



OPPORTUNITY FOR ALL

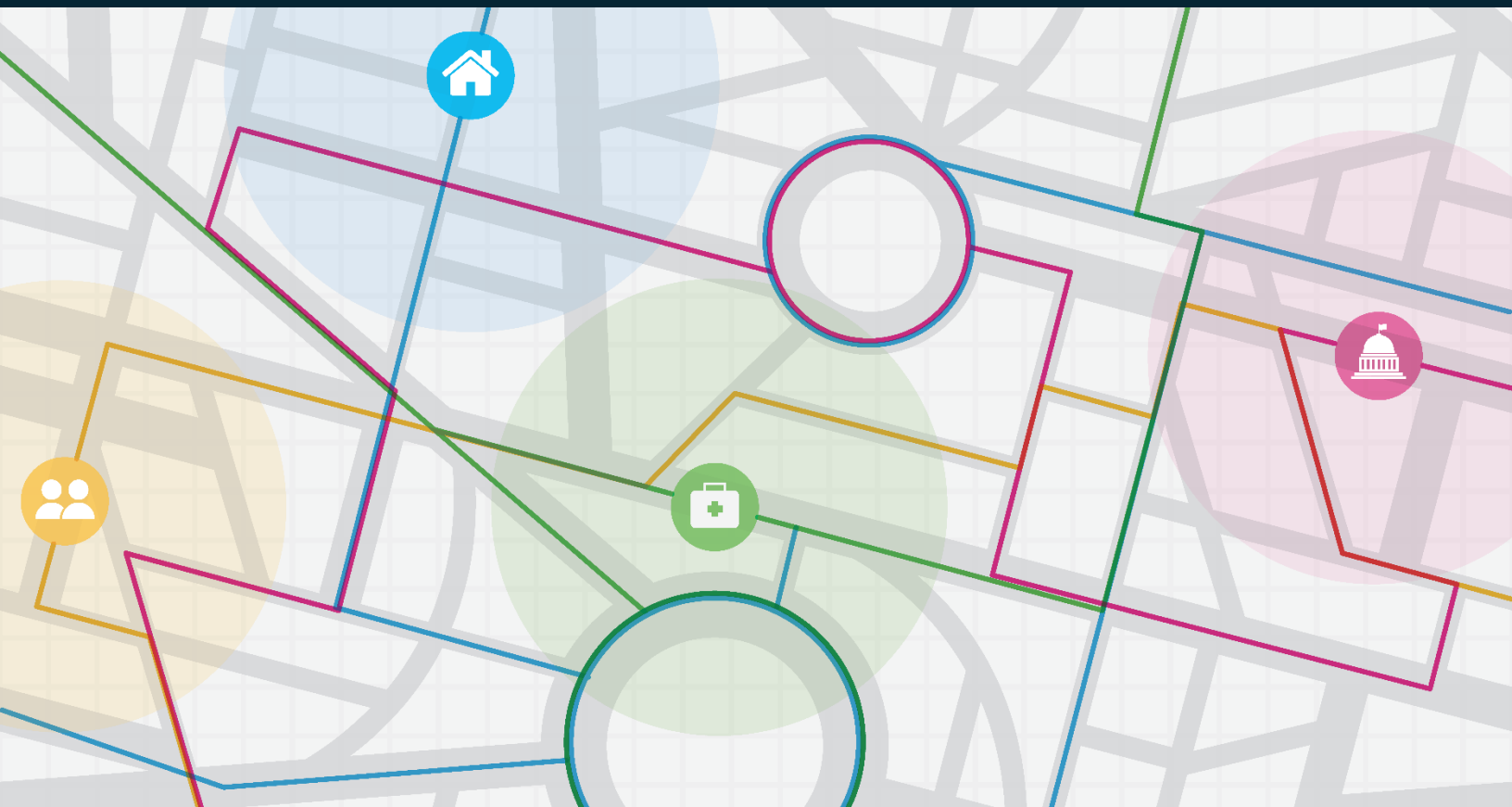
Breaking Barriers, Boosting Supply

How the Federal Government Can Help Eliminate Exclusionary Zoning

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The **Opportunity for All** project is based on a simple premise: every family should live in a neighborhood that supports their well-being and their children’s ability to thrive. But today, too many families, particularly families of color, live in neighborhoods that have suffered from decades of disinvestment, have been displaced from neighborhoods that are revitalizing, and are excluded from neighborhoods with opportunity-enhancing amenities. Racist public policies have created and reinforced this uneven landscape, but better policies can instead support fairer and more just access to opportunity. The federal government has a particularly important role because of the scale of its resources and its ability to level the playing field across places.

In this essay series, Urban Institute scholars, community leaders, and national experts are working together to explore how the federal government can help all neighborhoods become places of opportunity and inclusion. Although these essays address multiple policy areas, they all aim to end the systems that tie Americans’ chances of success to their race or the place they grow up.

Local governments across the country have incentives to adopt zoning laws and other land-use regulations that limit the production of housing, particularly multifamily and subsidized units. These restrictions reduce the overall supply of housing and perpetuate racial and economic segregation. The federal government can play an important role in lifting local barriers to fair and affordable housing, and we suggest an approach that would encourage states to adopt more inclusive policies. Specifically, the federal government should require that to receive competitive funding for housing, transportation, and infrastructure, states must demonstrate measurable progress toward meeting regional housing needs and distributing affordable housing across a diverse range of communities.

The Challenge: Little Decisions, Big Problems

The history of zoning in the United States is one of many “little” local decisions causing “big” national problems. Local governments have well-documented incentives to limit the production of some housing, particularly multifamily apartments, subsidized housing, and any housing that is affordable to lower-income families.¹ Some of these incentives are fiscal. To fund basic services, infrastructure, and schools, many cities and towns favor zoning rules that allow uses that generate more tax revenue than they consume in services, especially in states where local governments shoulder most of these costs.² Favorable uses might include commercial centers that boost revenue from sales taxes or large single-family homes on even larger lots, which are affordable only to wealthier households.³

But often motives behind zoning decisions are exclusionary. From the beginning, zoning laws in the United States have been used to exclude Black people and other people of color, immigrants, and lower-income families from neighborhoods with high-quality schools and opportunity-enhancing amenities.⁴ In the early 20th century, many zoning laws explicitly segregated neighborhoods by race. After such laws were outlawed by federal statutes and court decisions, local governments turned to subtler methods. Zoning restrictions that limited density and excluded multifamily housing replaced overtly racist laws,⁵ and these tactics proved remarkably effective. More than 50 years after the Fair Housing Act prohibited racial discrimination in housing and lending, racial segregation continues to shape urban and suburban neighborhoods across the United States, contributing to widening disparities between white children and Black and Latino children across a range of life outcomes.⁶

Today, both fiscal pressures and racial exclusion shape local land-use decisions and lead to policies that limit development. Often these dynamics are intertwined at the community level, where incumbent homeowners successfully press for strict caps on development and oppose projects that include affordable rental units. Recent research has shown how greatly such opponents outnumber supporters at local zoning and planning board meetings and how whiter and older homeowners exert outsize influence on local zoning decisions.⁷ Some states create additional hurdles for the development of new affordable housing, requiring special approvals from voters, zoning boards, or elected officials for projects with public subsidies.⁸

The end result is that many regions and localities undersupply housing, especially low-cost housing that is affordable to most low- and moderate-income families.⁹ Worse, restrictions are most pronounced in areas where jobs and economic opportunities are growing the fastest, and this artificially constrains labor mobility across regions and suppresses economic productivity and growth.¹⁰ Restrictive zoning can also contribute to sprawl and a spatial mismatch between where low-wage workers live and where jobs are centered within regions, increasing commute times and transportation costs.¹¹

Exclusionary zoning also sustains racial and economic segregation because it puts high-income (and whiter) neighborhoods even further out of reach of low- and moderate-income home seekers, who are more likely to be people of color.¹² Segregation can also impose broader social costs by feeding racial and economic divisions, inhibiting social interaction and the flow of information, and polarizing political life.¹³ Recent research suggests that racial segregation contributes to police violence against and higher incarceration rates for Black men because it reinforces disparities in neighborhood services and implicit bias in justice systems.¹⁴

Moreover, affordable housing tends to be built only where it is politically expedient—that is, where denser housing is allowed and projects are less likely to be stalled by local opposition.¹⁵ This serves to concentrate poverty, and research shows this concentration limits opportunities for low-income children and families of color, deepening the inequities that have been so starkly highlighted over the past several months.¹⁶

The COVID-19 pandemic and ensuing economic crisis have exposed how residential segregation and housing cost burdens also impede our ability to respond to public health threats and recover from economic shocks. Even before the pandemic, life expectancy varied greatly between neighborhoods, especially in highly segregated cities and regions.¹⁷ Recent research suggests that more racially segregated metropolitan regions are showing wider disparities in COVID-19-related cases and deaths than less segregated ones.¹⁸ According to the Centers for Disease Control and Prevention, “racial housing segregation is linked to health conditions, such as asthma and other underlying medical conditions, that put people at increased risk of getting severely ill or dying from COVID-19.”¹⁹ Systemic disinvestment in segregated neighborhoods contributes not only to adverse exposure to health risks but also to economic insecurity and housing instability.²⁰ Strengthening the federal government’s ability to lift local barriers to housing production can help power an inclusive recovery that helps redress the disparities in housing, neighborhoods, and access that underlie the nation’s racial disparities.

Past Approaches: Untapped Federal Powers

If local zoning and land-use decisions are driven by narrow interests that often lead to an undersupply of housing or perpetuate segregation, political and legal theory suggests that higher levels of government (namely state and federal governments and their courts) can and should step in to correct for these political failures and contain negative spillovers to neighboring communities.²¹ This was the New Jersey Supreme Court’s reasoning in the famous *Southern Burlington County N.A.A.C.P. v. Mount*

Laurel Township decision in 1975, which aimed to undo the local exclusionary zoning practices that created economic segregation across the state. The court justified intervention on the basis that many little decisions, if not corrected, accumulate and lead to big consequences:

This pattern of land use regulation has been adopted for the same purpose in developing municipality after developing municipality. Almost every one acts solely in its own selfish and parochial interest and in effect builds a wall around itself to keep out those people or entities not adding favorably to the tax base One incongruous result is . . . municipalities render . . . it impossible for lower paid employees of industries . . . to live in the community where they work.²²

More recently, the US Supreme Court applied similar logic to racial segregation when it held that local zoning decisions that have a “disparate impact” on racial and ethnic minorities can violate the Fair Housing Act even without explicit discriminatory intent. In *Texas Department of Housing and Community Affairs v. Inclusive Communities*, Justice Kennedy, writing for the majority, found that “these unlawful practices include zoning laws and other housing restrictions that function unfairly to exclude minorities from certain neighborhoods without any sufficient justification,” concluding that such suits “reside at the heartland of disparate-impact liability.”²³

Many federal government commissions and reports have acknowledged that restrictive zoning regulations increase the price of land for housing, perpetuate segregation, drive up costs for low-income families seeking decent housing, and suppress overall economic growth.²⁴ But although some members of Congress recognized early on that the newly created US Department of Housing and Urban Development (HUD) should play a role in lifting local regulatory barriers to fair and affordable housing, the agency has consistently failed to act. Over the decades, the task forces that HUD has created and the studies it has commissioned about how ease local zoning restrictions have “resulted in more talk than action.”²⁵

HUD has exerted very narrow and limited oversight of local land-use regulations only in a handful of actions enforcing the Fair Housing Act of 1968, and it has done so inconsistently over the years.²⁶ The most ambitious effort to date was launched by George Romney, the former Republican Governor of Michigan and HUD Secretary under President Richard Nixon, who proposed that federal infrastructure funds should be withheld from localities that refuse to repeal exclusionary zoning or accept subsidized housing. Romney introduced his Open Communities program soon after the Fair Housing Act was adopted, but President Nixon promptly killed it after Romney’s HUD withheld or delayed funding to three suburban (and almost exclusively white) communities.²⁷

Since then, HUD has occasionally challenged particularly egregious zoning restrictions when they eliminate all affordable housing options in wealthy towns and suburbs and concentrate affordable

housing development in communities of color with high rates of poverty, such as in the high-profile and highly contested Westchester County settlement.²⁸ But fair housing enforcement has tended to focus more on overt discrimination in housing and lending than on exclusionary zoning practices. And since 2017, HUD has attempted to eviscerate two pillars of the Fair Housing Act that allow it to withhold funding or otherwise pressure local governments to reform unfair zoning laws: the “disparate impact” and “affirmatively furthering fair housing” rules.²⁹

If the federal government has good reason (and, plausibly, solid legal ground) to manage local land-use policies and zoning decisions that lead to housing shortages and entrenched segregation, why hasn’t it intervened more aggressively to curb exclusionary zoning?

The federal government has played a limited role for two primary reasons. First, some legal experts have argued that the federal government has its hands tied by the Constitution and the rules of federalism, which limit the ability of Congress and federal agencies to interfere in strictly local affairs. However, while it is true that “few areas of law and policy are considered more quintessentially local than land use,” this doesn’t mean that the federal government cannot act when national interests are at stake.³⁰ In fact, over the years Congress has carved out productive roles for the federal government in overseeing local land-use decisions across a broad range of policy areas, including religious freedom, environmental protection, telecommunications, and transportation and infrastructure.³¹ For example, the Telecommunications Act of 1996 allows the federal government to override local land-use regulations that impede the siting of cell phone towers, and the Religious Land Use and Institutionalized Persons Act of 2000 prohibits localities from using zoning and other land-use restrictions to impose undue burdens on religious institutions.³² In each case, the federal government has acted on solid Constitutional footing, grounding legislation in Congress’s spending and commerce clause powers.³³ In the housing context, Congress’s and federal agencies’ powers are arguably expanded by the Equal Protection Clause, because the ways exclusionary zoning has denied equal protection and opportunities to racial minorities is well documented.³⁴ Simply put, the “land use is local” argument is largely a normative (rather than legal) constraint on more aggressive federal action.³⁵

Second, and more importantly, until recently the federal government has lacked the political will to act. Although HUD under both Democratic and Republican administrations has launched commissions and reports “studying” exclusionary zoning, doing more would likely require legislation, and political agendas for HUD and Congress have rarely aligned on these issues.³⁶ Moreover, legislators face strong and vehement opposition from many constituents, particularly homeowners, to interfering in local land-use regulation and zoning decisions, especially when it involves requirements to accept affordable housing, which are sometimes criticized as “social engineering” or “forced integration.”³⁷

Signs of Change: Growing Evidence and Momentum

In recent years, however, as evidence about the pernicious effects of restrictive local zoning has become undeniable, we have seen signs of growing, bipartisan political will to expand federal and state roles in easing local zoning restrictions.

At the federal level, in the past year, bipartisan sponsors have introduced bills in Congress to create greater federal oversight of local land-use regulations by increasing reporting requirements for jurisdictions that receive Community Development Block Grants (such as the YIMBY Act)³⁸ and requiring municipalities to reexamine local land-use restrictions when applying for some federal transportation grants (such as the BMHNT Act).³⁹ During the Democratic presidential primary, virtually every candidate who had a housing policy platform included ideas for federal oversight of local land-use regulations, such as new competitive grant programs and robust fair housing enforcement.⁴⁰ And while Democratic candidates were hashing out their plans, President Trump signed an executive order establishing a White House Council on Eliminating Regulatory Barriers to Affordable Housing, which is charged with quantifying the effects of local zoning laws and other regulatory barriers to housing production and recommending “best practices for removal.”⁴¹

We propose an approach that builds on not only the momentum for federal action but also the innovation we’ve seen from state governments, some of which have taken bold steps to address housing shortages through oversight of local land-use regulations and zoning decisions.⁴² In the past year or so, we’ve seen such diverse states as [California](#), [Oregon](#), [Maryland](#), [Nebraska](#), [Utah](#), [Virginia](#), and [Washington](#) consider or adopt statewide zoning reforms that would have been unthinkable just a decade ago.⁴³

These laws vary in their approach: some, such as in [Utah](#) and [Washington](#), rely on planning, reporting, and accountability mechanisms to achieve greater housing density; others (such as laws in [Oregon](#) and [California](#) and proposals in [Nebraska](#) and [Virginia](#)) simply override local zoning restrictions that mandate only single-family homes, instead allowing a greater diversity of housing options across cities and neighborhoods. Further, the motivation behind these laws may vary. Some bill sponsors argue states must intervene to address housing shortages and rising rents that are eating up the paychecks of a growing share of working families (see proposals in [California](#), [Nebraska](#), and [Virginia](#)).⁴⁴ Others frame the issue as deregulating land and protecting free-market principles and landowners’ development rights ([Utah](#))⁴⁵ or as ending segregation and racially exclusionary zoning policies ([Maryland](#)).⁴⁶ And still others focus on encouraging more compact development patterns to minimize environmental impacts and mitigate climate change ([Oregon](#) and [Washington](#)).⁴⁷ The time is ripe to act. The question is how.

A Possible Solution: Incentivizing States to Act

The federal government can accelerate statewide solutions by requiring states to identify clear and actionable goals for boosting affordable housing supply and lifting exclusionary barriers when they apply for competitive grants for housing, transportation, and infrastructure. This approach would build both on historic precedent, such as Romney's Open Communities program (discussed previously) and on recent federal legislative proposals, such as the HOME Act proposed by Senator Cory Booker and House Majority Whip Jim Clyburn, which would require localities that receive Community Development Block Grants or Surface Transportation Block Grants to develop plans to reform zoning rules that block housing.⁴⁸

But we suggest pushing the focus *up* to the state level and *out to* a broader set of federal funding streams. Both Romney's Open Communities and the HOME Act focus on direct funding from the federal government to localities (or, in the case of the Surface Transportation Block Grant, regional transportation planning agencies), and bypass states. For reasons we describe in the next section, we believe focusing on federal funding to states would yield greater impact. Further, we recommend an approach that would cover not only Surface Transportation Block Grants but also a broad range of competitive grants for transportation and infrastructure to states and metropolitan planning organizations (MPOs).⁴⁹

Moreover, rather than asking states to prepare more plans without taking action, states should be required to set equitable and achievable performance goals and demonstrate that they are taking concrete steps to achieve these goals by adopting policies aimed at lifting exclusionary barriers. Specifically, we recommend that to qualify for federal competitive funding for housing, transportation, and infrastructure, states must establish and act on two sets of performance goals. HUD and the Department of Transportation would be jointly responsible for reviewing and approving performance goals included in applications for competitive funds.

First, states should be required to set statewide and metropolitan housing production goals that reflect growth trajectories and address the current and projected needs of low- and moderate-income households. According to recent research by Freddie Mac, most states are currently experiencing significant housing supply deficits caused by years of underbuilding, which contributes to rising housing costs.⁵⁰ Even in states that do not have significant housing supply deficits, some metropolitan regions within those states are experiencing supply shortages, especially of affordable housing. For example, although the state of Kentucky does not have a significant housing deficit, demand for

housing in the Louisville metropolitan area is outpacing supply, leading to rising cost burdens, particularly for low-income families.⁵¹

We suggest that states set both statewide and metropolitan housing production goals based on employment growth, construction starts, vacancy rates, cost burdens for low- and moderate-income families, and home price increases over the past 10 years as well on projections of population and employment growth over the next 10 years. To set metropolitan goals, states should use either the boundaries of MPOs (either a single MPO or a combination of MPOs in the same larger metropolitan region).⁵² Goals should be specific, measurable, and designed to both close existing supply shortages and affordability gaps and prevent future ones.

Second, states should set clear goals for distributing affordable housing equitably within metropolitan regions. If not paired with siting requirements, production goals risk perpetuating disparities in affordability and access to opportunity across neighborhoods, because residents of higher-income areas will wield other tools to block projects.⁵³ These “fair-share” goals should be designed to address and reverse current inequities, and they should be tied to the overall production goals described previously. For example, states could create a goal that at least 20 percent of all new construction in any region should be affordable to households with incomes under 80 percent of the region’s median income and that at least half of these affordable units should be built in neighborhoods where the median income is above the region’s median income.

Importantly, these goals should not be based on the growth trajectory of individual neighborhoods or localities; rather, goals should respond to regional needs and ensure that new affordable housing is equitably distributed across neighborhoods and localities within regions.⁵⁴ This is to ensure that states do not meet their production goals by simply building more affordable housing in lower-income areas.

In addition to establishing goals for production and siting, states should be required to demonstrate progress toward meeting these goals by adopting statewide policies that are likely to achieve them. We do not believe that the federal government can or should prescribe the specific policies states would adopt; rather, it could require that these policies must “reasonably relate” to advancing the state’s goals and establish clear criteria for making that determination. In identifying and choosing policies, states could draw from ideas included in the proposed bipartisan YIMBY Act, from the Housing Development Toolkit published at the end of the Obama administration, and from other states’ experiences.⁵⁵

However, two types of policies should be presumed to advance the production and siting goals described above and therefore, if adopted, would automatically qualify states for competitive federal

funding for housing, transportation, and infrastructure and exempt them from both the goal-setting and policy requirements described above.

First, states could adopt minimum zoning requirements such as those in Oregon’s [HB 2001](#), which eliminated single-family zoning in most jurisdictions in the state and varied compliance requirements by city size. Minimum zoning could be strengthened by allowing modestly sized multifamily housing to be built by right in all residential zones, eliminating discretionary review that can lead to the inequitable outcomes described previously. States that adopt measures that prohibit local governments from restricting new development to single-family homes—either through zoning designation or procedural hurdles—should be considered presumptively compliant with the production prong of our proposed framework.⁵⁶

Second, states could adopt policies modeled on Massachusetts’s [Chapter 40B](#), which allows developers to bypass local zoning laws in communities that lack affordable housing options when a project includes units with long-term affordability restrictions. Under Chapter 40B, affordable housing developers are entitled to streamlined review at the local level, and they can appeal rejections of affordable and mixed-income projects in highly exclusive communities to a state-level Housing Appeals Committee. Recent research suggests that Chapter 40B has effectively boosted the supply of affordable housing and overcome local exclusionary barriers in the jurisdictions most resistant to affordable housing development in Massachusetts.⁵⁷ States that (1) adopt measures that prevent localities from excluding affordable housing through streamlined approvals and (2) create a meaningful appeals process for denials in exclusionary communities should be considered presumptively compliant with the fair-share prong of our proposed framework.

Advantages of This Approach

Using federal funding to states as a policy lever to lift exclusionary barriers to affordable housing and unleash housing supply has several advantages. First, states rely more heavily on federal grants than local municipalities do. Federal grants constitute roughly 31 percent of state revenue but only 5 percent of municipal revenue.⁵⁸ Increasingly, local governments rely on “pass-through” grants—or grants that flow from the federal government to local governments through state agencies—to fund core municipal services rather than receiving those funds directly from the federal government. And many smaller cities and most exclusive suburbs only receive pass-through grants from the federal government through the state.⁵⁹ Making competitive funding to states contingent on inclusionary policies leverages more money and therefore is more likely to spark action. Further, the federal government could much more feasibly monitor the actions of 50 state governments than of thousands of localities.

A second key feature of our proposal—tying statewide reforms to federal competitive grants for transportation and infrastructure as well as for housing and community development—will also strengthen incentives. The federal government provides more funding to states and local governments in these areas than for housing and community development programs. In fiscal year 2019 across all grant types, the federal government provided more than \$67 billion in transportation grants to state and local governments compared with only \$7.2 billion in grants for housing and community development programs.⁶⁰ The nexus between transportation dollars and housing is clear: in regions where housing is scarce and expensive, households are typically forced to live further from job opportunities and to experience longer daily commutes.⁶¹

Further, making competitive federal transportation and infrastructure funding to states contingent on statewide reforms can help lift the most pernicious barriers in exclusionary communities that rarely rely on direct federal support. Currently, federal oversight of exclusionary zoning is indirect and weak, and when it is applied, it is often limited to fair-housing reviews of local plans to use housing and community development block grants, such as the Community Development Block Grant Program. However, as Jenny Schuetz of the Brookings Institution points out, few of the nation’s most exclusive communities (i.e., those with high rents and little or no rental or multifamily housing) receive any Community Development Block Grant Program funding.⁶² And those that do can often afford to forgo that funding when asked to reconsider exclusionary policies.⁶³

In contrast, virtually all local governments receive some federal funding through pass-through grants from the state, and all local governments, even those in the most aggressive home-rule states, are subject to state law.⁶⁴ So holding states accountable for how they use federal resources rather than relying on direct federal aid to larger cities and counties can address the “most exclusionary communities” problem.⁶⁵

Another key strength of our proposal is its focus not only on production but also on “fair share” goals that work toward distributing affordable housing equitably within metropolitan regions. This pairing is essential. As noted, production goals without any distributional objectives could lead to states concentrating production in low-income neighborhoods as residents of higher-income areas more effectively block new development. Importantly, competitive grants would be conditioned not just on abstract plans but on states’ creation of concrete, measurable production goals and adoption of actual policies that could advance these goals.

A final advantage of our proposal is its flexibility and deference to state discretion. Although we include a limited number of housing, community development, and transportation block grants, we

focus our proposal on competitive grants rather than formula funds. This has the advantage of offering “carrots” that encourage states to lift exclusionary zoning barriers as a complement to the “sticks” associated with stronger fair housing enforcement, which is also sorely needed. Relatedly, the proposal does not mandate any particular policies or programs, giving states the flexibility to tailor and design incentives that are most suitable to their local context. States can choose either to set goals and adopt policies reasonably related to advancing them or to adopt predetermined policies that are deemed presumptively compliant.

Risks of This Approach

This approach has several risks, some of which we think can be addressed through careful policy design and refinements to the concept; others require continuing to build political will at the local, state, and federal levels.

First, even with clear guidance and requirements from states, residents of wealthy communities could find workarounds that prevent the construction of new multifamily housing and affordable housing. For example, even if states adopt minimum zoning requirements, residents could pressure their local governments to impose prohibitively high impact fees on new development or rezone away from residential uses entirely. Some of these workarounds could be addressed through policy design. For example, states could put caps on impact fees or allow multifamily housing to be built as of right in commercial zones, as California is currently considering.⁶⁶ States could also adopt outcome-based measures of compliance, such as Massachusetts’s Chapter 40B and California’s recent SB 35 and AB 1485, which require streamlined review of affordable housing developments when a municipality has failed to meet state-defined housing production targets.⁶⁷

Second, states could balk at any federal restrictions and risk forgoing federal funds for essential transportation and infrastructure that the most distressed communities may need most. For this reason, we propose a broad definition of transportation (beyond transit) and infrastructure (beyond water and sewer systems) to include competitive federal funding for large transportation and infrastructure projects that contribute to regional economies (such as highways and airports), projects that even the wealthiest and most exclusive communities rely on for their continued prosperity. Again, the nexus here is clear: to avoid the well-documented harms of rising housing cost-burdens, segregation, and sprawl as regions grow economically and spatially, they need housing that is affordable to workers across the income spectrum and that is located near jobs and economic opportunities.⁶⁸

Third, this approach could exacerbate some the fiscal challenges mentioned at the outset of this essay, challenges that the COVID-19 pandemic and its economic fallout are likely to worsen. Where

states are already expecting local governments to put up more of their own-source revenue to fund basic services, infrastructure, and schools, many cities and towns are understandably limiting growth they can't afford to pay for. The pandemic has put additional pressure on state and local budgets while laying bare the inadequacy and inequities of our current infrastructure systems.⁶⁹

A strong economy relies on strong infrastructure to function effectively.⁷⁰ Yet our nation's infrastructure is increasingly outdated and inadequate, and federal and state governments have failed to fully fund needed improvements.⁷¹ Without sufficient federal and state funds, local governments have been shouldering a growing share of transportation and infrastructure costs (primarily funded through a mix of taxes, user fees and voter-approved municipal bonds) but have not kept up with demand.⁷²

To address this, the federal government can and should increase funding on transportation and infrastructure to meet long-standing gaps, create jobs, and drive an economic recovery. This approach should not be limited to new funding for transportation and infrastructure, because the political viability of significant new funding is uncertain. Moreover, the state reforms we recommend do not require significant new expenditures, so they are unlikely to put additional strain on state or local governments' budgets. But if significant new federal funding for transportation and infrastructure is forthcoming, this approach can help ensure that those resources also address exclusionary barriers and support an equitable recovery.

We recognize that this approach represents a significant departure from the status quo. But the clarity of the harms and immensity of the inequities associated with the status quo suggest that bold action is not just warranted, it is urgently needed.

How to Make This Work

The first steps the federal government can take are to create an inventory of state and local funding programs, assess which are allocated through statutory formulas and which are competitive grants, and identify programs that could plausibly be subject to new conditions to meet the goals discussed here. Next, the federal government should decide on a set of minimum production goals in different contexts. The federal government could convene a combined local, state, and federal task force to determine criteria and thresholds for compliance; this task force should include policymakers, developers, advocates, and community leaders.

The federal government would also have to identify state land use policies that can advance both production and distribution goals. It would also have to establish clear criteria for determining which policies and reforms “reasonably relate” to advancing the state's goals.

Finally, the federal government should provide resources and establish systems to monitor and compare the progress states are making in meeting their goals, improve data collection, and share lessons across states. The system would need good data on housing production, together with rent levels and restrictions, to track progress. It would also need better data on state and local land-use regulations to understand any changes in the substantive and procedural barriers to new housing development. Although our proposal does not include a strict monitoring requirement to qualify for competitive grants, if adopted, the goal-setting and policy implementation requirements would create an unprecedented opportunity to learn about what state strategies are effective at overcoming local exclusionary barriers and boosting the nation's housing supply.

Notes

- ¹ In this essay we use “subsidized” housing to refer to any rental housing that uses a federal, state, or local public subsidy to offset development or operating costs and that places income and rent restrictions on units to keep them affordable to low-income renters. We use “affordable housing” more broadly to refer to housing that is affordable to low- and moderate-income renters, which can include subsidized units; unsubsidized units subject to rent restrictions (such as rent stabilization or inclusionary units); and unsubsidized, unrestricted units that are affordable to low- and moderate-income renters because of market conditions or landlord choices (often referred to as “naturally occurring affordable housing”). For more on terminology, see Aimee Curtis, “What’s the Difference between Affordable Housing and Housing Affordability?” *Greater Greater Washington*, May 5, 2020, <https://ggwash.org/view/77294/here-is-how-our-contributors-have-distinguished-affordable-housing-from-housing-affordability>; and Steve King, “Thoughts on the Unnatural Occurrence of Cheap Housing,” *Shelterforce*, April 25, 2017, <https://shelterforce.org/2017/04/25/thoughts-unnatural-occurrence-cheap-housing/>.
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