**How Local Officials Can Address the Housing Affordability Crisis**

A lack of housing is fueling an unprecedented housing affordability crisis in our community and across the country, and the national figures tell a dire story of why this issue has vaulted to a top concern among voters.

A new affordability index released by the National Association of Home Builders (NAHB) shows that in the first quarter of 2024, 38% of a typical family’s income was needed to make a mortgage payment on a median priced new single-family home in the United States. Low-income households, defined as families earning only up to 50% of the area’s median income, would have to spend 77% of their earnings to pay for the same new home.

On the renter side of the equation, a 2024 Harvard report found that a record-high 22.4 million households are paying more than 30% of their income on rent. Among those renters, more than 12 million are paying more than half their income on housing, also an all-time high. Keep in mind that if an owner or renter is paying more than 30% of their gross income on housing, they are cost burdened, and if they are paying more than 50%, they are severely cost burdened.

Anyone in our community who has looked to buy or rent can attest to this sticker shock. Analysis by NAHB has found that regulatory requirements alone account for nearly 25% of the cost of constructing a single-family home, and more than 40% of the cost of a multifamily unit. These factors make it difficult to increase the supply of affordable housing.

While the federal government has an important role to play, housing is primarily a local issue. To help builders produce entry-level housing in our community, state and local officials need to overturn inefficient zoning laws and land use policies that inhibit home construction and drive up costs. Reworking ineffective zoning plans to provide more options such as reducing minimum lot sizes, allowing more accessory dwelling units, minimizing parking requirements and promoting missing middle housing (townhomes and duplexes) is a good step forward

Local officials can act to further boost the housing supply by increasing residential density to allow for a range of housing types, including multifamily; allowing flexibility and modifications in zoning and subdivision requirements; and prioritizing development around existing or planned transit stations. When levying impact fees, officials must do so fairly with the cost to the home buyer in mind and ensure they have a direct nexus to housing development. Fees that are imposed to fill unrelated government budget revenue shortfalls or for city or county services not connected to new home construction unfairly raise housing costs for home buyers and renters alike.

Alleviating needless bottlenecks during the permitting process will also allow more home building projects to move forward and prevent costly construction delays. One easy solution is a “shot clock” or time limit on how long a local government has to either deny or approve a permit. If the time limit ends without action from the locality, the permit is deemed approved.

Generally driven by a vocal minority, restrictive NIMBYism policies that limit or even prohibit various types of homes and make large areas off-limits to new construction contribute significantly to the affordability problem. This is why localities must be given incentives to ease restrictions that are making it increasingly difficult for builders to produce homes that are affordable.

But the good news is that building new homes has so many tangible benefits. It not only will satisfy unmet demand and achieve a healthy supply-demand balance in the for-sale and rental markets, but also generate jobs, enhance the local tax base and create vibrant communities.

For a typical metro area, the construction of 100 single-family homes generates 394 local jobs, $28.7 million in local income and $3.6 million in taxes and other revenue for local governments. Building 100 rental apartments in a local area generates 161 local jobs, $11.7 million in local income and $2.2 million in taxes and other revenue for local governments.

At the national level, Congress and the Biden administration can do their part by promoting job training programs in the home building industry to alleviate a severe shortage of construction workers; ease building material supply chain bottlenecks that will allow builders to increase production of badly needed affordable housing; suspend tariffs on Canadian lumber imports into the U.S. that act as a tax on American home buyers; and improve and enhance the Low-Income Housing Tax Credit to promote the construction of sorely needed rental apartments.

In this polarized political environment, ensuring affordable homeownership and rental housing opportunities for our citizens should be an area of bipartisan consensus. When the people of our great state cast their ballots in November, they should pay close attention as to how candidates at all levels of government responded to provide our citizens the opportunity to enjoy safe, quality affordable housing.