Regulatory Barriers Conference Roundtable Summary

Steven P. Hornburg Principal, Emerging Community Markets

The summary session highlighted the political economy of regulatory barriers that face reform advocates. Local governments that promote regulatory barriers are, in fact, often responding to the perceived desires of their electorate. No level of government is in a position or willing to take on this powerful local dynamic. What state government wants to get involved in local land use disputes?

Federal influence is dilute, as authority for localities to regulate land use is mostly defined and controlled by states. To an extent, some argue that federal programs, such as the Community Development Block Grant program and HOME, can be used as leverage to coerce localities into reducing regulatory barriers. But, if the locality is using regulatory barriers already to discourage the development of affordable housing, federal programs that promote affordable housing might not be a high priority in the first place.

Another possible leverage point is the federal-state nexus, a juncture explored by the Kemp Commission. The federal government could incentivize states to be more proactive on regulatory barriers. This approach, however, foundered on economic and political reality. The federal government would never place enough funding at risk to effectively change states' incentive structures to tackle regulatory barriers.

Thus, the final panel generally supported making progress on developing more information on the affordability impact of specific regulatory barriers. While no particular regulation emerged as the highest priority, panelists expressed support for the idea of tackling one regulation at a time to examine the impact in depth and disseminate information on its affordability impact. They also recognized the need for research that challenges the predominant view that affordable housing hurts home prices.

Panelists also recognized that the lack of data hampers effective advocacy research designed to expose barriers. They generally supported efforts to more consistently gather data on a national basis. Finally, panelists recognized that the public often wants policies that may inadvertently increase housing prices and that highlighting this apparent contradiction may be useful.

Author

Steven Hornburg is the Principal of Emerging Community Markets, a policy and research firm dedicated to expanding housing opportunity. He is also a Harvard Fellow with the Joint Center for Housing Studies and an adjunct professor in the Urban and Regional Planning program at the Virginia Tech College of Architecture and Urban Studies. He is on the advisory boards of Cityscape: A Journal of Policy Development and Research and the Metropolitan Institute at Virginia Tech. As a national housing strategist with more than 20 years of experience in national housing policy and mortgage finance, he is currently working on affordable housing, housing finance, homeownership education and counseling, subprime lending, community development, fair lending, smart growth finance, and U.S. Department of Housing and Urban Development programs.