



WORKFORCE HOUSING: QUESTIONS AND ANSWERS

Idaho Department of Commerce Virtual Roundtable

September 21, 2017

Presented by Michael Witry, Intermountain Fair Housing Council

WHO ARE YOU?

- Fair Housing Litigator/Housing Law Coordinator, Intermountain Fair Housing Council
- IFHC is a nonprofit organization whose mission is to ensure open and inclusive housing for all people. The IFHC's purpose is to advance equal access to housing for all persons without regard to race, color, sex, religion, national origin, familial status, gender identity, sexual orientation, source of income, or disability. The IFHC attempts to eradicate discrimination through education of the fair housing laws, housing information and referrals, housing counseling and enforcement including filing complaints under the Fair Housing Act.

WHY IS THE ANTI-DISCRIMINATION ORGANIZATION TALKING ABOUT BUILDING MORE WORKFORCE HOUSING?

- Discrimination gets worse when there's not enough housing to go around—if you've got twenty buyers or renters to choose from, you can afford to discriminate without leaving a housing unit vacant
- Shortages are tough on people with disabilities because there are fewer accessible units to compete over
- Shortages also increase competition with people who aren't in the work force or who are on fixed incomes, driving up their cost of living

WHAT IS WORKFORCE HOUSING?

- No generally accepted definition, but usually refers to housing that is affordable for households making between 50% and 120% of the Area Median Income (AMI)
- According to HUD, housing is “affordable” if you’re not spending more than 30% of your monthly income on it
- Idaho AMI is \$48,275, so for a generic city in Idaho, a median household can afford \$1,207/mo in housing costs
- Sometimes workforce housing is subsidized and income-restricted, other times it isn’t



Workforce housing in Boulder

WHO LIVES IN WORKFORCE HOUSING?

- Paramedics
- Secretaries
- Court employees
- Mechanics
- Truckers
- Information technology employees
- Retail employees
- Entry-level professionals
- Teachers
- Nurses
- Police
- Firefighters
- Paralegals
- Manufacturing employees
- Nonprofit employees
- **Me!** (and maybe also you)



Source: datausa.io (**you should bookmark this site right now**)

DOES IDAHO HAVE ENOUGH WORKFORCE HOUSING?

In every metro area in the state, at least a third of renters are paying more than 30% of their incomes in rent, and in most metro areas, about a quarter of renters are paying more than half their incomes in rent.

Source: Harvard Joint Center for Housing Studies

Metro Area	Cost-Burdened Renters	Severely Cost-Burdened Renters	Cost-Burdened Owners	Severely Cost-Burdened Owners
Boise	47.1%	23.2%	21.6%	9.9%
Idaho Falls	42.8%	26.3%	17.7%	5.9%
Pocatello	34.2%	21.5%	19.6%	10.6%
CdA	52.9%	30.6%	28.5%	15.8%
Twin Falls	35.3%	14.2%	21.0%	8.0%
Lewiston	47.1%	23.3%	20.8%	9.1%
Rexburg	41.2%	24.7%	17.5%	6.3%
Moscow	51.8%	28.6%	23.6%	8.3%
Blackfoot	40.6%	24.4%	17.7%	6.7%
Burley	35.5%	12.8%	20.9%	8.8%
Hailey	35.9%	9.7%	20.6%	10.5%
Sandpoint	51.8%	28.6%	23.6%	8.3%
Ontario, OR	39.9%	22.3%	25.4%	13.0%
Logan, UT	39.2%	18.7%	20.1%	6.9%

HOW DOES THIS AFFECT ECONOMIC DEVELOPMENT?

- In 2014, 30.6% of U.S. governments surveyed saw high housing costs as either a “medium” or a “high” barrier to economic development. (ICMA Economic Development Survey, Oct. 21, 2014)
- Cost of housing is the most important non-work professionals use to determine where to live: 37% of professionals would eliminate a city from consideration if the cost of housing was too high (Chapman University Center for Demographics & Policy, July 2017)
- 62% of corporate relocation professionals consider housing availability and costs to be very important when locating new facilities—more important than climate, schools, or recreational opportunities (Center for Housing Policy, 2011)
- Cities in which the average home sold for three times the average income experienced a 2% slower economic growth rate than cities where the average home only sold for twice the average income (*Id.*)

**SO WHY ISN'T EVERYONE BUILDING
WORKFORCE HOUSING RIGHT NOW?**

THE COST OF LAND IS TOO EXPENSIVE!

Potential solution: **Community Land Trust**

Nonprofit organization owns the land under the house

House itself sold to workers who have to use it as a primary residence

Land leased to homeowner at below-market rate

Prof. Stephen Miller at the UI College of Law has written about CLTs

More information at cltnetwork.org

Could be established by a housing authority, a city or county government, or a private nonprofit

Community Land Trusts

How does a community land trust work?

Various sources of public and philanthropic capital...



- Private donors
- Federal housing subsidies
- City-owned property
- Community foundations
- Anchor institutions



CLT

...are used by community land trusts...



...to acquire homes in a geographic focus area.



Community land trusts tweak the normal process of homebuying...

A new resident buys their house outright...



...but leases the land underneath from the CLT.

They pay an annual fee to the CLT to support its operations...

CLT

...and the CLT retains permanent ownership of the land.

Why CLTs Matter

Although the first community land trust in the US was started in rural Georgia in 1970 by civil rights leaders to help poor black farmers, today, the majority of the country's nearly 250 community land trusts are today located in urban areas.

CLTs create affordable housing while still allowing low-income residents to build equity as homeowners. Moreover, because the CLT retains ownership of the underlying land, this housing remains permanently affordable, even as the original beneficiaries of an affordable home price sell and move on. This long-term, continuing benefit makes CLTs an especially efficient use of affordable housing subsidies.

By locking in permanent access to affordable housing, CLTs can play an important role in countering the market-driven displacement associated with gentrification. And by stewarding neighborhood land for the public good, not speculative profit, CLTs have played an equally important role in stabilizing communities by preventing unnecessary foreclosures.

...to make housing permanently affordable.

Current resident sells their house at a price set by the CLT, earning a portion of the increase in value of their home...



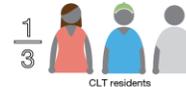
CLT ...while the CLT retains the land.

A new resident buys the house at a price that's been kept affordable...



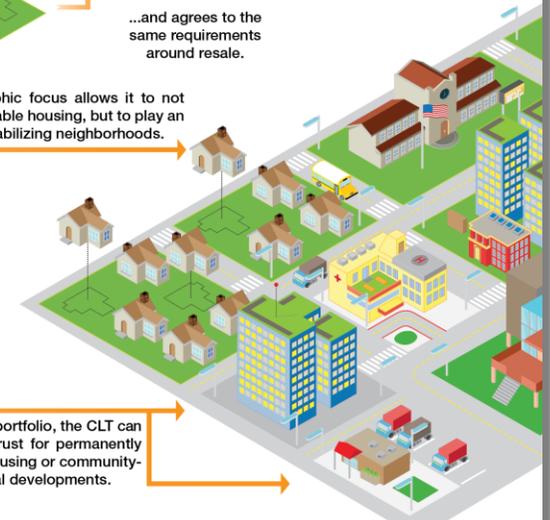
...and agrees to the same requirements around resale.

CLTs are typically governed by:



CLT

The CLT's geographic focus allows it to not only provide affordable housing, but to play an important role in stabilizing neighborhoods.



As it diversifies its portfolio, the CLT can also own land in trust for permanently affordable rental housing or community-focused commercial developments.

CONSTRUCTION COSTS ARE TOO HIGH!

Potential solution: **Modular Homes**

Factory-built, delivered onto permanent foundations on the building site

Unlike manufactured homes, built to the same standards as stick-built homes and last just as long

Available at many different sizes, styles, and price points

Many built and sold right here in Idaho



Modular homes in Boise

THE CITY IS COMPLETELY BUILT OUT!

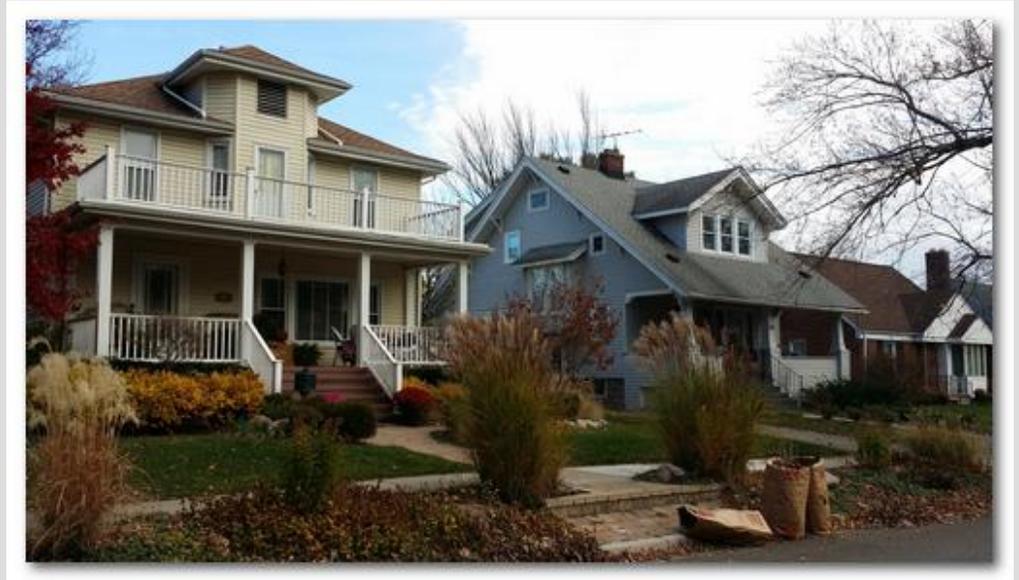
Potential solution: **Gradually increase density**

Change zoning codes to allow more duplexes and triplexes

Duplexes and triplexes can be built to look just like single-family homes, preserving neighborhood character

Building in, instead of building out, keeps people close to work and to services

Example: City of Payette allows duplexes in all residential zones



Can you tell which of these houses is a duplex?

THE TOWN IS FULL OF VACANT HOUSES!

Potential solution: **Land bank**

Nonprofit or government organization acquires vacant, abandoned, forfeited, and tax-delinquent housing

Land bank clears out liens, renovates the house, and sells to first-time homebuyers

Over 170 land banks in operation in the U.S.

Detailed report available from the Center for Community Progress



Chicago house under land bank renovation

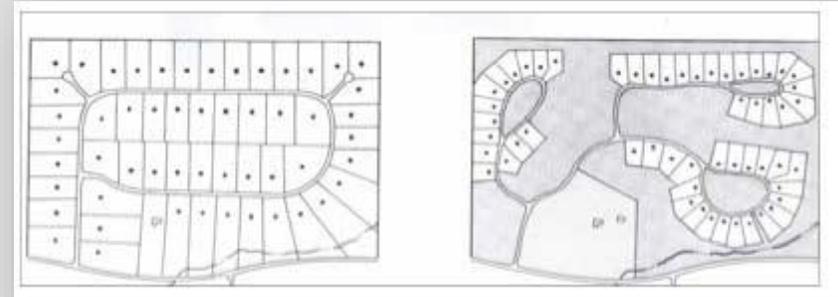
NEW HOUSING WILL RUIN OUR RURAL CHARACTER!

Potential solution: **Density-
based zoning in rural
areas**

Large lot sizes in rural areas
are a major barrier to
affordability

Preserve open space by
limiting total number of
houses per acre rather than
by setting minimum lot sizes

Open spaces can either be
HOA-managed or park land



Same number of lots, same amount of open space,
but houses in the area on the right will be less expensive

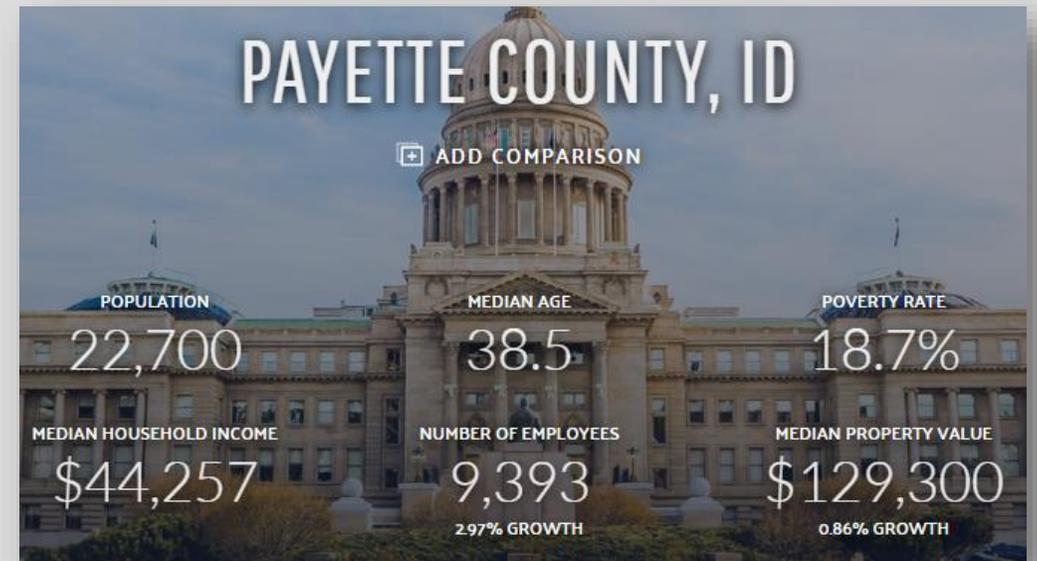
NEW HOUSING WILL RUIN OUR RURAL CHARACTER!

Potential solution: **Flexible lot sizes in rural areas**

Large lot sizes in rural areas are a major barrier to affordability

Change zoning to recognize when an area's rural character is naturally changing

Example: in Payette County, rural residential areas have varying lot sizes depending on which services they connect to: 40,000 square feet if no water or sewer; 20,000 square feet if connected to sewer; 10,000 square feet if connected to both water and sewer



Payette County's flexible zoning is helping absorb growth

NEW HOUSING WON'T BENEFIT LONG-TIME RESIDENTS!

Potential solution: **Accessory dwellings**

Also known as ADUs, granny flats, mother-in-law suites, carriage houses, and Fonzie flats

Secondary houses on the same lot as a larger house

Permitted by many zoning codes

Allows existing homeowners to become landlords

Many modular and kit-built options available

AARP-endorsed: if your existing house isn't accessible, you can move to your accessible secondary house and rent out the larger house



TimberCab, a prefabricated accessory dwelling that's completely accessible

APARTMENT BUILDINGS AND CONDOS ARE UGLY!

Potential solution:
Bungalow courts

Pioneered in the 1920s for
workforce housing in boom
towns

Modestly-sized houses,
placed close together around
a central court

Excellent for starter houses
or for small households

Central court encourages
meeting your neighbors and
reduces crime



Bungalow court in Pasadena

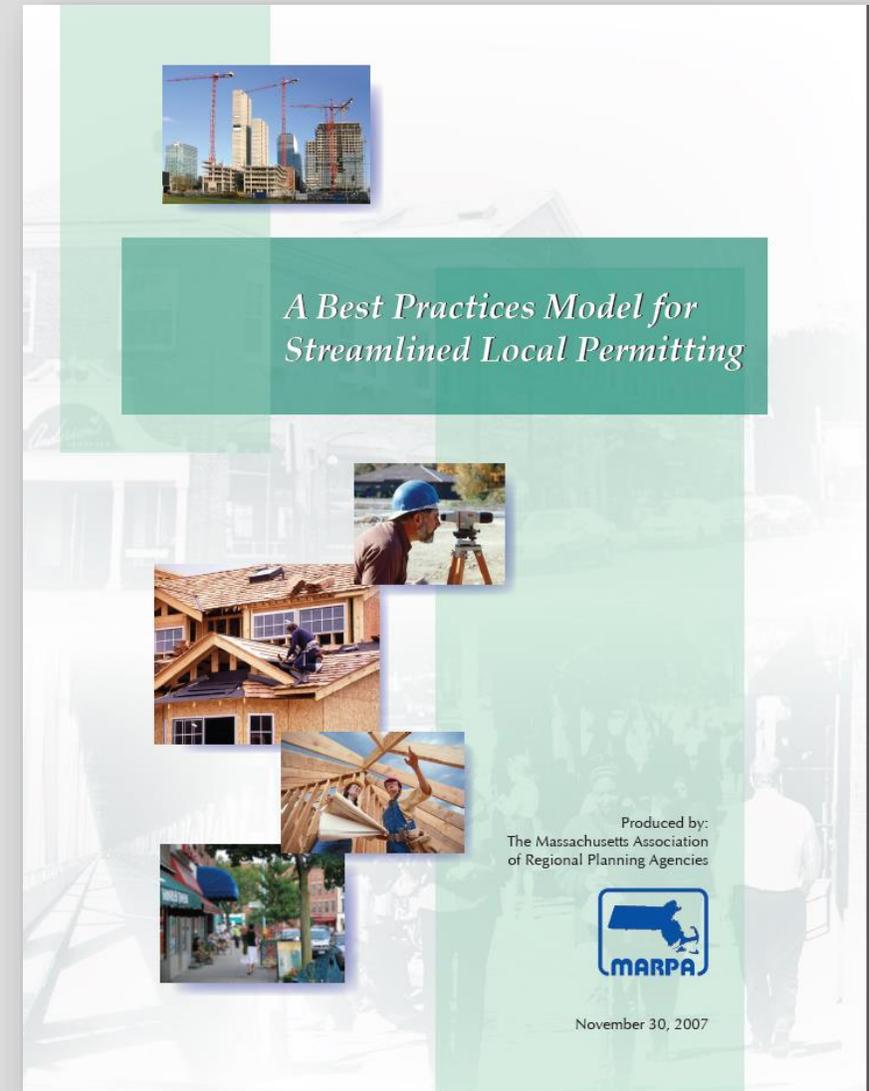
WE CAN'T ATTRACT DEVELOPERS!

Potential solution: **Streamlined permitting**

Developers avoid going to new areas in part because they aren't familiar with local permitting rules and processes, leading to higher costs

Make the permit process transparent and easy to understand with pre-development meetings and process manuals

Best practices guide available from the Massachusetts Association of Regional Planning Agencies



Time is money: help developers save both!

DEVELOPERS ONLY WANT TO BUILD EXPENSIVE HOUSES!

Potential solution: **Incentive zoning**

Allow developers to do things they couldn't normally do as long as they agree to put income restrictions on new housing

Common incentives include fewer required off-street parking spaces, extra floor area ratio, smaller setbacks, lower permit fees

Good choice for growing markets and resort towns



Incentive zoning in action in Miami

ALL THESE SMALL HOUSES
WILL SIT EMPTY WHEN THE
MARKET CHANGES!

Potential solution: **Form-
based coding**

Regulates size and shape of
buildings instead of uses

Usually results in traditional
neighborhood designs

Buildings can be easily
renovated from duplexes to
single-family houses to
live/work units to retail to
offices without requiring
planning permission



Form-based code in Cincinnati

**NONE OF THE LANDOWNERS
WANT TO BUILD WORKFORCE
HOUSING!**

Potential solution: **Consult
with local nonprofits that
own land**

Nonprofit organization
leases a lot (or a portion of a
lot) to another nonprofit
that builds and manages
rental housing

Pioneered by religious
organizations, but available to
other nonprofits and
government entities



Wesley Village, built on a disused church
parking lot in Garden Grove, CA

WE SHOULDN'T CATER TO
RENTERS BECAUSE THEY
DON'T WANT TO SETTLE
DOWN HERE!

Potential solution: **Renter's
equity fund**

Nonprofit organization operates
rental housing

Each rent payment gives credit
towards a down payment on a
house in the community

Example: Glencove Apartments in
North Collinwood, OH: Northeast
Shores Development Corporation
renovated a disused building into
an apartment complex and offers
up to \$10,000 in down payment
assistance based on length of
tenancy



Glencove Apartments, a renter's equity
complex in Ohio

NOBODY WANTS TO LIVE NEXT DOOR TO LOW- INCOME PEOPLE!

Potential solution: **Overcome the myths
with data**

Housing built using the Low-Income Housing
Tax Credit has *no effect* on neighboring
property values (Trulia.com, 2016)

Properties located near supportive housing for
people with disabilities and the formerly
homeless actually experience an *increase* in
value over properties that are further away
(Furman Center for Real Estate & Urban
Policy, 2008)

Small-scale housing developments for people
with low and moderate incomes have *no effect*
on neighborhood crime rates (Michael C. Lens,
UCLA, 2013)

New housing can help keep property taxes
down: property taxes increase more rapidly in
slow-growth areas (Maine Governor's
Affordable Housing Conference, 2001)



I PROTECT
YOUR HOME.
CAN I BE YOUR
NEIGHBOR?

FACT:
First-year fire fighters earn **\$43,528**
annually and can reasonably afford
\$1,088 a month on rent or mortgage. The
median monthly cost to own a home in
Houston is **\$1,492**. The majority of homes
in Houston are out of reach for entry-level
fire fighters. They cannot afford to live
where they help people.

SAY YES TO QUALITY HOMES FOR ALL INCOMES, IN ALL AREAS!
Learn more at www.houstontx.gov/housing/SayYes

SAY YES   

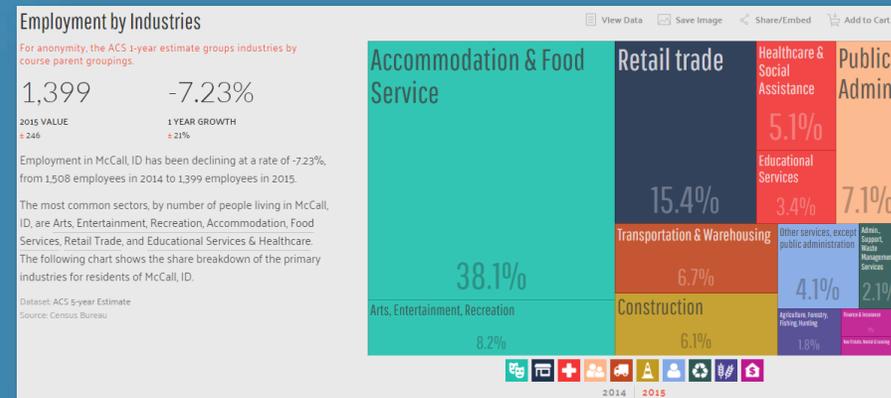
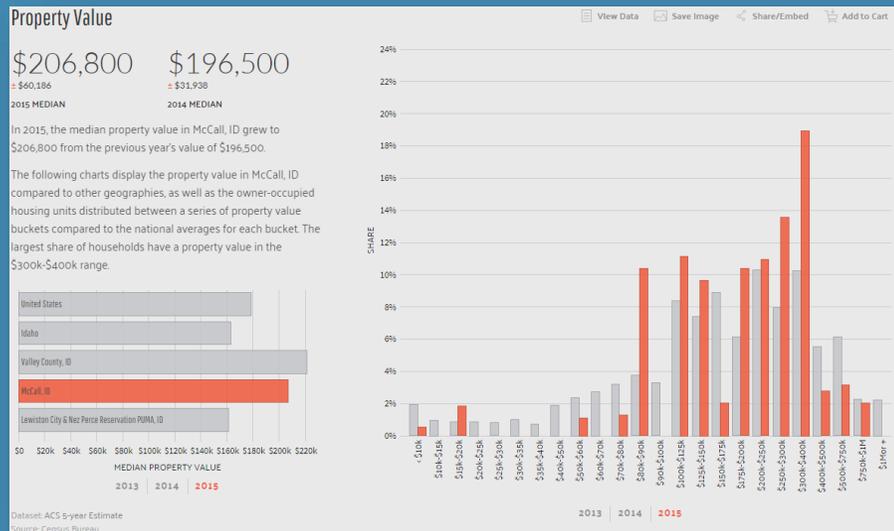
SOURCE: <http://hifcareers.org/benefits.html>. Housing cost source: 2011-2015 American Community Survey
5-yr Estimates B25088: Median selected monthly owner costs by owner-occupied units
© COH-HCDD 06.14.17

Houston poster promoting workforce housing

USING DATA TO TELL A STORY ABOUT WORKFORCE HOUSING

EMPLOYMENT IN MCCALL IS SHRINKING AS THE MEDIAN PROPERTY VALUE RISES...

...BECAUSE THE MOST COMMON JOBS PAY MODESTLY



Source: datausa.io (this is why I told you to bookmark it)

WORKFORCE HOUSING PLAN IN ACTION: BRECKENRIDGE, CO

Ski resort town developed a workforce housing plan to preserve affordability for employees

Town gives incentives to workforce housing development, including density bonuses and waiver of permit fees

Town builds new workforce housing and buys housing on the open market and converts it to workforce housing using deed restrictions

Deed restrictions limit housing to owner-occupied and owners who work in the county

Units income-capped at between 80% and 110% of AMI

Resale price capped at 2% annual rate of appreciation

Details at

<http://www.townofbreckenridge.com/work/workforce-housing/workforce-housing-strategies>



New workforce housing
development in Breckenridge

WE'VE HEARD ALL THESE
GREAT IDEAS AND WE DON'T
KNOW WHICH ONE WE LIKE
BEST!

Potential solution: **Request for
Proposals**

A government agency's usual method
of procuring someone to solve a
problem rather than provide a service
with fixed specifications

State how many units you need built,
what range you need them to sell for,
what land they'll be built on, and what
criteria you'll use to judge the
proposals

Publicize the RFP, wait for responses,
determine the best, and award the
contract

Consult an attorney to draft it,
especially if you're a government entity



Workforce housing in Philadelphia
developed by competitive proposals

INTERMOUNTAIN FAIR HOUSING IS HERE TO HELP!

- Fighting discrimination based on race, color, sex, religion, national origin, familial status, gender identity, sexual orientation, source of income, or disability
- Resources on building housing for people at all levels of income
- Preventing and alleviating homelessness
- Promoting new and inclusive housing
- Providing training opportunities for landlords, property managers, government agencies, homeowners' associations, real estate agents, and residents

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**EQUAL HOUSING
OPPORTUNITY**

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