

5 Local Housing Affordability Strategies that Work

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This post is the third in a four-part series on NLC's task force report "Keeping the American Dream Alive: Expanding Economic Mobility and Opportunity in America's Cities."

It's a well-known truth that cities and towns across the U.S. are experiencing a housing affordability crisis. The effects are particularly acute for residents living in urban neighborhoods, many of which are undergoing rapid redevelopment.

As housing costs continue to rise and the demand for rental housing rises among families at all income levels, low-income renters who pay very high proportions of their earnings just to meet housing needs are the most vulnerable.

Luckily, cities leaders can play a pivotal role — by ensuring that housing affordability is a central element of their long-term economic mobility and opportunity strategies. NLC's recent report "Keeping the American Dream Alive: Expanding Economic Mobility and Opportunity in America's Cities" contains several promising practices city leaders can use to address the housing affordability gap for residents, including:

Establish a multi-sector committee or advisory group to guide the development of an inclusive housing policy.

The most successful housing plans are often developed through a process that includes multiple stakeholders and promotes regional collaboration. This group, comprised of city and key partner representatives, can provide more clarity about the local housing market and help local planning commissions and city councils identify key priorities and actionable solutions over a specific period of time.

The City of Charlottesville, Virginia, assembled a Housing Advisory Committee made up of diverse stakeholders — including Habitat for Humanity, Albemarle County and the local school board — to provide the City Council with recommendations regarding housing policy and affordable housing funding priorities.

Utilize a diverse toolbox of solutions and adapt these tools to meet your city's local housing market.

Knowing not all housing markets are the same, city leaders can adapt a wide array of tried and trusted housing strategies and tools — such as tax credits, incentive programs and strategic uses of zoning regulations — to fit their city's particular economic context. These tools can help lower the cost of financing for desirable affordable housing projects, particularly within lower-income neighborhoods. City leaders should look for solutions that leverage existing resources, in addition to new and innovative strategies that have been effective in cities with similar housing markets and demographic characteristics.

In the wake of the housing crisis, the City of Los Angeles addressed issues of overcrowding, foreclosure and unemployment by establishing a Small Lots Subdivision Ordinance. To increase the availability and production of affordable housing, the city permitted developments of detached townhouses on small lots without standard parking or yard size requirements, resulting in higher rates of homeownership at a reduced cost for residents.

Strengthen connections between affordable housing, transit and workforce development programs.

Cities benefit when residents can easily travel between employment opportunities and reasonably priced housing. When city leaders collaborate with local workforce and transportation agencies alongside larger local employers, it can result in transit-oriented development which spurs both the creation of

affordable housing units with price protections for lower-wage earners and reliable transportation to employment opportunities for communities.

The Central Corridor (The Green Line) light rail project in the Twin Cities of St. Paul and Minneapolis, Minnesota, represents a partnership between the two cities, and a wide variety of stakeholders, that initially connected the two downtowns to help workers move between the job centers and make the two cities more attractive to employers. By linking the two cities with cost-effective, reliable light-rail transportation to neighborhoods, especially to underserved minority communities, workers of all income levels sought to live in nearby neighborhoods.

Dedicate local financial resources to the preservation of affordable housing units.

City leaders can direct help to families who are struggling to remain in and maintain their homes. Low interest loans for upgrades and repairs can prevent abandonment and blight while also discouraging the use of predatory loan products. Increased homeownership rates and improved housing stock benefit both the city and residents by improving neighborhood stability and helping residents build assets.

The North Richland Hills Neighborhood Revitalization Program (NRP) revitalizes targeted neighborhoods through owner-occupied housing renovation incentives. Potential homebuyers looking to move to this small Texas community have the opportunity to purchase a safe, modernized home at an affordable price and receive grants up to \$10,000 to complete well-designed home renovations which increase the value by up to 40 percent.

Increase neighborhood stability by investing in underutilized properties by tapping innovative partnerships and funding sources.

Homes in foreclosure, deteriorated properties and vacant lots represent opportunities for city leaders to increase quality housing options for residents. Cities are increasingly finding creative approaches to working with affordable housing developers. For example, cities can acquire vacant sites from absentee landlords and then partner with private or nonprofit developers to build affordable rental units. City officials can also be strategic in the disposition or redevelopment of underdeveloped or underutilized sites under the city's control. Local sourced trust funds and partnerships with philanthropies are important partnerships to have in light of diminishing federal resources for home ownership and stabilization of city owned properties.

The City of St. Petersburg, Florida, experienced numerous foreclosures and declining property values as a result of the Great Recession. Funding from the U.S. Housing and Urban Development Department's Neighborhood Stabilization Program (NSP) helped the city acquire and rehabilitate some foreclosed properties for renovation or full-reconstruction (completed by non-profit developers) to increase and improve the local housing stock and allow residents to continue living in their homes after renovations, with the majority of purchasers being first time homebuyers.

More information on these promising practices can be found in the full report "Keeping the American Dream Alive: Expanding Economic Mobility and Opportunity in America's Cities".

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