAL HOUSING CRISIS

Over the last several years a growing housing crisis has been brewing across the country. It has shifted from a phenomenon confined to hot market coastal metropolitan areas like San Francisco or Boston to a ubiquitous challenge facing almost every part of the country and impacting households across a range of income levels. The COVID-19 pandemic has only accelerated the challenges and housing costs continue to outpace income growth for most households. Places like Boise, Idaho which saw a **39% increase in regional rents in 2020** - the highest price spike in the nation – are struggling to build more housing necessary to meet demand fueled by in-migration from higher cost regions like California and Washington. However, housing affordability issues are not limited to urban areas. Roughly **3 out of every 10 rural households face housing affordability challenges** and lack of supply especially for rental housing. The condition of existing housing stock also creates challenges. Rural housing **lacks adequate plumbing and kitchen facilities** at a rate above the national average.

Linked to the rising cost of housing are a myriad of other socio-economic challenges that policy makers are working to address. Many metropolitan areas are struggling to address a worsening housing eviction crisis. Richmond, Virginia, for instance, had **one of the highest eviction rates in the country** prior to the pandemic. Local, regional, and state agencies joined with Legal Aid and housing justice advocates to push for **new funding and policies to stem the problem**. Despite temporary eviction moratoriums, thousands of eviction cases are pending in local courts, with low-income people of color, households with single parents, and other vulnerable groups most at risk of losing their homes.

The numbers of people experiencing homelessness has **also risen nationally** in the last few years despite recent declines over the past decade. The crisis is most acutely felt in large metropolitan areas like Los Angeles and New York City, but

even in smaller regions and rural areas actions are being taken to address homelessness, due to concerns about the impact that COVID-19 and related housing and economic instabilities may have on increasing the number of individuals without stable housing.

Less frequently discussed is the growing need for housing investments to improve energy efficiency and climate resiliency as extreme temperatures and weather events become more common. Much of the nation's existing 140 million homes, more than one-third of which are occupied by renters, are decades old. The poor condition of aging housing exacerbates affordability, and health issues and impacts, **including energy cost burdens**, fall disproportionately on low-income renters, rural communities, and communities of color.

Additionally, over the past decade greater attention has been given to how the dynamics of gentrification in cities result in the displacement of small locally-owned businesses and low-income households, and how it contributes to the suburbanization of poverty. Major infrastructure investments are often a trigger facilitating this dynamic, yet there are **few requirements or incentives** for regional planners and others involved in infrastructure planning and spending to proactively address the potential for displacement.

Given this context, this issue brief will explore the linkages between regional coordination of housing and transportation, both in terms of federal planning requirements and in how each impacts the other through policy choices, planning, and inter-related household cost burdens. Snapshots of emerging practices are shared to illustrate the ways regional organizations are pivoting to engage in housing issues (despite the fact they often lack explicit authority) and the ways that transportation planning and funding can be used to elevate housing solutions. It is important to note from the outset that the federal government plays an important funding role. The **United States Department of Agriculture's Rural Housing Services** oversees many of the rural housing programs available to localities, potential

homeowners, and rural lenders or developers, while the [U.S. Department of Housing and Urban Development \(HUD\) programs](#) are primarily available to larger urban areas and states.

THE INTERPLAY OF HOUSING AND TRANSPORTATION

Regional agencies and regional development organizations (RDOs) are taking on new roles and partnerships in response to these housing challenges. Housing and land use policy, zoning, and investment decisions are typically made at the local or state level, yet housing markets are regional in nature. Cities acting alone find themselves unable to adequately address housing challenges. Regional employers increasingly call out the lack of housing or growing housing costs as a [major impediment to economic growth and competitiveness](#).

Housing dynamics also impact regional transportation systems. Housing and transportation are the two highest annual costs each year for the average American household, [together comprising roughly half of annual household budgets](#). This leads to many households having to make tradeoffs between the two, including enduring long commutes from more affordable areas, which adds to regional traffic congestion. However, many low-income households are unable to make this trade-off, especially if they lack the ability to own and operate a car necessary to accessing lower-cost housing or jobs in areas not well served by transit.

A focus on the combined costs of housing and transportation is important for individual consumers when making location-efficient decisions and managing household costs. It is also useful for regional planners when evaluating potential projects and long-range plans and to better understand which communities and individuals are most cost burdened. The [Location Affordability Index \(LAI\)](#) was developed by HUD and the U.S. Department of Transportation in 2014, and updated in 2019, to increase public access to data about transportation, housing, and land use. Similarly, the U.S. Environmental Protection Agency maintains a [Smart Location Database](#) that includes more than 90 attributes summarizing characteristics such as housing density, diversity of land use, neighborhood design, destination

accessibility, transit service, employment, and demographics. Non-governmental and academic organizations are also creating analytic tools tailored to regional needs. For instance, Houston LINK and Rice University’s Kinder Institute for Urban Research created the [Quality Affordable Transportation Index \(QATi\)](#) to better coordinate transit service, future mobility investments, and housing preservation and construction efforts.

REGIONAL PLANNING CHALLENGES TO BETTER COORDINATION

Very few regional agencies and organizations have explicit housing authorities but there are exceptions. As an example, [the Metropolitan Council](#), serving the greater Minneapolis-Saint Paul metropolitan area in Minnesota, is enabled by state legislation to develop a [regional Housing Policy Plan](#). It also allocates a set of federal and state housing funding resources to localities. Similarly, metropolitan planning organizations (MPOs) in California oversee local compliance with state regional housing needs allocations and are [required by state law](#) to develop long-range plans that align transportation and housing goals. Yet these are more the exception than the rule.

Federal planning requirements related to housing are shown in the accompanying table. Some regions have undertaken efforts to coordinate across these. However, competing timelines and involvement by a myriad of actors spread across state and local agencies make housing coordination at the regional scale a challenge.

The planning horizon and responsible parties to develop these plans seldom overlap with transportation and economic development planning processes. Many rural communities are not included in consolidated planning efforts or HUD funding programs, creating even fewer venues for local coordination on housing issues or alignment with transportation in those regions. Further complicating matters, a city’s Consolidated Plan is often developed by its housing department or public housing authority so coordination with the city planning, transportation, or public works departments may be limited. Coordination with MPOs or regional development organizations can be even less likely. These persistent silos make coordination across bureaucracies challenging, especially when housing is not perceived as

	Lead to Develop	Typical Time Horizon	Federal Authority
Consolidated Plan	Entitlement Community / HUD Grant Recipient	5 years	24 CFR Part 91, Subpart D
Action Plan	Entitlement Community / HUD Grant Recipient	Annual	24 CFR Part 91, Subpart D
PHA Plan	Public Housing Authority (PHA)	5 years	42 USC 1437
Qualified Allocation Plan (QAP)	State-authorized tax credit allocating agencies (typically state housing finance agency)	Annual	Sec 42 IRC



directly within the authority or purview of an agency. This can contribute to regional disparities and deepen racial and economic segregation between communities. **Across almost all housing metrics**, low-income Black, Brown, Indigenous, and other people of color face the greatest levels of housing discrimination, are the most housing cost burdened, and have lower ownership rates than white, non-Hispanic households.

Federal efforts to eliminate housing discrimination have been in effect since the passage of the **1968 Fair Housing Act**. While HUD has focused on addressing fair housing issues primarily at the local level, these issues also play out at a regional scale. This includes efforts by HUD and local housing advocates to locate more affordable housing in suburban locations with higher performing schools, greater job opportunities, and where regional health centers are increasingly located. Alternately, **some fair housing advocates argue for improving access to opportunity** within areas that have concentrations of affordable housing.

As more metropolitan regions experience escalating housing costs and increased congestion, several MPOs are explicitly including housing issues in their long-range transportation plans. Housing elements are also becoming a more common focus in Comprehensive Economic Development Strategies (CEDs) as more organizations recognize how access to housing has an impact on regional economic development outcomes. One catalyst for this was the **requirement by HUD of its 2010 and 2011 Sustainable Communities Regional Planning grantees** to undertake a regional fair housing and equity assessment (FHEA). The FHEA served as a trial run for the **2015 Affirmatively Furthering Fair Housing (AFFH) rule** that required HUD program participants to undertake a comprehensive, standardized, and data-driven approach “to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination.” For many MPOs and RDOs, the FHEA was the first time they had substantially engaged in housing issues, or developed disaggregated data to explore regional inequities by race, income, or other factors.

REGIONAL ENGAGEMENT ON HOUSING

A dynamic spectrum is emerging, illustrating the myriad of ways that regional agencies and organizations are engaging on housing issues. While lacking explicit authority, these entities are using existing authorities related to federal requirements that shape their role in transportation and/or economic development planning to engage on housing issues. The following provides a cursory snapshot and illustrative examples:

Convening Cross-Sector Partners: The **Mid-America Regional Council (MARC)** serves the nine-county Kansas City metropolitan area and is a regular convener of localities and cross-sector stakeholders to address a range of social and economic issues critical to the region, including housing. In 2002 it established the **First Suburbs Coalition**, a group of close-in suburbs that formed during post-World War II development. In recent years the Coalition undertook an analysis of housing

options for each of the participating communities to better understand the breakdown in housing types, age, condition of housing, and affordability challenges. MARC staff have **developed several resources and guidance documents** to address identified needs, particularly related to remodeling and retrofitting older housing stock.

Providing Guidance and Data: In 2000 the **Houston-Galveston Area Council (H-GAC)** developed a **suite of guidance documents, data, and resources** for localities and regional partners to address housing affordability, fair housing, and climate resiliency issues. In 2020, the agency developed its first **Regional Housing Plan** to identify challenges shared across jurisdictions and strategies the regional agency could pursue to support member governments.

Developing Regional Housing Strategies: In 2016, the **Des Moines Area MPO** joined with partners from philanthropy, academia, housing, and public health to launch the **Capital Crossroads regional strategic planning process**. A key focus of this work included the creation of a **regional workforce housing strategy** that outlines implementation actions such as land banking, affordable rehab programs, and land use changes which require action by local jurisdictions but also a role for regional agencies to coordinate efforts and engagement across sectors and localities.

Coordinating with Long Range Planning: As one of the many HUD regional sustainability grantees, the Metropolitan Council used the FHEA process to inform its long-range regional growth plan, **ThriveMSP2040**, and its 2040 regional housing policy plan. Building on this in 2020, the Met Council joined with regional business and racial equity partners to create its first **Regional Economic Framework**, serving as a CEDS-equivalent plan to access federal U.S. Economic Development Administration (EDA) funding. Housing affordability is one of nine key strategies included in the Framework, which is being used to inform future regional long-range transportation and growth plans.

Facilitating Fair Housing Analysis: The **Pioneer Valley Planning Commission (PVPC)**, serving the greater Springfield, Massachusetts region, aids localities in creating **Housing Production Plans and Housing Needs Assessments and Action Plans** that meet state requirements. It also assists member communities with their Analysis of Impediments to Fair Housing Plans and in facilitating local and regional conversations to identify and address housing challenges and needs. PVPC acts as the convener for the Pioneer Valley Regional Housing Committee which brings together a wide array of planners, housing stakeholders, and community organizations to develop shared priorities and share successful policies that can be adopted by other localities.

Allocating Funding: For over a decade, the **Atlanta Regional Council (ARC)** has used its **Livable Centers Initiative (LCI) program** to provide grants to localities for planning and transportation projects that promote the creation of more walkable communities with better access to housing, jobs,



services, and transit. LCI has funded local projects to revise land use and zoning requirements, develop transit-oriented development station area plans, and identify housing needs and strategies to increase production and support preservation of existing affordable housing. In 2019, ARC released its [updated transportation project evaluation framework](#) for the region that includes a range of transportation performance metrics for projects, as well as clear equity goals related to health impacts, community engagement, and access to transportation.

Legislating New Authorities: In response to the magnitude of the San Francisco Bay area's housing challenges, the California legislature passed Assembly Bill 1487 in 2019 to create a new [Bay Area Housing Finance Authority \(BAHFA\)](#). BAHFA is a shared initiative between the [Metropolitan Transportation Commission \(MTC\)](#), the MPO, and the [Association of Bay Area Governments \(ABAG\)](#) to expand regional housing tools and financial resources. BAHFA and ABAG's new Housing Committee will also coordinate on homelessness initiatives with the Regional Impact Council and [All Home](#), a newly created regional non-profit organization focused on reducing unsheltered homelessness by 75% over the next three years. These efforts are the result of work by the [Committee to House the Bay Area \(CASA\)](#), which convened between 2017-2018 and was staffed by MTC specifically to address the regional housing crisis.

THE NEED TO MEET THE MOMENT

As the U.S. economy continues to recover from COVID-19, the inequalities amplified by the pandemic remain front and center. Households that weathered the crisis without financial distress are pushing up prices on the limited supply of homes for sale, further excluding less affluent buyers from homeownership. At the same time, the millions of households that lost income during the shutdowns are behind on their housing payments and on the brink of eviction or foreclosure.

The growing national housing crisis is being met by bold actions from policy makers. At the federal level, Congress provided critically needed funding for emergency rental assistance and other housing support programs, yet states and localities have been [slow to distribute funding](#).

The housing market remains unstable as homeownership prices continue to spike in many communities, while [astronomical construction costs and supply chain delays](#) create challenges for builders to even initiate projects that can pencil out, especially in rural and other lower-rent communities.

Regional planners are increasingly being asked to help tackle housing issues whether through their role in collecting and analyzing data, bringing together diverse stakeholders, or in undertaking new initiatives such as creating regional housing strategies and fair housing assessments. This trend is likely to accelerate. Advocates are pushing for housing to be included in broader definitions of infrastructure, to be made an eligible use in economic development and transportation projects, and for policies that proactively analyze and mitigate against the potential of residential and business displacement associated with major infrastructure investments.

These housing discussions are occurring within the broader recognition of the [historic legacy that policies and programs](#) such as exclusionary zoning, redlining and racial covenants, freeway expansion, and urban renewal have had on [institutionalizing racial segregation and economic disparities](#) for Black, Brown, Indigenous, and other people of color. While regional planners may have been able to argue previously that housing and racial equity are not issues for which they had authority to engage, this laissez faire abdication of the role that MPOs, RDOs, and other regional agencies play in developing solutions to these complex and cross-jurisdictional issues may no longer hold. A growing housing affordability crisis, combined with increased threats to existing housing stock from climate and extreme weather, demands for racial justice, and the lack of housing choice across a range of income and household types are all likely to continue to impact rural and urban regions for the next decade or more. The good news is that examples of regional leadership and engagement on housing are already creating a pathway for innovation, new funding tools, and greater collaboration.



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