

DEVELOPING A HOUSING PROGRAM

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When Market Failure Occurs

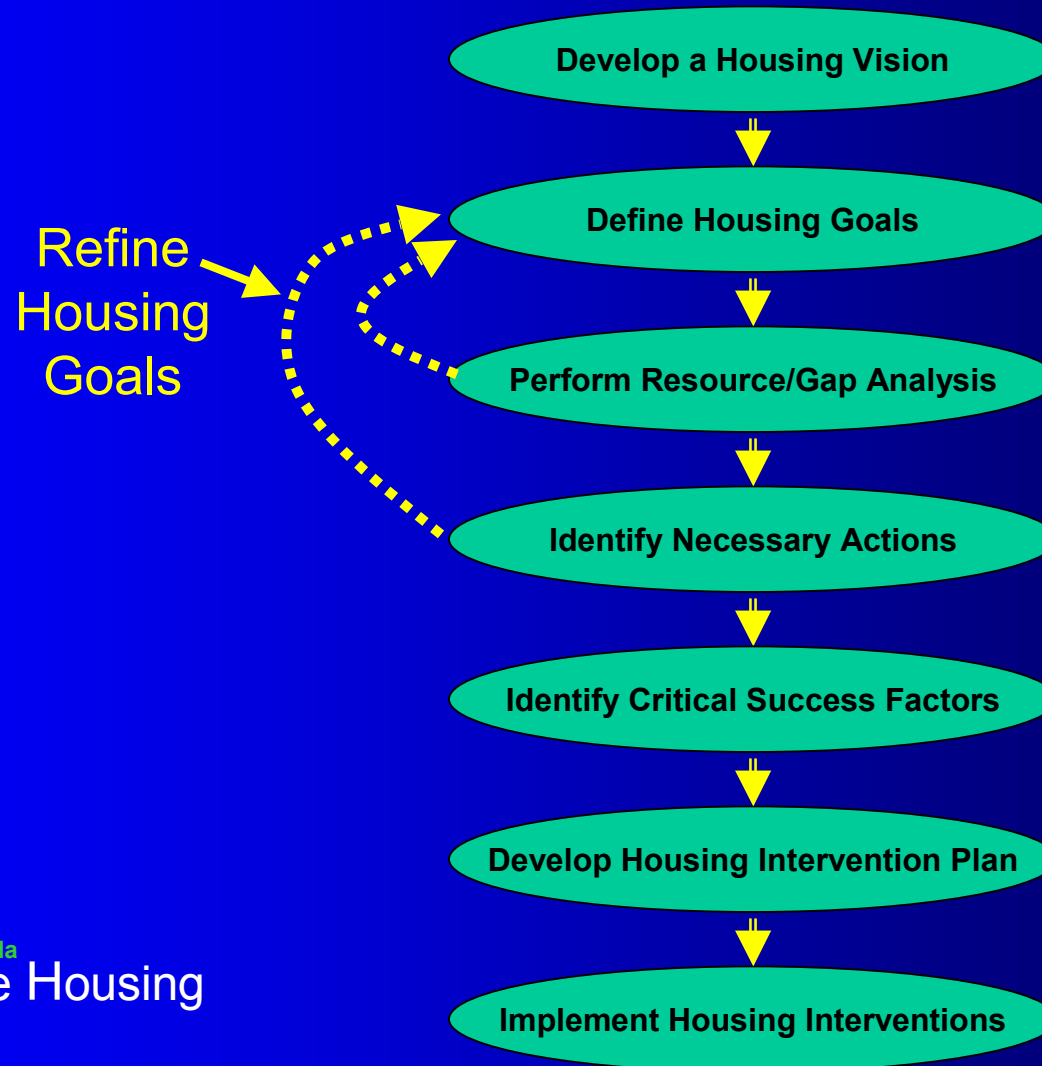
The community has two choices:

- It can choose not to act
- It can choose to act, and intervene to address the housing market failure

Choosing to Act

- Evaluate the community
- Develop and implement intervention strategies
- Monitor the market

Community Evaluation and Intervention Process



Critical Success Factors

- Political Will
- Community Will
- Housing Vision
- Housing Plan
- Political and community buy-in for the plan
- Funding
- Land
- Organizational capacity
- Policies and procedures
- Perpetual affordability

Political Will

- Do the community's political leaders recognize that a housing crisis exists?
- Are they willing to expend their political capital to address the crisis?

Community Will

- Do the community's informal leaders (business, religious, elites, activists) recognize that a market failure exists?
- Do they have the will to act?
- Can they mobilize others to act?

Spend Wisely

- There will never be enough money
- Local sources of funding will be needed
- Look for opportunities to leverage state and federal programs
- Look for ways to use zoning and growth management incentives to entice private affordable housing development

Organizational Capacity

- Developing and implementing effective housing programs requires a dedicated organization
 - Qualified staff
 - A renewable and reliable source of operating funding
 - Working relationship with the town
 - Working relationship with the community and with other housing organizations

Perpetual Affordability

- Develop resale formulas that are fair to the residents and that keep the units affordable
- Build in affordability restrictions for as long as possible