



CREATING AN AFFORDABLE HOUSING ECOSYSTEM

SUMMER 2024 POLICY MEETING
AUGUST 8-10 • KNOXVILLE, TN

With housing burden - the percentage of income that residents spend on housing - soaring, exacerbated by the expiration of pandemic-era relief measures amidst rising inflation, even those local governments succeeding at building new housing at a rapid pace are struggling to keep people housed. Anchored by our host city's experience, this panel will explore ways cities are using data, restructuring incentives, and leveraging partnerships to drive creative solutions to address the housing crisis.



DISCLAIMER

For length, clarity, and printing purposes, many of these sources have been abbreviated and/or edited from their original form. To read the full, unabbreviated resources from this book, please visit our website or view them on the usb drive provided in your meeting materials.

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Housing solutions to match our housing crisis

BY BRUCE KATZ, MICHAEL SAADINE, BEN PREIS AND EMILY DESMOND · JUNE 6, 2024

It's no secret that the country is in the throes of a housing crisis. However, in the desperation to fix it, factions have gotten borderline religious about single, silver-bullet solutions. In reality, the housing crisis is more systemic and complex than ever before. Thus, moving forward will require a myriad of innovative, scalable solutions, elements of which are already being tried and tested at the state and local levels.

This housing crisis is unique; it is affecting homeowners and renters of all incomes in all geographies. Freddie Mac estimates the U.S. is short a supply of 4 million housing units.[1] The ratio of median home price to median income has surged for homeowners. A staggering 45% of renters spend more than 30% of their income on rent, the threshold traditionally accepted as an appropriate rent burden. There is a severe lack of affordable housing supply, and homelessness hit a point-in-time record level in 2023. These problems come with a vast array of connected inputs and outputs.

The loudest voices advocating for increased housing supply have zeroed-in on restrictive land use policies as the primary culprit for our housing crisis. While land use restrictions are a key problem and reforming them is a potential solution, the crisis is rooted in broader systems failure. In short, the housing ecosystem has become overly **federated**, **financialized**, and **fossilized**.

U.S. Housing Ecosystem

Federated	Responsibilities for different aspects of housing policy, practices and products sit with different layers of government and sectors of society.
Financialized	Public and private sector incentives are misaligned, and systems have created a maze of intermediaries bloating costs.
Fossilized	Programs built for a different time and different problems have very little ability to adjust and adapt, and the accretion of rules and restrictions have made them less efficient over time.

Housing has become confusingly **federated**; everyone is in charge, so no one is in charge. The federal government has built an intricate set of primary and secondary market entities (e.g., FHA, Fannie Mae, Freddie Mac), a powerful set of homeownership tax incentives (e.g., the mortgage interest deduction) and a litany of affordable housing programs including the Treasury’s Low Income Housing Tax Credit (“LIHTC”) program and Community Development Finance Institutions and HUD’s HOME Investments Partnership Program, vouchers, and public housing. The Departments of Transportation and Energy have also recently gotten into the act with innovative loan and grant programs around energy efficient housing and transit-oriented development.

Meanwhile, states and localities provide both financial incentives to build more housing and implement restrictions that make housing costlier and more difficult to build. States are responsible for certain land use regulations, building code regulations, state Housing Finance Agencies, and certain tax incentives. Local municipalities also provide financial incentives through trust funds, tax abatements, and public asset disposition, but limit housing growth through some land use regulations, design and development restrictions, and rental regulations. The result is a maze of interrelated and conflicting programs and an unclear central nucleus for housing leadership.

Housing has become intensely **financialized**. A confluence of factors coming out of the Global Financial Crisis made it more lucrative to buy than to build housing over the course of recovery and subsequent economic cycle, as [we wrote in 2022](#). An overreaction to the subprime mortgage crisis and evolving land use issues froze new housing supply, and household formation grew and drove demand. This was true even prior to the post-Covid demand boom. Housing markets saw so much rent growth that institutional investors could drive relatively low-risk investment returns by buying assets and increasing rents, rather than doing the hard work of developing new units to achieve those returns. These dynamics led to the institutionalization of the single-family rental sector and the rise of mega investors. Meanwhile, at the truly affordable end of the spectrum, the cost of production of affordable

units has become so high as to make many projects unfeasible. The system is now bloated with programs, rules and regulations, and the intermediaries needed to navigate them. In many cases, programs like LIHTC are wholly insufficient to make development math work, even when paired with additional density and the overall rise in Area Median Incomes.

Finally, previous housing innovations have become **fossilized** over time. The federal government oversaw a burst of proactive, structural interventions in the 1980s and 1990s, most notably the establishment of LIHTC in 1986, HOME in 1990 and HOPE VI in 1992. Since then, legislative interventions have been relatively reactive and limited. The Neighborhood Stabilization Program in the wake of the Global Financial Crisis and the eviction moratorium in the wake of Covid were band-aid responses, rather than forward-thinking, systemic innovations, leaving the Rental Assistance Demonstration Program as arguably the only transformative program from HUD in the 21st century. In the meantime, since 1990, the US population has grown by 80 million and an accretion of burdensome rules have made the deployment of federal funds alarmingly expensive and inefficient. Understandably, LIHTC, for all its impactful work, is inadequate to take on all the problems of today. And the stigma that lingers over public housing means that successful interventions routinely applied in Europe are largely off the American table. The resulting underproduction of affordable housing units is a feature rather than a bug of our system.

Facing an undeniable crisis and in the absence of meaningful federal leadership, states and localities have begun acting aggressively on housing. Because of the federated, financialized, and fossilized nature of housing policy, a wide array of states, localities, public authorities, private firms, philanthropies and others have all begun to experiment with solutions to the housing crisis that work in their own geography. Yet housing is not just one thing: on the one hand, housing innovations can span new supply, existing preservation, or demand-side support. Housing innovation can also span the different components of preservation and development. The innovations we are most excited about are those that overcome the challenges in the current state while also delivering change across the range of the housing pipeline.

The most visible and common action has been zoning reform, at both the state and municipal level. Reducing zoning hurdles and upzoning is undeniably an important intervention in our toolkit to combat the housing crisis, and one we support. However, it is unclear that zoning alone can dig us out of the affordable housing hole. A recent study by the Urban Institute astutely demonstrated a comparison between Houston and Boston.[2] Houston is one of the most affordable cities in the country at the median due to its loose zoning restrictions. However, at extremely low incomes, Houston is more inaccessible than Boston, because Boston is more intentional with subsidizing affordable housing. Thus, to attack a housing crisis that uniquely affects all incomes, from coast to coast, zoning is but one tool in the toolbox.

While the focus has been on upzoning, state and local innovations have been much broader. We bucket these innovations into five categories: **Land, Construction, Capital, Regulation, and Delivery.**

Land interventions seek to enable housing production to happen faster and more broadly. Actions like land use reform and public asset disposition have been demonstrated in Atlanta and Massachusetts. Massachusetts has required communities with access to MBTA transit to adopt local zoning changes to allow for greater density. Atlanta recently stood up the Atlanta Urban Development Corporation, a specialized non-profit formed by the City and the Atlanta Housing Authority with the goal of redeveloping public land into mixed-income housing.

Construction interventions seek to reduce the cost to build housing and to decarbonize the housing stock. As the housing crisis has worsened, the housing sector is (finally) being disrupted by technological innovations and advances in building techniques and modular construction. Environmental and financial costs to build, in addition to workforce shortages, mean there are many facets of efficient building that states and localities are beginning to address. Montana has recruited a 360,000 sq ft modular home manufacturing plant aimed at more quickly increasing supply, while a developer in Kansas City has built the largest passive housing building in the world, Second + Delaware. The Building Energy Exchange initiative now operates in multiple cities, providing support to transform existing buildings to be high-performing, low-carbon, and energy efficient. All these examples deserve deeper examination so that they can be replicated and scaled.

Capital interventions seek to innovate on capital stacks that enable more and more affordable housing. Examples include the growth of housing trust funds, local tax abatements and financing and special purpose credit programs. The Montgomery County Housing Production Fund stands out as a unique publicly driven vehicle creating meaningful amounts of mixed-income housing. The Utah First Homes starter home program demonstrates interventions on the demand side with homebuyer assistance and on the supply side with an infrastructure bank and funding for construction.

Regulation interventions seek to protect renters through practices like rental registries and reduce obstacles in the way of housing production through efforts such as building code reform. California, a leader in state policy reform, is researching how restrictions on single-stair construction blocks production of smaller multifamily housing buildings. Cities across the US, from Washington, DC to Scranton, PA have implemented rental registries to better identify the location of rental units and provide support to landlords and renters alike in times of crisis.

Delivery interventions seek to build capacity for affordable housing at scale, recognizing the shortcomings of our existing ecosystem. Innovation will include new intermediaries and new functions for old intermediaries. The Tulsa Housing Strategy brought together developers, philanthropists, stakeholders, and social service providers to model public-private partnerships in furtherance of the City's housing goals. San Francisco's Housing Accelerator Fund has developed a set of tools and practices allowing them to deliver affordable units without up-front public subsidy; the public sector engages by pledging future operating support through vouchers. This effectively turns real estate risk into public finance risk and regularizes the process of designing and building affordable housing.

This landscape shows the promise of local and state innovations. But those innovations remain uneven and unorganized. Different geographies experience and focus on different components of the problem and remain constrained by capacity and lack of federal support. The bubbling of this innovative local energy needs to be corralled and amplified; some centrality and interaction between these ideas will serve to create a flywheel of housing solutions.

The Nowak Metro Finance Lab at Drexel University and Accelerator for America are in the process of standing up a National Housing Crisis Task Force to do just that. Led by a bipartisan group of co-chairs and backed by public and private sector Task Force members at the vanguard of housing innovation, it will bring the cross-geography, cross-income approach that has been missing in our housing dialogue.

We strongly believe that a holistic approach to solving the housing crisis requires comprehensively identifying local innovations across multiple dimensions and sorting out how to scale the best of them while also adapting them to local contexts. It requires thoughtfulness about precedents set outside of the U.S. and their applicability here. It requires translating hyper-specific interventions into policy change at the local, state, and federal level. And it requires being open to transformative moves, which might include new financial and building innovations, new housing functions (e.g., Ben McAdams' call for municipal property advisors) and even new national intermediaries that can help marry and leverage federal capital, state and local resources, bank debt, private investment and philanthropic largesse.

Stay tuned for more...

[1] <https://www.freddiemac.com/research/insight/20210507-housing-supply>

[2] <https://www.urban.org/urban-wire/no-single-policy-will-increase-housing-affordability-we-need-comprehensive-strategy>

Bruce Katz is the Founding Director of the Nowak Metro Finance Lab at Drexel University. **Michael Saadine** is Managing Partner at Invisible Group, an interdisciplinary real estate investment platform. **Ben Preis** is a Research Fellow with the Nowak Lab, where Emily Desmond is the Special Projects Manager.



AFFORDABILITY (/PUBLICSQUARE/CATEGORY/AFFORDABILITY)

Three dimensions of affordability

Westlawn Gardens in Milwaukee is a case study in how to address the three main affordability components: Affordable to build, to rent or own, and to live in. All three strategies are critical.

MURPHY ANTOINE (/node/10190), ROBERT STEUTEVILLE (/node/538) APR. 10, 2024



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New Urbanism has a strong legacy in shaping public housing reform and revitalization over the last 30 years. It set the design standards for HOPE VI, a design approach that has continued to this day. HOPE VI lasted from 1993 to 2010, and evolved into HUD's Choice Neighborhoods Initiative (CNI), which addresses shortcomings of the HOPE VI program, including an emphasis on residents' right to return, no net loss of affordable housing, and an impact that reaches beyond housing and touches, health, education, and economic development. Choice Neighborhoods still uses walkable

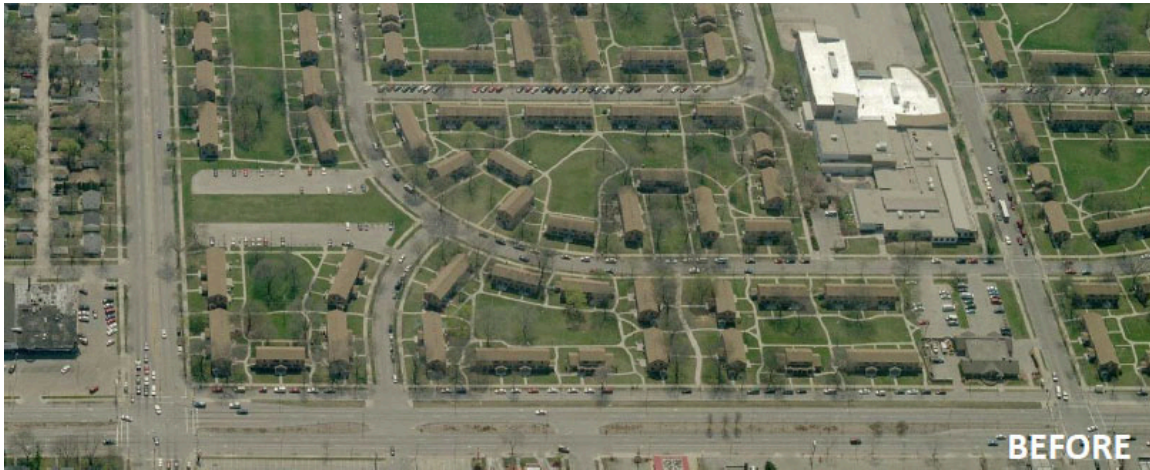
neighborhood design, expanding the idea to cover neighborhoods surrounding the public housing site. Other public housing redevelopment programs also employ this approach—as do many projects using Low Income Housing Tax Credits (LIHTC).

The challenge is that housing has become progressively less affordable over the last 50 years. In 2023, 31 percent of households had a housing burden of 30 percent or more of their income. That includes 50 percent of renter households and 21 percent of homeownership households. The median housing burden outstrips the median household income. This situation is acute where people most want to live—in major metro areas with strong job markets, economic growth, and high land values.

Based on New Urbanism’s three-decade track record, urban designers, architects, planners, and advocates may employ many overlapping techniques to address affordable housing. Though these separate areas of professional interest often focus on specific aspects of the affordable housing conversation, these approaches generally fall under three broad strategies.

Three dimensions of housing affordability

- **Affordable to build.** This involves building type, design, materials, and methods. It’s a home that is affordable to deliver. That’s the “better mousetrap” approach to affordable housing at the level of the individual home.
- **Affordable to rent or own.** That involves base cost, land value, lending, and subsidy. It’s a home that is affordable to acquire. When land costs are high, it is difficult to get affordable housing unless the land is publicly or cooperatively owned. An economical building practice cannot counterbalance a hot real estate market.
- **Affordable to Live In.** That involves the neighborhood, utilities, operating expenses, and taxation. That’s a home that is affordable to occupy. New Urbanism can have an impact on this dimension because it can drastically reduce transportation expenses related to the location.



The previous public housing project, top, consisted of dozens of nearly identical townhouse structures. The current neighborhood, bottom, has a greater variety of types and architecture. Photos courtesy of Torti Gallas + Partners

Case study: Westlawn Gardens

Westlawn Gardens in Milwaukee, Wisconsin, is a multi-phased public housing transformation with 1,000 homes on 75 acres. The development is the retrofit of a suburban site (T3 Transect zone) into a mixed-income urban neighborhood located on the city's northwest edge. The planning of Westlawn Gardens has been active since 2008, and the implementation of the plan began in 2011 and is entering its final phases. With incubator businesses, community supportive services, and community gardens, Westlawn Gardens introduces a diversity of uses and activities. Serving renters and homeowners at below 30 percent AMI, below 60 percent AMI, below 80 percent AMI, below 120 percent AMI, and unrestricted market earning tiers, Westlawn Gardens is a truly mixed-income community. The City of Milwaukee invested in new streets, and integrated storm water management infrastructure. The Housing Authority of the City of Milwaukee and its affiliates act as the land and housing developer. State financing provides LIHTC allocations, which the private sector has purchased through syndication. Westlawn Gardens is a true Public Private Partnership (P3). Westlawn

Gardens is designed around Healthy Community principals and showcases Wisconsin’s first LEED Platinum–certified housing. Westlawn Gardens is an appropriate case study, because it substantially meets the three dimensions of affordability.



Duplex in Westlawn Gardens. Photo courtesy of Torti Gallas + Partners

Affordable to build

Efficient and appropriate building types include apartments, individual entry stacked flats, townhouses, and bungalow cottages. All wood construction remains the homebuilding industry’s most economical construction type, and a 2-foot grid footprint module for foundations and roofs also contributes to affordable building efficiencies. A 16-foot by 36-foot typical townhome and stacked flat footprint module further contributes to the compact design of small footprint housing. Neighborly offsets include 6-foot side yards and a consistent build to line at the fronts of both homes and porches. Townhomes, stacked flats, and apartments are all primarily two- and three-story buildings. Cost-effective materials and methods are used. Beyond the wood construction cited above, the cladding is primarily fiber cement siding and fiber cement panels, though a limited use of brick (for accent) is also included in the design.

During the long duration of the effort, Westlawn Gardens made many forays into affordable building experimentation. Later phases explored modular construction, and delivered townhomes, stacked flats and some apartments as volumetric modular sections shipped to the site and assembled by crane. Modular construction was attractive because of its controlled climate construction environment and promise of overall time savings and reduced labor costs. In the end, savings in neither schedule nor total costs were achieved by the volumetric modular approach at Westlawn Gardens. The opportunity for a “flat-pack” or “super-panel” modular approach still holds some appeal to deliver those time and cost savings. Cost effective building and construction approaches are essential to housing affordability, but they are not enough on their own.

Affordable to rent or own

The Housing Authority of the City of Milwaukee owns the land that Westlawn Gardens occupies, as a public trust through the auspices of HUD. That takes land costs out of the equation and is a significant contribution to the affordability proposition. Residents of the public housing component of Westlawn Gardens pay rent based on their income. They pay the same rent whether they live in an obsolete and distressed older barracks style unit of the old Westlawn or in a new and modernized home in the Westlawn Gardens neighborhood. This is essentially the subsidy arrangement that all US public housing represents, with HUD paying the balance of the rent value directly to the housing authority on an annual basis. It is an approach that extends to other housing subsidy programs, with LIHTC chief among those sources. Low Interest and no Interest loans, as well as downpayment assistance are offered in the affordable homeownership portion of the development program, and are extended to low-income, very low-income, and extremely low-income households. Subsidy in the form of land contribution, infrastructure development, and rent or mortgage contributions are an essential part of housing affordability at low-income tiers.



A row of townhouses, top, and the overall site development. Photo courtesy of Torti Gallas + Partners

The neighborhood of Westlawn Gardens has access to transit, jobs, education, and commerce, which help to make the economics work for individual households, and further provides access to regional economic growth and jobs. Living in a community and neighborhood that provides the needs of everyday life translates into affordability as well as quality of life.

Utility expenses are disproportionately high for low-income populations because of deferred maintenance and obsolete systems. Tight building envelopes for the homes at Westlawn Gardens reduce utility bills and reverses that situation. Geothermal heating and cooling add efficiency and sustainability, while further reducing energy load from the grid, and therefore reducing utility costs.

Municipal tax abatements and future property tax escalation moratoriums are provided to low-income homeowners to reduce operations expenses. Under resourcing the ongoing operations and maintenance of public housing from the late 1960s to 1990s spelled doom for the mid-century public housing projects that populate our cities all over the country. Smart initial approaches and committed resources to maintenance and operations are critical to ongoing housing affordability.

Other examples similar to Westlawn, include City West in Cincinnati, which is an early 21st century HOPE VI, and Church Hill North in Richmond, Virginia, which is a more recent affordable housing effort funded with state LIHTC, city infrastructure, and housing authority improvement and operating capital.

Housing affordability touches a complex and interconnected web of issues and concerns. Proponents for one or another area of housing affordability concern often talk past each other and miss the point of the crucial intersections and opportunities of a coordinated approach. A framework that includes affordable design and construction; affordable land value, market correction, and subsidy; and affordable larger community contexts, and operations and maintenance is one that addresses these critical dimensions of affordability.



Lawrence "Murphy" Antoine, FAIA, AICP, is present of Torti Gallas + Partners, where his work focuses on the inextricable link between architecture, urban design and planning in lower density neighborhoods and communities.

(/publicsquare/author/murphy-antoine)



Robert Steuteville, F-CNU, is editor of Public Square: A CNU Journal and senior communications adviser for the Congress for the New Urbanism.

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TOWARD AN ATTAINABLE RESILIENT KNOXVILLE



CITY OF KNOXVILLE
FEBRUARY 2024

HOUSING STRATEGY
UPDATE





LETTER FROM THE MAYOR

As I begin my second term as Mayor of the City of Knoxville, I am proud to announce that we have emerged from the pandemic as a vibrant, growing city with a bright, promising future. Knoxville is a place where people want to be, and many are choosing to move here from other places where the cost of living is much higher, and the affordable housing crisis is much more acute. Growth is good, but it also brings about new challenges. As we welcome our new neighbors, we must also acknowledge that the housing crisis is real. We must make certain that Knoxville remains attainable to individuals and families at all income levels.

In the past four years, the City of Knoxville has invested more than ever in affordable housing. We have over-delivered on my promise, made in 2021, of contributing \$5 million dollars per year for affordable housing. Far exceeding that goal, we have invested more than \$40 million in housing since 2020. This funding has leveraged more than \$600 million in other public and private investments and resulted in more than 2,300 affordable housing units being built or in some stage of the development process. I am proud of our substantial progress on housing, and we will be even more aggressive and innovative in the next four years. The City has developed a housing dashboard to track the development of market rate and affordable housing. You can stay up to date on Knoxville's housing at [KnoxvilleTN.gov/development](https://knoxvilletn.gov/development).

The recommendations in this document outline what we will do to respond to the housing crisis and how we will utilize each lever under my authority to make certain that Knoxville remains resilient and attainable to everyone.



Mayor Indya Kincannon



ATTAINABILITY CHALLENGE



Knoxville's population grew by 3,241 people in 2022, representing the largest one-year gain in many decades.

NEW POPULATION GROWTH AVERAGE PER YEAR

2022	3,241 PERSONS
2016-2021	1,416 PERSONS
2006-2015	939 PERSONS
1990-2005	120 PERSONS

Knoxville's housing supply challenges affect individuals and families across the income spectrum. Knoxville is a strong, vibrant community and a great place to live. It has also increasingly become a place where people want to visit. This influx of residents and visitors adds additional demand for an already limited supply of housing. A lack of housing that is attainable to the workforce and those with lower incomes threatens the city's vibrant economy. Lower income households face not only an insufficient supply of housing affordable to them, but must also compete for those same units with people at higher income levels because there is also an insufficient supply of housing attainable for middle income individuals and families.

A tight housing market causes patterns of housing insecurity and socioeconomic inequalities to arise and intensify with each upswing in population. A housing market with strong attainability for middle-income

households also provides for greater affordable housing opportunities for those at the low end of the income spectrum.

Knoxville's population grew by 3,241 people in 2022, representing the largest one-year gain in many decades. Historically, the city has grown at a much slower pace. For example, the city saw very modest growth in the 15-year period of 1990 and 2005, with only 1,800 new residents bring the total population to 172,962 — a 1 percent increase. This rate of change was consistent with growth trends from previous decades. After 2005, the city's population increased at a higher rate through 2015, adding nearly 9,500 new residents in 10 years. Since 2015, a different story has taken shape. Steady gains were replaced by starts and stops in growth until 2019; thereafter, the city's rapid population increase dominated news headlines. In total, the past seven years witnessed an addition of 11,740 new residents, with 8,360 of that total reported in just the past three



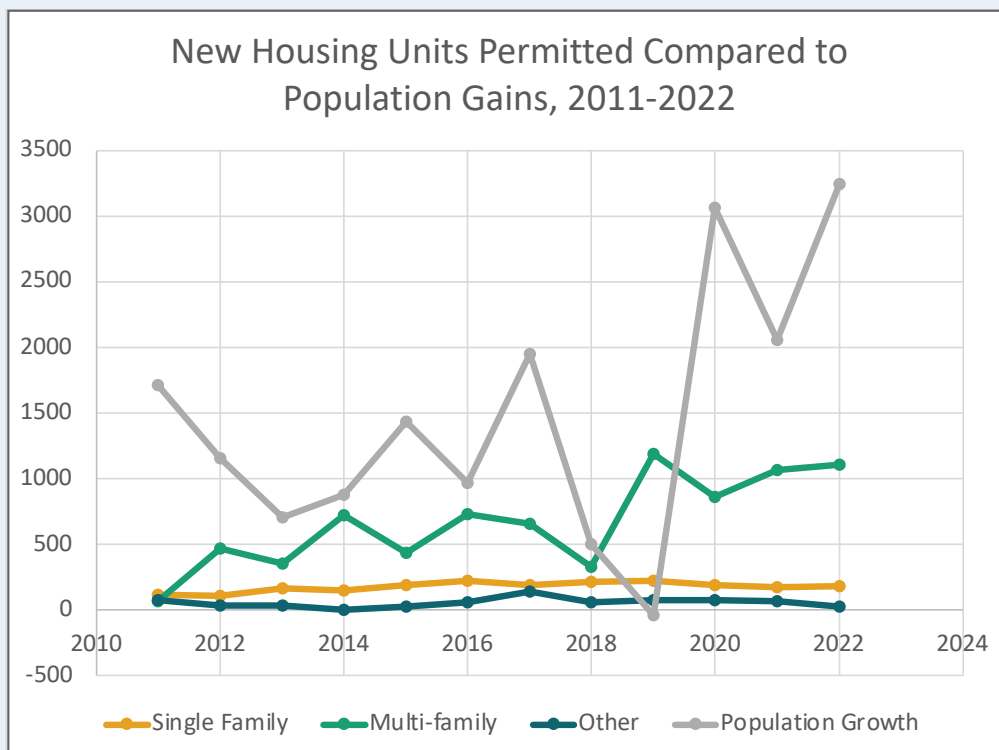
years. As a result, the city reached a record-high total population of 195,889 in 2022.

However, during this period of population growth, housing construction slowed significantly due to the 2007-2009 economic crisis—the Great Recession. Knoxville, like many cities, is still working to recover from the slow development seen in the four to five-year period after the crisis. With capital limited or unavailable, housing construction slowed to almost 30-year lows between 2009-2014. Only 71 new apartment units were built in 2011, and only 111 new single-family homes were built in 2012. By comparison, in 2022, 1,320 new units were built: 1,104 apartments and 216 single-unit detached and attached dwellings.

Knoxville's housing inventory totaled 95,106 units in 2022. (Note that a housing unit can be an apartment with only one occupant or a home with an entire family living in it, or anything in between.) In both 2010 and 2021, there was a nearly even split between owner- and renter-occupied units. In 2010, owner units

had the edge with a slightly larger 51 percent share. In 2022, however, the gap between owner- and renter-occupied units grew as the share of renter-occupied units increased to 55.2 percent and owner-occupied fell to 44.8 percent. Availability in the local housing market is very tight, with 97.3 percent of owner units occupied, and 94.6 percent of rentals taken.

Only 71 new apartment units were built in 2011, and only 111 new single-family homes were built in 2012.





HOUSING INVENTORY, AFFORDABILITY AND COMPETITION

HOUSING NEEDS

As of 2022, Knoxville's Housing Price Index is 71.8, which is 28.2 points lower than the national Index value and lower than several neighboring cities, including Asheville (102.0), Chattanooga (92.6) and Nashville (106.5). Index values less than 100 are below the national average, whereas values over 100 are above the national average. In 2023, the City of Knoxville estimated average home sale prices to be between \$194,000 and \$287,000, depending on size, and the estimated median rental listing at \$1,700 per month.

Of the city's total inventory of 85,304 occupied housing units, 47,080 are rental units, holding a 55.2 percent share. About 34 percent of the rental market was priced between \$500 and \$999 per month in 2021, comprising 15,440 units. Another one-third of the inventory is priced between \$1,000 and \$1,499 per month.

HUD defines cost-burdened families as those who pay 30 percent or more of household income for housing. Families paying 50 percent or more on housing are severely cost-burdened. Almost half of all Knoxville renter households are cost-burdened, and about half of those households are severely cost-burdened: 11,877 renter households pay between 30 and 49.9 percent of income to housing, while 10,927 households pay 50 percent or more.

Knoxville's lowest income households face the greatest challenge in finding affordable housing. There are 6,515 households with income below \$10,000 but only 1,604 rental units priced within reach (based on the HUD's affordability guideline). In addition, there are 7,193 renter-occupied households with incomes between \$10,000 and \$19,999, but only 2,410 affordable units. This speaks to two problems: a) lack of inventory within the two lowest income ranges and





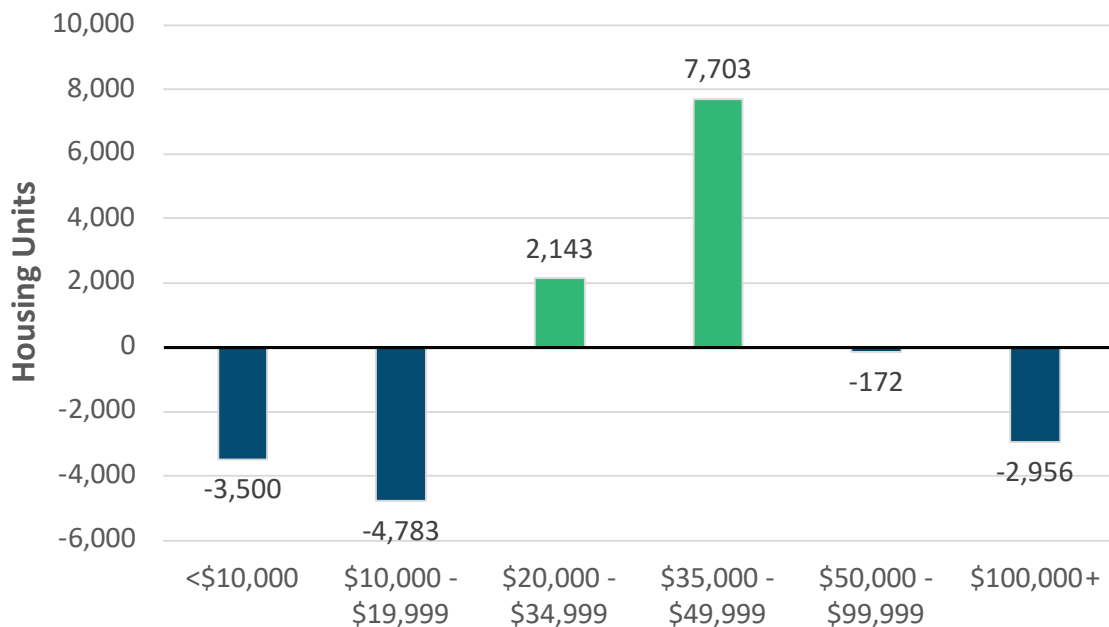
b) competition between those income earners who can opt for lower-priced rentals (even when they can afford higher-priced units) and those who can only afford lower-priced rentals.

While competition for affordable units occurs across all but the highest income range, it has the most impact on households with incomes under \$35,000. Inventory numbers seem to indicate that there is ample supply of rental units affordable to households in the \$35,000 to \$49,999 income range. However, those households must compete with renters above and below in income, where supply is limited or scarce. Below \$35,000, there are 21,020 households, and only 14,880 affordable units. Above \$50,000, there are 18,321 households, and only 15,193 units.



This speaks to two problems: a) lack of inventory within the two lowest income ranges and b) competition between those income earners who can opt for lower-priced rentals (even when they can afford higher-priced units) and those who can only afford lower-priced rentals.

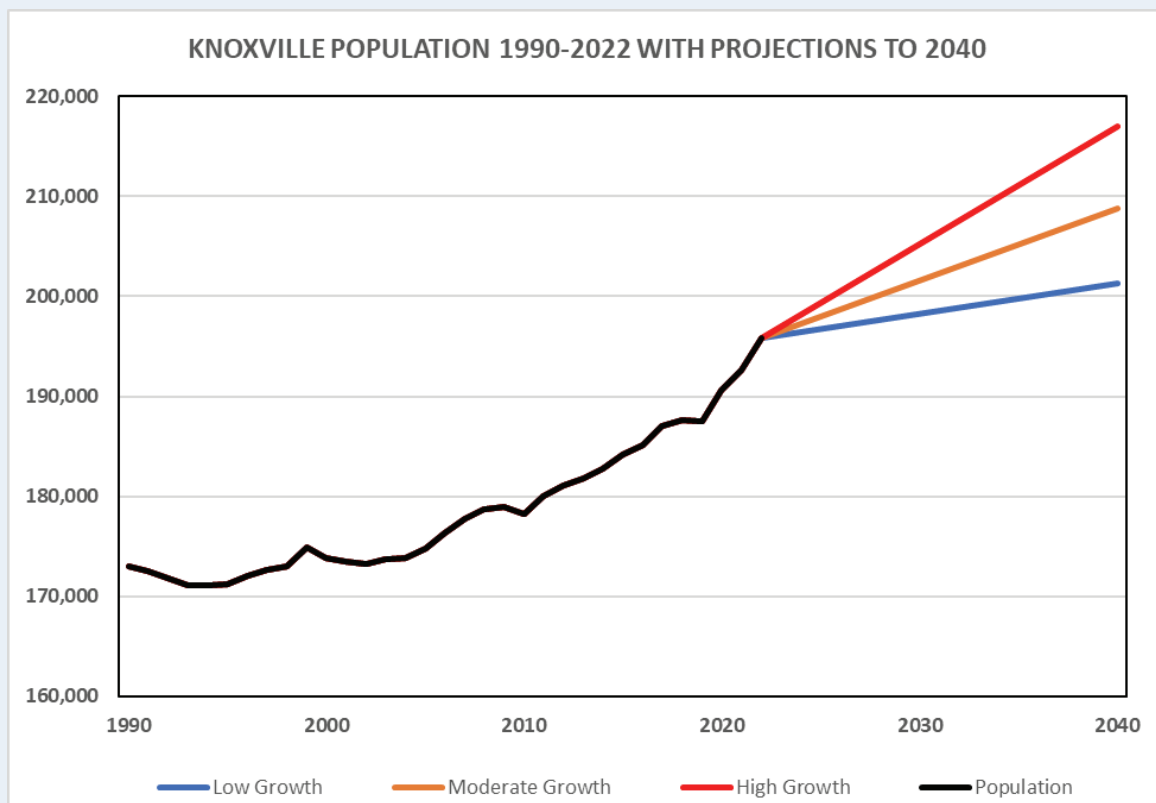
Affordable Rental Inventory by Annual Renter Income, 2022





PROJECTED GROWTH

Based on recent growth trends, Knoxville is projected to reach a population of 216,935 by 2040, a gain of 21,046 new residents in 18 years. Using the city's average household size (2.16 people), Knoxville will need an additional 9,744 housing units (or an annual average of 541 units) to accommodate anticipated growth. By comparison, in 2022, Knoxville produced 1,320 new units – 1,104 were apartments and 216 were single-unit detached and attached dwellings.



in 2022, Knoxville produced 1,320 new units – 1,104 were apartments and 216 were single-unit detached and attached dwellings



THE AFFORDABLE HOUSING ECOSYSTEM

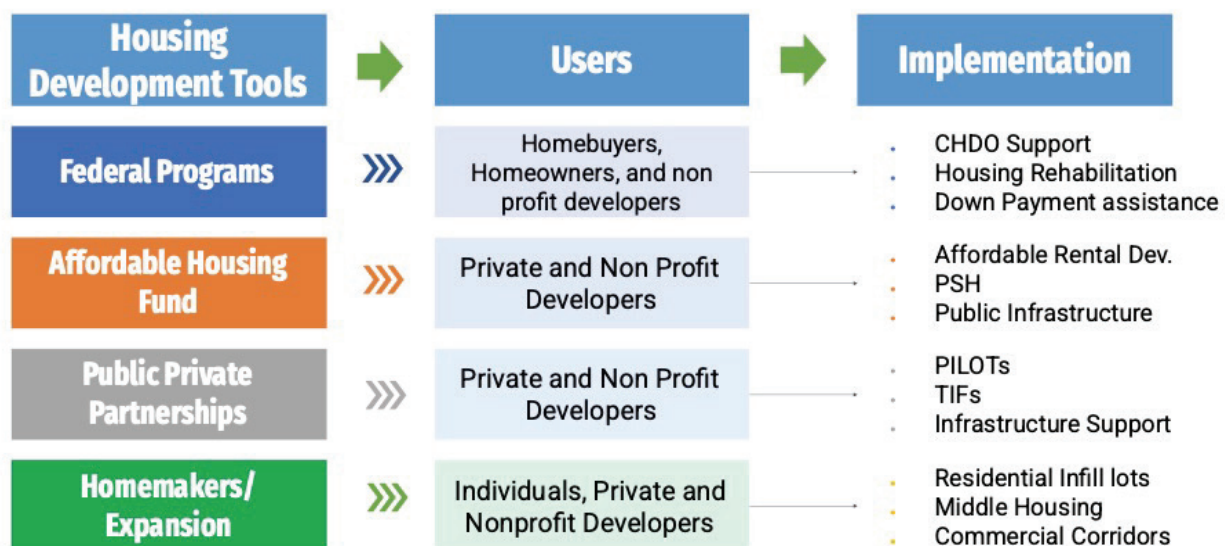
For many years, the City of Knoxville has operated programs through its Housing and Neighborhood Development Department that increase and improve the available affordable housing stock in our community.

OWNER-OCCUPIED REHABILITATION PROGRAM

The City's Owner-Occupied Rehabilitation Program has been in operation for decades, providing resources and technical assistance to help low- and moderate-income homeowners make significant home repairs, or even demolish the existing home and rebuild from the ground up. Homeowners receive low-interest and forgivable loans to pay for repairs or reconstruction. If they continue to live in the home for a certain number of years while paying off the low-interest loans, a portion of the loans will be forgiven altogether.

City staff also provide participating homeowners with technical assistance to determine what improvements are needed, develop a project plan, bid out the work

to qualified contractors, and guide the homeowner through the rehabilitation or construction process.



The Owner-Occupied Rehabilitation Program helps stabilize neighborhoods by retaining longtime residents, while improving home values and spurring others nearby to make improvements themselves.



RENTAL REHABILITATION PROGRAM

The City's Rental Rehabilitation Program provides owners of substandard residential rental property with financial and technical rehabilitation assistance to improve their properties. Participants agree to a term (5 to 20 years) of rent and occupancy restrictions which keeps the housing available to lower-income families at an affordable rent.

The City makes deferred-payment forgivable loans to rental property owners, requiring no monthly payments to subsidize the required costs of rehabilitation. Total funding is limited to 80 percent of the total project cost, or a maximum of \$30,000 per unit. This program improves the quality of affordable rental housing, while also assuring that it continues to be affordable to low- and moderate-income individuals and families for years to come.

HOMEMAKERS PROGRAM

The City offers vacant lots and lots with substandard structures for sale to individuals, non-profit organizations and businesses. These properties have been identified by the City for acquisition to further its mission to remove blight, redevelop neighborhoods, and provide affordable housing opportunities. In almost all cases, the buyer will be required to construct a new dwelling on the property or rehabilitate the existing structure.

Properties in this program are either acquired directly from owners or taken through a legal acquisition procedure to assure due process and to assure the



Through the Homemakers Program, the City addresses blighted or abandoned homes or residential lots while generating reinvestment and infill housing in vulnerable communities.

property has a clear title before entering this program. Available properties and applications are listed online. Qualified applicants then acquire the property through an agreement with the City that includes a provision that the purchaser will construct a dwelling or rehabilitate the existing structure within one year, or risk forfeiting the property back to the City. This assures the objective of clearing blight and adding to the housing stock in the community.

EMERGENCY HOME REPAIR

The City of Knoxville uses HUD Community Development Block Grant (CDBG) funds to contract with nonprofits that provide free emergency home repair services and accessibility modifications for low- and moderate-income households. Home repairs for eligible homeowners may include plumbing, HVAC, roofing, water heaters, structural damages, electrical improvements, floors, exterior windows, doors, and water infiltration. Accessibility modifications for homeowners and renters include access ramps, railings, and interior modifications. These services have helped hundreds of homeowners and renters to safely remain in their homes.

LEAD-SAFE AND HEALTHY HOMES

The Lead-Safe and Healthy Homes Program works to identify and control lead-based paint hazards in eligible privately owned rental and owner-occupied housing. Homes built prior to 1978 could potentially contain lead-based paint. The older the home, the greater the chances of lead-based paint or high levels of lead dust. Lead-based paint that is in poor condition and peeling, crackled, chipping, chalking or applied to friction and impact surfaces (such as windows



and doors) can create a lead hazard, which can also include lead dust and lead-contaminated soils. These lead hazards can negatively affect the health of both children and adults, but children under six years old are particularly vulnerable to brain and nerve damage and slowed growth or development. The City operates this model program to identify and control lead-based paint hazards in eligible privately owned rental and owner-occupied housing.

The City offers grants to help remediate lead-based paint hazards to qualifying homeowners and rental property owners. The program provides certified contractors to inspect, assess and remediate lead paint issues in the home. Repairs may include replacing old wooden windows with new vinyl windows, vinyl siding

and aluminum trim, covering porch floors and ceilings, and fresh paint.

PERMANENT SUPPORTIVE HOUSING

The City supports the development and continued operation of Permanent Supportive Housing (PSH) for individuals and families who have experienced chronic homelessness. PSH provides tenants with a lease for a permanent place to live, accompanied by onsite case management and supportive services to help them remain successfully housed.

PSH is operated under the Housing First model, meaning persons experiencing homelessness are helped to obtain housing as quickly as possible, with the support services following them into housing. This model is designed to help them address the issues that caused their homelessness; the stability of permanent housing helps them succeed in addressing their other issues. The City provides resources for operating supportive housing in places like Minvilla Manor and Flenniken Landing, while providing assistance through the Affordable Housing Fund, and with Federal funding like the HOME Investment Partnership program to develop new units of PSH, such as Caswell Manor and Callahan Flats.

AFFORDABLE RENTAL DEVELOPMENT PROGRAM

The Affordable Rental Development Program makes funds available to for-profit and non-profit developers





for new construction of multifamily (5+ units) projects and for retrofitting existing buildings that will have 5+ units within Knoxville city limits. Properties may be located anywhere within city limits and can be mixed-income housing, low-income housing, or supportive housing for people with special needs (if sufficient operating funds are available from other sources).

Funding awards are determined by several factors, such as cash flow, income of target tenants, and maximum rents. With City discretion, the maximum award is \$30,000 per unit, or \$50,000 per unit for Permanent Supportive Housing. All developments are required to meet or exceed the 2018 International Residential Code for energy efficiency guidelines as adopted by Housing and Neighborhood Development.

CHOICE NEIGHBORHOOD GRANT

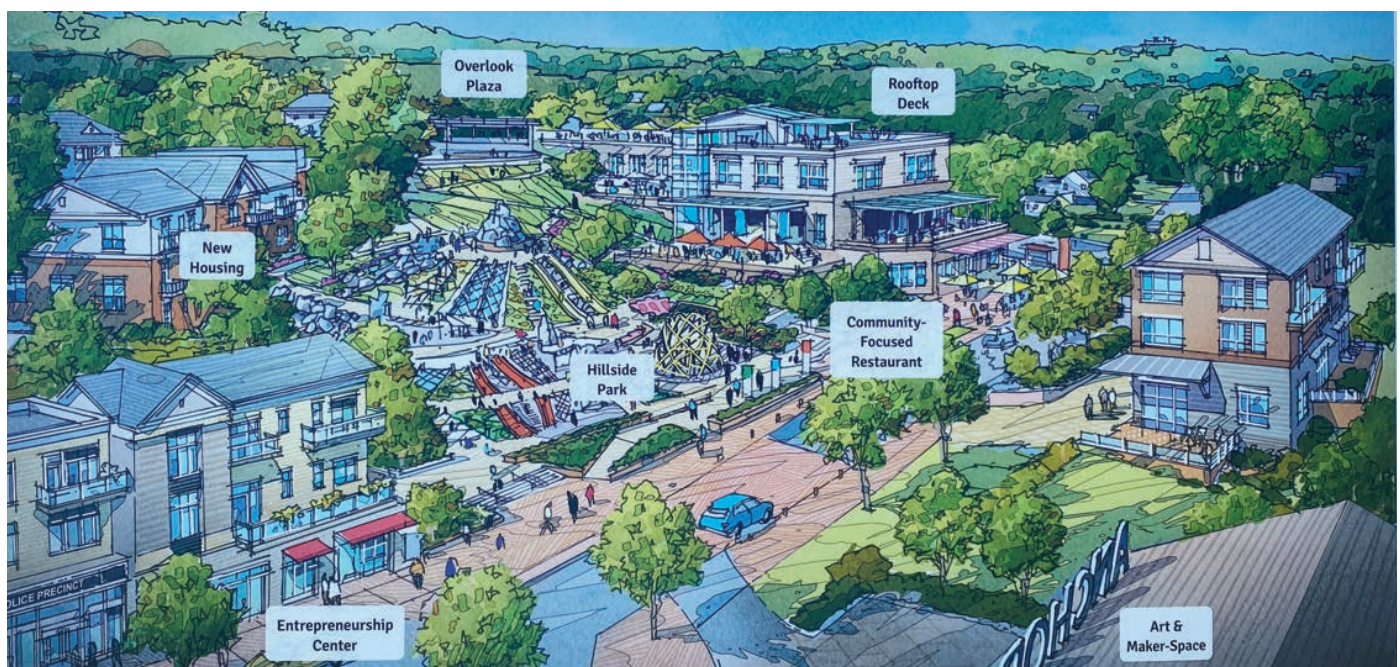
A \$40 million “Choice Neighborhoods” grant from the US Department of Housing and Urban Development brought into being the Transforming Western initiative. The initial spark centered around the plan for simply improving the affordable housing units in the Western Heights public housing apartments. Transforming Western will do much more, however, by leveraging significant public and private funds to support implementation of locally driven strategies to improve public housing through a comprehensive approach to neighborhood transformation.

The Transforming Western initiative will include

rebuilding or significantly renovating the affordable housing already available at Western Heights and will offer more affordable housing units than are currently located on-site. Additional units will also be made available through the development of new housing at varied income levels, including low-income and affordable housing. According to HUD research, residents of mixed-income sites experience better quality housing, lower neighborhood unemployment and poverty, and increased safety.

Additional philanthropic investment provided by individuals, companies and foundations will be used for site amenities such as parks, greenspaces, community spaces and social services. The initiative will incorporate arts, culture and entrepreneurship to anchor the community, and will provide enrichment opportunities for youth, and access to affordable, healthy and fresh food options.

Transforming Western represents a giant leap in Knoxville’s pursuit of affordable housing tied to stronger neighborhoods and innovative economic and community development.





RECOMMENDATIONS

The Attainable Resilient Knoxville strategy is a set of interim recommendations to produce and preserve housing attainable to individuals and families at all income levels. The strategy provides direction for future decisions, including the allocation of resources. These recommendations build upon past successes, including the creation

of the Homemakers Program and the Affordable Housing Trust Fund through the East Tennessee Foundation in the 1990s, City incentives for housing in the 2000s, the Affordable Rental Development Program in 2017 and the Affordable Housing Fund established by Mayor Kincannon in 2021.





VISION

Knoxville will continue to be a city attainable for all residents to be housed regardless of their income level.

MEASURABLE GOALS

By the year 2029, the City will encourage the development of 6,000 to 8,000 new housing units, including 2,000 newly constructed affordable housing units and preservation of 1,000 affordable housing units.

To meet this goal, the City will need to implement new strategies to spur development, including addressing land use policies that promote gentle and appropriate higher densities, and redeveloping blighted properties within neighborhoods and along major corridors. This is an

aggressive goal that will double more recent development trends.

Approximately 7,760 units were built in the city from 2011 to 2022. The market is the biggest lever available to the City to address the housing crisis. The City is aligning incentives and regulations to allow the market to keep up with demand for housing of all types, in great neighborhoods.





AMPLIFY THE AFFORDABLE HOUSING FUND

Expand the fund. Find new investors.

BACKGROUND

In 2021, the City of Knoxville established Knoxville's Affordable Housing Fund, a \$50 million City commitment for ten years to support affordable housing development and other housing activities that address local needs. The Fund has been a tremendous addition to the housing ecosystem, quickly facilitating the scale-up of the development of affordable housing and resulting in hundreds of new affordable housing and Permanent Supportive Housing (PSH) units.

During the first three years, the City of Knoxville has contributed \$26.9 million toward the Fund, far exceeding the original \$5 million-per-year commitment. Since 2019, more than 2,300 new affordable rental units have been completed, approved, or are under construction. During this period with the \$26.9 million contributed through the Fund, the City has invested over \$40 million in affordable housing development and leveraged over \$600 million in other private and public investment.

These developments are located in diverse locations across the city and have rents designed to be affordable to families with incomes at or below 80 percent of the Area Median Income (AMI), offering additional opportunities for Section 8 voucher holders and others needing subsidized housing.

The purpose of the Fund is to accept (including from private donations) and disburse funding to address the affordable housing needs of individuals and families of low- and moderate-income households.

KEY PRIORITIES

1. Partner with the non-profit community, local foundations, and philanthropic donors to fund Knoxville's Affordable Housing Fund more deeply. Infusing an additional \$1 to \$2 million annually in the fund will produce hundreds of additional housing units.
2. Provide infrastructure support to Transforming Western and other catalytic comprehensive redevelopments spurring new housing, economic development, and community building.



LEVERAGE PUBLIC-PRIVATE PARTNERSHIPS (PPP)

Increase housing supply across all markets and create safe and connected neighborhoods.

BACKGROUND

The City of Knoxville values Public-Private Partnerships aligned with its strategic development priorities, and that support public benefits and amenities. Public-Private Partnerships can include PILOTs, TIFs, Development Agreements, and the like. Applicants for economic development assistance should thoughtfully design their projects with the City's Key Development Priorities in mind. These priorities focus on type of project, location, characteristics, and integration with public amenities and transportation. Additionally, the Process Roadmap for Public-Private Partnerships clearly outlines the steps and associated timeline of the process.

The City is currently supporting 4,081 units of affordable housing through tax incentives, serving those with low incomes. Another 72 workforce housing units in mixed-used developments are also being supported by the City. Tax incentives are a City tool that incentivizes the construction and rehabilitation of housing as an indirect way of financing development projects. As standard practice, the City negotiates with developers to include workforce housing as part of the public private partnership process.

KEY PRIORITIES

1. Create equitable economic development and growth through the strategic use of public resources to leverage quality private investment to increase housing supply across all markets.
2. Create a Redevelopment Area from downtown to Burlington/Chilhowee Park along the Magnolia Corridor.





INCREASE HOUSING STABILITY

Improve the system. Grow Permanent Supportive Housing.

BACKGROUND

The City of Knoxville has collaborated with Knox County to establish a new Knoxville-Knox County Office of Housing Stability (OHS) to lead efforts to prevent and respond to housing instability and homelessness. The OHS collaborates with the Knoxville-Knox County Homeless Coalition, housing agencies, homelessness service providers, and people with lived experience of homelessness to set a common vision with shared goals informed by a systems-level, evidence-based approach that is data-driven to keep families in their homes and connect people to housing opportunities and services.

Permanent Supportive Housing (PSH) is among the most important of the data-driven, evidence-based approaches to ending homelessness in our community. Following the Housing First approach, PSH is a proven solution to chronic homelessness. Knoxville has positive, proven experience with the effectiveness of Permanent Supportive Housing, with the creation of 58 PSH apartment units at Minvilla Manor in 2010, followed soon after in 2011 with 48 at Flenniken Landing. Since these two locations opened, McNabb Center has opened three smaller PSH locations to house 33 military veterans, and just last year, Volunteer Ministry Center opened Caswell Manor, 48 units of PSH just East of Downtown.

While continuing to financially assist ongoing operations of existing PSH, the City will work with its community partners to create more PSH to meet the need. Two examples are: a) Liberty Place, which includes 32 PSH units for military veterans being built by Knoxville's Community Development Corporation (KCDC) in cooperation with the US Veterans Administration, and b) Callahan Flats, 58 units of PSH, plus 30 additional units of affordable housing being developed by Knoxville Leadership Foundation.

KEY PRIORITIES

1. Support the Knoxville-Knox County Office of Housing Stability to develop and implement a coordinated action plan for addressing homelessness in the Knoxville community.
2. Support the Homeless Coalition and the Youth Action Board to develop a strategic plan for addressing youth homelessness as part of the initial two-year \$1.8 million award from HUD for the Youth Homelessness Demonstration Program (YHDP).
3. Seek out development of additional units of Permanent Supportive Housing, and micro housing PSH, to make more of this critical resource available to meet the need.



PRESERVE NATURALLY OCCURRING AFFORDABLE HOUSING (NOAH)

Protect the existing affordable housing stock built prior to 1994.

BACKGROUND

NOAH is a housing type that is best characterized currently as unsubsidized affordable housing built prior to 1990, offering below market rents compared to the area housing market. NOAH housing is the most common source of affordable housing in the city. In Knoxville, 71 percent of the housing stock is older than 30 years, and 47 percent of the housing stock is older than fifty years.

In a tight rental market, NOAH developments are targeted by investors for acquisition and rehabilitation with the intention of increasing rents to market averages. These “market flips” adversely impact the segment of the workforce that is gainfully employed and living in affordable housing but now are forced to pay greater than 30 percent of their income for housing.

Since 2019, the City of Knoxville has preserved 412 units of affordable housing using federal HOME funds through the Rental Rehabilitation program.

KEY PRIORITIES

1. Inventory and map NOAH Housing.
2. Preserve the affordability of existing occupied housing developments (greater than 5 units) by offering tax abatement and subsidies through the expansion of the affordable rental development program.
3. Utilize the Federal HOME program to protect older private apartment complexes.





ADVANCE LAND USE POLICY

Facilitate appropriate modifications to land use regulations to help meet housing needs and drive down the cost of development.

BACKGROUND

Middle Housing – The City of Knoxville and Planning staff have been collaborating on plans to eliminate barriers to the construction of middle housing, which includes townhomes, duplexes and other housing structures between the scales of single-family homes and mid-rise apartments. Middle housing is particularly well suited for walkable, bikeable neighborhoods with access to transit and neighborhood-servicing businesses.

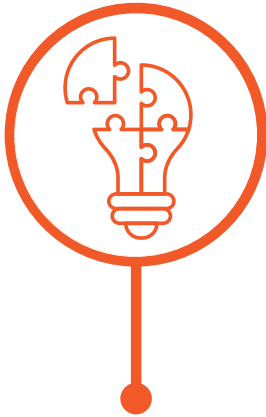
As demographics and housing preferences shift both in Knoxville and across the country, middle housing can be a key component in neighborhoods offering diverse housing choices. Communities and organizations, including AARP, are realizing that middle housing is important in helping neighborhoods thrive while providing housing choices as people age and wish to stay in their neighborhood. This new zoning code will take effect in early 2024.

Zoning Code Updates – City and Planning staff work collaboratively to edit the living document of the zoning code. Through continuous review, the teams are consistently identifying opportunities to make zoning more clear and concise, more fluid for development, and updated to modern day standards. Additionally, as code is reviewed, seeking opportunities to encourage the development of housing in neighborhoods, along corridors, and throughout the city where housing makes good sense and fits with the surroundings.

Development Services Enhancement – As more people move to and want to invest in Knoxville, the need for support of development has grown exponentially. The City is investing significantly in the capacity of the plans review and inspections and engineering departments across technology, streamlined operations, people, and customer service to meet the needs of a growing community.

KEY PRIORITIES

1. Identify opportunities to update zoning code.
2. Through zoning code updates, encourage the development of housing.
3. Provide continuous support to the development community through the development services team.



REDEVELOPING VACANT AND BLIGHTED PROPERTIES

Add to housing stock within the existing neighborhood framework.

BACKGROUND

The City of Knoxville acquires blighted property to sell to individuals, for-profit, and non-profit developers to further the City's mission to remove blight, redevelop neighborhoods, and provide affordable housing opportunities.

Developers must propose to build new housing or rehabilitate the existing structure located on the parcel. The proposed reuse must comply with neighborhood zoning and the Knoxville – Knox County Planning Commission's In-Fill Housing Guidelines as well as the Housing & Neighborhood Development Department's Rehabilitation Standards (in the case of rehab). Lead Based Paint Regulations will apply for existing structures built prior to 1978. Local building codes will apply for both new construction and rehabilitation. Construction plans for properties on the National Register or zoned Historic under local overlay must be reviewed and approved by the Historic Zoning Commission.

Property will be transferred by deed with restrictive covenants, a reverter clause, or other mechanism that will enforce compliance with the terms, covenants and conditions required by the Homemakers Conditional Sales Agreement. Final approval of all purchases lies with City Council or Knoxville's Community Development Corporation's (KCDC) Board of Commissioners.

Through the City of Knoxville's Homemakers program, there have been 58 property transfers to individuals, non-profit, and for-profit developers. Of that total, 37 benefited low- and moderate-income residents.

KEY PRIORITIES

1. Inventory vacant and blighted properties along commercial corridors.
2. Spur development and homeownership through acquisition and redevelopment.
3. Expand the Homemakers Program to cover non-residential lots.



Annual Report and Key Highlights

July 2022 - June 2023

**City of Knoxville
Housing and Neighborhood Development
Knoxville.tn.gov**

Knoxville Affordable Housing Fund

In response to rising construction costs and the lack of availability of housing affordable to persons with low and moderate incomes, the City of Knoxville established the Knoxville Affordable Housing Fund by ordinance in May of 2021. The Fund has been a tremendous addition to the housing ecosystem, quickly facilitating the scale up of the development of affordable housing and resulting in hundreds of new affordable housing and permanent supportive housing units.

The Affordable Housing Fund is a 10-year, \$50 million dollar commitment to advance affordable housing opportunities. Developed in response to and in partnership with local housing advocates, and with input and guidance of local housing stakeholders and experts, the Fund builds upon the City's long and successful history of promoting affordable housing through federally funded programs, the Affordable Rental Development Program, the Affordable Housing Trust Fund administered by East Tennessee Foundation, and many capital project investments led by private and public housing providers.

The need for affordable housing is still at a critical point. Median rents rose to historic levels in 2023 with the average renter paying almost \$1,400 per month in rent. More than half of Knoxville renters pay too much of their total income for rent. Additional housing options are needed for those with very low and extremely low incomes. There are 13,536 households with incomes below \$20,000 and yet less than 5,000 units are affordable to this population.



The Ammons at Asheville Highway Ribbon Cutting Ceremony

The purpose of the Fund is to accept (including from private donations) and disburse funding to address the affordable housing needs of individuals and families of low- and moderate-income households. In order to ensure a strong, stable foundation of funding, the City of Knoxville has made a minimum funding commitment of not less than \$5 million per year for 10 years, with funding in Years 1, 2, & 3 (FY2022, FY2023, FY2024) far exceeding this minimum.

Total Affordable Housing Fund Investment to Date - \$26.9 M

2021 - 2022			
\$2.5 M	\$1.5 M	\$3.78 M	\$325 K
Affordable Rental Development	Permanent Supportive Housing	First Creek at Austin	Affordable Housing Trust Fund

2022 - 2023				
\$2.5 M	\$2.9 M	\$1.6 M	\$4.2 M	\$200 K
Affordable Rental Development	Permanent Supportive Housing	First Creek at Austin	Transforming Western	Affordable Housing Trust Fund

2023 - 2024			
\$2.5 M	\$500 K	\$4.2 M	\$200 K
Affordable Rental Development	Permanent Supportive Housing	Transforming Western	Affordable Housing Trust Fund

During the first three years, the City of Knoxville has contributed \$26.9 million toward the Affordable Housing Fund, far exceeding the five-year, \$5 million per year commitment. Since 2019, over 2,300 new affordable housing units have been completed, approved, or are under construction. During this period and including the \$26.9 contributed through the fund, the City has invested over \$40 million in affordable housing development and leveraged over \$600 million in other private and public investment. These developments are located in diverse places across the city and have rents designed to be affordable to families with incomes at or below 80% of the area median income, offering additional opportunities for Section 8 voucher holders and others needing subsidized housing.

The data on the real families who have moved into these units indicate that these units are actually serving a population with incomes far lower than the maximum allowable under the fund's rules. Of the families housed in these units, 57% are extremely low-income, with incomes under 30% of the area median; another 26% are very-low income, with household incomes falling between 31% and 50% of the area median. 17% are low income, with household income falling between 51% and 80% area median.

The Affordable Housing Fund is just one way the City of Knoxville supports affordable housing in the community. In addition to local investment, the City also manages significant Federal and State funds which support a number of different affordable housing projects. The total City of Knoxville budget for affordable housing and community development programs in FY23, including Federal funds, is over **\$16 million**.

Knoxville Affordable Housing Fund Advisory Committee

The purpose of the Knoxville Affordable Housing Fund Advisory Committee is to advise the Director of Housing and Neighborhood Development regarding the administration of the Knoxville Affordable Housing Fund to assure that the fund addresses local priorities and reflects best practices concerning affordable housing.

By ordinance, the committee consists of appointees who possess an expertise or interest in issues related to affordable housing, including at least one (1) representative from the community of non-profit affordable housing developers and at least one (1) representative of the community of non-profit low-income housing-related service providers operating in the Knoxville metropolitan statistical area.

The current members of the Affordable Housing Fund Advisory Committee are:

- Ben Bentley - Executive Director, Knoxville's Community Development Corporation (KCDC)
- Craig Cobb - Vice President, DGA Capital
- Misty Goodwin - Director of Social Services, Knoxville-Knox County Community Action Committee (CAC)
- Joshalynd Hundley - Vice President Community Development Manager, First Horizon Bank
- C. Danny Johnson - Co-President, Justice Knox
- Jeanette Kelleher - Vice President of Operations, East Tennessee Foundation
- Houston Smelcer - Vice President of Development & Government Relations, McNabb Center

The committee provides recommendations to the Director of Housing and Neighborhood Development regarding the City's Annual Action Plan and fund priorities, income limits and goals, as well as the fund's rules and regulations. The committee also reviews the fund's annual budget of administrative expenses, past fund disbursements, and the impact thereof to inform the annual report. The Affordable Housing Fund Advisory Committee meets quarterly.

City of Lansing: A Dynamic Housing Philosophy

October 2022

EXECUTIVE SUMMARY

Where housing is concerned, the City of Lansing **wants it all** - to cultivate real estate options with wider price ranges, and develop (and preserve) healthy, safe, affordable, and attainable housing whether homeowner or rental for everyone from very low-income folks to college students to growing families to seniors who want to remain in their homes or downsize to a smaller home or apartment.

How do we make that happen? We work together. We enhance our neighborhoods, together. We create an environment and policies that are conducive to investment and a range of housing options, together. We update our City Comprehensive Plan including a visionary plan to address aging housing stock in our neighborhoods, together.

When we envision Lansing's best self, let's understand that **"they"** aren't going to make it a reality.

We are.

INTRODUCTION

History¹ tells us that the capital of Michigan had dubious beginnings. In 1835 two brothers from Lansing, New York plotted an area of land south of what is now downtown Lansing. They returned to New York and sold the lots as part of a thriving settlement (which it was not). Perhaps they were entrepreneurial and visionary; perhaps evil speculators. It was an unlikely approach to attracting population. But it worked. And 10 years later, through a bizarre set of events, when the very young state of Michigan needed a capital city, Detroit was deemed too vulnerable due to its proximity to British-controlled Canada. And even though several established cities were in the running, the tiny Lansing Township was selected. So, a bold move by two brothers and a surprising move by the 1847 Michigan legislature gave us our capital city and the good people of Lansing #loveLansing!

Promoted as America's best big small city, in 2018 Lansing was rated the best affordable place to live in the country by livability.com. In 2020 Lansing was rated #18 out of the top 50 best cities to live in after the pandemic by Business Insider² and #15 out of the top 50 best small cities in the U.S. by Best Cities.³ And it was named one of the top 9 cities to live and retire by AARP in 2021. Lansing continues to make progress in growing jobs, technological development, and wage gains. As the region's core city Lansing has a responsibility to set the tone - to be aggressive in improving sustainability, livability, and quality of life, and to model transparency and cultivate diversity, equity, and inclusion. In recent years Lansing has become more aggressive in that role, by strategically capitalizing on its many existing assets including its downtown and traditional commercial districts, its wonderfully diverse population, its amazing park

¹ Although this version of "history" can be found in very official places, it is in fact a tall tale. See [Debunking the myth of Lansing as 'Biddle City' | WKAR Public Media](#)

² Madison Hoff, "Best US Cities to Live in After the Coronavirus," Business Insider, Sept 22, 2020. [Best US Cities to Live in the After the Coronavirus \(businessinsider.com\)](#)

³ Chris Fair, "America's Best Cities," October, 2020. [Resonance-2020-Americas-Best-Small-Cities-Report.pdf \(purelansing.com\)](#)

inventory, and its arts and cultural institutions. But especially important, the City has placed priority on investing in its neighborhoods and housing, helping to support and restore the fabric of what weaves us together as a community – our neighborhoods and our people.

This kind of progress can only be made when informed by the needs, hopes, and dreams of community members which are thoughtfully and skillfully molded into a plan, and followed. The City conducted one such effort in 2012 with its Design Lansing 2012 Comprehensive Plan⁴, which was intended to guide the City until 2030. Thousands of Lansing residents participated in the crafting of that document and it serves to inform city staff and developers of the direction that projects and development should take to best suit the needs of the City. More recently, in 2020 soon after the tragic death of George Floyd, Mayor Schor appointed a group of diverse community leaders to serve on the Mayor’s Racial Justice and Equity Alliance (MRJEA). The urgent charge was to assess the racial justice climate in Lansing and to develop a plan of action to address police reform and systematic racism in city government. In August of 2021 the Mayor’s Report on Racial Justice and Equity⁵ was made public. A plan of action, the report identifies key issues and recommended actions. In addition, the City recently concluded its 2022 - 2026 Consolidated Planning Process required by the US Department of Housing and Urban Development (HUD). This plan is designed to help local jurisdictions assess their affordable housing and community development needs, and to make data-driven, place-based investment decisions. The process serves as a framework for a community-wide dialogue to identify housing and community development priorities. Currently the City is embarking on a HOME American Rescue Plan (ARP) Allocation Plan which will explore the needs of our most vulnerable populations. Working closely with service providers to solicit public input, this inclusive planning process will identify and prioritize needs to be addressed through ARP funding.

Serving as a complementary piece to the above-listed community engagement and planning processes, this document is intended to describe the City of Lansing’s overall housing approach and philosophy. The first section provides context – a brief examination of data, including demographics and housing characteristics. Next, the City programs and policies that support the current housing strategies will be summarized. And finally, the philosophy itself will be outlined with justification and description. Threaded throughout the document will be overlays of the principles of equity and inclusion – the lens through which the City has committed to examine all of its work. Also, we will be touching back to the Vision and Goals of the Design Lansing 2012 Comprehensive Plan, and other plans that were commissioned to take the pulse of the Lansing community and craft strategies that are responsive to those needs.

DEMOGRAPHICS AND HOUSING CHARACTERISTICS

The 2012 Design Lansing Comprehensive Plan identified population loss as an area of concern (2010 ACS data indicated a 4.24% drop since 2000⁶), and it also predicted that the population was expected to stabilize in the next decade. Although the 2020 Census⁷ recorded a very minor drop in population, COVID

⁴ City of Lansing, (April 2012), “Design Lansing: Comprehensive Plan 2012”. Available at [design-lansing-comprehensive-plan-pdf-.pdf \(civicplus.com\)](https://www.civicplus.com/design-lansing-comprehensive-plan-pdf-.pdf)

⁵ City of Lansing. (2021, August). “Mayor’s Report on Racial Justice and Equity.” Available at [12b42651-acbd-4200-9866-2a8bc26b7503 \(civicplus.com\)](https://www.civicplus.com/12b42651-acbd-4200-9866-2a8bc26b7503)

⁶ U.S. Census American Community Survey 2000-2004, 2010 – 2014

⁷ [U.S. Census Bureau QuickFacts: Lansing city, Michigan](https://www.census.gov/quickfacts/lansing-city-michigan)

also presented challenges with actually reaching all residents in communities across the country, so basically the number is a net zero loss, bearing out the prediction of the 2012 Plan.

Household median income has increased in the past ten years by almost 11% from \$37,666 to \$41,674, although it is still much lower than the U.S. median income of \$65,712.

Data from the 2015-2019 ACS show that there are a total of 55,330 residential properties in Lansing, and most residential properties are single units (a total of 38,646 or 69.8%). An estimated 49,034 or 89% of the units are occupied within the City⁸. Of those occupied units, 24,834 or 50.6% are owner-occupied and 24,200 or 49.4% are renter occupied. The number of housing units in the City has slightly increased, and although these data are encouraging, according to the 2022 – 2026 Draft Consolidated Plan⁹ a significant shortage of affordable units likely exists within the City for very low-income households. The Plan also cautions that although it appears there are adequate numbers of affordable units for low and low to moderate-income households, there is still a broad need for housing rehabilitation since many of these units appear to require repair. One factor that affects the quality of this housing stock is its age, as approximately 80% of housing is at least 50 years old¹⁰.

The Design Lansing Plan in 2012 identified preserving neighborhoods and improving poorly maintained housing as two top priorities for Lansing citizens, and cautioned that a strong housing maintenance code and the staff capacity needed for inspection and enforcement would be needed. The City of Lansing heeded that warning and now the City and its partners have a strong foundation of policies and tools to address problem properties including hiring four new code enforcement staff to address housing and neighborhood quality issues. Data show the results of this work; residential vacancy rates have declined in the past five years and home values have increased. One of the benefits of rising home values is that as equity increases, some of these homeowners can use home equity loans to maintain or even upgrade their homes. However, if values increase too rapidly it might discourage homeownership for low to moderate-income homebuyers, impacting the beneficial, diverse mix of residents in our neighborhoods.

CURRENT HOUSING PROGRAMS AND POLICIES

Department of Economic Development and Planning

In the City of Lansing government, housing and related activities are largely under the purview of the Department of Economic Development and Planning. The mission of this department is “...to stabilize the City’s economic base and, through continued planned and directed development, grow that base to a level capable of providing continuous support for the City’s services and infrastructure.” In other words, this department, unlike others within the city government, is tasked with not only supporting itself but generating or influencing projects that will support the City’s services and infrastructure. A challenging assignment. The department includes the offices of Building Safety; Code Enforcement; Development;

⁸ U.S. Census American Community Survey 2015 - 2019

⁹ City of Lansing, Michigan. (2022, March). “2022– 2026 Draft Consolidated Plan.” Available at [9e4feb46-a306-40a7-8678-353550836526 \(civicplus.com\)](https://www.civicplus.com/9e4feb46-a306-40a7-8678-353550836526)

¹⁰ City of Lansing, Michigan. (2022, March). “2022– 2026 Draft Consolidated Plan.” Available at [9e4feb46-a306-40a7-8678-353550836526 \(civicplus.com\)](https://www.civicplus.com/9e4feb46-a306-40a7-8678-353550836526)

Parking Services; and Planning. The entire department has approximately 75 employees, including seven who work in the Development Office.

Among other responsibilities, the staff of the Development Office work to complete the acquisition, demolition, marketing, and disposition of real property and seek partnerships with private lenders/public financing entities, community partners, federal and state agencies, and others to bring about housing and community economic development in the City. They manage federal and state grants, operate programs, issue and manage mortgage loans, draft deeds, and other legal documents, oversee the work of organizations receiving grants from them and prepare and report budgets for allocation of federal and state grants. And though all development projects don't reach fruition, it is the responsibility of staff to conduct detailed pre-development reviews of development proposals, including Low Income Housing Tax Credit (LIHTC) applications. In some cases, to make affordable housing projects feasible, developers request payment in lieu of taxes (PILOT) eligibility/priority. The decisions to support such requests are made only after careful due diligence; ascertaining that the benefits - both financial and quality of life - outweigh the cost to the City. The staff bears the responsibility of making recommendations and difficult decisions that affect our daily lives as Lansing residents. The amazing projects that have resulted are proof of their motivation to put scarce resources to the best possible use.

As mentioned, staff responsibilities include administering the US Department of Housing and Urban Development (HUD) programs outlined below^{11, 12}:

Figure 1

PROGRAM	TOTAL ANNUAL AMOUNT, FY 2023	ACTIVITIES	ANNUAL APPROX NUMBER TO BE SERVED/UNITS	Funding per unit
HOME Investment Partnership	\$836,866	- Direct financial assistance to homebuyers (down payment assistance) - Development of affordable single-family homes for low- and moderate-income homebuyers	10 4	- Up to \$14,999 - Up to \$200,000
CDBG	\$2,066,154 million	- Homeowner emergency repair - Affordable Rental unit development/rehabilitation - Affordable Rental Units lead-based paint remediation¹³	28 76 ¹⁴ 23	- Up to \$20,000 \$9,868 - Up to \$2,071 (in conjunction with Lead Safe Lansing)

¹¹ City of Lansing, Michigan. (2022, March). "2022– 2026 Draft Consolidated Plan." Available at [9e4feb46-a306-40a7-8678-353550836526 \(civicplus.com\)](https://www.civicplus.com/9e4feb46-a306-40a7-8678-353550836526)

¹² The City of Lansing also manages multiple HUD programs along the homeless continuum of care, however those programs will not be detailed in this document.

¹³ Rental units; only in conjunction with Lead Safe Lansing funding.

¹⁴ Walter French Low-income Housing Tax Credit Development

		Lead based paint remediation and code related repairs for low-and moderate-income homeowners with children under age 6	6	Up to \$40,000 (in conjunction with Lead Safe Lansing)
Lead Safe Lansing Program	\$1 million	Lead-based paint remediation	37	Grants of up to \$16,000 to remediate lead-based paint

The HUD grants/allocations do not represent all the resources the City has to bring to its housing issues and/or opportunities. The City has joined with capable partners who assist with different aspects and there are match dollars to help extend the impact of the federal dollars. However, the resources are still very limited – strictly with HUD funding on an annual basis the City (and its partners) might (depending on the supply chain and inflation) help 10 families buy a home with down payment assistance; provide develop new or rehabilitated homes for four families through partnerships with non-profit housing developers, often on lots where homes were previously demolished; address emergency, life threatening housing emergencies for 28 families; help re-develop 76 affordable rental units; and make 37 units lead safe to protect the children. In a city of 112,681, those numbers are humbling.

Design Lansing 2012 Comprehensive Plan: Progress

The Design Lansing Plan is a set of long-range goals and strategies used to guide the growth and development of our community. While the plan addresses a wide range of topics, it focuses primarily on the land use, development, and transportation issues on which the City policy can have a direct impact. One of the several tools at the City’s disposal to effect change is zoning and other development regulations. At the time of the planning process, the City’s zoning text was not conducive to allowing and encouraging the types of development the community needs. Things have changed since then through something called the “Design Lansing form-based code” (FBC) that has been several years in its development. The FBC, adopted on May 1, 2021, is a complete rewrite of the current zoning ordinance, blending the land use requirements of the current ordinance with the land use and urban design recommendations of the Design Lansing plan. This zoning favors dense, walkable neighborhoods with mixed-income housing near a variety of job types. Form-based codes are among the most effective means for achieving the priorities established by Lansing residents during the development of the Design Lansing plan.

The Design Lansing plan also called on the City to develop and enact a strong housing maintenance code, and add the staff capacity needed for inspection and enforcement. In response, the City is working to update policies and add capacity. It is developing systems to regulate and intervene in cases of vacant and deteriorated properties including more efficient code enforcement and its partnership with the Ingham County Land Bank Authority (ICLBA) in cases of tax-foreclosed properties.

Redevelopment Ready Communities

The City of Lansing was certified under the statewide Redevelopment Ready Communities (RRC) ([Redevelopment Ready Communities | MiPlace](#)) program in October 2017. A noteworthy

accomplishment, becoming certified means that the City integrates transparency, predictability, and efficiency into its daily development practices. The RRC certification is a formal recognition that our community has a vision for the future and the fundamental practices in place to get there. The certification process is rigorous and Lansing was one of the first communities in the state to achieve certification.

As a certified RRC community, in 2019 Lansing chose to work with the Redevelopment Services Team ([Redevelopment Services Team | MiPlace](#)) to use a more proactive approach to marketing one of Lansing's priority redevelopment sites. After developing a vision for the property, conducting a structural analysis of the existing building, and holding a marketing event, the owner of the property, the Ingham County Land Bank subsequently executed a development agreement with a development partner. And the Redevelopment Services Team supported the predevelopment costs with a \$100,000 allowance to keep the project moving to fruition. An outstanding example of the will of the City to advance and improve processes, and the value of trusting partnerships.

Department of Neighborhoods, Art and Citizen Engagement

Neighborhoods are the sinew of any city – they stabilize and support the entire “body”. Lansing has approximately 50 neighborhoods, most organized through a network of neighborhood organizations and neighborhood watch groups. In 2018 the current administration deemed this network important enough to launch the Department of Neighborhoods, Art and Citizen Engagement (DNACE). This department focuses on three things: engaging citizens, advancing people, and building neighborhoods.

Lansing's neighborhoods with their myriad of architectural styles and their different vibes offer a home to all kinds of folks – young, old, families, retirees, millennials, GenZ – you name it. According to [hoodmaps.com](#)¹⁵ a crowdsourced map of city neighborhoods, Lansing has four neighborhoods where “suits” live, nine where “rich” live, six where “the hip” live, three that are “tourist-y”, and two where students live. All the rest are where the “normies” live. Sounds delightfully diverse, yes? Lansing's many neighborhoods **are** wonderfully diverse and provide the richness that makes Lansing a community, not just a city. Research tells us that the health of a neighborhood greatly influences the well-being of kids...and everyone else!

CITY OF LANSING HOUSING PHILOSOPHY

Webster's Dictionary defines philosophy as a system of motivating or fundamental principles that serve as the basis for actions. The following are fundamental principles that drive the City of Lansing's actions regarding housing and development.

Underlying these principles, the City aspires to a foundation of equity – geographic and economic equity in addition to racial and ethnic equity. As stated in the “Mayor's Report on Racial Justice and Equity”¹⁶ the City's intent is to drive policies and practices that create an inclusive, fair, and equitable environment. Beyond that, the City has an interest in supporting the needs of people of other varying backgrounds, including age, gender, and sexual identity and expression, among others.

¹⁵ [Lansing Neighborhood Map \(hoodmaps.com\)](#)

¹⁶ City of Lansing. (2021, August). “Mayor's Report on Racial Justice and Equity.” Available at [12b42651-acbd-4200-9866-2a8bc26b7503 \(civicplus.com\)](#)

Principle 1: Enhance the Social Infrastructure of our Neighborhoods: Listen and Support

Our neighborhoods, including our business districts (downtown, REO Town, and Old Town) and corridors (Cedar, Pennsylvania, Michigan, Saginaw, Oakland, Waverly, etc), make Lansing home. Many are viable and even improving, some are transitioning, losing some of their polish, and others are looking and feeling very shabby. Disinvestment breeds disinvestment. But the City and neighborhood residents are working to interrupt that cycle. The City is playing its part by tending to the parks and other infrastructure. They put millions of dollars into parks every year through a voter-supported millage that has been renewed many times, plus ARPA dollars and property sales. They can (and do) target code enforcement and community policing. They strictly enforce rental housing registration and inspections to the best of their ability using the resource and staffing available. These actions reward the “good actors” and disincentivize the “bad actors”. They assure residents that the neighborhood is worth investing in and that the City is responsive to their issues. But residents must also be engaged. The City cannot do it alone.

Many of Lansing’s neighborhoods are already organized; whether through non-profit neighborhood organizations, or civic groups and organizations such as block clubs or neighborhood watch. With the advent of the Department of Neighborhoods, Arts, and Cultural Engagement (DNACE), the City is capitalizing on those grassroots efforts and enthusiasm, and it is supporting additional neighborhoods to organize. The new department is intentionally engaging citizens and LISTENING. They continue to work to cultivate neighborhood “sparkplugs”; those folks who get the motor runnin’ with their enthusiasm and energy to make their neighborhoods better places for everyone to live and call home. There is such power in neighborhood residents banding together, and with the support of the City – through both funding and a listening ear – neighborhood organizations can continue to help preserve and strengthen our neighborhoods.

Principle 2: Welcome and Support a Range of Housing Options at Different Price Points

In his vision for Lansing’s future, Vision 2030, Mayor Andy Schor proclaimed, “Lansing will be its best self; a diverse, dense, livable, responsible and welcoming environment.”¹⁷

Mayor Schor went on to outline that as our best self we will diversify housing options to meet changing needs- providing a variety of rentals, condominiums, historic housing, and larger homes. He set goals including: cultivate real estate options with wider price ranges; increase the median home value from \$89,000 to \$100,000; provide attainable workforce housing for young professionals starting their careers who will create wealth in the area; and ensure available and attainable housing for those who are lower-income earners or are unable to work. As evidenced by recent mixed-use development throughout the City of Lansing, we see movement toward that best self. But there is more work to do. We need a range of housing types and price points to not only meet the needs of residents but to continue to attract a diverse range of newcomers. How do we “put our policies where our mouth is,” so to speak?

Indeed, the City is asking, how do our current policies support a range of housing choices? What more could and should we do? What new tools should we be exploring? The housing arena is evolving and the

¹⁷ City of Lansing. (2019, February). “Vision 2030.” Available at [Lansing will be its best self \(lansingforward.com\)](https://lansingforward.com)

City of Lansing welcomes suggestions and innovations in its search for solutions. The City of Lansing also welcomes partners and resources. The City enjoys very productive partnerships with Ingham County Land Bank and other non-profit and for-profit developers, but we need more. The City is eager to nurture and support new players - emerging groups interested in working to rehabilitate and/or develop housing of all types, sizes, and price-points. We are looking to build capacity and partners.

In addition, joining with the Redevelopment Ready program and becoming certified is synonymous with hanging out a huge welcome sign. It signifies that Lansing is primed to partner, to problem solve, to make the most efficient use of its scarce resources to honestly work toward having it all. But we can't do it alone.

Principle 3: Preserve and Restore Housing Stock in Neighborhoods: Make it the Highest Priority

As previously mentioned, many of the residential units in Lansing are older and in current or potential need of property maintenance. Some are functionally obsolete. Yet many property owners lack the resources to address deferred maintenance on their homes, particularly owner-occupied housing. In both the Design Lansing and the recent draft 2022 Consolidated Plan community listening sessions the top priority was the concern about housing stock in our neighborhoods. This housing, these HOMES are the fabric that makes our neighborhoods so special. If housing stock is not healthy, safe, and affordable many of our neighbors, and the entire community, will suffer.

In Lansing Forward, Vision 2030¹⁸ the Mayor acknowledged the critical need to promote, celebrate and invest in Lansing's charming historic housing stock, as well to relentlessly improve and upgrade properties that are substandard to ensure that every home is safe for our families.

Preserving and restoring the housing stock in our neighborhoods must be treated as a high priority! However, taken alone, public resources to support housing are too limited to have a major impact on housing quality. We need to leverage more investment from the broader community including property owners, both owner occupants and landlords; foundations; corporations; and others. We need an intentional framework that shows all comers the role they can play, and gives them confidence that our neighborhoods are worthy of investment. We welcome all forms of community engagement in an all-out campaign to address the issue as a united community.

How do we raise funds for a big, hairy audacious goal? An important first step is to figure out exactly how big the problem is. (For example, by identifying how many buildings require repair and to what extent.) This could be done through what is called a parcel survey where all properties are cataloged to create a database of the current state of property. Neighborhood groups, church groups, and others could help us do that in short order. Once these surveys have been conducted, we estimate what it would cost to address the problem, and we can attach a big hairy audacious dollar amount to it. The City of Lansing has a strategic grant-writer and will try to bring to Lansing all of the dollars available from the state and federal governments, as well as from philanthropic and other resources. And the City will **bring partners to the table** and create a visionary, intentional, inclusive plan.

¹⁸ City of Lansing. (2019, February). "Vision 2030." Available at [Lansing will be its best self \(lansingforward.com\)](https://lansingforward.com)

CONCLUSION

Lansing is not unique.

Like many of the mid-sized cities in this country, the City of Lansing wants to **do it all** - preserve our neighborhoods, and provide safe, healthy, affordable, AND attainable housing to all residents. To provide a wide range of housing and lifestyle choices across the city that make it an attractive place to live for people of all ages, incomes, and backgrounds. If people want a neighborly community with housing from subsidized rentals to workforce housing to upscale apartments and condos to starter homes to 3 – 4 bedroom homes, then all of that can be found in Lansing.

But....Lansing IS unique. In that, it asks the community what it wants and needs. It listens when the community identifies barriers and it works to turn them into opportunities, having faith that trust, relationship building, and partnerships will prevail over doubters and downers.

This “best big small city” has the imagination to try, and will continue to do so with the help of amazing partners, dedicated staff, and committed residents. We invite you to join us.

https://www.kwwl.com/news/waterloo/waterloo-city-council-considers-several-new-housing-projects-across-city/article_030de5c0-21d2-11ef-9d03-77b484414e43.html

Waterloo City Council considers several new housing projects across city

Emma'le Maas
Jun 3, 2024



The Waterloo City Council is prioritizing expanding housing in the city, in another round of resolutions to approve new projects Monday night.

WATERLOO, Iowa (KWWL) -- The Waterloo City Council is prioritizing expanding housing in the city, in another round of resolutions to approve new projects Monday night.

There are three proposed developments on the city council agenda, including one on Mulberry Street, Acadia Street and Flower Street. The Mulberry and Flower streets developments include the rehabilitation of existing buildings, while the Acadia project would be built from scratch by a nearby complex.

Historical St. John's on Mulberry Street opened in the 1920s, serving as a church and school until the early 2000's. In tonight's council meeting, J & R Real Estate Holdings, LLC is hoping to turn the building into a 19-unit complex, daycare and community center.

C 10 Investments, LLC is looking to take on the Acadia Street project for 12 units, and C 10 Investments, LLC is looking to build with the Flower Street complex, for another 8 units.

Before tonight, the city has already approved workforce housing tax credits for 317 multi-family units, like the 48 at Kimball and Ridgeway and the 69 at the former Courier building.

They have approved 182 single family/two family/townhome developments as well, like the Paradise Estates complex, the former Edison School site, and lots north of the YMCA on University.

In a statement, the city said:

"Overall, we are seeing healthy housing numbers in the community, and working to continue that positive momentum to offer Waterloo homeowners and future residents the ability for housing choices at all levels of income, types of housing from single family to townhomes to multi family, and make Waterloo a great place to live, work, and grow."

The City Council Community Vision plan has housing as it's second goal, printed on the top of each council meeting agenda:

Elevate Housing: Redevelop, renovate, or improve 800 residences in Waterloo in eight years by providing access to capital.

Mayor Quentin Hart says it's important for the city to explore ways to offer incentives for developers and homeowners, to keep the city growing.

"We have to meet the housing demand, and if developers need a little help or support in an area or two, we want to make sure we want to help create a resource, because that's going to bring long term benefits for our community," he said.

It's also just as important to him to develop in all parts of the city, to have options for folks looking to live in Waterloo.

"Every week we're getting in new neighbors that are coming into our communities, that may work at Tysons or anywhere across this city, so having options on different levels is really important to us," he said, adding, "we are working hard to create the infrastructure that's going to continue to show success after success and so it takes a little time, but I'm glad we're at the place we're at to be able to move so quickly to meet that affordable housing demand."



HOUSING

New Uses of Public Assets Are Helping Atlanta Fill Its Affordable Housing Gap

A year ago, six jurisdictions were selected as the first participants in an incubator project designed to help them harness the economic power of publicly owned land and buildings. Atlanta is ready to use what it learned.

July 3, 2023 • Carl Smith



The Two Peachtree office building was the tallest building in Atlanta when it was built for the First National Bank of Atlanta in 1968. Long used to house state government offices, it has been sold to the city and is being developed as housing.
(Natrice Miller/TNS)

In Brief:

- Publicly owned land and buildings are underutilized economic resources for local governments.
- A group of cities have completed a 10-month term in an incubator created to help them reconsider the value of their holdings and explore ways to unlock their economic potential.

- Atlanta, Ga., is using public-private partnerships to develop affordable housing on city-owned property.

Did you hear the one about the mayor who discovered billions of dollars, hidden in plain sight, that could be used to fund vital government programs? It's happened more than once.

Last June, the Government Finance Officers Association (GFOA) announced that six jurisdictions had been selected for an inaugural cohort in an incubator called **Putting Assets to Work** (PAW). A 10-month process, PAW was designed to help them take a fresh look at publicly owned assets and imagine ways to manage them with strategies used by private-sector developers.

Some cities in Europe and Asia have done this with great success, creating “Urban Wealth Funds” (UWF) managed by private holding companies. These UWFs are tasked with maximizing the value of public assets and operate independent of government influence.

This exact model has not been implemented in the U.S. and may not work here given the complicated fabric of property ownership in American cities. But the possibility of unlocking significant, untapped wealth in publicly owned buildings and land is enough to inspire administrative solutions — or, at least, to try. According to Dag Detter, an investment adviser who served as president of the Swedish government's holding company, public wealth is twice GDP.

PAW is a collaboration between GFOA, the University of Utah's Sorenson Impact Center and Urban3, a company that provides economic analysis to local governments using geospatial modeling. It is led by Ben McAdams, a senior fellow at the Sorenson Center who has served as mayor of Salt Lake County and in the U.S. House of Representatives.

McAdams had his own awakening when, as mayor, he had Urban3 do an inventory of government-owned real estate in Salt Lake County. He learned that if the county managed its property in the same way as private owners of property near to it, its value would be at least \$45 billion. Even conservative management could bring hundreds of thousands of new dollars to the county, and McAdams was able to make this a reality.

The first cohort of cities has wrapped up its term. “What we're seeing is that different jurisdictions are pioneering different aspects of this approach to meet whatever the highest needs of their community are,” McAdams says.

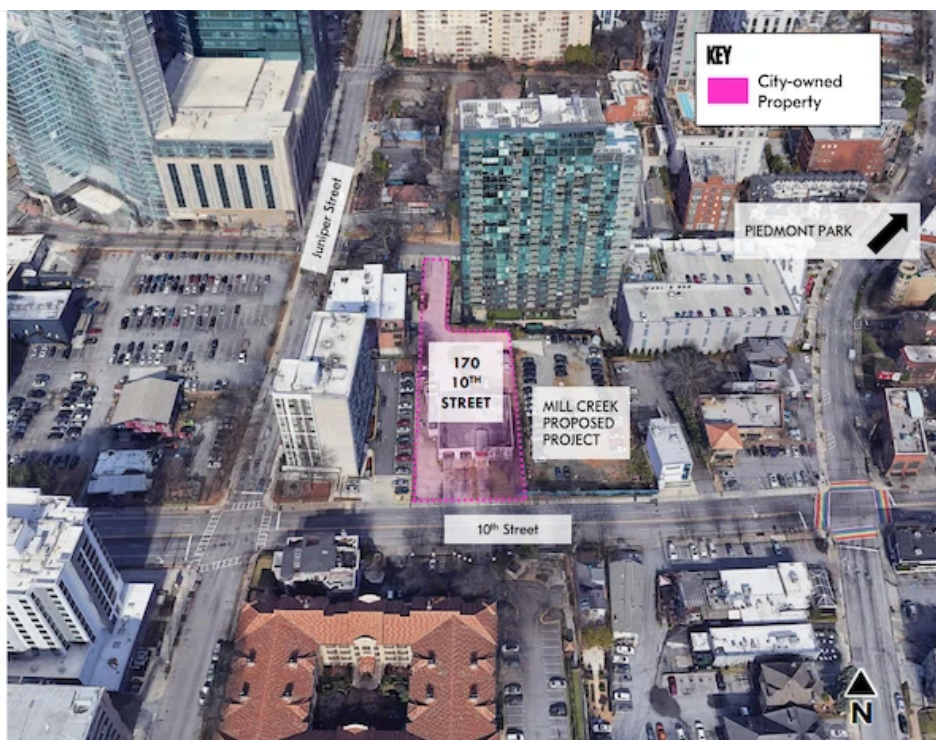
Atlanta, part of the inaugural group, is focused on addressing an affordable housing shortage in one of the fastest-growing large cities in the country.

PROPERTY INFO	
Address	170 10 th Street
Current Use	Fire Rescue Station 15
Acres	.78

DEVELOPMENT PROGRESS	
✓ Due Diligence appraisal and environmental complete	100%
✓ Procurement beginning drafting w/ AFR	0%
Negotiation	
Development	
Complete	

PROJECT SUMMARY

- Finalized due diligence
- Goal is to issue RFP in Q2 2023



A fire station in midtown Atlanta, in need of renovation, will be rebuilt on city-owned land at no cost to the fire department. There will be one change: thirty stories of housing will sit above it. The land will be leased to a developer and generate revenue for the city. (City of Atlanta)

A Strike Force

Metro Atlanta needs 27,000 more housing units that are affordable to households earning at or below 50 percent of the median income in the area (just under \$70,000 according to **recent Census** estimates). When Mayor Andre Dickens took office in January 2022, he set a goal of building or preserving 20,000 additional affordable housing units by 2030.

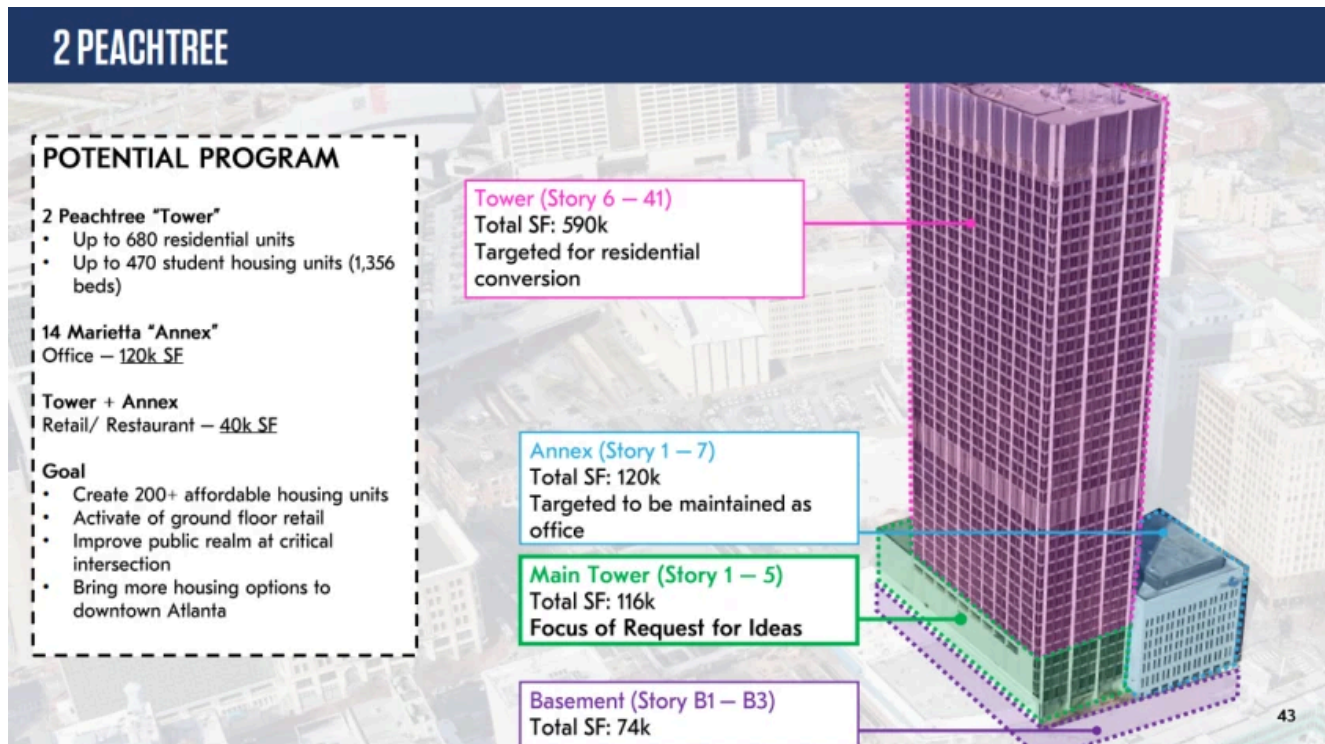
From the beginning, a key focus of this work was the creative use of public land to fill this gap, says Joshua Humphries, senior housing policy advisor to the mayor. This included attention to all the needs of the neighborhoods where housing would be located, from grocery stores to child-care centers.

“We pulled together what we called our housing strike force to look across all of the publicly held land and ask what we are collectively trying to accomplish in our neighborhoods,” Humphries says. The resulting collaborative atmosphere proved to be an accelerant; 35 public land projects are currently in the pipeline, either under construction or in the process of selecting development partners.

“Some are still in some level of due diligence, which is very important to this conversation,” says Humphries. One aspect of this is understanding how the land in question was acquired, another looking at how it could be used over the long term to both provide affordable housing and generate revenue for the city.

An aging fire station needing renovation sits on an acre of land in midtown Atlanta. “We called the fire chief and asked, ‘What if we give you a brand new fire station that didn’t cost you anything, but you had to put affordable housing above it to get the new fire station?’” Humphries recalls.

The chief's answer: "I get a new fire station?!" Thirty stories of housing are planned, with the land leased to a developer, generating long-term revenue for the city.



Two Peachtree street, used for state offices for three decades, was purchased by the city and will be developed as residential space. It is seen as a project that can help make the case for converting more unused office space in downtown Atlanta to housing. (City of Atlanta)

Thinking Like a Developer

Another large-scale project in downtown Atlanta involves a property acquisition by the city. Two Peachtree Street, a 44-story building, had been used for state government offices for decades. The state decided to move out and put it on the market.

"We got in touch with the governor's office and said there's something special here — we could build mixed-income housing on this site, but we need your help," said Humphries. The parties negotiated a below-market purchase, and the city is now looking for a development partner to bring an estimated 700 new housing units to the center of the city.

Downtown has long lacked residential housing stock, and Humphries believes these kinds of projects will help downtown thrive as well as helping the housing ecosystem in the entire region. It's the area with the highest capacity to take on new housing, and has infrastructure in place to support it, something that is not a given everywhere new housing might be developed.

"We've got hurting class C office stock and we're very concerned about what that means for the health of downtown," Humphries says. The Two Peachtree project could serve as a market leader for taking excess office space offline and turning it into housing. "This type of project ticks a lot of public benefit boxes."

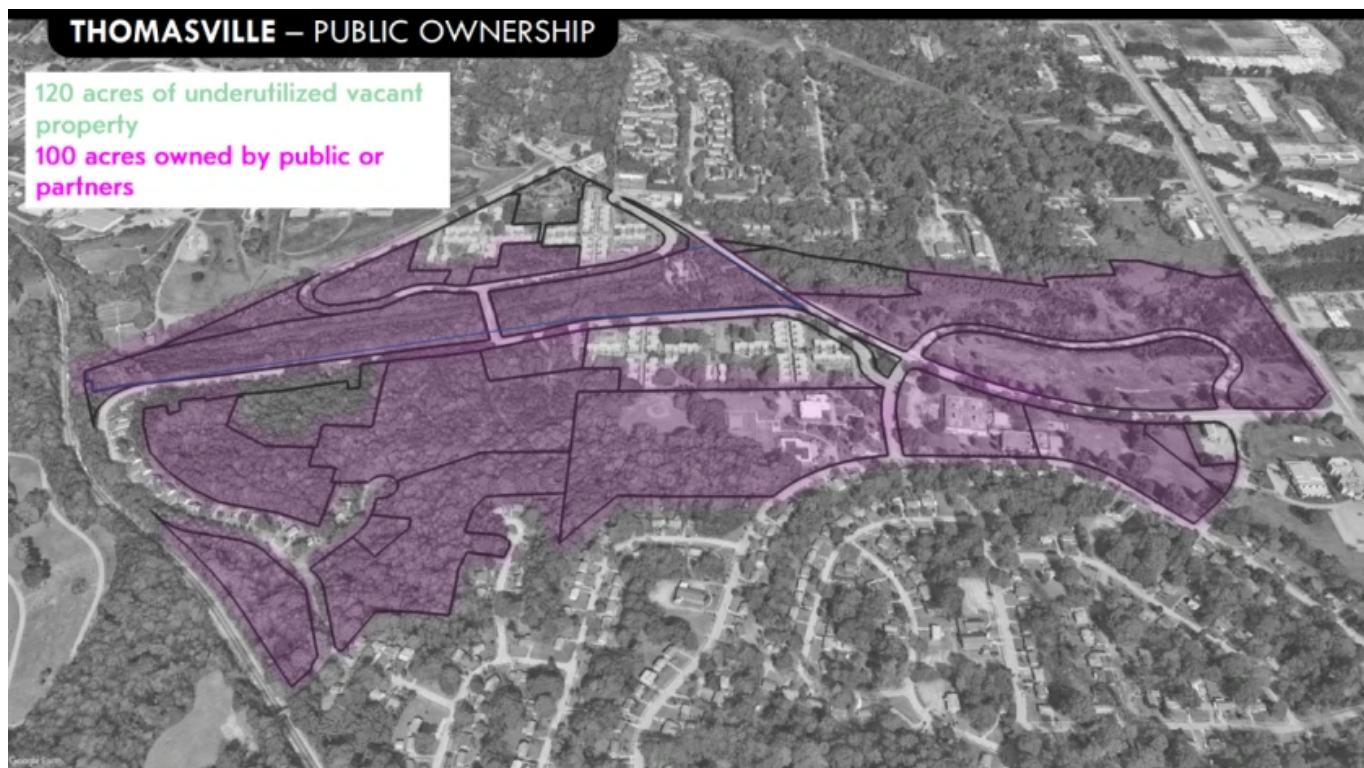


Joshua Humpries: "We've got hurting class C office stock and we're very concerned about what that means for the health of downtown." A project that will convert a 44-story office building to housing could help revitalize downtown and also be a model for rethinking other buildings.
(City of Atlanta)

A different kind of project is underway in a neighborhood called Thomasville Heights, the lowest-income census tract in the state, home to the lowest-performing school in the state. When the city did its property survey, it discovered 80 acres of publicly owned land in Thomasville Heights, in adjacent parcels that were often vacant and underutilized, contributing to bad conditions in the neighborhood.

The city met with residents to develop a master plan for Thomasville Heights, asking about their goals for the neighborhood and what the best version of it would be. "The plan's being adopted now, and because we own the land and have teams ready to go, we are moving right into the development phase of this work," Humpries says.

So far 2,300 of the units Mayor Dickens promised have been built, with another 5,400 currently under construction.



A property survey revealed that large parcels of lands in Atlanta's Thomasville Heights, the lowest-income census tract in the state, were publicly owned. Much of the land is vacant or underutilized. The area is being redeveloped under a master plan created with input from residents.
(City of Atlanta)

Toward Agile, Resilient Budgeting

One of Atlanta's biggest innovations, McAdams says, is its focus on scaling development of its assets to make the process more "self-executing" — shortening the runway for getting projects online by having clear guidelines and regulations in place. Others in PAW's first cohort have taken their experience in different directions.

Anne Arundel County wants to use assets to fund its work in climate adaptation, says Shayne Kavanagh, GFOA's senior manager of research. Cleveland is focused on economic vitality.

These are examples of the kind of thinking that GFOA has been working to foster through yearslong research and publications highlighting agile, resilient ways for governments to think about budgeting and revenue sources.

Although PAW is selecting participants for a second cohort of five or six jurisdictions, Kavanagh expects it to evolve into more of "rolling model" open to cities on an ongoing basis. "If people like the idea and want to explore it, we want to help them."

"I spent years as mayor trying to figure out how to do a Scandinavian-style urban wealth fund and concluded that what it's going to take in the U.S. is to start incrementally," says McAdams. "I don't think there's a wrong approach; it's just going to take people like those in the city of Atlanta, innovating and figuring out what's going to work locally."

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