From the House to the Ground

Insights into the Challenges of Implementing State Housing Policies

By Jenny Schuetz, Julia Gill, Semida Munteanu, and Sydney Zelinka

Housing affordability has worsened over the past several years, with soaring costs and a lack of supply putting more financial stress on Americans than ever. In response, states have undertaken an unprecedented amount of legislative activity aimed at reforming land use practices to boost housing production and improve affordability. Media and public attention have tended to focus on the political process—including initial proposals, public testimony, negotiations over amendments, and committee votes—and proponents declare success when these bills are signed into law. Meanwhile, more states are now in the process of developing and debating housing legislation. But passing statewide legislation is the first step in efforts to improve housing affordability, not the last. Implementing housing reform is a complex challenge for state and local governments, and it can take several years to see results.

To better understand how newly adopted state housing policies are being implemented on the ground, the Lincoln Institute of Land Policy and Brookings Metro invited a group of state policymakers and researchers to a state housing policy workshop in April 2023. Participants hailed from seven states along the housing policy spectrum: three that have longstanding roles in land use and housing production (California, Massachusetts, and Oregon); two that have recently adopted legislation (Maine and Utah); and two that are deliberating what a broader state role would look like (Colorado and Virginia). They represented diverse housing market conditions (e.g., price/rent levels, tightness of supply, rural-urban mix) and political and institutional environments. The workshop focused predominantly on challenges during the implementation stage—how to ensure adopted policies can be carried out successfully to address overarching goals. (See page 10 for a full list of participating agencies.)
In this brief, we share some of the high-level lessons learned from recent state housing policy reforms, as well as the pressing questions that remain. This paper is the first in a series that will delve deeply into some of the topics that follow. In addition to offering insights from conversations held at the workshop, this brief draws on background information gleaned from interviews with state officials, a review of state housing agency websites and related media coverage, and additional research.

Goals: Why States Enact Housing Policies

Policymakers are motivated to develop state-level housing policies based on underlying housing market conditions and perceived constituent needs. Leaders in the participating states tended to take action based on one or more of these four high-level goals:

1. increase housing production to address a shortfall between demand and supply;
2. increase the supply of below-market-rate housing;
3. allow greater diversity of housing types, especially in high-opportunity communities; and
4. encourage more housing in strategic locations, such as near job centers or transit infrastructure.

Some states are focusing their efforts around one or two of those goals, while other states are attempting to address all of them (figure 1). Three of the participating states—California, Massachusetts, and Oregon—have had statewide policies in place for several decades that are intended to boost overall housing production and the supply of below-market-rate homes, although through notably different mechanisms. California and Oregon are also national leaders in the more recent push to legalize diverse housing types, such as accessory dwelling units (ADUs) and duplexes. In 2021, Massachusetts became the

Figure 1: Key Goals and Design Features of Housing Policies in Participating States

This table is based on surveys completed by participants in the Lincoln Institute–Brookings Metro state housing policy workshop (April 2023) and the authors' review of state housing agency websites.

<table>
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<th>POLICY GOALS AND FEATURES</th>
<th>CA</th>
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<th>ME</th>
<th>MA</th>
<th>OR</th>
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<td>✓</td>
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<td>✓</td>
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<td>✓</td>
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<td>✓</td>
<td></td>
<td>✓</td>
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<tr>
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* Based on original proposal for CO SB23-213.
** Missing Middle refers to housing types that fall between single-family homes and large apartment complexes, including townhouses, duplexes, and small multifamily buildings.
first state to adopt a policy legalizing multifamily housing near transit stations. This is a statewide law, but it will primarily impact communities in the transit-rich Greater Boston area.

The other four states are relative newcomers to statewide housing efforts. Maine and Utah adopted their first policies within the past five years. Both have legalized ADUs and are aiming to encourage more below-market-rate homes; Utah is also encouraging more housing near transit. Virginia does not yet have statewide policies regulating land use or housing production, but Governor Glenn Youngkin signaled support for land use and zoning reform in his 2022 “Make Virginia Home” plan. In 2023, Colorado considered a highly ambitious statewide land use bill with provisions aimed at all four goals, but the bill did not gain enough support for passage. A recent paper offers more details on the design and history of statewide housing policy in California, Massachusetts, Oregon, Utah, and Virginia.

Implementation: How State Laws Become Local Regulations

After bills receive a majority of votes by the full legislature and are signed into law by the governor, the action moves to executive agencies during the rulemaking process. From there, it moves down to local governments as they revise their zoning and other local regulations to comply with new state rules. Many of the ambitious state housing policies that have been adopted are still in the early stages of implementation, so we don’t yet have definitive evidence about what works and what doesn’t. But it is clear that the steps taken after a new state law passes are critical in determining whether the policy will be successful in achieving its stated goals, although these steps may be less visible to voters and the media.

Below we describe the general process through which localities implement new state policies and share several key lessons about factors that can hinder or facilitate the process.
Governor Charlie Baker pushed a law changing the standard to a simple majority for a selection of local zoning ordinances with the goal of facilitating more housing growth.

2. Generating public support for reform facilitates implementation. Media, advocacy groups, and elected “champions” of state housing reform all play important roles in shaping public opinion on state law, which affects local implementation.

The extent and tone of media coverage on housing reform varies across states, leading to vastly different levels of knowledge and political opinions on housing. 

The town meeting format used by many New England localities is an unusual and particularly thorny structure. Communities with town meetings do not elect a legislative body, but rather hold periodic gatherings at which all eligible voters have the right to cast direct votes on proposed policy changes—a labor-intensive form of civic engagement. Research shows that at most one in four citizens attends town meetings; with low turnout, a vocal minority can defeat policies supported by a nonvoting majority. Until 2020, Massachusetts required a two-thirds supermajority vote at town meetings to change zoning.
reform. In California, major outlets like the Los Angeles Times and CalMatters provide extensive coverage of housing policy and are generally supportive of housing reforms. States like Maine, where media markets are smaller and housing reform is a newer topic, typically have less frequent coverage. More analysis of differences in editorial viewpoints of major media outlets is an important area for future research.

Housing organizations and stakeholders like prohousing groups, tenants' rights groups, affordable housing providers, and developers can also play important roles in generating support for local implementation, and in holding local governments accountable. In Maine and other states, local AARP chapters have become the organizational champion of ADUs. The types of organizations that join coalitions supporting—or opposing—housing reform vary widely across states.

Research organizations also serve as critical partners to states in public education and outreach efforts. The UC Berkeley Terner Center on Housing Innovation fills this niche in California. Utah has partnered with the Kem Gardner Policy Institute at the University of Utah to analyze housing needs and supply across the state. In Massachusetts, the state housing agency relies on the Massachusetts Housing Partnership (MHP) to collect, analyze, and disseminate data about the state's housing needs.

At the state level, elected officials who successfully “own” the housing issue—either governors or legislators—can sometimes leverage their political capital to champion legislation. For example, Utah's house speaker has been a driving force in coordinating between the legislature and governor's office, while the state's Commission on Housing Affordability includes a wider group of elected officials and community stakeholders. However, there is risk in tying the housing agenda too closely to a single elected official without a broader supporting coalition. Oregon and Massachusetts have both managed to continue to make progress on housing reform through a change in governors, but in general political transitions can make it difficult to maintain momentum.

3. Capacity is critical to implementation, and it varies widely. The capacity of state agencies overseeing implementation, and that of local governments responsible for incorporating state requirements into local ordinances, varies widely in terms of staff, available technology and data infrastructure, and the political environment that frames the relationship between state and local governments. Highly complex policies will create greater implementation challenges, especially for lower-capacity states and localities.

Staff capacity considers personnel size and expertise, and bandwidth relative to existing duties. The implementation of California’s complex statewide housing plan is overseen by a large professional staff in the Department of Housing and Community Development (HCD). Its policy division alone employs more than 100 people who set local housing production targets for low-, moderate-, and above-moderate-income units, and oversee their allocation among regional planning agencies. Another division within HCD works directly with localities as they develop local housing elements to ensure they conform with statutory requirements. At the other end of the spectrum, Maine—whose population equals just four percent of the population of California—has a total of four staff members across

To increase housing supply and affordability, Massachusetts has legalized multifamily zoning near MBTA transit stations. Credit: Halbergman via E+/Getty Images.
different state agencies tasked with developing guidance and rules for its new zoning reform laws, establishing production targets, and providing technical assistance to communities.

To undertake the necessary revisions to zoning and building codes, small localities without full-time planning staff will need to hire consultants. States that have only recently adopted prohousing legislation are likely to have a smaller ecosystem of planning consultants who are familiar with the related requirements, and state agencies may need to prioritize expanding and training that pool. All participating states besides Utah reported having a dedicated pool of planning consultants, but some expressed concern about the capacity of existing consultants to assist with housing policy implementation, given other state and local priorities such as climate resilience and economic development planning. Even in California, which has a robust public sector consulting industry, the expertise of consultants can vary tremendously, requiring strong oversight capacity in the client government.

Local capacity constraints are particularly an issue for small rural communities. Among Maine’s 500 towns, 200 mostly rural areas have no zoning at all, making it difficult for communities to understand how the terms in state requirements, such as density and zoning ordinance,

Figure 3: Data Dashboards: A Powerful Housing and Land Use Tracking Tool

Residensity (Massachusetts)

Annual Progress Report Data Dashboard (California)

Sources: Mass Housing Partnership, California Department of Housing and Community Development.
Access to construction, price, and vacancy data is key to overseeing local compliance and fine-tuning policy design. While price and vacancy data can be purchased from proprietary sources, no centralized state register exists for building permits, which are widely used as a proxy for residential construction activity. Permit data is collected by the local building departments that issue them, but many still rely on paper forms and do not store this information electronically. Nevertheless, to understand the effect of state policies on housing production, state agencies must rely on localities to accurately report building permit data. States that include rural communities in their policy face additional obstacles tracking data on rents, sales, and vacancy rates because most private data providers do not cover localities outside of large metro areas.

Those states with a longer history of intervening in housing production have invested in developing the technology and data infrastructure that enables them to track the effects of recent housing policy reforms. For example, California requires localities to submit annual progress reports toward state-determined production targets and has created a dashboard displaying a detailed set of housing metrics at the local jurisdiction level. Massachusetts collects standardized parcel maps from localities through its bureau of geographic information, MassGIS. MHP combined MassGIS parcel maps with property tax assessor records and private provider data to create a new platform that allows users to visualize residential density and land use patterns throughout the state.

The political and legal dynamics that define the relationship between state government and localities will also affect the implementation of state housing policies:

- Oregon has a long-established role in state land use planning and management of urban growth to preserve open space and natural resource lands. This gives the state a legal framework to build on, an existing state agency that has been in place for 50 years (the Department of Land Conservation and Development), and localities that are adept at implementing planning and zoning consistent with statewide planning goals.
Utah's political culture is unusually amicable and practical, allowing the state to quickly advance a legislative and regulatory agenda without nearly as much nationally visible hostility.

While a deep “home rule” tradition gives localities in Massachusetts significant autonomy, the state was among the first to intervene in local land use decisions through Chapter 40B, a law passed in 1969 to streamline the development of affordable housing.

Providing more support to localities should increase the probability that they will revise zoning to incorporate state housing policy goals, which can translate into better medium- to long-term housing production. However, it requires time, expertise, and funding from state agencies, which isn’t always allocated in agency budgets when the law gets passed.

4. Policy design choices impact implementation and outcomes. While a state’s underlying housing challenges and policy goals are the primary factors in designing statewide policies, the specific features also matter for implementation. Often there is a tradeoff between nuanced, complex policies that encourage more production in targeted locations or reach lower-income households and simpler policies that are easier for localities to implement and states to oversee. Including requirements related to geographic scope, structure types, and income tier can affect the ease of implementation. Further, it is important for policymakers to consider the resource demands of enforcement mechanisms, such as setting quantitative production targets.

Statewide legislation is particularly difficult to design because housing shortages and affordability problems are not equally acute across cities and counties within states, even in expensive states like California. This raises the question of whether policies to boost production should apply to all communities or be targeted to a subset of them—and both approaches pose challenges for implementation. States that choose to target specific communities must identify which criteria will be used to determine eligibility. Utah and Massachusetts both aim to encourage housing near public transportation systems—at first glance, a straightforward way to determine local eligibility. But defining which communities are near transit still requires judgment calls, such as whether transit means rail, buses, or both, and what distance band is appropriate.

Using population size is another appealing way to determine eligibility or stratify requirements, recognizing that smaller places are likely to face different housing issues and more capacity constraints. Oregon’s Housing Choices policy applies statewide but requires communities under 25,000 to legalize duplexes only, while larger cities and communities in the Portland metro area also need to allow triplexes, quadplexes, cottage clusters, and townhouses. Population size is not a perfect proxy for community resources, however; should small, wealthy suburbs that have successfully resisted past housing development have lighter requirements than larger, poorer cities?
Setting one common standard for all communities seems like a simpler approach—every community must follow the same rules—but creates other challenges. More technical assistance may be required to help the universe of localities develop compliant policies, and the state agency must monitor outcomes and compliance in more localities.

For states whose primary goal is to increase overall housing production, an intuitively appealing mechanism is to set quantitative targets for localities, with fiscal carrots and sticks to encourage (or require) compliance. But this approach poses several practical challenges in the initial design and enforcement stages. How will the state decide on the right number of homes each locality should produce? How will it monitor ongoing housing production to make sure localities hit their targets?

Until fall 2023, California was the only state that assigned localities housing production targets, through the complicated—and controversial—Regional Housing Needs Assessment (RHNA). The state housing agency calculates local targets based on unmet housing need and expected future population and job growth. Oregon has recently enacted housing production targets through the Oregon Housing Needs Analysis (OHNA) and will begin rulemaking in fall 2023.

Measuring housing gaps in the current moment is difficult and subject to interpretation, and predicting the future is harder still—even for an agency with considerable financial resources, data, and high-capacity staff. Several researchers have estimated housing gaps for the United States as a whole and various smaller geographies, but there is not one consistent, widely accepted methodology. To monitor whether localities are meeting their goals, HCD requires cities and counties to provide annual progress reports indicating the number of homes permitted, including some breakdown by affordability tier and structure type. These data are self-reported; no alternate sources exist to independently verify the information's accuracy.

If state agencies intend to impose financial or legal penalties on local governments that do not meet production goals, they must have reliable information that corresponds to the stated targets. Yet participants consistently noted the lack of publicly available, timely, accurate data on housing production as a concern in holding localities accountable under state policies. The most widely used data source is the Census Bureau’s residential building permit survey, which reports annual building permits issued and provides some information on structure type. However, large discrepancies exist between the Census Bureau’s data and counts from local administrative records, which undermines confidence in using Census data for enforcement purposes.

Compliance: How States Work with Communities

One of the most difficult challenges related to implementing statewide housing policy is compliance. In some cases, communities are willing to comply but don’t have the capacity to do so; in other cases, strong political opposition makes it difficult to reach an agreement on implementation. States vary in their approaches to compliance and the mechanisms they use to ensure it. Depending on the state, localities may be required to comply with mandatory programs, encouraged to opt in to voluntary programs with financial incentives, or some combination of the two:

- California, Maine, Oregon, and Utah legalized ADUs by mandating that local governments rewrite their zoning to allow these homes. How these states are enforcing compliance—and the consequences for localities that do not comply—is still an evolving question. California has the longest history of mandatory housing policies (notably RHNA), and is currently increasing oversight, after decades of lax enforcement.

- In Massachusetts, complying with the new requirement to zone for multifamily uses near transit ensures that communities remain eligible for certain state housing grants and capital funding. Although the Massachusetts Municipal Association did not initially support the MBTA Communities Law (Section 3A), over 98 percent of the affected communities have met requirements for interim compliance.

States also have different mechanisms for resolving disputes over whether localities are complying with housing reform laws:
Oregon has a statewide Land Use Board of Appeals in addition to compliance oversight by its Department of Land Conservation and Development.

Utah has designated a Property Rights Ombudsman, an independent office under the Department of Commerce that helps resolve disputes between public agencies and individual property owners.

Virginia is a Dillon’s Rule state, which means that localities may require explicit approval from the legislature before adopting some policies.

In both California and Massachusetts, the current attorneys general have signaled strong support for using their offices to enforce compliance.

The status of state housing policies is changing quickly, and reality is moving too fast for data and research to keep up. More intentional collaboration between policymakers in different states, as well as between policymakers and researchers, will help fill in knowledge gaps and support more effective policy rollout. We hope that this brief is the beginning of ongoing fruitful conversations.

**Conclusion and Recommendations**

As more governors and state legislatures consider how to address housing production and affordability, the public conversation should move beyond the political horse race *(did the bill pass?)* and consider what happens next: how localities revise their zoning codes to comply with state guidelines, and how states monitor and enforce new policies. Although the nuts and bolts of implementation may seem obscure compared to the headline-making news of statewide reform, there are two important reasons to give it more attention:

1. **Policymakers should try to anticipate implementation challenges when they are designing state laws.** Creating a policy that not only fits economic needs, but also recognizes the resource and staff capacity available among state and local governments will increase the likelihood of achieving the policy’s goals.

2. **Policymakers, media, and voters would benefit from having clearer expectations about the timeline for implementation and outcomes.** When will impacts of the policy become visible? How will we know whether policies are working as intended? Housing undersupply has been growing for a decade nationally—even longer in states like California, Massachusetts, and Oregon. Considering the time needed for state-level policy changes to work their way into revised local zoning, it is likely to take at least three to five years after a policy is passed and implemented before changes in housing production become apparent to the public. Without realistic expectations about this time frame, prohousing advocates may get discouraged, while opponents claim that zoning changes are ineffective—all before the policies have kicked in.

The status of state housing policies is changing quickly, and reality is moving too fast for data and research to keep up. More intentional collaboration between policymakers in different states, as well as between policymakers and researchers, will help fill in knowledge gaps and support more effective policy rollout. We hope that this brief is the beginning of ongoing fruitful conversations.

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