NMHC Housing Affordability Toolkit

NMHC Board Meeting

May 10th, 2018
HR&A is a real estate and economic development consulting firm working at the intersection of the public and private sectors. We transform and revitalize communities by linking private investment with public policy to support community development.
HR&A provides a range of services, including public policy and affordable housing strategies.
Impetus for the Project

Growing concern about housing affordability

New punitive housing policies

Restricted supply of housing

Increasing need to engage policymakers

Goal: Create materials that support NMHC members as they engage local policymakers to advocate for effective housing policies.
Toolkit Components

1. **The State of Housing Affordability** | An overview of the economic, demographic, and policy trends that are driving housing affordability issues at the national level and how they are playing out in local markets.

2. **Housing Cost Drivers** | A framework describing the different factors that determine the costs to develop housing and how local policies impact these costs.

3. **Benefits of Multifamily Housing** | A synthesis of the benefits of multifamily housing for cities, residents, and communities.

4. **Housing Affordability Tools** | A description of how different housing tools close the gap between what a household can afford in housing costs and the cost to develop and operate that housing.

5. **Housing Affordability Discussion Guide** | A summary of the key issues framing advocacy for affordable housing and how to engage with housing stakeholders.
1. The State of Housing Affordability

An overview of the economic, demographic, and policy trends that are driving housing affordability issues at the national level and how they are playing out in local markets.

National Trends
This section will aggregate and summarize national trends that are contributing to decreasing housing affordability.

Case Studies
Case studies of eight different cities that reflect how national trends manifest at the local level.

Percent Increase in Rent, 2000 - 2016

- Sacramento: 28%
- Denver: 39%
- Atlanta: 28%
- Minneapolis: 16%
- Seattle: 44%
- Pittsburgh: 25%
- San Antonio: 21%
- Tampa: 33%

United States (17%)
2. Housing Cost Drivers

A framework describing the different factors that determine the costs to develop housing and how local policies impact these costs.

Cost Framework
Framework for how municipalities influence the costs of developing housing.

Cost Driver Case Studies
Case studies to highlight policies that contribute to housing development line-item costs.

- **Uses**
  - Soft
  - Hard
  - Land

- **Sources**
  - Equity
  - Debt

- **Operations**
  - Return
  - Debt Service
  - Operating Costs

- **Required Rent**
  - $XXX
    - Per market-rate unit per month
3. Benefits of Multifamily Housing

A synthesis of the benefits of multifamily housing for cities, residents, and communities.

Consolidation of Existing Research

Comprehensive analysis and summary of the existing research on the benefits of multifamily housing to local communities.
4. Housing Affordability Tools

A description of how different housing tools close the gap between what a household can afford in housing costs and the cost to develop and operate that housing.

Housing Tools Framework
Framework that categorizes tools based off of their ability to create additional supply of housing.

Explanation of Housing Tools
A summary of how affordable housing tools aim to close existing gaps.

Tool Case Studies
Case studies of housing tools and their impact on housing supply and affordability.
4. Housing Affordability Tools

A description of how different housing tools close the gap between what a household can afford in housing costs and the cost to develop and operate that housing.

Tools

• Inclusionary Zoning
• Property Tax Incentives
• Rent Control
• By-Right Development
• Public Land Disposition

Other Tools

• Tenant Rights
• Impact Fee Waivers
• Right of First Refusal
• Preservation Overlays
• QAP Reform
• Acquisition Funds
• Multifamily Gap Financing

• Public Housing Redevelopment
• Community Land Trust
• Special Assessments
• Incremental Tax Districts
• Housing Trust Fund
• Locally Controlled Federal Funds
5. Housing Affordability Discussion Guide

A summary of the key issues framing advocacy for affordable housing and how to engage with housing stakeholders.

Why Housing Affordability Matters
A summary of the importance and benefits of housing affordability and the role of demand and supply.

Housing Affordability Policy Goals
Brief explanations of the policy goals of a wide variety of stakeholders in order to guide discussions.

User’s Guide for Housing Affordability Toolkit
Sample scenarios to help NMHC members use the toolkit in common situations.
HR&A anticipates a 9-month project schedule, with project completion occurring in August, 2018.

Current Project Status

1. State of Housing Affordability
2. Housing Cost Drivers
3. Benefits of Multifamily Housing
4. Housing Affordability Tools
5. Housing Affordability Discussion Guide

Month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9
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1. State of Housing Affordability | | | | | | | | | 
2. Housing Cost Drivers | | | | | | | | | 
3. Benefits of Multifamily Housing | | | | | | | | | 
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Current Status