



The Affordability Challenge

The Affordability Challenge

- 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 - Outdated ordinances that limit the range and mix of housing types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

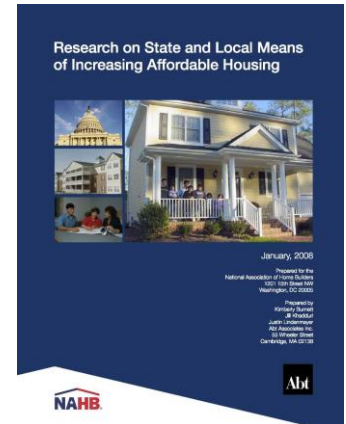
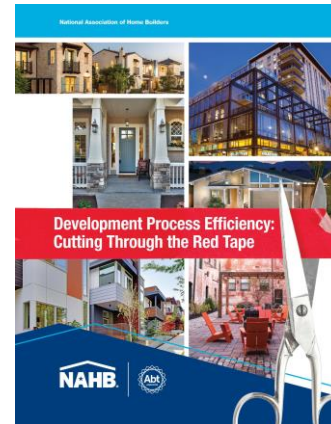
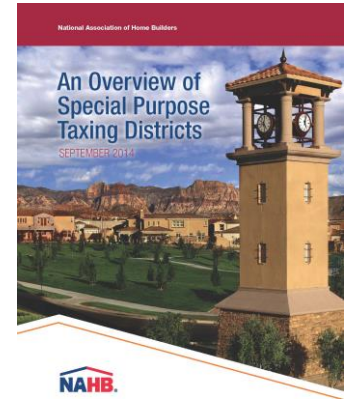
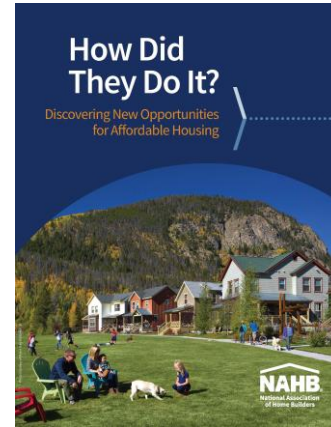
The Affordability Solution

- 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



CityView @ Van Ness, Paul Mullins



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



Celadon at 9th & Broadway, Stephen Whalen



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



Melpet Farm Community Housing, Dan Cutrona Photography



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



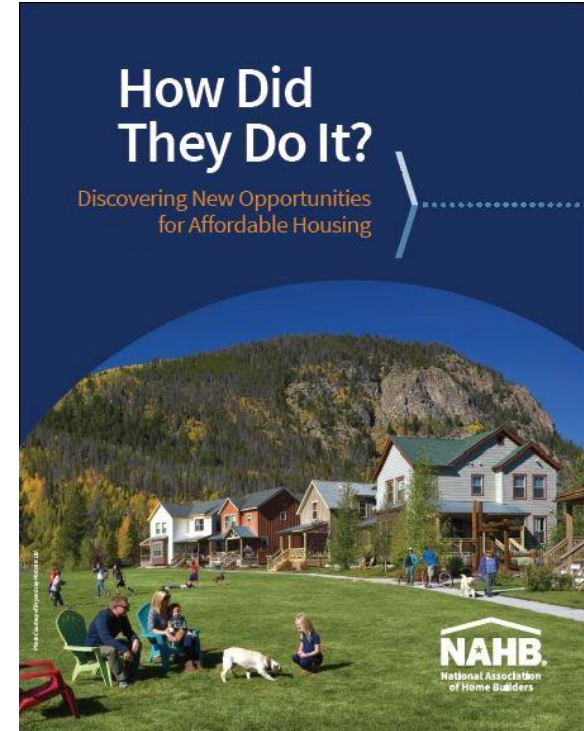
Cold Springs Crossing, Kevin Syms, Tim Brown, and Michael Doty



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 Dominion
- 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?

Dave Ledford
dledford@nahb.org

