The Affordability Challenge
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- Multidimensional problem
- Diverse spectrum of need
  - From very low and low income
  - To moderate income
  - Even to above median income in many markets today
The Affordability Challenge

- Reasons for the housing shortfall include:
  - Plans that solicit jobs but don’t adequately provide for housing
  - Outdated ordinances that limit the range and mix of housing types
  - Unwieldy, lengthy development review and approval processes
  - Increasing fees that add to housing costs
  - Environmental/growth controls that constrain land supply and developability
  - Citizen involvement in nearly every phase of the process adds NIMBY delay and uncertainty
The Affordability Solution

• Silver Bullet Fallacy—there is no single solution
• Yet many communities rely on just a few tools, such as IZ, because of a lack of information or local politics
• Easier than taking a comprehensive approach
NAHB Research

- Inclusionary Zoning Primer
- Inclusionary zoning legal and economic research
- Research on State and Local Means of Increasing Affordable Housing
- How Did They Do It? Discovering New Opportunities for Affordable Housing
- Development Process Efficiency: Cutting Through the Red Tape
- **Coming soon**: new report on smaller lots, smaller homes, and accessory dwelling units
Summary of Research Results

- Price and production results suggest that IZ acts like a tax on housing
- IZ is a complex market intervention that may not work in all markets and may worsen affordability for some
- There are many tools being used—often together—that can have a far greater impact
- Nature of local housing market will dictate best strategies—can’t simply copy from another community
- Most successes rely on an array of strategies
- Strategies that get the most press are not necessarily the most effective
Research on State and Local Means of Increasing Affordable Housing

• Most comprehensive report ever assembled on non-federal solutions

• Details numerous strategies under three broad categories
  • Land Use
  • Financial
  • Other initiatives

• 30 case studies of communities successfully using these tools, often in combination
Research on State and Local Means of Increasing Affordable Housing

State and local approaches:

- Plan for housing, not just jobs
- Regulatory barriers removal and streamlining strategies
- Density bonuses
- Vacant land assembly
- Land supply monitoring systems
- Land trusts that help buy down land and housing costs
Research on State and Local Means of Increasing Affordable Housing

State and local approaches

- State and local housing trust funds that are broadly funded
- Tax increment financing, tax credits
- Fee waivers
- Employer-assisted housing programs
- Creative public-private partnerships
- Coalitions with business and housing interests
How Did They Do It?

Six Strategies for Success:

• Use a Good Map to Reach the Destination

• Mix It Up: Mixed-Use and/or Mixed-Income

• Create Room for Innovation

• Make the Old New Again

• It Takes a Village: Partnerships, Community Engagement and Support

• Expect Excellent Design and Sustainability
Use a Good Map to Reach the Destination

Ferry Crossing – Old Saybrook, Connecticut

- Statewide Incentive Housing Zone program guides communities to plan for affordable housing
- Inspired the Town of Old Saybrook to donate land for affordable housing development.
- 16-unit affordable townhouse project
- Joint venture between local nonprofit HOPE Partnership and regional nonprofit Women’s Institute for Housing and Economic Development
Mix It Up

Wildflower Terrace at Mueller – Austin, Texas

• Mueller is the 700-acre master-planned redevelopment of a former airport with a mix of housing, retail and office facilities

• Goal: 5,900 homes including a minimum of 25 percent of affordable units

• Wildflower Terrace has 201 market-rate and affordable senior rental apartments, as well as 5,500 square feet of ground-floor retail space.

• Partnership between developer Catellus and the City of Austin
Create Room for Innovation

Old Town Commons – Alexandria, Virginia

- Redevelopment of a public housing property into 245 market-rate townhomes and condominiums and 134 public housing apartments
- Innovative financing leveraging the high value of the land in an expensive market
- Unlocked $148.3 million of development capital to produce a vibrant, revitalized neighborhood
- Public-private partnership among the Alexandria Redevelopment and Housing Authority, the City of Alexandria, and developer EYA
Make the Old New Again

Arcade Apartments—St. Louis, Missouri

• Early 20th-century, 500,000-square-foot building architectural landmark in downtown St. Louis

• Vacant for nearly 40 years

• Successfully redeveloped by Minneapolis-based Dominium

• Now contains 202 affordable artist lofts, 80 market-rate apartments, and 50,000 square feet of office and institutional space
It Takes a Village

CityView @ Van Ness – Fresno, California

- Developed by the Fresno Housing Authority
- Started at the same time as the revision of the city’s downtown development code
- City staff coordinated with the housing authority
- 45 units of workforce housing and the new commercial space
- An anchor for the revitalization of downtown Fresno
Expect Excellent Design and Sustainability

Rainier Vista – Seattle, Washington

• Redevelopment by Seattle Housing Authority
• Replaced 481 deteriorating public housing units with 1,092 new mixed-income housing units
• All units built according to guidelines in SHA’s design book
• Design choices include placement of houses along the street to details as well as rooflines, porches, fences and color.
Questions?

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