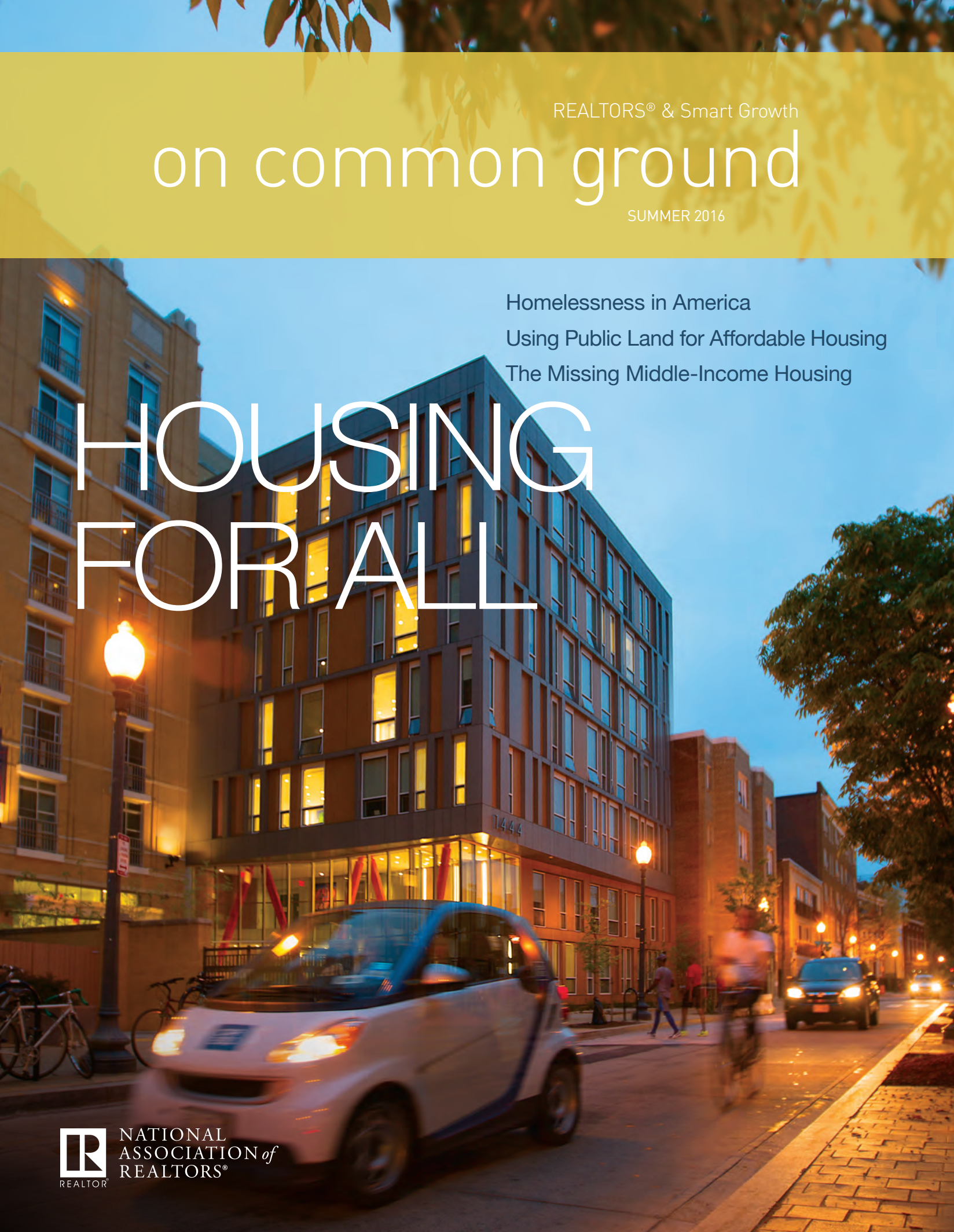
REALTORS® & Smart Growth

on common ground

SUMMER 2016



Homelessness in America

Using Public Land for Affordable Housing

The Missing Middle-Income Housing

HOUSING FOR ALL

NATIONAL ASSOCIATION of REALTORS®

Meeting Affordable Housing Demand

America is experiencing a housing problem, and failure to meet our housing goals occurs on many levels of the income spectrum. For the middle class, stagnating wages and rising home prices in the major job centers have stubbornly kept the homeownership rate stuck between 63 and 64 percent for the past two years. Demand for affordable rental housing is outstripping demand.

At the federal level, funds for affordable rental and home-ownership programs have stagnated or been cut. Federal programs such as the Low Income Housing Tax Credit and HUD's Choice Neighborhoods program for transforming public housing are successful but woefully underfunded.

Homelessness persists as a problem, with official estimates of close to 600,000 homeless people on any given night.

But there are success stories coming from local communities, states, nonprofit organizations and REALTOR® associations, and in this issue of On Common Ground, we report on many approaches that might be used where you live. Several cities — Houston, Las Vegas, Mobile, Ala., New Orleans; Syracuse, N.Y. — and the state of Virginia have announced that they have eradicated homelessness among military veterans. Downtown business groups are meeting the homeless on the streets and finding them housing and medical care. A new model of serving the homeless with "housing first" along with supportive services is finding success. And REALTORS®, as individuals and as associations, are helping the homeless directly as well as advocating for public policy to tackle homelessness.

Courtesy of Florida Community Loan Fund

Developers, nonprofits and local governments are partnering to build affordable housing developments on land owned by the local government. Communities and builders are re-examining zoning codes to find a place for a middle-scale of housing — something between single-family detached houses and large apartment buildings — to bring a neighborhood-scale middle density that can provide more affordable homes. State governments are increasingly adopting historic tax credits that can be used by individual homeowners to more economically rehabilitate older homes. There is no one solution to our housing problem. There are many.

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On Common Ground

Summer 2016

Courtesy of Ross Chapin

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Cover photo of Las Casa, permanent supportive housing for the homeless, in Washington, D.C.

HOMELESSNESS IN AMERICA:

Housing First, Then Support

Housing has become the hub around which resources are provided to transition people experiencing homelessness to permanent housing.


Courtesy of Florida Community Loan Fund


Photo by USDA

By G.M. Filisko

It didn't occur to David Pirtle that he was homeless. "I thought I was down on my luck and had to get a couple of things together," he recalls of the two-year-plus period he lived on the streets.

It was 2004. Pirtle was 29 and living in Phoenix. But many Arizona cities have punitive anti-loitering laws, so Pirtle hitchhiked and freight-hopped his way to New York City.

"That's where I had to start coming to terms with being homeless," he explains. "I lived in an abandoned building in lower Manhattan. I couldn't find work and started to lose hope. I stopped trying and thought, 'I guess this is it for me. I know where I can find food and shelter. I guess I'm just waiting to die.'"

Thankfully, Pirtle didn't die. He got lucky.

Pirtle calls himself lucky because he was arrested twice for stealing food from a museum gift shop in Washington, D.C. (New York City was too cold for the Arizona native). Because there were no public defenders available at the time, Pirtle was represented by a private lawyer who recognized that he wasn't a criminal. He was mentally ill and needed treatment.

Thus began Pirtle's journey from the streets to permanent housing, all the while getting treatment to find the right cocktail of medicines to manage his previously undiagnosed schizoaffective disorder. Pirtle was among a group who benefitted from a novel program at the time called "housing first" as the initial step of transitioning people from the streets to shelter.

"They wanted 25 people who were chronically homeless and mentally ill — and yay! I qualified!" jokes Pirtle. "I got keys to my apartment Nov. 17, 2006. I'll remember that to the day I die."

David Pirtle coordinates public education programs for the National Coalition for the Homeless (NCH). He's one of the growing number of success stories when it comes to housing people experiencing homelessness.

(Photo upper left and lower) National Coalition for the Homeless speakers shed light on different aspects of homelessness by sharing their personal stories.

Photos courtesy of National Coalition for the Homeless

(Photo upper right) T. Sanders became a part of the Faces of Homelessness Speakers Bureau and told her story – a story about a girl who was born in poverty and found her way back in and out of homelessness.

Photo by Alessandro Lupo

Today, Pirtle coordinates public education programs for the National Coalition for the Homeless (NCH). He's one of the growing number of success stories when it comes to housing people experiencing homelessness. Organizations have been fine-tuning their efforts and coalescing around ideas that work for more and more people. The challenge, however, is that as people are successfully housed, more emerge from the shadows.

How many? Too many

On any given night in January 2014, there were 578,424 people without shelter in the United States, according to the U.S. Housing and Urban Development assessment based on local "point-in-time" counts. Sixty-nine percent were in temporary housing; the remaining 31 percent had no shelter.

The face of homelessness has long changed from that of the grizzled old man. Children under 18 made up 23 percent of homeless people, 10 percent were 18 to 24 years old and the remaining population was 25 or older.

By HUD's counts, homelessness declined two percent between 2013 and 2014 and 11 percent since 2007. That, however, contradicts what Megan Hustings, NCH's interim director, is seeing and hearing.

"Our estimation is that homelessness is and has been getting worse," she contends. "The trouble is the national surveys aren't really complete. So our understanding of the issue is more anecdotal."

HUD's numbers are contrary to data on the ground in Austin, Texas. "Homelessness is up about 20 percent if you look at the point-in-time count," reports Ann Howard, executive director of Ending Community Homelessness Coalition.

In Chicago, the Primo Center has seen a steady increase of families who need housing, roughly 85 percent of which are headed by a single parent, most often a female, reports

Housing first means you eliminate any barriers to entry for someone to move indoors.

CEO Christine Achre. The center operates two facilities with a total of 184 beds and a 12-unit apartment building; it also has access to 100 scattered-site housing units.

People who are homeless fall within several broad categories:

- **People who are chronically homeless** – These people have been without shelter several times over several years. They tend to be single adults with medical or other ongoing challenges, notes Hustings. What works best for this group are housing-first programs. That's the model for L.A. Family Housing. "Housing first means you eliminate any barriers to entry for someone to move indoors," notes Stephanie Klasky-Gamer, the organization's president and CEO. "You don't require that people complete any program before you give them the dignity to live inside. You recognize that people can address their physical or mental health needs or the challenges they've been facing successfully only when they have a stable roof over their head."

- **People who are transitionally homeless** – "These people are often in some type of program," explains Hustings. "You'll see this model often used in substance-abuse housing. You go into a program, and after a certain number of days, you move into another program. All the while you're receiving services to help you move onto the next stage of your life."
- **People who are episodically homeless** – More families fit into this category, says Hustings. "It's folks who are working and fall behind on their rent, so they lose their house or are evicted." When they get money either through a job or assistance, they're often able to get back into housing.

  What's known as rapid rehousing has been successful in stabilizing families. "It's like the housing-first idea," notes Hustings. "It's connecting folks directly with permanent housing or more stable housing, instead of an emergency shelter, and other support they need. Part of the program is prevention. Some folks are behind on rent or their electric bill; it involves giving small amounts of cash assistance to cover things that can snowball into homelessness."

The key to today's models is combining housing with support, commonly known as permanent supportive housing. "With housing first, someone could say, 'I moved them into an apartment and now they're housed,'" notes Klasky-Gamer. "But for someone who has continual challenges, whether it's their physical health or unemployment, you can't move them into an apartment and say, 'Best of luck!' You need to stay connected and continue to enrich them with supportive services."

L.A. Family Housing's services include things like parenting and financial literacy classes, along with legal advocacy. Perhaps a veteran left the military with an other-than-honorable discharge; that prevents the veteran from receiving benefits. L.A. Family Housing may seek to change that discharge status to enable the vet to tap into medical treatment or housing benefits.

Patience and persistence are also critical to ending homelessness. Klasky-Gamer and other advocates insist that nobody really wants to live outdoors. Many have

Patience and persistence are critical to ending homelessness.

The key to today's models is combining housing with support, commonly known as permanent supportive housing.

The Primo Center in Chicago
Photo by Mila Samokhina

Gateway apartments in Los Angeles, housing 108 formerly homeless people.
Photo by Laurie Avocado

simply given up. Cracking their protective shell requires consistent effort.

"We had a guy who we call the wizard because that's what he calls himself," explains Klasky-Gamer. "From what we can piece together, he lived on the street for about 25 years. We worked with him for months to help him come indoors. He'd come in and go back out for days. It took about 18 months to build up his ability to live permanently indoors. He's now in his own apartment. He's so grateful, but it's not like he was seeking help. We found him in our outreach and just built up trust."

Housing: The cause and solution

Ending homelessness requires knowing why people end up without shelter. Advocates tick off several causes, but a dearth of affordable housing consistently tops the list. Klasky-Gamer says that's the root of the problem in Los Angeles, where there's not enough housing, and what's available is simply financially out of reach for many.

In addition to placing people in scattered-site apartments, L.A. Family Housing develops, owns and operates permanent supportive housing. "We've built 20 apartment buildings throughout Los Angeles for very-low income, previously homeless, or at-risk-of-homelessness families," notes Klasky-Gamer. "We're committed to smart growth, and not just when it comes to density and access to services like parks or groceries. It's also the design, including how that property fits within and contributes to a healthy neighborhood. We design our buildings so common areas like community rooms and play lots can be accessed by everybody in the community."

Housing is also the main problem in Louisville. "The cost isn't so high here, but we don't have very much stock," explains Natalie Harris, executive director of the Coalition for the Homeless. "Eighty percent of the people homeless here are short-term homeless. They're just poor. A lot are single moms who just don't earn enough money to make it every month. If you had enough housing, you wouldn't have that problem."

A dearth of affordable housing is the root problem of homelessness in Los Angeles.

Photo courtesy of Florida Community Loan Fund

The Faces of Homelessness: Kevin's injuries at work left him homeless for a short term. He found a new career path and was able to move out of a shelter.

Photo by Alessandro Lupo

Holding up housing development, adds Hustings, is the permitting process. A recent project in the nation's capital to create a 100-unit permanent supportive housing facility took seven years to just break ground. "Local governments could use an update of their permitting processes to expedite the building of affordable housing," she asserts.

Advocates also say higher wages would change lives. "We're never going to see an end to homelessness or have an impact until we fix the housing crisis," contends Hustings. "But there could be a chicken-and-egg issue.

If people made a living wage, they could better support their families. That definitely needs to happen, and the combination of both is just unlivable."

Increasing the minimum wage is one answer, but the NCH argues for a slightly different approach: Indexing the minimum wage to an area's cost of housing. "We're in Washington, D.C., which is much different from a smaller, rural community," notes Hustings. "Veterans who've gotten vouchers through the Veterans Affairs Supportive Housing program have been struggling to get housing because their voucher covers only a certain percentage of the rent, and they can't afford the area rent. HUD figures out every year what's called a fair market rent for many of its programs. It would be a fairly easy calculation to make."

Perception isn't reality

Another challenge to resolving homelessness is the perception many have of the people they see in their neighborhood or on their way to work each day.

"For most people experiencing it, homelessness is just a poverty issue," argues Pirtle. "People are paying too much for rent, and then they have some unforeseen financial expense, whether it's a big heating bill or they're injured on the job and can't work for six weeks. But we'd rather think of homelessness as a character issue. It makes it easier for us to ignore it or pretend it couldn't happen to us."

Hustings agrees that attitudes shape the discussion in ways that harm people who need help — in some cases literally. Just search the Internet for "bum fights" and you'll find videotaped attacks on vulnerable people for sport.

"That's where public education comes in," she states. "You'll see this everywhere in popular culture, that there's an attempt to dehumanize people experiencing homelessness. The use of the word 'sweeps' implies that we have to sweep them off our porch. And saying 'the homeless' makes it seem like being homeless is a characteristic inherent to somebody. It's just something somebody's going through."

While people are experiencing homelessness, little efforts can help them maintain their dignity. "It isn't that difficult to acknowledge people you see on the street,"

(Left) Kaloko Transitional Housing

Photo by Hawaii County

(Below) Homelessness has many different faces. The National Coalition for the Homeless has helped many in the Washington, D.C. area successfully transition from homelessness. Steve Thomas overcame years of drug abuse to end his cycle of homelessness.

Photo by Alessandro Lupo

The Primo Center boasts a 97 percent success rate when it comes to placing people in permanent housing.


Photo by Mila Samokhina

The Primo Center for Women and Children provides transitional housing, counseling and support services to homeless women and their children.


Photo by Mila Samokhina

contends Pirtle. "Meet their eyes and smile to let them know you don't think of them as anybody other than one of their neighbors. The neglect we show our homeless neighbors is so damaging."

Pirtle also suggests volunteering (not just on holidays), advocating locally for more resources, and donating to organizations with a demonstrated success in moving people from homelessness to permanent housing.

The Primo Center, for example, boasts a 97 percent success rate when it comes to placing people in permanent housing, reports Achre. Behind that statistic are real people, like the mother who had serious alcohol abuse issues. She and her teenage daughter had been asked to leave at least four shelters before they found the Primo Center. A crisis erupted one day when the mother became dangerously drunk and abusive to staff and other residents. After medically stabilizing the woman, center staff spent the next day counseling her on the devastating effects of her behavior.

"That was a turning point," recalls Achre. "She accepted the assistance we were providing, and she and her daughter are now doing quite well. Working with these families and really seeing what can be achieved is something I'm really proud of." ●

G.M. Filisko is an attorney and freelance writer who writes frequently on real estate, business and legal issues. Ms. Filisko served as an editor at NAR's REALTOR© Magazine for 10 years.


Courtesy of Florida Community Loan Fund

COMMUNITIES GO ALL IN TO END HOMELESSNESS FOR VETERANS

In the six years since the Obama Administration and the Veterans Administration set a goal of eradicating veterans' homelessness, cities and states — Houston; Las Vegas; Mobile, Ala.; New Orleans; Syracuse, N.Y.; and the state of Virginia — have announced they achieved that goal.

It's a challenging problem that affects not just men, but a growing number of women, reports Stephanie J. Wong, a clinical psychologist who works at a VA hospital in the San Francisco Bay Area. "The majority are Vietnam-era vets. But I'm also seeing more and more younger vets, in their mid-30s, and a lot more Operation Iraqi Freedom vets seeking help."

Many have suffered multiple injuries, which makes treatment more challenging. "I'm seeing more and more 'comorbid' injuries, so a veteran may have a traumatic brain injury, post-traumatic stress disorder, and substance abuse," notes Wong. "What do you treat first?"

Communities are building facilities to shelter veterans in need. In Columbia, Mo., Veterans United Mortgage (VU) and its charitable foundation contributed $1 million — nearly one-quarter of the entire funding necessary — to transform a decrepit hotel into a "welcome home community" for veterans without housing. The facility has both apartment units and an emergency shelter.

"It's a campus designed for homeless veterans to have all the necessary and comprehensive services they need to get back on their feet and gain reemployment," explains Greg Steinhoff, VU foundation director. "What's important is the housing-first concept. You don't have to give up anything or change your behavior. We just want you here. We'll find you a place to call home first, and we'll help you from there."

Cities are also uniting groups that typically haven't worked together with ease. The Austin Board of REALTORS® (ABR) jumped in when the Texas city's mayor

More and more younger vets are seeking help.

Communities are building facilities to shelter veterans in need.

The Austin Board of REALTORS® tried to connect its property managers with advocates helping the homeless population.

Veterans United Home Loans is involved in a project in Columbia, Mo., where a decrepit hotel is being rehabbed to house homeless veterans.

asked local stakeholders to pool resources. "The mayor's leadership created the opportunity for a number of organizations that wouldn't normally coordinate their services," says CEO Paul Hilgers. "It was important for us to be engaged proactively to address a critical housing issue in this city."

The ABR has a strong leasing and property management membership. "We tried to connect our property managers with advocates helping the homeless population," says Hilgers, "and some people made their rental properties available."

The collaboration wasn't always easy. Property managers have a fiduciary duty to their clients, and advocates for homeless people sometimes bristled at the strict requirements landlords had before accepting tenants. The ABR created a video it sent to its partners to explain its members' professional duties.

At the same time, Ann Howard, executive director of Ending Community Homelessness Coalition in Austin, says part of her role was giving ABR members a 101 course on the housing and other needs of veterans and chronically homeless individuals.

The partnership took time and required give and take.

"They needed to learn from us, for example, that when you require that a potential tenant demonstrate income that's three times the amount of rent, you're screening out potential tenants who might be gainfully employed and might be able to afford the rent," she says. "Another example is an eviction history. But they partnered with us and changed their screening criteria for the veterans' program. They really recognized the needs of the veterans."

ABR's charitable foundation also donated $5,000 to a local Housing for Heroes fund. "It's to be used in a flexible way," notes Hilgers. "Let's say a toilet doesn't work. Somebody accidently dropped a T-shirt down there. Who fixes that? Those are normal landlord-tenant problems. This fund lets everybody say, 'Don't fight over it; let's just fix it.'"

The partnership took time and required give and take. "The beautiful thing is we took the time and did the give and take," says Howard. "I hope it's a long-term partnership."

BUSINESS, GOVERNMENT, AND HOUSING ADVOCATES TACKLE HOMELESSNESS TOGETHER

In just the month of February 2016, a team created by the Washington, D.C., Business Improvement District (BID); Pathways to Housing D.C.; and the District of Columbia served 177 people without housing in the area. It connected one person to intensive mental health services and moved two into permanent supportive housing. That brought to 14 the total number of persons for which the team secured housing since October 2015.

It's been about six years since the BID teamed up with Pathways and the District to accelerate its work to find shelter for the area's homeless people. "We have a large concentration of homeless people in Washington, D.C., and they spend a significant portion of their day in the downtown area," says Neil Albert, BID president and executive director. "That presents challenges, particularly for a business sector that's growing. The BID took it upon itself to get folks into meaningful employment and housing."

Photos by Elvert Barnes

Efforts should be concentrated at the front door, preventing people from getting into homelessness.

For years, Albert has had a team of employees working outreach to homeless people. But they just weren't having the effect a city-wide team could have by shedding siloed approaches and pooling resources. "Pathways is a national organization, and it was able to bring its technical resources to bear in a way that we couldn't," says Albert. "They know where people are in the street, and they know their names and their needs. They also have a network of providers they can connect folks to, whether it's for medical care or housing vouchers."

The partnership relies on a housing-first model — often using housing vouchers provided by the District — and then following up to provide the services people need to successfully retain housing. The challenge, however, is that demand hasn't flagged. "As fast as we've been able to provide housing, there are other people having that need," states Albert. "The question we often ask ourselves is whether some efforts should be concentrated at the front door, preventing people from getting into homelessness."

That issue arises in part because housing demand consistently outstrips supply. "You have a very robust real estate economy where prices are increasing rapidly and have been for the last four years," states Albert. "There's not a lot of availability within the core residential areas of Washington, D.C., and where they exist, they're high priced. We need more housing and more housing vouchers to make more of a difference."

Still, team members are undeterred. "Our outreach workers are literally on the street every day, whether it's raining or snowing — even in our blizzard, they were on the street," Albert stresses. "They know they have a responsibility and a duty, and they do it." ●

SHOWERING PEOPLE WITH DIGNITY

Doniece Sandoval knows she's not ending homelessness. But the founder of San Francisco-based Lava Mae, which operates mobile showers for people experiencing homelessness, believes she's offering them assistance and respect. "Even people who don't believe in providing services to homeless people understand that if you can't get clean, you can't get or keep a job or have a sense of dignity," she asserts.

Sandoval began Lava Mae by retrofitting public transport buses to house two complete bathrooms. Because the startup can't compete with the pay of bus drivers in the area, it transitioned from operating buses to using a Tundra truck donated by Toyota — which Sandoval can drive without any special license — to cart them around. Each has a wheelchair lift and operates five days a week, six hours a day at the same site daily so people know where to find it. Lava Mae provides all toiletries, and it taps into fire hydrants for water.

The company partners with local service providers so people in line for a shower can access other services while waiting. "We operate from a perspective of radical hospitality," explains Sandoval. "We learn people's names and their stories. We work really hard to ensure they're feeling better when they leave. It's transformative. They sometimes say, 'You're the first person to actually engage with me in a week.'"

If you can't get clean, you can't get or keep a job or have a sense of dignity.

What's been most surprising to Sandoval has been the people she's encountered. "We have families — two parents who actually have jobs and have three school-age children and are living in their car," she says. "But they're not making a living wage. We see senior citizens in their 90s evicted and left on the street with no resources. It's the full gamut."

Lava Mae has so far provided 13,000 showers to 2,100 people in San Francisco and has spurred community residents to help. "We see acts of kindness daily, from people bringing sack lunches to the people we serve or doing drives to create hygiene kits for them," says Sandoval. "I'm hopeful that with the momentum we're creating, we'll solve this problem." ●

Helping the **Homeless**

A Priority for Florida REALTORS®

Cheryl Lambert, Inverness REALTOR® and former Vice President of Florida REALTORS®, helped organize a successful stop on the REALTORS® Believe tour.

By John Van Gieson

Life took a bad turn for Lena Harley's family when they moved from Fort Lauderdale to Inverness, Fla., because South Florida was too expensive and rural Citrus County seemed like a better place to raise their son.

But Lena couldn't find a job. Home Depot transferred her husband to a part-time job at a store in an adjacent county, but the Harleys couldn't afford to rent an apartment in Inverness, so they moved in with her brother. Under the standard definition of family homelessness, families who are forced by economic circumstances to move in with relatives are considered homeless.

The Harleys went on food stamps, and Lena had to volunteer at least 20 hours a week to keep their benefits. While volunteering in another REALTOR®'s office, Lena met Inverness REALTOR® Cheryl Lambert, who was motivated to help the homeless by a 2014 statewide Florida REALTORS® campaign to get involved in helping the homeless. Lambert hired Harley to work in her office and urged her to buy a house.

"I was like there's no way I can afford a house," Harley said. "Cheryl said, 'You can.' I said, 'No, there's no way I can. My credit score's bad.'"

Lambert got Harley into a credit counseling program, found an affordable two-bedroom, 2,000-square-foot home and helped the Harleys get a mortgage they could afford.

'Hardest Hit" is a federal program that provides mortgage relief to low-income homeowners dealing with catastrophic illness.

"We were paying the mortgage, but my husband grew ill," Harley said. "He was diagnosed with multiple melanoma, which is cancer of the bone marrow. He lost the function of his kidneys, so he couldn't go back to work. He's still fighting it. We're waiting for a bone marrow transplant."

Facing daunting medical bills, Harley was ready to give up on homeownership.

"I told Cheryl, 'If I have to I'll lose my house. I don't care. My husband's life is more important,'" Harley said. "She said, 'No, no, you don't have to lose your house.' I said, 'How am I going to pay the medical bills? You planning on a raise for me?'"

Lambert told Harley about Hardest Hit, a federal program that provides mortgage relief to low-income homeowners dealing with catastrophic illness. Lambert helped the Harleys apply for the program, and they were accepted. Hardest Hit is paying the Harley's mortgage in full for 18 months while they struggle to pay for her husband's treatment.

"The Good Lord brought me here for a reason," Harley said. "No words can explain to you how grateful I am to Cheryl. She's amazing."

Lambert, who has focused in her career on affordable housing, said the 2014 Florida REALTORS® Helping the Homeless: REALTORS® Believe campaign raised her awareness of homelessness in Florida and motivated her to get involved in helping people like the Harleys.

The REALTORS® Believe campaign was a priority of Sherri Meadows, an Ocala REALTOR® who was president of Florida REALTORS® in 2014. Florida REALTORS® presidents traditionally pick a charity for the association to support during their terms. "I said I don't want to just raise money for a charity, I want to raise awareness," Meadows said. "Maybe there's an opportunity to reduce homelessness in our state."

Meadows said her concern for the homeless was motivated by a favorite Mark Twain quote and a chance meeting with a homeless man who told her he wanted to be somebody. The Twain quote was "The two most important days in your life are the day you are born and the day you find out why."

"My why I found out back in 2007," Meadows said. "I was president of the Florida chapter of the Women's Council of REALTORS® and one particular day I was speaking in Tampa. After that meeting a gentleman walked up to me and said 'I want you to know that your theme, imagining, believing and achieving, impacted me. I feel like you've given me hope.'"

The 2014 Florida REALTORS® Helping the Homeless: REALTORS® Believe campaign raised awareness of homelessness in Florida.


Photo by BXGD

(Below) 2014 Florida REALTORS® President Sherri Meadows speaks at the Housing Matters Summit.

"'I'm a homeless person, and I live in a shelter and everyday I go back to my shelter after working my waiter job here, and they've picked through my things, they push me around, they tell me who do I think I am? I'm not going to be anything, I'm just a nobody, but today you've given me hope. And I believe that someday I will be somebody."

Meadows has not seen the homeless waiter since that day in Tampa, but, "He is somebody. He helped to create the motivation for a 150,000-member organization to travel around the state to try to make a difference in our communities."

She focused her campaign on family homelessness, which frequently means single mothers and children escaping from abusive relationships. Meadows said chronic homelessness resulting from drug or alcohol abuse or mental illness is a much more difficult issue, and she felt Florida REALTORS® could have more impact sooner by helping homeless families.

She launched the Helping the Homeless: REALTORS® Believe campaign with a bus tour to all 13 Florida

Florida REALTORS® will have more impact sooner by helping homeless families.

REALTORS® logged more than 3,000 miles on the bus tour.

REALTORS® districts, encouraging members of the associations to get involved in efforts to assist the homeless and eventually end homelessness.

Florida REALTORS® toured the districts in a bus painted with the slogan "REALTORS BELIEVE …

WE BELIEVE in our communities, that housing matters and that WE CAN MAKE A DIFFERENCE!"

Meadows said her team logged more than 3,000 miles on the bus tour and that hundreds of REALTORS® attended many of the district meetings. Those REALTORS® were urged to get involved in local programs providing services and assistance in finding decent, affordable housing to the family homeless.

The REALTORS® visited shelters in Tampa, West Palm Beach and Fort Lauderdale, met homeless persons and learned firsthand about the issues affecting them, Meadows said.

While the bus tour was taking place, Florida REALTORS® advocates lobbied during the 2014 session of the Florida Legislature for increased funding for homelessness programs.


Courtesy of TownePost Network

Courtesy of USDA, Photo by Lance Cheung

(Middle) REALTORS® from across Florida participated in a food packaging event for Meals of Hope.

(Right) In 2015, the KidsPACK program provided meals to 1,345 homeless children attending 66 Polk County schools.

Courtesy of Inside Polk

Delivering meals to homeless children is an ongoing project of a number of local REALTORS®.

The Legislature passed $4 million in grants supporting homelessness programs around the state.

Joining with other homeless advocates during the 2016 legislative session, Florida REALTORS® helped pass $5.2 million in grants to local organizations working with the homeless. Jaimie Ross, president and CEO of the Florida Housing Coalition, said that appropriation was highly important to homeless advocates as it provided for the first time rent subsidies for homeless persons moving into their own apartments.

"When you consider REALTORS® are about selling homes, their commitment to the issue of homelessness is even more powerful as it's not in their direct pecuniary interest," Ross said.

Throughout her year as president of Florida REALTORS®, Meadows took advantage of every opportunity to raise awareness of homelessness. At the association's annual convention, she had members pack meals that were delivered to thousands of homeless persons.

"One packed meal can feed a family of four, and I believe we packed 50,000 meals within two hours," she said. "The very next day those meals were being delivered around Central Florida so that was another success."

Delivering meals to homeless children is an ongoing project of a number of local REALTORS® associations working in partnerships with homelessness coalitions. Barbara Barnes, association executive of the Lakeland Association of REALTORS®, said members of her organization work with a nonprofit called kidsPACK to deliver meals to homeless school children.

Every Friday, Barnes said, kidsPACK delivers plain black backpacks to homeless children attending the Polk County schools. Lakeland REALTORS® help stuff those backpacks.

Barnes said the backpacks contain enough food to feed each family over the weekend. The kids receive free breakfasts and lunches on school days. Last year, kidsPACK reported, the program provided meals to 1,345 homeless children attending 66 Polk County schools.

Under Meadows leadership, Florida REALTORS® sponsored the Housing Matters Summit on Family Homelessness at an Orlando hotel in September, 2014.

The Housing Matters Summit on Family Homelessness in Orlando, September, 2014.

The summit attracted 250 REALTORS®, business leaders and homeless advocates from Florida and many other places outside the state.

"The summit was successful," Meadows said. "It was sold out. We invited first responders, care givers, shelters, civic organizations, bankers. Everybody that you can think of came to that summit, so that the left hand knew what the right hand was doing in the state of Florida."

"We created a model for other associations, be it local or state associations around the country that have done similar initiatives," she said. "We believe that our best practices or ideas were able to be spread around the country from the example that we set."

Summit participants discussed more than 100 ways to provide services to the homeless. The association published a book titled "HELPING the HOMELESS 100 IDEAS TO BELIEVE IN" and distributed it to summit participants.

Florida REALTORS® created a model for other associations around the country.

Ideas highlighted in the book are as basic as offering homeless persons a granola bar or a bottle of water instead of money. Cash donations may be well-meant, Meadows said, but that money may be spent on alcohol or drugs, which perpetuates the cycle of homelessness.

Meadows said helping the homeless has become a way of life for many Florida REALTORS®. One of them is Merritt Island REALTOR® Louise McLean who was named the association's 2014 Humanitarian of the Year for leading an effort to raise more than $120,000 for homelessness organizations in Brevard County.

McLean formed the Brevard's Children in Need Committee after she saw a 60 Minutes program about homeless children in the county. The Brevard Schools Foundation reported 1,600 homeless children in county in 2014.

"The money helps homeless children with needs, from a new coat or shoes to a band instrument — anything to keep them included and involved in school," McLean said.

In Miami, real estate professionals helped raise funds, acquire a building and renovate it to house the Lotus House, a shelter for homeless women and children. Members of Commercial Real Estate Women (CREW)

REALTORS® can use their expertise in housing to help homeless advocates.

Miami played a key role and are continuing to support the foundation that developed the Lotus House and is developing additional homeless shelters in Miami.

The book that summarized Summit discussions recommends 28 ways that REALTORS® can use their expertise in housing to help homeless advocates provide housing, including raising funds to acquire and renovate buildings as shelters and affordable apartments.

"Don't overthink the initial step," the book said. "As one REALTOR® says, 'Just find the housing and the funding and get the homeless off the street."

Lambert has set up a foundation named Housing Ownership Matters for Everyone (HOME), Inc. to provide affordable housing to low-income working people and help the homeless find decent, affordable housing. Lambert has given Lena Harley the opportunity to pay it forward by appointing her to HOME's board of directors.

Lambert said part of her foundation's mission is "to assist Homeless Prevention and Rapid Re-housing to provide temporary housing and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized."

Meadows is now vice president for government affairs for the NATIONAL ASSOCIATION OF REALTORS® and plans to develop a national policy on homelessness for the NAR. "We're kind of silent on that," she said.

"I'm excited to continue the work I've done at the national level," Meadows said. "I continue to believe that not just homeownership but housing matters at all income levels." ●

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Photos courtesy of The Lotus House

The Lotus House seeks to improve the lives of homeless women, youth and children. The shelter shares some of their stories of homelessness on its website, http://lotushouse.org/category/stories/.

(Above) Martha's story: "Drugs led me to homelessness … "

(Middle) Brenda's story: "I came to Lotus House in 2007. I became homeless due to domestic violence …"

Courtesy of USDA, Photo by Bob Nichols

CHOICE *Neighborhoods*

The Revitalization of Public Housing

The Westlawn public housing project in Milwaukee, Wis., was built to LEED standards and contains mostly townhomes and multifamily apartments.

By Brian E. Clark

In the 1960s, the term public housing became synonymous in many parts of the country with violence, urban blight and decay. The notorious Cabrini-Green project on Chicago's Near North Side, once home to 15,000 people living in mid- and high-rise apartments, was relatively isolated from the surrounding community and plagued by drugs and gang warfare.

In the 1990s, Cabrini Green was entirely demolished and replaced with mixed-income housing under HUD's HOPE VI based on a New Urbanism model, with some units reserved for public housing. Since the inception of the HOPE VI program in 1993 and its demise in 2010, more than 260 grants awarded around the country form a total of roughly $6.2 billion. The grants were used to demolish 96,200 public housing units and build 107,800 new or renovated housing units, of which 56,800 were to be affordable to the lowest-income households. The new and renovated buildings were designed to be less dense.

Following in its footsteps, HUD's Choice Neighborhoods Initiative (CNI) is building on HOPE VI, leveraging smaller grants to improve not only blighted projects, but the surrounding neighborhoods. During fiscal year 2016, CNI had a budget of $125 million. For the 2017 fiscal year, President Obama has requested $200 million from Congress, an increase of $75 million.

HUD officials say CNI uses a comprehensive approach that involves local leaders, residents and other stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits and private developers — who are required to come up with a Transformation Plan.

CNI also ensures, they say, that current public and assisted housing residents will be able to benefit from this transformation by preserving affordable housing or providing residents with the choice to move to affordable and accessible housing in other neighborhoods.

Brian Sullivan, a HUD spokesman, said HOPE VI was responsible for "many of the nation's oldest and most decrepit housing developments falling to the wrecking ball, not only Cabrini Green, but Robert Taylor Homes in Chicago as well."

Built to provide affordable housing, Taylor Homes was at one point the nation's biggest public housing project, consisting of 28 high-rise buildings of 16 stories each — with more than 4,400 units — that stretched for two miles. Designed for 11,000 residents, this development housed as many as 27,000 people. Like Cabrini Green, it has been replaced by a mixed-income neighborhood.

"Suffice it to say these public housing projects had national reputations. Certainly in their own communities, they were seen as a failed approach about how to house what were in some cases extremely poor families.

"Choice Neighborhoods is an outgrowth of the HOPE VI, which was a way to help public housing authorities around the country deal with severely distressed public housing stocks that were located in parts of their cities that had very few opportunities for anything as simple and basic as a grocery story. So as a consequence, you saw generations of poverty and everything that comes from that."

Sullivan said the old model of replacing dense public housing units on a one-to-one basis only "perpetuated the model where you were concentrating very poor and extremely poor families in these isolated pockets of poverty.

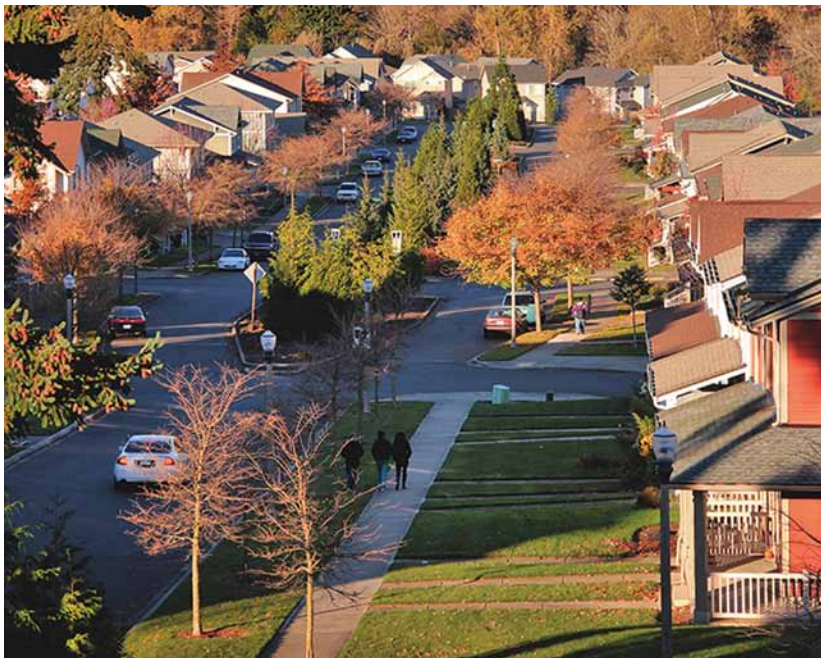
"That one-to-one approach ended and allowed for HOPE VI to come about as a different model to help public housing authorities replace these developments and build mixed-income neighborhoods."

Launched by the Obama administration in 2009, he said the aim of Choice Neighborhoods is to "deconcentrate pockets of poverty and transform them into multi-income neighborhoods that work because they have transportation, schools, grocery stores and other amenities. You want neighborhoods to function in all ways, not just have new housing. Nice housing with no transportation and lousy schools isn't going to do it. You need all the pieces that are part of the wider neighborhood."

He said Chicago Housing Authority developments are now far less densely concentrated mixed-income neighborhoods that are "a more vital part of the fabric of the surrounding neighborhood and community. They have better transportation options, grocery stores, libraries and schools."

He described Choice Neighborhoods as a "vehicle to do that very thing more broadly, not just to include public housing, but all the other facets. Unfortunately CNI is limited by the appropriated funds, so it has only touched a number of places.

"But what it has tended to do is bring other agencies on board. We have funded planning grants to support local communities and how they might plan for a neighborhood-wide redevelopment and then larger implementation grants."



The Salishan HOPE VI revitalization in Tacoma, Wash., is a residential and commercial transformation of a housing project that was originally built during WWII for soldiers and civilians.

Photos courtesy of Torti Gallas and Partners, Inc.

(Below) The new San Francisco housing development in the Alice Griffith neighborhood will be integrated into its surrounding community.

(Right) The Martin Luther King Plaza was developed in part with a HOPE VI grant and sits in what was once one of the worst blighted areas in Philadelphia. The new complex is designed based on New Urbanism principles and is now one of the most desirable places to live in the city.

Courtesy of Torti Gallas and Partners, Inc.

Courtesy of Steve Hall, Hedrich Blessing

In the Boston neighborhood of Dorchester, he said a $20.5 million CNI grant was leveraged to bring in another $43 million in public and private funds for a total of $64 million. Similarly, HUD provided $30 million for a public housing project in Chicago's Woodlawn neighborhood that stimulated another $134 million in investments.

"These days, public funds are probably not going to get it all done, so as a requirement, we expect successful grant applicants to come to the table with other leveraged sources, whether it is San Antonio, Texas, New Orleans or Seattle. They've all got to have some skin in the game."

In San Francisco, the impoverished Alice Griffith neighborhood is being redeveloped with the help of a CNI grant. This barracks-style public housing project is on Candlestick Point and includes part of the old Candlestick Park, which the San Francisco Giants baseball team and San Francisco 49ers football team once played. It was torn down in 2015. McCormick Baron Salazar, a leading real estate development firm that specializes in economically integrated urban neighborhoods, is managing the redevelopment, while Torti Gallas and Partners architectural firm, is designing it. The San Francisco Housing Authority owns the land.

Neal Payton, a partner with Torti Gallas in Los Angeles, said the larger area surrounding Alice Griffith has shipping and light industrial activity. He said the first three blocks of the redevelopment were built without any impact on the existing neighborhood so that residents of current public housing were able to move once.

Payton said the design process started three years ago with two blocks now finished and more being constructed. One block, he said, is walk-up townhouses, while the other is an apartment complex built around a courtyard. Because the old sports stadium is gone and the huge parking lot is available, he said the neighborhood will be densifying and four times as much housing will be built in the area compared to what was in the 333-building, two-story Alice Griffith project — most of which was built in 1963.

"The new buildings will not feel isolated like the existing project, which is not just two-story barracks but enclosed and almost gated off from the rest of the neighborhood," he said. "There is only one-way in and out, so it really does feel almost isolated."

Though the cul de sac and non-through streets were initially designed to slow traffic and protect kids, Lavelle Shaw, the Alice Griffith Tenants Association president, said that street pattern cut off residents from public transit and businesses, making it something of an island.

"We were a lost city, always forgotten, always left out," he told a reporter when ground was broken for the first homes last year.

Payton said the new design "flips that old pattern on its head and makes the new development an extension of San Francisco's existing street network. The new housing will fill in some of the existing blocks and look like just normal buildings that you'd find anywhere in San Fran.

"You won't be able to distinguish in any way that this is affordable housing. There is also a big central park planned for this quadrant and that will help frame this development. Later, market-rate housing will do the same."

Payton said he likes the CNI philosophy because "it's a way that HUD is supporting the reanimation and revitalization of certain urban areas that have been neglected over the years — sometimes unintentionally, sometimes intentionally. It does this in a way that supports public housing for folks who need it, but at the same time puts that housing in an environment that is mixed with other people so the poor aren't concentrated in one area. I think that's a better way to rebuild parts of a city from a social point of view.

"This is good because it goes beyond HOPE VI. It's concerned with more than just the 'bricks and sticks' component. It seeks to create partnerships with other elements of the community to improve education, policing, economic activity, transportation and the like so that the communities that are awarded funds really have to have their acts together. They must have a far-reaching vision and program to improve all those aspects of urban life. That's pretty healthy.


Photo by Paul Sableman

"What I don't like is that there's not enough money for Choice Neighborhoods. The amount of need vs. the available funding. Simply put, we need a lot more."

Milwaukee's Westlawn public housing project is also undergoing a major transformation. Located on 75 acres on the northwest side of the city, the $82-million do-over started six years ago with the demolition of nearly half of 725 distressed, 1940s-style barracks. They have been replaced with 250 units made up mostly of townhouses and multifamily apartments that were built to LEED standards. The development also included a three-quarter-acre community garden. The first half of the project was paid for in part with a Wisconsin Economic Development Corporation grant and opened in 2013 to positive reviews.

Bill Fears, a project manager for the Torti Gallas architectural firm — which designed the first half of the effort — said the team redeveloping the second phase of Westlawn has received a $30-million CNI grant for what he called "an almost identical product. Construction should start next year. When finished, it will have a slightly higher density of nearly 1,000 units.

"The biggest issue we had with this development was its isolation from the rest of the community. We've reopened four or five new connections into the neighborhood and brought everything up to a similar housing type rather than group-style barracks housing. We took it back to townhouses and small apartment buildings, which is what exists in the nearby neighborhood. So you get a continuity of type."

Murphy Antoine, a partner with Torti Gallas, said his company has been working with the housing authority in Milwaukee since 2008. He's seen the approach toward redeveloping impoverished public housing projects evolve with the implementation of Choice Neighborhoods.

"It goes beyond HOPE VI and includes things like having a bigger impact outside the boundaries of the actual housing site. Unfortunately, resources aren't there to do more of it. There are three, maybe four neighborhood awards given out every year and that is a drop in the bucket to make a difference in the problem."

CNI seeks to create partnerships with other elements of the community to improve education, policing, economic activity and transportation.

In Yonkers, N.Y., the Cottage Place Gardens public housing complex is also being revitalized with the aid of a CNI grant. Jesse Batus, a senior project manager at The Community Builders, said the project consisted of 256 units in 14 squat, plain, brick, three- and four-story walk-up buildings before the redevelopment began.

Since then, several structures on the site were demolished and replaced by 172 new housing units in two phases of what Batus said will ultimately be a six-phase process. Much of it is affordable housing. So far, Community Builders has received permits from the city to construct 500 units.

Photos courtesy of the City of Yonkers

The ribbon-cutting ceremony for the Schoolhouse Terrace Apartments in Yonkers, N.Y. (pictured above).

"Our partners with the Municipal Housing Authority for the City of Yonkers (MHACY) had done a good job maintaining the development but ultimately it is a distressed public housing project, having been built in 1945 and suffering from systemic capital needs that can't be addressed through a rehab.

"Beyond that, there were things like outdated layouts and finishes, poor building envelope issues from old windows, doors, and insulation, as well as a lack of amenities. The buildings have outmoded heating systems, a dearth of accessible units and a lack of active outdoor spaces like parks or playgrounds."

Batus said the development's campus-style layout created "a sort of disconnection of the development from the rest of the community. There is virtually no street frontage to the development, with the primary points of access from North Broadway and Warburton Avenue virtually hidden from the street. If you don't know where the development is, you really can't tell from the main road that 256 families were living back there."

Batus said a major component of the redesign has been to acquire street parcels along Warburton and Ashburton Avenues, which are major thoroughfares, so the project could be brought back into the community.

"Our goal is for every resident to have a physical address, not to have to say that 'I live in building #13 at Cottage," he said.

Though the Ravine neighborhood where the Cottage Place Gardens is located has many vacant and blighted homes, a higher crime rate than the rest of the city and a lack of recreational green space, he said it also "has a lot of promising characteristics that can result in a vibrant neighborhood."

During the first phase of the Redevelopment, Community Builders and its partners renovated Public School 6 at 43 Ashburton Ave. — across from the Cottage Place Gardens — and reopened it last year as the Schoolhouse Terrace Apartments.

Cottage Place Gardens has a lot of promising characteristics that can result in a vibrant neighborhood.

Courtesy of the City of Yonkers

Photo by Paul Sableman

We have transformed a symbol of neglect and deterioration into a symbol of hope and new opportunity.

Long an eyesore, the school's original, architecturally distinctive archway was preserved and integrated into the design of the 50-unit building for low-income seniors and another 70-unit building designed for low-income families.

At the grand opening ceremony last year, Yonkers mayor Mike Spano praised the effort and said, "We have transformed what stood for years as a symbol of neglect and deterioration into a symbol of hope and new opportunity, providing quality, environmentally sustainable, affordable housing for Yonkers families, seniors and newcomers to our city."

Cottage Place Gardens is close to a rapidly improving waterfront and downtown in which the city has been investing years of time and energy. The neighborhood is also close to mass transit and there are sight lines throughout the neighborhood of the Hudson River and Palisades.

"Most importantly, many long-time stakeholder residents, homeowners, and organizations who have a vested interest in improving the community are here," Batus added. "Together we have been working in concert to address the physical, economic and social challenges in order to turn our vision into reality."

"Our goal in this effort is to create a true mixed-income community which will gradually increase density and mix incomes without displacing long-time residents. Attracting more middle-income families and individuals will generate more capital which can be spent locally. This will spur the economy in the neighborhood, leading to more active and lively storefronts and more jobs for lower-income residents.

Batus said he met scores of people in planning meetings who "have fond memories of going to school here, raising their families here, having fun here. They truly care about what happens in the future, not just for them but for their children. We'll know if this effort was a success if we find the right balance of attracting new families and businesses to join this community while not displacing or alienating those long-time stakeholders." ●

Brian E. Clark is a Wisconsin-based journalist and a former staff writer on the business desk of The San Diego Union-Tribune. He is a contributor to the Los Angeles Times, Chicago Sun-Times, Milwaukee Journal Sentinel, Dallas Morning News and other publications.

Olney Springs is Montgomery Housing Partnership's first for-sale, mixed-income community, and was completed in Sept 2015. It features 114 townhomes and single-family homes.

Photos courtesy of Montgomery Housing Partnership

VACANT LAND

... or Affordable Housing

Public land partnerships make housing available for all income levels.

By Brad Broberg

A vacant lot. An obsolete building. A sea of empty parking spaces. If they're surplus public property, they're stuck on the bench when they could be going to bat for affordable housing.

The game plan goes like this.

A local jurisdiction reviews its real estate, decides what's disposable and designates affordable housing as a priority use for any surplus property. Suitable sites for development are made available at little or no cost on the condition that developers reduce prices for a certain number of dwellings. The discounted land plus low income housing tax credits and other financing mechanisms subsidize the affordable units.

The idea is not entirely new and it's not always easy to hit a home run. But with many of the nation's cities facing what Department of Housing and Urban Development Secretary Julian Castro calls an affordable housing crisis,

Allocating public land helps build in some affordability.

Courtesy of Montgomery Housing Partnership

the strategy is weaving its way into a growing number of affordable housing plans.

"There's a reason you're seeing more cities look at their public land carefully," said Robert Hickey, co-author of a National Housing Conference/Urban Land Institute report on public land and affordable housing in the Washington, D.C. area.

"Land for development is scarce and expensive in many places. Allocating public land helps build in some affordability that otherwise would be difficult to get."

The strategy starts with two musts: a determination that affordable housing is the best use for surplus land and a supply of desirable sites.

"Not all properties are appealing," Hickey said. "Some are publicly owned because no one wants them."

Letting go of desirable land to support affordable housing is no small tradeoff for a local jurisdiction. The same traits that make a location good for people with low and moderate incomes — walkability, job opportunities, transit services — make it a valuable municipal asset that if sold at market value would generate a windfall.

Community objection is another reason to think twice. The best locations for affordable housing are often in areas that already are very dense. Instead of additional housing, the community might prefer a park.

There's no question, though, that the shortage of affordable housing in many parts of the country is a real problem with real consequences for people with low or moderate incomes.

The rule of thumb is that housing should cost no more than 30 percent of household income, but 11.8 million households in the United States spent more than half their income on rent in 2015. The number will climb to 13.1 million over the next decade, according to a study by the Harvard University Joint Center for Housing Studies.

"Too many families earning less than $50,000 per year are having to make tradeoffs between putting a roof over

The shortage of affordable housing is a real problem with real consequences.

Courtesy of Montgomery Housing Partnership

(Right) Yvonne Aiken, Arlington Mill resident and APAH Board of Directors member, mixes it up in her kitchen.

Courtesy of Arlington Partnership for Affordable Housing

Courtesy of Montgomery Housing Partnership

(Left) APAH's Arlington Mill Residences, home to 122 households. More than 3,000 people applied to live at Arlington Mill when it first opened in 2014.

(Below) Healthy eating on a budget and a good time too! APAH and Virginia Cooperative Extension team up to provide slow cooker classes for APAH families.

Courtesy of Arlington Partnership for Affordable Housing

their heads and food on the table," said Chris Herbert, the center's managing director. "These negative trends are poised to go from bad to worse as the most burdened populations — minorities and the elderly — grow."

But boosting the supply of affordable housing is just one of many needs — roads, schools, transit — competing for limited tax dollars. That's why allocating public land makes more and more sense to more and more localities.

"It's a resource they can use to support affordable housing without a direct cash outlay," Hickey said.

San Francisco, New York City and King County, Wash., are among a number of municipalities around the country that have adopted policies promoting the use of public land for affordable housing, but some of the best examples of such policies in action are in the Washington, D.C. area.

All of the forces that drive a locality into an affordable housing crunch — a strong economy, growing population and rising costs for dwindling land — are especially acute in metropolitan Washington, D.C.

Take Arlington County, Va., for example. "If we didn't do anything, we could quickly be down to zero housing that's affordable to people who are making 60 percent of the average median income," said Jay Fisette, a member of the Arlington County Board.

> Colocation is an especially creative way to use public land to support affordable housing.

Colocation — sharing land for multiple uses — is an especially creative way to use public land to support affordable housing. Arlington County teamed up with the Arlington Partnership for Affordable Housing (APAH), a nonprofit corporation, to build a community center and affordable housing on the same county property atop a shared parking garage.

Completed in 2014, the Arlington Mill Residences is a four-story apartment building in which all 122 units are priced for households earning less than 60 percent of the area median income. A one-bedroom unit rents for $533 to $1,148 a month.

The site would have fetched an estimated $8.5 million or more on the open market, but APAH paid the county just $1.55 million for a 75-year ground lease. The savings

You don't want a community that prices people out at the early stages of their life or at the end of their life.

cut costs by more than $50,000 per unit and were critical to the feasibility of the project.

Infill development like the Arlington Mill project — the community center and apartments replace a closed Safeway store the county acquired in 1996 — is one of many smart growth principles Arlington County has applied over the years to prevent sprawl and promote sustainable development.

But smart growth can have an unintended consequence. One of smart growth's tenets is to provide housing for a wide range of incomes, yet the popularity of smart growth neighborhoods — compact and walkable with easy access to jobs, shopping and transit — can push prices out of reach of low- and moderate-income households.

"Unless you are very intentional about (maintaining affordability), smart growth will, in fact, raise the prices," Fisette said.

Arlington County's need to continue providing affordable housing for young workers, seniors and others makes the sweet deal it gave APAH a good investment, Fisette said.

"You don't want to have a community that prices people out at the early stages of their life or at the end of their life," he said.

The success of the Arlington Mill project inspired the county to launch Public Land for Public Good. The initiative identified eight other publicly owned properties suitable for affordable housing and set the stage to perform planning studies for each site.

"Using public land for affordable housing is much harder to do if each project is sort of a separate idea," Fisette said. "It's easier if planning documents incorporate housing affordability into the planning."

Montgomery County, Md., is an affordable housing pioneer. In 1974, it passed the country's first inclusionary zoning law requiring most new housing developments to include a minimum percentage of units at affordable prices. In the late 1980s, it began taking inventory of public land and spearheading development of mixed-income housing — affordable, combined with market rate — on various county properties.

Now the county is making a concerted effort to colocate affordable housing with public facilities after participating in its first such project — a library and a senior apartment building called the Bonifant at Silver Spring.

Owned and operated by the nonprofit Montgomery Housing Partnership (MHP), the Bonifant at Silver Spring is 11 stories and contains 149 housing units. All but 10 units are priced for households with incomes between 30 and 60 percent of the area median, which works out to between $458 and $1,028 a month for a one-bedroom unit.

The 10 units that aren't priced for limited-income households go for the market rate of $1,231, which adds a small but

Planning needs to incorporate housing affordability into the equation.

The Bonifant at Silver Spring in Montgomery County, Md.

Photos courtesy of Montgomery Housing Partnership

welcome cross-subsidy to the financial cocktail needed to price the rest of the units affordably.

"In general, affordable housing is not built with one funding source," said Stephanie Roodman, senior project manager with the MHP. "It's built with anywhere from three to 10 funding sources."

One of the key subsidies for the Bonifant at Silver Spring is a deeply discounted ground lease from the county — $25,000 a year for 77 years for a total of $1.925 million.

A rundown apartment building with a history of code violations occupied most of the library and senior housing site before the county purchased it in 1999. The county later bought two adjacent parcels.

The land is prime downtown real estate near transit. It's an ideal location for senior housing, but the MHP never could have built affordable housing there if it paid full price for its half of the site.

"The county could have sold that land for $10 million to someone else," Roodman said. "We were really lucky because we have a county that's committed to affordable housing."

The library opened last spring followed by the apartments this spring. Montgomery County now requires that all county agencies consider colocating affordable housing when constructing new facilities or redeveloping or disposing of any county land.

Not to be overshadowed by the financial benefits of colocation is the potential synergy of putting public facilities and affordable housing side by side. "You'd be crazy not to be excited about living right next to a library with all of its programs," Roodman said.

Adopting a policy to use public land for affordable housing is one thing, but getting the desired result is another. In 2002, San Francisco required that surplus public land be transferred to the mayor's office to

Montgomery County requires that all county agencies consider colocating affordable housing when constructing new facilities.

Burien Town Square in King County, Wash. Burien has been busy rebuilding and reinventing itself. Downtown's major arterial received a makeover with widened sidewalks, benches, landscaping and old-fashioned lampposts. In 2009, Burien Town Square opened its first buildings, a joint King County Regional Library and Burien City Hall, in a multi-story condominium/retail building.

Photos by Michael B

The City of Renton, Wash., downtown revitalization
Photo by Oran Viriyincy

Photos courtesy of Montgomery Housing Partnership

Adding market rate housing and tax increment financing support affordable housing.

support housing for the city's low-income and homeless populations, but the action led to "less than a handful" of projects, said Michael Martin, project director of the public site development program.

The first problem was that the transfer process was left entirely to individual departments. There was a natural inclination under that scenario for departments to hang on to properties — just in case — and no real incentive to report them as surplus. Now a central office reviews each department's holdings to ensure surplus property is transferred appropriately.

But a second problem lingers. Most city departments can transfer surplus property without requiring any financial return. However, so-called enterprise agencies that generate their own operating revenues like utilities and transit are legally bound to obtain market value.

That eliminates an important subsidy for affordable housing, yet the enterprise agencies own some of the city's largest and best-situated surplus properties. Rather than throw up its hands, San Francisco is developing a model for supporting affordable housing while also getting market value for the properties.

Adding market rate housing to cross-subsidize a range of affordable housing is one possible tool. Another is tax increment financing, which captures revenue from rising property values.

"The thread that goes through this is that we're taking a more active real estate management role," Martin said. "The traditional government approach is we have these holdings, we'll figure out what to do with them, if there's nothing there now, there'll be something later. But that era has passed. There just aren't that many places left to build anymore." ●

Brad Broberg is a Seattle-based freelance writer specializing in business and development issues. His work appears regularly in the Puget Sound Business Journal and the Seattle Daily Journal of Commerce.

Photo by Andy Perkins


Photo by Andy Perkins

State Historic Tax Credits

A boon to middle-income homeowners

By Brian E. Clark

The last few decades have been tough on middle-income Americans. Wages have remained relatively flat and many good-paying factory jobs have disappeared overseas. In this economic climate, a lot of people consider themselves fortunate simply to have work, a job with family health insurance and a roof over their heads.

The cost of gas may be down — at least temporarily — and there are bargains at Walmart and the Dollar Store, but the cost of housing has risen significantly. According to a report by the U.S. Census Bureau, the median price of a new home in July 1996 was $144,000. If that number would have risen with inflation, the study said, the average American home would cost roughly $232,000 now. Instead, it stood at $363,400 in January, more than 46 percent higher than the cost when figuring for inflation alone.

And wages? The typical American family income was $53,657 in 2014, down slightly from $54,462 a year earlier, according to the Census Bureau. Median family income remains lower than it was in 2007, the Census report said, though precise comparisons are difficult to determine because the Census changed its methodology last year so it could provide a more detailed look at the sources of Americans' income.

This one-two punch of stagnating wages and rising home costs makes it difficult for lots of middle-class Americans to afford housing. Other than the mortgage interest and


Photo by Paul Sableman

state and local tax deductions, public policies and subsidies are not directed to the middle class. Federal historic tax credits only apply to income producing property.

But state programs can help. One tool is historic tax credits.

Renee Kuhlman, a tax credit specialist with the National Trust for Historic Preservation in Washington, D.C., said the number of states with historic tax credits has grown dramatically in the past 20 years. In 1986, there were three. By 2004, the number had grown to 24 and by 2016, 34 states had some kind of historic tax credits, with at least 23 of them offered to residential homeowners to reduce their state income taxes.

"These programs are great preservation tools," she said. "But legislators really like them because they can revitalize their downtowns. They are a true catalyst for that and they've multiplied because people see them working in nearby states.

"You need to have housing for people to support your downtowns. That's often the key to making a successful revitalization. When people use historic credits to fix up a house, then other people on the block do the same. It often has a 'halo' effect, regardless of whether the neighbors are getting credits themselves."

Kuhlman said the state income tax credits can lower the cost of homeownership and lower renovation costs for residences that qualify under National Park Service standards and are deemed to be "certified historic structures" or are part of historic neighborhoods.

"The state tax credit for individuals is one of the few incentives we have for encouraging the rehab of personal property," she said. "The federal government doesn't do it. So if it weren't for states offering income tax breaks for historic residences, there are very few financial incentives for owners to maintain their historic properties."

She said Iowa, Maryland, Missouri and Colorado all have excellent state historic tax credit programs. Colorado's was upgraded in 2015 and gives up to a 25 percent income tax credit for the first $2 million in qualified rehabilitation expenses and 20 percent for the remaining qualified costs.

"I like this one because they make sure that 50 percent of the program goes to smaller, Main Street programs," she said. "And while middle-income folks wouldn't use $2 million, it could still save them a lot on, say, a $150,000 rehabilitation project."

And in Maryland, she said the state allows local governments to give homeowners property tax abatements for historic restoration projects for up to 10 years, "which means they wouldn't have to pay taxes on the improvements for some time and save money that way."

In St. Louis, Mo., REALTOR® Eric Friedman said his state's historic tax credits program was initially passed in 1997 "because we have a low-housing-cost market in St. Louis, but high construction costs.

Historic tax credits can revitalize downtowns.

Photo by Andy Perkins

Courtesy of Michigan Municipal League

(Above)
Las Vegas, N.M.

Photo by Paul Sableman

Rehabilitation of owner-occupied housing is directly linked to economic development.

"That means we had a lot of beautiful buildings in the downtown — old loft buildings — and lovely residential buildings in neighborhoods. But the high cost of renovation didn't work, particularly for the large buildings and it didn't work particularly well for the smaller buildings or homes, either, so there was a big gap. Rehabilitation of owner-occupied housing is directly linked to economic development, especially in distressed areas."

He credits St. Louis attorney Jerry Schlichter for championing the cause and developing the legislation. Missouri REALTORS® then became part of the coalition that helped to pass the tax credit program for Missouri. Initially, the initiative did not include homeowners, but Schlichter added them when residents of Benton Park — which dates to the 1860s — approached him at a neighborhood meeting and asked to be part of the law.

"If you are trying to rebuild neighborhoods and downtowns, you want to have homeowners there and not just renters," said Friedman, who said some homes in distressed areas were sold for $1 by the city. "This helps do that and it makes all the sense in the world. A Brookings Institution report said we need to support these urban areas because they are the economic engines of our country.

"Besides, a lot of people from millennials to boomers want to live in or near revitalized downtowns in walkable, bikable neighborhoods. Our historic income tax credit law has helped make that happen. Over the years, I think hundreds of middle-income families have benefited."

Once the program got going, he said it took off rapidly and has resulted in more than 43,000 jobs and literally billions of dollars in redevelopment, especially along Washington Avenue and in many of the city's beautiful, historic neighborhoods. Washington Avenue, he noted, has been described as one of the country's "Great Streets" by the American Planning Association.

A key aspect of the state tax credit, Friedman said, is the ability of homeowners (and commercial developers of larger properties) to sell the credits. That means if someone spends $100,000 to renovate a historic home, he or she would only have to borrow roughly $75,000 because of the 25 percent state credit they can sell to banks or some other entity.

Friedman said the ability to sell the tax credit was essential to the program's success. Without that transferability, the tax credit would not have been so effective an incentive for development. He said the credits usually sell from

87 to 92 cents on the dollar, so a $10,000 tax credit would be worth $8,700 to $9,200 to a homeowner.

"This is a great program because it creates capital for positive public policy," he said. "It stimulates investment and that's why the Wall Street Journal called Missouri's program a 'model for the nation.'

"I believe this could be replicated in any community in the United States where you have similar kinds of problems," Friedman said. "It's been used in over 66 Missouri communities. And in downtown St. Louis alone, the program has been used to rebuild over 100 historic structures. It's also added over five thousand new residents — many of them college graduates — and it's benefitted lots of neighborhoods, too, because St. Louis is a city of neighborhoods."

Tim Vogt, co-owner of Millennium Restoration and Development Corp., said since 1999 his company has restored more than 50 city properties using historic tax credits.

"These were both our own development projects that were for sale and also properties that we served as the general

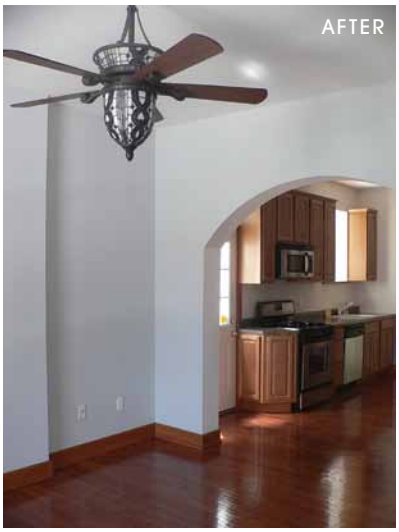
Without the tax credits, these properties would probably have never been redeveloped.

contractor for our customers," he said. "Without the tax credits, these properties would probably have never been redeveloped and would not have been able to be sold at affordable market prices. Many of our buyers are moderate-income to middle-income households."

He said his company has rehabbed homes in numerous St. Louis neighborhoods, including Tower Grove East, Benton Park West, Gravois Park, Benton Park, Soulard, McKinley Heights and Lafayette Square. The projects ranged from single-family rehabs; to two-family conversions to single family; four-family conversions to townhomes; six-family conversions to townhomes; and storefront buildings into residential homes.

"Many of our projects were market-rate developments, and some were affordable developments utilizing Community Development Block Grant funds

Millennium Restoration and Development Corp. restored The George Denison House — a house built for a prominent St. Louis attorney in 1831 — in the St. Louis neighborhood of Fox Park.



Millennium Restoration and Development Corp. redevelops homes for all income levels. These photos illustrate the restoration of a 1909-built bungalow, originally constructed for the working class in the Tower Grove East neighborhood in St. Louis, which remains affordable housing, today.

along with historic tax credits," explained Vogt, who said prices started at $95,000; while most have been below $250,000.

Lucas Delort, a 25-year-old graduate student at Washington University in St. Louis, bought a rundown, 1912 Tudor Revival-style house to restore — with the help of his contractor father — in the Gravois Jefferson Streetcar Suburb Historic District in 2014.

They purchased the 2,400-square-foot home for $50,000, have put $60,000 — and countless hours of sweat equity — into the rehab and figure they'll spend another $8,000 before the project is finished.

"I always knew I wanted to buy and renovate a house," said Delort, who is getting his degree in social work and economic development. "Once I learned that this was a national historic district, I applied for the historic tax credits, which makes it more affordable for me. I may even restore another home in the area after this. I could have gotten another house for less than $30,000, but this one is unique and worth it."

He moved in April of 2015 before the home's kitchen was complete and now has several roommates.

"It's been an experience," he said. "But I like the neighborhood, which is slowly being redeveloped. I'm just one block from Cherokee Street, which has a lot of art studios. And there are a number of good Mexican restaurants around here, too."

In Kansas City, homeowner Rachel Nugent said she recently completed a renovation of her house using the Missouri historic tax credit program. She lives in Squier Park, a small turn-of-the-century neighborhood developed as a streetcar suburb just east of Troost Avenue in Midtown, Kansas City.

She described Squier Park as a working-class/middle-income neighborhood that "had witnessed the effects of decades of disinvestment in the area. It is filled with large and modest houses that are in need of a little (or a lot of) TLC. Our house wasn't eligible for individual listing, so we got the whole neighborhood listed in the National Register."

She said a core group of neighbors invested in their properties and worked hard to maintain the neighborhood over the years, but she called it a "constant struggle." The historic tax credit available to all the contributing properties in the district is now one more tool neighbors can use to help bring this neighborhood back to a thriving community.

"The availability of substantial, affordable historic homes coupled with this financial incentive to fix them up has attracted young families to the neighborhood.

These credits can be a tool for middle class folks like state government employees and teachers who want to buy or renovate historic homes.

My family and I could not have been able to rehab our house without the tax credits to help offset the $100,000 project.

"Since we completed our house, three other neighbors have begun historic tax credit projects. Two neighbors are longtime residents who had done some work on their houses but did not initiate major rehabilitation projects until the tax credit was available. I don't know exactly what their income brackets are, but these neighbors are teachers, nurses, contractors, assistants at a local church, and these rehabs are all around $100,000 projects."

The program can also be used to develop low-income and workforce housing.

In Delaware, Historic Tax Credit Coordinator Joan Larrivee said her state's program started in 2001 and has been used by many middle-income homeowners.

"These credits can be a tool for middle class folks like state government employees and teachers who want to buy or renovate historic homes," she said. "Certainly some I've met fall into that category and I'm always trying to reach out and make people aware of this program through the talks that I give celebrating the federal National Historic Preservation Act that got this all going 50 years ago. That was the seed and a lot of good things have grown out of that legislation. Unfortunately, federal tax credits are not available to homeowners, so state programs are the key."

In Delaware, she said the homeowner income tax credit is equal to the costs of rehabilitation work. Participants can qualify by spending as little as $5,000 on a project and can receive up to $20,000 in credits, which equals roughly $67,000 in work.

"That's the limitation, but it's still a lot of money for most middle-income folks," she said. "If you do have someone who is able to spend more money, they can reapply every two years. If you have a state income tax liability of $3,000 in a certain year, you can apply part of your $20,000 credit. Then you can carry forward unused tax credits for 10 years until they are gone."

The Benton Park Neighborhood in St. Louis, Mo.,originally settled by German immigrants who worked in breweries and other nearby industries, became a city historic district in 2006. Homeowners have been taking advantage of Missouri's historic tax credit program to rehab their houses in the district.

Photos by Paul Sableman

Like Missouri, the other option in Delaware is to sell tax credits, she said.

"There are brokerages that will do a deal and make an arrangement with a company that owes Delaware income taxes to buy your tax credit," she explained. "They won't buy them dollar for dollar, but for a discount. For someone who is elderly and doesn't have a lot of income tax liability, and is living on social security but has used some of their savings to make required repairs to their historic home, this is a feature that is a good thing for them. I have a lady now who doesn't owe anything in state income taxes. She has a credit and she can benefit by getting some income that might be helpful to restore savings she had to use to make these repairs."

In New Mexico, historic tax credit manager Harvey Kaplan said his program for "registered cultural properties" has been around since 1984 and was the first of its kind in the country.

"It yields — for projects that are approved in advance — tax credits of 50 percent of eligible expenses against New Mexico state income taxes of a maximum generally of $50,000 — which results in a credit of $25, 000.

"If the property is in a state-approved arts and cultural district, the caps are doubled. If people don't use the credit to wipe out their tax debt for the tax year of the project completion, they can spread it out over an additional four years." Kaplan explained.

He said the program has been used for hundreds of properties and "we get applications for everything from $500 to $1,000 stuff all the way up to million-dollar projects. The limits could be higher, but it's better than getting poked in the eye with a stick. And we do get a lot of middle-income homeowners who benefit from this."

Many residents in the small town of Las Vegas, N.M., have used the program because of all the community's historic homes, some of which are adobe dwellings that date back to the middle of the 1800s. The town, which is on the Santa Fe Trail, has a population of around 15,000. It has eight historic districts and more than 800 properties listed on the National Register of Historic Places.

Kaplan said movie and television production companies often use the town for shoots. He estimated that some "fixer-uppers" in Las Vegas could be purchased for less than $50,000.

"I'd love to live there, but it'd be an hour commute to my work in Santa Fe," he quipped.

The tax credit program also has been popular in the Huning Highlands neighborhood, which is on a rise above downtown Albuquerque.

"It's been in use for about 20 years there and a lot of middle-class people have bought older homes and fixed them up using tax credits," Kaplan said. "We have two in that neighborhood now. It's made a difference in a lot of places."

Unfortunately, New Mexico does not allow the tax credits to be sold or transferred — as in Missouri and Delaware — which limits the program.

"That's kind of a shame and people are pushing for the change, so we'll see," he said. "But still, a lot of neighborhoods and homeowners have benefited from this program,

A lot of middle-class people have bought older homes and fixed them up using tax credits.

A restored historic home in Las Vegas, N.M.

Photo by Amanda Quintana-Bowles

like historic Silver Hill south of the University of New Mexico campus, Santa Fe and Las Cruces."

Colorado updated its historic tax credit program last year to make it easier for residents to use, said Joe Saldibar, the architectural services manager for History Colorado. It also clarified what kinds of homes and other structures are qualified.

"One of the downsides of the old credit was that if you sold the property within the first five years, you had to give back a portion of the credit," he said. "People don't always know where they will be in five years, if they are going to be transferred or if they might lose their job in a recession and have to pay back money in taxes."

Though owners of historic commercial properties can sell their state income tax credits, homeowners in Colorado cannot. But he said the program is still attractive, allowing residential property owners to write off up to $50,000 in state income taxes over 10 years.

"If you do $100,000 worth of work, you could get 20 to 25 percent of that back in tax credits, depending on where you live," he said, noting the higher rate goes to regions that have been declared disaster areas.

"The credits could mean an offset of $20,000 to $25,000 for that $100,000 project, which is another tool to pay for preservation. And it also makes historic homes a little more attractive to homebuyers. We won't know for sure if changes in the law have bumped up interest in the program until a review is done, but anecdotal evidence suggests it has."

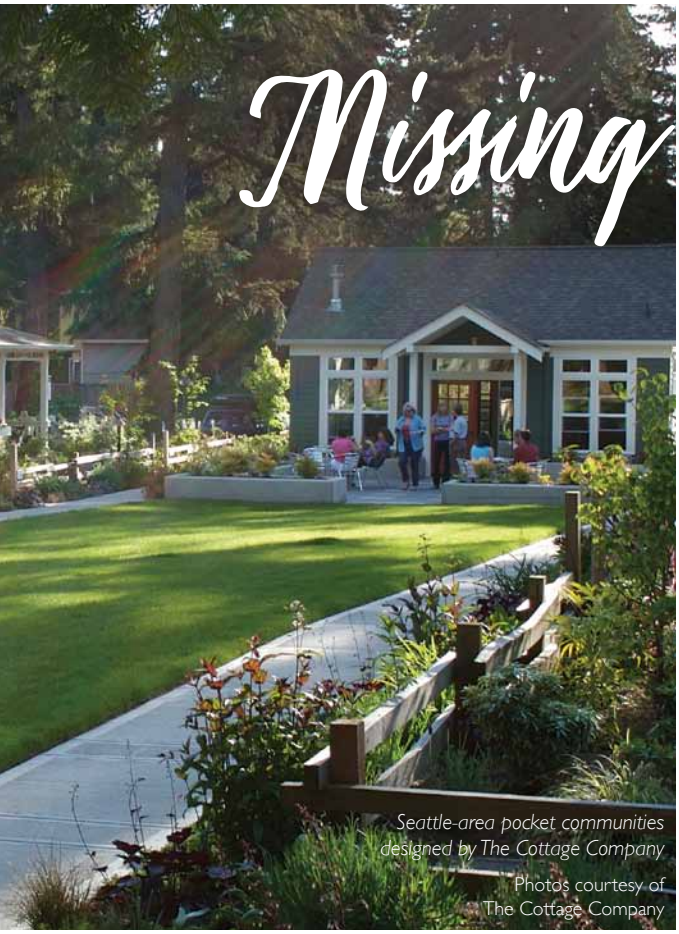
Kuhlman, with the National Trust for Historic Preservation, and Friedman, the St. Louis REALTOR®, both stressed that they are convinced state tax credit programs are a valuable tool to homeowners. Better yet, they added, these credits not only make ownership of historic homes more attractive, but they are key to building a base for economic revitalization throughout a community. ●

Brian E. Clark is a Wisconsin-based journalist and a former staff writer on the business desk of The San Diego Union-Tribune. He is a contributor to the Los Angeles Times, Chicago Sun-Times, Milwaukee Journal Sentinel, Dallas Morning News and other publications.

State tax credits are key to building a base for economic revitalization throughout a community.


Courtesy of Michigan Municipal League

Courtesy of Michigan Municipal League



Missing MIDDLE HOUSING

Seattle-area pocket communities designed by The Cottage Company

Photos courtesy of The Cottage Company

Neighborhoods across the nation lack a mix of middle-income housing options

Courtesy of Opticos Design

By Brad Broberg

Jerry Reimer's dad was a carpenter who built and rented a pair of fourplexes Reimer cleaned, painted and repaired while growing up.

That was Reimer's introduction to missing middle housing — the new name for an old mix of residential choices that are neither traditional single-family homes nor large apartment or condo buildings, but something in between.

These days Reimer is the co-owner of Urban Village Development, which builds new and rehabs aging missing middle housing — duplexes, mansion apartments, bungalow courts and other types — in a walkable urban neighborhood in Omaha.

Although he started developing those housing types nearly 10 years ago, Reimer only recently learned there was a name for what he was doing. "I never called it missing middle," Reimer said. "I called it the stuff that was built between 1920 and 1960."

Up until World War II, traditional single-family homes and missing middle housing — which obviously wasn't missing yet — were built on the same blocks in almost every residential district of almost every city in the country.

Designed to be compatible in scale and style with the rest of the neighborhood, missing middle housing — rental and owner-occupied — was affordable to a range of incomes. Plus it added a shot of density that helped support public transit and neighborhood businesses by infusing each block with more housing units than

Missing middle housing is a new name for an old mix of residential choices.

Missing middle housing is affordable to a range of incomes.

single-family homes alone could provide. It was the definition of walkable urban living and smart growth.

But that was before modern zoning codes shut the door on most missing middle construction by separating different forms of housing from each other based on their density. The onslaught of suburban subdivisions helped keep the door shut by focusing on just one form of housing — traditional single-family.

"We call it missing primarily because it hasn't been built very often in the last 50 or 60 years," said Dan Parolek, principal at Opticos Design in Berkeley, Calif., who coined the term missing middle. "The biggest barrier is that most city zoning codes (continue to) limit what is allowed in single-family zones. If zoning allows for missing middle housing types, they will get built."

It's a simple matter of demographics. "There's this convergence of what the millennials want, which is walkable urban living, and what the baby boomers need, which is living without having to rely on a car," Parolek said. "The demand is high."

As cities and developers strive to meet the demand, building new and rehabbing old missing middle housing is emerging as a way to expand the supply of walkable urban housing besides constructing more downtown high-rises. "There's a real need for this missing middle type," Parolek said. "It's neighborhood living versus (downtown) living and that's attractive to a lot of people."

The question is can the missing middle also play a role in addressing the nation's shortage of affordable housing — not subsidized but market rate? The answer is yes, although not necessarily everywhere for everyone. "A lot of it has to do with the supply and demand equation," Parolek said.

Land to build missing middle housing in established neighborhoods is scarce and expensive in hot housing markets. The affordability of infill development in places like Seattle is relative — $500, 000 for a row house versus $1 million for a traditional single-family home is a reasonable hypothetical — and only matters to people with six-figure paychecks.

Millennials want walkable urban living, and baby boomers need living without having to rely on a car.

Courtesy of Michigan Municipal League/mml.org

(Below) An example of a missing middle housing type built by Urban Village Development in Omaha, Neb.

Courtesy of Urban Village Development

Courtesy of Habersham Properties

Habersham, S.C., a mix of residential housing types.

Opticos Design designed a collection of townhomes in Daybreak, Utah, to meet affordable housing needs.

Courtesy of Opticos Design

Missing middle housing types provide more units on less land than traditional single-family homes.

"Is missing middle housing more affordable than the alternative? Yes, but any home in a desirable close-in location is going to be expensive. Period," said Linda Pruett, owner of the Cottage Company in Seattle, which develops pocket communities of small upscale homes — priced in the $600,000 range — clustered around a garden court.

That doesn't mean missing middle housing shouldn't be part of the affordable housing conversation, Pruett said, but there are limits to where and how it can make the biggest difference.

"It isn't a silver bullet that's going to solve every region's housing affordability issue, but it does provide relative affordability and better utilization of the single most expensive input into housing — and that's the land," she said.

The math is pretty simple. Duplexes, townhomes, bungalow courts and other missing middle housing types provide more units on less land than traditional single-family homes. The units are smaller, but people pay less for them than a single-family home. They also enjoy the added tradeoff of living in a walkable urban neighborhood. At the same time, developers can make more money on the same property because costs are spread across multiple units.

"Missing middle housing can provide a nice range of affordability by design if the (regulatory) barriers are removed," Parolek said.

While opportunities to drive affordability through missing middle infill development are limited in the San Franciscos, Denvers and Bostons of the country, they are more readily available in many next tier cities. Reimer has built or rehabbed 380 units of missing middle rental housing in Omaha's once declining but now thriving Midtown neighborhood. "We are getting credit for turning the neighborhood around," Reimer said.

Reimer is in the unique position of developing and owning both missing middle housing and new suburban apartment buildings. Rents for the missing middle units are only modestly higher than for the suburban apartments — $900-$1,400 compared to $750-$1,300 — so they remain affordable to much of the workforce.

One reason for that is Omaha "isn't traffic constrained," Reimer said. Missing middle rents can't stray too far

An Opticos Design diagram, which illustrates missing middle housing distributed throughout a block with single-family homes.

Photos courtesy of Opticos Design

Missing middle housing can work in master planned communities beyond city limits.

above suburban rents because people in Omaha won't pay the same premium to live close in as they do in more congested cities.

Another reason is that Reimer keeps management costs for his missing middle housing on par with that of his suburban apartments. Many developers — especially large production developers — shun missing middle infill because of the logistics of managing small numbers of units scattered here and there, Parolek said, but Reimer has an answer to that. He clusters all of his units within a six-block radius.

While missing middle housing is usually pictured as infill development, it can also work in master planned communities beyond the city limits where land is more available. Reimer owns 54 acres outside of Omaha where he hopes to build 500-750 units of missing middle housing together with some commercial development. "I want it to feel like you're in a walkable city neighborhood, not an apartment complex," Reimer said.

Habersham in South Carolina, East Beach in Virginia and Daybreak in Utah are master planned communities where large production developers are successfully mixing missing middle housing with traditional single-family homes, Parolek said. His firm designed a collection of townhomes in Daybreak for developer Holmes Homes. They start at an affordable $182,000 for a 927-square-foot home with two bedrooms and one-and-a-half baths and go to $218,900 for a 1,284-square-foot home with three bedrooms and 2.5 baths. "They were initially afraid of building the smaller units, but all of the units are selling really well," Parolek said.

One drawback to building new missing middle housing on the outskirts is that the urban amenities of a new community rarely match those found in established city neighborhoods. On the other hand, attempts to add missing middle infill to established neighborhoods can cause a backlash from residents fearful of

There are opportunities if you can get the right land use regulations to allow for it.

increased density. A recent proposal to adjust Seattle's zoning code to allow certain missing middle housing types in single-family neighborhoods was shot down in a barrage of protest.

Austin, Texas, is in the midst of a similar — but still on track — effort to embrace missing middle housing as it updates its land use development code. "There are opportunities if you can get the right land use regulations to allow for it," said Paul Hilgers, CEO of the Austin Board of REALTORS® (ABOR).

The missing middle describes a range of housing, but it also describes a range of buyers and renters who don't qualify for subsidies but struggle to find market-rate housing in cities like Austin. "Our inventory is very low (and) housing prices are rising 10 percent a year," Hilgers said. "The housing stock is not being created for people at the middle income level."

The housing they can afford is being built longer and longer distances away with unintended consequences like increased traffic congestion, higher household transportation costs and the need to invest in additional public services like schools. "The more you can stimulate missing middle housing in the urban core, the less need for developments farther out from the city," Hilgers said.

Aided by a housing opportunity grant from the NATIONAL ASSOCIATION OF REALTORS®, ABOR enlisted the Urban Land Institute (ULI) to help the city, developers and community learn how to create more middle income housing by encouraging more missing middle housing. Recommendations from the ULI report include:

- Allow missing middle housing in more zones by using form-based codes instead of density-based codes.
- Streamline the review process for select missing middle housing types.
- Work with the community to demonstrate the compatibility of missing middle housing with existing neighborhoods.

The state of Michigan has made missing middle housing a cornerstone of its placemaking initiative that aims to help cities retain and attract businesses and workers by helping them improve their quality of life.

Concerned about the migration of talented young workers to other states, Michigan studied where they're all going. The answer is all over, but the top destination by far is Chicago. The study also found that most of them — unless

Talented young workers choose to live in neighborhoods filled with missing middle housing types.

Photos courtesy of Michigan Municipal League/mml.org

Many see missing middle housing as an option to age without leaving the block.

they have kids — choose to live in walkable urban neighborhoods filled with missing middle housing types, said Jim Tischler, director of community development for the Michigan State Housing Development Authority (MSHDA). What's more, they don't move with jobs in hand. They go because it's where they want to live and they look for work later. "That is a marked difference from the last 75 years," Tischler said.

Message sent. Message received. "We have to change the mix of housing stock in our neighborhoods and communities ... because that is a significant talent and retention tool for economic development," Tischler said.

The state is now helping cities analyze the supply and demand for middle missing housing in their markets. Results from the 60 urban markets analyzed so far reveal a nearly 600,000 unit undersupply of missing middle housing and a nearly 600,000 unit oversupply of detached single-family homes and two-family duplexes.

Kalamazoo's market analysis "opened our eyes," said Rebekah Kik, city planner. "We always thought, 'Here's what we've got. Come and get it.'" Kalamazoo's primary walkable urban housing choices are expensive downtown lofts and historic homes that are large and costly to maintain. "There's value in what we have, but it's not what the people on the move want," Kik said.

To meet the projected demand for 1,400 new urban housing units over the next five years, the city is in the process of replacing its density-based zoning code with a form-based code that will allow wider development of missing middle housing.

Many potential sites are ready and waiting because Kalamazoo previously demolished numerous units of neglected and abandoned housing in anticipation of future redevelopment. Kik envisions scenarios where eight row houses sit on the same land where just two single-family homes stood.

To win the community over, the city is showing residents examples of missing middle housing from a design contest sponsored by the MSHDA and others.

Courtesy of The Cottage Company

Courtesy of Michigan Municipal League/mml.org

"When we go out to community meetings, residents are so excited," Kik said. "They want to know when is this coming? Where is it going?"

Many see missing middle housing as an option to age and downsize without leaving the block. "To me, that is one of the best outcomes of missing middle housing — that people can stay in the neighborhood they put down roots in," Kik said. ●

Brad Broberg is a Seattle-based freelance writer specializing in business and development issues. His work appears regularly in the Puget Sound Business Journal and the Seattle Daily Journal of Commerce.

Photo by Catherine Bassetti

CHASING Affordable Growth

To maintain economic diversity, booming cities turn to inclusionary housing


Photo by Nicola


Photo by Golden Triangle Bike

By David Goldberg

When the Great Recession ended in 2009, it also brought to a close Americans' 50-year estrangement from central cities, as millennials, boomers and many in-between rekindled an affair with urban living. To meet the demand, developers in cities as geographically diverse as New York, Seattle, Denver and Nashville have engaged in an intown building frenzy unparalleled in the modern era. At the same time, skyrocketing housing costs have begun to price lower-wage — and some middle-income — families out of their neighborhoods, and even their cities.

Though hailing economic success, mayor after mayor has fretted about the effects on economic diversity. "We are facing our worst housing affordability crisis in decades," said Mayor Ed Murray of Seattle, echoing the sentiments of many other peers. "My vision is a city where people who work in Seattle can afford to live here."

One high-profile response in Seattle, New York and elsewhere has been the push for a $15 minimum wage. Less celebrated has been renewed experimentation with inclusionary housing policies, also known as inclusionary zoning.

Inclusionary housing works through the land use approvals process to incentivize or require affordable housing.

"Inclusionary housing works through the land use approvals process to incentivize or require affordable housing," said Robert Hickey, who as a researcher for the National Housing Conference wrote a series of reports on the topic.

Inclusionary housing policies first gained attention in jobs-rich suburbs, such as Montgomery County, Md., a near neighbor to Washington, D.C. Created in 1974, the county's Moderately Priced Dwelling Unit program required projects of more than 50 homes to designate 15 percent of units for moderate to low incomes, in exchange for greater density.

Now, it's the cities' turn. As their close-in neighborhoods grow tighter and taller in the construction boom, they are beginning to offer developers a bargain: We will loosen restrictions on density, height, parking requirements or other constraints — allowing you to make more money — if in return you cause below-market rate units to be built. Hickey estimates that 20 cities and towns "are seriously exploring inclusionary housing that weren't before," including Nashville, Pittsburgh, New Orleans, Minneapolis and even parts of Detroit. "It used to be mostly focused in California, but is now happening in all sorts of states," he added.

"There has been this shift in consumer preference toward urban locations, which is great, but they are putting pressure in areas on the people who lived through the bad times," said Rick Jacobus, author of a recent guide to the topic, called Inclusionary Zoning: Creating and Maintaining Equitable Communities, for the Lincoln Institute of Land Policy. "Inclusionary housing is a good way to address that, as long as it doesn't create conflict that impedes building, because the first rule of any housing crisis is you have to add units, whatever the income level."

In designing their inclusionary housing approaches, cities are grappling with key policy choices that can make or break their success — and the developers who are being asked to implement the programs. First, what share of a project must be affordable units, and are they required or incentivized? Must they be included on-site, within the development, or can they be built elsewhere? Can developers buy their way out of providing units on-site by contributing to an affordable housing fund?

"For us as REALTORS®, the key issue is whether it is a voluntary policy that uses incentives, or mandatory," said Jarron Springer, CEO of the Greater Nashville Association of REALTORS®, Inc. As Nashville has become a post-recession leader in attracting jobs, the city for the first time has faced an affordability crunch that prompted City

There has been this shift in consumer preference toward urban locations.

Photo by Jeff Greenberg and Visit Pittsburgh

Photo by Paul Sableman

Flexibility is the hallmark of every successful program.

Council to consider mandatory inclusionary zoning. Springer's group joined a coalition arguing for beefing up incentives rather than using mandates. "The REALTORS® want to be part of a solution. We are in no way just saying 'no', but we want to be careful in how we design a policy."

Whether mandatory or incentive-based, inclusionary policies require additional economic and political calculus: How much extra density is enough (or too much), and how much will current residents tolerate? If you allow off-site affordable units, how do you avoid concentrating them in high-poverty neighborhoods?

This last point is critical, experts and city officials said, because the hope is to use the boom to lift all boats, in neighborhoods across the city. "There are few tools that are more effective for economic integration," Hickey said. "It is indispensible for improving the locations available for lower-income households." At the same time, he added, flexibility is the hallmark of every successful program.

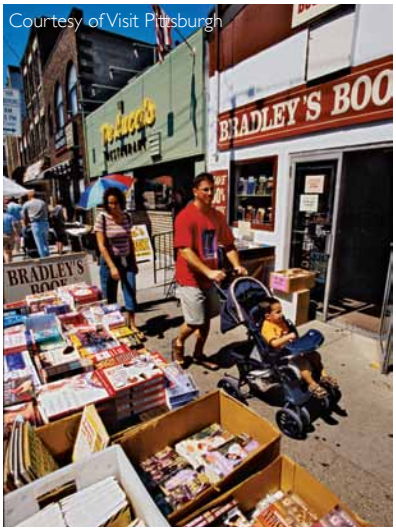
To that end, San Diego's program allows for off-site development of affordable units, with a preference that they be built in the same "community planning area". But the city will allow other areas if they do not already have a concentration of low-income households, and if the units will help meet the goal of having more homes in close proximity to transit stations. Boulder, Colo., will allow developers to meet targets off-site by rehabilitating existing units and preserving them as affordable, provided they help meet the goal of economic integration of neighborhoods and offer transportation access without a car. Boston allows developers to pay into an affordable housing fund in lieu of developing on-site, but requires that at least half those funds must be invested in neighborhoods with above-average incomes.

"It's encouraging to see cities trying new ideas," Hickey said. For the boldest experimentation, he added, two cities stand out: New York and Seattle.

New York's Mandatory Inclusionary Housing

In the decade before Mayor Bill de Blasio took office in 2014, New York City had seen rents climb 15 percent while the median income of renters rose just two

Photo by Jeff Greenberg and Visit Pittsburgh



Courtesy of Visit Pittsburgh

Photo by Doug Kerr

percent, according to a New York University study, and he vowed to address it. In March, after long and often contentious debates, the New York City Council approved his Mandatory Inclusionary Housing program. With a goal to preserve or build 200,000 units of below-market-rate housing by 2025, it almost certainly is the most aggressive such effort to date.

The key to the plan — and its salient feature — is a promise to rezone neighborhoods throughout the city to allow increased density and height limits. The city also will offer low-interest financing and tax advantages to further subsidize permanently affordable units. In exchange, projects requiring a land use action have two basic options:

- Set aside 25 percent of units for those making 60 percent of area median income ($47,000 for a family of three), with a further 10 percent for those making 40 percent or less ($31,000), or
- Offer 30 percent to those making 80 percent or less of median income, or $62,000 for a family of three.

The city also has the discretion to offer two other options, one aimed at creating more units for the lowest incomes, and another going as high as 115 percent of median income.

As it works through rezoning plans for 15 areas, the city also plans to offer those neighborhoods greater investment in infrastructure and amenities. In the East New York section of Brooklyn, city officials have vowed to beautify streets, build schools, improve parks and make other moves to improve livability as new construction arrives.

Seattle's Housing Affordability and Livability Agenda

Seattle, home to a tech boom driven by Amazon and fueled with refugees from its pricey counterpart by the San Francisco Bay, has been among the five fastest growing big cities since the recovery began. The influx of above-average incomes has helped drive rents and house prices skyward, despite — some would say because of — frenetic construction seemingly everywhere.

Worried that the city was "losing its soul", as a New York Times article put it, Mayor Ed Murray in 2014 convened a 28-member panel of for-profit and nonprofit developers, housing experts and other stakeholders to plan a counter-attack. Ten months later, the committee produced a Housing Affordability and Livability Agenda (HALA) with 65 aggressive recommendations, mandatory


Courtesy of State Farm

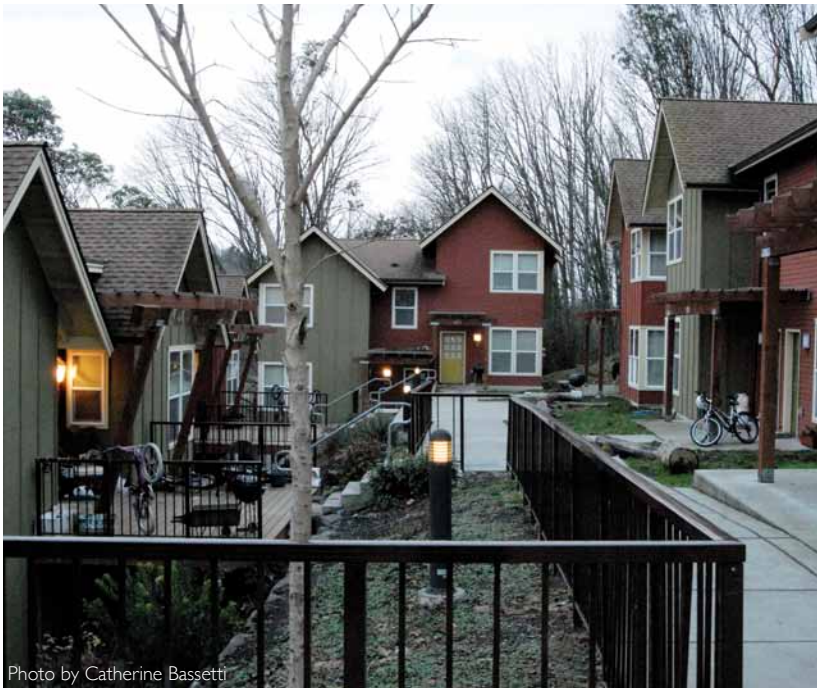


Photo by Catherine Bassetti

inclusionary zoning chief among them, and the mayor vowed to pursue as many as possible.

Shortly thereafter, Murray announced that a "grand bargain" had been reached among the city, housing advocates and developers. For the first time, the city would require all new commercial and multifamily residential developers either to include 5 to 7 percent of units affordable to 60 percent of median income or pay into a housing fund, with a goal of creating 6,000 units over 10 years. In return, the city would "upzone" 16 percent of the city — including downtown and all of the areas

The key to the plan is a promise to rezone neighborhoods throughout the city to allow increased density and height limits.


Photo by Martha Rial


Photo by Paul Sableman


Photo by JP Diroll

Zoning and development should evolve over time.

designated urban centers and urban villages — to allow an additional one to two stories. The City Council in November approved the program for commercial development, which must pay a per square-foot "linkage fee" to a housing fund. The rules for multifamily housing projects are expected to be set by this summer.

"Typically inclusionary zoning is done in ways that create a conflict between growth and affordability," said Alan Durning, executive director of the Sightline Institute, a progressive think tank, and a member of the HALA committee. "This approach invites developers to keep building to meet the overall demand, but we will harness rapid growth to enhance affordability."

Roger Valdez, director of Smart Growth Seattle, represents a group of builders and developers of multifamily housing and building owners. He isn't so sure. "Politically it seems attractive because, without using tax dollars to solve the problem, you put developers over a barrel and out pops units and cash. That's the unicorns and rainbows picture," he said. "But it doesn't pencil. The supposed value being added by the up-zone isn't likely to offset the added construction cost or the lost revenue from rent restrictions. And we've already begun to see neighborhoods resolving to oppose the upzones, 'unless'… And all those 'unlesses' will make it even harder to do projects."

Indeed, substantial opposition appears to be brewing among owners of stand-alone houses within some of the urban villages. Under the grand bargain, the existing single-family zones within village boundaries would be eliminated, to permit small-scale multifamily at a minimum. At a January meeting of more than 100 of those homeowners in the Wallingford neighborhood, for example, residents said that while they shared the mayor's progressive values, they weren't ready for what felt like potential wholesale change to the neighborhood.

Given that over 60 percent of the city is currently zoned single-family, and that the upzones affect only

16 percent of the city's land area, Durning said he finds those concerns overblown. Seattle will "become more like Amsterdam or Paris, less like [the suburbs] or 1978," he wrote in an op-ed. "What makes Seattle Seattle is not its current particular blend of ramblers and Craftsmans on 5,000-square-foot lots. What makes Seattle Seattle is that it is a welcoming green city for all classes, races and ages. To hold onto the latter, we have to let the former evolve."

Jacobus, the housing consultant, said this situation points to "a really important problem. No one wants their neighborhood to change and yet prices are rising and people are concerned, but prices are rising in part because no one wants their neighborhood to change."

"No one anywhere should expect inclusionary to be the main source of affordable housing," he said. In his review of programs nationally, he added, "those with the most flexibility and the greatest range of local incentives were making the greatest strides." The most important take-away is the need to act, and to act quickly.

"The market is a predictable cycle and we are at the frenzy point now, but it won't last that much longer," Jacobus said. "The interest in inclusionary housing goes away when the market goes down. It's frustrating because that would be the best time to acquire land for affordable housing and to prepare for the need in the next cycle."

"At the end of the day, we take pride as REALTORS® in supporting the affordable housing movement," said Springer, head of the Nashville REALTORS®. "Something will be done to promote it, but we want it to be the best, most sustainable solution for the long term." ●

David A. Goldberg is the vice president of communications for Action for Healthy Food, a national nonprofit working to reduce the quantity of sugar and other unhealthful substances in our food supply, and formerly was the founding communications director for Smart Growth America. In 2002, Mr. Goldberg was awarded a Loeb Fellowship at Harvard University, where he studied urban policy.

Those with the most flexibility and the greatest range of local incentives were making the greatest strides.

Photo by Joe Wolf

Photo by Nicola

SAVING MANUFACTURED HOME PARKS

Photo by Sharon Hahn Darlin

By Tracey C. Velt

In many locales, manufactured housing in mobile home parks is a good source of affordable housing. And not just in rural areas; also in metropolitan areas.

California is known for its sky-high housing and land prices. So, when land developers in Silicon Valley — specifically San Jose — see an opportunity to buy land and build high-end homes, they take it. When that happened recently, some 35,000 San Jose residents living in the city's 59 mobile home parks were at risk of losing their homes.

"These are established communities and in many cases, people in these communities were aging in place," says Jenny Nusbaum, a planner with the city of San Jose's Planning, Building & Code Enforcement Dept. "It's not just a bunch of trailers in one setting. These people have social ties and have connections to services and transit nearby."

Nusbaum's team went to the city council and presented some zoning code changes that streamlined the review

Courtesy of ROC USA

Photo by sfgamchick

process for the new permit applications to convert mobile home parks to another use.

"We proposed some additional general plan language to enhance the protection for current park residents," she says. "We want San Jose to strengthen its policies to preserve mobile homes."

Finally, in August 2015, the City Council voted to approve a six-month moratorium that suspends the closing of mobile home parks and selling the land to developers for other uses.

"Right now, we have to go back to the council with a proposal, do public engagement, and they want us to extend the moratorium through August 2017," says Nusbaum.

Because land costs are rising so quickly in San Jose, landlords could technically raise rents to astronomical amounts. However, there are rent controls that don't allow the landlords to raise rent costs. For manufactured housing owners in San Jose, "it's hard to replicate the affordability of housing costs in our area," says Cheryl Wessling, public information manager for the City of San Jose, Planning, Building & Code Enforcement Dept. "The land under manufactured housing is part of the rent control in our area. Even if space is vacated, there are regulations. This is a way to create some affordable housing and preserve what's affordable now."

A Major Problem

San Jose is struggling with a problem that's happening all over the country — preserving manufactured housing communities, which includes mobile home and trailer parks.

"Manufactured housing is the largest source of unsubsidized affordable housing in the country," says Mike Bullard with ROC USA, a nonprofit social venture to save manufactured home communities by helping residents purchase them. ROC stands for Resident Owned Communities.

"A brand new manufactured home probably costs half of what an equivalent site-built home would cost," says Ishbel Dickens, Esq., executive director of the National Manufactured Home Owners Association in Seattle, Wash. "Plus, the homes built now don't look much different from a site-built home. They are energy efficient and attractive."

Manufactured housing is the largest source of unsubsidized affordable housing in the country.

We want San Jose to strengthen its policies to preserve mobile homes.

Photos courtesy of ROC USA

Photo by Maria Haase, City of San Jose Housing Department

Not Just in the South

Seventeen million Americans live in manufactured homes and manufactured housing makes up 7 percent of the nation's housing stock. They are a common sight in rural communities, where zoning and housing codes tend to be less restrictive than in urban areas.

There continues to be strong demand for manufactured homes as an affordable housing option, as it remains the largest source of unsubsidized affordable housing across the nation. Overall, the South contains 55 percent of the nation's owner-occupied manufactured housing units, while the rest of the national manufactured-housing inventory is spread throughout the West (19 percent), Midwest (18 percent) and Northeast (9 percent), according to "An Examination of Manufactured Housing as a Community- and Asset-Building Strategy Report," by the Neighborhood Reinvestment Corporation, in collaboration with the Joint Center for Housing Studies of Harvard University.

The study says that manufactured housing is an especially important homeownership option in rural areas.

Fully half of all owner-occupied manufactured homes are located outside metropolitan statistical areas (MSA), where they comprise 16 percent of the stock of owner-occupied homes. By comparison, just six percent of the stock within MSAs is manufactured.

The Issues with Manufactured Housing

So, why isn't this housing stock on policymakers' radar as a source of affordable housing? It is, but there are issues. Typically, the owner of the home does not own the land under it. So, when the landowner finds a more profitable use for the land, the mobile or manufactured homes and their residents are evicted.

"These homes have always been on the margins of homeownership," says Doug Ryan, director of affordable homeownership for the Corporation for Enterprise Development (CFED) in Washington, D.C. "I would argue that it's intentional by the industry and policymakers. We have to overcome those hurdles if we want these homes to be a meaningful part of the affordable housing puzzle."

Manufactured housing is an especially important homeownership option in rural areas.


Photo by oatsy40


Courtesy of ROC USA


Photo by TikiLisa

Mobile homes have to overcome hurdles to be a meaningful part of the affordable housing puzzle.

That's because mobile and manufactured homes aren't considered real estate, so traditional mortgage products are not available for the majority of these homes. Most are secured using a chattel loan, where personal property is used as security for the loan. Ryan adds that interest rates for chattel loans tend to be higher than those for a traditional mortgage.

Also, security of tenure is a problem. The truth is mobile homes aren't mobile. To move one of these homes is costly.

"Plus," says Dickens, "while the home itself is affordable, there's no guarantee that the rent will stay affordable. A homeowner may pay off his or her loan, but, in most states, there is no rent control. In fact, in places like Colorado, rent can go up every 60 days. There's no long-term security of tenure in a land-leased community,"

Of course, not all markets are like that. In California, there are rent-controlled ordinances. And, in New Jersey and Massachusetts, there are local rent-control boards, to name a few.

As part of the security issue, "A lot of community owners purchase the land on the spec market with the hopes that, in the future, the land will be more valuable for land development than it will be for the manufactured housing parks," says Dickens. "When that happens, the land gets sold and the homes become valueless."

She adds that most people can't afford to move the home and even if they did, they don't always have a place to move it. In addition, if the landowner plans to resell there isn't a strong motivation to keep up the property.

"There's a real disincentive to invest in the property and maintain the infrastructure because that takes away from your cap rate," says Ryan. "It will be redeveloped anyway, so they want to extract as much as they can from current rent rolls and sell."

Ryan says he would like to see a secondary market "to allow these homes to be titled as real estate so they would have access to mortgages and eligible for Fannie Mae and Freddie Mac financing. But, that would have to be done on a state-by-state basis."

Photo by Liralen Li

Efforts to Save the Parks

The good news is that there are efforts to try to save these trailer parks. Ryan explains that the CFED has partnered with ROC USA to transform many of these parks into resident-owned communities. ROC USA started in 1984 as a one-off project, but grew into the New Hampshire community loan fund's largest program.

"Of the 450 communities in New Hampshire, 119 or 27 percent are resident-owned today," says Paul Bradley, president of ROC USA. "As the program grew in New Hampshire, homeowners and others would ask for help in other states. In 2008, we launched ROC USA to make resident ownership a viable opportunity elsewhere.

A secondary market should be established to allow mobile homes to be titled as real estate so they would have access to mortgages.

Photos courtesy of ROC USA

When a manufactured home community is for sale, ROC USA seeks to provide homeowners the opportunity to purchase their community.

We now have eight nonprofit organizations in our network of expert assistance providers which we coupled with a readily available source of financing. That's made all the difference. We now have 187 ROCs that are home to 11,300 homeowners in 14 states."

When a manufactured home community is for sale, ROC USA seeks to provide homeowners who are working together as a democratic organization with the opportunity to purchase their community, according to ROC's Bullard. When a community is for sale, with the landowner's blessing, ROC will assess the situation.

"If there is a viable deal, we will talk to the residents about resident ownership. If they agree, they form a cooperative," Bullard says. Then, ROC and the regional provider will work with the cooperative. "We have a forgivable loan product for predevelopment that allows the resident corporation to take care of due diligence for the purchase and to hire an attorney and engineer to look at infrastructure and assess the deal."

If they decide to move forward, ROC will work with them through the purchase and for 10 years after, providing technical assistance in running the corporation/community. Members elect a board of directors to manage the community. Each home has a membership share that can be sold back to the corporation should they sell the home. Bullard explains that residents still pay a site fee or rent, which goes to the corporation to pay down the mortgage. ROC USA has a second division called ROC Capital that is the lender on about half of the resident purchases, according to Bullard.

Comprehensive Planning

Of course, in places like California, where land prices are high and getting higher, this option may not be an acceptable solution. In those situations, city planners are stepping in, such as in the case of San Jose. It's also built into the comprehensive plan for Augusta County, Va.

"In the state of Virginia, manufactured housing has to be allowed in agricultural areas by law," says Becky Earhart,

We want to encourage housing development where we have the public services designed to accommodate it.

senior planner for Augusta County, Community Development Department in Verona, Va. "It's in our comprehensive plan. About 11 percent of our total housing stock in the county is in rural areas. We also have traditional manufactured home parks."

In Augusta County, manufactured homes are acknowledged as affordable housing and thought of on a regional level. "The state code requires manufactured housing to be treated the same as stick-built houses. We acknowledge that and say that it's part of what we're doing to meet the regional affordable housing need," Earhart says "We want to encourage housing development where we have the public services designed to accommodate it. We don't want housing for lower income people if those people can't access medical services or the grocery store."

Courtesy of ROC USA

We must remind elected officials that the people who live in manufactured homes pay taxes.

New manufactured home parks are encouraged to locate in our urban area, where we can accommodate more units per acre. Our whole comp plan is to target growth in the areas in which we have the facilities to support that growth."

In Florida, there are over 2,600 mobile home parks, according to the Department of Business and Professional Regulation. "But these mobile home parks are being lost at an astounding rate as local governments say "yes" to a change in land use/re-zonings as the park owners sell the land for high-end development," according to Jaimie Ross, president and CEO of the Florida Housing Coalition.

The state has been pursuing policy changes to preserve the mobile home parks. In 2011, the Florida Housing Finance Corporation, with direction from the Florida State Legislature, expanded its Florida Preservation Fund (http://www.fclf.org), which helps preserve affordable rental housing. It now serves 26 Florida counties.

The National Manufactured Home Owners Association is working with the states to "ensure policy that gives stronger protections of new manufactured houses." However, Ross says, in order to get any real momentum in the preservation cause, the states must take action.

"It's an education process. We must remind elected officials that the people who live in manufactured homes pay taxes. They are your teachers, nurses, firefighters, accountants, etc. They have jobs like everyone else. They are homeowners." Ross explains.

Ryan agrees. "It's important that these families get a fair shake."

He adds, "A lot of us who have been around in the '80s and '90s remember when the Section 8 contracts were expiring. Congress stepped in and saved them. There should be some urgency to preserve this type of housing as well. It's the housing preservation crisis of today, and it's cheaper to preserve than to build." ●

Tracey C. Velt is freelance writer who specializes in the real estate industry. She has more than 25 years of experience writing for industry publications.


Courtesy of BRIDGE Housing


Photo by Aimee Curtis

Messaging for Affordable Housing

By Bobby L. Hickman

When the Chittenden County Regional Planning Commission in Burlington, Vt., started working on a regional economic development plan a couple of years ago, they surveyed more than 200 employers to identify their top challenges. While the main concern was finding workers with the right technical skills, the second issue was affordable housing.

"Our housing market is fairly expensive relative to our salaries," said Charlie Baker, executive director of the commission. "We don't have enough affordable housing in our area, which affects our ability to have a healthy economy."

Baker said some companies recruited out-of-state workers who turned down new jobs because they were unable to find suitable housing. Now leaders are crafting messages to get the business community more involved in actively supporting new developments.

The Chittenden County experience is far from unique. More working families across the country report difficulty finding housing that fits their budget. The logical and statistical facts supporting affordable housing are well-known, including economic growth, educational progress, and better family lives. But often efforts to increase the housing supply encounter political apathy or neighborhood opponents who theoretically support the concept — just "Not in My Backyard."

Addressing those challenges requires simple, focused messages that convey the benefits of affording housing.

Several key factors go into developing those messages, including identifying the audiences; setting specific goals;

Addressing affordable housing challenges requires simple, focused messages that convey the benefits of affording housing.

Focus on universal values — such as opportunity, safety and security that affordable housing provides to families.

and deciding which media platforms to use. Volunteers and staff also need training on delivering that messaging.

"When it comes to talking about affordable housing in general, we remind people that our minds are not blank slates," said Amy Clark, director of marketing and communications for the National Housing Conference (NHC). "We all absorb new information and filter it through our own experiences, things we hear from others — through 'frames'. The reality is that the frames you may have supporting affordable housing are not the same as frames of your audience. It is important to recognize that and frame communications accordingly."

Clark said a good way to trigger positive frames is to focus on universal values — such as opportunity, safety and security that affordable housing provides to families, communities and neighborhoods. Emphasizing values provides "a better chance of connecting with people regardless of what frames they bring."

Another suggestion is avoiding "other-izing" — making the conversation on affordable housing about helping "those other people."

She explained, "We talk about building homes for seniors or the working poor. They may be on a fixed income, but that's not necessarily how they see themselves. If you're developing and managing affordable housing, you're creating a community, and that's an asset to everyone."

BRIDGE Housing, a nonprofit developer, owner and manager of affordable housing for working families based in San Francisco, must frame its message for a variety of audiences, said Lyn Hikida, vice president of communications. Its audiences include government officials at all levels; architects and general contractors; financial backers; and "neighbors: people who live in the communities where we operate."

Hikida noted sometimes "there is a stigma associated with affordable housing" that leads residents to oppose a new project proposed for their neighborhood. "In some communities there are fears where people don't like the idea of low-income people moving in."

Get in early and engage the communities with facts.

BRIDGE Housing uses many outreach tools, such as a brochure that shares personal stories of its residents. Courtesy of BRIDGE Housing

Myth #2
High-density and affordable housing will cause too much traffic.

Fact #2
People who live in affordable housing own fewer cars and drive less.

In many high-density neighborhoods, and in most neighborhoods with a mix of housing types, traffic isn't a big problem.

The National Housing Conference has a variety of toolkits that assist in effective messaging, such as a myths and facts report.

One strategy in those situations is to "get in early and engage the communities" with facts, Hikida noted. "We help them understand our residents are people like they would find in any other apartment building. In many cases, these people already live and work in those neighborhoods."

When there is opposition, Hikida added, "It's really important to listen to what the critics say, and then decide how to respond. We want to hear what they're worried about before we tell them what we're going to do. That's the only way it will resonate with them."

Being among the first to communicate the need for housing affordability was a key factor in the "Affordable=Achievable" campaign by the Fort Collins, Colo., Board of REALTORS®. Clint Skutchan, CEO and director of REALTOR® & Consumer Advocacy, said, "We believe it is better to be one of the first to start this conversation, rather than reacting to other events."

The pro-active effort began four years ago, growing out of a "Protecting Our Housing Future" campaign. "The fact that we were talking about this years before the general population noticed [the issue] gives us tremendous credibility," Skutchan added. "We can help lead the larger conversation, rather than simply us saying 'no' to this regulation or that proposal."

Skutchan continued, "Our messaging began with the idea that we wanted to talk about more than just affordable housing." Affordable=Achievable focuses on median wage earners "who are getting priced out of our market, as is also happening in other markets across the country."

He noted the needs of homeless and low-income groups are addressed by "a lot of great nonprofits" in northern Colorado, so his members decided to focus on wage earners who were having trouble affording homes.

"Not everyone's client can buy a $1-million-plus home," Skutchan continued. "Our general membership wants to make sure they have access to a diverse base of clients who can purchase homes here. So we're broadening


Courtesy of BRIDGE Housing

Our messaging began with the idea that we wanted to talk about more than just affordable housing.

We use residents' personal stories to show their connection to affordable housing. Research shows that people are more likely to remember data if it's woven into a story.

the scope of 'affordable housing' to look at other ideas of what 'housing affordability' really means. By advocating for housing availability, we can also advocate for more housing that offsets the cost increases in the current market."

In Washington, D.C., the "Housing for All" campaign drives the affordable housing message from the Coalition for Nonprofit Housing and Economic Development (CNHED). Ginger Rumpf, director of development and communications, said CNHED is a coalition of 140 organizations "that fund, finance and produce affordable housing."

Residents of affordable housing developments also play leadership roles in the campaign and message development. Housing for All, which began in 2010, recently achieved its top priority: a commitment from elected municipal officials to provide $100 million annually for the Housing Production Trust Fund. The fund is "the primary method of increasing and preserving housing in the D.C. area," Rumpf noted.

A critical part of the CNHED strategy is having residents share their stories about "how dollars for these programs make a difference in people's lives. We use residents' personal stories to show their connection to affordable housing."

Messaging through personal stories is considered one of the most effective ways to engage officials and the general public — particularly when trying to communicate statistics and complex facts that could become overwhelming.

"Data is important to back up our claims and show the impact of affordable housing on community life," noted Clark. However, "When you use numbers and statistics without a narrative, they can easily slip by people. Research shows that people are more likely to remember data if it's woven into a story."

Stories can also help combat confirmation basis: the tendency for people to take raw data and use it to prove what they already believe.

Courtesy of CNHED

Photos courtesy of BRIDGE Housing

CNHED's Board President Susanne Slater, D.C. Mayor Muriel Bowser, and CNHED Executive Director Steve Glaude gather for a Housing for All rally.

Hikida said BRIDGE uses statistics and "lots of stories." It has an online storytelling platform named BRIDGEtown that can be accessed online or through a mobile app. "It's a great tool for affordable housing. You can meet some of the people who live there: low-income seniors on Social Security, or people working two jobs."

One frequently-used resource is a four-minute video interviewing a neighbor who had unsuccessfully fought

a BRIDGE development 20 years ago. "Now he's a happy neighbor who is a big fan of ours. Stories like that — where somebody like that shares their experience — can be powerful."

The platforms used for communicating the affordable housing message range from traditional print media (advertisements, brochures, and flyers) to digital and social media. Rumpf noted CNHED uses email campaigns where residents contact their elected officials. The Affordable=Achievable campaign in Fort Collins includes a dedicated website, a distinct logo and various social media initiatives.

"Which media platforms are most effective depends on your purpose and your capacity," Clark noted. "Lots of people have good luck with Facebook."

Twitter is "a great place to get a message across — headline-type information — but a harder place to build a community." Blogs can also be effective.

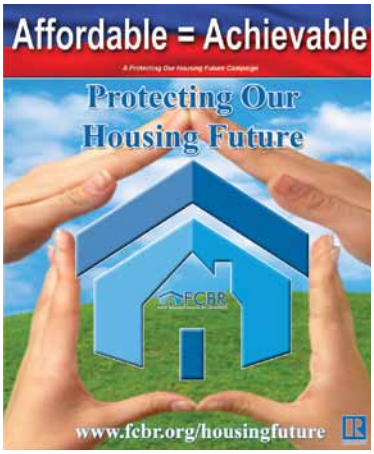
Hikida said the choice of platform varies on a case-by-case basis. She said BRIDGE relies on outlets such as Twitter, LinkedIn and Facebook as "mostly places for positive messaging." The organization has a robust web presence, and sometimes builds specific sites for a specific development "to help us get accurate information out there."

BRIDGE often shares its brochure called "Neighbors" and a California government publication, "Myths & Facts About Affordable and High Density Housing."

While the delivery platform may vary, the outlets need to deliver a consistent message. Skutchan said the Affordable=Achievable campaign constructed its messaging "in a way that resonates with both members and the general public. We didn't want to be viewed as just a trade association. We wanted to be the voice of housing — not just for our members but for the community as well. "

Bobby L. Hickman is a freelance business journalist based in Atlanta.

We wanted to be the voice of housing — not just for our members but for the community as well.



Fort Collins Board of REALTORS® developed logos, a website and messaging for its "Protecting our Housing Future" campaign, the forerunner of Affordable=Achievable

Photos courtesy of BRIDGE Housing

Messaging Tips:

Using the right words is the heart of effective messaging. For example, research by the NATIONAL ASSOCIATION OF REALTORS® found that simply using the term "housing that is affordable" received more positive responses than the traditional term "affordable housing."

Other suggestions by housing advocates and communication experts include:

- Keep it positive, even in the face of opposition.
- Tailor your message to your audience.
- Stress the importance for everyone to have the opportunity to live in a safe, affordable home — working families, seniors, all members of the community.
- Avoid getting into "us versus them" scenarios by focusing your message on the benefits for everyone in the community.
- Use personal stories rather than statistics to make the issue more relatable.
- Point out the community benefits: economic growth, more workers and customers for businesses, better educational outcomes for children.

Photos courtesy of BRIDGE Housing

- Connect around universal values: health, security, safety, fairness, opportunity for all.
- Train volunteers and staff on how to deliver your message.
- Spread the word on any platforms where you are comfortable: websites, brochures, social media guru, videos, email campaigns, etc. The more opportunities you provide to engage your audience, the better your chances for success.

Links to Effective Affordable Housing Campaigns and Tools:

- Affordable=Achievable: https://fcbr.org/affordableequalsachievable/
- BRIDGEtown: http://www.bridgehousing.com/bridgetown/
- Housing for All: https://www.cnhed.org/housing-for-all-campaign/
- National Housing Conference: http://hub.nhc.org/toolkit/messaging-framing
- Washington Low Income Housing Alliance: http://wliha.org/about-us/what-we-do/communication

REALTORS® Take Action

Making Smart Growth Happen

First of Its Kind

REALTOR® Collaboration Yields Impressive Results

REALTORS® in central Virginia like to say that they take a "panoramic view of the landscape, and a long view of the future." So when Culpeper County was required to review its comprehensive land use plan, the Greater Piedmont Area Association of REALTORS® (GPAAR) realized the best way to help county leaders bring the area's housing long view into focus was to work together. And thanks to a unique collaboration; county planners, local REALTORS® and area research and policy experts have a clear understanding of the current housing picture and what that landscape will look like in 25 years.

Comprehensive plans provide local leaders with essential vision, examination and guidance and Virginia law requires their review every five years. Plans include detailed data for infrastructure areas such as public facilities, public services, utilities, parks and transportation and essential community data concerning demographics, economics, housing, agriculture and historic resources. A plan also makes recommendations for existing and future land use, but doesn't specify development timelines or initiatives.

Culpeper County's first comprehensive plan was created in 1964 and was scheduled for review in 2015. The county has always been rural, but since it's located near the metropolitan area of Washington D.C., some local leaders were concerned it could be on the verge of becoming a bedroom community. With unprecedented population growth during the last decade, county officials needed sound data to inform zoning and municipal plans that would not only meet the county's growing needs but still maintain its desired rural character. GPAAR leadership knew what data was necessary for an understanding of local housing and recognized that county leaders might welcome an expert, independent analysis.

Comprehensive plans provide local leaders with essential vision, examination and guidance.

Photo by Kim Atkins

Photo by Kurt Wagner

"GPAAR has strong relationships with the local professional staff like the county administrator and planners. We have regular conversations and are familiar with the comprehensive plan," explained GPAAR Legislative Consultant Susan Gaston. "GPAAR and the county recognized the void of solid housing data and knew that neither of us had the personal and economic capital to do research on their own. We thought a Housing Opportunity grant could help fill that void."

GPAAR leaders decided the best way to conduct the needed research was to seek out independent, third party expertise.

With the help of a $5,000 NATIONAL ASSOCIATION OF REALTORS® (NAR) Housing Opportunity grant, GPAAR commissioned David Versel — senior research associate with nearby George Mason University's Center for Regional Analysis with more than 15 years of experience in real estate market and feasibility evaluations and regional development planning — to conduct a thorough and objective study of current housing realities and future needs. GPAAR had worked with the university on previous events and knew that Versel and the Center for Regional Analysis would be a good fit for the housing research required for the comprehensive plan.

"The REALTORS® gave carte blanche access to housing data and the multiple listings and then stepped back," Gaston said. "The REALTORS® had no further contact until the report was done. It was completely independent. That was really important to everyone."

Gaston said that the result was a true partnership involving Culpeper County, GPAAR and George Mason University. Strong existing relationships, a sound process and impeccable research credibility and expertise ensured success. In fact, Gaston added, county officials put so much trust in Versel's work that county planners personally

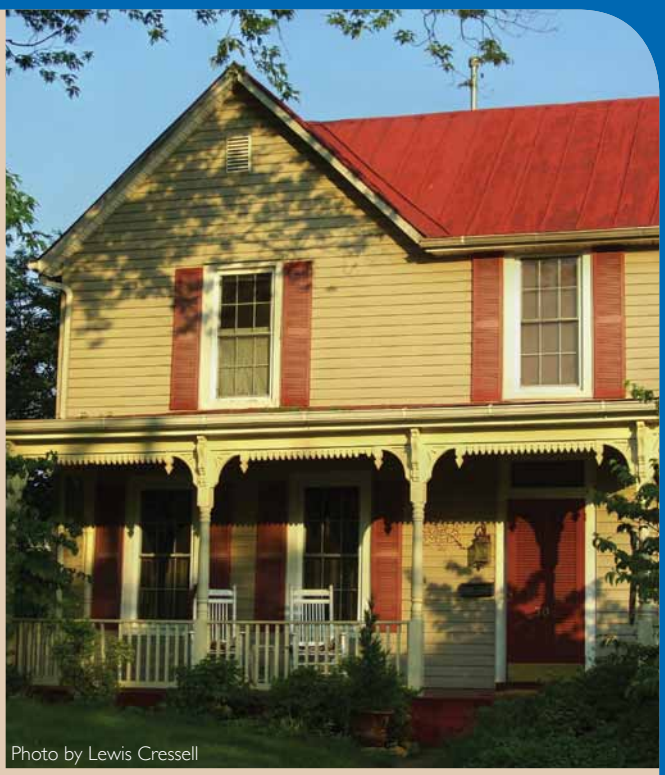


Photo by Lewis Cressell

The REALTORS® gave carte blanche access to housing data and the multiple listings.

drove him around the county to help him gain a first-hand perspective of housing.

The result was "A Housing Needs and Market Analysis for Culpeper County, Virginia". GPAAR turned the completed study over to Culpeper County authorities, who credited GPAAR for making the study possible and used it as the primary source of data and analysis for the comprehensive plan's chapter on housing. The plan's housing chapter included data on existing households and current housing stock, a housing market overview, future housing forecasts and a summary of

REALTORS® Take Action

Making Smart Growth Happen

future housing needs. The study found that the majority of existing households were comprised of empty nesters (approximately 35 percent) and individuals living alone (20 percent). Versel's analysis also showed that in Culpeper County, homeowners greatly outnumber renters — 73 percent to 27 percent. The analysis concluded that during the next 25 years the county's housing market will be driven by out-commuters and seniors, as well as traditional area working families. Versel estimates that the county — with a 2013 population of approximately 48,500 — will need approximately 400 housing units per year to keep up with demand. The report delivers a wealth of information that will guide future zoning and development strategies.

With the plan in hand, the next step is to start reviewing municipal codes to see what zoning revisions are necessary. It's a complex, fluid and ongoing process that could take 18 to 24 months.

"We're getting into the weeds slowly and methodically to see what zoning changes are needed to implement housing opportunities," Gaston said. "The county now translates the report into meaningful housing policy that benefits homeowners."

The strong relationships among the county, the REALTORS® and the university not only supported the initial research, but will also carry over into the plan implementation. Gaston noted that all three parties continue to embrace the process and have a sense of ownership of the report and the data. The NAR grant both engages local stakeholders and facilitates independent research. The process and its results have also impressed decision makers outside the local area.

"Our members and the county administrators are really pleased at the outcome of this effort," GPAAR Chief Executive Officer Debbie Werling explained in a NAR article. "Our association has gained more credibility with the county, and even with state officials who represent the county. That's huge. Plus, other counties in the GPAAR footprint have heard what a fabulous tool and resource the housing needs study is to

The strong relationships among the county, the REALTORS® and the university will also carry over into the plan implementation.

Photo by David Clow

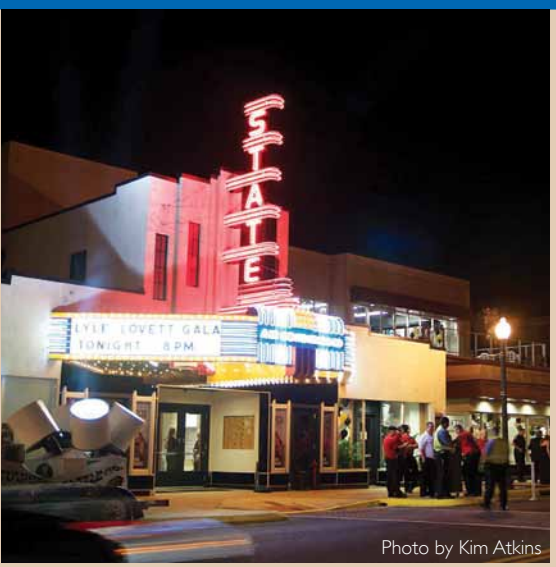


Photo by Kim Atkins

Culpeper County, and they are inquiring how a similar report can be completed for their area."

Culpeper County may have been the first county to complete a comprehensive plan for housing by partnering with local REALTORS® and university experts, but it isn't alone. Similar efforts are underway southeast of Culpeper County in the tidewater area of Virginia's east coast. The Williamsburg Area Association of REALTORS® has collaborated with James City County and the College of William and Mary on research that is developing a similar housing report. In Newport News, the Virginia Peninsula Association of REALTORS® is working with municipal planners and local Christopher Newport University to review and revise comprehensive housing plans. Both research efforts are possible thanks to NAR grants.

News of the successful partnership continues to spread. Fauquier County, located adjacent to Culpeper County, was also recently awarded a NAR grant to conduct its own study. And the independent cities of Williamsburg and Hampton have expressed strong interest in applying for grants and conducting their own studies.

We're grateful that NAR continues to support this process in other communities.

"We're grateful that NAR continues to support this process in other communities," Gaston explained. "These are all different communities and each grant is unique to the community, but the needs are universal. Each grant and report is different, but the goals are the same."

Local stakeholders frequently share common goals. In Virginia, local leaders have learned that community partnerships make it possible for those stakeholders and policy makers to capitalize on local expertise, gain access to housing data that otherwise wouldn't be available and facilitate reliable, independent research. That's an approach that will not only provide a long view of housing, but empowers future collaborations and will enable long-term growth and prosperity.

REALTORS® & Smart Growth

on common ground

NATIONAL ASSOCIATION *of* REALTORS®