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The Economic Impact of Affordable Housing

Multifamily Housing in Massachusetts

Zenia Kotval, Ph.D., AICP

The Massachusetts housing industry has come under some scrutiny over the past ten years. Issues of supply, demand, affordability, housing discrimination, and economic impacts are of increasing interest to government officials, planners, developers, and bankers. Despite an increasing need to provide affordable housing for the various populations within the state, there is a decrease in the supply of multifamily rental housing. There have been few efforts that comprehensively measure the impact of the housing industry on the economy. This article surveys the need for affordable housing and the economic impacts of multifamily rental housing in the state. The premise is that its economic impact is significant, involving a multitude of factors from the monetary effects of the construction process to the impact of personal incomes on the local economy.

Affordable housing literature, for the most part, has treated the supply and demand aspects of housing as mutually exclusive. There is extensive documentation on the need for affordable renter-occupied housing, the widening gap between housing and affordability and income, and the increasing demand for this type of housing, all this pointing to the inadequacies of the supply side of the equation. The reasons for the lack of affordable housing are also addressed by many scholars. Articles range from the impacts of zoning regulations and growth control mechanisms to racial discrimination to fiscal and economic uncertainty. Housing is rarely viewed as a generator of economic impact. I briefly discuss pertinent literature on affordable housing demand and supply, focusing on the fact that multifamily housing, which most often supports affordable rental housing, can have an economic impact while providing needed services within communities.

The Demand Side of the Equation

Ironically, the demand for affordable housing has been at its peak since the 1980s. The economic boom that has been credited for the lowest poverty rate since 1979, the lowest unemployment rate, and higher median wages has done little to alleviate

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the housing crisis for many low-income Americans. Although more people are working and earning better wages, the income gap between high- and low-income families in most states was greater in the late 1990s than in the 1980s. Upper incomes have increased at much higher rates than middle or lower incomes, rents have skyrocketed, and the number of affordable rental units for low-income workers has dropped substantively. Between 1970 and 1995, the number of low-income renters increased by 70 percent, to 10.5 million, but the number of low-cost rental units fell from 6.5 million to 6.1 million — a shortfall of 4.4 million units in the affordable range.¹

In 1998, the Center for Budget and Policy Priorities released “In Search of Shelter,” a report which indicated that the shortage of affordable housing was greater in 1995 than at any other time on record. It also noted that among the working poor, more than 40 percent spent more than half their income on rent and utilities. This trend continued in the latter half of the decade. Between 1995 and 1997, rents increased faster than incomes for more than 20 percent of American households with the lowest incomes.

Studies by Gyourko and Linneman² and Gyourko and Tracy³ identified a growing affordability problem for lower-income households caused by a combination of reduced real wages and increases in the real constant-quality prices of lower-quality homes. Home ownership opportunities and the quality of low-end homes continued to decline during the 1990s, especially for medium- to low-income buyers.

In Massachusetts alone, nearly 600,000 households, about a quarter of the population, are “shelter poor.” (The shelter poverty scale uses a conservative minimum standard of adequacy, for nonhousing necessities, scaled for differences in household size and type, similar to the federal poverty standard. If the household income after paying for housing is not adequate to meet minimum standards, the household is shelter poor.) In 1996, 41 percent of all renters were paying more than 30 percent of their income for housing, an increase of 18 percent since 1990.⁴

The Supply Side of the Equation

The declining number of low-cost unsubsidized units was accompanied by a dwindling stock of subsidized housing. After slowing drastically in the 1980s and early 1990s, the number of rental units receiving HUD subsidies lost 65,000 units between 1995 and 1998. While funding for a modest number of new houses was approved in 1999, it is far below the amount required to meet the needs of the large and apparently growing number of low-income renters. However, state and federal subsidies account for only a portion of this acute shortage. It is documented that local governments which adopt zoning ordinances directly influence the use of land and the pace of development. Such local land use regulations and decisions play an equally important role in the chain of exclusion.

Scholars have repeatedly addressed the connection between land use regulation and housing patterns with emphasis on discrimination⁵ and growth management practices.⁶ Pendall’s article in the *Journal of the American Planning Association* empirically proves that exclusive low-density zoning reduces rental housing in municipalities and counties that use it.⁷ He concludes that growth management tools such as building permit caps also reduce levels of available affordable housing.

Exclusive large lot zoning or low-density zoning often limits residential develop-

ment to single-family homes, thereby restricting the supply of multifamily housing, rental housing, and affordable housing. Permit caps or development moratoriums also reduce the supply of housing and promote the development of fewer, more expensive homes. Studies have shown that restrictive land use controls are more common in communities with high proportions of wealthy, non-Hispanic whites than in communities with many minorities.⁸ Pendall's study found that low-density-only zoning contributes significantly to exclusive housing market outcomes, slower growth, less multifamily development, increasing single-family development, and a drop in rental housing.⁹

States have responded, in some sense, to the exclusionary zoning practices of local governments. The "fair share" model actively applied in California and New Jersey requires local governments to zone land and develop programs to help meet housing needs for all income levels. The "anti-snob zoning" approach used in southern New England permits subsidized housing developers to appeal local government decisions to deny their projects when fewer than 10 percent of the community's homes are affordable.¹⁰ Fair share models appear to be more proactive and effective than the reactive anti-snob zoning laws.

Since the 1990s, Massachusetts has experienced slowed production of multifamily housing along with the conversion of rental to owner-occupied units, decreasing the rental supply and making affordable housing increasingly scarce. New development of multifamily homes and complexes has declined dramatically since the 1980s. Between 1980 and 1990, multifamily units accounted for nearly 26 percent of new construction.¹¹ Over the following seven years, this decreased to 12 percent. The current supply represents an increase of slightly less than 2 percent since 1990, while single-family units increased by 9 percent in the same period. In 1997, the Massachusetts Department of Housing and Community Development reported that 22 percent of the state's rental housing stock received some form of federal or state subsidy. Even with this assistance, rising prices excluded many of those with low and moderate incomes from the housing market.

Clearly, the demand for affordable rental housing is high while the supply is getting lower. Affordable housing advocates are working to increase the supply side of this equation by appealing to the legislature to revise the eligibility requirements for the Federal Low Income Housing Tax Credit and for a new state-sponsored Low Income Tax Credit that would enhance the federal program. The national average for development costs stands at \$60,000 compared with the Massachusetts average of \$108,000.¹² To make a strong case however, the state has to show more than just a need for affordable housing. The question of economic impact of multifamily housing must be demonstrated. This report attempts to show that the housing industry can be just as much an economic engine as other traditional industrial sectors and that home building has a positive economic impact on the community.

The Economic Impact of Affordable Housing

The housing industry is often seen in isolation from other economic generators such as manufacturing and service industries. In many communities, housing, especially affordable housing, is considered a fiscal drain on local government budgets. The economic impact of housing is commonly measured in a relatively simple way. How much property tax revenue will a unit of housing produce versus the amount of

financial burden it will cause the local municipality in terms of services required and school costs? With a home owner's average property taxes amounting to \$2,000 annually and the price of educating a child is approximately \$6,000, the assessment for most communities inevitably shows that a unit of housing results in additional costs to the taxpayers. While one can understand the popularity of this simple approach, it tells only part of the story. Little attention is paid to the fact that the economic impact of housing is significant and involves a multitude of factors, from the monetary effects of the construction process to the impact of personal incomes on the local economy. This part of the economic analysis, which is little understood, provides the focal point of this study. Sponsored by the Citizens Housing and Planning Advisory, a nonprofit housing advocate, it uses the Local Impact of Homebuilding Model, an econometric design developed by the National Association of Home Builders to assess the economic impact of multifamily housing in Massachusetts.¹³

The Local Impact of Homebuilding Model

Homebuilding generates substantial local economic activity, income, jobs, and revenue for state and local governments. The National Association of Home Builders model captures the effect of the construction activity itself, the impact that occurs when construction incomes are spent, and the impact of a home's new occupants paying taxes and spending their incomes.

The model is divided into three phases. Phases I and II are one-time effects that occur as the result of construction activity. Phase III is an ongoing, annual effect that includes property tax payments and the result of the completed unit's being occupied. All three phases are based on input-output tables produced by the Bureau of Economic Analysis in the U.S. Department of Commerce.

Phase I: Construction: This covers the jobs, wages, and state and local taxes and fees generated by the development, construction, and sale of a home. These jobs include on-site and off-site construction work as well as retail and wholesale sales of components, transportation to the site, and all professional services required to build and sell a new home.

Phase II: Ripple Effect: A share of the wages and profits earned during the construction period is spent by workers and business owners on goods and services produced within the state. The continuing effects from recycling income back into the state economy produce more jobs, wages, and taxes in the state.

Phase III: Ongoing, Annual Impact: A new home generates a continuing stream of property tax revenue for municipal jurisdictions within the state. In addition, when the home is occupied, a substantial amount of the occupant's income is spent on items produced by businesses in the state. That spending, in turn, causes its own ripple as businesses and workers buy from other state businesses. The addition of a new household thus causes a permanent increase in the level of economic activity, jobs, wages, and state and local tax receipts.

Input Requirements: The basic model produces results for an average local economy in the United States, but it can be customized for a specific area. As localities differ in complex and important ways, especially in taxes and fees, inputs for specific areas are required. For this study, basic input requirements fall into two categories: general market conditions and conditions specific to multifamily home construction in Massachusetts.

A. General Market Conditions

- The local area where the construction takes place. We used three prototype areas: urban, suburban, and rural communities in Massachusetts.
- The proportion of total property taxes collected from residences, businesses, and agricultural property in Massachusetts.
- The rate of local personal and business income tax in Massachusetts.

B. Conditions Specific to Multifamily Home Construction

- The number of multifamily units to be analyzed
- The average market price of a home
- The average permit, impact, and other fees, including property transfer tax, paid to local governments per multifamily home
- Average property tax per dollar of market value for the new multifamily units. (The total property tax on an average unit is acceptable as well.)

The econometric analysis described here was conducted by the Housing Policy Division of the National Association of Home Builders' Local Impact of Homebuilding Model. The following section outlines the methodology and provides summary results.

Technical Aspects of the Econometric Model

Calculating the impact of Phase I involves several steps:

- Determining the average value of new single-family and multifamily housing units built in the state, and the associated average raw land costs. Because raw land has an economic and tax value that is not a result of construction activity, it's important to keep track of this and exclude it from the analysis.
- Defining a typical state economy. This is accomplished by selecting a subset of industries and commodities from the benchmark input-output tables produced by the U.S. Bureau of Economic Analysis — particularly those representing commodities that would typically be produced, sold, and consumed within one state. Laundry services, for example, are included, but automobile manufacturing is not. The model takes a fairly conservative approach and retains only 62 of the nearly 500 industries available in the input-output tables, and 90 of the more than 500 commodities.
- Determining the total output required from each state industry to produce each of the 62 commodities.
- Converting the value of an average new housing unit, excluding its raw land cost, into the output of various state industries.
- Converting the output of state industries required to build an average housing unit into state business owners' income.

- Converting the output of industries required to build an average new housing unit into state wages, salaries, and jobs.
- Computing how much of the additional personal income would be collected by the state and local governments within the state as personal taxes or fees.
- Computing the amount of permit, impact, and other fees local governments within the state would collect in the process of developing the land and constructing the average new housing unit.
- Computing how much the additional business activity would generate in business fees and taxes for state and local governments beyond the initial permit and impact fees.

The workers and businesses that earn income in Phase I will obviously spend some of it, and, just as obviously, some of their spending will escape the state economy. Purchasing a new car, for example, will result in increased wages for auto workers who are likely to live and spend their money in another state, and increased profits for stockholders of an automobile manufacturing company, who are also likely to live and spend their incomes elsewhere. Some of the spending, however, is likely to take place within the state's boundaries. The car will probably be purchased from a state dealer and generate income for a salesperson who lives in the area, as well as supporting the wages of resident state workers who clean, maintain, and perform accounting functions for the dealership. Consumers also purchase many services — laundry, auto repair, groceries, and so on — within the state. They also pay taxes and fees to state and local governments.

Phase II takes the income and taxes generated in Phase I and calculates the subsequent ripples of economic activity within the state, a process incorporating the following steps:

- Identifying how much of their incomes households on average spend on the various commodities produced within the state. Most of the relevant information comes from the Consumer Expenditure Survey (CES), a product of the U.S. Bureau of Labor Statistics. In the detailed expenditure files of the CES we are able to identify average spending as a fraction of income for 46 commodities produced within the state (the remaining 90 commodities produced within a given state correspond to items typically purchased by businesses rather than consumers).
- Tracking the effect of increased state and local taxes and fees. Just as consumers in the state spend their income, state and local governments spend the revenue they collect through fees and taxes. We assume that this revenue is spent entirely on a state and local government commodity identifiable in the input-output tables. Adding this to the 46 gives a total of 47 commodities produced within the state on which consumers spend money, either directly or indirectly through taxes paid to state and local governments.
- Using the average consumer spending patterns to convert state income and state and local taxes into dollars spent on each of the 47 commodities.

- Translating spending on each commodity into business owners' income, wages, salaries, and fees and taxes collected by state and local governments from persons and businesses. This is essentially the same procedure described in Phase I, except that here, instead of applying it only to construction and a few ancillary services, we simultaneously apply it to 47 commodities.
- Computing the limit of the ripple effect. Although the income generated within a state in Phase I leads to additional state spending, this in turn results in additional income for state residents, which leads to more spending, resulting in more state income, leading to still more spending, and so on. Because the amount of income and spending generated in each round is smaller than that of the previous one — only a fraction of income is spent within the state, only a fraction of which eventually becomes income for state residents — there is a limit to the sum of the spending rounds. It takes a straightforward exercise in mathematics to compute the limit, which measures the final effect of the additional spending after all subsequent economic ripples have flattened out.

Like Phase II, Phase III calculates the limit of successive waves of economic activity. In Phase I, however, these waves are not set in motion by the construction of a housing unit but by a household occupying the completed unit and participating in the state economy. This does not necessarily mean that all new homes will be occupied by households from outside the state. An average new home household may move into a newly constructed unit from elsewhere in the same state, while an average existing home household moves in from outside to occupy the unit vacated by the first household. Or a new home may provide an opportunity for the state to retain an average new home-buying household that would otherwise move out of the area for lack of suitable accommodations.

In any event, Phase III treats the construction of one average new housing unit as a net gain to the state economy of one average new home household. This is the same reasoning that is often used, even if unconsciously, in considering the cost side of the equation. For instance, it is often assumed that a new home will be occupied by a household with an average number of school-age children who will receive education at the public's expense.

Calculating Phase III involves the following steps:

- Determining U.S. average income of households that occupy new single-family as well as new multifamily housing units.
- Adjusting these averages to account for economic conditions peculiar to a given state, especially income levels and house prices.
- Identifying how much of their income households that occupy new units spend on each of the 47 commodities produced within the state.
- Repeating the steps outlined in Phase II to calculate the limit of economic ripples induced by the initial spending on various commodities.

Although the model incorporates information from many sources, a large share of the information about national average economic activity comes from the input-output tables and National Income and Product Accounts produced by the Bureau of Economic Analysis. To customize the model to a specific state, the National Association of Home Builders (NAHB) uses state and local government accounting information from the Census of Governments, produced by the U.S. Census Bureau, as well as information collected directly from governments or people doing business in the state.

Data Limitations. As this study aims to assess the impact of multifamily housing on a statewide basis, there are limitations to the accuracy of local input data. Each community in Massachusetts has its own tax rate for residential development and calculates permit and other fees differently. The state also shows wide variations in terms of land and housing costs for which one average figure for the entire state would be rather meaningless. The study explored four iterations of the Local Impact of Homebuilding model to assess the statewide impact of 100 multifamily units in a typical urban, suburban, and rural community. The fourth iteration was the impact of developing 1,500 multifamily units scattered across the state — 25 percent to be built in urban, 65 percent in suburban, and 10 percent in rural areas.

Data Inputs. To provide data on prototypical urban, suburban, and rural areas, we chose five communities in each of the sectors, compiled data on each of them, and averaged the data, excluding outliers, for each sector.¹⁴ Communities were picked on the basis of location, development potential, and socioeconomic factors. We intentionally excluded Boston from the urban category because the city does not represent a “typical” Bay State urban community. Boston is a world-class city, a business and financial hub, and a tourist destination. The city rents are at least twice those of other urban state areas. We felt that including Boston would skew the data considerably. However, it should be noted that if Boston were to be included, the economic impact would be higher.

Based on the data collected for the communities, the following information was forwarded to NAHB for the economic analysis. The Housing Policy Division of NAHB projected the economic impact of multifamily housing construction in each of the three prototype areas.

Table 1

Communities for Which Data Were Collected

Urban Communities	Suburban Communities	Rural Communities
Leominster	Amherst	Eastham
Lowell	Framingham	Hancock
Pittsfield	Franklin	Mattapoissett
Springfield	Longmeadow	Pelham
Worcester	Weymouth	Royalston

Summary of Direct and Indirect Economic Impact of Multifamily Housing

Estimates of the statewide economic impact of building 100 multifamily units in urban, suburban, and rural Massachusetts locations are presented below. The inputs

for the NAHB model were computed separately for each sector. The model also shows the effect on income and employment in 16 industries, and the nonfederal government sector, as well as detailed information about taxes and other types of state and local government revenue.

Table 2

Data Forwarded to NAHB				
	Urban	Suburban	Rural	State Average
FY 98 Percentage of Tax Levies				
Residential	60%	75%	90%	75%
Business	40%	25%	10%	25%
Personal Income Tax				5.95%
Business Income Tax				15.00%
Number of Units (sample size)	100	100	100	1,500
Average Monthly Rent	\$629.80	\$904.40	\$642.60	\$795.84
Average Permit Fees	\$300.00	\$500.00	\$450.00	\$435.00
Inspection Fees	\$219.00	\$271.00	\$203.00	\$248.96
Connection Fees (water + sewer)	\$408.20	\$371.60	NA	\$345.42
Property Transfer Tax per \$1,000 in Assessed Value	\$18.51	\$17.32	\$12.82	\$17.23
Average Residential Property Tax Rate per \$1,000 in Assessed Value	\$18.51	\$17.32	\$12.82	\$17.23

Homes Built in Massachusetts Urban Areas

The estimated one-year impact of building 100 multifamily units in urban locations within Massachusetts includes:

- More than \$5.73 million in income for Massachusetts residents,
- \$1.15 million in revenue for state and local governments, and
- 120 jobs generated in the state.

These are *statewide impacts*, representing income and jobs for Massachusetts residents and taxes, including such other sources of government revenue as permit fees, for the state government and all local jurisdictions that lie within its borders. They are also *one-year impacts* that include both the direct and indirect impact of

Table 3

	Results at a Glance					
	Construction Period Impact			Ongoing Annual Impact		
	Income	Taxes/Fees	Jobs	Income	Taxes/Fees	Jobs
Impact of 100 Multifamily Units						
Urban	\$5,727,000	\$1,149,000	120	\$2,367,000	\$834,000	54
Suburban	\$6,248,000	\$1,267,000	131	\$2,820,000	\$971,000	64
Rural	\$4,500,000	\$895,000	94	\$2,142,000	\$708,000	49

the construction activity itself, and the impact of Massachusetts residents who earn money from the construction activity and spend part of their earnings within the state.

The additional, recurring impacts of building 100 multifamily units in urban locations within Massachusetts include:

- More than \$2.37 million in income for Massachusetts residents,
- \$834,000 in revenue for state and local governments, and
- 54 jobs in the state.

These are *ongoing, annual statewide impacts* that result from the occupation of the new homes and the occupants' contributions to the Massachusetts economy by paying taxes and spending money in the state year after year.

Multifamily Units Built in Suburban Areas

The estimated one-year impact of building 100 multifamily units in suburban locations includes:

- Approximately \$6.25 million in income for Massachusetts residents,
- More than \$1.27 million in revenue for state and local governments, and
- 131 jobs generated in the state.

These are *statewide impacts*, representing income and jobs for Massachusetts residents, and taxes, including such other sources of government revenue as permit fees, for the state government and all local jurisdictions that lie within the state borders. They are also *one-year impacts* that include both the direct and indirect influence of the construction activity and of state residents who earn money from the construction activity and spend part of their earnings within the state.

The additional, recurring impacts of building 100 multifamily units in suburban locations include:

- \$2.82 million in income for Massachusetts residents,
- \$971,000 in revenue for state and local governments, and
- 64 jobs in the state.

These are *ongoing, annual statewide impacts* that result from occupation of the new homes and the occupants' contributions to the Massachusetts economy by paying taxes and spending money in the state year after year.

Multifamily Units Built in Rural Areas

The estimated one-year impact of building 100 multifamily units in rural locations includes:

- More than \$4.5 million in income for Massachusetts residents,
- \$895,000 in revenue for state and local governments, and
- 94 jobs generated in the state.

These are *statewide impacts*, representing income and jobs for state residents and taxes, including such other sources of government revenue as permit fees, for the state government and all local jurisdictions that lie within the state borders. They are also *one-year impacts* that include both the direct and indirect impact of the construction itself, and the influence of Massachusetts residents who earn money from the construction activity and spend part of their earnings within the state.

Additional, recurring impacts of building 100 multifamily units in rural locations include:

- More than \$2.14 million in income for Massachusetts residents,
- \$708,000 in revenue for state and local governments, and
- 49 jobs in the state.

These are *ongoing, annual statewide impacts* that result from occupation of the new homes and the occupants' contributions to the Massachusetts economy by paying taxes and spending money in the state year after year.

The Significance of Available Housing in Business Location Decisions

The significance of available housing can be studied in a number of ways. This survey looks at the impacts in two related areas. The first considers the policy implications of the jobs-to-housing balance within any given area. Many urbanized regions across the country suffer from a geographic mismatch between the location of jobs and the availability of housing. In 1990, the last date for which data were available, 64 percent of all workers were employed outside their cities and towns of residence, compared with 58 percent in 1980. In Massachusetts, 28 percent of all employees worked outside their counties of residence in 1990 compared with 24 percent in 1980. Their travel time increased between 1980 and 1990 as well. According to the 1990 census, an estimated 30,000 state residents traveled 90 or more minutes to work.¹⁵ Despite rising figures, there is little definitive literature on remedies or even the need to address this phenomenon. The second considers whether housing availability, or lack thereof, will have a significant bearing on a business decision to locate in a community.

Housing as a Factor in Business Location Decisions

Traditional factors, such as location, costs, and access to qualified labor, continue to play an important role in business relocation. Increasingly, though, quality-of-life issues have emerged as a critical element in the site selection process. These issues include, among others, good school systems, available affordable housing, opportunities for recreation, and low crime rates.

Employers are concerned with where their employees want to live and work. For that reason, site selection is increasingly revolving around optimal locations that will attract and retain the best and brightest workers. Technological advances have made it easier to determine the best location for businesses. Private firms that specialize in relocation strategies, such as Fluor Daniel Consulting and PPH Fantus, often per-

form a quality-of-life appraisal as part of the comprehensive analysis of any geographic site under consideration.

In 1998, *Area Development Magazine* conducted its Annual Corporate Survey and asked its readers to rate the site selection factors of labor, transportation/telecommunications, finance, and quality-of-life factors.¹⁶ Housing availability and costs ranked among the top five indicators under quality of life. Housing costs were crucial to 67.6 percent of corporate respondents, and 66.1 percent felt that the availability of housing was an important criterion. Other top contenders included low crime rates and good health facilities and public school ratings.

Fantus Consulting lists the most critical site location needs of a typical business project as:

- Large management/technical/clerical pool at competitive costs
- Communications opportunities
- Commercial air services
- Good transportation access
- Office parks/space
- High quality of life
- Good housing mix (in terms of availability, affordability, and type of housing)¹⁷

Thus, the availability and affordability of housing do have an impact on the economic growth potential for a community. While rarely driving the site selection process, quality-of-life factors offering the best “fit” to a relocating company often gain a competitive advantage for a particular community.

* * *

Providing affordable housing is not only a social obligation but, as indicated in this study, it is economically viable as well. The housing industry provides jobs and incomes for residents and a tax base for communities. It provides substantial direct revenue, aids balanced growth, and plays a significant role in attracting sustainable economic development to the state. The study results are important for three reasons. First, they show the need to move away from fiscal impact models as the only means to assess the influence of housing on local schools and service expenditures. Second, the study shows that the economic impact of multifamily units can be quite significant and add wealth to a local community and, indeed, across the state. Finally, balanced growth, the availability of homes that match the character of the jobs, plays a significant role in attracting sustainable economic development. ❁

Notes

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10. P. K. Stockman, "Anti-snob Zoning in Massachusetts: Assessing One Attempt at Opening the Suburbs to Affordable Housing," *Virginia Law Review* 78 (1992): 535-580.
11. Data source: U.S. Census Bureau, 1990.
12. Byrne McKinney and Associates, "Affordable Housing Costs Study," Boston, 1998.
13. The Housing Policy Department at the National Home Builders Association, Washington, D.C., is responsible for creating, documenting, and running the Local Impact Homebuilding Model for this study.
14. Data on each of the fifteen communities were gathered through secondary sources such as the Massachusetts Department of Revenue and the Massachusetts Department of Housing and Community Development, as well as through telephone queries to the planning, building, and public works departments in each community.
15. Data source: U.S. Census Bureau, 1990.
16. Geraldine Gambale, ed., "1998 Annual Corporate Survey," *Area Development Magazine*, 1998; on line: <http://www.area-development.com/survey98/serve1.htm>
17. Fanta Consulting is the oldest and largest consulting practice specializing in corporate site selection and economic development consulting. For more information, visit its web site at <http://www.Fantus.com/index.htm>

