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Community Acceptance of Affordable Housing

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June 2004



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COMMUNITY ACCEPTANCE OF AFFORDABLE HOUSING

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Despite historically low interest rates, organizations across the nation have become increasingly concerned about the impacts of regulatory constraints and anti-growth sentiments on the availability and cost of housing. This concern is by no means limited to a few “high cost” areas like Boston and San Francisco. It can also be found in Iowa City, where new single-family houses were recently selling from \$150,000 to \$375,000 (prices readily considered affordable in many larger metropolitan areas) and even in rural areas where spill-over growth and “drive to qualify” solve the commuter’s affordability problem while creating unforeseen affordability problems for the rural native.

Today the residents of communities where jobs and population are expanding do not automatically assume that growth is good. Quite the contrary, they raise a skeptical eyebrow and demand “positive” growth. Developers must justify their proposals to the public (particularly neighbors to their developments) throughout zoning applications and subdivision reviews. With inadequate supplies of land zoned at densities to support affordable housing, opponents of development can place substantial pressure on public officials to deny the required zoning or to significantly modify the development, making it more expensive and possibly unfeasible. Neighbors are rarely opposed to development

in general, just the specific development near them, a sentiment dubbed “Not in My Back Yard” or NIMBY. Similarly, local public officials are rarely “anti-growth” but want to be sure that new development will have a positive fiscal impact on local government. Since the tax revenue streams associated with residential development are complex and only partially captured by the locality, the presumed (or even estimated) fiscal impact of residential development is often negative.

Even when communities agree there is a problem in achieving adequate production of affordable housing, they seem incapable of developing systematic solutions. The problem is very complex, but not intractable. Local governments are ill equipped to consider regional housing needs when they face inadequate tax revenues to support current services. And while advocates of affordable housing might rail against NIMBY opposition, the concerns of opponents cannot be easily dismissed as irrational.

The development of affordable housing is often a contest between conflicting assumptions, interests, and fears. Primarily, the contest is rooted in several interrelated factors that contribute to the NIMBY reaction: fear of adverse impacts on property values, anti-government sentiment, anti-poor sentiment, and racial prejudice and segregation. It is very important to recognize that the contest over affordable housing is not one-dimensional (Pendall, 1999) and occasionally is not subject to reasonable discussion by the contestants. In some cases concern over adverse impacts may be a smokescreen for deeper conflicts over a just society and the role of government. But smokescreen or real, the fear of adverse impacts and questions about the benefits of

affordable housing have to be addressed before increased levels of production can be achieved.

Several communities and organizations have launched a variety of strategies to promote the acceptance of affordable housing. These efforts include education campaigns, state and local regulations to promote affordable housing, physical design improvements, management improvements, outreach and negotiation, and, usually as a last resort, litigation.

A link between land use planning (at both the regional and locality levels) and community acceptance of affordable housing should be obvious. Montgomery County, Maryland, is well known for its Affordable Dwelling Unit ordinance requiring developers to plan subdivisions where at least 12.5 percent of the units are affordable to families below 65 percent of the Area Median Income. If more units are developed as affordable, the county provides a density bonus that can increase the total number of units by 22 percent. This inclusionary zoning requirement is often cited for achieving widespread acceptance of affordable housing throughout the county. Nonetheless, the county remains one of the most expensive housing markets in the country.

In the Seattle area, the Growth Management Planning Council of King County (GMPC), Washington, leads the Regional Housing Project (RHP), with a goal of increasing the overall supply of housing in the County, including the supply of affordable housing. To help understand citizen's concerns, the Regional Housing Project conducted 14 focus

groups to discuss housing issues (Growth Management Planning Council of King County, 2000). These discussions revealed that citizens already had a strong grasp of the need to provide more affordable housing opportunities to lower-income households. Consequently, the RHP decided that public education campaigns should address “the specific concerns of residents rather than emphasizing the general need for housing production and affordable housing.”

The RHP’s focus groups also provided some insights into the concerns citizens have about development. The participants were surprised when new developments were proposed and were uncertain about the amount of development allowed in specific locations. Their surprise translated into concern that there was uncertainty about future land uses and densities. They wanted to have a greater voice in land use decisions and to have their concerns taken seriously. They wanted new housing to be well designed and of better construction quality, and adequate transportation infrastructure in place prior to development to limit increases in congestion. They were not automatically opposed to higher densities, but favored home ownership and objected to two and three story garden style apartments. Other concerns focused on parks and open space, schools and public facilities, and a general distrust of local government.

Developers had some of the same concerns, but saw the issues quite differently. They also wanted greater certainty in decisions about types and densities of land uses allowed, and the provision of public infrastructure. To them, the length and uncertainty of the development approvals, along with increased development and infrastructure fees,

pushed them to build more expensive housing that would be more likely approved and be able to cover the higher cost of development.

To some extent, these interests are not easily reconciled. Affordable housing typically requires higher densities and can be perceived as being of lower value than neighboring properties. Only a few citizens participate in the development of the comprehensive plans that should lend more certainty to development patterns, but virtually everyone wants to influence that pattern when it materializes later on a site near them. Subdivision regulations, plan reviews and public hearings might not cover details about the development that neighbors want to influence, details that might go well beyond the specifications and requirements of the locality's regulations. Given the length of approval processes and pre-development phases, it is even possible that some families move into adjacent properties after the public hearings and first learn of the development later.

The developer, on the other hand, sees delay as increasing costs and the risk of having the development rejected. Design modifications preferred by the neighbors might shift the rents or sale prices away from the intended market. Higher costs could jeopardize financing arrangements and threaten the viability of the development. Delays and deviations from approved plans might jeopardize the developer's federal or state subsidies for the current project as well as the company's ability to obtain support for future properties. Some developers might start with a higher-end product in an effort to win community acceptance.

Although several communities have initiated campaigns to promote acceptance of affordable housing, the issues are too complex to simplify into a set of “best practices”. Nonetheless, we can recommend several strategies that warrant careful consideration, thorough planning, and diligent execution.

1. Establish a public commitment to affordable housing. States and localities should require land-use planning to include affordable housing and should monitor performance in meeting housing demand across all segments of the market.
2. Acknowledge that negative community impacts can occur and that NIMBY is not an irrational response of fanatics. Affordable housing needs good planning, proper site selection and adequate management once properties are built. Developers should demonstrate their track record in producing affordable housing that is a lasting community asset.
3. Good design counts and it does not have to jeopardize affordability.
4. Communicate early and often. Target communications to elected officials and neighbors of proposed developments. Develop “media savvy” communications campaigns that highlight the importance of affordable housing to a large segment of the public.
5. Address the fiscal impact of affordable housing with accurate, comprehensive data.
6. Develop a clear record that is well documented. Provide accurate information about the costs of excluding affordable housing as well as the benefits of including affordable housing.

In this report, we provide a comprehensive review of community resistance to affordable housing, starting with definitions of affordable housing and of NIMBY. We then address the impact of affordable housing on property values, which is often central to the NIMBY response. We review the approaches being used to overcoming NIMBY and to promote greater community acceptance of affordable housing. Discussions of affordable housing typically ignore the issue of fiscal impact, which we discuss in detail. To the extent that local governments perceive housing, and affordable housing in particular, as costing more in public services than it generates in revenues, fiscal impact might be central to community acceptance. We discuss the emerging politics of affordable housing and recent opinion polls indicating a higher public priority for affordable housing than in years past. Finally, we present our conclusions, followed by an extensive bibliography of literature addressing community acceptance of affordable housing.

REFERENCES

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