



CENTER ON URBAN AND METROPOLITAN POLICY  
THE BROOKINGS INSTITUTION  
AND THE URBAN INSTITUTE

# Rethinking Affordable Housing Strategies: An Action Agenda for Local and Regional Leaders

Bruce Katz and Margery Austin Turner<sup>1</sup>

*Housing policies and programs have undergone a dramatic transformation in the past several decades. The greatest change has been the federal devolution of affordable housing programs to state and local leaders, often in partnership with the private sector. This devolution, coupled with major market and demographic changes occurring in local communities, has created wide demand among state and local stakeholders for facts to help them understand “what works” in affordable housing. To that end, the Brookings Institution Center on Urban and Metropolitan Policy and the Urban Institute joined forces to examine the major lessons from 70 years of housing policies and how those lessons can inform local approaches. This action agenda, derived from the findings of that policy review, details seven principles for success to help state and local policymakers, advocates, practitioners, and foundations design more effective housing programs and strategies that truly meet the diverse needs of today’s families and communities.*

Since the mid-1980s, the nation’s affordable housing policies and programs have undergone a profound transformation. After decades of initiatives that were designed by Washington and administered by the U.S. Department of Housing and Urban Development (HUD) and its predecessors, a palpable shift toward state and local control has dominated federal thinking. With the enactment of the Low-Income Housing Tax Credit in 1986 and the HOME program in 1990, federal policymakers essentially devolved responsibility for the design and implementation of affordable housing policies to a myriad of state and local housing agencies.

As with other domestic policies, devolution remains a work in progress. Across the nation, state and local government leaders are struggling to implement federal policies—and to effectively use available resources—in communities with significantly different market conditions, residential patterns, regulatory regimes, and local goals. These leaders—and their partners in the corporate, civic, and real estate communities—routinely ask several questions: What lessons can guide state and local efforts to design and implement effective affordable housing strategies? What affordable housing strategies have proven to be successful? In short, what have we learned from almost seven decades of trial and error in affordable housing policy?

*“As the devolution of housing policies continues to unfold, there is great potential for state and local leaders to build upon the experience of the past while bringing fresh thinking to a new generation of approaches.”*



To answer these questions, the Brookings Institution Center on Urban and Metropolitan Policy and the Urban Institute's Metropolitan Housing and Communities Center have conducted a literature review to assess the effectiveness of different affordable housing strategies,<sup>2</sup> including rental housing assistance programs, homeownership assistance programs, and housing market regulations, in meeting seven broad housing and community goals. (The full report of our findings and recommendations—*Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice*—can be found at [www.brookings.edu/es/urban/housingreview.htm](http://www.brookings.edu/es/urban/housingreview.htm) )

Our reading of the empirical evidence leads to seven principles for success. Some of these principles may seem obvious, but nonetheless are frequently ignored. Others run counter to the conventional wisdom, but could help prevent more of the dismal failures for which conventional thinking has been responsible. We hope these principles can both help state and local policy makers, advocates, practitioners, and foundations design more effective housing strategies and inform debate at the federal, state, and local levels about alternative housing programs and strategies.

### 1. Make policy goals explicit, including those that extend beyond housing.

Housing markets and housing policies are complex; and housing interacts in important ways with the well-being of individuals and their families and with the well-being of whole communities. The history of housing policy in the United States is replete with examples of programs that failed because their goals were not explicit and programs that may have succeeded in some ways but produced serious unintended consequences as well. For example, the federal urban renewal projects of the 1950s and 1960s were broadly intended to clear “slums” and redevelop blighted areas, but the program’s supporters had vastly different visions of its outcomes: Housing advocates thought it would provide more decent, affordable housing in central cities, while business interests saw it as a way to boost sagging property values. Scholars still argue about the results, but urban renewal has largely been branded as a failure.<sup>3</sup> And who can forget Pruitt-Igoe—the infamous high-rise public housing development in St. Louis, the quintessential example of concentrated poverty that became so blighted that it was imploded less than 20 years after it was built? Programs and policies should be explicit about what they are intended to accomplish, how the desired outcomes will be produced, and what indicators could be used to measure and monitor performance.

The ultimate goal of an effective affordable housing policy should be *housing that supports and promotes healthy families and communities*. This overarching goal involves seven more concrete policy objectives, which overlap with one another but are all prerequisites for healthy families and communities. Specifically, an effective affordable housing policy should:

- **Preserve and expand the supply of good-quality housing units** in order to ensure the availability of decent housing for low- and moderate-income households.
- **Make housing more affordable and more readily available** for low- and moderate-income households.
- **Promote racial and economic diversity in residential neighborhoods**, so that poor and minority households are not isolated from social, educational, and economic opportunities.
- **Help households build wealth** through secure ownership of decent housing in thriving neighborhoods.
- **Strengthen families** by protecting their health, encouraging family stability, and providing access to community supports.

- **Link housing with essential supportive services** for individuals and families who need extra help, such as homeless people, the frail elderly, and people with disabilities.
- **Promote balanced metropolitan growth** that strengthens existing neighborhoods and distributes affordable housing equitably.

One of the recurring controversies in the debate over housing policy goals and strategies involves the question of whether housing assistance should be focused on *places*—improving housing and other conditions in the neighborhoods where poor people live—or on *people*—helping poor people move out of distressed neighborhoods and into communities that offer better living conditions and opportunities. We believe that an effective housing policy can and should do *both*—improve housing conditions in poor neighborhoods, thus encouraging reinvestment in them by households of all income levels, *and* open up opportunities for poor families to move elsewhere if they wish. The seven policy objectives articulated here reflect this balanced approach to the long-standing argument over people versus places.

## 2. Tailor housing strategies to local market conditions and needs.

Housing needs and policy priorities differ from place to place, due to variations in housing market conditions, history, and political realities. It does not make sense to implement the same strategy everywhere. In some markets, where population is growing rapidly and housing is in short supply, producing new affordable units might be a top priority. But in markets where the overall demand for housing is weak and vacancy rates are high, new units may not be needed, although poor households may still need help to afford the housing that is available.

A local—or metropolitan—housing strategy should be crafted to address current and expected market conditions. It is not sufficient to simply identify housing problems; local policymakers need to understand what is going on in the housing market to cause these problems. Then they can determine which goals make sense and which should receive the highest priority. Based on this information, a mix of programmatic initiatives can be crafted that promotes the community's priority goals.

Exhibit 1 illustrates how the basic goals of housing policy might be prioritized in two very different housing markets. In *Growing City A*, the regional economy is booming, unemployment is low, and incomes are rising. The population has been growing rapidly, with large numbers of immigrants from Latin America and Asia attracted by the region's job opportunities. Rents and house prices in some central-city neighborhoods are rising rapidly, creating affordability concerns for both low-income renters and moderate-income homeowners. Although welfare rolls have declined dramatically, a significant number of long-time recipients, many living in public housing, appear to face serious obstacles to finding and keeping jobs.

The economic boom of the 1990s never really reached *Declining City B*, where central-city unemployment remains high, incomes are stagnant, and population continues to decline. Rents and house values are generally low, many units are vacant, and some are deteriorating and even abandoned or boarded up. Nonetheless, because incomes are low, many households have difficulty finding decent housing they can afford. The central-city population is majority African American, and the surrounding suburbs, which are predominantly white, have historically been unwelcoming to minorities. A substantial population of homeless individuals—mostly men—lives on the city streets and in shelters.

In both of these markets, all seven of the basic housing policy goals are applicable, but their relative importance differs. In City A, expanding the stock of decent and affordable housing is the top priority, while no new units are needed in City B. Instead, City B focuses on making existing housing more affordable for low- and moderate-income residents and strengthening the local housing market by attracting more households to the city.

*“We believe that an effective housing policy can and should both improve housing conditions in poor neighborhoods and open up opportunities for poor families to move elsewhere if they wish.”*

## Exhibit 1: Strategic Priorities in Differing Market Contexts

Housing Policy Goals	Growing City A Priorities	Declining City B Priorities
Preserve and Expand the Supply of Good-Quality Housing Units	#1: Increase the stock of modestly priced rental and homeowner units in neighborhoods where demand is high	#7: Improve the condition of existing housing units at risk of being removed from the stock
Make Housing More Affordable and More Readily Available	#2: Help low-income renters and moderate-income home buyers with affordability problems	#1: Help low-income renters and moderate-income home buyers with affordability problems Promote Racial and Economic Diversity In Residential Neighborhoods
Promote Racial and Economic Diversity In Residential Neighborhoods	#3: Promote opportunities for neighborhoods to become more racially and economically diverse and combat discrimination in housing transactions	#5: Assist minority families who want to move to the suburbs to overcome racial barriers, while making city neighborhoods more attractive to families of all races
Help Households Build Wealth	#6: Create homeownership opportunities for new immigrants, in neighborhoods where house values are rising	#6: Strengthen house values and appreciation rates for existing and new homeowners
Strengthen Families	#5: Reform public housing occupancy and rent rules to encourage two-parent families and reward work	#4: Provide targeted job training and job search assistance to residents of assisted housing
Link Housing with Essential Supportive Services	#4: Provide intensive self-sufficiency services for welfare-dependent families living in public housing	#3: Link supportive services with housing subsidies to provide permanent housing for homeless individuals and families
Promote Balanced Metropolitan Growth	#7: Encourage development of affordable housing in the suburbs as well as the city	#2: Promote reinvestment in central-city neighborhoods as an alternative to higher-cost suburban sprawl

In virtually all communities nationwide, the magnitude of housing problems and needs is likely to dwarf available resources. Thus, given local market conditions—and political realities—communities may adopt different strategic approaches. For example, one community might decide to focus the bulk of its resources on its top one or two priorities, chipping away at these problems over an extended period of time. Another community might decide to focus instead on more achievable goals, such as eliminating all lead-based paint over a period of ten years, or providing service-linked housing for all disabled people. A third strategic approach would be to focus on activities that leverage other resources, from federal and state governments and from the private and philanthropic sectors.

### 3. Housing markets are regional, and housing policies should be.

The most appropriate geography for thinking about housing policy and programs has changed dramatically over recent decades due to the rampant decentralization of economic and residential life in the United States. During the 1990s, the metropolitan areas containing the 100 largest cities grew 80 percent faster than their central cities. The pattern of faster suburban growth held for all types of cities, whether their populations were falling, stagnating, or growing. Even sunbelt cities like Phoenix, Dallas, and Houston are growing more slowly than their suburbs. Cities have lost disproportionate numbers of the middle- and upper- income households that form the backbone of economically strong communities. From 1989 to 1996, 7.4 million upper- and middle-income households left cities for suburbs while only 3.5 million moved from suburb to city.<sup>4</sup>

The suburbs also dominate employment growth. A study of 92 metropolitan areas found only 17 places where city job growth outpaced suburban job growth during the middle of the 1990s.<sup>5</sup> The bulk of the cities did gain jobs, but at a slower pace than their suburban neighbors. From 1994 to 1997, for example, the central business districts in Ohio's seven major cities experienced a net increase of only 636 jobs. Their suburbs, by contrast, gained 186,410 new jobs.<sup>6</sup>

A new spatial geography of work has emerged in metropolitan America. Across the largest 100 metro areas, on average, only 22 percent of people work within three miles of the city center. In cities like Chicago, Atlanta, and Detroit, employment patterns have altered radically, with more than 60 percent of the regional employment now located more than ten miles from the city center.<sup>7</sup>

In the wake of decentralizing economies, central cities still harbor a disproportionate share of their regions' low-income families. Low-cost rental housing, including federally subsidized housing, tends to be concentrated in central-city neighborhoods, in part because wealthier suburban jurisdictions have limited the development of affordable housing within their borders. Historically, central-city neighborhoods were convenient to entry-level and low-skill job opportunities, but today's outlying employment centers are often inaccessible from low-income neighborhoods in the urban core.<sup>8</sup>

Sprawling metropolitan growth brings other economic and environmental consequences as well. The spatial divide between jobs and workers exacerbates the traffic congestion that has become the hallmark of metropolitan America. The reliability and productivity of the workforce is diminished as workers are forced to tolerate longer commutes. In sprawling regions, such as Atlanta and Los Angeles, the combination of employment decentralization, poverty concentration, and low-density settlement have diminished the utility of public transit. In these places it literally has become virtually impossible for low-income workers, many of whom do not own cars, to get from home to work in a reasonable time using rail and bus systems.

The current reality of metropolitan economies has sparked a growing interest in metropolitan solutions. But for the most part, housing policy discussions remain strikingly local. In an era of population and employment decentralization, the metropolitan area—not the individual political jurisdiction—represents the appropriate geographic space for which to be thinking about and acting on access to affordable housing. Enabling low-income families to live closer to the employment centers in the new economy (and to more economically diverse schools) will not only benefit those families and their children. A better balance between jobs and housing will help ameliorate the negative consequences that are associated with current metropolitan growth patterns.

### 4. The gap between the monthly cost of housing and the wages and incomes of families remains the principal barrier to affordable housing.

Most affordable housing strategies at the national and local levels are designed to expand the supply of affordable housing. A panoply of programs and subsidies focus on stimulating the construction, rehabilitation, and renovation of housing that is affordable to low- and moderate-income families.

*“The current reality of metropolitan economies has sparked a growing interest in metropolitan solutions, but housing policy discussions remain strikingly local.”*

It is evident that production is a necessary component of responsible affordable housing policy. Yet the lack of income remains the principal barrier to obtaining affordable housing. HUD's annual analysis of worst case housing needs—the closest barometer available for measuring the nation's affordable housing challenges—generally finds that 80 percent of the problem is not supply, but affordability.

The origins of housing unaffordability, of course, are complex. Household incomes are set by the interplay of major economic, demographic, and governmental forces. At the same time, housing prices are determined by a host of market and regulatory factors. Although these forces are general and universal, the gap between incomes and housing costs varies dramatically across the country.

Given these structural issues, housing leaders and advocates often conclude that there is little they can do to raise incomes at either the federal or local levels. Increasingly, however, state and local leaders are realizing that they can raise the incomes of working families by enhancing access to and use of such federal investments as the earned-income tax credit, nutrition assistance, health care, and child care. In recent years, for example, state and local groups have maximized the potential of the earned-income tax credit by conducting outreach programs, providing support for free tax preparation services, and helping families use the credit as a gateway to financial services and savings. It is now estimated that working families apply one third of their credits (\$10 billion of the \$30 billion made available annually under this program) to housing needs. That makes annual expenditures under the earned-income tax credit program larger than any single HUD program.

In designing effective housing strategies, therefore, housing leaders need to look beyond the narrow confines of federal supply (production) even demand-side (vouchers) programs. Recent experience with the earned-income tax credit shows that local leaders can have a dramatic impact on household incomes and, by extension, housing affordability.

## **5. Regulations governing private housing production can be powerful tools.**

Most affordable housing strategies try to subsidize the gap between what low-income people can pay and what it costs to produce and maintain decent housing. For example, rental housing production programs often provide grants or low-cost loans for the construction of new units or offer investors tax credits to compensate for below-market rate rent levels. Similarly, homeownership programs provide down payment assistance to supplement what low- and moderate-income families can afford to pay on their own. But because resources are scarce, housing subsidies serve only a small fraction of those in need. The majority of low-income households with serious housing problems do not receive assistance, even though they are eligible.

State and local regulatory policies may offer opportunities to make private housing more affordable and consequently, more available. Most states delegate the authority to regulate the private housing market to local governments, which then establish and enforce zoning policies, land use restrictions, development fees, subdivision and design requirements, building codes, rent controls, and other regulations that reflect local priorities and objectives. Taken together, these regulations help determine whether and where different types of housing can be developed, how much it costs, and how it is maintained. Although regulatory issues are often overlooked in discussions of affordable housing policy, they play a critical role.

The traditional approach to land use and development regulation has resulted in policies that explicitly or implicitly limit or prevent the development of affordable housing in a jurisdiction, through restrictive policies like outright bans on multifamily housing or through requirements for large lot sizes, houses set back from the street, and wide sidewalks. Eliminating or moderating regulatory barriers to affordable housing development can be effective. This does not mean that all regulations on land use and residential construction should be eliminated. Many regulations that raise the cost of housing development have legitimate goals, such as protecting health and safety or preserving farmland. Local governments need not abandon these goals, but they can and should reassess their regulatory policies to ensure that they allow for the development

of more affordable rental and homeowner housing. Identifying and getting rid of regulations that are both exclusionary and unnecessary should be a priority for local jurisdictions that want to get serious about affordable housing.

Regulatory strategies can also create incentives for private developers to produce more affordable housing where it is needed most. States, regions, and local governments have employed “inclusionary zoning” and other regulatory reforms aimed at increasing the number of affordable units, especially in areas where they are traditionally scarce (e.g., more affluent suburbs). Using a combination of mandates and/or incentives, inclusionary zoning can help compensate for past local exclusionary practices, or can balance the effects of growth controls and other regulatory policies that may indirectly limit affordable development. Among the most frequently used tools of inclusionary zoning are “developer set-asides,” which require a certain percentage of units in a new residential development to be affordable and available to low- and moderate-income households. Implementing inclusionary zoning in affluent suburban areas not only can expand the overall availability of affordable housing, but also can help open up the suburbs to lower-income and minority households, thus promoting racial and economic integration, and providing lower-income workers and minority households with more choices about where to live.

## **6. The impact of race on housing markets and housing policies cannot be ignored.**

Most communities in the United States remain profoundly segregated on the basis of race. The latest evidence from the 2000 census indicates that, nationwide, the residential segregation of blacks from whites has declined slightly, but remains high. Levels of segregation for Hispanics from non-Hispanic whites and for Asians from whites are much lower, but may actually be rising in some metropolitan areas.<sup>9</sup> Moreover, recent studies indicate that school segregation is on the rise, not only for racial minorities but also for children who are not native English speakers.<sup>10</sup> Although the causes of residential segregation are complex, the persistence of segregation at high levels today cannot be explained by the individual choices of whites and minorities to live in homogeneous neighborhoods. In fact, most whites as well as minorities indicate that they would be comfortable living in mixed neighborhoods.<sup>11</sup>

Residential segregation denies families of color full and free choice about where to live, while often denying minority neighborhoods the services and resources they need to thrive and grow. As a consequence, minorities’ access to quality schools, jobs, and economic opportunity is limited. The most extreme consequences of residential segregation are found in the central cities’ large urban areas. Because communities of color experience higher poverty rates than whites, the concentration of minorities in inner-city neighborhoods also concentrates poverty and compounds its social costs.<sup>12</sup> As jobs, wealth, and economic opportunities have migrated to the suburbs, poor minority communities in the central city have become increasingly isolated and cut off from access to the mainstream of our society and economy.<sup>13</sup> Thus, housing segregation helps sustain economic inequality and contributes to the persistence of urban poverty. Moreover, it perpetuates racial and ethnic prejudice by limiting opportunities for healthy interaction between minorities and whites.

Historically, affordable housing policies have done little to address the problem of segregation, and often have exacerbated it. At their inception, federal housing programs incorporated many of the prevailing practices of the private housing market and were explicitly discriminatory as a result. Over the years, as new housing programs evolved, successive administrations missed opportunities to aggressively combat discrimination and segregation, instead allowing prevailing practices and patterns to continue. For example, federal programs to assist low-income renters have helped concentrate poor minority households in poor minority neighborhoods, limiting housing choice and exacerbating segregation. Originally, public housing regulations and handbooks encouraged the assignment of households to projects on the basis of their race and the racial composition of the surrounding neighborhoods.<sup>14</sup> The federal government’s homeownership programs also reinforced patterns of segregation and discrimination in

U.S. housing markets. The earliest Federal Housing Administration (FHA) mortgage insurance programs enabled and encouraged middle-class white families to obtain financing for new housing in the burgeoning suburbs, while lending institutions denied loans for homes in older, inner-city neighborhoods, and appraisal practices discouraged racial mixing.<sup>15</sup> Later FHA programs—which were intended to expand credit to residents of older neighborhoods and to less affluent borrowers—sometimes played a role in the abandonment of urban neighborhoods by white homeowners, contributing to residential resegregation, high foreclosure rates, and neighborhood disinvestment.<sup>16</sup>

Although local policymakers may hope to design and implement “color-blind” housing policies, if the realities of segregation and ethnic inequalities are ignored, policies may not work as intended. For example, a homeownership assistance program may not lead to wealth accumulation for households of color if segregation and discrimination limit their choices to minority neighborhoods where house values are not appreciating. Vouchers fail to give low-income families real choices about where to live if they feel unwelcome in neighborhoods beyond the central city. And the successful revitalization of an inner-city neighborhood may lead to displacement of minority households if no efforts are made to resolve conflicts between groups and to actively promote diversity.

## 7. Implementation matters.

Even the best housing strategy will fail to accomplish its goals if it is not effectively implemented. The history of housing policy in the United States is replete with examples of well-intentioned programs that produced harmful outcomes because of poor administration. For example, some of the local housing authorities responsible for implementing the federal housing voucher program have failed to effectively perform basic administrative functions such as inspecting units promptly when subsidy recipients apply for lease approval, making rental payments to landlords on time, and responding effectively to landlord questions and complaints. This is one of the reasons why many landlords are unwilling to participate in the program, leaving subsidy recipients with limited choices about where to live, and contributing to the concentration of poor households in distressed neighborhoods.<sup>17</sup>

When new programs are launched, local policymakers should critically assess the capacity of the organizations that will implement them. Do they have sufficient staff and resources? Do they have the skills and experience needed to perform their new responsibilities effectively? Is the program designed to provide incentives for effective administrative performance? Sometimes, strengthening organizational capacity can be the most effective intervention to improve policy outcomes. For example, the National Community Development Initiative made a long-term commitment to strengthening the capacity of nonprofit community development corporations, providing technical assistance and operating support to organizations in selected communities and contributing to substantial increases in sophistication, performance, and housing production levels.<sup>18</sup>

Often, partnerships between organizations with complementary strengths can result in effective program implementation, particularly when a mix of diverse skills and experience is needed to meet client needs. In several U.S. communities, local housing authorities have collaborated with nonprofit counseling organizations and fair housing advocates to link housing vouchers with effective housing search assistance and mobility counseling. Voucher recipients have received not only demand-side housing assistance, but also hands-on help in finding suitable units in thriving neighborhoods, and counseling to prepare them to succeed in the private housing market.<sup>19</sup> But it takes real effort to establish and sustain effective partnerships; many organizations that have done so stress the time and resources that are required for success.

Implementation agencies must be held accountable for performance. It is not enough to assign responsibility for implementing a new program to the best-qualified agency (or partnership) and hope for the best. Clearly defined performance measures and systematic performance monitoring can strengthen implementation. Exhibit 2 offers a set of short- and long-term indicators specific to each of the seven affordable housing policy goals. *Long-term indicators*

## Exhibit 2: Measuring Program Performance

Goals of Affordable Housing Policy	Indicators	
	Short-Term (one to five years)	Long-Term (five to 20 years)
Preserve and Expand the Supply of Good-Quality Housing Units	<ul style="list-style-type: none"> <li>• Number of units built or rehabilitated</li> <li>• Number of units improved/upgraded</li> <li>• Share of new units affordable for very low-, low-, and moderate-income households</li> </ul>	<ul style="list-style-type: none"> <li>• Number of housing units affordable for very low-, low-, and moderate-income households</li> <li>• Number of physically deficient housing units</li> <li>• Number of overcrowded housing units</li> </ul>
Make Housing More Affordable and More Readily Available	<ul style="list-style-type: none"> <li>• Number of vouchers issued</li> <li>• Share of available vouchers utilized</li> <li>• Number of households relocating with housing search assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Number of very low-, low-, and moderate-income households paying more than 30 percent of income for housing</li> <li>• Number of very low-, low-, and moderate-income households paying more than 50 percent of income for housing</li> </ul>
Promote Racial and Economic Diversity in Residential Neighborhoods	<ul style="list-style-type: none"> <li>• Share of new (assisted) units in low-poverty and nonminority neighborhoods</li> <li>• Share of voucher recipients moving to low-poverty and nonminority neighborhoods</li> <li>• Racial and economic mix of assisted developments</li> <li>• Number of pro-integrative moves</li> </ul>	<ul style="list-style-type: none"> <li>• Index of residential segregation by race and ethnicity</li> <li>• Index of residential segregation by income level</li> </ul>
Help Households Build Wealth	<ul style="list-style-type: none"> <li>• Number of new homeowners</li> <li>• Average house price appreciation among assisted buyers</li> </ul>	<ul style="list-style-type: none"> <li>• Average household assets, by income and race/ethnicity</li> <li>• Homeownership rate, by income and race/ethnicity</li> <li>• Average house price appreciation rate, by neighborhood</li> </ul>
Strengthen Families	<ul style="list-style-type: none"> <li>• Number of families re-unifying</li> <li>• Number of assisted households completing self-sufficiency programs</li> <li>• Number of assisted households moving from welfare to work</li> </ul>	<ul style="list-style-type: none"> <li>• Share of children living with two parents</li> <li>• Share of children with elevated blood lead levels</li> <li>• Share of children completing high school</li> <li>• Average household income, by neighborhood</li> <li>• Share of households with wage income, by neighborhood</li> </ul>
Link Housing with Essential Supportive Services	<ul style="list-style-type: none"> <li>• Number of units with transitional services</li> <li>• Number of nonprofits serving special needs</li> </ul>	<ul style="list-style-type: none"> <li>• Number of homeless people</li> <li>• Number of frail elderly without services</li> <li>• Number of disabled without services</li> </ul>
Promote Balanced Metropolitan Growth	<ul style="list-style-type: none"> <li>• Share of new affordable housing in suburban jurisdictions</li> <li>• Volume of residential investment in older, urban neighborhoods</li> </ul>	<ul style="list-style-type: none"> <li>• Geographic concentration of affordable housing</li> <li>• Average commute times, by jurisdiction</li> <li>• Ratio of jobs to housing, by jurisdiction</li> </ul>

measure the communitywide conditions (such as an affordable housing shortage or racial segregation) that housing policies intend to change over the long-term. *Short-term indicators* provide more immediate measures of program accomplishments (such as number of new affordable units or number of families making pro-integrative moves). Over time, short-term results should translate into long-term gains.

Local policymakers can choose from several alternative strategies to hold agencies accountable for the performance of housing programs. Sometimes, simply requiring that performance data is collected, and published on a regular basis, creates strong incentives for effective performance. But communities can also enter into performance-based contracts with public agencies, private companies, and/or nonprofit organizations through which payments, bonuses, and or contract duration are explicitly tied to the achievement of measurable performance targets.<sup>20</sup>

\* \* \*

Across the nation, state and local government leaders are struggling to use the limited resources available to them to effectively address the affordable housing challenge. The communities in which they work vary significantly with respect to market conditions, residential patterns, regulatory regimes, and local goals. And the resources available for affordable housing almost inevitably fall short of community needs. In the face of these challenges, the experience of past housing programs—including their failures as well as their achievements—has a lot to teach us. As the devolution of housing policies continues to unfold, there is great potential for state and local leaders to build upon the experience of the past while bringing fresh thinking to a new generation of approaches that respond to the diverse needs of our communities and further informs the evolving federal role in housing.

## Endnotes

1. Bruce Katz is a Vice President and Senior Fellow at the Brookings Institution and founding Director of the Brookings Institution Center on Urban and Metropolitan Policy. Margery Austin Turner directs the Center on Metropolitan Housing and Communities at the Urban Institute.
2. By “affordable housing” we mean either subsidized or unsubsidized housing—both rental and ownership—that is decent and affordable to low- and moderate-income households without excessive cost burden.
3. Teaford, Jon C. 2000. “Urban Renewal and Its Aftermath.” *Housing Policy Debate* 11 (2): 443–465. Teaford notes that “...the exact goals of the program were ambiguous and ill-defined...” (p. 445).
4. Kasarda, John D., and others. 1997. “Central City and Suburban Migration Patterns: Is a Turnaround on the Horizon?” *Housing Policy Debate* 8 (2): 307–358.
5. Hill, Edward, and John Brennan. 1999. “Where Are the Jobs?” Survey Series, Brookings Institution Center on Urban and Metropolitan Policy. Washington.
6. Hill, Edward, and John Brennan. 1998. “Where is the Renaissance?” Paper prepared for the Conference on the Interdependence of Cities and Suburbs (September).
7. Glaeser, Edward, Matthew Kahn, and Chenghuan Chu. 2001. “Job Sprawl: Employment Location in U.S. Metropolitan Areas.” Washington: Brookings Institution.
8. Pugh, Margaret. 1998. *Barriers to Work: The Spatial Divide between Jobs and Welfare Recipients in Metropolitan Areas*. Washington: Brookings Institution. Coulton, Claudia, Laura Leete, and Neil Bania. 1999. “Housing, Transportation, and Access to Suburban Jobs by Welfare Recipients in the Cleveland Area.” In Sandra J. Newman, ed., *The Home Front: Implications of Welfare Reform for Housing* (Washington: Urban Institute Press). Turner, Margery Austin, Mark Rubin, and Michelle DeLair. 1999. *Exploring Welfare-to-Work Challenges in Five Metropolitan Regions*. Washington, D.C.: The Urban Institute.
9. See [www.albany.edu/mumford/census](http://www.albany.edu/mumford/census)
10. Orfield, Myron. 1997. *Metropolitics: A Regional Agenda for Community and Stability*. Washington: Brookings Institution Press.
11. Farley, Reynolds, Elaine L. Fielding, and Maria Krysan. 1997. “The Residential Preferences of Blacks and Whites: A Four-Metropolis Analysis.” *Housing Policy Debate* 8 (4): 763–800.
12. Massey, Douglas S. 1993. *American Apartheid: Segregation and the Making of the Underclass*. Cambridge, MA: Harvard University Press.
13. Wilson, William Julius. 1990. *The Truly Disadvantaged: The Inner City, The Underclass, and Public Policy*. Chicago: University of Chicago Press.
14. Jackson, Kenneth T. 1985. *Crabgrass Frontier: The Suburbanization of the United States*. New York: Oxford University Press.
15. Calmore, John O. 1993. “Spatial Equality and the Kerner Commission Report: A Back-To-The-Future Essay.” *North Carolina Law Review* 71, 5: 1487-1518.
16. Massey and Denton, *American Apartheid*.
17. Turner, Margery Austin, Susan J. Popkin, and Mary K. Cunningham. 2000. *Section 8 Mobility and Neighborhood Health*. Washington: Urban Institute.
18. Walker, J. Christopher, and M. Weinheimer. 1998. *Community Development in the 1990s*. Washington: Urban Institute.
19. U.S. Department of Housing and Urban Development. 1999. *Moving to Opportunity for Fair Housing Demonstration Program: Current Status and Initial Findings*. Washington.
20. Osborne, David, and Ted Gaebler. 1991. *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*. Addison Wesley Longman. Osborne, David, and Peter Plastrik. 2000. *The Reinventor’s Fieldbook: Tools for Transforming Your Government*. San Francisco: Jossey-Bass.

### **Acknowledgements**

Both the Brookings Institution Center on Urban and Metropolitan Policy and the Urban Institute are deeply grateful to the John S. and James L. Knight Foundation for its support of this research project. In particular, the authors wish to thank Liz Sklaroff and John Bare at Knight for their thoughtful review and guidance throughout this effort.

Finally, Brookings would also like to thank the Fannie Mae Foundation for its founding support of the urban center and its work.

### **For More Information:**

Bruce Katz  
(202) 797-6285  
[bkatz@brookings.edu](mailto:bkatz@brookings.edu)

Margery Austin Turner  
(202) 261-5543  
[maturner@ui.urban.org](mailto:maturner@ui.urban.org)



## **THE BROOKINGS INSTITUTION**

1775 Massachusetts Avenue, NW • Washington D.C. 20036-2188  
Tel: 202-797-6000 • Fax: 202-797-6004  
[www.brookings.edu](http://www.brookings.edu)



**CENTER ON URBAN AND METROPOLITAN POLICY**  
DIRECT: 202-797-6139 • FAX/DIRECT: 202-797-2965  
[www.brookings.edu/urban](http://www.brookings.edu/urban)



**THE URBAN INSTITUTE**  
2100 M STREET, NW WASHINGTON, DC 20037 • TEL: (202) 833-7200  
[www.urban.org/](http://www.urban.org/)