

Tourism-based development

Tourism has long been recognized as a community and economic development strategy to bring in revenues. As one of the fastest growing industries in the world, many communities are seeking ways to tap into this vast and productive industry to capture local community and economic development benefits. This lecture focuses on presenting models and processes of tourism-based development along with applied approaches such as the Main Street program, popular culture, heritage, and other specialty approaches.

Introduction

The tourism industry has grown to become one of the largest economic activities in the world with an estimated 200 million jobs worldwide and accounting for over 10 percent of global gross domestic product (World Travel and Tourism Council 2005). It comprises many different organizations from both the public and private sectors including:

- *Transportation providers*: Scheduled and charter air services; maritime services; ground service (auto, bus, rail transport).
- *Attractions*: Recreational, cultural, historic, scenic (may be any type from festivals to state parks and museums to entire communities).

- *Food services:* Restaurants and food stores.
- *Accommodation:* Ranges from hotels/motels and bed and breakfast inns to campgrounds and private homes.
- *Travel distributors:* Travel agents, tour operators, wholesalers, ticket agents.
- *Tourism promoters:* State tourism offices promote economic development through marketing and promotion as do chambers of commerce and convention and visitor bureaus at the regional and local levels.
- *Supporting infrastructure:* In addition to transportation, other necessary infrastructure including utilities and other services.
- *Land managing agencies:* Counties, states, and local parks, recreational area and forest area management

Tourism industry:

Why would a community want to pursue a tourism based development approach?

There are several compelling reasons:

- (1) tourism can provide both direct and indirect economic benefits;
- (2) tourism can generate various social/cultural benefits; and
- (3) tourism can help achieve environmental conservation objectives. On the other hand, tourism can negatively impact communities on all three of these fronts – economic, social/cultural, and environmental. Projects or programs that are poorly

designed and implemented without proper planning and consideration of impact result in negative outcomes. Tourism-based development that is too successful may result in undesirable outcomes such as stressing infrastructure limits or causing conflicts between visitor and resident populations. Yet despite these concerns, tourism can be a beneficial development strategy for communities when approached correctly. While many may think of tourism as synonymous with marketing, it goes far beyond that as the prior list illustrates. Marketing is absolutely essential, yet building the tourism industry in a community or region requires much more. Planning, development, and policy issues transcend the concerns of marketers – for example, tourism as a method of community development demands better information and tools to assist with product development, planning, and assessment of impacts. Given that the tourism industry comprises numerous players and is fairly complex in terms of including marketing as well as planning, development and policy concerns, among others, how do communities tap into this vast and productive industry to capture local community and economic development benefits?

A review of tourism planning models

A conventional approach to tourism planning involves encouraging the introduction of a few hotels, ensuring transportation links, and developing a promotional campaign, but with the advent of mass tourism and its visible social

and environmental impacts, long-term planning and controlled tourism development has become crucial. Successful planning strategy “goes far beyond schemes to maximize profits” and, therefore, should include a “detailed, ‘on the ground’ outline so as to determine how each of the factors affecting the success of a tourism destination should be developed”

Types of tourism planning models

Several approaches to the planning of tourism are discussed in the tourism literature. These include the

- (1) sustainable development approach;
- (2) systems approach;
- (3) community approach;
- (4) integrated planning approach;
- (5) comprehensive planning approach;
- (6) continuous and flexible approach; and
- (7) functional tourism systems approach.

A brief description of the first six are provided as follows, with more details of the last model presented.

1 *Sustainable development approach*: This approach seeks to improve quality of

life and meet human needs and wants. Development emphasis was to enhance the living conditions of people and involved addressing concerns such as life expectancy, nutritional status, educational achievement, and spiritual benefits. Further, the sustainable development approach suggests strategizing tourism development with a long-term focus in such a way that it benefits future generations

2 *Systems approach*: A system has generally been defined as a set of elements interrelated to each other. “It is like a spider’s web; you touch one part of it and reverberation will be felt throughout”. The systems approach takes a broad view and provides flexibility by formulating appropriate strategies as applicable to different levels or elements of tourism. Another advantage is “programmed learning and continuous improvement” by examining, defining, and synthesizing using a holistic perspective. It is interesting to note that the tourism system has been viewed differently by various authors.

3 *Community approach*: This focuses on decentralization and facilitation of coordination between different stakeholders of tourism. This approach stemmed from the increasing emphasis on democratization and gained significance when political power shifted from the central government to states, cities, towns, and neighborhoods, thereby giving voice and empowerment to local communities to address their own problems and find appropriate solutions. This approach calls for

better participation between the tourism industry and the local residents. It is hoped that the involvement of local residents in decision-making processes will facilitate better working partnerships between the host communities and the travel and tourism industry.

4 Integrated planning approach to tourism development: This approach requires inputs from multiple stakeholders and aims to “facilitate integration of tourism into overall sub-national, national, and international tourism markets”. This approach strives to achieve a balance between supply and demand. There are two important implications of this approach: integrating various components of the tourism industry, and taking a macrosystem perspective by taking socio-cultural, economic, political, and environmental factors into consideration.

5 Comprehensive planning: This approach calls for a master plan to guide tourism development. This view focuses on the overall tourism situation and takes all components of tourism into consideration to promote sustainable planning. The main purpose is to facilitate coordination among all sectors relevant to the development of tourism.

6 Continuous and flexible approach: Continuity here refers to “ongoing research and feedback and flexibility implying adaptable planning and being responsive to rapidly changing environments”. Constant evolution and reassessment of directions will make the planning process more adaptable to changes in the tourism system,

and will lead to greater ability to predict such changes.

7 Functional tourism system model: The underlying basis of this model is the functioning tourism system with demand and supply as the main driving mechanisms. It is not just airlines or hotels – it is a combination of many other vital elements such as attractions, information centers, and other modes of transportation, including pedestrianism. The key to correct tourism development is the ultimate match between supply and demand. The figure below provides a brief overview of Gunn's tourism system model. Gunn defines demand in terms of market segmentation on the basis of motivation, financial ability, time, and physical ability of a tourist. The supply side comprises all goods and services that are needed to meet the demand. Next, the information sector should be represented by a local tourist bureau together with other sources that provide traffic, weather, and religious information. It is important for information centers to provide hospitality training to local residents. Information systems should not be promotion centered, and visitor centers are essential to provide a hub for information and to serve effectively as a distribution channel. Information is needed on several topics such as weather conditions, physical demands, customs, social contact, host privacy, foods, etiquette, religious beliefs, history, politics, communication, facilities, services, and health.

Starting the tourism planning process

As demonstrated in the models, community participation is a crucial factor for the long-term viability of tourism. In an effort to counter friction resulting from tourism's negative impacts, many researchers are suggesting that tourism-dominated/interested communities should plan their evolution more systematically, thereby taking into account residents' attitudes and perceptions about its growth at the outset. The significance of community involvement is to provide a voice for those involved in or impacted by tourism, to make sound decisions concerning use of local knowledge, and to reduce possible conflicts between tourists and members of the host community. The emphasis in the tourism planning models on the need for coordination and collaboration among all sectors involved leads to the need for planning. Simply put, planning provides the opportunity to envision what a community wants and how to get there. Without it, there is no direction to achieve desirable outcomes – the community will have to accept whatever comes its way. Planning, including project and program development coordination, is crucial to ensure that all elements are developed in an integrated manner to serve both tourists needs and the desires of the host community. All planning processes, whatever the focus, always begin with an inventory or research phase and cycles to an evaluation or monitoring of outcomes phase. Note that the process is continuous and is never “over” because change is the only constant! Further, planning is not an end in itself but rather a necessary means for achieving

outcomes that people value in their communities. The following process is recommended to start a community on its way to achieving tourism-based development:

1 *What do we have?* Inventory assets (people; organizations; cultural/heritage, natural, financial, and built resources) and contexts (political, economic, social, environmental) of the community. This is the research phase and may include a variety of sources and tools such as surveys, focus groups, asset mapping, and so on.

2 *What do we want?* At this point, the all-important vision as a guide to seeing what could happen is crafted by stakeholders – those in the community that have an interest in helping achieve a more desirable future. Belief is a powerful tool and can inspire a community to achieve remarkable outcomes. The vision should be bold enough to inspire and realistic enough to attain.

3 *How do we get there?* This stage is about developing the plan that is a guide with specifics for achieving the vision and includes goal statements and actions. Most importantly, it selects the strategies or approaches desired – will a program such as Main Street or a theme-based approach be used? What trends should be looked at and which markets are sought? It also identifies which organizations or groups of collaborators will tackle the tasks and action items. Collaborative efforts typically work best, but in some cases it takes a “champion” to start the efforts, and

others will join in later.

4 *What have we done, and what do we need to do now?*

Monitoring is critical to see if the above steps are working; if not, then adjustments and revisions are needed. Because the nature of this process is continuous, it provides feedback for refining ongoing activities as well as starting new initiatives.

Getting from here to there: selecting approaches

One of the most critical components of selecting approaches is determining who is going to carry it forward. Many communities develop a collaborative arrangement with both public and private entities; others focus on one organization to serve as the umbrella agency for the community's efforts. Here are examples of approaches that a community can use to implement tourism-based development. Some like to use a combination or create an entirely unique approach with the bottom line being: *whatever works and reflects the desires of the community!*

Main Street approach

In 1980, the National Trust for Historic Preservation (USA) established the Main Street Program to focus on traditional downtown revitalization. It transcends historic preservation and includes community and economic development, infrastructure, and marketing elements. The approach includes not only aspects of encouraging tourism in the form of visitors to shop and spend downtown, but also more broadscale community development outcomes. The Program is

successful, with an average return of \$35 reinvested for every \$1 spent on revitalization. While not all can be a designated Main Street community, there is much to be learned from looking at their development strategy, the Main Street Four-point Approach™:

1 *Organization* involves getting everyone working toward the same goal and assembling the appropriate human and financial resources to implement a Main Street revitalization program. A governing board and standing committees make up the fundamental organizational structure of the volunteer-driven program. Volunteers are coordinated and supported by a paid program director as well. This structure not only divides the workload and clearly delineates responsibilities, but also builds consensus and cooperation among the various stakeholders.

2 *Promotion* sells a positive image of the commercial district and encourages consumers and investors to live, work, shop, play, and invest in the Main Street district. By marketing a district's unique characteristics to residents, investors, business owners, and visitors, an effective promotional strategy forges a positive image through advertising, retail promotional activity, special events, and marketing campaigns carried out by local volunteers. These activities improve consumer and investor confidence in the district and encourage commercial activity and investment in the area.

3 *Design* means getting Main Street into top physical shape. Capitalizing on its

best assets – such as historic buildings and pedestrian-oriented streets – is just part of the story. An inviting atmosphere, created through attractive window displays, parking areas, building improvements, street furniture, signs, sidewalks, street lights, and landscaping, conveys a positive visual message about the commercial district and what it has to offer. Design activities also include instilling good maintenance practices in the commercial district, enhancing the physical appearance of the commercial district by rehabilitating historic buildings, encouraging appropriate new construction, developing sensitive design management systems, and long-term planning.

4 Economic restructuring strengthens a community's existing economic assets while expanding and diversifying its economic base. The Main Street program helps sharpen the competitiveness of existing business owners and recruits compatible new businesses and new economic uses to build a commercial district that responds to today's consumers' needs. Converting unused or underused commercial space into economically productive property also helps boost the profitability of the district. (National Trust for Historic Preservation 2005: 47) Many of the Main Street applications have been met with success, and often tourism is a vital component of that success. The Program offers many sources of information and help to communities and should be a first stop for a community embarking on revitalization efforts. The Program has worked with over

1600 communities since its inception. Mansfield, Ohio; Danville, Kentucky; Elkader, Iowa; and Enid, Oklahoma are just a few examples of Main Street communities. A similar program operates in the UK, The Townscape Heritage Initiative (THI) which combines both heritage resources oftentimes with the goal of increasing tourism for community development outcomes. It is a programme of the Heritage Lottery Fund focused on sustainable conservation and beneficial reuse of heritage resources at the community level. By providing funding and support services, THI serves as a catalyst for social, cultural, and economic regeneration – helping make communities more livable and citizens enjoy a higher quality of life. It operates on principles such as those of the Main Street program – bringing together residents to explore how best to use resources for achieving desirable community outcomes.

Heritage tourism

Whether it is ethnic activities or styles of architecture, using heritage as a basis for building tourism-based development can be very rewarding. Preserving heritage and tourism have not always been congruent ideas, but in the recent past it has become one of the most popular forms of tourism with heritage travelers typically staying longer and spending more than any other type of tourist. The benefits of this approach are numerous including new opportunities for preserving and conserving an area's heritage while giving the visitor a learning and enriching

experience. It can begin with using the community's-built heritage, such as the case with Cape May, New Jersey, or Eureka Springs, Arkansas. Other communities use their ethnicity to develop their approach, as with Solvang, California, with a population of just over 5000 and over 2 million visitors per year. How did they do it? Solvang had a rich Danish history and parlayed this into becoming the "Danish Capital of America" complete with festivals and other special events (Phillips 2002). This Danish culture mecca for tourists encourages new buildings and rehabilitations to use ethnic-style architecture for the built environment as well.

Natural/recreational tourism

Many communities or regions have a bounty of natural resources that lend themselves as a basis for tourism. The U.S. national park system and the individual states' park systems are major destinations for natural and recreational tourists each year. However, at the community level this type of tourism can yield benefits as well. While the scale may be different, the appeal is still high. For example, are there landscapes or even transportation features with unique recreational opportunities such as a canal or railroad corridor? The Rails to Trails program has become extremely popular and can attract numerous recreational tourists. Combining trails with venues at community locations is a successful approach. Three small towns in south Florida recently did just this – by combining efforts and invoking the help of the U.S. Army Corps of Engineers, a walking/biking

trail has been constructed around the levy of a large lake that borders the towns. Visitors have increased to nearly 300,000 on the trail and represent an opportunity to visit the towns when venues are offered.

Popular culture approaches

Popular culture runs the gamut from visual arts and music to filmmaking. Using these elements as a basis for building a tourism-based development strategy is speculative yet very exciting. The entertainment industry can play an important role in stimulating development outcomes. This approach is not without risks though, since some communities find that the intensity of energy and resources required may be too high to sustain a “popular” appeal. Others find it has worked very well. There are three major popular culture strategies that have been used with success.

1 Arts-based

Some view the arts as a powerful catalyst for rebuilding *all* aspects of a community, not just the economic sphere, in terms of venues to attract tourists. Thus the benefits of this strategy can be far-reaching beyond tourism alone. The number and types of tourist venues based on art are tremendously diverse.

- *General support for the arts.* Citizens and local government officials need to recognize that a healthy arts presence is a vital part of community infrastructure and is important in terms of community development. Citizen participation

approaches in community decision making should be used to further build support.

- *Seek out untapped resources.* Local governments may have more resources than direct funding that can be used to support arts-based businesses and other activities which in turn attract visitors to the community. Examples include rent-free facilities from a variety of sources such as school classrooms and auditoriums, commercial warehouses, conference centers, or vacant retail spaces.

- *Integrate the support of the arts with community development benefits.* Whenever possible, the community should strive to link benefits with arts-based activities. For example, artisans could participate in programs such as placing their art in public venues.

- *Maximize resources through community sharing.* The centralization of facilities and resources is a significant factor in the success of arts-based programs. A centralized facility, such as a production studio, gallery, office or retail space, may be used by numerous groups to provide cost savings.

- *Adopt a flexible approach to arts support.* All artists are different and need different kinds of support and assistance. Business management assistance to arts entrepreneurs is usually a critical need in communities. Building an arts-based development strategy will result in increased tourism, particularly for

shopping in galleries and visiting during special venues such as public art exhibits.

2 Music

Music has long been used as a basis for attracting tourists. One only has to look as far as Nashville or New Orleans to see the widespread impact that music and related activities can have on an area. Branson, Missouri is often cited as an example of how entertainment and particularly the music side of the business can be used as a basis for building a tourist dependent economy. One strategy that seems to work particularly well is when ethnic or heritage music is coupled with a tourism development strategy.

3 Filmmaking

While filmmaking and television production can be an attractive strategy for economic development outcomes, it can have mixed results as a tourism venue. Typically after filming, the community attracts tourists for a period of time to see the venues. However, the attraction may fade after time if the community does not offer complementary venues.

Corporate culture approaches

Corporate culture has long fascinated people. Fast-growing tourist venues such as factory tours and corporate museums keep visitors flocking. The benefits include bringing in external revenues and visitors that may otherwise not have ventured to the community.

Surrealistic approaches

This category is in a world of its own. This type of strategy is of an incongruous nature that defies or exceeds common expectations. It emerges when a community does not have inherent natural, cultural, ethnic, or built resources to use as the basis for its tourism development approach, so it creates them with energy and imagination. In other instances, a community may already have the genesis of a resource and then take it to a different level altogether. The results can be astoundingly successful in some cases or a flop. It takes a high measure of courage (and sometimes audaciousness) to embark on this strategy, but the flip side is that the rewards can be very high if done well. There are three elements to consider in this strategy:

1. *Shock value*. Is the approach completely unnatural to the point that visitors are not attracted? Or is it workable because of the delight of the visitors when encountering the unexpected?

2 *Scale*. This concerns the ability to develop the created environment (the venues) to a plausible level so that there is enough to see to draw visitors. One venue, depending upon its size, may not do it. Combining venues and carrying the theme throughout can work better.

3 *Scope*. Communities must find the strategy or approach that incorporates

activities and venues appealing to a market. In other words, it needs to be targeted to an audience.

Conclusion: bringing it all together

Tourism-based development represents an excellent opportunity for communities to capture benefits of one of the largest and fastest-growing industries in the world. This lecture has presented reasons why tourism is an appropriate strategy as well as some of the drawbacks. The major models for tourism were presented along with processes for planning tourism-based development with a focus on selection of the approaches that a community may use. Identifying, designing, and implementing a tourism-based development process is complex, multifaceted, and requires a large measure of energy, resources, and commitment. It necessitates that communities go beyond marketing efforts to consider all facets – from planning and project and program management to gauging outcomes and adjusting strategies as needs and desires change through time. The stakes are high because tourism-based development has the potential to dramatically change a community in many ways and aspects. This is particularly important for communities with heritage assets. Issues of authenticity should be considered as well as protecting fragile resources. On the other hand, tourism-based development can induce positive changes, and with the correct approach and well-designed strategies, the results can be tremendously beneficial.

Housing and community planning

This part of the lecture discusses housing and its role in community planning. A few definitions introduce the topic and clarify common terms used by practitioners and researchers. An explanation of housing typology, density, and affordability provides a basic understanding of how these three issues affect housing and community planning. Housing and community planning vary widely worldwide. This section provides a narrative of housing delivery systems and assistance programs including public housing. It concludes with a discussion about future trends in housing and community planning.

Introduction

Housing is the life of a community. Residential land use is the most prevalent land-use designation in most cities; thus, housing and community planning play a very important role in the development of an urban area. Communities need a variety of housing types. The housing stock of a community should comprise housing types that may be made available to different socioeconomic groups. In addition to housing typology, density and affordability are also important aspects that characterize communities and sometimes entire cities. Governments have played a

role in facilitating and providing shelter, particularly to those individuals and families who need assistance. In recent times, nonprofits and the private sector have also gotten involved in housing provision. Whether government-sponsored or a result of public–private partnerships, housing assistance programs are available to fulfill the needs of low-income families.

Housing typology

Different types of housing are developed at different points in time. Usually, housing types are determined by demographics and markets. In the case of demographics, for instance, the detached, single-family housing type dominated developments in the 1950s and 1960s when the “nuclear family” was the prevailing type of family. More recently, the number of single-person households has increased, and smaller, often attached units are becoming a common type of housing in urban areas. Changes in demographics and family structure bring about changes in housing needs; people demand housing types that better fit their lifestyles and incomes.

Housing density

Density is an important aspect of urbanism; it affects planning in that it has urban design, urban management, and legal implications. Density can be expressed as demographic density – number of people within an area (i.e., persons per acre), or as housing density – number of housing units within an area (i.e., units per acre).

Rural areas have lower densities than urban areas. Within urban areas, there can be low-medium- and high-density neighborhoods. As with several aspects of community planning, density has advantages and disadvantages. Some of the factors that affect urban density are: availability of land, development layout, lot size, street standards, infrastructure standards, housing typology, family size, and urban legislation.

Housing affordability

Housing needs to be affordable to every person in society; even families with higher incomes have to choose a home based on what they can afford. Sometimes market-rate housing is not affordable to some families. Ideally, a community should provide opportunities to families that cannot afford market rate housing including middle- and low-income housing. Affordable housing no longer equates with low-income and public housing. With the gap between income level and housing costs growing wider, housing affordability has become an issue that affects almost all income levels, and is no longer an issue that only concerns the “poor.” Across the board, incomes have not kept pace with housing costs. Both renters and owners have had to resign themselves to the fact that the quality and size of house they are able to afford has declined. Otherwise, they have had to either supplement their incomes or reduce other expenditures to maintain their lifestyles. The need for government-assisted housing has increased in recent years

because there are many gainfully employed families who cannot afford adequate housing in the U.S. today.

Housing adequacy

Being able to afford a home is not the only problem many families face. The condition of affordable housing is also important. There are three problems related to housing adequacy: physical condition, overcrowding, and cost burden. Beyond adequacy, the problem of homelessness is probably the most difficult to define and quantify. Physical characteristics that determine whether a housing unit is in poor condition include not only the state of the basic structure of the house (walls, roof, windows), but other basic amenities for the exclusive use of the unit's occupants such as piped hot and cold water, flush toilet, and bathtub or shower. Housing in poor physical condition is usually referred to as "substandard."

Attention to housing quality has broadened in recent years to consider neighborhood as well as individual unit characteristics. Homelessness is very difficult to quantify because the homeless comprise a range of household types, ages, and races. Different from common perception, the homeless are not all alcoholics and derelicts; some have serious health problems and no support from governments or social services. Causes of homelessness include poverty, unemployment, deinstitutionalization of the mentally ill, reduction of government programs, and lack of low-rent housing. The number of homeless people is

significant; however, given the nature of homelessness, it is very difficult to know how many people are living in those conditions.

The role of government in housing

Prior to World War II, public housing was considered a success in most 1st world countries such as the U.S. Units were clean and safe and maintenance rules were very strict. There were long waiting lists, single parents and welfare recipients were not accepted, constituents were carefully screened, and most were gainfully employed. Housing supply increased rapidly after World War II and the rate of construction surpassed population growth. In the 1950s and 1960s, African-American migrants from the south streamed into big cities in the states and were contained within these projects, thus avoiding residential integration. The danger in concentrating 100 percent of subsidized units, where people with similar problems lived in close proximity, is that critical mass could result in social upheaval. Guided by federal policies, local housing authorities were responsible for building and operating the disastrous large-scale urban projects. In 1968, congress banned the construction of high-rise projects for only the poor.

Current approaches

Government can act to guarantee that households, similarly situated in social and economic terms, have equal opportunities to become homeowners. In Great Britain, Germany, France, and the Netherlands, where providing affordable

housing does not mean serving primarily the very poor, more than 20 percent of the population lives in public housing, as compared to 3 percent in the U.S. Not until the 1930s, following the Great Depression, did the government get involved in the provision of affordable housing. There are two diametrically opposed points of view on the topic of government assistance. Some contend that government subsidies are not only inefficient but unnecessary, while others argue that the only way to make housing affordable is through government investment. Those that are for a non-participatory government ground their argument in the long history of government failure to provide shelter through numerous federal programs.

Research focusing on the delivery of affordable housing without government assistance has suggested that the private sector becomes a driving force.

Government participation is limited to setting policies that allow the market to work freely and reduce the hurdles to development, be it through lowering acceptable standards or increasing the number of credit alternatives to finance shelter. Those who contend that housing must be made available as well as affordable through government participation – either by means of partial subsidies or complete financing – are of the opinion that a free market marginalizes people who do not fit the “standard” mold, since they have no foundation from which to start. More often than not, affordable housing means that which can be occupied by people in the lower levels of income strata. A federal rule establishes

that to be eligible for public housing a household's income must be less than 80 percent of the median income in the area. When discussing affordable housing one cannot overlook the problem of poverty and, radiating from it, all of the causal issues traditionally associated with low-income families such as unemployment and inadequate education. Most government policies are redistributive in nature, striving to combat poverty.

The role of nonprofits in housing

Following the disastrous failures of housing projects of the 1960s, nonprofit organizations started getting involved in housing assistance programs. This movement gave rise to Community Development Corporations (CDCs) which were introduced by the Housing and Community Development Act of 1970 in the U.S. In time, housing became the CDCs' largest single program area and the housing programs developed by these corporations became an alternative to public housing. In fact, they have been so successful that today they have a stronger record in providing units for the poor than in the development of commercial property or business enterprises. Local CDCs, heavily financed by the federal government, own, develop, and manage subsidized housing. They follow a consistent model whose key points are: emphasis on security; keeping the size of each development manageably small; mixing the poor with the working class; screening prospective tenants; and expelling those who commit crimes or break the

rules. However, they usually build houses that simply comply with minimum aesthetic and durability standards, which can sometimes reduce neighborhood strength.

Housing affordability.

Affordability is a crucial element of housing delivery, whether the government or nonprofit sector is involved in giving families access to housing, or whether families, regardless of income, are left to the market's devices. What does affordable mean? The classic government definition of "affordable" is that the expenditures in rent and utilities consume no more than 30 percent of a household's pre-tax income. Although this percentage has been used as a rule-of-thumb by consumers as well as by financial institutions to estimate "how much" housing one can afford, there is no scientific explanation for the "30 percent" figure. Housing affordability can be achieved by different means. It can be made more affordable through innovative design, less stringent building and land development standards, lower financing costs, or improvements in other areas such as education and employment. These strategies will indirectly result in making shelter accessible to people by way of increasing their skills, marketability, and consequently, their income levels. A number of organizations compute indices to measure the ability of "typical" families to afford a home. Some of these indices are:

- Affordability Index, calculated by the National Association of Realtors (NAR), measures the ability of a household earning the median family income to qualify for a conventional loan covering 80 percent of the median existing single-family home price in its area.
- Housing Opportunity Index, calculated quarterly by the National Association of Home Builders (NAHB), computes the median family income and the percentage of all homes sold during the quarter which a family earning the median income could afford.

Delivery of affordable housing

Different approaches have been adopted in the development of affordable housing programs. Two of the most traditional approaches are the supply-side and demand-side approach. In basic terms, supply-side solutions are public housing and the incorporation of options with the private providers, while demand side solutions consist of improved financing or other subsidies and incentives such as negative income tax payments or rent certificates.

- *Supply-side approach*: the main characteristic of supply-side assistance programs is that the government builds or subsidizes new housing to be occupied by those who meet the established criteria. Supply-side policies generally increase housing consumption.

- *Demand-side approach*: the main characteristic of demand-side assistance programs is that existing housing stock is occupied by families who need shelter and receive government assistance. The government hands out coupons to be used as income supplements by those who meet the established criteria to rent existing housing. This approach has been successfully used by nonprofit organizations. Government programs established by supply-side policies, namely new public housing, are generally more expensive than those devised by demand-side policies, or cash payments. Demand-side policies tend to increase housing prices. The danger of surplus demand is that increasing housing affordability for all income levels lays the groundwork for all home prices to increase. Equilibrium can be eventually achieved because home builders and developers would recognize advantageous opportunities in building more, thus increasing the supply and subsequently driving prices down.

Housing needs assessment

Housing needs are the first determinant in studying the housing market. Through a methodology of needs assessment, the number of housing units needed to shelter the population of any given area can be established. A vital step in meeting the housing needs of any community is quantifying that need. A number of methodologies have been developed with the purpose of estimating housing needs. Some are developed exclusively for estimating the needs of homeless

people, others of low-income populations, and yet others of the population considered to be the average household. Whatever the methods applied, having a replicable formula to calculate needed housing for any group in society suggests that problems can be tackled including homelessness, unaffordability, and the declines in both quality of life and middle-class purchasing power.

The case for homeownership.

Homeownership rates has increased steadily but slowly over the past 25 years, from 64 percent in the early 1980s to 69 percent today. There have been diverging responses for and against the idea of government encouragement of homeownership through intervention on market conditions such as incomes, housing costs, and mortgage financing availability. Active government involvement to equalize housing availability could only be justified if there were concrete proof that the positive effects of homeownership outweigh the initial investment. This affirmative assumes that the role of government is to advance and improve the quality of life of society as a whole. The most basic thrust of federal housing policy during the past half century has been the encouragement and facilitation of widespread homeownership.

Conclusion: the future of housing.

Housing will continue to be a challenging subject. While some argue for better designed communities which provide quality of life to residents, others argue for

quantity through reduced costs and defend housing everyone adequately. Design inadequacies, as well as lack of replacement reserves, operating funds, and specialized property management, may cause subsidized developments to fail. The most successful housing programs to date in the US have been those that applied a consistent methodology to address problems comprehensively, evaluate needs, and develop realistic plans of action. Housing plays an important part in community development, yet its production is not all that is necessary to achieve the goal of community development. Housing trends stem from demographic ones. Changes in population, family structure, and lifestyles will cause changes in housing preferences and typology. Some of the characteristics that will have an impact on demographic trends will be immigration, aging and life expectancy, racial and ethnic issues, and changes in the meaning and structure of the “nuclear” family, particularly family size and household formation rates. Demographic trends are also impacted by economic conditions. Recent trends have led toward the reduction and possible elimination of regulatory barriers. Barriers can be any regulations or policies that hinder development of affordable housing. Reform strategies are needed to eliminate obstacles to building or maintaining affordable housing. Success stories in housing may make the public more willing to endorse government efforts, especially in areas that foster an overall improvement in the quality of life, such as education, childcare, health, public safety, and job

training, if such means are perceived as necessary to provide adequate and affordable housing. The stigma attached to public housing must be eliminated and its image, equated with crime and seedy living conditions, needs to be changed. In order to guarantee continued success in providing affordable housing to American families, particularly to enable those who need additional assistance, programs need to support market mechanisms that allow and enhance community development. Low-income housing can be hindered by well-intentioned historic, environmental, and public review regulations that make developments more expensive. Increasing access to affordable housing and homeownership, supporting community development, and eliminating discrimination should remain priority goals for government, nonprofit, and private entities concerned with housing and community development issues. Promoting integrated approaches that provide adequate housing in viable communities can advance the expansion of economic opportunities for low- and moderate-income families. Creating a suitable living environment for all should be paramount.