

FAIR SHARE HOUSING ALLOCATION: AN REGIONAL EQUITABLE APPROACH IN LAND USE CONTROL AND HOUSING

It has been 30 years since the first fair share housing effort promulgated by the Miami Valley Regional Planning Commission in 1970s. Listokin (1976) defined fair share as “a plan which typically determines where housing, especially low- and moderate-income units, should be built within a region according to such criteria as placing housing where it will expand housing opportunity, where it is most needed, and where it is most suitable.” Fair share largely developed out of the increased importance and influence of regionalism in planning. However, in its broadest sense, the emergence of fair share should be viewed as a product of the reforms in land use control: a switch from an almost unlimited to a much more circumscribed view of land and property right, and from local to regional control over private property (Listokin, 1976; Cummins, 1996).

This paper reviews the fair share housing policy and evaluates its effectiveness to achieve its intended goals, as well as its impact on household travel. Part I reviews the background and motivation of fair share housing initiation. Part II examines the strategy of fair share allocation process and the implementation experience in the Twin Cities. Part III evaluates the fair share policy from equity and efficiency perspectives, as well as its past experience. The paper finally concludes that fair share program provides a regional equitable approach in land use control and housing. However an effective implementation calls for some institutional and financial structural changes from the status quo.

I. Background and Motivation

Fair share is rooted in the advocacy for regionalism in planning theory. In 1960s and 1970s, the emergence of regional bodies' review power, federal funds for dispersal of

assisted housing among metropolitan area, as well as the movement to open up suburbs stimulated the fair share housing policy. Implicit in most fair share efforts is the dissatisfaction of the status quo of housing distribution. Fair share plans attempt to improve the status quo by allocating housing units to subareas, usually municipalities, in a rational and equitable fashion. A primary impetus of the strategy is to expend housing opportunities for low- and moderate-income families.

In a larger perspective, fair share is a reaction from the reform in land use control, and an approach against exclusionary zoning. The courts have proved a significant force in the movement to open suburbs and played a major role in supporting allocation strategy. The Mount Laurel case decided by the New Jersey Supreme Court established a regional perspective to affordable housing efforts and called for municipalities to provide their “*fair*” share of a region’s housing needs.

Regional planning bodies’ reviewing power in allocating Federal aids to infrastructures and housing provides an important incentive to promote fair share. The circular A-95 review process¹ institutionalized the regional planning orientation, which is a basic theme underlying fair share’s intellectual perspective. Under circular A-95 guidelines, the regional clearinghouses gain the leverage power to put their allocation strategy in force.

II. Strategy and Experience

The allocation strategy for fair share housing can be divided into three stages: initial steps; allocation process; and allocation output, implementation and refinement (Listokin, 1976). The initial steps determine who formulates the allocation plan (e.g. regional planning bodies), the spatial focus of the strategy (includes both allocation region and

¹ The circular A-95 process called for the designation of multi-jurisdictional bodies called “clearinghouses”. These multi-jurisdiction bodies were to consider and comment on how local applications for federal aid related to and harmonized with statewide or areawide comprehensive plans submitted to executive agencies. A negative comment by a clearinghouse did not automatically invalidate the grant proposal; however it usually hindered its acceptance (see Listokin, 1976, p.8-9).

allocation subunits), and allocable housing (the pool of housing units to be distributed). The second stage, the allocation process, consists of determining the allocation criteria (objectives and standards), allocation factors (the operational indicators of the allocation criteria) and most importantly, the allocation formula. The final stage involves determining the output from the allocation formula, deciding the allocation implementation procedure, and refining the previous tasks to make the fair share plan maximally equitable and practicable.

Prof. Edward G. Goetz (2000, 2001) has led some research on the implementation of the fair share housing allocation in the Twin Cities. The Minnesota Land Use Planning Act (LUPA) of 1976 provided the basis for mandatory land use planning policy for the seven-county metro area. It required implementation of fair share housing programs “which will provide sufficient existing and new housing to meet the local unit’s share of the metro area need for low- and moderate-income housing.” After its adoption, the Metro Council created a Housing Allocation Plan, which provided numerical goals for all communities within the region’s growth boundaries. Through its authorities on approving local comprehensive plans and A-95 review process, Metro Council was able to tie infrastructure funding to compliance with regional growth plans and affordable housing goals. When this system was in place and functioning, the region’s affordable housing profile changed significantly. From 1975 to 1983, the central cities’ share of the region’s total of subsidized unit fell from 82 to 59 percent. This impact made the Twin Cities fair share housing program one of the highest performing regional programs in the entire nation.

However, less than one decade after its implementation, federal government’s dramatic reduction in housing subsidies in 1980s made the program almost dismantled and ignored. As a result, the Metro Council stopped calculating fair share allocations. All that remains of the fair share infrastructure in place is the LUPA planning requirement. Communities are still required to have a plan that establishes the local share of regional needs for low- and moderate-income housing, and implementation strategy to meet that

share. But lacking the authority to force compliance, the Metro Council never established a system for monitoring whether local municipalities meet their goals set out in their comprehensive plans. The fair share housing element in LUPA have been, in essence, thoroughly ignored over the past two decades. The state legislature enacted the Livable Communities Act in 1995 to regenerate regional activity in the area of affordable housing. However, according to Goetz's research (2000), the LCA fails to meet the current and projected needs for affordable housing and only minimally helps to redistribute affordable housing opportunities throughout the region.

III. Evaluation and Conclusion

The approach of fair share housing program to meet regional needs for affordable housing and expand such housing opportunities in suburban communities well addresses the equity concerns in land use. Under this strategy, local communities have the commitment to provide their appropriate share for the regional affordable housing need, which broadens the geographical choice of low- and moderate-income families and helps develop integrated livable communities against exclusionary zoning regulations.

A major function of central cities is to provide housing and related services for low-wage workers employed in the suburbs (Down, 1994). Spatial Mismatch is a pervasive phenomenon in U.S. Metropolitan Areas. The expanding of the affordable housing units into suburban areas promoted by the fair share program will help mitigate the jobs-housing imbalances, especially low-wage jobs and low-income housing imbalances, in suburban communities. As suburbs open to the low- and moderate-income families, suburb-central city commutes may be reduced. The policy approach of regional control on land use could also helps to redesign a more efficient land use and transportation system. However, the association between jobs-housing balance and self-containment of local suburban communities is fairly weak according to Cervero's (1996) study in the San Francisco Bay Area, which may eclipse some of its effect on efficiency.

From the past experience, there is a movement away from fair share. The institutional and financial obstacles to implementation shadow the future of fair share housing program. Lacking the authority to force compliance, the regional institutions never established a system to monitor and enforce local communities to meet their goals set out in the fair share allocation plan. Federal government's retreat from housing subsidies in 1980s dramatically dismantles the fair share implementation as regional planning bodies lost leverage over local housing performance through the review process.

If rated on a one to four scale, with one for accomplishing the highest intended purpose, fair share housing program should get a three. The program provides a regional equitable approach in land use control and housing, and addresses some efficient concerns. However, past experience shows a retreat from the fair share since 1980s due to institutional and financial obstacles. An effective implementation of fair share program needs a reinforcement of the regional control on land use, as well as federal government's involvement in financial support. To achieve its intended goals to meet regional affordable housing demand and expand such housing among communities, the fair share program calls for a switch from passive approaches to broaden affordable housing opportunities to active attempts to really produce it.

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