

NAHB State and Local Government Affairs Conference

Housing Affordability Solutions

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Outline

- Housing solutions process
- Inclusionary zoning
- Housing affordability approaches
- Mobilization

Housing Solutions Process

Part 1 – Housing Needs Assessment

- Population and income profiles
- Identify type of housing needed
- Project future housing needs

Housing Solutions Process

Part 2 – Strategic Action Plan

- How to get from where you are to where you want to be.
- Identify what steps you have to take to get there.

Housing Solutions Process

Part 2 – Strategic Action Plan

- Identify the groups that can help solve the problem. These include:
 - Builders
 - Non-Profits
 - Lenders/Financial Institutions
 - Local Businesses
 - Community Organizations
 - Environmental Organizations
 - State and Local Government Agencies

Housing Solutions Process

Part 2 – Strategic Action Plan

- Brainstorming Sessions
 - How can the housing needs be addressed?
 - Who can help solve the problem?
 - What resources can be called upon?
 - What resource gaps exist?
 - How can these be overcome?
 - Can the necessary regulations be changed?

Housing Solutions Process

Part 2 – Strategic Action Plan

- Create housing goals
 - Assign responsibility for the goals
- Marketing and Publicity
 - Present a common message
 - Set expectations up-front - Minimize negative press
 - Argue using facts - Show progress with the data

Inclusionary Zoning Implications

- Inclusionary zoning can be a part of a solution, not the solution.
- Need to understand how inclusionary units will fit with the housing needs.
 - Which populations are to be served?
 - Which populations are not be served?
 - How many units do are expected to be produced?

Inclusionary Zoning Best Practices

- Define the requirements (inclusionary percentages, density bonuses, other incentives) based on the local economics.
- Provide certainty to the participants in the program.
 - Written program policy and procedures
 - Guarantee the usability of the incentives
- Allow alternative means of compliance

Inclusionary Zoning Best Practices

- The community should understand the complexities of implementing and managing an inclusionary zoning program.
 - Long term commitment
 - Ongoing management of deed restrictions and property sales
 - Requires staff and funding
 - Needs written policies and procedures

Inclusionary Zoning Common Pitfalls

- Inclusionary zoning implemented as the only solution.
 - Implemented at the end of housing cycle.
- Program not tied to the housing needs or to housing goals.
- Inclusionary percentages and incentives don't make sense.
 - Not determined in the context of the local market.

Inclusionary Zoning

Common Pitfalls

- Program procedures not formalized to offer certainty to developers.
- Unit mix does not make sense.
 - High end units compete with free market units for buyers.
 - Low end units too costly for the target buyer.
 - Income targets do not align with housing needs.

Reacting to a Housing Crisis

The Three Approaches

- Create new “affordable” housing units
- Preserve existing “affordable” units used by local workers
- Assist community residents in renting or purchasing housing

Creating New Affordable Units

- Plan for and incorporate affordable units into the growth plan
- Alternative land-use mix
 - Multi-unit versus single unit
 - Mixed use properties
 - Selective higher densities
- Selectively build up

Creating New Affordable Units

Examples

- Redmond, OR – zoning for higher density to generate workforce and affordable units.
- New York City – rezoned underutilized commercial space for residential use.
- Colorado – rezoning to allow for accessory dwelling units in existing neighborhoods.

Preserve Existing Units

- Property tax incentives for designated affordable units
- Tenant purchase rights
 - Condo conversions
 - Trailer park conversions
- Development mitigation/replacement requirements
- Rehab funds for rental units

Preserve Existing Units

Examples

- Boston – loan fund to provide money to rehab offline rental units
- Cape Cod – property tax relief for units rented as affordable/workforce units
- National loan fund money and technical assistance for the preservation of existing affordable trailer parks

Assistance Programs

Housing Fund

- Renewable source of community housing dollars
- Direct subsidy to families
 - Downpayment assistance
 - Appreciation sharing
 - Rental assistance
- Subsidy to third party housing providers
 - Community Land Trust (CLT)
 - Loans and equity investment in affordable housing development

Assistance Programs

Examples

- Employer assisted housing funds
 - Housing Trust of Santa Clara County
 - REACH Illinois
- Non-profit housing assistance funds
 - Community Development and Mortgage Alliance Corp., Massachusetts
 - Funding Partners, Colorado

Inclusionary Zoning Innovative Practices

- Eagle County, Colorado
 - Guarantees cost recovery (plus minimal profit) to builder on inclusionary units
 - Resident only sale requirement on percentage of inclusionary units (non-deed restricted)
- Non-Profit/Housing Agency provides prequalified inclusionary unit buyers
 - Reduced marketing costs
 - Reduced real estate commissions

Mobilization

- Have data demonstrating the needs
- Present a common message
- Involve all the players in the solutions process
- Grassroots/community movement will lead to political movement
- Offer alternatives
 - Create a package rather than piecemeal solutions
- Create a strategic action plan and implement it

Questions?

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