



## CHAPTER 8 SNAPSHOT

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### HOUSING CONSTRAINTS

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#### **Purpose:**

- Examine the factors impacting affordability problems in Oakland County.

#### **Content:**

- Identifies and discusses three categories of factors impacting affordability—market constraints, capacity constraints, and regulatory barriers.
- Market constraints refer to obstacles that result from the interaction of housing supply and demand.
- Capacity constraints include a variety of factors that relate to the capacity of the housing delivery system to meet the need for affordable housing (e.g. financing, staffing, etc.).
- Regulatory barriers include an array of federal, state, and local laws/regulations that can make it difficult to provide housing at a price that is considered affordable.

#### **Major Findings:**

- *All three types of constraints exist* in Oakland County. The *most significant constraints are market-related*.
- *Primary market constraints include* the insufficient availability of low-cost land that can be developed at densities sufficient to meet demand; public opposition to the development of affordable housing (NIMBYism); consumer demand for large units with many amenities; high consumer demand driven by the high quality of housing and quality of life in the county; limited housing searches by recent in-movers; cost of property taxes and utilities; and labor and materials costs for low-income housing.
- *Primary capacity constraints include* insufficient funding for public and nonprofit affordable housing and service providers; inadequate awareness of the need for, and benefits of, affordable housing among the general public and elected officials; and a lack of government infrastructure for providing affordable housing in some communities.
- *Primary regulatory barriers include* the imposition of aesthetically-oriented building requirements (e.g. percentage of exterior covered by brick, type of roofing material, etc.) within subdivisions; inconsistent application of building codes and/or adherence to development approval procedures in some communities; large minimum lot sizes in some communities; and the failure of most communities to explicitly address affordable housing, multifamily housing, or special needs housing in master plans. Additional investigation of regulatory barriers at the community level would help the county identify and alleviate regulatory barriers in specific communities.

**Conclusions:**

- Although *the market may eventually alleviate some of the constraints* related to consumer demand and land cost, *other constraints will require actions by government, nonprofit, and private sector stakeholders* directly targeted to eliminating the constraints.
- *Financial incentives* to reduce land costs and/or encourage higher density development *may be necessary to reduce market constraints*.
- *Education and outreach will be critical for diminishing NIMBYism and addressing awareness issues that limit the capacity of the affordable housing delivery system*.
- *Additional funding for affordable housing* will be critical to removing capacity constraints.
- *Additional work to systematically identify and remove regulatory barriers is essential to ensuring the sustainability of efforts to increase the supply of affordable housing in the county*.