

Scope: Housing supply and affordability strategy paper

Project description

Previous housing work at CMAP has focused heavily on the intersection of housing affordability and housing stock diversity. This dual focus comes from GO TO 2040, which discusses the need for a range of housing options throughout the region due to the numerous benefits such diversity provides, including improving housing affordability. This policy direction has manifested itself in policy research on the state of the region's housing market and trends in housing development, LTA recommendations encouraging communities to permit more multi-family and townhome developments, *Homes for a Changing Region* projects that investigate housing affordability, and research on the access that different groups have to housing in the region through the *Fair Housing and Equity Assessment*.

While these efforts all tie closely with GO TO 2040's focus on providing a range of housing options, they have not always been impactful. Some of this is owed to the unprioritized nature of the programs, tools, and resources highlighted in GO TO 2040, leading to general recommendations about housing stock diversity and meeting the needs of all residents and all life stages that focus only on form (i.e. single-family vs. multi-family) for widely different communities. Moreover, the agency has talked interchangeably about "affordable housing" (e.g. subsidized housing) and "affordable housing" (e.g. housing affordable to someone without spending more than 30 percent of their income). Past affordability measures, including those used in *Homes*, do not always correspond with measures used by others active in the space.

Building on the CMAP Board's guidance for the next regional plan – greater refinement of existing policies, exploration of limited new policy areas, and development of more specific guidance for implementers – this strategy paper will analyze ways that CMAP can consistently define and discuss housing stock diversity and housing affordability. The analysis will attempt to identify policy directions that meet the following parameters:

- Builds off of previous agency work, including the continued importance of housing stock diversity.
- Corresponds with or complements actions, measurements, or priorities of key partners already working on the topics.
- Supports the policy directions of other next plan topics, including reinvestment, equity, and undeveloped areas.
- Matches the capacities of CMAP or key partners to implement the recommended policy directions.
- Provides a starting point for future research on more specific guidance for implementers.

This project is expected to identify recommendations for the next plan that are both spatially-oriented and policy-oriented. Not all recommendations may be the same for all geographies. This paper will bring to bear ongoing research CMAP is conducting with the DePaul University Institute of Housing Studies (IHS) on housing market types to consider the utility of geographic variations in determining agency housing policy for supply and affordability.

Key steps

1. Regional agency approaches to housing supply and affordability (January/February 2016)

CMAP staff will review and compare the housing supply and affordability policies pursued by CMAP and other regional agencies. Special attention will be paid to the geographically-specific regulatory environment that underpins those different approaches.

Deliverable: Presentation to the Housing Committee (February 2016)

2. Review external policies, organizations, programs, and preferences – housing supply (February/ March 2016)

A number of other actors at the national, state, regional, and local level play a role in housing supply. Staff will review these external efforts, focusing on those that were not reviewed extensively in the lead-up to GO TO 2040. In particular, this research will consider how federal and state housing statute, regulations, and policies, such as lending requirements from entities including FHA, Fannie Mae, Freddie Mac, and Ginnie Mae, impact the region's housing stock and how these impacts are distributed around the region.

Deliverable: Presentation to the Housing Committee (March 2016)

3. Review external policies, organizations, programs, and preferences – housing affordability (February/ March 2016)

A number of other actors at the national, state, regional, and local level play a role in housing affordability. Staff will review these external efforts, including housing choice vouchers, project-based vouchers, the low-income housing tax credit program, and federal block grants. This research will also consider the numerous definitions of affordability and how those correspond to existing efforts.

Deliverable: Presentation to the Housing Committee (March 2016)

4. Geographic implications of policy ideas (April 2016)

CMAP, the Metropolitan Mayors Caucus, and the Metropolitan Planning Council are working with IHS to create a model for regional housing market segments. The model will use data on housing stock, housing affordability, housing market, and socioeconomic conditions to identify communities in the CMAP region with common sets of underlying characteristics. IHS will be asked to present the model to the Housing Committee. It is anticipated that the preceding steps in the formulation of this strategy paper will help guide the Housing Committee in reviewing and recommending changes to the housing market segments. The draft and final market segments will also be used to consider regional variations in the preferred housing stock and housing affordability policies and definitions identified in previous discussions.

Deliverable: Presentation to the Housing Committee (April 2016)

5. Potential directions for CMAP (May-August 2016)

Building on the above steps, CMAP staff will review whether the existing set of policies for these topic areas are adequate, need to be refined, or are no longer appropriate, as well as whether new policies are needed.

Deliverable: draft strategy paper (June); final strategy paper (August).