

How Affordable Housing Can Exclude: The Political Economy of Subsidized Housing

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Abstract

Affordable housing is often studied as a single good: we measure its production and availability; evaluate policies to increase supply; or study the development process. But, there are many types of affordable housing. In this paper, we ask: How do the different types of affordable housing shape the politics of permitting new affordable housing, and what is the impact of these politics on home-seekers? We find that affordable housing is a surprisingly heterogeneous good, which often comes with a number of exclusionary restrictions attached. Some cities and towns disproportionately permit units that are smaller, less financially accessible, and age restricted. Racial threat may motivate at least some of these choices: subsidized housing units in whiter cities and towns—especially those surrounded by communities with higher Black populations—are more likely to be age restricted.

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Introduction

A wide body of political science, economics, and public policy work has explored the sources of America’s ongoing housing crisis. These researchers have pinpointed the pivotal role that the under-supply of housing has played in spurring rising housing prices, and have investigated institutional and behavioral factors that make housing construction so difficult (Glaeser and Gyourko 2018; Gyourko and Molloy 2015; Einstein, Glick and Palmer 2019). While this research does not treat housing as a monolith, it relies on, in some cases, fairly broad categories to analyze the politics of housing development. These broad categories may lead researchers and policymakers to miss important policy tools that make housing more (or less) exclusionary.

In particular, previous research has primarily analyzed two types of housing project traits. The first is project size. A multitude of studies—primarily survey-based—have explored how the scale of a housing development shapes public support. Here, the distinctions have been fairly fine-grained; across multiple studies, one can learn how Americans respond to single-family homes, duplexes, triplexes, and mid-sized and larger apartment buildings (Hankinson 2018; Marble and Nall 2017; Trounstone 2023). The second trait researchers have explored has been categorized more coarsely: housing affordability. Studies have primarily distinguished between market-rate housing and affordable housing (Tighe 2010; Marble and Nall 2017). Here, affordable housing is treated as a monolith.

Academics are not alone in treating affordable housing as a broad, all-encompassing category. At permitting and zoning meetings, policy makers, local officials, and residents often express a preference for more “affordable” housing instead of new “luxury” units. Federal and state incentives or requirements often measure housing simply in “units,” and generally do not distinguish across types of affordable housing. However, “affordable” can mean many different things. Affordable housing may be subsidized to charge a rent that is affordable to the median household in a community, or it may be more deeply subsidized to have the rent be a percentage of one’s income. Affordable housing may be restricted to senior citizens or other specific groups, or it may be available to all types of households. It may consist of multiple bedrooms with room for a family with children, or it may be a single-room studio. These variations mean that only a small fraction of units may be

suitable for a given individual or household.

Public policy largely enables communities to treat these different types of affordable housing types as substitutes when permitting housing, even though they are not substitutes to consumers (people seeking affordable housing). Indeed, within the bounds of fair housing laws, communities have enormous latitude to choose who gets to live in the affordable housing that they permit, creating potential mismatches between current and prospective residents, senior citizens and young people, and people of different income levels. Through negotiations with developers needing building permits, communities can choose how expensive to make their affordable housing, how large to make affordable units, and whether or not units have age restrictions or preferences for local residents. By failing to disaggregate between different types of affordable housing, previous researchers and policymakers miss the ways in which ostensibly inclusive public policies can in practice further local communities' exclusionary aims.

In this paper we examine how the subsidized housing supply varies across different communities, and how the politics of housing shapes which types of subsidized housing are available in different kinds of places. By analyzing how legal requirements and regulations treat different types of subsidized housing as one good, but how communities and home-seekers see subsidized housing as a wide set of differentiated goods over which they have very different preferences, we are better able to understand the challenges of building subsidized housing to meet the demand of those who need it.

How Governments Track Subsidized Housing

For the purposes of this paper, we define subsidized housing as any type of housing built through government regulatory or financial policy. This definition encompasses a wide variety of different mechanisms. For example, a local inclusionary zoning ordinance might mandate that all private housing developments above a certain size include a minimum percentage of subsidized housing units. Or, the federal or state government might fund the development of public housing, where the government remains as landlord upon completion of the development; such projects are typically overseen by local housing authorities, which are sometimes part of municipal or county government

and other times separate entities. While some so-called “naturally occurring affordable housing” emerges because of market conditions, here, we take up housing that is affordable because of some form of government intervention.

Defining subsidized housing helps to show that, like so many public policies under American federalism, subsidized housing policy is deeply fragmented, involving financing and regulation from multiple levels of government. Federal, state, and, in some cases, local governments all have programs in place to fund the development of subsidized housing. Sometimes, the government directly oversees development and management of the property. Most of the time, though, the government incentivizes private development through tax credits, requirements, or density bonuses.

The rules governing the actual building of subsidized housing are largely the purview of state and local government. These laws and regulations dictate where housing can be placed, how many units can be developed, and what form a particular building is allowed to take, among other things. They can also incentivize or require the development of affordable housing. Inclusionary zoning is perhaps the most prevalent form of zoning explicitly targeting subsidized housing. But there are also a small number of local communities and states that have adopted bonuses that allow developments with a minimum amount of subsidized housing to bypass certain local zoning rules.

Their control over land use and permitting also means that local governments are frequently involved in negotiations with private developers over project specifics. A local planning or zoning board might ask a developer to, among other things: shrink a project; add in local preferences for subsidized units, wherein people who live or work in a community move to the top of the application pile; or, include age restrictions on subsidized units.

On top of this multitude of government actors, there are also multiple private actors deeply involved in the development of subsidized housing. Indeed, the government incorporates the private sector at virtually every stage of the subsidized housing development. Perhaps most obviously, private developers—and an array of subcontractors—are responsible for the physical construction of a subsidized housing development. Private banks might be involved in financing the development. Moreover, once it is time to actually lease units, lottery agents manage the application and waitlists, while leasing agents and property managers deal with the day-to-day logistics of actually managing

the property.

The fragmentation of subsidized housing development is thus manifold. Multiple levels of government administer, regulate, and fund subsidized housing. This means that, without centralized guidance and requirements, multiple actors are separately making decisions about how to track (or not track) subsidized housing units. Perhaps unsurprisingly, this means that we have little systematic information about how government and private actors are making decisions about the provision of this precious good.

The state of Massachusetts helps to underscore the paucity of detailed information about subsidized housing. In 1969, the state passed an usually strong subsidized housing law, Chapter 40B: the law allows developers to bypass local zoning laws if two conditions are met: (1) at least 25% of units in their proposed project are subsidized; (2) less than 10% of the housing stock is subsidized in the the community in which the project is proposed. As a consequence, the state uses a Subsidized Housing Inventory (see Figure 1) to track the subsidized housing stock in each municipality. The state only tracks *units*; there is no information about the affordability of those units or for whom the units are designated. From the perspective of the state, one-bedroom units reserved for seniors are just as good as three-bedroom units for families. Units that are only affordable to lower-middle class residents of a town are as good as deeply affordable units accessible to the poorest families.

Moreover, Massachusetts is, in many respects, a best case scenario for subsidized housing data. Few states have this type of legislation in place, meaning they have little incentive to engage in this type of policy tracking. Consequently, in most communities, we lack even basic unit counts. This means that policymakers and scholars do not even know which communities are have the largest shares of subsidized housing or which policy programs have been most impactful at producing subsidized housing, among other things. In short, we have scarce information about how this scarce good is allocated.

Differentiating Subsidized Housing

Local control over housing policy generally creates powerful interests in and tools for exclusionary practices (Einstein, Glick and Palmer 2019). Local governments have a strong incentive to use dif-

Executive Office of Housing and Livable Communities
Chapter 40B Subsidized Housing Inventory (SHI)
as of June 29, 2023*

Community	2020 Census Year Round Housing Units	Total Development Units**	SHI Units	%
Abington	6,799	666	489	7.19%
Acton	9,151	1,517	737	8.05%
Acushnet	4,275	125	95	2.22%
Adams	4,299	324	324	7.54%
Agawam	12,313	620	558	4.53%
Alford	237	0	0	0.00%
Amesbury	7,808	841	663	8.49%
Amherst	10,684	1,467	1,252	11.72%
Andover	13,464	2,212	1,675	12.44%
Aquinnah	215	33	33	15.35%
Arlington	20,400	1,615	1,299	6.37%
Ashburnham	2,448	144	29	1.18%
Ashby	1,206	0	0	0.00%
Ashfield	800	20	19	2.38%
Ashland	7,456	1,021	419	5.62%
Athol	5,207	261	261	5.01%
Attleboro	19,049	1,166	1,166	6.12%
Auburn	6,979	366	366	5.24%
Avon	1,830	75	75	4.10%
Ayer	3,783	381	226	5.97%
Barnstable	21,915	1,816	1,485	6.78%
Barre	2,234	83	83	3.72%

Figure 1: Massachusetts Subsidized Housing Inventory

ferent types of subsidized housing as a potential mechanism of exclusion. White, socioeconomically privileged communities can use their control over land use and permitting to control what housing gets built and where, thereby limiting who has access to their communities and their public goods. Researchers and policymakers recognize zoning and land use as powerful contributors to racial and economic segregation (Rothstein 2017; Trounstein 2018; Schuetz 2022). A similar logic intuitively applies to the development of affordable housing, and negotiations over unit types. Communities may select for affordable housing that they believe will favor current residents or outsiders who are demographically similar, rather than change the makeup of their community.

Local governments influence what *type* of affordable housing gets built. Most multifamily housing requires either special permits or variances from existing zoning (Schuetz 2022). Both of these processes require developers to present their plans at public hearings, where public comment is solicited, and obtain formal approval from local planning and zoning boards or city council committees. This entitlement process creates significant opportunity for local government negotiations (Hankinson 2013). In the many interviews with housing developers, lottery agents, and public

officials that we conducted in our research, the type of affordable housing unit was a frequent topic of discussion. For example, a lottery agent who worked across multiple Massachusetts communities told us that towns frequently asked for affordable housing lotteries to include local preferences, where individuals who live or work in a community move to the top of any applicant pool: “Towns care about local preference. They want that.”¹

A variety of considerations shape what local governments might prefer. In perhaps the rosier picture, they may be attentive to community needs. A large number of seniors living below the poverty lines may spur a local government to push for more age restricted housing. Alternatively, local governments might be highly responsive to the loudest community voices (Einstein, Glick and Palmer 2019), and restrict housing to those they perceive to have the lowest impact on public life and finances. Local governments may be especially sensitive to racial threat. White communities that perceive themselves to be under threat from more diverse places may be especially incentivized to build affordable housing that effectively excludes non-white prospective residents (Key 1949; Hopkins 2009; Enos 2018).

Critically of these drivers of potential local decision-making are rooted in local—not regional—preferences. In a fragmented metropolitan area and devolved federal system, local governments pursue policies that are in their own self interest (Peterson 1981). In the absence of state preemption, there is no mechanism for effective coordination or policy-making across municipalities, and many places have little incentive to account for broader regional demand when making decisions about housing (Burns 1994; Dreier, Mollenkopf and Swanstrom 2004; Trounstein 2018).

Subsidized housing types profoundly shape for whom they are accessible. Here, we outline three important attributes that coarsen data like Massachusetts’ Subsidized Housing Inventory mask: (1) rent type; (2) age restriction; and (3) unit size. This list is by no means exhaustive of all possible restrictions that can be attached to affordable housing. For example, an analysis of unit attributes misses the ways in which *waitlist management* can also attach its own potentially exclusionary requirements. While subsidized housing is a scarce good virtually everywhere, in some communities, it is so oversubscribed that access is dictated by lengthy waitlists managed by

¹https://www.tbf.org/-/media/tbf/reports-and-covers/2022/october/special-topic-from-gbhrc2022_interactive_web2.pdf

lottery agents. These waitlists can include all sorts of attributes so long as they abide by fair housing laws. Some communities, for example, might choose to prioritize people who recently experienced homelessness or who are fleeing domestic abuse. While there are myriad of these preferences that we might analyze for this paper, we focus on one with potentially exclusionary aims: local preferences. Communities can choose to prioritize people who live or work in their communities when selecting applicants for affordable housing off of waitlists. While there are no systematic data available on these waitlists, limited evidence suggests they are prevalent: one company in Massachusetts that ran lotteries across the state used local preferences in 14 of the 27 developments for which there was information available online.² For both data availability reasons and conceptual clarity, we focus here on *unit traits*; as we will show in our ensuing data analysis, they prove both prevalent and consequential.

Rent type. There are two primary ways that subsidized housing units charge rent. The first, more financially accessible type, charges rent as a percentage of a household's income—putting housing within reach even for the lowest income housing. The second type of subsidized housing sets rent as a percentage of the area median income. Many developments might allow people to qualify so long as their income is at or below 80% (or some other percentage) of the area median income. This means that people earning solidly middle-class salaries qualify for subsidized housing—and pay rents that may seem astronomical for so-called affordable housing. For example, in the city of Boston, a family of four with an income of \$118,720 qualifies as 80% of median area income. An “affordable” 2-bedroom unit charging rent based on the area median income will cost them \$2,672 per month.³ All of these unit types are classified as “affordable,” in counts like the Subsidized Housing Inventory, regardless of rent charged. The type of rent will consequentially radically shape the income levels of individuals who can access a particular development and broader community.

Age Restrictions. While fair housing law prohibits restrictions based on a variety of demographic traits, housing developments are permitted to include age restrictions that only allow residents above a certain age to reside in a unit. These restrictions will vary from place to place: some

²https://www.tbf.org/-/media/tbf/reports-and-covers/2022/october/special-topic-from-gbhrc2022_interactive_web2.pdf

³The city of Boston outlines eligibility for various types of affordable housing here: https://docs.google.com/spreadsheets/d/1w2YD5z__2eFEK2aCxUG4j18KCCx2aA1R1ix_v0p9oqI

developments set age restrictions as low as 55, while others are set to 62 or 65. Governments and advocates justify these restrictions on the grounds that seniors have specific housing needs that can be best met in developments targeted to that population. These restrictions may also be popular with local governments and residents who perceive seniors to create fewer traffic and service burdens relative to, say, families with children. Seniors are also a powerful interest group at the local level (Anzia 2018), and frequent, disproportionate local voters (Hajnal, Kogan and Markarian 2022).

Senior housing may also serve more exclusionary aims. Seniors are, on average, less diverse and more likely to be White than the nation as a whole—and significantly more White than children under the age of 18. Senior housing may consequentially also be attractive to a city or town hoping to maintain racial exclusivity.

Unit size. Different-sized units are accessible to different households. Families with multiple children may prefer units with two or more bedrooms, while single people or seniors looking to downsize may seek smaller units. Unit size thus has a potentially profound impact on which types of households can access a particular community.

Data

Collecting data on affordable housing developments is a complex and difficult undertaking. Even when a list of all affordable housing developments is available in a locality, it may not be feasible to collect other information, including the number of units and other details, including unit sizes, restrictions, and subsidy types. This information may only be available from the developer or property manager or government records such as deeds.

We rely on data collected by Housing Navigator, a Massachusetts non-profit organization that seeks to make information about affordable housing available to prospective tenants across the Commonwealth. Housing Navigator has the only high-quality statewide data on the supply of affordable housing; this information is not available from any state office. Housing Navigator defines an affordable housing unit as a “permanent rental property with an income restriction that accepts applications from the general public. This definition includes public housing, LIHTC-funded housing, 202s and inclusionary housing.”⁴ Housing Navigator assembled its inventory by

⁴Housing Navigator, “FAQ/Methodology,” <https://housingnavigatorma.org/wp-content/uploads/2024/01/>

working with local governments, receiving submissions from property owners and managers, and independent research from county registries of deeds and assessors.

For each unit, the data includes the municipality, unit size, subsidy type, and if the unit has age restrictions.⁵ However, there is additional information about each unit that is not available, including the year built, other restrictions on residency, and preferences in how the lottery operates, such as a preference for local residents. We supplement the Housing Navigator data with municipal-level U.S. Census data from the American Community Survey (ACS) on the race, age, income, and housing prices.

Overall, we have data on 207,573 units, distributed across 3,340 developments in 280 municipalities (the remaining 71 municipalities in Massachusetts do not have any subsidized housing). Subsidized housing is distributed across the state. Boston, the largest city in the state, has 24% of the subsidized units. Worcester, the second-largest city, has only 4%.

Affordable Housing Supply Restrictions

The Housing Navigator data demonstrate the substantial variation in the supply of affordable housing across municipalities in Massachusetts. Figure 2 shows the distributions of three key variables across the 280 cities and towns in our dataset. The top panel shows the distributions of subsidy types. We divide subsidies into two broad categories: units where the rent is based on a percentage of individual income, and units where the rent is based on a percentage of the area median income (AMI). We consider units with two or more bedrooms to be accessible to families, as they have at least one bedroom for the adult(s) and one for the child(ren). Finally, the third panel shows the distribution of units with age restrictions. While the exact minimum age set in the restrictions varies across municipalities (typically 55–65), these restrictions are designed to create housing reserved for older residents.

As shown in Figure 2, the supply of subsidized housing varies greatly across municipalities. However, it does so in systematic ways. For example, wealthier communities have a much smaller share of subsidized housing units than poorer communities. Figure 3 shows this relationship, with

FAQ_Glossary.pdf

⁵Unit size defines if the unit is a single-room-occupancy (SRO), studio, or the number of bedrooms.

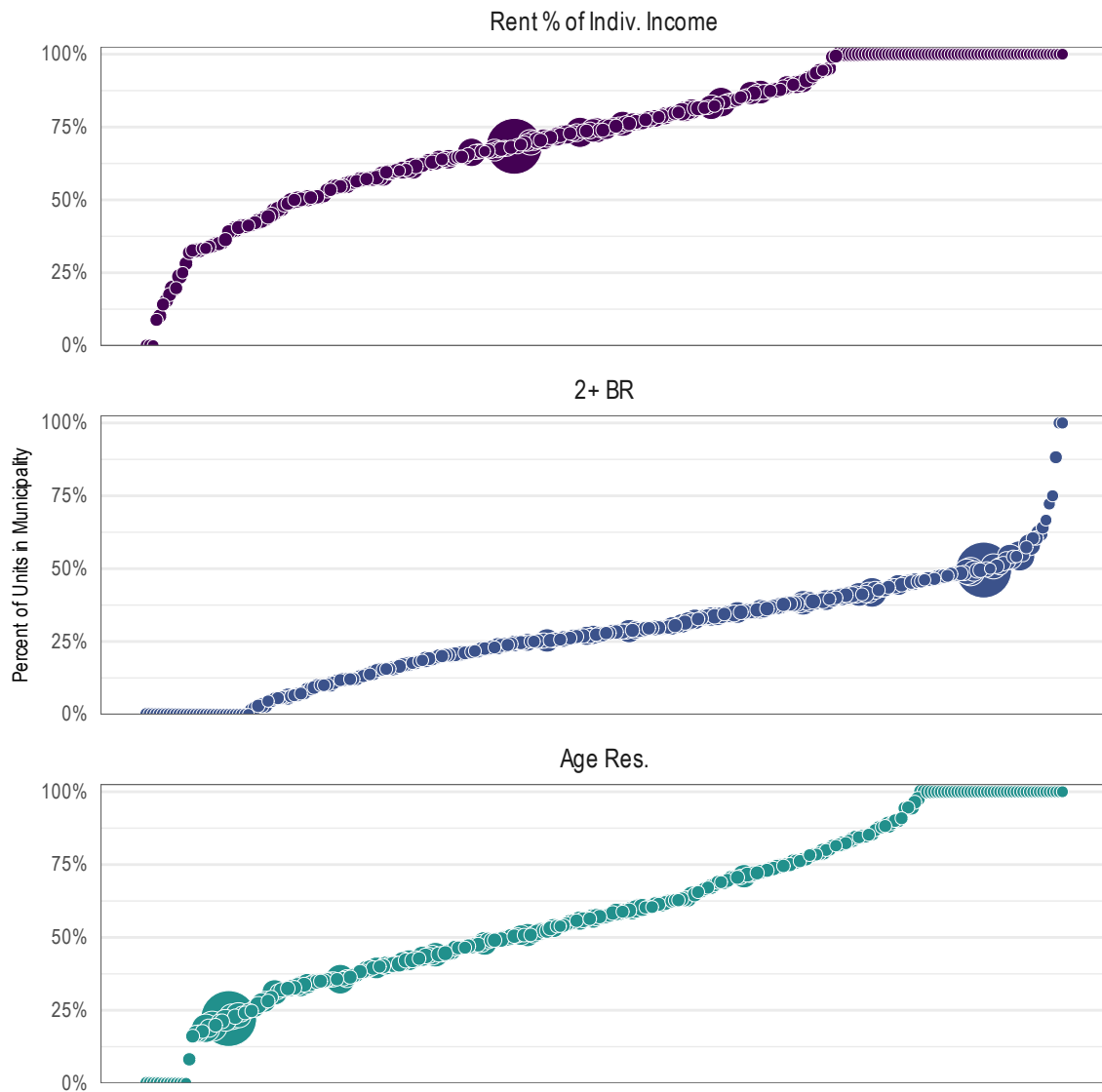


Figure 2: Distributions of Key Variables for Subsidized Housing

median housing price on the x-axis and subsidized housing units as a percentage of total housing units on y-axis. This relationship is not a function of variations in local demand. Wealthier towns located next to poorer towns tend to have much smaller shares of subsidized housing, even though the demand for this housing isn't limited to each town individually. For example, Springfield is one of the poorer cities in Massachusetts, with a relatively high share of subsidized units. The surrounding towns, however, have much lower shares of subsidized housing, despite high demand in the Springfield metro area.

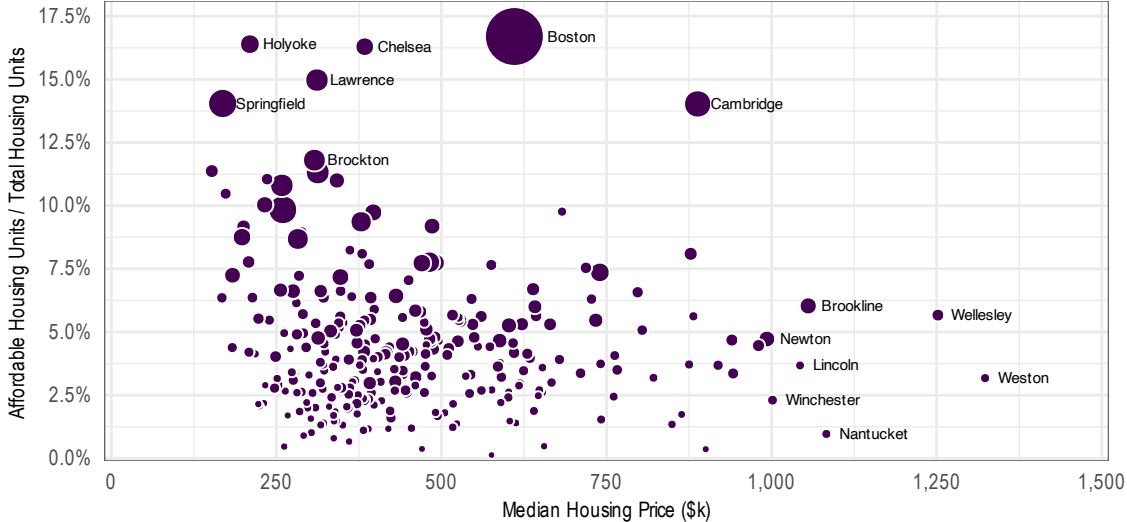


Figure 3: Wealthier Municipalities Have a Lower Share of Subsidized Housing. Points are sized by number of subsidized units in the municipality.

While these data show troubling inequities in the supply of affordable housing, they mask the full extent of potentially exclusionary choices cities and towns might make. Below, we explore variations in rent type, age restrictions, and unit size.

How much housing of each type *should* each community build? There are many factors that may drive the variation of subsidized housing amounts and types we observe in Figure 2, including demand for subsidized housing by different kinds of people, zoning and other housing regulations, and the preferences of decision-makers and residents in these municipalities. Measuring demand for subsidized housing overall and for particular populations (seniors, families, etc.) is difficult because, while demand may vary across the state and metropolitan area, Massachusetts is divided into a set

of small municipalities, and individuals can move across these units. The population of low-income people in a particular municipality is not a good measure of demand for affordable housing in that place, as there is also demand from outside the municipality.

Given a state-wide housing crisis, we measure the demand side of housing at the region and state level, rather than at the municipal-level. For example, in the Boston-Cambridge-Newton MSA, 9.0% of people earn incomes below the poverty level. Among people aged 60 and older, 9.4% of people earn incomes below the poverty level.⁶ In other words, demand for subsidized housing is roughly the same for seniors and non-seniors.

Similarly, when wealthy towns permit subsidized housing, the units are more likely to have rents based on the area median income, rather than the individual's income. Figure 4 shows the relationship between median housing price and the percent of units in the municipality where the rent is based on the individual's income. Through this choice of rent-setting mechanism, even the subsidized housing in the wealthiest towns can be exclusive. For example, in Winchester, MA, a wealthy suburb of Boston, the 2024 monthly rent for an affordable two-bedroom unit at Sanctuary at Winchester West was \$2,292.⁷

Many local governments justify these allocations on the grounds that they meet the needs of the current population. Indeed, local residents and governments cite an array of concerns when making decisions about housing, including schools, traffic, the environment, and concerns about the effects of new development on municipal finances, services, and character (Einstein, Glick and Palmer 2019). Taking the example of senior housing, the state of Massachusetts, and, indeed, the country as a whole, faces a rapidly aging population, making the case for additional senior housing intuitive. Many communities especially value the prospect of allowing current residents to age in place. Such housing is also perceived by some as a money-saver, with small, senior-oriented housing unlikely to place additional financial burdens on the schools.

Ongoing efforts to redevelop the Mugar Wetlands in Arlington, MA help to illuminate these dynamics. In 2016, Oaktree/Greenline LLC proposed a multifamily housing development under the state's Chapter 40B law. While the development is eligible to bypass local zoning under state law,

⁶American Community Survey, 5-year averages, 2018–2022, Table B17020.

⁷<https://search.housingnavigatorma.org/navigator/listing/HN-MA-017638>

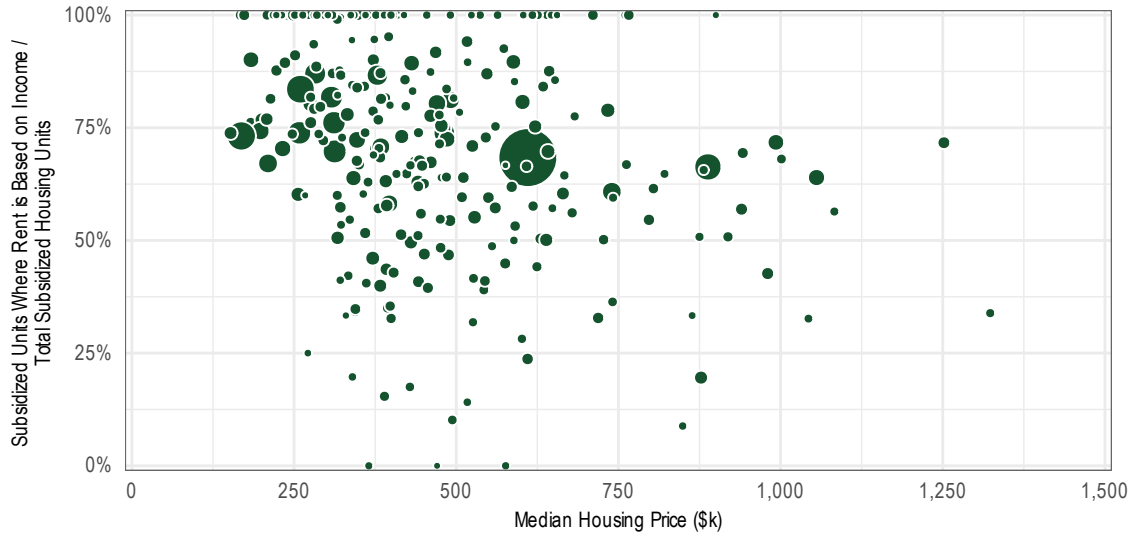


Figure 4: Wealthier Municipalities Have a Lower Share of the Most Affordable Subsidized Housing. Points are sized by number of subsidized units in the municipality.

town officials have been fiercely contesting whether, among other things, Arlington is subject to the state statute. Community opponents—who research shows hold sway over public officials (Einstein, Glick and Palmer 2019; Sahn Forthcoming)—immediately objected to the apartments on a variety of grounds. Some residents worried about the burden new apartments would place on schools. One member of the Coalition to Save the Mugar Wetlands noted, “The last 20 people who have moved into our neighborhood are all families with kids moving out of cramped Boston spaces. We think that trend will continue. The developer is projecting only about 30 school-age children, but in the three homes on my shared driveway we have eight children alone.”⁸ In response to concerns like these—amplified by town officials—the developer reduced the total number of affordable units and made them age-restricted.⁹ Cities and towns can also use the size of units to effectively accomplish the same aims as age restrictions. A comment from a resident at a 2017 Milton Planning Board meeting illustrates this point: “the [small] sizes of the proposed apartments [are] good considering the overcrowding of the school.”

In short, local governments do not have an incentive to take into account broader regional or

⁸<https://www.belmontcitizensforum.org/2017/03/15/mugar-wetlands-project-stalled-for-now/>

⁹<https://www.yourarlington.com/arlington-archives/town-school/development/21703-mugar-100323.html>

statewide demand when deciding what housing gets built and to whom it should be allocated. Perhaps unsurprisingly, this has led to a supply of subsidized housing that does not match the region-wide demand. Figure 5 shows the breakdown of housing across three categories (senior housing, family housing with 2+ bedrooms, and smaller units) and two kinds of rent-setting mechanisms (based on individual income and based on area income). Statewide, 39% of all units are reserved for seniors. However, people over sixty make up only 22% of the populations with incomes below the poverty level in Massachusetts.¹⁰ These units overwhelmingly have the most affordable type of rents. Thirty-nine percent of units are suitable for families, but these units are less likely to have the most affordable rents. Finally, 23% of units are one bedroom or smaller, and are even less likely to have the most affordable rents. According to Housing Navigator, the greatest demand among housing-seekers is one-bedroom units for non-seniors, which municipalities have been reluctant to permit. When we exclude Boston, Worcester, and Springfield, the three largest cities in the state, the supply of senior housing grows to 46%, and 2+ bedrooms drop to 34% and smaller units to 19%.

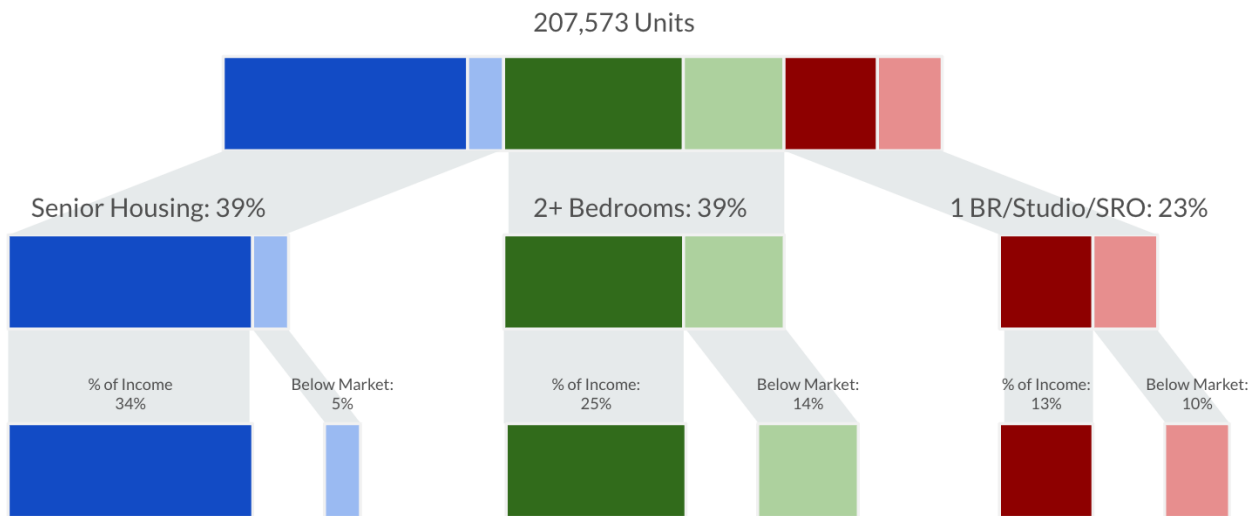


Figure 5: Supply of Subsidized Housing by Types

¹⁰2022 American Community Survey, Table B17020, "Poverty Status in the Past 12 Months by Age."

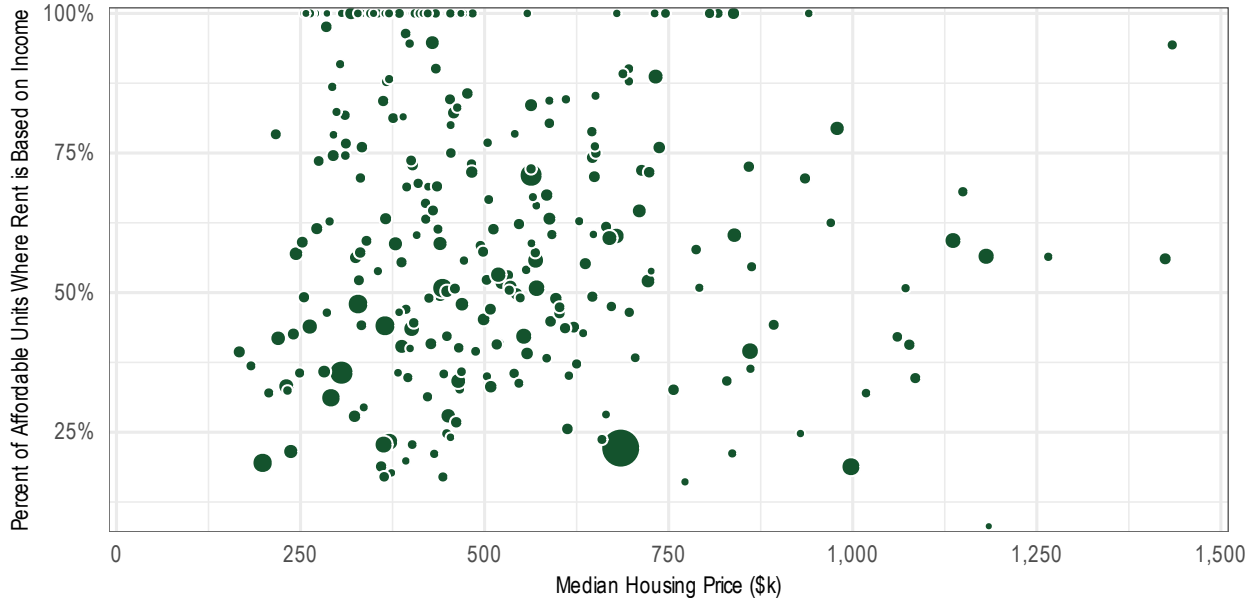


Figure 6: Supply of Subsidized Housing by Age Restrictions

Affordable Housing Supply Restrictions: Age Restrictions

Given the variation in subsidized housing across municipalities, we now turn to examining what municipal factors best predict the types of affordable housing in each place. We focus on the oversupply of housing restricted to seniors as a percentage of subsidized housing units.

Across the 280 municipalities in our sample, 44 (16%) restrict all of their subsidized housing units by age, and 72 (30%) restrict at least 80% of their units by age. However, unlike the total subsidized housing supply, the share of subsidized units restricted by age is not associated with income or housing costs in the municipality. Figure 6 shows the relationship between median housing price and the percent of subsidized housing units with age restrictions. Not only is there not a statistically significant correlation between housing prices and restrictions, but the municipalities with the highest share of restrictions span most of the price distribution; less expensive and more expensive municipalities both fully restrict their housing by age.

Given these preferences for senior housing, why do we observe such variation in the share of units with age restrictions across Massachusetts? Why do some towns only permit subsidized housing with age restrictions, while others, with similar median incomes and housing prices, permit

a broader mix? These results cannot be explained as simply a function of need for senior housing, with demographically similar communities pursuing such disparate housing policies.

We estimated linear regressions where the dependent variable is the percentage of subsidized units in a municipality with age restrictions, and the independent variables demographic characteristics of the municipality.¹¹ Model 1 of Table 1 shows that there is small but statistically significant relationship between local median income and age restrictions. Model 2 shows a strong and statistically significant positive correlation between the share of the subsidized housing with age restrictions and the percentage of people in the municipality who are White. As hypothesized, we find evidence that racial threat may help explain these variations. Moreover, when controlling for race, we do not find a statistically significant relationship between the percentage of residents aged sixty or older and age restrictions. Figure 7 presents the results for the relationship between age restrictions and White population. Towns with larger White population shares restrict more of their subsidized housing by age.

Furthermore, the geographic context of the municipality is also correlated with age restrictions. For each municipality, we identified all of the neighboring cities and towns, and calculated the demographics of the surrounding communities. In Model 3 of Table 1 we include the percentage of white residents and the percentage of residents aged sixty and older in the surrounding municipalities. We find a negative but not statistically significant correlation between the percentage White of residents in neighboring places and age restrictions, and a negative and statistically significant correlation between the the percentage of residents aged sixty and older in surrounding towns and age restrictions. In Model 4 we replace the percentage White in surrounding places with percentage Black, and find a statistically significant negative correlation. When a higher share of the residents of the neighboring municipalities are Black, a smaller share of subsidized units are age restricted. We interpret this results as potential evidence of racial threat — when neighboring residents are more likely to be Black, there are higher levels of age restricted housing (designed to exclude newcomers). Finally, in Model 5 we include percent of the neighboring residents who are Black and the percent of the neighboring residents who are over sixty. We no longer find a statisti-

¹¹In these models we exclude the largest city in the state, Boston.

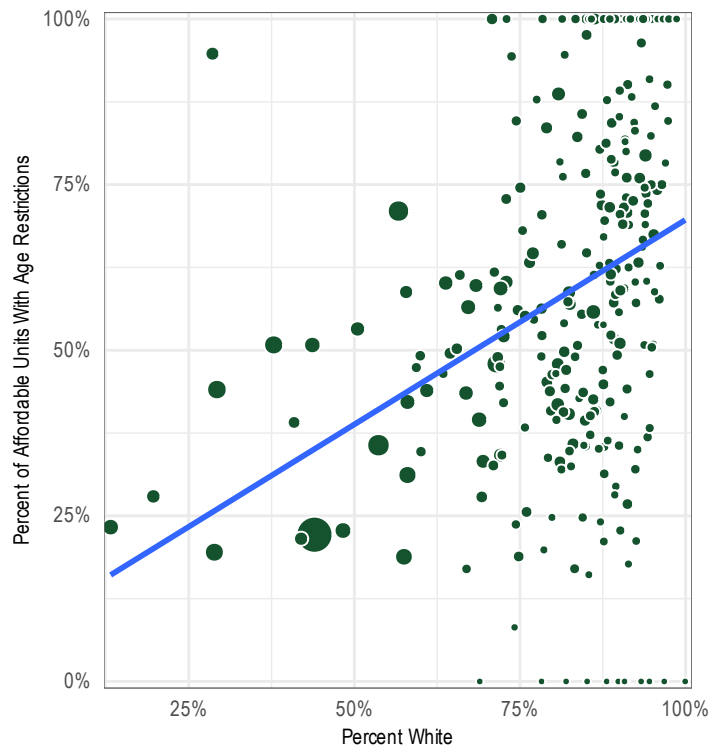


Figure 7: Relationship Between Town Racial Demographics and Age Restricted Subsidized Housing.

cally significant relationship between the percent Black and age restrictions. However, the negative correlation between the percentage of residents aged sixty and older in surrounding towns and age restrictions suggests that age restrictions are not used simply because of high local demand; more nearby seniors reduces, rather than increases, the percentage of senior housing in a municipality.

Dependent Variable: Model:	% Age Restricted Units				
	(1)	(2)	(3)	(4)	(5)
<i>Variables</i>					
Constant	0.3322*** (0.0363)	0.1280** (0.0589)	0.3037*** (0.0799)	0.1014** (0.0511)	0.2418** (0.0936)
Median HH Income (\$k)	0.0016*** (0.0003)	0.0009** (0.0004)	0.0005 (0.0004)	0.0006* (0.0003)	0.0005 (0.0004)
% White		0.3418*** (0.0932)	0.3340*** (0.0989)	0.4232*** (0.0707)	0.3422*** (0.0940)
% Aged 60+		0.1467 (0.2761)	0.7239** (0.3661)		0.6809** (0.3418)
% White Neighbors			-0.0411 (0.1277)		
% Aged 60+ Neighbors			-0.9697** (0.4648)		-0.8766** (0.3768)
% Black Neighbors				0.5463*** (0.2087)	0.2450 (0.2473)
<i>Fit statistics</i>					
Observations	279	279	278	278	278
R ²	0.08200	0.17198	0.20603	0.19127	0.20858
Adjusted R ²	0.07868	0.16295	0.19144	0.18241	0.19404

*Signif. Codes: ***: 0.01, **: 0.05, *: 0.1*

Table 1: OLS of Percent of Subsidized Units with Age Restrictions. Observations weighted by total population. Excludes Boston.

Conclusion

By differentiating across types of subsidized housing, our research uncovers: (1) its incredible variety, and (2) the ways in which this scarce resource can be used as a tool of exclusion. Supply and demand often do not match because the production of subsidized housing is shaped by many factors that play no role in filling the housing once it is built.

What's more, in many ways, this paper presents an optimistic scenario. Massachusetts has

some of the most aggressive subsidized housing laws on the books nationwide. Its state policies are responsible for the production of thousands of deed-restricted affordable units that would not otherwise exist. In many states, these government-subsidized units are simply not being produced at all. And, what units are being produced are not being tracked in a way that allows for meaningful policy evaluation. We hope that future research can continue to push for similar data collection in other contexts to provide further geographic generalizability to our findings.

One important limitation of this paper is that its analyses represent a snapshot. We do not have information on when subsidized units were constructed, so we cannot definitively connect contemporaneous demographics with unit production. Future longitudinal analyses would allow researchers to better identify the causal mechanisms leading to the production of particular affordable housing types—and how these policy choices may contribute to downstream racial and economic segregation.

This paper shows that simply comparing subsidized and market-rate developments belies enormous complexities in this policy area. We hope that future research can take seriously the call to disaggregate political and policy analyses of subsidized housing, and further illuminate how different levels of government decide what type of subsidized housing to build and for whom.

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