

Identifying and easing constraints to housing supply in high-cost cities

A concept note for Open Philanthropy Project

High-cost cities like New York, San Francisco, and Washington are facing their most serious housing affordability crises in decades. How can these regions meet the affordability challenge? Recent responses have concentrated mainly on programs to increase housing for low-income households. Such measures have not been complemented by adequate supply-side strategies to accommodate household demand, leading upper-income households to move into formerly middle-income neighborhoods and middle-income households into formerly working-class areas and the suburbs.

As the nation shifts into a period of strong demand for rental housing, approaches to affordability need to expand to include the whole housing market. We propose a nine-month project to:

- **learn more about the interrelated constraints** to housing supply expansion in high-cost cities. Regulations, neighborhood opposition, infrastructure capacity, fiscal stress, property owners' expectations, and competition from other land uses each play a role and affect one another; and
- **identify potential leverage points** that could shift the calculus for the multiple actors involved in development decision-making in favor of expanding housing supply.

We propose to focus first on the Washington, DC region. Local governments in the Washington metropolitan area are medium-sized to large cities and counties in two states and the District of Columbia, offering a variety of contexts for considering the role of state governments in regulation and infrastructure investment. The Washington region's geography is less constrained than New York or San Francisco. Finally, the Urban Institute is located in Washington, making it feasible to travel affordably for interviews and meetings, and has both credibility and recent experience in the exploration of housing supply and affordability.

We propose the following sequence of work:

September 2015-January 2016: Background research: Interviews to learn more about barriers to supply expansion in DC, Northern Virginia, and the Maryland suburbs; analysis of recent trends in housing prices and rents, supply, and demand; and assessment of future scenarios for housing demand.

- Deliverable: Background briefing paper for discussion at a convening (internal until end of project).

January-February 2016: Convening: Stakeholder meeting to discuss the findings of the background research, focusing first on assessment of the constraints and second on promising strategies to reduce the constraints.

- Deliverable: Notes from the convening (internal). Host "Policy Debate" on Urban's website, inviting several stakeholders from the convening to join in a conversation that comes from the content of the convening.

March-June 2016: Post-convening analysis and writing: Findings on (a) technical challenges—land supply, density, infrastructure; and (b) political challenges at the jurisdiction, region and state levels; and an appraisal of the replicability of methods used in this project in other high-cost metropolitan regions.

- Deliverable: Final report, available on the web.