OUR VISION FOR 2030

Build 4.6 Million New Apartments to Meet Demand and Control the Cost of Housing
Vision 2030
NATIONAL MULTIFAMILY HOUSING COUNCIL & NATIONAL APARTMENT ASSOCIATION

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Introduction

The number of families renting their homes stands at an all-time high, placing significant pressure on the apartment housing industry to meet their needs. The ever-growing demand is making it challenging for millions of families nationwide to find quality rental housing they can afford at their income levels.

For many families, the shortage of affordable rental housing creates significant hurdles that ultimately hamper future financial success. And the problem won’t go away on its own. Unless public and private sector leaders take bold, innovative action today and in the years to come, the affordable housing crisis will become even more desperate.

America needs to build more than 4.6 million new apartment homes at a variety of price points by 2030, according to new research from Hoyt Advisory Services (HAS), commissioned by the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA).

The projection of 4.6 million is low, based on estimated demand by new apartment households through 2030. Not included in the number are the supply-demand imbalances that currently exist in some markets, where households are unable to find an apartment at a rent affordable to them. Possibly underestimated are older existing apartments — as many as 11.7 million — that could need renovation by 2030.

* Throughout this document, apartments are defined as rental apartments in buildings with five or more units.
Meeting projected demand means building more than 325,000 new apartment homes each year on average — a number the industry has not been able to hit for decades. From 2012 through 2016, the apartment industry built, on average, only 244,000 new apartment homes per year. The last time the industry built more than 325,000 in a single year was 1989. That history suggests that reaching and maintaining needed growth in new apartments will require a revamp of how we build apartments. It will also require courageous steps by policymakers at the federal, state and local levels who are willing to implement inventive policy ideas, provide incentives and reduce impediments to building apartments that meet demand across all income levels.

The cost to build and operate apartments has increased as barriers to development have worsened over recent decades, exacerbating housing affordability. For many families, the shortage of low and moderately priced housing makes it difficult to pay for basic necessities such as food and transportation, or to save for the future. Housing affordability is not just an issue for low-income families. It is increasingly affecting middle-income families who earn too much to qualify for a subsidy, but not enough to pay market-rate housing costs. Ultimately, if these issues are left unaddressed, states and cities risk losing workers and driving down economic activity as families seek more balanced housing markets elsewhere. After all, apartments and their residents contribute more than $3.5 billion to the economy every day — about $1.3 trillion each year.

Unless we get started today, we’ll be short millions of apartments by 2030.

Apartments and their residents contribute more than $3.5 billion to the economy every day.
Demand for apartments is projected to grow substantially by 2030.

UNPRECEDEDENT DEMAND FOR APARTMENTS
The number of renters has reached an all-time high, with nearly 39 million people in the United States — that is almost 1 in 8 — calling apartments home. They are singles, couples and families. They come from all generations and economic backgrounds.

Annual growth in renter households exceeded 800,000 on average since 2010 — and almost as much as 1.2 million, by some measures. Meanwhile, apartment vacancy rates as measured by MPF Research fell or remained the same for seven straight years from 2009 to 2016.

HAS’s research shows demand for apartments is projected to grow substantially by 2030. If current policies and population trends continue, many communities will have difficulty meeting demand, an outcome that will make affordability challenges significantly greater and stunt economic growth.

RISING HOUSING COSTS
Millions of people are paying far more than they can afford on all types of housing. They include young adults just starting out in their careers, workers who have not seen a wage increase in years, and even some of our nation’s most valued public servants: teachers, firefighters and police officers.

A standard benchmark for housing affordability is that households pay less than 30 percent of their earnings on their rent or mortgage. Since 1985, the share of apartment renters paying at least 30 percent of their income for housing costs (rent and utilities) has increased from 42 percent to now more than half (55 percent). More than one in four (29 percent) spend at least half their income on housing costs, a sign that their housing costs are a significant financial burden.

As housing costs, to rent or to own, have gone up in many parts of the country, student debt and healthcare costs have also spiked, while incomes have stagnated.
While increasing supply is a long-term solution, communities that have made the investment in rental housing stock are starting to see rents moderate. In recognition of this, municipalities are beginning to work with local leaders, developers and citizens to make affordable housing a priority by first recognizing the obstacles to apartment construction and comprehensively looking at ways to minimize steps or processes that artificially increase the cost of housing. This includes everything from creative financing with capital partners and direct municipal investment, to mitigating actions that influence the soft cost of building such as onerous zoning, permitting, taxes, fees and the overall carrying cost of extended approval times—which can increase the total cost of housing by 25 percent to 40 percent.

It is time to take action across the country, in ways that are tailored to the needs of each community. The apartment industry stands ready to work with urban, suburban and rural communities in every region to meet the housing demands of Americans across all income levels.

We can bridge the gap between the cost of building and operating apartments and the amount of rent lower-income and middle-class households can afford.

Policymakers at all levels of government must recognize that addressing local housing needs requires a partnership between government and the private sector. The federal government can ensure sufficient funding of housing programs, enact a pro-housing tax policy and reform regulations that unnecessarily increase housing costs.

State and local governments have a toolbox of approaches they can take to address the apartment shortage and help reduce the cost of housing. They can:

• Adopt local public policies and programs that harness the power of the private sector to make housing affordability more feasible.
• Increase public-private partnerships.
• Leverage state-level authority to overcome obstacles to apartment construction.
• Collaborate with business and community leaders to champion apartments.
Changing Housing Dynamics Drive Apartment Demand
The country is in the midst of an unprecedented rise in renting. Since the current upswing began in 2010, the number of renter households has increased by an average of more than 800,000 annually – almost as much as 1.2 million a year, by some measures.⁹

Renting an apartment offers many advantages to working- and middle-class Americans. Apartment residents say they appreciate mortgage-free living, the ability to follow work opportunities across town or across the nation, and amenities that fit their lifestyles.

These choices drive economic growth. Apartments and their residents contribute more than $3.5 billion to the economy every day — about $1.3 trillion each year.¹⁰ That impact could be even greater if more apartments were built to meet the needs of households at all income levels.

DEMOGRAPHIC SHIFTS

According to HAS research, three major demographic shifts will continue to have a strong impact on the demand for rental housing: The rise of young adults, the aging of the baby boomers, and immigration’s increasing contribution to population growth.

At more than 75 million strong, young adults ages 18 to 34 — the age group most likely to rent — have become the largest generational demographic group in the U.S.¹¹ Their sheer numbers, as well as long-term and short-term social and economic trends that affect them, are having a profound impact on demand for apartments.

Historically, Americans have bought their first houses around the same time they get married. But people are getting married later. Today, both women and men get married for the first time five years later, on average, than they did in 1980.¹² A recent Census Bureau report found that in the 1970s, 80 percent were married by the time they were 45 years old; in 2016, 80 percent hadn’t been married until they were 45 years old. Their homeownership rate is slightly lower, too. Only 35 percent own homes, compared to 41 percent of young adults in 1981, according to the U.S. Census Bureau.

These trends suggest more young adults are renting than did previous generations at the same stage in life. But high unemployment rates of the past 10 years, just now ticking down for young adults, as well as the growing burden of student debt, have kept many from forming their own households. Nearly a third (31.5 percent) of young adults live at home with their parents, a statistic that suggests pent-up demand for housing options that match their stage in life.¹³

Eighteen- to 34-year-olds — the age group most like to rent — have become the U.S.’s largest generational demographic group.
There has also been a dramatic change in the number of households with children, the kinds of households that have typically driven demand for single-family houses. In 1960, 44 percent of all households in the U.S. were married couples with children. Today, such families make up only 19 percent of households.14

More and more, renting is not just for the younger generations. Once the nation’s largest demographic group, baby boomers (those born between 1946 and 1964) now number 73 million people.15 Over half (58.6 percent) of the net increase in renter households from 2006 to 2016 came from boomer households.16

Immigration is also a driver of demand for apartment homes, and may become even more of an influence if it eclipses natural population growth over the next decade and a half, as estimated by HAS researchers. That is because immigrants are more likely to rent, and more likely to rent longer.17 In states with slow-growing populations, like Michigan, West Virginia and Maine, immigration has in recent years accounted for a bigger chunk of population growth than in faster-growing states.

According to HAS research, Hispanic households alone will account for more than half (55 percent) of all U.S. population growth through 2030.

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INCOME STAGNATION
America’s affordable rental housing shortage is more than just a housing problem. Underlying the shortage is an income problem. As rental housing has gotten more expensive to build and operate, other economic factors have suppressed household income growth, making it harder for people to pay for housing.

In 2015 dollars, the median income of an apartment household has fallen by $3,000 since 1985. Since 2001, renters’ real median incomes have fallen 9 percent. Nearly a third (31 percent) of renters earn less than $20,000, according to HAS research.

As a result, in many areas where demand is strongest, even if, hypothetically, developers agreed to take no profit when building new apartments, the cost would still exceed what people can afford to pay.

HAS researchers also found the proportion of renters living under the poverty line is highest in Mississippi and West Virginia, but it is also high in states such as Kentucky, Ohio, New Mexico, Arkansas and Alabama. Stagnating renter incomes leads to households that are increasingly rent burdened.

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2 Why We Can't Just Build More
Recent history — specifically the lingering effects of the Great Recession — has complicated the apartment industry’s ability to meet rising demand. The collapse of U.S. financial markets in 2008 virtually shut down new apartment construction for a number of years.

According to HAS, we need to build on average at least 325,000 apartments a year to meet demand. The nation hit a low of completing 129,900 new apartments in multifamily buildings of five or more units in 2011 and has only now begun to reach 300,000 a year.

Still, the current rate of growth hasn’t been enough to meet current demand and make up for the shortfall in the years following the recession.

The challenge is delivering more units each year and over a sustained period of time. But steep barriers keep the apartment industry from being able to do that. And there’s a strong connection between the difficulty of building and affordability. HAS research found that rents tend to be particularly high in cities with the greatest barriers to new development.

The 5 most difficult metro regions in which to build apartments

1. **Honolulu**
   - EASE OF ADDING SUPPLY RANK: 19.5
   - 82% of rents are $1K+
   - 49.9% of renters pay 35%+ of their income on rent

2. **Boston**
   - EASE OF ADDING SUPPLY RANK: 13.1
   - 69.2% of rents are $1K+
   - 40.0% of renters pay 35%+ of their income on rent

3. **Baltimore**
   - EASE OF ADDING SUPPLY RANK: 11.9
   - 65.5% of rents are $1K+
   - 40.7% of renters pay 35%+ of their income on rent

4. **Miami**
   - EASE OF ADDING SUPPLY RANK: 9.3
   - 68.1% of rents are $1K+
   - 54.2% of renters pay 35%+ of their income on rent

5. **Memphis**
   - EASE OF ADDING SUPPLY RANK: 8.7
   - 31.6% of rents are $1K+
   - 41.8% of renters pay 35%+ of their income on rent

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COST, TIME AND REGULATORY BARRIERS

For many reasons, building apartments has become costlier and more time-consuming than necessary. Over the last three decades, regulatory barriers to apartment construction have increased significantly, most notably at the local level.

Outdated zoning laws, unnecessary land use restrictions, arbitrary permitting requirements, inflated parking requirements, environmental site assessments, and more, discourage housing construction and raise the cost of those properties that do get built.

Developers navigate many steps to get projects approved. The whole process can take two to 10 years and require an upfront investment of $1 million or more before a project breaks ground.

There are also financial factors pushing housing costs up. Land, labor and construction costs have all been rising significantly in recent years. In many areas, there is limited land zoned for apartments or just little undeveloped land. Competition for what land is available drives the cost up, too. Labor costs have increased well above inflation because of a shortage of skilled workers. Following the economic downturn, many workers left the construction industry and have yet to return.

Finally, localities impose a variety of fees on new housing, including impact fees, inspection fees and property taxes. Inclusionary zoning mandates and rent control further discourage housing investment.

These time and cost burdens lead to fewer apartment homes being built, which further squeeze already tight rental markets. Apartments that do get built tend to have higher rents to cover the high cost of development.

Percentage of apartments built before 1980

![Map showing percentage of apartments built before 1980 across the United States.](image-url)
“NOT IN MY BACKYARD”
In many communities — even ones with a deep gap between supply and demand — residents often say, “Not in my backyard” to new apartments, an attitude known as NIMBYism. Their opposition is often fueled by misperceptions about renters and the impacts of apartments on traffic, property values, school overcrowding and community character.

Even though these perceptions are largely false, NIMBYism persists and keeps apartments from being built where they are needed most and at prices many people can afford. Even when building proceeds, NIMBY opposition to apartments can add additional time and expense to an already long and costly process.

Lost Apartments
Adding to the apartment shortage is the fact that every year, the nation loses between 75,000 and 125,000 apartment units to obsolescence and other factors. Most lost units are likely at the lower end of the market, disproportionately hurting the affordable supply that exists.

This situation is likely to worsen going forward since more than half (51 percent) of the nation’s apartment stock was built before 1980, and without resources dedicated to support rehabilitation efforts, more stock will continue to leave the available pool. Rehabilitation and preservation are vital to maintaining the stock of apartments that are affordable to the broad middle class.

NIMBYism keeps apartments from being built where they are needed most and at prices many people can afford.
Policy Recommendations
Unfortunately, the current regulatory framework, whether intentional or not, has limited the amount of housing being built and increased the cost of what is produced. States and localities are now struggling to address this serious threat to their economic vitality. They must balance the dwindling resources they have for housing with the need to “do something” to meet growing demand. Fortunately, there is much they can do outside of their budgets to make it easier for the private sector to build more housing and to help reduce the cost of the housing that is produced. Most importantly, they can reduce barriers to apartment construction. Land-use restrictions, zoning restrictions, parking requirements, slow permitting, and much more, add significantly to the cost of construction. Many of these rules and processes are well-meaning, but collectively they serve as real barriers to housing production. Even worse, some laws are specifically designed to prevent apartment construction, usually in response to NIMBY opposition.

In the following pages we present a toolbox of approaches states and localities can take to address the apartment shortage and help reduce the cost of housing.

There are things states and localities can do to meaningfully reduce the cost of producing housing.

If government and private developers come together to take action, we can build 4.6 million apartments by 2030 to meet demand and control the cost of housing. Solutions that help supply meet demand and reduce the cost of developing apartments are out there but need to be more broadly adopted across the country.
Adopt local public policies and programs that harness the power of the private sector to make housing affordability more feasible.

The most common barriers to apartment construction are enacted at the local level, which means local governments have a lot of levers they can pull to create healthy housing markets. They also have no-cost resources they can bring to the table to reduce the cost of housing production. They can do the following:

**ESTABLISH “BY-RIGHT” HOUSING DEVELOPMENT**

Most developments go through a discretionary review process such as public hearings or legislative review by the local land use authority or board of zoning appeals. Public review is certainly important, but it’s often duplicative, arbitrary and inefficient. Reviews also increase the cost of housing by slowing down its production or even preventing it from being built.

“By right” development allows projects, both new construction and rehabs of existing properties, to be approved by local administrators without discretionary reviews as long as they comply with current zoning rules and community development plans. Municipalities retain control and can deliver the housing the community has already decided it wants, while loosening restrictions that keep new apartments from being built.

In addition to establishing “by right” rules, municipalities can also relax restrictions related to density, building height, unit size and parking minimums. All of these require developers to seek waivers, variances or rezoning, which trigger the review process.

This strategy for expanding the supply of affordable rentals, has been gaining traction across the country. Fairfax, Virginia, has implemented by-right development and flexible zoning in seven districts where they want to encourage housing construction.

States can also play a role. Massachusetts, for example, provides incentives to municipalities that allow by-right development. These development incentives have cut in half the nine years it otherwise takes to develop a property.

**EXPEDITE APPROVAL FOR AFFORDABLY PRICED APARTMENTS**

Lengthy permitting processes add cost, time and uncertainty to housing construction. Fast-tracking review and permitting of housing that includes affordable units is a no-cost way for local jurisdictions to expand their supply.

Several cities are embracing this approach. San Diego’s “Expedite Program” fast tracks permit processing for affordable housing and sustainable building projects with an initial business review that takes just five days.

Austin’s S.M.A.R.T. Housing program gives affordable housing builders an expedited development review, and it waives development fees. Since 2005, more than 4,900 apartments have been built through the initiative.22
REDUCE PARKING REQUIREMENTS

Parking requirements are one of the biggest costs for a development, particularly in urban environments, ranging from $5,000 per spot for surface parking to $60,000 for underground parking. The Urban Land Institute found that parking minimums were the number one barrier to building affordable rentals.

Many cities can significantly reduce or even eliminate parking requirements, particularly in transit-oriented or urban infill development. This approach will become increasingly valuable as ride-sharing increases and automated vehicles become adopted, dramatically reducing parking demand.

In 2012, Seattle voted to reduce parking requirements by 50 percent in some neighborhoods and to eliminate them completely in downtown areas readily served by transit. Other cities such as Denver, Minneapolis, Boston, San Francisco and New York are revising parking requirements to reduce the cost of housing. In 2015, California enacted a law overriding local parking requirements for all transit-adjacent housing developments that include affordable housing units.

ESTABLISH DENSITY BONUSES TO ENCOURAGE DEVELOPMENT OF AFFORDABLE HOUSING

Density bonuses make building affordable housing more cost-effective for developers. In return for including a certain number of affordable units in a building, the developer is allowed to build more market-rate apartments than are normally allowed.

Fairfax, Virginia, and Denver both allow for taller buildings near transit centers if they include affordable units. Massachusetts also provides incentives to local governments that adopt zoning laws encouraging denser development near transit.
ADOPT SEPARATE REHABILITATION BUILDING CODES

Maintaining the stock of older apartments — which tend to have lower rents — and improving them so they remain habitable is essential to ensuring affordability across the income spectrum. But because many jurisdictions require developers to bring a building up to the current building code when they want to substantially rehab it, upgrading properties is often prohibitively expensive.

Localities can overcome this by adopting separate building codes for rehabilitation projects that balance the need to ensure safety and structural integrity, but don’t sacrifice affordability. They can also offer tax abatement, for properties that include affordable housing, when property taxes rise because of improvements.

CREATE AN EFFICIENT PUBLIC ENGAGEMENT PROCESS

New developments benefit from community input. But the public engagement process can also result in NIMBY opposition that creates long delays, and even lawsuits, that increase construction costs. There is no single model that works to strike a balance, but localities should examine their process to ensure it’s not one-sided and doesn’t create uncertainty.

The Reality of Rent Control

Some lawmakers are revisiting rent control as a strategy to control housing costs. New efforts are underway in California, Illinois and Washington to challenge and ultimately change decades-old state laws and best practices restricting and/or prohibiting rent control in local jurisdictions.

To some, rent control would seem a fast and easy fix — a local jurisdiction sets limits on how much property owners and managers can raise rents on residents, theoretically making units more affordable. But it’s not the panacea some lawmakers seem to think it is.

Economists on both sides of the political spectrum agree that rent control is not effective policy. Forbes Magazine calls it one of the 10 worst economic ideas of the 20th century: “Here we have a policy initiative that has done huge damage to cities around the globe. It is very hard today to find an economist supporting rent control.”

While the laws’ intent is positive, research shows that the real impact of rent control policy is a decline in property maintenance, stifled development activity, shrinking affordability and a chronic undersupply of rental homes. Rent control also encourages owners to convert buildings from residential to non-residential use.

Without profitability as an incentive, investment capital is directed to other markets and maintenance on existing properties is deferred. Subsequently, the affordable housing shortage is exacerbated.
Policymakers at all levels of government can provide incentives and share risk with the private sector to produce the necessary units at price points households can afford. They can do the following:

**LEVERAGE UNDERUTILIZED LAND**

Federal, state and local governments should prioritize affordable housing when disposing of public land. Land accounts for approximately 10 to 25 percent of an apartment project’s cost, and even more in high-cost areas. Developers also often struggle to find developable land in urban areas. Yet many localities own underused or abandoned land that could be used for affordable housing. Under-utilized buildings, which can be renovated, are another resource.

Making good use of these lands and buildings requires strong public-private partnerships. The private sector contributes the investment dollars and expertise, and the locality provides the land and helps facilitate a streamlined approval process. In the end, such partnerships produce affordable apartments while also boosting economic development.

Land banks — government-created nonprofit corporations that manage and repurpose tax-delinquent and vacant properties — are another option. More than 140 land banks have already been created across the country.

**USE PROPERTY TAX ABATEMENTS**

Tax incentives and abatements are another way to spur development. While they do reduce public revenues, they are often more politically palatable than direct subsidies. The Seattle Multifamily Tax Exemption (MFTE) program gives a 12-year tax exemption to new apartments that include a certain percentage of affordable units. By 2018, more than 200 properties are expected to participate.

In 2017, New York passed a program that gives 35-year property-tax exemptions to apartment developments of at least 300 units in certain areas if 25 to 30 percent of units are set aside for low- to moderate-income renters. The program is expected to generate 2,500 units a year.

Philadelphia abates 100 percent of the value of residential building improvements for up to 30 months during the construction phase. Oregon offers tax abatement to affordable housing as well as vacant land intended to be developed into affordable housing.

**WAIVE FEES FOR PROPERTIES THAT INCLUDE AFFORDABLE UNITS**

Housing developers often pay significant fees to expand public infrastructure or to support the creation of city amenities such as schools and parks. Because fees add to the cost of housing, many jurisdictions waive impact fees for properties that include affordable units.
Forward-thinking states recognize that their economies suffer from a lack of housing supply. They are taking action to enact laws that override local zoning restrictions that inhibit apartment construction, whether intentionally or not.

Massachusetts, for example, has an “Anti-Snob Zoning Law” (Chapter 40B Comprehensive Permit Law) that allows developers to build with more density than local zoning laws allow if the proposed apartment property has a certain percentage of affordable units and the community has an affordable housing shortage. Since it was enacted in 1969, more than 42,000 rental units have been built.28

Rhode Island approved the “Expedited Permitting for Affordable Housing” Act that sets strict approval deadlines for permitting agencies if a development is large enough to increase the amount of affordable housing in their communities. States can also make some state financing contingent on a locality meeting a minimum affordable housing threshold or adopting policies that support housing production.

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Leveling the Playing Field for Renters
People choose to live in apartments for many reasons, and their choice should not limit their ability to enjoy financial security. We should promote policies that give people flexibility to build wealth without owning real estate and through incentivized savings. We should also adopt public policies that promote affordability in all housing.
Collaborate with business and community leaders to champion apartments.

Local communities are stronger and more vibrant when there is a mix of rental and owned housing. Without a diversity of housing options to meet a variety of lifestyle needs and price points, local economies are held back. We need local leaders in government and business to work together to bring a range of housing types to their communities by crafting creative solutions to ease existing hurdles.

One of the best ways to accomplish this is to make the connection between a sufficient supply of housing and a community’s economic health and economic development. Insufficient housing causes workers to leave an area or lose productivity because of long commutes. Companies relocate or stagnate when they cannot hire the workers they need because their employees can’t find housing.

In other words, ensuring a community has enough housing isn’t just the concern of those who struggle to find housing. It’s an important issue for everyone in the community whose employer might move to another market where housing is more readily available. Several areas have successfully made that connection and have generated political support for regulatory changes or even vocal support for specific projects.

Local employers can be a powerful force against NIMBY opponents. For example, the Silicon Valley Manufacturing Group recognized that a housing shortage was affecting their members, so they formed a Housing Action Coalition. The group goes to planning commissions and city councils to actively support smart growth developments. They also help educate lawmakers about the importance of affordable housing. They say their intervention works 98 out of 99 times and has resulted in 26,000 new homes in 18 Silicon Valley towns.
CONCLUSION

In 2030, today’s fifth-grader may be renting her first apartment. Her grandmother may be downsizing into apartment living, too. A city lot that sat vacant for decades or a long-neglected suburban downtown may now be a vibrant place to live, eat and work because local leaders had a vision for revitalization that included apartments.

Every American should be able to choose to live in a place that fits his or her stage of life and budget and to choose the community in which he or she wants to live. To make that vision a reality, we must build more apartments at all price points. Building 4.6 million apartments by 2030 will go a long way toward meeting the demand for apartments, stabilizing rents and helping to boost the U.S. economy.

With the right mix of policies and strong partnerships between local governments and independent developers, we can bridge the gap between the cost of building and operating apartments and the amount of rent lower-income and middle-class households can afford. It helps that a growing number of people in communities from San Francisco to Boulder, Colorado, to New York are already recognizing the value of moving from “Not in my backyard” to “Yes, in my backyard.”

They are seeing that it is not only renters who benefit when communities build more apartments. Communities benefit, too. When people are able to affordably live where they work, the volume of traffic is reduced. When a community has a diverse housing stock, it can attract a diverse population of people with different incomes, skillsets and professions. And apartments can help the tax base and boost the local economy through mixed-use development that revitalizes communities and creates jobs.

What’s good for renters is good for everyone. It’s time to take action to ensure every household at every income level has an affordable place to call home.

Federal Solutions

It’s not up to states and localities alone to ensure that people have access to housing that fits their needs. The U.S. Congress can take the following steps:

- Enact a pro-development tax policy that incentivizes investment in rental housing.
- Support housing finance reform that preserves the multifamily mortgage liquidity provided by the Government Sponsored Enterprises.
- Support funding for the FHA Multifamily Programs, which are an important source of capital supporting apartment construction and redevelopment.
- Expand the Low-Income Housing Tax Credit.
- Create a Middle-Income Housing Tax Credit.
- Increase funding for subsidy programs that address housing affordability such as the Section 8 Housing Choice Voucher Programs, Project-Based Rental Assistance, Rental Assistance Demonstration, HOME and Community Development Block Grants.
- Reform overly burdensome regulations that contribute to making housing less economically feasible to develop and operate.
There are a number of resources policymakers can consult to inform their efforts to address the affordable housing shortage. These are just a few.

**CALCULATORS**
- Urban Institute/National Housing Conference’s Cost of Affordable Housing Calculator. Interactive tool that shows why affordable housing deals don’t pencil out.
- U.C. Berkeley Terner Center for Innovation’s Development Calculator. Estimates the probability that a given development project will be built, given a particular set of policies and economic conditions.
- U.C. Berkeley Terner Center for Innovation’s How Much Housing Will Be Built? Policy Gauge Calculator. Using four example cities, shows how local policies impact total potential housing production.

**TOOLKITS AND OTHER RESOURCES**
- ULI’s “Bending the Cost Curve-Solutions to Expand the Supply of Affordable Rentals”
- Washington Area Housing Partnership’s “Toolkit for Affordable Housing Development”
- Obama White House’s “Housing and Development Toolkit”
- McKinsey Global Institute’s “Toolkit to Close California’s Housing Gap: 3.5 Million Homes by 2025”
- Mortgage Bankers Association’s “Affordable Rental Housing and Public Policy”
- California’s Legislative Analyst’s Office’s “Considering Changes to Streamline Local Housing Approvals”
- ULI’s “The Economics of Inclusionary Development”
- The Family Housing Fund’s “The Space Between: Realities and Possibilities in Preserving Unsubsidized Affordable Rental Housing”
- HUD’s “Regulatory Barriers Clearinghouse”
- ULI’s “Developing Housing for the Workforce: A Toolkit”
- ULI’s “Workforce Housing: Innovative Strategies and Best Practices”
Footnotes

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17. NMHC tabulations of American Community Survey microdata.
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