Research Review, Reports, Toolkits, and Bibliography: Housing Appendix from the Comprehensive Land Use Plan

Introduction

Zoning is an important planning tool that allows communities to steward parks, woodlands, and water resources, strike a healthy balance among commercial, residential, and industrial property uses, and buffer uses that are unhealthy or unpleasant to live alongside. Yet overly-restrictive land use policies have increased the cost of housing in the US by keeping cities smaller than they would otherwise have been. As cities experiment with lifting those restrictions, researchers analyze these efforts in real time.

This literature review provides an overview of recent, frequently cited US-based research on housing affordability and land reform, paying particular attention to work that examines: 1) the effects of market-rate housing supply on housing costs in the region and the immediate neighborhood; 2) the effects of rezoning on housing supply; 3) recommended policy directions.

Peer-Reviewed Academic Articles

Subsection One: "Supply Skepticism" and Responses

Been et al. (2024) Supply Skepticism: Revisited
Housing Policy Debate 35(1)**:** 96-113.

Been et al. (2019) Supply Skepticism: Housing Supply and Affordability
Housing Policy Debate 29 (1): 25-40.

This pair of articles provides a detailed overview of research that aims to bridge the gap between academic findings and what the authors term "supply skepticism," a package of claims voiced by opponents of pro-housing land use reform who believe: 1) that increasing the supply of market-rate housing will not improve housing affordability; 2) that new market-rate housing may even further diminish economic diversity; 3) that lifting land use restrictions will not increase supply.

Been et al (2019) emphasize that supply skepticism, while mostly *not* supported by research, gives voice to significant community concerns about the trade-offs involved in easing zoning restrictions to enable housing development–paying particular attention to differential effects on the immediate neighborhood and the region as a whole. Been et al (2024) address various claims associated with supply skepticism.

Claim #1: Increasing supply of market-rate housing will not improve affordability because supply creates demand.

Several studies of US cities–including multi-city research (Asquith et al 2023) and single-city case studies (Li 2022; Pennington 2021)—refute this claim, finding that new construction decreases rents or slows the rates of rental increases in proximity to the construction and for the city overall. Two other single-city studies find temporary (Singh and Baldomero-Quintana 2022) and permanent (Damiano and Frenier 2020) rental rate increases in lower-cost neighborhoods. These mixed findings suggest the importance of attending to how differences in the local context might influence how new housing supply affects rents in the surrounding neighborhood (23).

Claim #2: "Trickle-down" housing is a myth. New market-rate housing does not make older, less costly housing available to lower-income households in a reasonable time frame, if at all.

New empirical studies validate two ways–"filtering" (which operates over decades) and "vacancy chains" (which operate in the short-term)--that new market-rate supply makes housing affordable for low- and moderate-income households, not just for those at higher incomes (See reviews of Mast 2023; Stacy et al 2023; Freemark 2023; Myers and Park 2020; Zuk and Chapple 2020 below).

Claim #3: New market-rate housing will reduce affordability and displace lower-income residents from the immediately surrounding neighborhood.

Market-rate construction tends to increase a neighborhood's share of higher-income, college-educated, white households (Pennington 2021; Sing and Baldomero-Quintana 2022). Yet, because new units do not *exclusively* serve higher income residents, they can improve economic diversity, especially when they are added in areas that are not already gentrifying (Asquith et al 2023). Studies document residents moving into new housing from households earning below median-*incomes* (Capple et al 2022b) and from households previously living in below median-income *neighborhoods* (Asquith et al 2023; Mast 2023). Regarding displacement, a study of the Bay Area also finds that new housing pushes up displacement rates of lower-income households only slightly (0.5% to 2%), an increase that could be offset by adding just one mid-size income-eligible affordable apartment building (Chapple et al 2022b).

Claim #4: Overly-restrictive zoning may have constrained housing supply; land use reform will have little to no effect on stimulating it.

Although lifting zoning constraints will not cause cities to grow, not lifting them will ensure that they cannot. Pro-housing land use reform can lead to increases in supply when other powerful constraints–the cost of financing, labor, and materials; availability of developable land; alignment of building codes and permitting; consumer demand–also support development (Lo et al 2020). Studies of the greater Boston area (Kulka 2023) and Portland, OR (Dong 2021) found that liberalized land use rules resulted in speedier housing development and increased housing supply. By

contrast, transit zoning in Chicago had little effect on supply within five years (Freemark 2020). In Seattle, a modest upzoning paired with mandatory provision of income-eligible affordable housing saw rates of development fall in the 33 rezoned neighborhoods and rise just outside them. This result suggests that the costs and benefits of such incentives must be carefully calibrated and attuned to neighborhoods with different levels of demand (Kimmell and Wang 2023).

Subsection Two: Housing Unaffordability – a Matter of Supply? Or Demand?

Preface: Between 2011-2021, the share of metro areas with high rental occupancy rates (93% and above) jumped from 42% to 68% across the US, not only in "superstar" coastal cities. From the Building Permits Survey (2019) a puzzle emerges. As housing scarcity sharply increased, rates of construction-permitting declined nationwide, and the greatest declines occurred in high-amenity metro areas with abundant job opportunities and scarce housing. Some researchers interpret this fact pattern to support the conclusion that the housing crisis as a problem of supply to which restrictive land use regulations, among other non-regulatory barriers such as construction and labor costs, are the most significant contributing factors. Others disagree. We summarize one article from each side.

Note: Rather than summarize the 2025 National Bureau of Economic Research (NBER) working paper by Louie et al, "Supply Constraints do not Explain House Price and Quantity Growth Across U.S. Cities," we include it in the bibliography together with a peer critique by Professor Salim Furth, Senior Research Fellow and Director of the Urbanity project at the Mercatus Center at George Mason University (Furth 2025).

Furth, S. (2021) Decomposing Housing Unaffordability
Critical Housing Analysis, 8(1): 62-71. Mercatus Center at George Mason University.

This article examines the question that lies at the heart of the debate over supply-side housing policy, which is whether housing unaffordability is primarily a supply problem or a demand problem. As a supply problem, the author explains that unaffordability results from the "rent gap" that exists when area rents exceed the national median rent for comparably sized households. As a demand problem, unaffordability is associated with the "income gap" between household earnings in a city or region and the average income of similarly sized households nationwide. Housing unaffordability can be *both* a supply problem and a demand problem, depending on a region's economic characteristics. This is the "geography of unaffordability" (67). In high-demand, job-rich, high-income metro areas, unaffordability is a supply problem. In low-employment post-industrial cities and rural areas, unaffordability is a demand problem. Across the US, the "income gap is the largest contributing factor" to unaffordability, due to the relatively low purchasing power of households in low-employment, low-wage regions which is best addressed through income growth

(65). But high rent "cannot be ignored" and supply-related unaffordability is concentrated in the most job-rich US cities that have the highest cost of living (66). In those areas, the author emphasizes that unaffordability would be relatively easy to solve by comparison to areas with depressed economies, except that "land use regulations" make it difficult to get "local government permission to build" densely in high-amenity, job-rich cities (68-9).

Molloy, R., Nathanson, C., & Paciorek, A. (2022). Housing Supply and Affordability: Evidence from Rents, Housing Consumption, and Household Location.
Journal of Urban Economics, 129, 103427.

This study asks whether supply constraints, such as local governments' limiting the number of units or land area, were the driving force in rent growth in highly desirable cities like New York, Boston, and San Francisco from 1980-2016. Whereas the authors affirm that supply constraints "lead cities to be smaller than they otherwise would be," they also find that relaxing those constraints reduced metro area rents only by a modest amount (2). By contrast, regulatory change (independent of new housing construction) had double the effect on house prices as on rents. The authors conclude that demand outweighs supply constraints as the driving force behind high rents in high-amenity, job-rich cities; rents have always been high in such areas because people prefer to live in them (19). Consequently, land use liberalization is more likely to draw more relatively affluent residents to such areas than to improve housing affordability. Even so, the authors note that "modest increases in housing supply" carry benefits such as improving access to high-amenity, job-rich cities, and supporting enhanced innovation and knowledge-sharing (19).

Subsection Three: Empirical Studies of "Filtering" and "Chain Vacancies"

Myers and Park. Filtering of Apartment Housing Between 1980 and 2018
Population Dynamics Research Group, Sol Price School of Public Policy, University of Southern California, 2020

In the US since the 1970s, market-rate housing has played a pivotal role in providing housing that is affordable to households at 50% AMI and lower. Provided there is a continued stream of new market-rate apartment construction, older apartment housing "ages" into affordability. From 2000 to 2011, this aging or "filtering" process added about 75% as many units to the nation's affordable housing stock as did subsidized housing created through LIHTC funding, which provides by far the largest share of subsidized housing relative to HUD-sponsored and voucher units. After 2011, there was a sharp reversal of filtering. Prices of older housing increased and the market lost 6.1 million affordable rental units between 2012 and 2022 (JHCS Harvard 2024, 19; summarized below). At the same time, housing production fell behind post-recession job growth in cities, which sent a greater than usual share of households earning $75k+ annually into competition with lower-income households for rental housing. This reversal shows that filtering, which has historically been crucial in producing housing opportunities for low-income renter households, works most effectively with

greater overall housing production; it will require support from policy that stimulates housing production to function effectively again.

Mast. 2023. The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market.
Journal of Urban Economics, vol 133.

This empirical study and formal model of mobility/vacancy "chains" found that new market-rate housing construction can provide housing opportunities for people moving in from middle- and low-income neighborhoods, even in the short run. When new market-rate housing construction draws people who prefer and can afford the new units out of lower-priced housing elsewhere (either in the city or the region) competition for those units is reduced and prices go down. Each upward move sparks a series of others (a "vacancy chain") that extends from higher-priced to lower-priced neighborhoods. Using address histories for 52,000 moves by actual households into 686 large new market-rate multifamily buildings in 12 central US cities, Mast found that even in the first "round" of moves, 20% of households arrived from census tracts within the metro area that are below the area's median income. This share increased over time, reaching 40% within 2-to-5 years. In 11 of the 12 cities, Mast also found that 67% of the new residents came from the same metro area, which means that region saw the greatest share of the affordability benefits of market-rate construction. Mast noted that cities must create income-eligible subsidized housing to serve the lowest-income and most rent-burdened submarkets. He also specified vacancy chains can stop prematurely where prices do not fall because landlords hold unfilled units open rather than rent them at lower rates (6).

Subsection Four: The Effectiveness of Land Use Reform in Advancing Affordability

Asquith et al. (2023) Local Effects of Large New Apartment Buildings in Low-Income Areas.
The Review of Economics and Statistics 105 (2), 359-375.

This study analyzes the impact of large market-rate rental developments of 50 units or more on nearby rents in low-income census tracts. The data span 11 cities and tens of thousands of units. The authors find that rents for existing rental units within 250 meters of the new development fall by 5% to 7% compared to rents in buildings farther away (between 250 and 600 meters). They conclude that the potential for new construction to raise nearby rents by bringing new amenities to the surrounding neighborhood is "overwhelmed" by the decrease in rents that follows from the increase in supply.

Storper and Rodriguez-Pose. (2019) Housing Urban Growth and Inequalities: The Limits to Deregulation and Upzoning in Reducing Economic and Spatial Inequality. Urban Studies, Volume 57(2) 223-248

Manville et al. (2020) Zoning and Affordability: A Reply to Rodriguez-Pose and Storper. Urban Studies, Volume 59(1) 36-58

Storper and Rodriguez-Pose. (2022) Dodging the Burden of Proof: A Reply to Manville, Lens, and Monkkonen. Urban Studies, Volume 59(1) 59-74

Storper and Rodriguez-Pose's 2019 article challenges what they term the "housing as opportunity" school of thought, positing that there is little clear evidence that zoning regulation is the primary driver of housing availability and price. Instead, they contend that wages, skills, and employers are the primary influencers of housing supply and cost. They posit that "blanket upzoning" is unlikely to improve affordability to lower-income households in prosperous areas but, rather, would contribute to gentrification and housing inequality. The increasing urban-rural divide in skills has meant that cities are places for high-wage innovation jobs, with little incentive for lower-skill workers to come to cities. The result is competition among high-income earners for homes that drives up the price and tends to gentrify inner metropolitan areas without producing affordable options. The researchers find little evidence that building higher-end housing has a filtering effect and argue that if rents were to decrease, it would be for the top earners in sought-after cities like Atlanta, San Francisco, Nashville, Philadelphia, Denver, etc.

Manville et al criticize Storper and Rodriguez-Pose's methodology. They argue that expansion of a city's developed land area, used as an indicator of whether zoning de-regulation affects housing supply and price, is flawed, especially when applied to high-amenity, job-rich cities where land expansion is limited. Such cities (like Ann Arbor) create the most housing opportunity by increasing building height that would not expand the city's land area significantly. They also contend that there are two paths for new housing supply to temper rising housing costs: filtering and diversion. Through filtering, units become cheaper over time as they age, but they note that downward filtering has always depended on a steady creation of new supply. According to the researchers, filtering upward is the hallmark of a supply-based housing crisis; when supply has not kept up with demand, older cheaper units that were once attainable rise sharply in cost. With diversion, newer units affect housing prices more quickly by drawing high earners away from the older units. This distinction is used to defend the notion that luxury housing doesn't drive the housing crisis. It helps relieve it by keeping older housing available for households who cannot afford top of the market prices.

Storper and Rodriguez-Pose remain unconvinced and demand proof for why highly regulated U.S. cities still gain population, how deregulation results in affordability that isn't erased by population growth, and how deregulation would reduce gentrification. Please note that these articles were published prior to more research in these areas so some of the research requested by Storper and Rodriguez-Pose has been conducted and is featured in this literature review.

Connolly. (2024) The Black Box of Single-Family Zoning Reform.
Boston College Law Review 65. Ross School of Business at the University of Michigan.

What lessons should policymakers draw from the fact that lifting zoning restrictions that protect single-family housing (a controversial reform) have not produced significant residential growth? This article emphasizes, first, that policymakers should not leave single-family zoning "untouched [because] its creation and perpetuation resulted from racism and exclusionary motives [and] its development patterns have exacerbated economic, social, and environmental harms." Second, that it is important for policymakers to focus on reforms that address structural constraints on supply (2393-2394). Based on interviews with builders in major cities, the author enumerates several regulatory actions to pair with single-family zoning reform, including: reforming zoning to allow housing development at a larger scale by the redevelopment and densification of underutilized commercial properties; providing affordable-housing density bonuses; streamlining land-use procedures and eliminating administrative delay to reduce uncertainties in permitting processes that inflate costs; and reevaluating financing mechanisms for new housing development.

Freemark. (2023) Zoning Change: Upzonings, Downzonings, and Their Impacts on Residential Construction, Housing Costs, and Neighborhood Demographics.
Journal of Planning Literature Vol. 38 (4): 548-570. Massachusetts Institute of Technology.

This article reviews recent peer-reviewed research testing the impacts of comprehensive land-use regulatory changes on housing supply and affordability. It finds, first, that rezoning to permit greater density increases housing production in rezoned areas over the long term but yields few results in the short-term (note: multi-family projects can take up to eight years to complete). Second, rezoning can affect land values differently than it does housing costs and operates in different time frames for each of these. Although land values tend to increase immediately following the zoning change, providing a "windfall" for property owners in the near term, the increase in land values generally does not increase the sales price of new housing: if more units are built per parcel than formerly allowed, land cost per unit declines (556). Rezoning un- or under-developed parcels to stimulate mixed-use projects on arterial streets in already pricier neighborhoods may *raise* nearby rents while *reducing* housing costs in the region once the parcels are developed (557). Third, rezoning followed by development may increase the share of non-Hispanic white people in affected communities in the short run, but these areas "may become more diverse over time—though the transition takes decades" (557). The author concludes that while using zoning to stimulate denser market-rate housing construction, governments must also find ways to build permanently affordable housing for the most vulnerable residents.

Freemark. 2019a. Upzoning Chicago: Impacts of a Zoning Reform on Property Values and Housing Construction
Urban Affairs Review 56(1): 107808741882467. Massachusetts Institute of Technology.

The study examines the effects of Chicago's 2013 and 2015 transit-oriented upzoning on the sales prices of the specific parcels to which they were applied, a regulatory change that affected a

relatively small portion (6%) of the city's land area near its rail transit stations citywide. Upzoning resulted in land speculation on the affected parcels in the short run, without increasing supply within five years of the regulatory change. Misinterpretations of the article prompted Freemark (2019b) to specify that this study: 1) examined the impacts of regulatory change that *permits* density rather than the effects of *density* as realized in housing units; 2) neither disproves nor denies the claim that an increased supply of housing will improve affordability.

Stacy et al. 2023. Land-use Reforms and Housing Costs: Does Allowing for Increased Density Lead to Greater Affordability?
Urban Studies 60 (4): 2929-2940. Urban Institute, University of Illinois at Urbana-Champaign

Whereas housing scholars no longer question whether overly-restrictive land use regulation *raises* housing costs, they continue to debate and to study the reverse: whether and how lifting regulatory constraints brings costs down. This study of eight US metro areas, which encompassed 1136 cities (oversampling those that eased regulatory restrictions on housing production), found that within three years, such reforms achieved a statistically significant 0.8% increase in supply for rental units affordable to households earning above the median income. The authors found no statistically significant evidence of an increase in rental units affordable to below-median income households within three to nine years (2931). Even so, because they expect that regionally and in the longer run increased construction reduces costs, the authors affirm the importance of enacting land-use reforms to stimulate market-rate production. They also recommend that such measures be paired with both direct development and preservation of subsidized income-eligible housing to increase the supply of low-cost units in the short run.

City-Specific Case Studies

Chapple et al. 2022b. How New Housing Production Affects Displacement and Replacement in the San Francisco Bay Area
Institute of Governmental Studies, University of California, Berkeley (research brief)

This research brief presents findings from a longer report on the relationship between new market rate construction and displacement of lower-income residents in the tightly-constrained San Francisco Bay area housing market (Chapple et al 2022a). Using fine-grained data that identified the specific socio-economic status of households that move (rather than assuming that they share the same characteristics of the neighborhoods they moved from), they found that new market-rate construction results in more people from all socio-economic groups moving into the neighborhood, with the greatest moves occurring within two years of construction and declining after that. This finding held across the nine-county area, in all three cities (except for the lowest-SES households in San Francisco), and in gentrifying areas of these cities (pp. 8-11). Although more affluent households benefited the most from new market-rate housing, its production only slightly increased displacement rates for lower income people above normal rates (5% to 2%); so slight an

increase could be mitigated by adding just one mid-size apartment building with entirely affordable or subsidized units (13).

Cityscape: A Journal of Policy Development and Research (2023). v 25 (2)
Special issue: "Learning from Land Use Reforms"

Wegmann et al. 2023. Here Come the Tall Skinny Houses: Assessing Single-Family to Townhouse
Redevelopment in Houston, 2007–2020.

"Missing Middle Housing": In 1998 and 2013, changes to Houston's mandatory minimum lot size permitted development of attached and detached single-family "townhouse" style homes on lots as small as 1,400 sq ft. This study found that new townhouse development that replaced existing single-family housing (just one-fifth of the new supply) tended to occur on large lots near the urban core occupied by small, old homes. In addition to supporting affordability by their relatively small size, it is also notable that the townhouses allowed both condominium ownership and ownership in fee simple.

Huennekens. 2023. **Learning from Land Use Reforms: The Case of Ramapo, New York**

"Missing Middle Housing": In Monsey, a unique section of suburban Ramapo, NY that is home to a fast-growing ultra-Orthodox Jewish population, residents embraced multi-family housing. Pro-housing policy reform transformed this predominantly single-family area, realizing the most gains through the addition of 6-12 unit buildings (rather than ADUs), and by allowing multi-family units to be sold separately, as condominiums.

Krimmel and Wang. 2023. Upzoning With Strings Attached: Evidence From Seattle's Affordable Housing Mandate.

"Mandatory Inclusionary Zoning": In 2017 and 2019, Seattle enacted mandatory inclusionary zoning (i.e. required new development either to set aside units below-market price units or pay into a citywide affordable housing fund) as a condition of a zoning reform that permitted relatively modest greater density in 33 neighborhoods. Following the reform, rates of development fell in the upzoned areas and rose on parcels just outside them. This pattern suggests that the reform may have impeded development because the cost of the affordability component outweighed the benefits of the density bonus (at least under prevailing market conditions during that period).

Schuetz. 2007. Land Use Regulation and the Rental Housing Market: A Case Study of Massachusetts Communities
Joint Center for Housing Studies

Theoretical and empirical evidence suggests that greater regulatory burdens – including stricter zoning laws – are associated with lower quantities of low-cost, naturally affordable housing stock.

This study builds on this existing knowledge base to distinguish the relationship of zoning laws with renter and owner housing markets, respectively, using communities in eastern and central Massachusetts as case studies. Results show that less restrictive zoning was associated with significantly higher permit issuance for both single family and multifamily developments. The impacts on pricing were mixed – communities with less restrictive zoning had lower prices for owner-occupied housing, although the association with rents was inconclusive.

Miriam Zuk and Karen Chapple. 2016. Housing Production, Filtering and Displacement: Untangling the Relationships.
IGS Research Brief, UC Berkeley.

This study, conducted in the San Francisco area, where there is an "extreme mismatch between [housing] demand and supply," emphasizes the different effects of market-rate housing on affordability at the neighborhood and regional levels. At the neighborhood level, the researchers note that market-rate housing can produce a "supply effect," which makes housing more affordable when new market-rate units reduce competition for existing stock, or an "amenity effect," which raises rents in the surrounding neighborhood when new market-rate units provide amenities that attract wealthy households. At the neighborhood level, production of new market-rate housing typically puts both forces into play; the question is which one is likely to prove stronger in a particular context. At the regional level, the study found the addition of market-rate housing to raise rents for low-income households but lower "median rents in subsequent decades" (1). Emphasizing that "market mechanisms work differently at different geographic scales," they note that the addition of market rate housing can "simultaneously" lower costs and have the beneficial effect of "housing large segments of the population" at the regional scale, while raising prices in the surrounding neighborhood (7). Consequently, it is crucial for cities to build income-eligible subsidized housing within the city to serve lower-income households and protect them from displacement.

Reports

America's Rental Housing 2024
Joint Center for Housing Studies, Harvard University

This national report tracks: trends in the rental market; demographics of rental households; and characteristics of rental housing stock. It finds a recent uptick in housing production driven primarily by increased construction of multifamily buildings with 20 or more units, which grew 25% between 2010 and 2022 (from 9 million to 12.3 million units). The added units produced a beneficial increase in vacancy rates (from 5.6 in 2021 to 6.6 in 2023). Despite these recent trends, since 2012, the "market lost 6.1 million units renting for less than $1000, the maximum amount affordable to a household earning $40k per year" (19). To serve the record 22.4 million households who count as

cost burdened, and the record numbers of people who are unhoused, governments cannot rely on the market but need to provide income-eligible affordable housing.

Economic Development Report
City of Ann Arbor, Administrator's Office, Fall 2023

This report inaugurates a new approach to economic development that focuses on placemaking as well as property development, strategically pursues land acquisition to provide support for small businesses and entrepreneurs, alleviates any undue burden on land development that may be caused by city inefficiency, and examines the role that City fees play in increasing housing costs. The City Council enacted a series of resolutions on April 1, 2024 that initiated action on these objectives.

To Improve Housing Affordability, We Need Better Alignment of Zoning, Taxes, and Subsidies
Brookings Institute, 2020

The U.S. has a shortage of housing units, especially low-cost homes that are naturally affordable to low and middle-income families. Regulatory barriers artificially limit the supply of these homes, as three-quarters of land in most U.S. cities is reserved exclusively for single family detached houses. Relaxing zoning standards to develop more units on each lot would reduce per-unit costs, thereby enabling more units to enter the market at lower price points.

2015 Washtenaw County Housing Affordability and Economic Equity Analysis

The County has two distinct housing markets, Ann Arbor and Ypsilanti, that are interconnected in the sense that Ypsilanti houses a disproportionate share of households with housing vouchers, which cannot be accommodated in Ann Arbor due to the high rents in that city. At the time this report was written, renter household incomes and median rents were aligned closely enough that all but the lowest income households could find an affordable apartment in Washtenaw County without a significant commute. Even so, the report warned that this favorable circumstance would not last long, envisioning a future in which Ypsilanti City and Township, then "overloaded by a disproportionate number of at-risk households and homes with negative equity," would see a further increase in numbers of cost-burdened households. The authors emphasize that Ann Arbor needs to focus on the preservation and production of affordable non-student rental housing for low- and moderate-income workers who help to keep the Ann Arbor economy vibrant. Ypsilanti cannot remain the de facto affordable housing policy for Ann Arbor and Pittsfield.

Bailey et al. 2015. Growing Together or Drifting Apart?
Center for Labor and Community Studies, UM-Dearborn

The findings of this report, which analyzes job growth and income trends in Washtenaw County, points to the complexity of housing affordability in the region, which involves rent gap problems for

some households and income gap problems for others (see Furth 2021, summarized above). Between 2005 and 2013, wage stratification due to the region's loss of industrial jobs (-31%) and increase in knowledge jobs (23%) makes housing affordability in the County an income gap problem for workers in the region's largest employment pool, which consists of this growing number of low-paying jobs. But because housing costs in Washtenaw County are the highest in the state, they are also unaffordable to highly-paid workers who compete against even higher-paid workers for a limited housing supply.

Toolkits

Housing Supply Accelerator Playbook
National League of Cities and American Planning Association, 2024

Housing affordability is becoming a growing concern for many communities across the United States. Nationwide, there is an estimated shortage of nearly 4 million housing units, partially stemming from regulatory hurdles. In particular, strict single-family zoning is a key barrier to increasing the housing supply and is also associated with racial and socioeconomic segregation.

Zoning Reform Toolkit: 15 Tools to Expand Housing Choice and Supply
American Planning Association: Michigan Chapter, 2024

Similar to national trends, approximately three-quarters of Michigan's housing stock consists of detached, single-family homes, largely due to strict zoning laws. Yet, amid a changing demographic landscape, where the rate of household formation in Michigan has climbed steadily since 2013, there is increased demand for alternative housing typologies at a wider variety of price points. At the same time, the creation of housing units is falling due to the aftereffects of the 2009 recession and increased labor and material costs. The APA recommends a variety of zoning reforms to address this issue, including reducing the number of zoning districts to allow for a greater variety of residential developments in former single-family, one-house-per parcel districts.

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