Planning for housing has long been an integral part of the city planning function. The future land use plan provides for projected future housing needs within a framework for location and general housing density classifications. Development codes specify form, type, and density details and generally relate housing development to availability of services. Other aspects include such items as housing quality standards, group home regulations, and streamlined permitting. All of this creates a framework for the private sector delivery of housing within a local government’s goals and vision.

Many local governments have housing divisions and housing planners, either as part of a planning office or in a separate department. These departments and staff are often involved in assessing needs, directing resources (especially SHIP, CDBG, HOME, HUD Supportive Housing Funds, and local bond and other funds), working with community redevelopment agencies on housing projects, and coordinating with public housing agencies/authorities, local community development corporations, and other non-profit and for-profit housing developers. Generally, however, local planning agencies are not otherwise involved in the direct provision of housing.

Since the 1930’s separate public agencies have been created to actually stimulate housing production, primarily of affordable housing but also housing in redevelopment areas. The agencies are separate from planning departments in part because local governments normally do not have sufficient authority to create and administer the financial tools that are used to fund affordable housing development.

Today, states, many counties, and even some cities have housing finance agencies (HFAs) that issue tax-exempt bonds, allocate low income housing tax credits, and may also invest tax-increment funds for the development of affordable housing. Some of these agencies also administer federal housing funds, such as the HOME Investment Partnership Program, and/or state housing trust funds. State agencies cover cities and counties statewide, while local HFAs serve a county and its cities. Sometimes they may serve several contiguous counties in a more regional role, thus allowing housing producers in small counties access to these financing tools. Most often, the funding is awarded through a competitive application process.

It is important for planning directors and planning departments to have good relationships and frequent communication with housing agencies and other housing partners to ensure that the housing production promoted by such agencies fits the local government’s plans and goals and also to ensure that the locality receives its fair share of housing funding.

Left to their own devices, housing agencies can become shadow land use planners. Their funding requirements typically prescribe or give preference to such details as:

- Housing type (single or multifamily; ownership or rental)
- Unit type (the mix of bedrooms)
- Construction type (frame vs. masonry)
- Density (attached or detached; garden or mid-rise)
- Location (infill or greenfield)
- Geographic distribution (small county vs. large county; small city vs. large city)
- Highest leverage of public funds; i.e., fewest public dollars per unit

Procedures for funding via bonds or tax credits usually dictate that a funded project be consistent with a local government’s local land use and related plans. Further, the use of HUD funds at the local level is governed by a locally-prepared Consolidated Plan, and state housing trust funds similarly mandate a local housing plan to guide their
use. (In medium and large urban areas, the Consolidated Plan is prepared by the CDBG-entitlement urban counties and cities. States prepare the plan for smaller communities. Consolidated Plans are not required within Indian Tribal reservations.)

Nonetheless, housing agencies need to made aware of the housing priorities of the jurisdictions they serve; otherwise, they will set their preferences according to the market and other criteria that may or may not align with those of a city or county in their service area. For example, a city may have affordable infill housing as a priority whereas a local HFA may have highest unit production as a top goal. The HFAs policies would reward lowest cost (land and building) to the extent that the more expensive infill housing would not be competitive in the application for funding. The funding would flow to projects located in suburban or even exurban sites which may or may not be in the city in question. As far as the agency is concerned, if a project meets someone’s housing priorities and plans, it often does not care who that someone is.

It is therefore crucial for planning departments and housing agencies to closely coordinate their preparation of housing plans, policies, and procedures so as to achieve the best support for the affordable housing in one’s jurisdiction. Similarly, where a government’s plans clash with the plans and policies of a housing agency, particularly at the state level, the money will likely go elsewhere and opportunities will be lost. The language of the HFA is one of high finance and is outside the comfort zone of most planners, so it is usually avoided altogether. All too often planning directors fail to make the connection between the planning function and the housing agency and thus lose valuable resources that could have benefited their jurisdiction.

This article, authored by Bob Ansley, first appeared in Local Planning Agency Management by Wayne Feiden, FAICP and published by the American Planning Association in 2016.

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The Villas at Hampton Park is a 48-unit apartment providing homes to extremely low-income seniors. It is part of a redevelopment of 17 vacant acres in Downtown Orlando, which includes mixed-use and mixed-income housing, office and commercial space. ONIC was co-master developer for the owner, Orlando Housing Authority.

City View is a mixed-income, mixed-use project in Parramore neighborhood of Downtown Orlando. It has 266 apartments and 25,200 s.f. of retail & office space. Fifty percent of the residential units are market rate, and fifty percent are affordable at 3 income tiers – moderate, low, and very low.