



Addressing Housing Supply Challenges through Target Setting: Policy Lessons and Implementation Considerations

Appendixes

Christina Stacy, Aniket Mehrotra, and Leah Hendey

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Appendix A. Prior Analyses of Housing Target-Setting Programs

Literature empirically examining the effectiveness of these targets is limited, and causal research on such impacts is even rarer. California’s target-setting program, the Regional Housing Needs Allocation, is one of the most studied. One descriptive study shows that the program directed 62 percent of housing growth to the region’s unaffordable cities (Ramsey-Musolf 2020). The study also found that the program was correlated with increased housing inventory, housing affordability, and housing growth rates.

In an earlier study, the same author used a mixed effects model that regressed a California municipality’s compliance status on its low-income housing production and annual housing production and found that municipal compliance was positively associated with an increase in low-income housing production but a decrease in annual housing production (Ramsey-Musolf 2016). Lewis (2005) used a simple multivariate analysis to analyze a similar question and found that the compliance status of California municipalities in 1994 did not predict the number of single-family or multifamily housing permits issued from 1994 to 2000.

Palm and Niemeier (2017) used a difference-in-differences approach to evaluate whether California’s housing allocation process supports the state’s objectives of encouraging development in areas with access to transit, employment, and socioeconomic opportunity. They compared the San Francisco Bay Area’s earlier allocation framework with a revised policy that directs local jurisdictions to site affordable housing in jobs-rich areas. Their findings suggest the policy shift led to a 104 percent improvement in the local jobs–housing balance. Affordable units were more likely than market-rate units to be located near employment centers, indicating that jurisdictions may be prioritizing affordable housing in these strategic locations. The authors also observed that the Bay Area outperformed San Diego and Los Angeles in siting affordable housing in jobs-rich areas. But this study does not use a counterfactual of no housing targets but rather compares two ways of setting housing targets.

A few studies have also examined the effectiveness of Massachusetts’s housing target-setting program, Chapter 40B. For instance, Sportiche and coauthors (2024) find that 40B creates affordable housing in neighborhoods with greater opportunities for social mobility than are otherwise available to low- and moderate-income (LMI) households, suggesting that 40B’s ability to bypass exclusionary zoning plays a central role in explaining differences in neighborhood characteristics between 40B and

other programs. Goetz and Wang (2020) examined how well 40B resulted in local governments facilitating subsidized housing production and finds that most Massachusetts communities have increased their subsidized housing production rate and that the impact has been greatest in the suburbs of Boston, but municipalities with larger shares of white residents produce less subsidized housing.

Also in Massachusetts, Fisher and Marantz (2015) test whether for-profit developers used Chapter 40B to overcome systematic local regulatory constraints on development and find that for rental development, developers were more likely to use the law in municipalities that were accessible to jobs and that placed stringent zoning restrictions on multifamily development. For condominium development, 40B was more likely to be located in larger, less-well-located municipalities with stringent wetlands regulations. Fisher (2008) also examined compliance with 40B in Massachusetts and found that, in general, local jurisdictions adhere to the state-mandated permitting process and that permits granted to developers typically led to actual housing production.

Marantz and Zheng (2020) compare housing outcomes associated with state affordable housing appeals systems in Connecticut, Massachusetts, New Jersey, and Rhode Island. These appeals systems can exist independent of a state housing target program, and state housing targets can exist without an appeals system. But they sometimes come in tandem, as is the case in Massachusetts and New Jersey. The authors find that these appeals systems can facilitate the development and preservation of below-market-rate housing and that the Massachusetts system has been particularly effective at doing so.

Cowan (2006) examined the impact of antisnob laws—those that limit a local government’s ability to inhibit the production of affordable housing within its jurisdiction—in Connecticut and Rhode Island by comparing outcomes before and after the programs’ implementation in two other states: one that had such a law during both periods (Massachusetts) and one that did not have one in either period (New Hampshire). Cowan finds that the adoption of these laws did have a positive impact on affordable housing production in the study municipalities. But the analysis includes only units that count toward the 10 percent exemption threshold defined in each state’s statute, potentially overlooking shifts in other types of development that might result from municipalities attempting to maintain their exemption status or from broader market dynamics. Additionally, the study uses only two treatment cases—the two states—and relies on an ordinary least squares regression with extensive covariate inclusion, which raises concerns about model specification and robustness.

Only one study we could find attempted to empirically examine the effectiveness of New Jersey’s housing target program, or its fair share obligations under the Mount Laurel doctrine. Mitchell (2004) compared Pennsylvania’s program (which empowered residential developers to compel municipalities

practicing exclusionary zoning to authorize market-rate development of all types of housing) with New Jersey's program (which was conditioned upon inclusion of LMI units). Using aerial survey and housing census data, Mitchell found that housing types over a 20-year period in Pennsylvania municipalities around Philadelphia were more diverse than those in adjacent New Jersey municipalities.

Appendix B. National Methodologies

A critical component of designing state and regional housing target-setting programs is quantifying current and future local housing needs. Examining the methods used to estimate housing needs at the national level can help inform state and regional housing target setting. Below, we review some of the most highly cited methodologies for calculating national housing needs.

TABLE B.1
Methods for Calculating Housing Needs at the National Level

Publication	Data and methodology	Difficulties in replicating at the local level
<p>“The Gap: A Shortage of Affordable Homes,” National Low Income Housing Coalition, accessed August 20, 2025, https://nlihc.org/gap.</p>	<ul style="list-style-type: none"> ▪ Metric: National shortage of affordable rental housing for extremely low-income renters (those earning at or below 30% of the AMI) ▪ Data: 2023 ACS PUMS data ▪ Method: Compare the number of affordable and available rental units—homes that are affordable and either vacant or occupied by extremely low-income households—with total number of extremely low-income households. 	<ul style="list-style-type: none"> ▪ City-level targets are difficult to calculate this way, as PUMA boundaries do not align well with most municipal boundaries. ▪ Would discount needs of extremely low-income households not already residing in the municipality who would move there if housing were affordable and available (“missing households”). ▪ Determining affordability also requires adjusting for number of bedrooms and household size to determine both whether a rental unit is affordable to a specific household and whether the household is within that specific AMI.
<p>David Garcia, Anjali Kolachalam, Leah MacArthur, and Michael Wilkerson, “Housing Underproduction in the U.S.” (Washington, DC: Up for Growth, 2024).</p>	<ul style="list-style-type: none"> ▪ Metric: Housing underproduction, or the gap between the current and ideal number of housing units by which all people who want to form households can do so and 5 percent of units are vacant ▪ Data: US Census Bureau data, 2022 ACS data, Housing Vacancy Survey data, American Housing Survey data, and Joint Center for Housing Studies calculations (household growth projections) ▪ Method: Sum the total number of households and number of “missing households,” or those who would form separate households if more housing was affordable and available, calculated by comparing current headship rates with historical trends, 	<ul style="list-style-type: none"> ▪ The number of households within a city boundary may not reflect the true number of people who wish to live there, because housing markets are generally regional in nature, and people may move across city lines to find housing that accommodates their needs. ▪ Calculating household formation at the city level is challenging for the same reason—the households may not have formed, or they may have moved elsewhere.

Publication	Data and methodology	Difficulties in replicating at the local level
	<p>adjusting for factors such as age distribution and population growth, and then analyzing deviation from expected household formation patterns.</p> <ul style="list-style-type: none"> ▪ Multiply by the vacancy rate factor (1.05), and subtract total housing units, second homes, vacation homes, and uninhabitable units. Aggregate these missing households across age cohorts and adjust for vacancy rates. 	
<p>Natalia Siniavskaia, “The Size of the Housing Shortage: 2021 Data,” <i>Eye on Housing</i> (blog), National Association of Home Builders, December 16, 2022, https://eyeonhousing.org/2022/12/the-size-of-the-housing-shortage-2021-data/.</p>	<ul style="list-style-type: none"> ▪ Metric: Housing shortage ▪ Data: 2021 ACS data ▪ Method: Calculate difference between the current number of vacant units for rent or for sale and the total that would exist under “normal,” or long-term average, vacancy rates for each metropolitan region in the country. Sum differences across all metros. 	<ul style="list-style-type: none"> ▪ Does not include “missing” households or nonmetro areas and does not exclude seasonal or second homes.
<p>Sam Khater, Len Kiefer, and Venkataramana Yanamandra, “Housing Supply: A Growing Deficit” (McLean, VA: Freddie Mac, 2021).</p>	<ul style="list-style-type: none"> ▪ Metric: Housing shortage, or how much lower the current vacancy rate is than normal ▪ Data: US Census Bureau Housing Vacancy Survey and the Current Population Survey’s Annual Social and Economic Supplement ▪ Method: Calculate how much lower the current vacancy rate is than normal, but the authors cover the entire US, and they add in “missing” households that did not form because of the housing shortage. They also use a single nationwide gross vacancy rate, which includes second and seasonal homes and other vacant units, thereby accounting for these types of homes in the calculation. 	<ul style="list-style-type: none"> ▪ Calculating household formation at the city level is challenging for the same reason—the households may not have formed, or they may have moved elsewhere.
<p>Kenneth T. Rosen, David Bank, Max Hall, Scott Reed, and Carson Goldman, “Housing Is Critical Infrastructure: Social and Economic Benefits of Building More Housing”</p>	<ul style="list-style-type: none"> ▪ Metric: Housing shortage ▪ Data: US Census Bureau and HUD data ▪ Method: Compare the number of new homes added between 2001 and 2020 with the number of homes that would have been produced if the 	<ul style="list-style-type: none"> ▪ Using historical housing production numbers could underestimate current needs and could place growth burdens on cities with sufficient production, rather than those with insufficient production.

Publication	Data and methodology	Difficulties in replicating at the local level
(Berkeley, CA: Rosen Consulting Group, 2021).	annual average construction rate from 1968 to 2000 had held.	

Notes: ACS = American Community Survey; AMI = area median income; HUD = US Department of Housing and Urban Development; PUMA = Public Use Microdata Area; PUMS = Public Use Microdata Sample.

Overall, calculating housing gaps at the national level is inherently different—and often simpler—than doing so at the city or local level. National calculations can assume a broader level of household mobility, as people can move relatively freely across state and regional boundaries in search of affordable housing. This fluidity makes it easier to estimate demand and account for population shifts within the country. In contrast, local calculations must grapple with more porous and dynamic boundaries, where individuals may commute, move, or seek housing in adjacent jurisdictions. Local analyses also require more granular data adjustments to reflect variations in household formation, affordability, and housing availability. But these methods could be useful for informing statewide targets, which can then be allocated down to smaller geographic levels, considering the aforementioned challenges.

Appendix C. Case Studies

Table C.1 provides a scan of some of the major state and regional housing target-setting programs.

TABLE C.1

Overview of Selected State and Regional Housing Target-Setting Programs

Program (year first adopted)	Overview	Enforcement mechanisms	Market segment	Methodological approach
Massachusetts Chapter 40B (1969)	Provides a streamlined permitting process for eligible housing projects in localities that have not met housing production targets	Builder's remedy for noncompliant jurisdictions	Affordable housing (to households earning 50% or 80% of the AMI), though market-rate units in mixed-income projects count	Ten percent of a locality's housing stock or 1.5 percent of its land area must be affordable housing
California Regional Housing Needs Allocation (1969)	Requires local governments to adopt housing plans ("elements") to meet state-determined and regionally allocated housing needs	Accountability letters, technical assistance, builder's remedy, financial penalties, legal action, and more	Total production and production by affordability level	Projected housing needs (population and household projections, household formation rates, vacancy rates, overcrowding, replacement units, and household cost burdens)
New Jersey Mount Laurel doctrine (1975)	Requires localities to provide their "fair share" of housing for LMI households, as determined by state calculations, local proposals, and judicial review	Builder's remedy for noncompliant jurisdictions	Affordable housing for LMI households (earning 50% and 80% of the AMI)	Present need (substandard units occupied by LMI households) and prospective need (future growth in LMI households, existing high-quality housing stock); local and regional income variations, available developable land, and variation in nonresidential property values
Twin Cities Metropolitan Council Allocation of Affordable Housing Need (1976)	Requires communities to plan for regionally determined local needs for LMI housing	Regional grant funding	Affordable housing (for households earning 30%, 50%, and 80% of the AMI)	Need for affordable housing (forecasted growth, existing housing stock, employment trends); expected and securable funding for affordable housing development
Connecticut Affordable Housing Land Use Appeals Procedure (1990)	Allows developers to appeal zoning board decisions to the courts if a project includes affordable housing in localities that have not met	Builder's remedy for noncompliant jurisdictions	Affordable housing (for households earning 80% of the AMI)	10 percent of a locality's housing stock

Program (year first adopted)	Overview	Enforcement mechanisms	Market segment	Methodological approach
	housing production targets			
Metropolitan Washington Council of Governments Regional Housing Targets (2019)	Localities agree to pursue housing amount, affordability, and accessibility goals	Not legally enforceable; implicit pressure through public data dashboard and media coverage	Total production and affordable housing	Amount (future population growth, future employment growth, jobs-to-housing ratio), accessibility (projected housing proximity to transit and high-growth regions), and affordability (household income distribution, housing unit cost distribution)
Oregon Housing Needs Analysis (2019)	Requires localities to plan for housing that meets the needs of households of all income levels, by meeting state-determined production targets	Begins with collaboration and technical assistance but can move toward legal enforcement orders if necessary, requiring the jurisdiction to address the deficiency	Total production and affordable housing	Total housing needs (“missing households,” vacancy rates, homelessness rates); future housing needs (population growth, household formation projections)
Utah Moderate-Income Housing and Reporting (2019)	Requires municipalities to project future middle-income housing needs and produce annual progress reports	Daily fines, eligibility for state transportation funds	Moderate-income housing (for households earning 80% of the AMI or less)	Present and future needs of the municipality; growth and development of land within the municipality

Sources: Department of Administrative Services, [Oregon Housing Needs Analysis Methodology](#) (Salem, OR: Department of Administrative Services, 2024); Metropolitan Washington Council of Governments (MWCOG), [The Future of Housing in Greater Washington: A Regional Initiative to Create Housing Opportunities, Improve Transportation, and Support Economic Growth](#) (Washington, DC: MWCOG, 2019); Massachusetts Department of Housing and Community Development (MDHCD), [G.L. C.40B Comprehensive Permit Projects: Subsidized Housing Inventory](#) (Boston: MDHCD, 2014); Association of Bay Area Governments (ABAG), [Regional Housing Needs Allocation: Frequently Asked Questions about RHNA](#) (San Francisco: ABAG, 2020); “Accountability and Enforcement,” California Department of Housing and Community Development, accessed August 25, 2025, <https://www.hcd.ca.gov/planning-and-community-development/accountability-and-enforcement>; Fair Share Housing Center, [“Affordable Housing in New Jersey: The Mount Laurel Doctrine”](#) (Mount Laurel, NJ: Fair Share Housing Center, n.d.); Advisory Panel to Metropolitan Council Staff, [“Summary Report: Determining Affordable Housing Need in the Twin Cities 2011–2020”](#) (St. Paul, MN: Metropolitan Council, 2006); Metropolitan Council, [“Attachment: 2021–2030 Affordable and Life-Cycle Housing Goals Methodology”](#) (St. Paul, MN: Metropolitan Council, 2020); California Department of Housing and Community Development (CDHCD), [California’s Housing Future 2040: The Next Regional Housing Needs Allocation \(RHNA\)](#) (Sacramento: CDHCD, 2024); “Regional Housing Needs Allocation,” CDHCD, accessed September 2, 2025, <https://www.hcd.ca.gov/planning-and-community-development/regional-housing-needs-allocation>; New Hampshire Housing Finance Authority (NHHFA), [“New Hampshire’s Workforce Housing Law”](#) (Bedford: NHHFA, 2019); Itasca Project, [“Itasca Housing Affordability Task Force Project”](#) (St. Paul, MN: Itasca Project, 2020); [Utah Admin. Code r. 17-27a-402](#) (2025); and [Utah Admin. Code r. 10-9a-306](#) (2024).

Notes: AMI = area median income; LMI = low- and moderate-income. Program details, except year adopted, pertain to the most recent iteration of the program. Specific programmatic details may have changed since writing.

Below, through a landscape review and interviews with key stakeholders, we explore four housing target-setting programs in three states and one region.

Massachusetts Chapter 40B

One of the earliest state laws implementing housing targets for municipalities was the Massachusetts Comprehensive Permit and Zoning Appeals Act (Chapter 40B). This law was passed in 1969 in response to a lack of affordable and high-quality housing in the state.

Approach

Under Chapter 40B, all localities are subject to a benchmark such that 10 percent of their housing stock or, alternatively, 1.5 percent of their land area must be affordable, and all jurisdictions beneath the benchmark must have articulated plans to meet these obligations. Localities not compliant with their housing obligations, nor qualified for an exemption, are subject to a builder's remedy, whereby housing developers can bypass local permitting decisions by submitting their affordable development proposals to a local Zoning Board of Appeals (ZBA) using a streamlined permit and a comprehensive review process, also referred to as a comprehensive permit (MDHCD 2014).

Massachusetts enforces its municipal housing targets through a builder's remedy mechanism, by which a public agency, nonprofit, or limited dividend developer can appeal local zoning decisions in municipalities not compliant with their affordable housing obligations. Each municipality—as authorized under Chapter 40A, a separate law—must appoint a ZBA committee of three to five unpaid volunteers appointed by the mayor.¹

Projects are eligible for the comprehensive permit only if they receive a state or federal subsidy, which can include direct financial assistance through programs such as through the Low-Income Housing Tax Credit (does not include leased housing, tenant-based rental assistance, or housing allowance program) or nonfinancial assistance such as technical assistance or programmatic services from the state. Eligible affordable rehabilitated units supported through programs funded by the Community Development Block Grant or HOME Investment Partnerships program can also count toward the state's Subsidized Housing Inventory (SHI) (MDHCD 2014).

The law, as it currently stands, encourages mixed-income rental development. For rental projects only, if at least 25 percent of the units are affordable to households with incomes less than 80 percent of the area median income (AMI) or 20 percent are affordable to households with incomes less than 50 percent of the AMI, respectively, both the market-rate and affordable units are counted toward a locality's housing obligations. Developers must also restrict their profits to 20 percent for for-sale developments and 10 percent for rental developments (Reid, Galante, and Weinstein-Carnes 2017). A key nuance to these targets is that the market-rate units in mixed-income rental developments that meet affordability criteria are also counted toward a jurisdiction's housing obligations and are tracked in the SHI (MDHCD 2014). The process for applying for a comprehensive permit works as follows (MDHCD 2014):

- The developer submits their project for preliminary eligibility approval from the state or federal subsidizing agency to ensure the project meets affordability and fair housing requirements.
- Once approved, the developer applies for a comprehensive permit, a unique permit to build LMI housing, to the ZBA. The ZBA, within 30 days, conducts a public hearing on the proposed project to evaluate whether it meets local needs and concerns, consulting local boards including planning boards, building inspectors, and fire and traffic departments for recommendations. The hearing process can last up to six months.
- The ZBA issues a decision within 40 days of the hearing, often on more flexible rules than the local regulations. The ZBA either issues a comprehensive permit, approves it with certain conditions to meet local needs (e.g., restrictions on height or density) (Reid, Galante, and Weinstein-Carnes 2017), or denies the permit.
- If a permit is denied or if meeting the proposed conditions would make the project “uneconomic” for the developer, the party can appeal the case to a state-appointed Housing Appeals Committee (HAC), a council of five housing and finance experts.² The HAC evaluates the merits of the ZBA's decision and examines whether the proposed project is economically feasible and consistent with local needs for LMI housing (generally, if a municipality has not met its housing obligations, the housing need tends to outweigh local concerns).³
- The HAC can approve housing developments under flexible rules, overturn the ZBA decision, or issue a comprehensive permit, so long as the local board has not proven an express health or safety concern. Flexible rules still ensure that the development is subject to minimum property standards of state and federal financiers, including environmental review.⁴

- If a permit is still not approved by the HAC, the developer can appeal the decision to the Massachusetts Superior Court.

The threat of zoning override is a heavily weighted incentive for localities to make demonstrated steps to meet their housing obligations. As a result, most municipalities are highly driven to reach the 10 percent or 1.5 percent benchmarks.⁵ At a minimum, municipalities have incentives to develop an approved Housing Production Plan (HPP) and meet an annual production goal of a 0.5 percent increase in their affordable housing stock, which, if achieved, allows them to retain more control over zoning decisions temporarily (one year for a 0.5 percent increase and two years for a 1 percent increase). That is, zoning decisions from the local board can still be appealed to the ZBA, but the ZBA's decision to deny a comprehensive permit cannot be challenged further and is upheld (MDHCD 2014).

In 1990, in recognition of the need to further support localities in achieving their affordable housing obligations, the state created the Local Initiative Program to provide additional “subsidy,” defined broadly to include programmatic services and technical assistance in addition to financial assistance (MDHCD 2014). This departure from requiring units to be 100 percent financially subsidized accounted for industry changes in affordable housing finance in which layering subsidies became more common and financing mixed-income developments became easier compared with fully affordable housing (Reid, Galante, and Weinstein-Carnes 2017).

Data and Methods

The state uses a blanket benchmark of 10 percent of a locality's housing stock or 1.5 percent of the locality's land area. To calculate the 10 percent measure, the state uses the total number of affordable units as listed in their SHI as the numerator and total housing stock from the most recent decennial census as the denominator (MHP 2017). This means that every 10 years, there is a discrete jump in the percentage of housing that is considered affordable because the denominator changes with each decennial census.⁶

But by offering a temporary exemption to the builder's remedy for jurisdictions that develop an HPP and meet annual production targets, the state shifts the onus onto municipalities to conduct housing needs assessments. To get an HPP approved, jurisdictions must analyze their local demographics, projections of future population needs, and existing housing stock to determine their future housing needs. State guidelines recommend the use of census data, data from regional planning agencies, realtors, and the media to write the HPP. The state does not provide guidance on how to

calculate projections of future population and housing needs. Municipalities can reuse calculations from their master plans or other housing strategic plans, but the data must be up to date (MDHCD 2014).

Lastly, the state asks that jurisdictions determine their annual housing production goals, which must be at least 0.5 percent of total units. The jurisdiction must also list specific implementation strategies to achieve these goals.

The data sources and methods used to calculate these targets are shown in table C.2, along with the sources and methods used in the other three case studies.

TABLE C.2
Data Sources and Methods Used in Select State and Regional Housing Target-Setting Programs

Program	Main data sources	Methods
Massachusetts Chapter 40B	Subsidized Housing Inventory	Ten percent of a locality’s housing stock or 1.5 percent of its land area must be affordable housing
New Jersey Mount Laurel doctrine	American Community Survey, HUD CHAS	Present need (substandard units occupied by LMI households) and prospective need (future growth in LMI households, existing high-quality housing stock); local–regional income variations, available developable land, variation in nonresidential property values
Oregon Housing Needs Analysis	HUD area median income calculations, American Community Survey PUMS, Continuums of Care, HUD CHAS	Total housing need (“missing households,” vacancy rates, homelessness rates); future housing need (population growth, household formation projections)
MWCOG Regional Housing Targets	MWCOG Cooperative Forecasts, activity centers analyses, Urban Institute analyses (American Community Survey)	Amount (future population growth, future employment growth, jobs-to-housing ratio), accessibility (projected housing proximity to transit and high-growth regions); and affordability (household income distribution, housing unit cost distribution)

Sources: MDHCD, *G.L. C.40B Comprehensive Permit Projects: Subsidized Housing Inventory* (Boston: MDHCD, 2014); Department of Administrative Services, *Oregon Housing Needs Analysis Methodology* (Salem, OR: Department of Administrative Services, 2024); and MWCOG, *The Future of Housing in Greater Washington: A Regional Initiative to Create Housing Opportunities, Improve Transportation, and Support Economic Growth* (Washington, DC: MWCOG, 2019).

Note: CHAS = Comprehensive Housing Affordable Strategy; HUD = US Department of Housing and Urban Development; MDHCD = Massachusetts Department of Housing and Community Development; MWCOG = Metropolitan Washington Council of Governments.

Successes

About 70,000 units have been produced under Chapter 40B, more than half of which are affordable to households earning less than 80 percent of the AMI.⁷ As of the most recent SHI figures from the 2020 Decennial Census, 71 jurisdictions have met the 10 percent benchmark,⁸ an increase from 4 jurisdictions in 1972 shortly after program inception (Reid, Galante, and Weinstein-Carnes 2017).

Marantz and Zheng (2020) find that the program has been particularly effective in increasing the affordable housing stock in higher-income areas compared with programs in Connecticut, New Jersey, and Rhode Island, thereby enhancing access to opportunity for households with low incomes. One factor Marantz and Zheng believe has contributed to this effectiveness is that the system shifts the burden of proof to the local government, which must demonstrate the reasonableness of its regulations in light of regional housing needs. They also point to the following components that may contribute to the program's effectiveness:

1. The comprehensive permit streamlines all local approvals and allows the local commission to waive zoning requirements.
2. The fair share standard in Massachusetts is clear and consistent, especially when compared with New Jersey's.
3. Municipalities in Massachusetts can gain temporary immunity (one to two years) from the builder's remedy by planning for and producing below-market-rate housing.
4. Mixed-income developments eligible under Massachusetts's SAHAS program can be profitable for developers, partly because of more flexible AMI requirements.
5. Massachusetts offers state-level administrative review of local comprehensive permit decisions—rather than judicial review—which may accelerate resolution and enhance predictability, especially given the subject-matter expertise and long tenure of review board members (Bratt and Vladeck 2014; Reid, Galante, and Weinstein-Carnes 2017).

The study found that Massachusetts's program is associated with a higher proportion of renters with low incomes in tracts with higher average incomes compared with similar areas in New York State, suggesting improved access to high-opportunity neighborhoods for households with low incomes.

Studies have shown that Chapter 40B developments tend to be located in neighborhoods with much greater economic and social opportunities compared with where other affordable housing tends to be located (Sportiche et al. 2024). This is driven by a high incidence of Chapter 40B usage in jurisdictions with stringent zoning regulations, which tend to be more affluent, and differences in

requirements for formal municipal support of the development (Fisher and Marantz 2015; Reid, Galante, and Weinstein-Carnes 2017; Sportiche et al. 2024). In addition, Ritchay and Weinrobe (2004) empirically find that large, multifamily Chapter 40B developments do not have a negative impact on property values of nearby single-family homes, owing to their high quality, incidence of market-rate units in mixed-income developments, and consideration of local needs during the permitting process, among other factors.

There is evidence that Chapter 40B has strong support among Massachusetts residents, though these projects are still subject to community opposition (Ritchay and Weinrobe 2004). Reid, Galante, and Weinstein-Carnes (2017) point out that the state HAC helps circumvent local opposition. When the continuation of 40B was subject to referendum of Massachusetts voters in 2008, two-thirds of voters voted in favor of keeping the law (Reid, Galante, and Weinstein-Carnes 2017).

Challenges

The program has experienced some challenges, including with the use of a blanket target of 10 percent or 1.5 percent of land area, which, according to one interviewee, localities strongly dislike, as the target does not accurately portray a locality or region's true housing production needs.

“My feeling is, and the way we’re seeing it play out in the public realm is, everyone feels like [the 10 percent target] doesn’t quite fit. We’re constantly being accused of having a one size fits all.”

—Interviewee from Massachusetts

In addition, relying on a solely production-based target discourages localities from pursuing other prohousing measures and focus only on meeting the 10 percent or 1.5 percent benchmark. For instance, Chapter 40B can make it difficult for planners to increase density near transit hubs or downtown corridors because a developer can use 40B to override local planning goals and build in the outskirts of town. For this reason, the state's target-setting and enforcement regime has created a generally antagonistic relationship between localities and the state with respect to housing and land-use policy.⁹ Some research validates the functioning of localities' incentives, showing that the use of a percentage

benchmark instead of unit count goals encouraged local governments to restrict all development to minimize their absolute affordable housing obligations (Goetz and Wang 2020).

“The problem is that you could have a municipality that zones as of right in the right areas. And they’ve got tons of space right downtown near transit, and if they’re at 8 percent, they could still have someone say, ‘We just bought the cranberry bog and we’re going to put units in it.’ 40B provides no accommodation for other local efforts that are prohousing.”

—Interviewee from Massachusetts

Additionally, although Chapter 40B has facilitated a significant amount of new housing production, the appeals process is often lengthy and has led to many approved units not being built. Research finds that although 90 percent of appeals to local ZBAs between 1999 and 2005 were approved (Reid, Galante, and Weinstein-Carnes 2017), only about 62 percent actually received building permits by 2008. Fisher (2008) finds that out of the 404 comprehensive permit applications included in the study, 249 of the projects (62 percent) were actually built. This mismatch is often driven by the lengthy appeals process of the ZBA decision and conditions to the HAC, economic conditions, and other litigation delays. For example, ZBAs took about 10 months, on average, to make a decision on proposed projects and an additional year to obtain a building permit if approved (Fisher 2008). In addition, many jurisdictions also experience declines in units on the SHI because of expiring affordability restrictions. For example, the state’s overall affordable housing inventory declined between the 2010 and 2020 Decennial Censuses, from 10.1 percent to 9.7 percent of total stock.¹⁰ But one interviewee noted that although the program is imperfect, these projects would have been impossible to build under local zoning rules absent 40B.

In addition, Sportiche and coauthors (2024) find that affordable housing permitted through Chapter 40B provides better opportunities for LMI residents compared with other programs, but these developments are slightly more likely to be sited in worse areas compared with the average housing unit in the municipality. Furthermore, the authors find that these units are more likely to be located in industrial zones (though differences in pollution exposure are negligible). One interviewee believed that 40B projects were generally located in less desirable areas, such as remote areas disconnected from transit, which is not what the literature shows.¹¹

Among other potential downsides, the functions of the ZBA offer other challenges. These unpaid volunteer positions are filled by each locality and do not require any continuing education, certification, or training. Many areas experience difficulty filling these positions.

New Jersey

A 1975 state supreme court decision that found that exclusionary zoning laws had a disparate impact on residents of color was the first decision of what became known as the Mount Laurel doctrine in New Jersey. Subsequent court cases, in addition to the state's 1985 Fair Housing Act codifying the courts' decisions into law, established Fair Share housing obligations for all municipalities in the state to ensure high-quality housing opportunities for residents with low and moderate incomes (Kalra, Manicastro, and Bansal 2023). The program's most recent revamp in early 2024 meant to establish a new streamlined framework for determining and enforcing municipalities' affordable housing obligations.¹²

Approach

The program, in its latest form, works as follows. The state's Department of Community Affairs calculates municipal housing targets through rigorous analysis in an effort to provide the necessary data and support to localities to meet their statutory housing obligations. But the department does not require that municipalities adopt these specific targets. Municipalities can either adopt state guidance or provide their own data-driven targets. Each round of affordable housing obligations covers a 10-year period. Each jurisdiction must then create a housing production plan, which is subject to a structured litigation and mediation period by which interested parties can ensure that proposed plans meet the municipality's actual housing needs.

The state then uses a combination of sticks and carrots to encourage compliance with housing production target setting. Municipalities without approved housing production plans are subject to litigation by interested parties for not abiding by the Fair Housing Act or the Mount Laurel doctrine. As a result, developers can pursue a builder's remedy, in which developers can appeal land-use and zoning decisions to a state-appointed planning body, which can approve these projects despite a municipality's initial denial. The policy also uses carrots to provide incentives for certain types of housing by providing bonus credits for housing that is age restricted, set aside for special needs individuals, or near mass transit, as 1.5 or 2 units toward the municipalities' housing obligations, up to a quarter of their stated benchmark. Municipalities that have met their present and prospective housing needs or that have

implemented plans to meet housing goals are effectively immune from exclusionary zoning litigation. Interested parties can still sue, but the municipality is protected by a “presumption of validity.”

New Jersey’s program has evolved considerably in its 50-year lifespan. Earlier versions of the program were overseen by the Council on Affordable Housing (COAH). The COAH-led system was voluntary, making enforcement and municipality recruitment difficult. The system also used a controversial methodology based on future municipality growth and allowed for affordable housing to be placed anywhere or for obligations to be transferred to neighboring localities via a regional contribution agreement (PlaHovinsak 2020). In addition, towns had to file a declaratory judgment and go through fairness hearings with undefined timelines.¹³ A 2015 court decision shifted enforcement power to the courts (City of Lambertville, n.d.), and in 2024, COAH was officially dissolved through legislation.¹⁴

The program’s newest iteration, the Affordable Housing Dispute Resolution Program, made several significant changes from the previous system. Interviewees noted that the new program establishes set deadlines and a quasi-judicial mediation process, making it more predictable and structured. One of the key differences is the mediation process itself, which aims to expedite housing development while reducing reliance on lengthy legal battles. This system is viewed as more efficient than the past versions, where litigation was often the only route. The new system places a strong emphasis on accountability, clear milestones, and deadlines.¹⁵

The mediation process is administered by a state-appointed body of retired judges—the Affordable Housing Dispute Resolution Program—and requires elements from each municipality to ensure compliance:¹⁶

- By January 2025, municipalities file binding resolutions of their fair share obligations, documenting their housing needs estimates based on either the state’s calculations or their local calculations.
- In February, interested parties can challenge the municipality’s proposed housing targets if deemed insufficient of the actual need, and, in March, the program decides whether to refer the case to a regionally designated Mount Laurel judge or dismiss the challenge. If successfully challenged, the case undergoes a review process, including a settlement conference or session among program members, after which the challenge is decided. The regional judge must ultimately approve the decision and establish the municipality’s fair share obligation.

- By June, municipalities adopt binding resolutions on their Housing Element and Fair Share Plans.
- By August, interested parties can challenge a municipality's plans, and by December, all municipalities' plans are decided upon.
- All zoning ordinances need to be adopted by March 2026.

Data and Methods

The state's methodology for calculating housing targets, including metrics and data sources, is prescribed by law. The analysis relies on two main metrics: present need and prospective need. Present need indicates the number of substandard units currently occupied by LMI households, where substandard is defined as housing that lacks complete kitchen facilities, lack complete plumbing facilities, or is more than 50 years old and overcrowded. Prospective need estimates the number of high-quality housing units needed to accommodate future growth in LMI households. After calculating present and prospective need, several factors are applied to account for income variations between the municipality and the larger region, land available to be developed, and variation in nonresidential property values (DCA 2024).

The Department of Community Affairs uses several metrics and data sources to calculate these measures. First, where available, the department relies on primary source data reported at the municipality level—such as American Community Survey (ACS) one-year estimates—and, where needed, applies percentage adjustments to data from higher geographic levels, such as Public Use Microdata Areas. The benefit of using data reported at the municipal level—which the ACS provides for all jurisdictions with more than 65,000 people—is that the preservation of municipal-level demographic and market variation can be missed when generalizing from a larger geographical area. The ACS is used for nearly all calculations except for calculating LMI population shares, as only the US Department of Housing and Urban Development's Comprehensive Housing Affordable Strategy data offer these at the municipal level (estimating from the Public Use Microdata Area level or otherwise would yield inaccuracies attributable to segregation by income and needing to assume that the LMI share of deficient housing is uniform in a county, which it is not) (DCA 2024).

Successes

Since the beginning of the program, 75,000 new affordable homes have been built under Mount Laurel obligations.¹⁷ Eighty-one percent of new multifamily developments and 89 percent of new multifamily units were associated with Mount Laurel obligations or were 30-year deed-restricted affordable units (Kalra, Manicastro, and Bansal 2023). Interviewees noted that the new affordable housing dispute resolution program is showing early signs of greater success than the previous process, noting that 100 more towns have opted into the program compared with the last round.

Challenges

Over its decades-long lifespan, the Mount Laurel doctrine has faced significant pushback, particularly from localities contesting the state's target-setting and enforcement approaches. In addition, the doctrine's implementing body, the Council on Affordable Housing, was intensely marginalized by subsequent political administrations and was ultimately dissolved in 2024. Interviewees reported that COAH played a key role in ensuring municipalities complied with the state's Fair Housing Act and the Mount Laurel doctrine, addressing affordable housing needs. But issues arose with using outdated census data and legal challenges, leading to a shift toward a court-managed system beginning in 2015.

One issue in the COAH-led system was the regional contribution agreements, in which municipalities could pay other towns to take up a portion of their affordable housing obligations, which provided an intentional loophole. The agreements yielded adverse consequences, concentrating affordable housing development in low-income municipalities, which accepted agreements from higher-income jurisdictions often with insufficient funding to meet the need (Kalra, Manicastro, and Bansal 2023).

Interviewees also noted that the methodology for setting targets is likely to understate the need for housing. Notably, the methodology does not account for LMI households who live in high-quality housing but cannot afford their housing expenses.

“The methodology doesn’t account for low- and moderate-income cost burdens, which is beyond me. Why wouldn’t we focus affordable housing production where residents are already heavily cost burdened?”

—Interviewee from New Jersey

To that end, interviewees made important points about which housing needs are best addressed through target-setting programs, such as New Jersey's, which rely on zoning and land-use changes and are not generally paired with additional subsidies. They noted that a lot of what is being required of localities is not within their purview.

“You can’t zone and create a density bonus and provide a required set-aside that’s going to provide housing for people who have zero income.... We have to realize that the only way of dealing with that segment of the need is going to be through direct subsidy.... If you limited the requirement on municipalities’ ‘fair share’ to a smaller segment of the population, their targets would be lower and potentially more achievable, and also potentially less objectionable.”

—Interviewee from New Jersey

Oregon’s Housing Needs Analysis

Driven by unprecedented housing unaffordability and inequity, Oregon in 2019 began to develop a framework—the Oregon Housing Needs Analysis (OHNA)—to meet its statewide housing and land-use planning goals. The state, through what is known as Goal 10, requires localities to plan for “housing that meets the housing needs of households at all income levels” based on continual household growth projections (State of Oregon, n.d.).

Through laws and executive orders, starting with H.B. 2003 (2019), the state spent about five years developing the methodology for the housing needs analysis, first by directing its agencies to conduct a study in 2019 and a pilot framework in 2020 (ECONorthwest 2020). State officials then evaluated the methodology in 2021 (ECONorthwest 2021), refining the methods as directed by law and providing recommendations on the program’s implementation in 2022 (Oregon Departments 2022). In December 2024, they finalized the methods (Department of Administrative Services 2024).

In addition, in 2023, Oregon passed H.B. 2001 and H.B. 2889, which created new arms for the OHNA program, including a formalized methodology for target setting, a public dashboard on localities’ progress on housing production, and a state-to-locality partnership initiative to accelerate progress

(State of Oregon 2023). The implementation of this new framework is ongoing, according to one interviewee, with an initial phase of rulemaking set to be completed by the end of 2025.

Approach

Oregon’s approach was informed by thorough analysis of the state’s housing needs and recommendations based on lessons learned from other states’ programs, including California’s Regional Housing Needs Analysis.

Based on calculations from the housing needs analysis, Oregon imposes housing production targets for all localities with populations of more than 10,000 people. The state designed several tools to achieve and enforce compliance, informed by topline recommendations from agencies that urged the state to play an active, collaborative role with localities to achieve housing targets and ensure the state has the regulatory, funding, and administrative capacity to implement the program (Oregon Housing and Community Services 2021; ECONorthwest 2021).

The Housing Production and Housing Equity Dashboards publicly track and document localities’ progress toward their housing targets, including data on total and affordable housing production, by year and income level,¹⁸ and metrics on housing equity outcomes.¹⁹ According to one interviewee, this dashboard was created to encourage compliance through the court of public opinion—that is, housing advocates and others can use the progress tracking data to hold local elected officials accountable to meet their housing obligations or else risk losing political support or their office.

The state also created a housing acceleration program, a state-initiated collaborative agreement to support localities behind on their housing obligations to identify and address barriers to production within the local government’s control. Through this program, the state provides technical assistance, regulatory support, funding, and support in attaining other public funds (DLCD 2024).

“The purpose of the acceleration program is to identify barriers and then overcome those barriers.... It’s about bringing in funding, bringing in technical assistance.”

—Interviewee from Oregon

Enforcement orders and other open-ended enforcement tools are used if localities refuse to enter into a housing acceleration agreement with the state or continue to be delinquent on meeting their production targets despite the terms of the agreement. State law leaves these options open ended, including applying model ordinances, waiving or amending local ordinances, reducing planning review timelines, or withholding the limited amount of technical assistance funds administered by the Department of Land Conservation and Development (DLCD) (DLCD 2024).

Three agencies are involved in the program’s design, implementation, and administration. The housing target setting is carried out by economists in the Department of Administrative Services Office of Economic Analysis; the programmatic elements of the program and implementation considerations are directed by the DLCD; and tracking of local housing production and progress toward housing obligations is conducted by the state housing finance agency or the Oregon Housing and Community Services department.²⁰

Data and Methods

The OHNA relies on a detailed methodology that accounts for both current and future housing needs over a 20-year planning horizon and incorporates regional, demographic, and economic data to ensure a comprehensive and equitable distribution of housing targets (Department of Administrative Services 2024). These steps are as follows:

1. **Determine the planning regions** using Census Public Use Microdata Areas aggregated into broader geographic areas, including the Central region, the Willamette Valley, the Metro region, and others. Then, income categories are defined based on AMI thresholds for each region. These thresholds are less than 30 percent, 30 to 60 percent, 60 to 80 percent, 80 to 120 percent, and at least 120 percent of the AMI. A key methodological shift from previous planning frameworks is the use of regional incomes rather than city-level incomes, thereby requiring localities to plan for a share of their region’s housing need by income level, rather than relying solely on local income distributions.
2. **Estimate current housing need** by adapting the “Up for Growth” methodology to Oregon’s context.²¹ This includes identifying “missing households”—those that have not formed because of constrained housing supply—by comparing age-specific household formation rates from 2000 to the present. The method then estimates how many housing units are needed to close this gap, factoring in a healthy vacancy rate and subtracting uninhabitable and seasonal units. The state also incorporates the housing needs of people experiencing homelessness by

combining multiple data sources, including point-in-time counts, McKinney–Vento student data, Homeless Management Information System records, by-name lists, and ACS data. All these figures are converted into household units to estimate the number of additional homes required.

3. **Estimate future housing need** by projecting population growth, accounting for housing units expected to be lost to second and vacation home demand and adjusting for demographic shifts. Population forecasts are derived from Portland State University's Population Research Center and are adjusted to exclude individuals living in group quarters. The analysis calculates how many housing units will be lost to vacation and second-home use by region and incorporates these losses into the future need estimate. To account for demographic change, such as the increasing number of smaller households attributable to an aging population, the methodology translates population projections into households using forecasted average household sizes for each region.
4. **Allocate housing needs across income categories** according to the regional share of cost-burdened renter households. Housing for people experiencing homelessness is distributed based on data provided by the Oregon Housing and Community Services department. Future need stemming from the loss of housing to vacation and second homes is allocated based on the age of properties affected.
5. **Allocate housing needs to cities and urban growth boundaries and set production targets.** For areas outside urban growth boundaries, allocations consider forecasted population growth, job distribution, and an equitable statewide distribution of housing. In regions such as Portland, the allocations to urban growth boundaries are further distributed among jurisdictions within the boundary. Housing production targets are then established by prioritizing and front-loading the current need into the first 10 years of the 20-year planning horizon while distributing the future need more evenly across the entire period.

One interviewee noted that early versions of the housing needs methodology yielded odd results because of an overemphasis on job centers, particularly in the Portland metro area. For instance, in this earlier version, a small suburb of Portland was allocated a large amount of housing need because it is a job center, but the need was so high that Portland ended up getting a small amount because the suburb ended up getting such a large share. To account for this, the allocation methodology was adjusted, such as by introducing an inverse weighting process, to ensure that smaller areas were not disproportionately burdened. They also incorporated transit access to jobs, which helped to smooth out

the need. This process of examining the targets and rethinking the methodology, the interviewee noted, was meant to create a methodology that yielded results that everyone intuitively knew to be true.

The interviewee also noted that early versions of the housing needs methodology created lower targets in areas that had historically underproduced housing, so they adjusted the calculations to include inverse weights to allocate more housing, particularly housing affordable at lower incomes, to cities that have historically produced less market-rate and affordable housing units.

Successes

Oregon has learned from other states' established programs to mitigate expected challenges, including those regarding political pushback and data and methods. According to one interviewee, the state's collaborative and less punitive approach appears to have had early success, by minimizing local political opposition to the program and promoting compliance with housing goals. By first providing resources and tools to localities to support them in achieving their housing goals and pursuing punitive measures only as a last resort, the state has garnered support for the program.

Through five years of program development, the state ensured that the program was informed by data and evidence.²² The state's target-setting methodology was developed through several iterations. Tasking a team of economists with the housing target-setting calculations helps mitigate local pushback against how their targets were calculated. According to the interviewee, this was meant to reduce localized infighting over allocations and to base targets on objective data and need, not political compromise.

“That was a very intentional decision.... There wasn't going to be this kind of like infighting of who gets what target and how the need is allocated, which is one of our identified fundamental flaws of the state of California.... We put it in the hands of the numbers people just to do the numbers and not think about the policy implications, because the need is the need.”

—Interviewee from Oregon

Challenges

In the Oregon program's first years of implementation, one interviewee observed a few initial challenges. One repeated critique, according to the interviewee, has been greater administrative burden on localities to understand the new target-setting regime and ensure their compliance with it, partly because of the substantial changes required from the prior system. The new OHNA program does require more work from localities, but the state has tried to mitigate this by providing technical assistance through consultant partners to understand and follow the law and by emphasizing that cities will not face punitive consequences as long as they are implementing the program in good faith.²³

Another challenge is the limitation of certain enforcement mechanisms. Because the DLCD handles enforcement, if the agency seeks last-resort enforcement options, its ability to withhold funds is limited by the programmatic jurisdiction it holds. For example, the DLCD does not oversee the state Housing Trust Fund and therefore cannot withhold these critical funds to enforce compliance.²⁴

The interviewee also noted that the state did not do enough socialization of the policy early on with local governments. They said that such socialization would have helped ensure better understanding and acceptance of the program's aims and mechanics, especially for the cities scheduled to begin under the new framework in 2027.

"If I could go back, I would have brought people along a little bit better.... We were so buried in trying to reform the program and think through how it was going to connect together and roll out."

—Interviewee from Oregon

Metropolitan Washington Council of Governments Regional Housing Goals

Following the recovery from the foreclosure crisis in the late 2000s, there was growing concern across the greater Washington, DC, region about housing affordability and housing supply. According to one interviewee, these concerns were heard from the District of Columbia and inner-ring suburbs and out to Loudoun and Prince William Counties in Virginia.

In 2018, recognizing an employment surge and household growth and a need to ensure future economic growth in the region, the Metropolitan Washington Council of Governments (MWCOG) called for exploring ways to address these challenges regionally.²⁵ In 2019, following on the work of the planning and housing directors committees and MWCOG staff members, the MWCOG board, composed of elected officials from jurisdictions in the DC-Maryland-Virginia (DMV) region, adopted three housing targets for the region to achieve by 2030 (MWCOG 2019):

1. Increase the amount of housing units in the region by 320,000, which is 75,000 more than forecasted as needed at the time.
2. Ensure housing accessibility by locating at least 75 percent of new housing development in areas of high growth or high-capacity transit.
3. Guarantee the affordability of 75 percent of new housing for LMI households.

Approach

The regional housing goals are benchmarks for localities to measure their progress meeting the region's housing needs. The targets are not enforceable, as MWCOG does not possess any legal jurisdiction over the region's localities.

MWCOG did not create local subtargets from the regional 320,000 housing unit goal. It considered distributing the 75,000 additional housing units throughout the region based on projected household growth in each locality but did not ultimately adopt this method (MWCOG 2019). Through independent analysis, some localities, including Washington, DC, have established their own targets for housing production. In addition, Housing& (formerly, the Housing Association of Nonprofit Developers) has been publishing a Housing Indicator Tool that tracks local jurisdictions' progress on production and affordability estimates generated by Urban Institute in Turner et al. (2019). Those estimates, when aggregated to the regional level, are not exactly the same as the MWCOG targets.²⁶

Data and Methods

The MWCOG targets were designed through comprehensive analyses of projected household and employment growth in the region and current and future housing needs across the income spectrum.

The Cooperative Forecasting Program, funded by MWCOG, conducts econometric analysis to provide universal assumptions of future housing and employment growth in the Washington region. The forecasts, which range from 20 to 30 years, reconcile estimates from econometric projections of

the entire region with short- and long-term projections by local governments (MWCOG 2018). To calculate the amount of housing needed from 2020 to 2030, analysts used the Cooperative Forecasting Program's forecast to determine that the region would do the following (MWCOG 2019):

- Increase the number of households by approximately 245,000, from 2.13 million to 2.38 million households, and increase employment by approximately 412,000 jobs, from 3.36 million jobs to 3.77 million jobs.
- Assuming an ideal ratio of 1.54 jobs per household,²⁷ increase from 2.18 million to 2.45 million households, or 268,000 new households, to accommodate employment growth, which is an additional 75,000 households above the original forecast of 245,000.
- Require 320,000 new housing units to accommodate employment growth, or the sum of projected household growth (245,000) and the additional households needed (75,000).

Next, to calculate the transit and jobs accessibility targets, MWCOG analyzed housing growth near 141 activity centers, or designated areas of high growth,²⁸ and 297 high-capacity transit stations in the region, which are areas projected for future growth but that often lie outside activity centers (MWCOG 2019).²⁹ From this, the council determined the following:

- Sixty-eight percent of the 245,000 new housing units in the region, or 167,000 units, were expected to be located in either activity centers or near high-capacity transit stations by 2030.
- Using data from local planning departments, analysts determined that an additional 75,000 housing units to meet future growth needs could be absorbed within activity centers, making a goal of 242,000 units to be added in these areas by 2030.
- Thus, 242,000 of the 320,000 housing units, or 75 percent, needed by 2030 can be located in activity centers or near high-capacity transit stations by 2030.

Finally, to calculate the affordability targets, MWCOG consulted the Urban Institute to identify the ideal distribution of housing units by level of affordability. These goals were calculated by comparing the income distribution of current households with the housing costs that would be affordable to those households and determining the units needed at each cost band to ensure there are housing units affordable and available to all households in the region (Turner et al. 2019). Turner et al. (2019) used the cooperative forecast from MWCOG to estimate the income levels for the projected households expected to be added between 2015 and 2030. To calculate the future housing units needed by cost

level, the researchers used the cost distribution that would be affordable to current households and applied that to the distribution of projected households by income band.

Through this analysis, Urban estimated that 38 percent of new housing units should be in the lowest-cost bands (\$0 to \$1,299 per month), 40 percent should be in the middle-cost bands (\$1,300 to \$2,499 per month), and 22 percent should be in the highest-cost bands (\$2,500 to \$3,500 per month). MWCOG ultimately set the affordability goal or share of new housing to be affordable to households in the LMI range at 75 percent, which was approximately 38 percent of housing in the low-income band plus 40 percent in the middle-income band, per Urban estimates.

Successes

Despite not having tangible enforcement mechanisms, the MWCOG initiative has still been effective in organizing political will and policy change among its local governments. One interviewee noted that the shared urgency and buy-in among jurisdictions to address the region's housing shortage and external pressure from media and the public to meet established goals has improved the initiative's effectiveness. Additionally, the timing was right for the region to focus on this challenge. Many groups were talking about it, including housing advocates, employers, and business groups focused on economic competitiveness (and at the time attracting Amazon's HQ2 to the region), such as the Greater Washington Partnership.

Target setting, when the goals are ambitious yet achievable, was seen to be effective for political communications. As MWCOG's goals were being discussed and finalized, the District of Columbia set its own goal to build 36,000 homes by 2025.³⁰ One interviewee noted that this goal was an imprecise yet attractive number that helped DC mayor Muriel Bowser attract political will inside and outside her administration to make prohousing reforms. Bowser's announcing the target in her second inaugural speech gave the target prominence, which enabled agencies to push harder on programs and initiatives that would help deliver on the mayor's goal. DC's early adoption of a supply target also helped support the MWCOG housing targets when they were rolled out and may have helped spur the adoption of the MWCOG targets by other jurisdictions, including the City of Alexandria, Prince George's County, and the Montgomery County Council. Ultimately, DC met and exceeded its 36,000-unit production target, though it has not yet achieved its affordability target of 12,000 affordable units.³¹

Continued public pressure and transparency has also kept attention on the MWCOG housing targets, despite their lack of enforceability. Housing&'s Housing Indicator Tool, first launched in 2021, published the results of a survey of local jurisdictions in the region to obtain data on overall housing

production and affordable housing production. Since then, in partnership with Urban, which leads the data collection and analysis, the Housing Indicator Tool has tracked regional progress on housing production, adding additional data on housing preservation and market context in subsequent years. There was some resistance from jurisdictions in participating in the Housing Indicator Tool early on, but now participation is expected. Several jurisdictions have improved their data collection processes to support their participation, and at least one has begun publishing its own dashboard to publicly communicate progress. The tool's annual rollout also presents an opportunity for media attention on the targets and regional progress to date.

Challenges

The potential effectiveness of the MWCOG housing targets is limited in several regards, including the scope of the housing needs, that they encompass multiple states and the District of Columbia each with differing policy contexts, lack of enforceability, and challenges in tracking progress.

The scale of the housing supply challenge is great. The region needs to produce about 32,000 units per year to meet the target. MWCOG analysis indicates that the region last permitted about 32,000 units annually in the run-up to the foreclosure crisis between 2000 and 2005 before falling to about 11,000 units and recovering to 21,000 units by 2018 (MWCOG 2019). The affordability target of 75 percent of units affordable to LMI households is even more challenging, given the high cost of land and construction and need for at least some subsidies for most projects to bring rents down to levels affordable to households with low incomes.

One interviewee underscored how target-setting programs are an imperfect tool to push for affordable housing production as compared with overall housing production, where there are additional levers that might reduce barriers to overall production, such as zoning or regulatory processes. They noted that it is less realistic to set affordable housing goals without allocating additional funds toward production. And even with additional funding, it is still difficult to make progress on reducing the supply gap, given the scale of the problem.

“The biggest challenge is we need both more production and more affordable housing, which are related, but they’re also different.... Production in the long run, hopefully, will lower housing costs, but that doesn’t solve any short- or medium-term [affordable housing gaps], and the only answer really to scale that is dollars. So the nice thing about [overall] production is it’s not necessarily a dollars question. It’s a policy question; it’s a framework question. If you’re not spending dollars, it just is a different realm of discussion...even when DC spends \$100 million a year [on] affordable housing, it’s like, okay, what happened? So, it can feel very impossible.”

—Interviewee from Washington, DC

As Turner et al. (2019) acknowledges, meeting these needs will require a portfolio approach to policies and participation by all sectors, including the federal government, the philanthropic and private sectors, and local and state agencies. Although there is more local jurisdictions can do to increase the supply of both affordable housing and housing overall, it is unlikely they can meet these targets through their own actions alone (Hendey, Harvey, and Trueblood 2023).

Though it is useful to understand the scale of the problem as laid out by Turner et al. (2019), our interviewee suggested that a “realistically ambitious” target might do more to motivate action in the short and medium term than goals that sound impossible, as they may enable jurisdictions to opt out or give up easily because there would be no way to succeed on them.

Adding to the scale of the challenge is that the region covers multiple states and political contexts. Maryland and Virginia, while both Dillon Rule states (meaning they can exercise only the limited powers the state specifically grants), grant very different authority to counties and independent cities. For example, counties in Maryland can adopt tax exemptions as incentives for affordable housing production to reduce project costs, but counties in Virginia cannot. Virginia jurisdictions would need the state legislature to grant them the authority to use property tax exemptions in this way. Therefore, replicating a promising practice for increasing production from one jurisdiction in the same regional housing market is not always possible.

Absent an enforcement mechanism for MWCOG—which is funded in part by its member jurisdictions—data collection and transparency on progress could help hold the region accountable to meeting the housing targets. But unlike some of our other case studies, the ability to track progress was

not built into the design of Greater DC regional targets. According to one interviewee, MWCOG lacked centralized data collection for tracking jurisdictions' progress toward goals. Currently, Housing&'s Housing Indicator Tool serves this purpose, but it relies on jurisdictions voluntarily submitting their local data and does not track the targets exactly as specified by MWCOG.

Notes

- ¹ Mass. Gen. Laws [ch. 40A, § 12](#) (2025); Mass. Gen. Laws [ch. 40A, § 13](#) (2025); Mass. Gen. Laws [ch. 40A, § 8](#) (2025); and Mass. Gen. Laws [ch. 40A, § 14](#) (2025).
- ² “Housing Appeals Committee (HAC),” Mass.gov, accessed September 2, 2025, <https://www.mass.gov/info-details/housing-appeals-committee-hac>.
- ³ “Overview of the Massachusetts Comprehensive Permit Law, G.L. C 40B §20-23,” Mass.gov, accessed September 2, 2025, <https://www.mass.gov/doc/chapter-40-b-massachusetts-comprehensive-permit-law-overview/download>.
- ⁴ “Housing Appeals Committee (HAC),” Mass.gov.
- ⁵ Interview with Massachusetts stakeholder.
- ⁶ Interview with Massachusetts stakeholder.
- ⁷ “Chapter 40B and MassHousing,” MassHousing, accessed September 2, 2025, <https://www.masshousing.com/en/programs-outreach/planning-programs/40b>.
- ⁸ Tim Reardon, “New Subsidized Housing Inventory Figures Provide an Estimate of Affordable Housing Available in Each Massachusetts Community,” Metropolitan Area Planning Council blog, August 4, 2023, <https://www.mapc.org/planning101/new-subsidized-housing-inventory-figures/>.
- ⁹ Interview with Massachusetts stakeholder.
- ¹⁰ Reardon, “New Subsidized Housing Inventory.”
- ¹¹ Interview with Massachusetts stakeholder.
- ¹² Office of New Jersey Governor Phil Murphy, “Governor Murphy Signs Landmark Affordable Housing Legislation,” news release, March 20, 2024, <https://www.nj.gov/governor/news/news/562024/20240320b.shtml>.
- ¹³ Interview with New Jersey stakeholder.
- ¹⁴ Office of New Jersey Governor Phil Murphy, “Governor Murphy Signs Landmark Affordable Housing Legislation.”
- ¹⁵ Interview with New Jersey stakeholder.
- ¹⁶ Glenn A. Grant, acting administrative director, New Jersey Courts, “Civil—Affordable Housing Dispute Resolution Program—Implementation of L. 2024, c. 2,” directive to assignment judges and trial court administrators, December 13, 2024, https://www.njcourts.gov/sites/default/files/administrative-directives/2024/12/dir_14_24.pdf.
- ¹⁷ Fair Share Housing Center, “Historic Success: 85% of New Jersey Towns Adopt Reasonable Affordable Housing Calculations under New Law,” press release, accessed September 3, 2025, <https://www.fairsharehousing.org/press-release/historic-success-85-of-new-jersey-towns-adopt-reasonable-affordable-housing-calculations-under-new-law/>.
- ¹⁸ “Oregon Housing Needs Analysis: Housing Production Dashboard, January 2025,” Oregon Housing and Community Services, last updated April 11, 2025, https://public.tableau.com/app/profile/oregon.housing.and.community.services/viz/ProductionDashboard_17339346604760/Story1.

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- ¹⁹ “Oregon Housing Needs Analysis: Housing Equity Indicators Dashboard, January 2025,” Oregon Housing and Community Services, last updated February 28, 2025, https://public.tableau.com/app/profile/oregon.housing.and.community.services/viz/OHNAHousingEquityIndicatorsDashboard_V1/MainPage.
- ²⁰ Interview with Oregon stakeholder.
- ²¹ “2023 Housing Underproduction in the U.S.,” Up for Growth, accessed September 9, 2025, <https://upforgrowth.org/apply-the-vision/2023-housing-underproduction/>.
- ²² Interview with Oregon stakeholder.
- ²³ Interview with Oregon stakeholder.
- ²⁴ Interview with Oregon stakeholder.
- ²⁵ Chuck Bean, executive director of the Metropolitan Washington Council of Governments (MWCOC), “Meeting the Region’s Current and Future Housing Needs,” memorandum to the MWCOC board of directors, September 5, 2018, <https://www.mwcog.org/file.aspx?D=fmCqBSE2KWWnglww9DkE8QRDRZIShBzjviC768EbbxM%3d&A=LrkHdAnZQEepJSM3CKgvG6S8k%2fYaLkzjLk47eIFlxA4%3d>.
- ²⁶ See the website for the Housing Indicator Tool at <https://hit.handhousing.org/>.
- ²⁷ The rate of 1.54 jobs per household was determined in the long-range plan by the regional Transportation Planning Board to be the rate to boost regional economic competitiveness and reduce transportation system strain. The actual jobs-to-household ratio in the DMV region was 1.64 in 2019. For more, see “Long-Range Plan Task Force Reports,” Metropolitan Washington Council of Governments, December 20, 2017, <https://www.mwcog.org/documents/2017/12/20/long-range-plan-task-force-reports-projects-regional-transportation-priorities-plan-scenario-planning-tpb/>.
- ²⁸ “Regional Activity Centers Maps,” Metropolitan Washington Council of Governments, last updated May 14, 2025, <https://www.mwcog.org/documents/2025/05/14/regional-activity-centers-maps-activity-centers-land-use-region-forward/>.
- ²⁹ See the website for Visualize 2045 at <https://visualize2045.org/>.
- ³⁰ [Mayor’s Order 2019-036](#) (May 10, 2019).
- ³¹ “DMPED 36,000 by 2025 Dashboard,” DC Office of the Deputy Mayor for Planning and Economic Development, accessed September 5, 2025, <https://open.dc.gov/36000by2025/>.

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About the Authors

Christina Plerhoples Stacy is a principal research associate in the Housing and Communities Division, where she specializes in urban economics, housing, and transportation.

Aniket Mehrotra is a policy coordinator in the Housing and Communities Division at the Urban Institute. His expertise spans mortgage finance, disparities in homeownership, and policies aimed at expanding housing supply and affordability.

Leah Hendey is a principal research associate in the Housing and Communities Division. She is a key member of the Urban–Greater DC team and has led several projects on the greater DC area.

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500 L'Enfant Plaza SW
Washington, DC 20024
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