

HOUSING MARKET DEMAND STUDY & STRATEGY

STEERING COMMITTEE

Tulsa, Oklahoma
Strategy Presentation

November 2019



Introduction

Where are we in the process?

What are the drivers of this study?

What does this mean for strategy?

Demand Review

What were the demand conclusions?

What does this mean in terms of scale?

Strategy

How do we think about “strategy”?

What is the framework?

What are the tools and programs?

What do you think?

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PROCESS & SCHEDULE



KICKOFF



UNDERSTAND



QUANTIFY



STRATEGIZE



ALIGN



REPORT

GETTING
STARTED

ANALYSIS

FEASIBILITY
TESTING

STRATEGY

REFINE AND
ALIGN

DOCUMENT

Who should we speak with?
What information do we need?

What are the conditions?
What are the needs?

What will housing investments cost?

What needs to be done? Where?

What resources and partners can be aligned?

Pulling it all together

1 MONTH
JUNE

3 MONTHS
JULY – SEPTEMBER

2 MONTHS
OCTOBER – NOVEMBER



UNDERSTANDING STUDY PURPOSE

How can housing investments better serve the **needs of all residents?**

Tulsa Downtown Housing Strategy

NEIGHBORHOOD & EQUITY

MID-SIZED DOWNTOWN
DEVELOPMENT

GROWTH &
COST OF HOUSING

How can housing support **economic development** and competitiveness?

How can we **prevent displacement** and cost burden that can result from investment?

DOWNTOWN HOUSING ECONOMIC COMPETITIVENESS



How can housing support **economic development** and competitiveness?

DOWNTOWN TRENDS

ECONOMIC COMPETITIVENESS

Downtowns are **growing**



top cities gained population in their Downtowns (2000 to 2010)



Mid-size cities are leading the way



Higher education, craft brewing, and festivals are catalysts for growth



Companies are looking for talent, identity, and collaboration



of companies surveyed relocated from a suburban location or opened a new branch downtown



Professional /Technical, Information, Finance & Insurance are leading the way

Companies are **intentionally** moving Downtown

DOWNTOWN TRENDS

RESIDENT CHARACTERISTICS

are young **48%** are between 18 and 34 years old

in mid-career **35%** are 35 to 54

or empty nesters **17%** are 55 and over

don't have kids **92%** have 0 children living in their household

are highly educated **84%** have a Bachelor's degree or higher

rent their residence **51%** rent their residence

recently relocated **33%** moved from outside the MSA



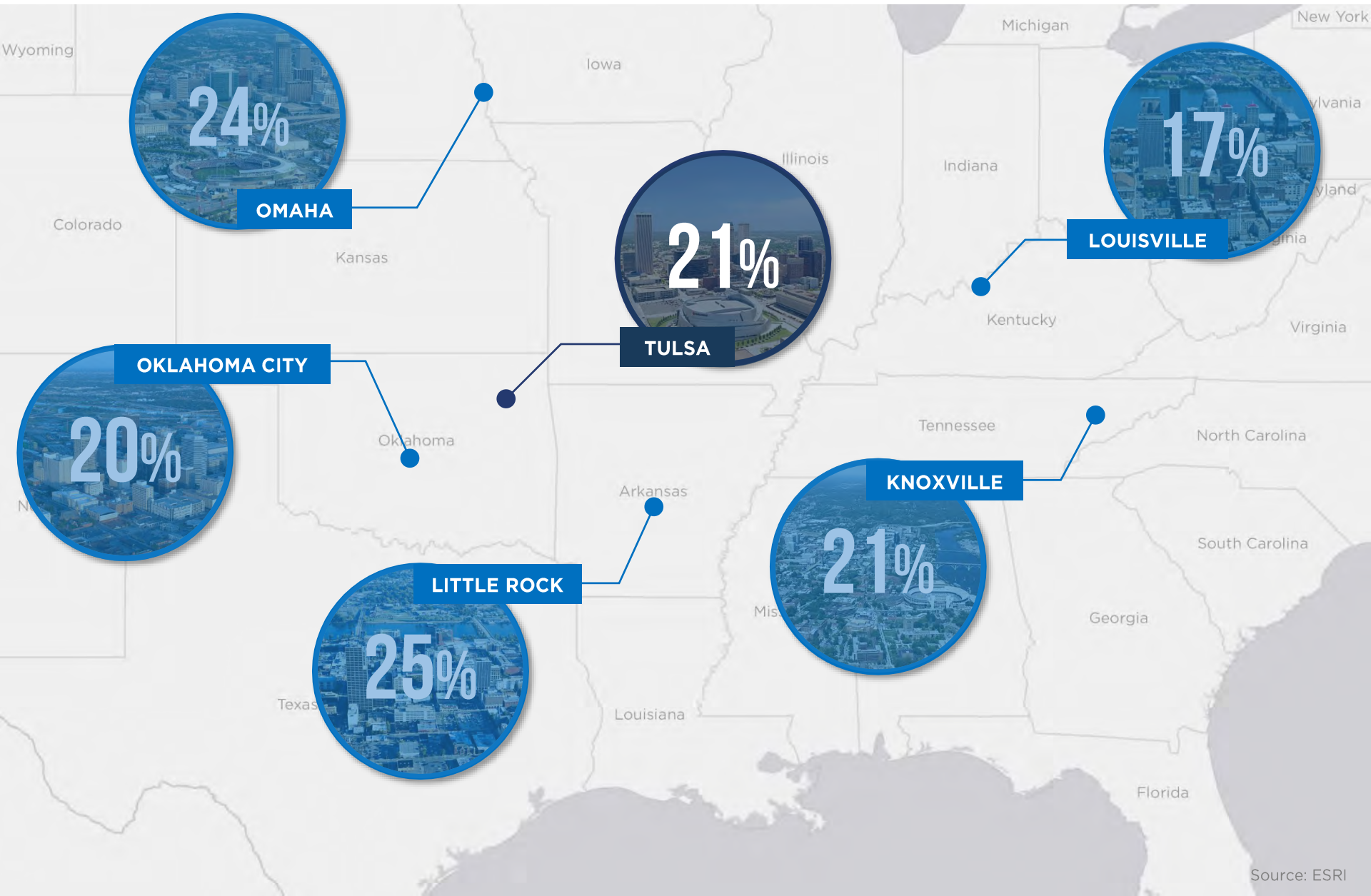
TRENDS

PEER CITIES ANALYSIS



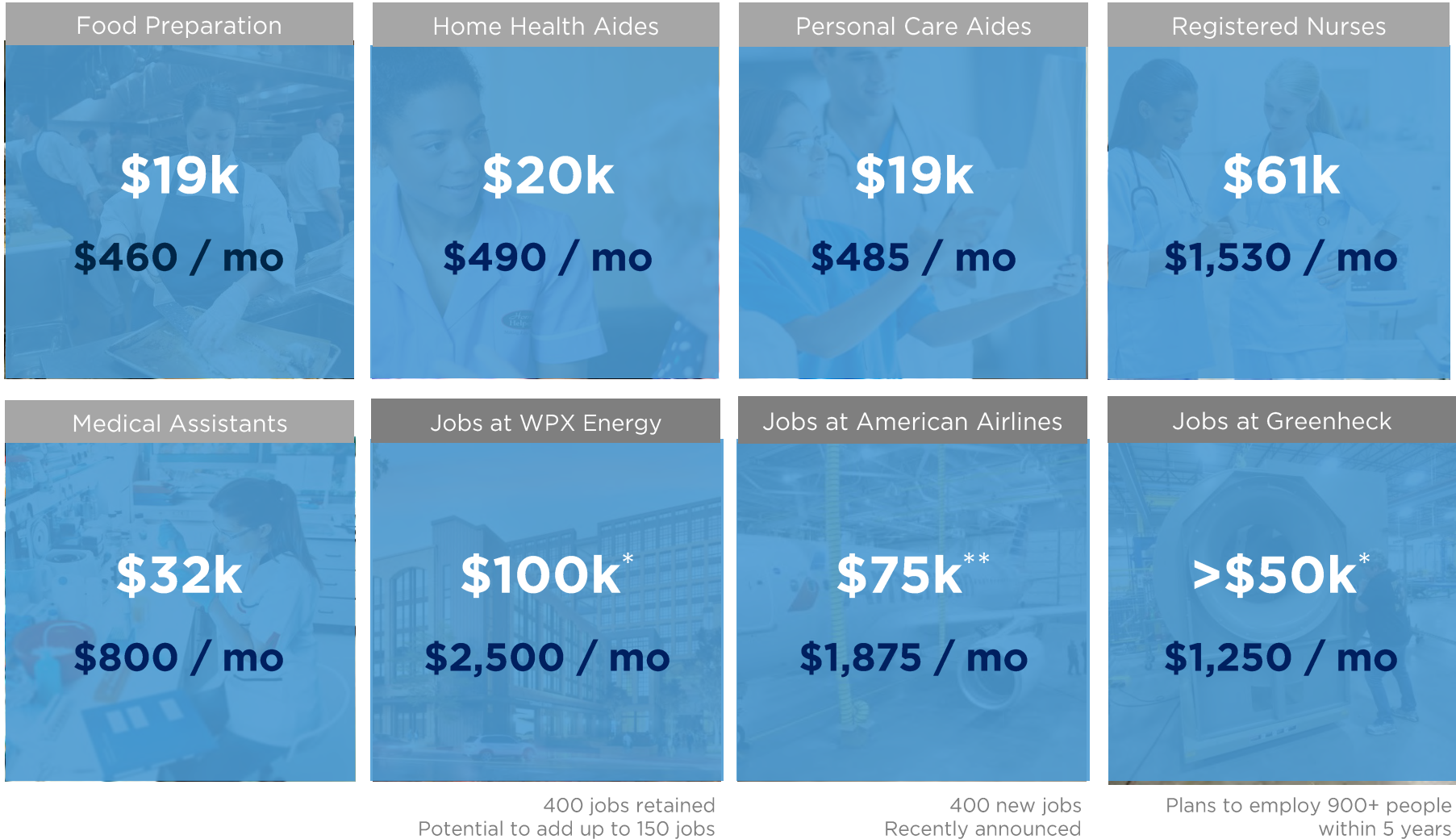
TALENT

RESIDENTS AGED 25+ WITH A BACHELOR'S DEGREE



ECONOMIC

MEDIAN ANNUAL WAGES OF OCCUPATIONS WITH HIGH PROJECTED NEAR-TERM GROWTH

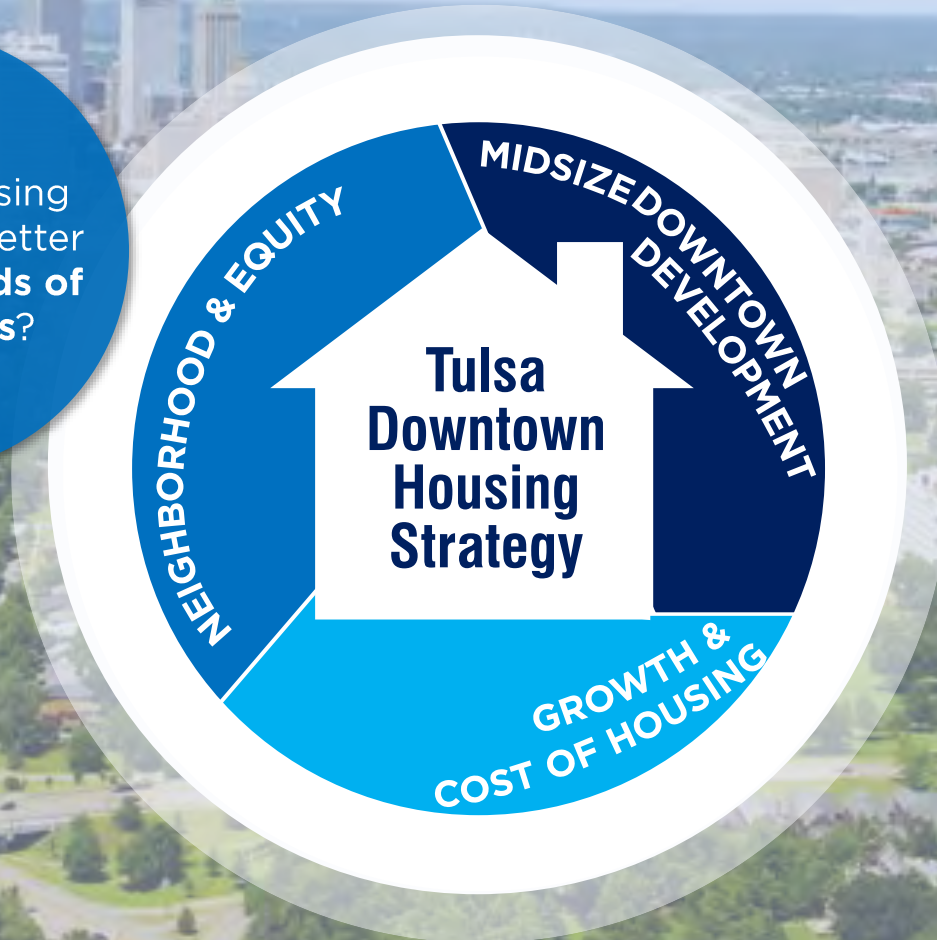


Source: Oklahoma Employment Security Commission, Research & Analysis Division, City of Tulsa Mayor's Office

*: average wages; **: entry-level wages

UNDERSTANDING STUDY PURPOSE

How can housing investments better serve the **needs of all residents?**



Aftermath of 1921 Race Massacre in Greenwood

Images: Oklahoma Historical Society/ Library of Congress



IDL cuts expansive path through North/ North East Tulsa funded by decades of UR and transportation policy

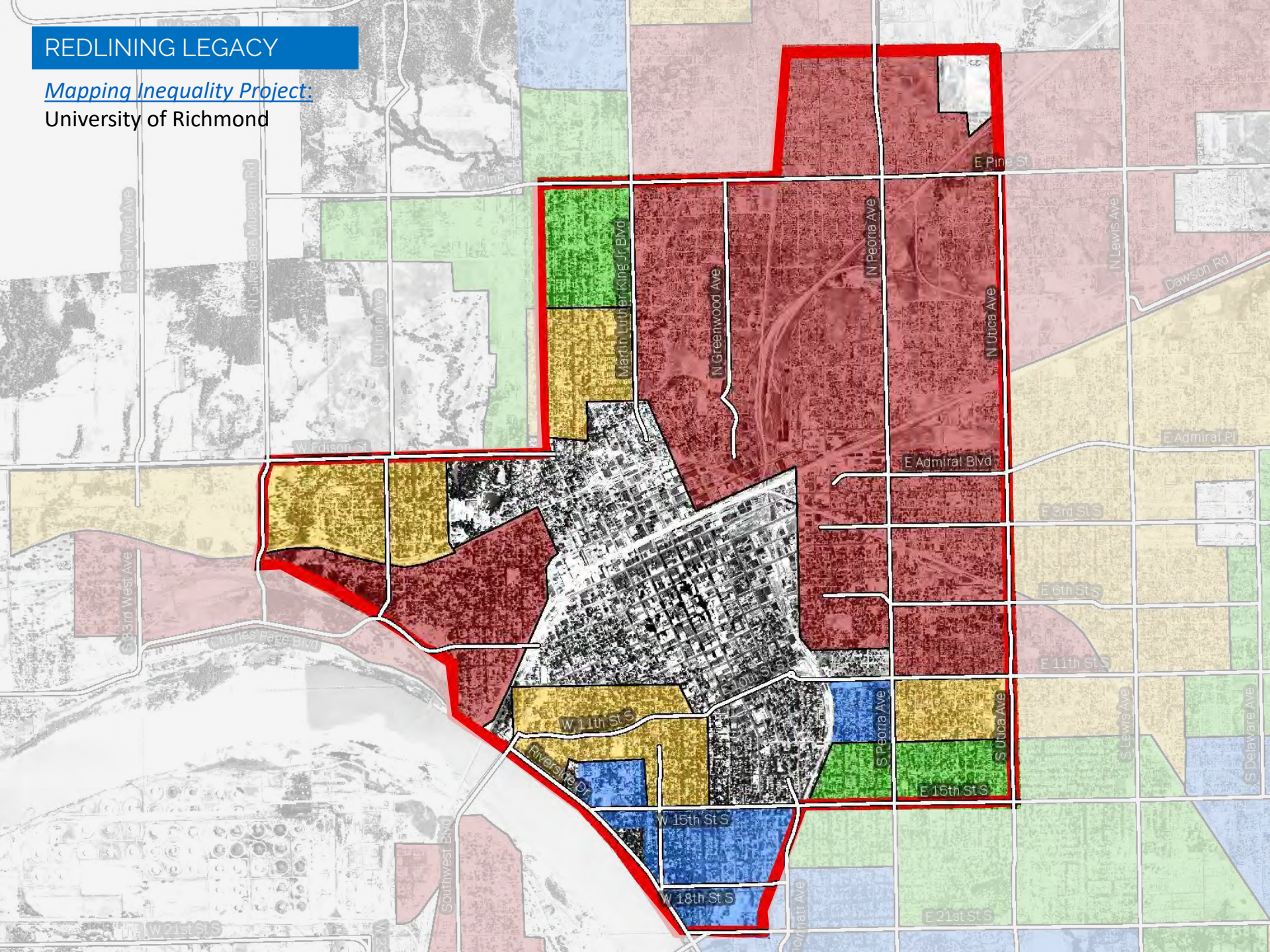


Urban Renewal: 1970s

UCATA: 1980s

REDLINING LEGACY

Mapping Inequality Project:
University of Richmond

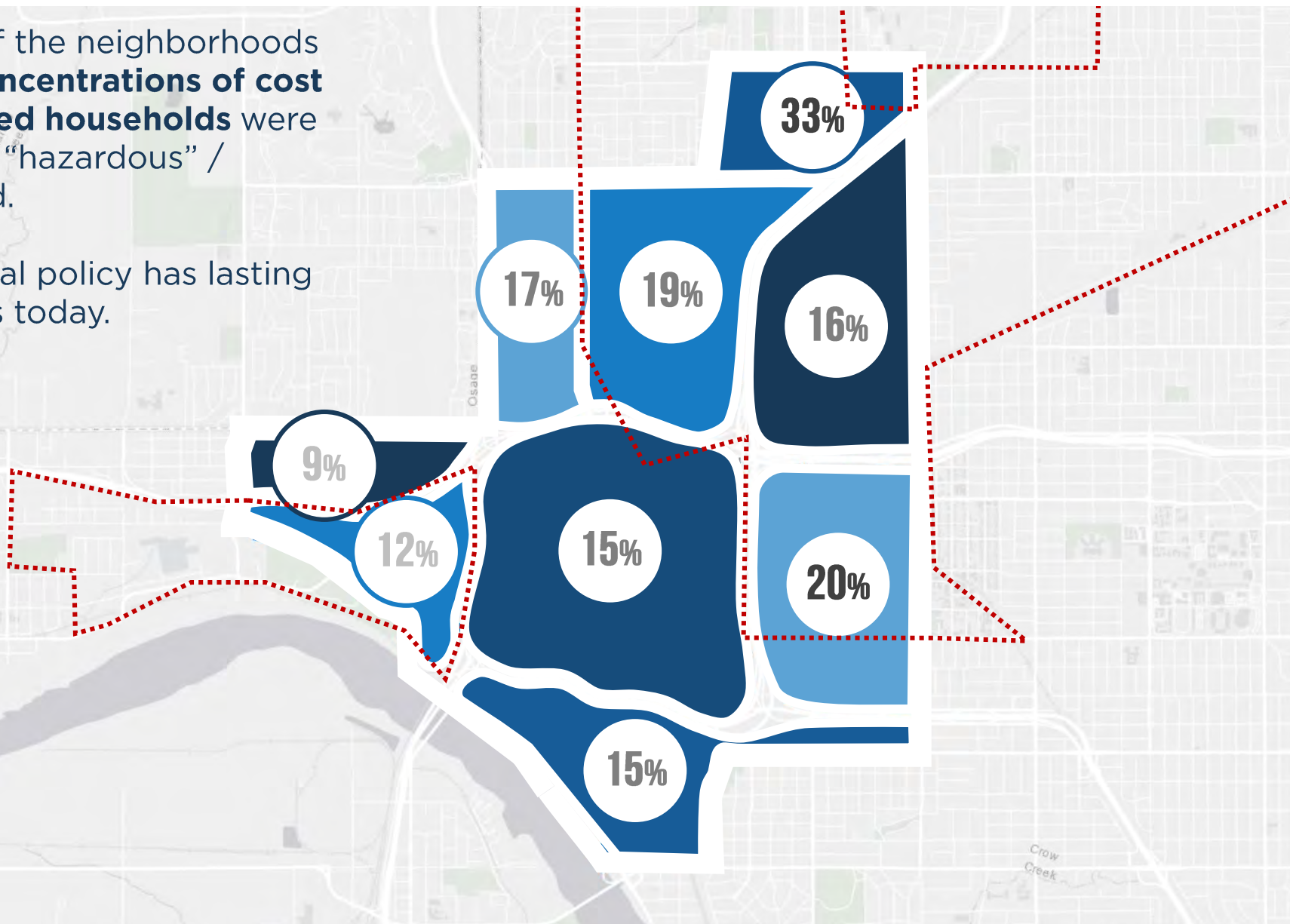


NEIGHBORHOODS AND EQUITY

REDLINED & MINORITY NEIGHBORHOODS FACE HIGHER COST BURDENS

Many of the neighborhoods **high concentrations of cost burdened households** were labeled “hazardous” / redlined.

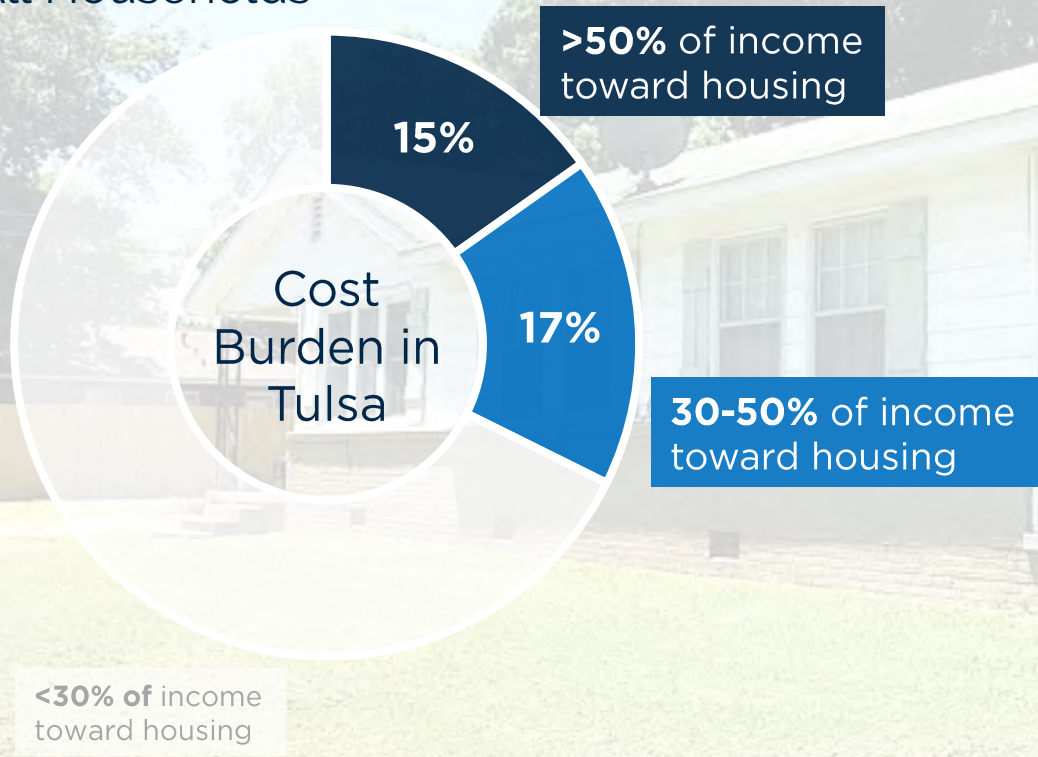
Historical policy has lasting impacts today.



NEIGHBORHOODS AND EQUITY

HOUSING COST BURDEN IS A GREATER HARDSHIP FOR MINORITIES

All Households



Renter Households: 46%

LATINO:
43%

WHITE:
44%

BLACK: 55%

UNDERSTANDING STUDY PURPOSE



How can we **prevent displacement** and cost burden that can result from investment?

GROWTH AND COST OF HOUSING

FACTORS THAT LEAD TO DISPLACEMENT

**Rapid Rent
Increases**

**Employment
Instability**

**Poor Housing
Conditions**

Job Loss

**Lack of Support
System**

Evictions

**Mental Health
Challenges**

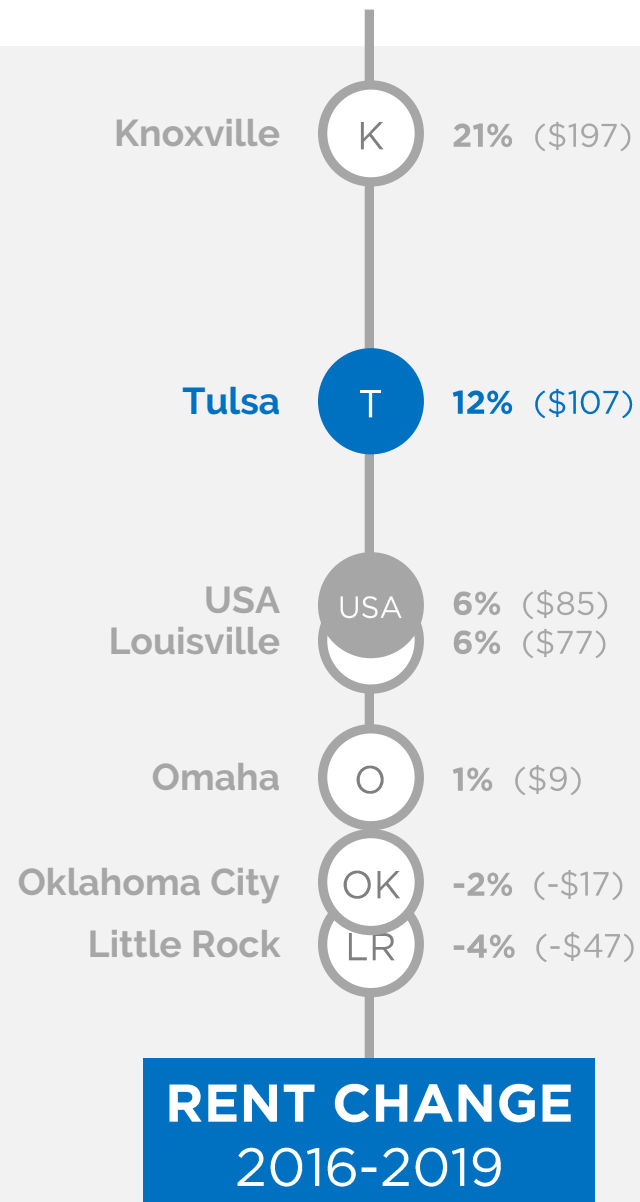
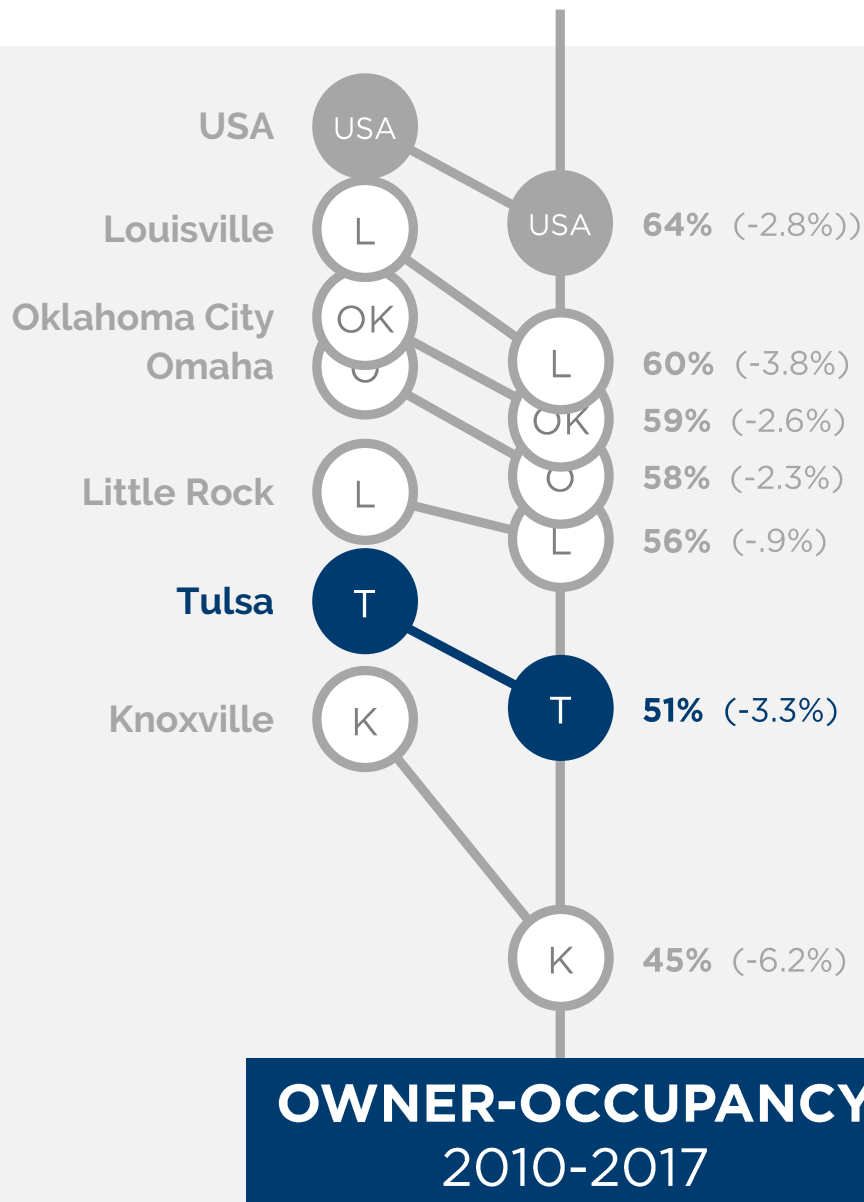
Life Events

**Lack of Affordable
Options**

Criminal Record

GROWTH AND COST OF HOUSING

HOMEOWNERSHIP IS DECREASING AND RENTS ARE INCREASING



GROWTH AND COST OF HOUSING

HOMEOWNERSHIP IS DECREASING AND RENTS ARE INCREASING

11TH

highest eviction rate
in the nation

1 OF EVERY 13

renter households
evicted in 2016

**EVICITION
HOMELESSNESS**

>5,600

Tulsans experienced
homelessness last year

HOUSING AFFORDABILITY

THE EXPERIENCE

>700 respondents (40%) have struggled to find safe, decent, and affordable housing.

Rent/mortgage payment was too high

Could not find a home in my price range

Crime

Home was not in good condition

Home was not a healthy place

Lost job and couldn't afford rent

Property taxes were too high

Couldn't get a loan to improve my home

Discrimination

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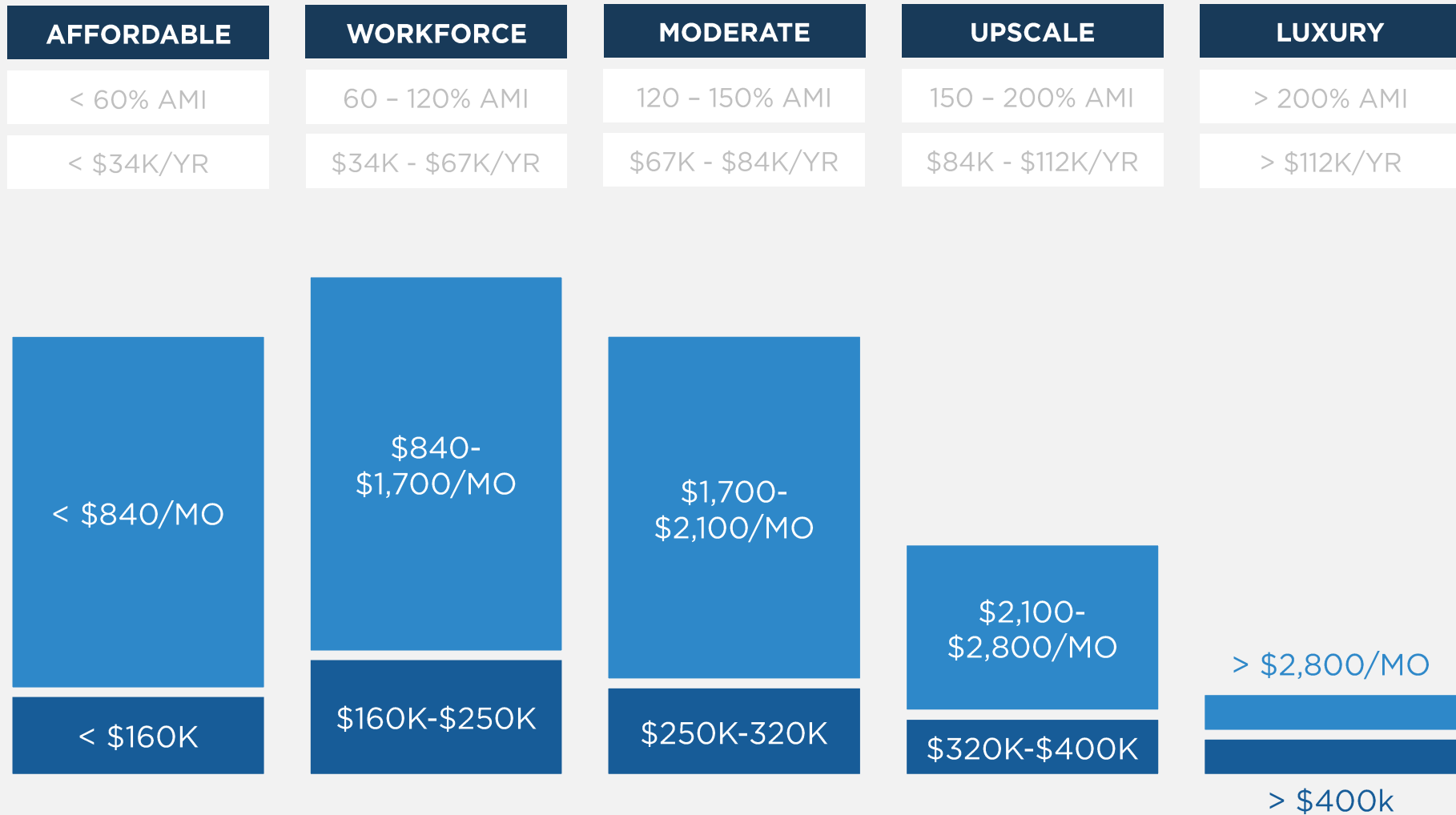
DEMAND SUMMARY

STUDY AREA

	AFFORDABLE	WORKFORCE	MODERATE	UPSCALE	LUXURY
FOR-RENT	< \$840/MO	\$840-\$1,700/MO	\$1,700-\$2,100/MO	\$2,100-\$2,800/MO	> \$2,800/MO
	800-1000 UNITS	1000-1200 UNITS	400-600 UNITS	200-300 UNITS	100 UNITS
10-YEAR DEMAND: 2500-3200 RENTAL UNITS					
UNDER CONSTRUCTION AND PROPOSED: 1200 RENTAL UNITS					
NET NEW DEMAND: 1300-2000 RENTAL UNITS					
DOWNTOWN SHARE: 650-1000 RENTAL UNITS					
FOR-SALE	< \$160K	\$160K-\$250K	\$250K-320K	\$320K-\$400K	> \$400K
	150-250 UNITS	300-400 UNITS	200-300 UNITS	100-200 UNITS	100 UNITS
10-YEAR DEMAND: 800-1250 FOR-SALE UNITS					
DOWNTOWN SHARE: 200-350 FOR-SALE UNITS					
TOTAL NET NEW DEMAND: 2100-3250 UNITS					
DOWNTOWN SHARE: 850-1350 UNITS					

DEMAND SUMMARY

STUDY AREA



- Rental units
- For-sale units

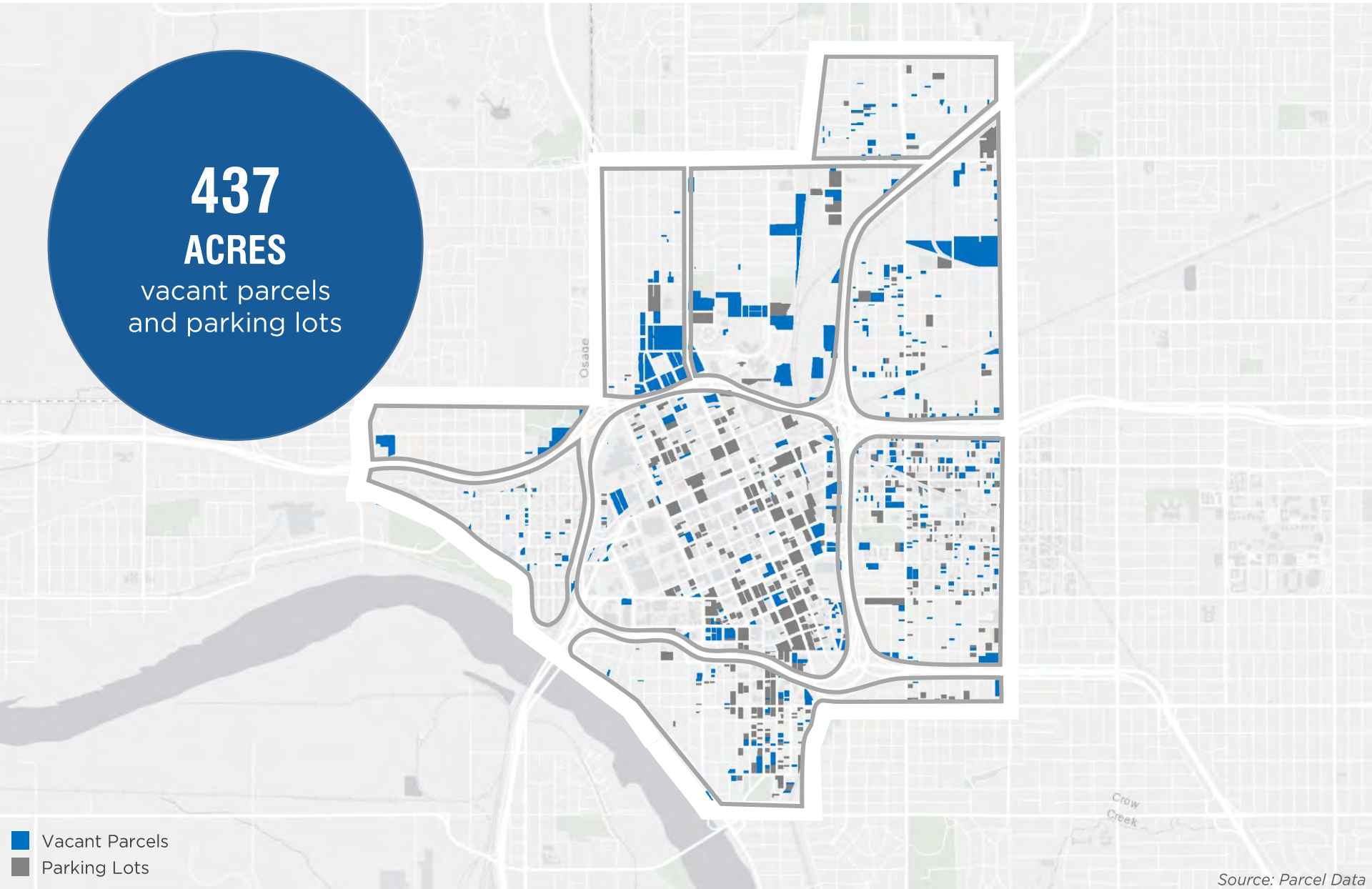
DEMAND SUMMARY

SCALE OF DEVELOPMENT

437

ACRES

vacant parcels
and parking lots



- Vacant Parcels
- Parking Lots

DEMAND SUMMARY

SCALE OF NEW DEVELOPMENT

TOTAL
DEMAND:
Up to
4,450
Units

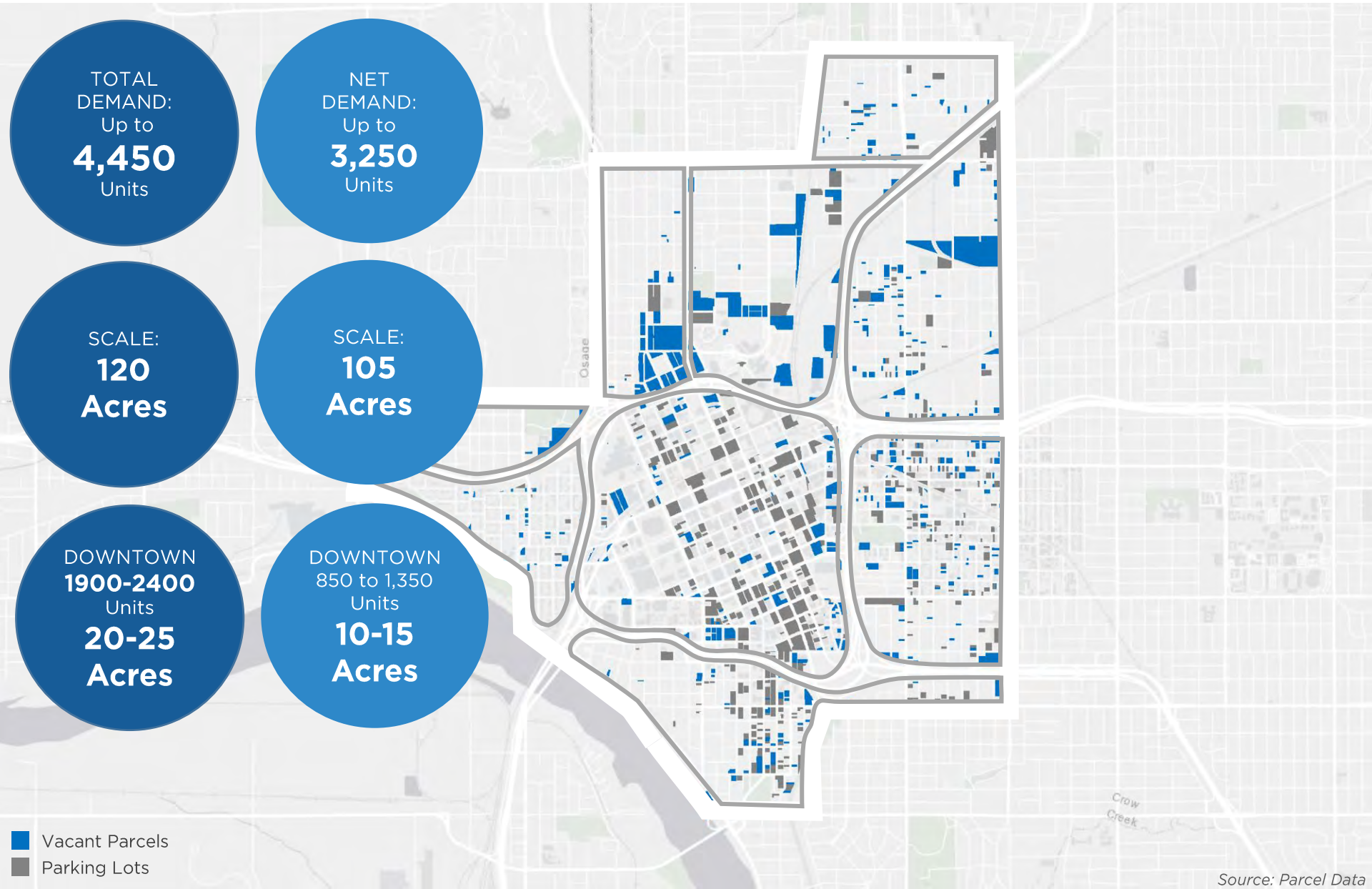
NET
DEMAND:
Up to
3,250
Units

SCALE:
120
Acres

SCALE:
105
Acres

DOWNTOWN
1900-2400
Units
20-25
Acres

DOWNTOWN
850 to 1,350
Units
10-15
Acres



DEMAND SUMMARY

SCALE OF NEW DEVELOPMENT

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DEMAND:
Up to
4,450
Units

NET
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SCALE:
105
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DOWNTOWN
1900-2400
Units
20-25
Acres

DOWNTOWN
850 to 1,350
Units
10-15
Acres

1 **square** represents the
standard 3-acre
neighborhood block size

1 **square** represents the
standard 2-acre
Downtown block size

 Vacant Parcels
 Parking Lots

DEMAND SUMMARY

SCALE OF NEW DEVELOPMENT

TOTAL DEMAND:
Up to
4,450
Units

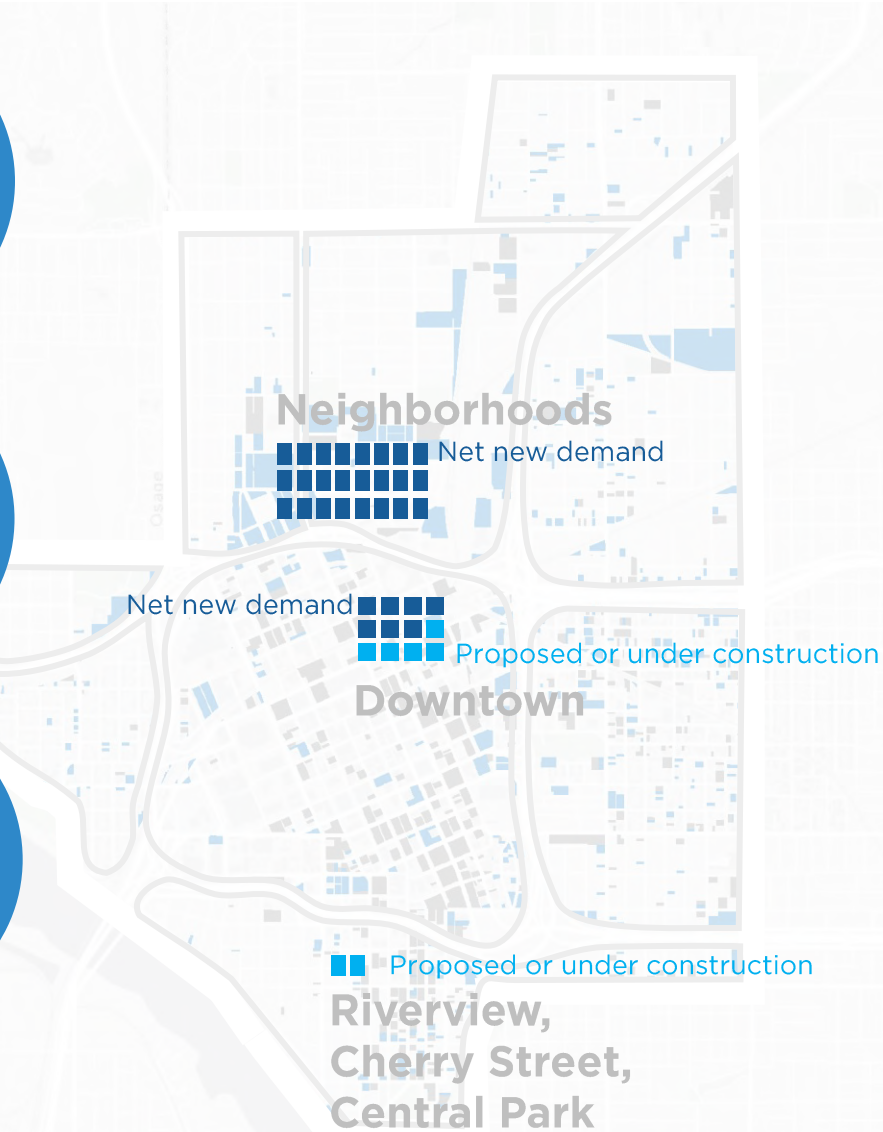
NET DEMAND:
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SCALE:
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SCALE:
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DOWNTOWN
1900-2400
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DEMAND SUMMARY

SCALE OF RESOURCES

TOTAL DEMAND:
Up to
4,450
Units

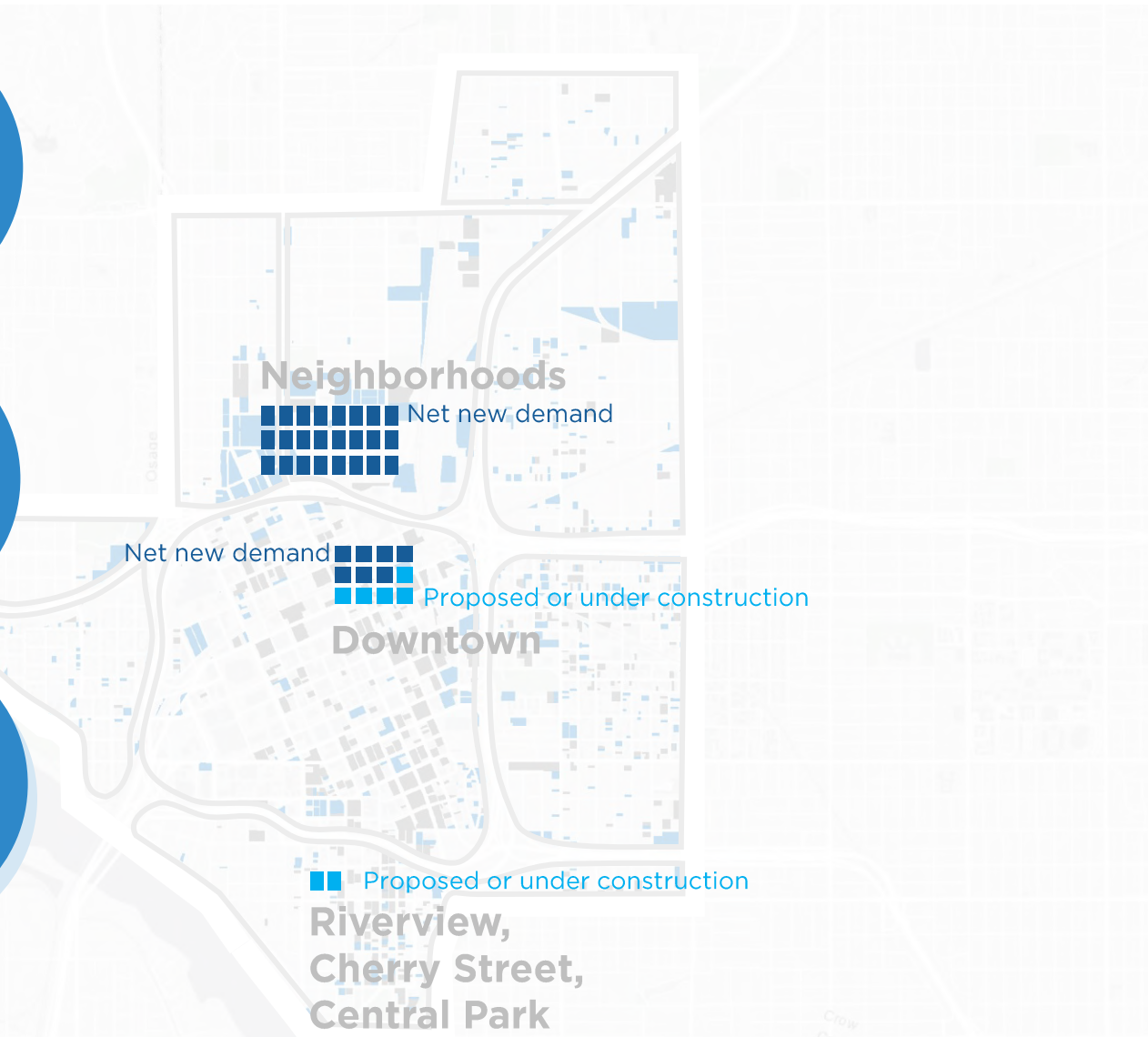
NET DEMAND:
Up to
3,250
Units

COST:
\$800M

COST:
\$585M

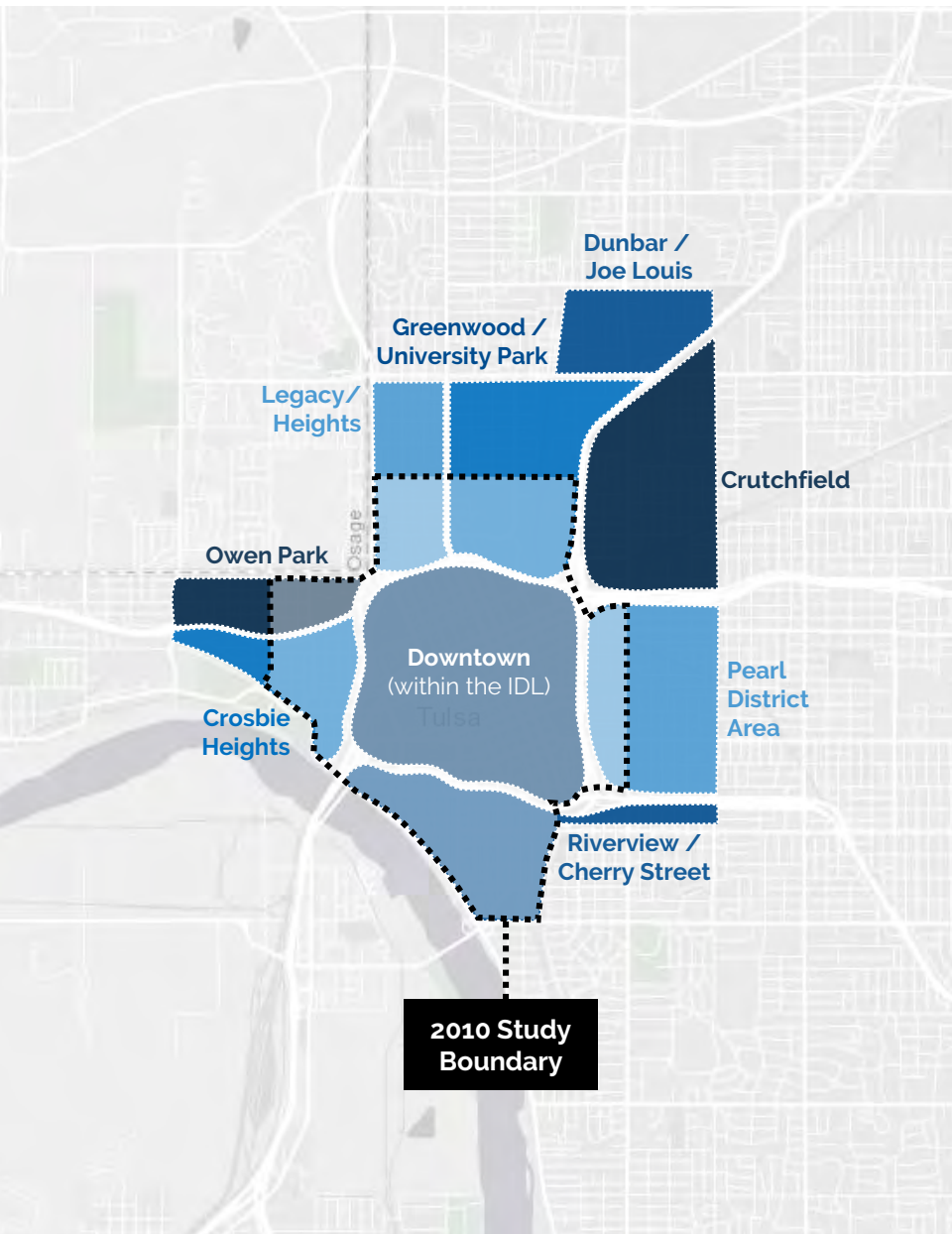
GAP:
\$160M

GAP:
\$115M



STUDY BACKGROUND

THE 2010 STUDY—RESULTS



The goal of the current effort is to reassess the potential for residential development in the Study Area, with a new focus on:

- **Engaging communities** in and around Downtown;
- Identifying opportunities to **align investments with community priorities**; and
- Identifying tools that **address the housing needs of all residents.**

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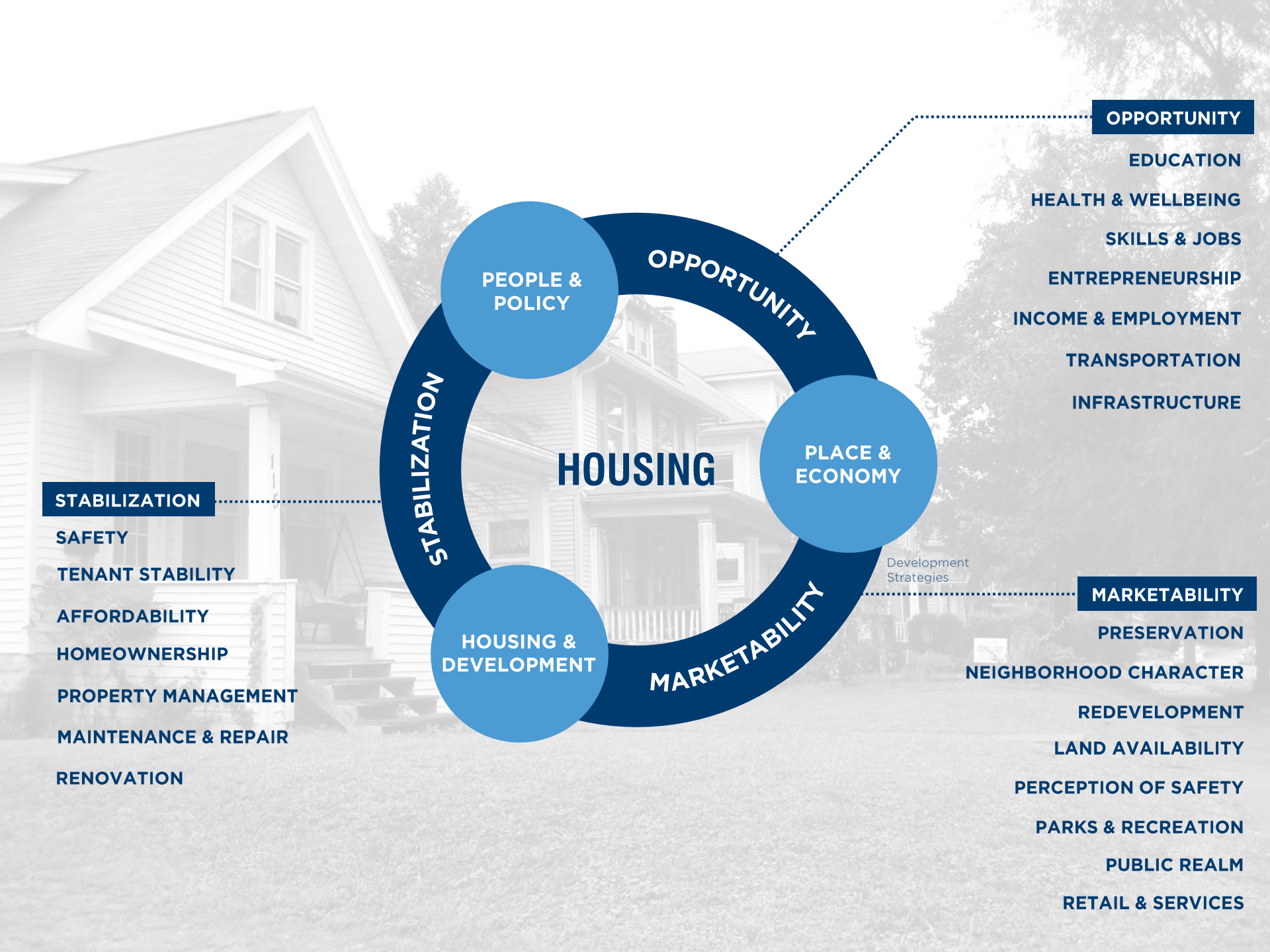
What are the tools and programs?

What do you think?

Strategy

What is strategy and why is it important?





STABILIZATION

- SAFETY
- TENANT STABILITY
- AFFORDABILITY
- HOMEOWNERSHIP
- PROPERTY MANAGEMENT
- MAINTENANCE & REPAIR
- RENOVATION

OPPORTUNITY

- EDUCATION
- HEALTH & WELLBEING
- SKILLS & JOBS
- ENTREPRENEURSHIP
- INCOME & EMPLOYMENT
- TRANSPORTATION
- INFRASTRUCTURE

MARKETABILITY

- PRESERVATION
- NEIGHBORHOOD CHARACTER
- REDEVELOPMENT
- LAND AVAILABILITY
- PERCEPTION OF SAFETY
- PARKS & RECREATION
- PUBLIC REALM
- RETAIL & SERVICES

Development Strategies

Tools,
Incentives,
& Programs

Housing Strategy

Existing & new
Filling gaps

Development
Stabilization
People

Neighborhood
Revitalization

Economic
Development

Equity

Infrastructure
Planning

Development

Role

Address feasibility issues to meet market demand with a quality housing products

Examples

revolving loan fund; tax credits; tax abatement; tax increment financing

Stabilization

Role

Stabilize and strengthen neighborhood conditions to promote quality reinvestment

Examples

repair programs; code enforcement; landlord licensing

People

Role

Ensure that all Tulsans are in a position to benefit from and participate in reinvestment

Examples

Tenant protections; homeownership support; rental assistance

Feasibility & Housing Tools

How do we know what level of investment is needed?

What tools are most appropriate?

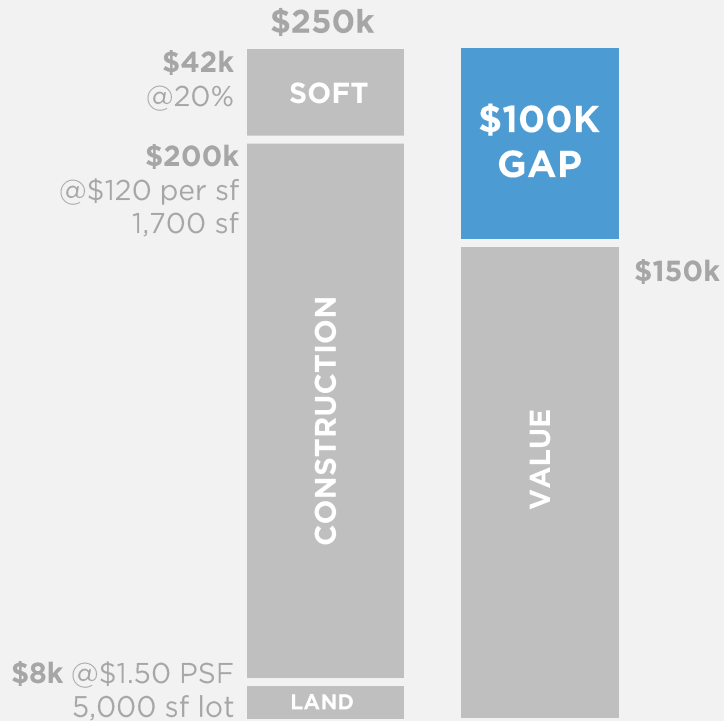
How do we focus the right tools in the right places?



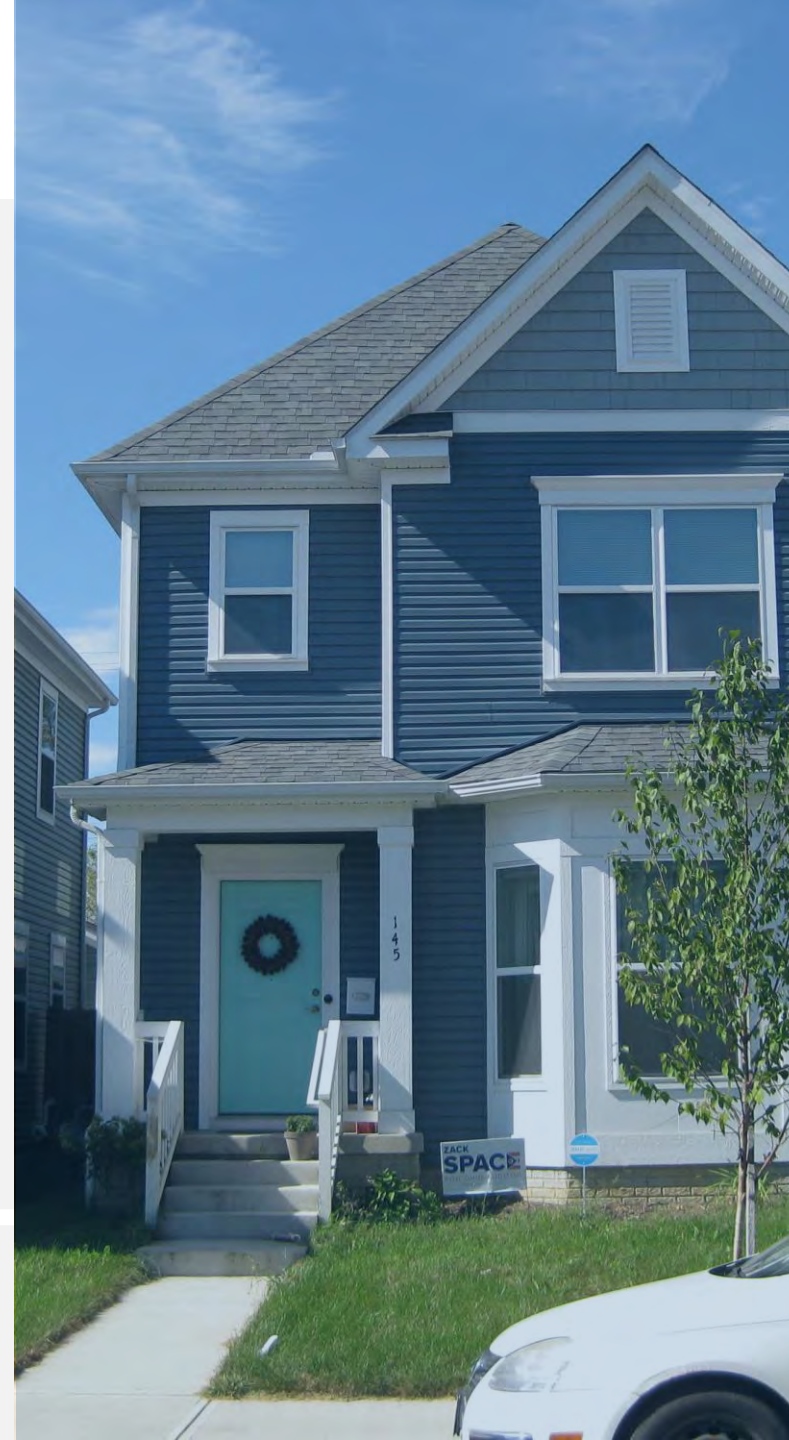
FEASIBILITY GAP

UNDERSTANDING THE ANALYSIS

COST and
VALUE



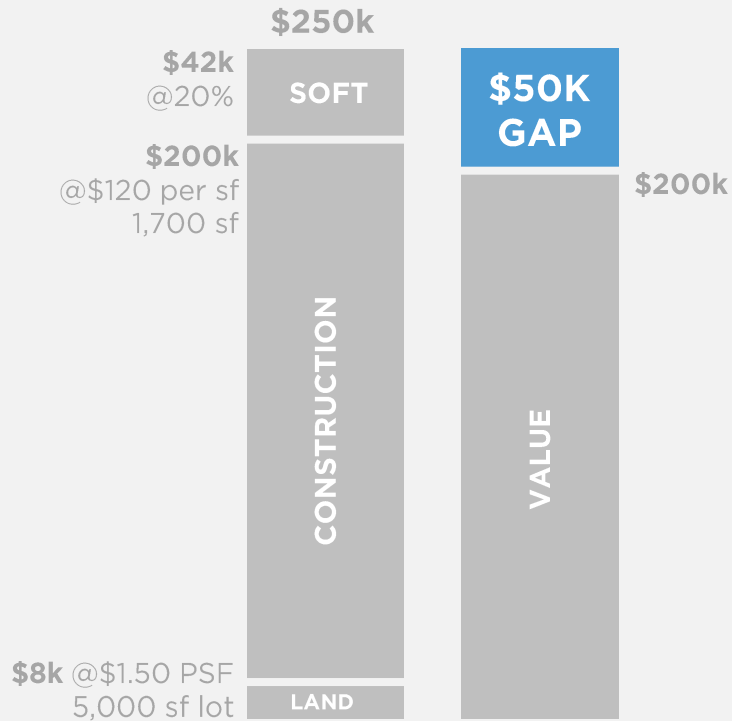
SINGLE FAMILY
NEW



FEASIBILITY GAP

UNDERSTANDING THE ANALYSIS

COST and
VALUE



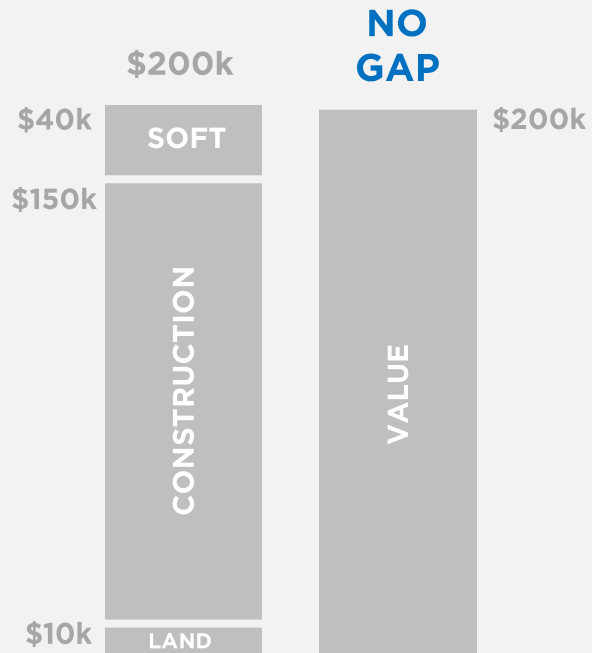
SINGLE FAMILY
NEW



FEASIBILITY GAP

UNDERSTANDING THE ANALYSIS

COST and
VALUE



SINGLE FAMILY
NEW



Strategy

What are we trying to achieve?

How do we get there?



HOUSING GOALS

WHAT WE HEARD

1. Expand quality and accessibility of

Affordable housing

1

2. Support economic development &

Competitiveness

2

3. Lower barriers to

Homeownership

3

4. Improve housing

Stability

4

using as Opportunity

5. Leverage housing investment for neighborhood

stabilization and

Quality of life

5

HOUSING GOALS

TRANSLATING INTO STRATEGY

1

Expand **homeownership** opportunities

1

2

3

4

5

2

Address **vacant properties**

1

2

3

4

5

3

Support quality **infill development**

1

2

3

4

5

4

Affordable and workforce **rental housing**

1

2

3

4

5

5

Support **housing stability**

1

2

3

4

5

6

Sustain **Downtown momentum**

1

2

3

4

5

7

Expand **capacity** and **target resources**

1

2

3

4

5

Support and expand attainable **homeownership** opportunities

strategy

1

Expand **financial assistance** for low- and moderate-income homebuyers and homeowners

Support residents working toward homeownership with **affordable rental opportunities**

Expand financial and technical **assistance for rehabilitation**

Establish a **community land trust** to create long-term affordable homeownership opportunities

STRATEGY 1

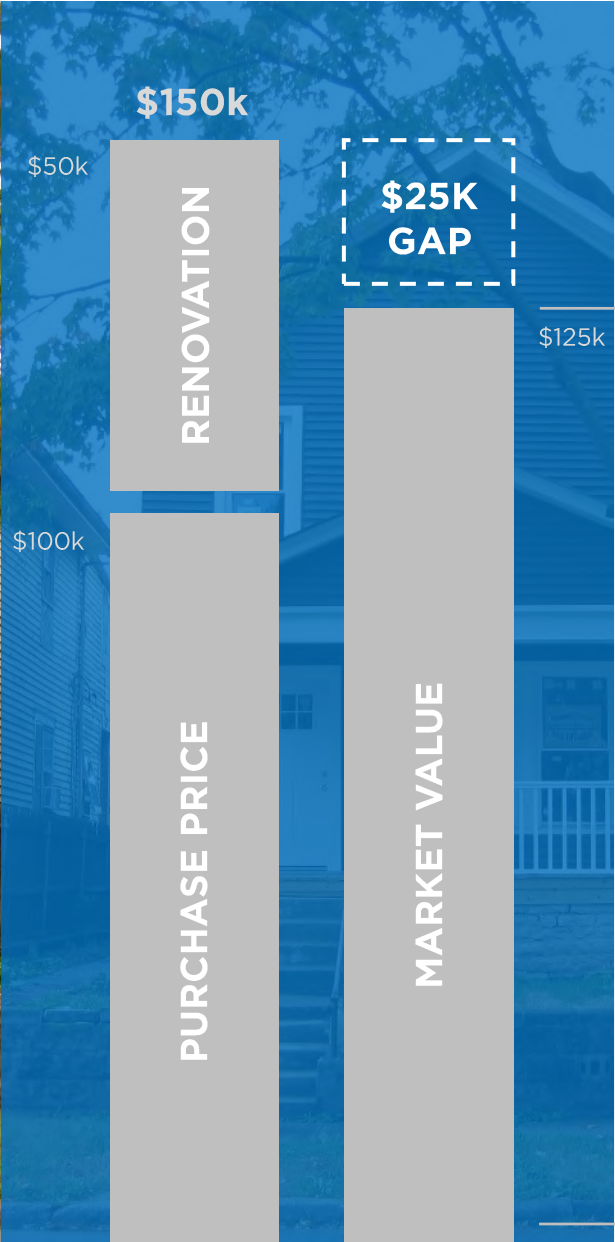
STRATEGY DETAIL

Expand **financial assistance** for low- and moderate-income homebuyers and homeowners

- **Identify existing lenders** that specialize in working with this cohort
 - Lending products (first-time homebuyer loans)
 - Downpayment assistance
- **Partner with additional lending institutions / credit unions** to expand the number of lenders offering this product
- Encourage creation of a mortgage-lending **Community Development Financial Institution (CDFI)** to expand the availability of assistance.
- Explore creation of an **appraisal gap mortgage program** to support homebuyers interested in purchasing or renovating homes in neighborhoods where market values are depressed.
- Ensure that the **homebuyer support network**—homebuyer education, credit counseling, etc.—continues to be strong by identifying and connecting organizations with local, state, and federal funding sources.
- Potential partners:
 - Habitat for Humanity of Tulsa
 - Housing Partners of Tulsa, Inc.

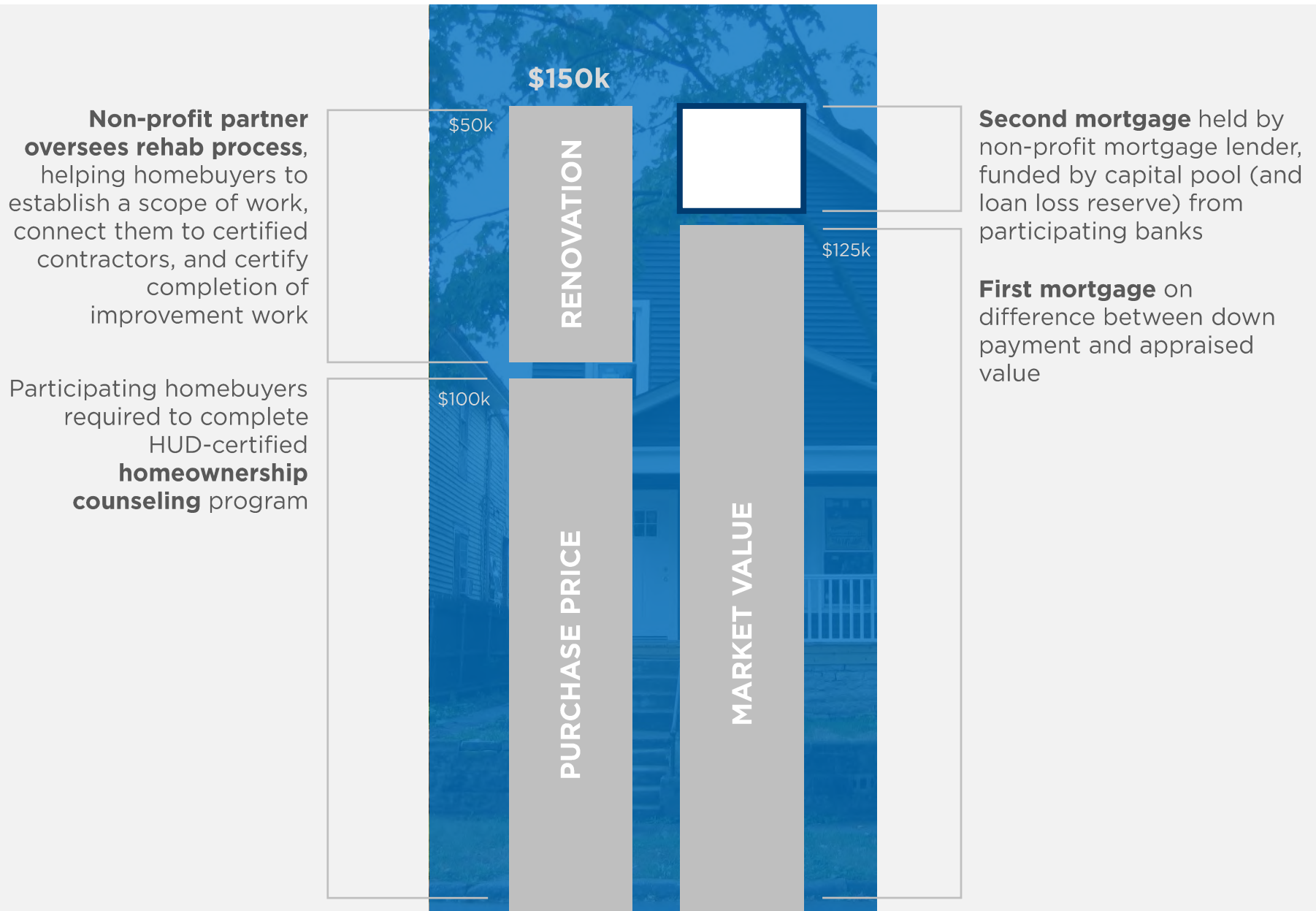


APPRAISAL GAP MORTGAGE PROGRAM CASE STUDY



Post-construction appraised value sufficient to underwrite mortgage for purchase, but not for full cost of needed improvements

APPRAISAL GAP MORTGAGE PROGRAM CASE STUDY



STRATEGY 1

STRATEGY DETAIL

Expand **financial assistance** for low- and moderate-income homebuyers and homeowners

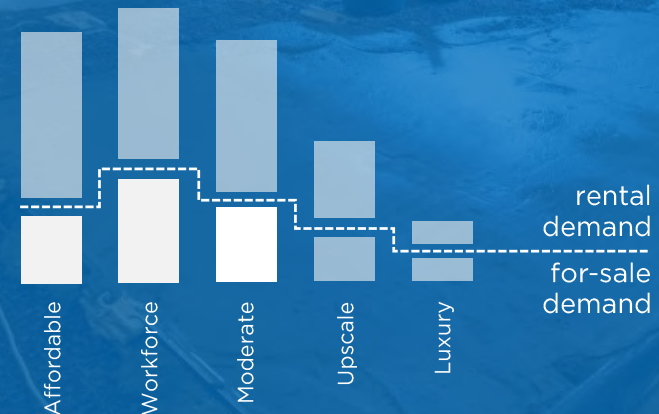
WHAT IS AN APPRAISAL GAP MORTGAGE PROGRAM?

- **Expand capital available** for qualified homeowners and homebuyers to invest in the existing housing stock
- **For homebuyers, help fill the gap** between the full cost of purchase and renovation and the appraised value of a home
- **For homeowners, provide capital to renovate homes** beyond what can be supported through home equity
- **Share risk** between mission-oriented lenders, conventional lenders, and the public sector in a **second mortgage pool**
- Precedents: Gateway Neighborhoods Mortgage Program, Detroit Home Mortgage Program

APPRAISAL GAP MORTGAGE PROGRAM

2ND MORTGAGE PER UNIT **\$25k**

200 homes purchased, rehabbed
Through \$5m fund



STRATEGY 1

STRATEGY DETAIL

Expand **financial assistance** for low- and moderate-income homebuyers and homeowners

Support residents working toward homeownership with **affordable rental opportunities**

- Identify organizations and companies providing **lease-to-own options**, or those willing to.
- Identify partner developers to **utilize LIHTCs to build affordable units** that would convert to homeownership units after the compliance period
 - Precedent: CROWN Program (Omaha)



STRATEGY 1

STRATEGY DETAIL

Expand **financial assistance** for low- and moderate-income homebuyers and homeowners

Support residents working toward homeownership with **affordable rental opportunities**

Expand financial and technical **assistance for rehabilitation**

- **Explore waiving permitting fees** for low- and moderate-income homeowners to invest in their homes
- Explore creation of a tool / equipment sharing program in each neighborhood in the Study Area
- Establish **renovation and repair resources** for neighborhoods with housing condition challenges
- Create list of **qualified contractors**; provide assistance for homeowners and homebuyers entering renovation process
- Assistance could be structured as grant, or forgivable loan, for income-qualifying homeowners



STRATEGY 1

STRATEGY DETAIL

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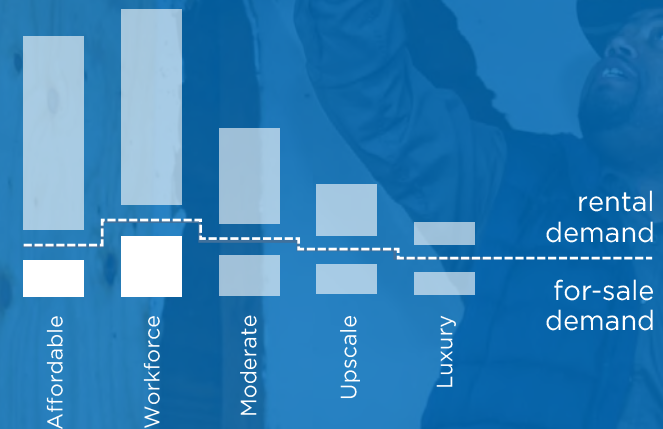
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HOME REPAIR PROGRAM

FORGIVABLE LOAN PER UNIT

\$20k

250 homes repaired
through \$5m fund



STRATEGY 1

STRATEGY DETAIL

Expand **financial assistance** for low- and moderate-income homebuyers and homeowners

Support residents working toward homeownership with **affordable rental opportunities**

Expand financial and technical **assistance for rehabilitation**

Establish a **community land trust** to create long-term affordable homeownership opportunities

- **Identify specific neighborhoods or blocks** that are good candidates for land trusts (e.g., portion of UCAT site, blocks with multiple vacant lots)
- Identify **publicly-owned land** in those areas, as well as sites/properties that might be acquired at reasonable cost
- Determine **governance model**, and identify **partner organizations/developers**, such as Habitat for Humanity, Crossover CDC and others, to enter the trust.
- Determine **types of housing** to be developed, fitting in with neighborhood character.



STRATEGY 1

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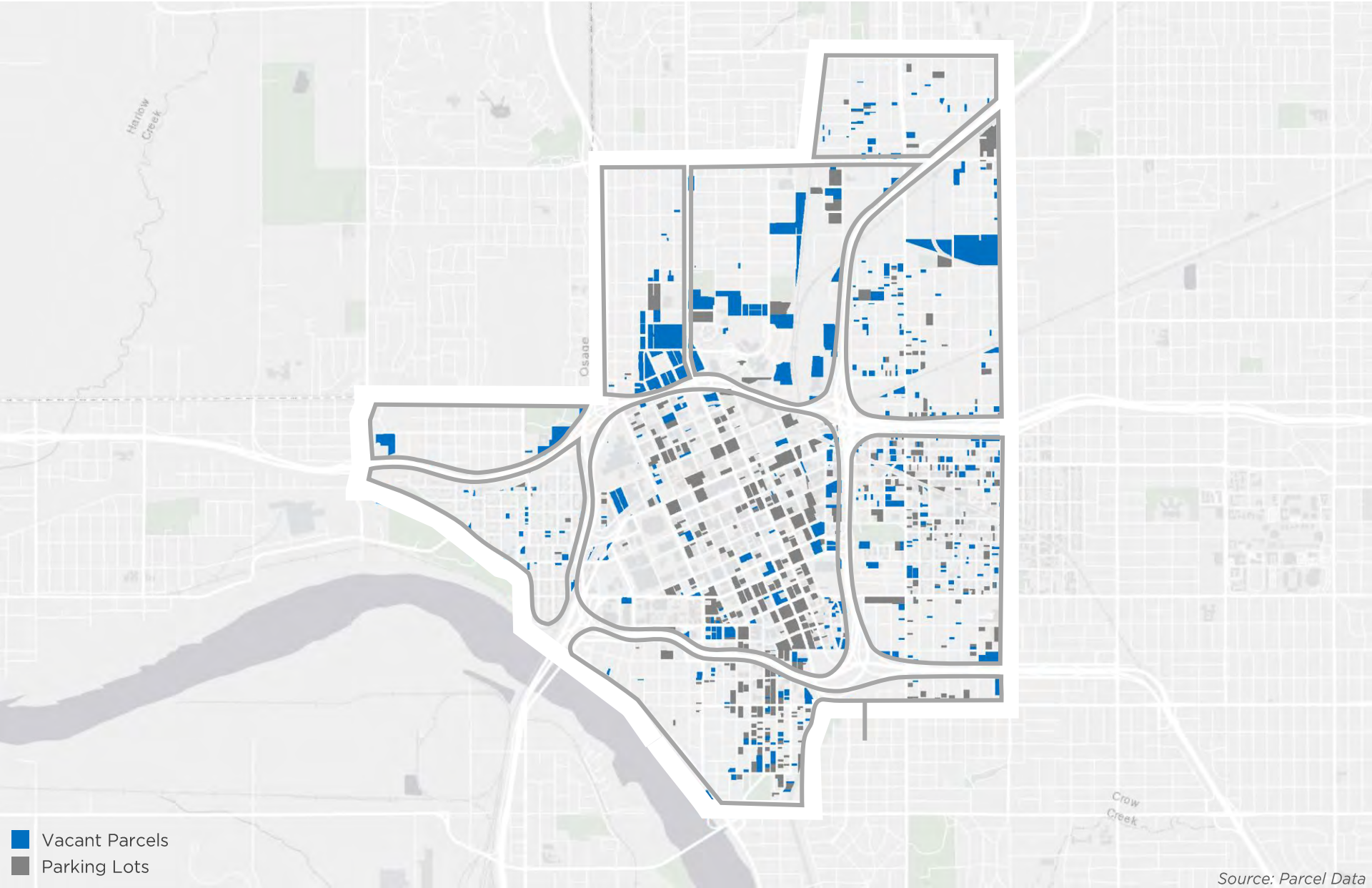
WHAT IS A **COMMUNITY LAND TRUST**?

- A nonprofit, **community-based organization** used to ensure long-term housing affordability.
- Trusts **acquire land, and maintain permanent ownership.**
- Prospective homeowners enter into long-term renewable leases.
- When they sell, households earn just a portion of increased value; the remainder is kept in the trust so that the **next buyer can purchase at an affordable level.**



STRATEGY 1

CONTEXT: VACANT LAND



Address **vacant and abandoned properties**

strategy



Create a **land bank** to return vacant properties to productive use

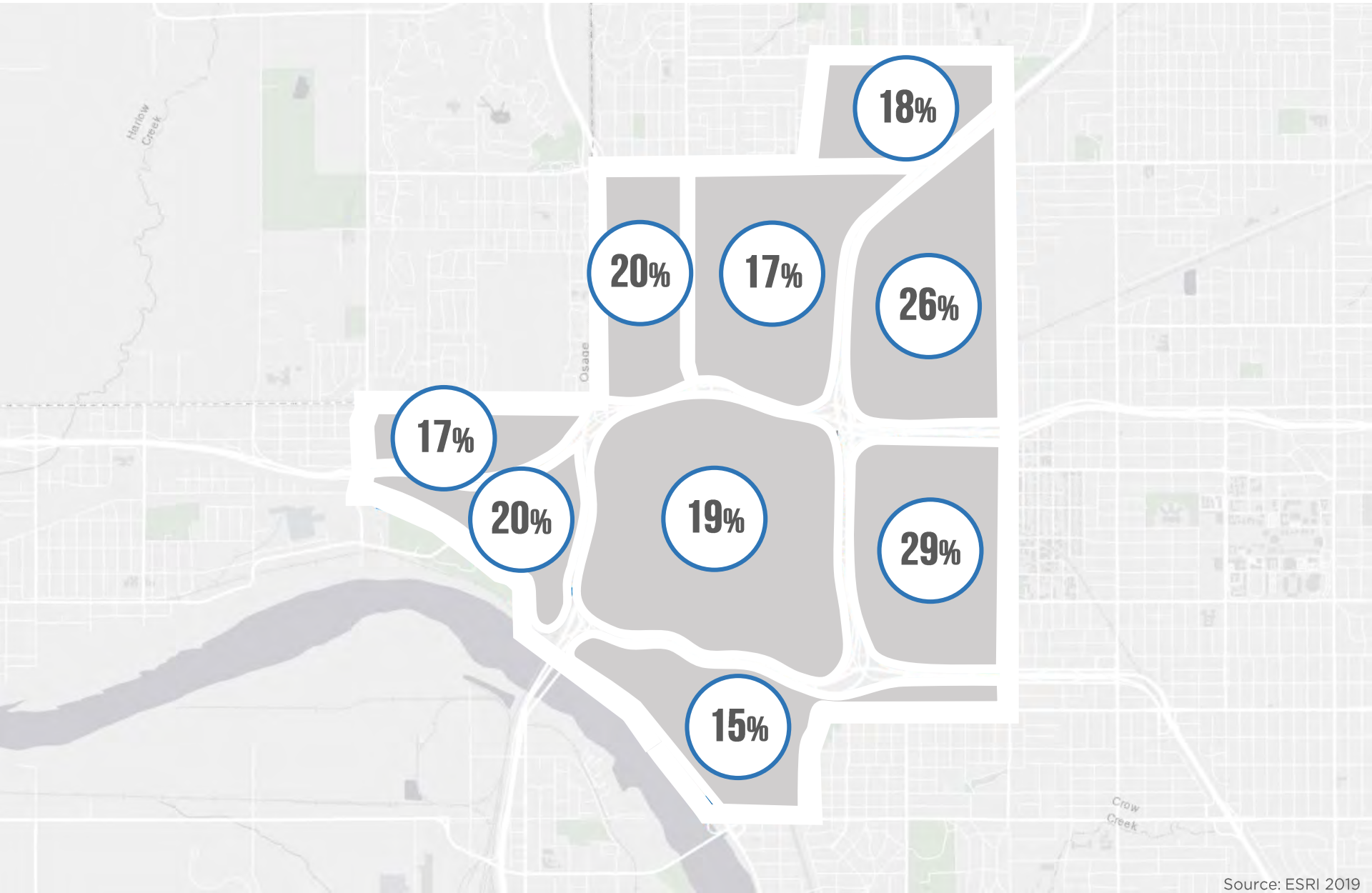
Establish a **proactive approach to code enforcement**

Create a **database of vacant and abandoned properties** to analyze ownership patterns

Expand the ability of the HOP program to support housing stabilization

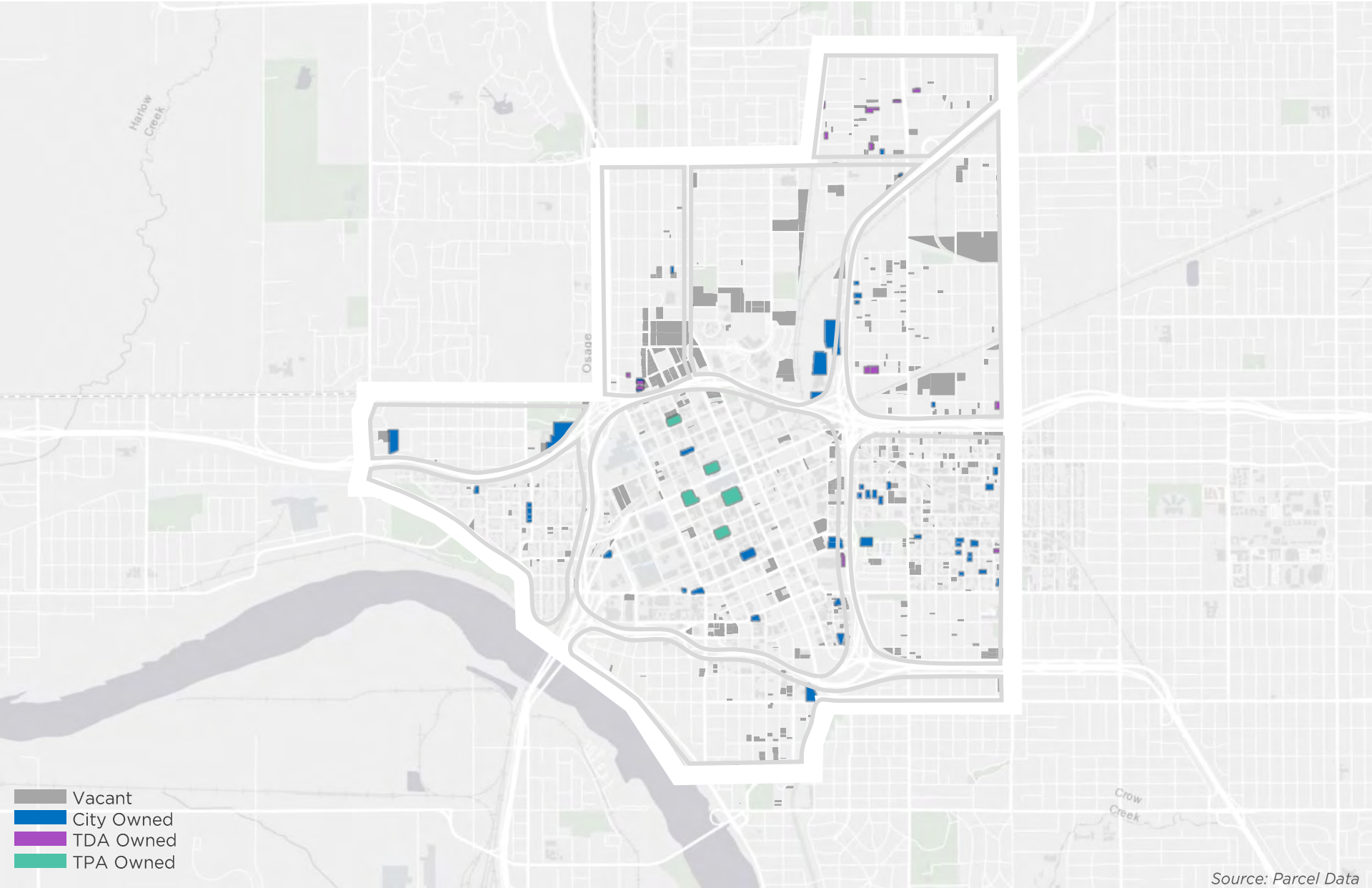
STRATEGY 2

CONTEXT: ESTIMATED VACANCY BY NEIGHBORHOOD



STRATEGY 2

CONTEXT: LIMITED PUBLIC OWNER OF VACANT LAND



Source: Parcel Data

STRATEGY 2

STRATEGY DETAIL

Create a **land bank** to return vacant properties to productive use

- Create a public or nonprofit entity to **strategically acquire vacant / problem properties and convert them to productive use**
- Land banks have the authority to **acquire and clean title, and transfer properties to new owners** in a manner that advances community priorities
- Establish land bank through **local ordinance**, following **enabling legislation** at the state level.
- Land banks are most successful when **paired with resources to stabilize and rehabilitate properties** to return them to productive use



STRATEGY 2

STRATEGY DETAIL

Create a **land bank** to return vacant properties to productive use

Establish a **proactive approach to code enforcement**

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Expand the ability of the HOP program to support housing stabilization

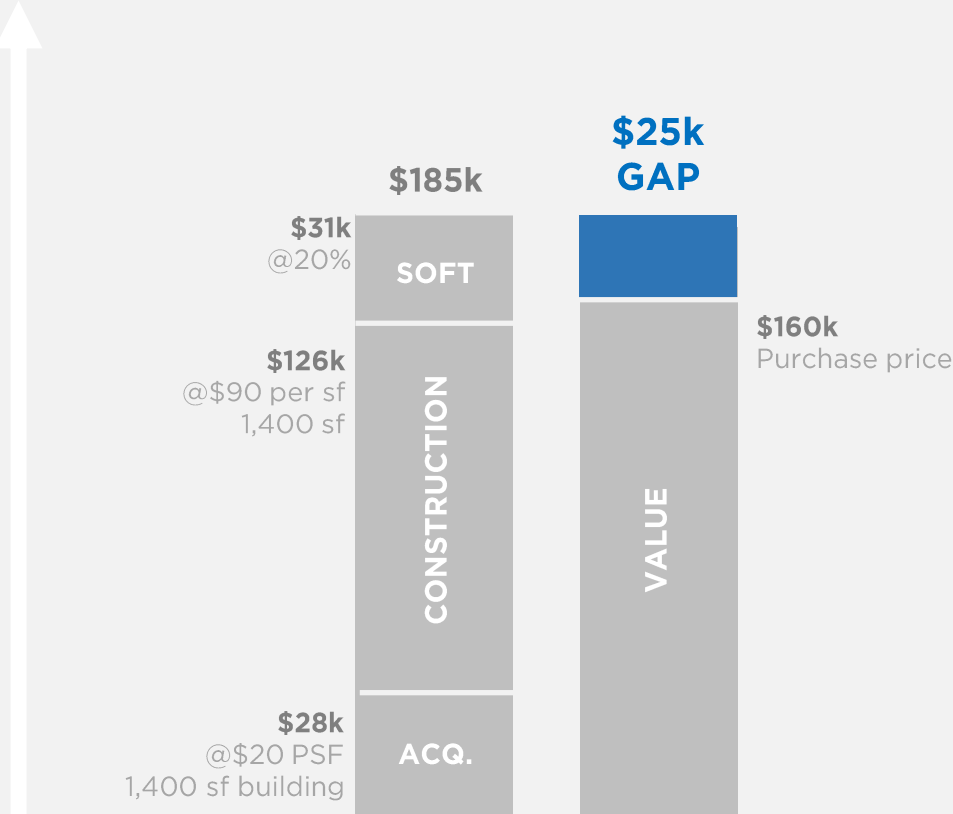
- **Seek opportunities to rehabilitate** (rather than only demolish) vacant properties **for resale**
- Work with Tulsa County to establish **ability to view, strategically purchase available vacant properties** prior to their sale at the Tax Delinquency Auction
- **Align resources to rehabilitate properties** prior to listing for resale
- **Precedents:**
 - Proposition Neighborhood Stabilization (St. Louis)
 - Rehabbed & Ready (Detroit)
 - Land Bank Rehab Program (Kansas City, Kansas)



STRATEGY 2

STRATEGY DETAIL

COST & VALUE



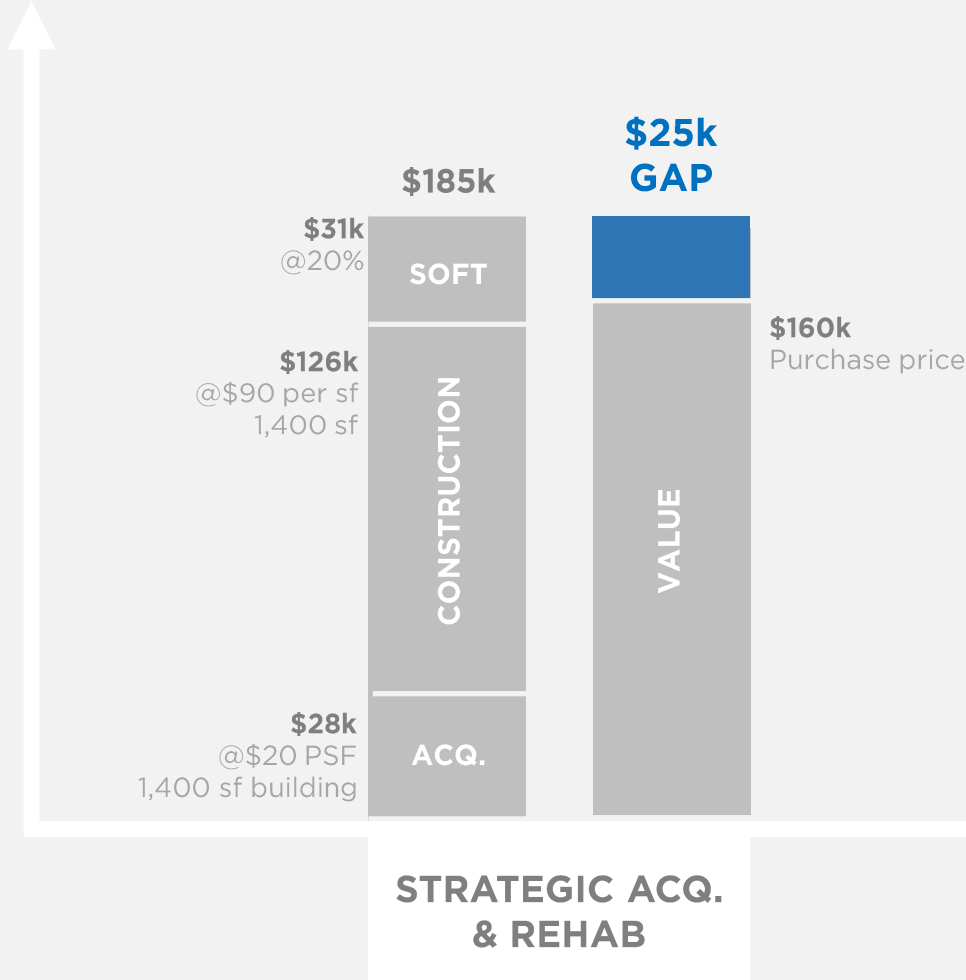
**STRATEGIC ACQ.
& REHAB**



STRATEGY 2

STRATEGY DETAIL

COST & VALUE



STRATEGIC ACQUISITION & REHAB

INVESTMENT PER UNIT \$185k

CITY CONTRIBUTION PER UNIT \$25K

60 homes

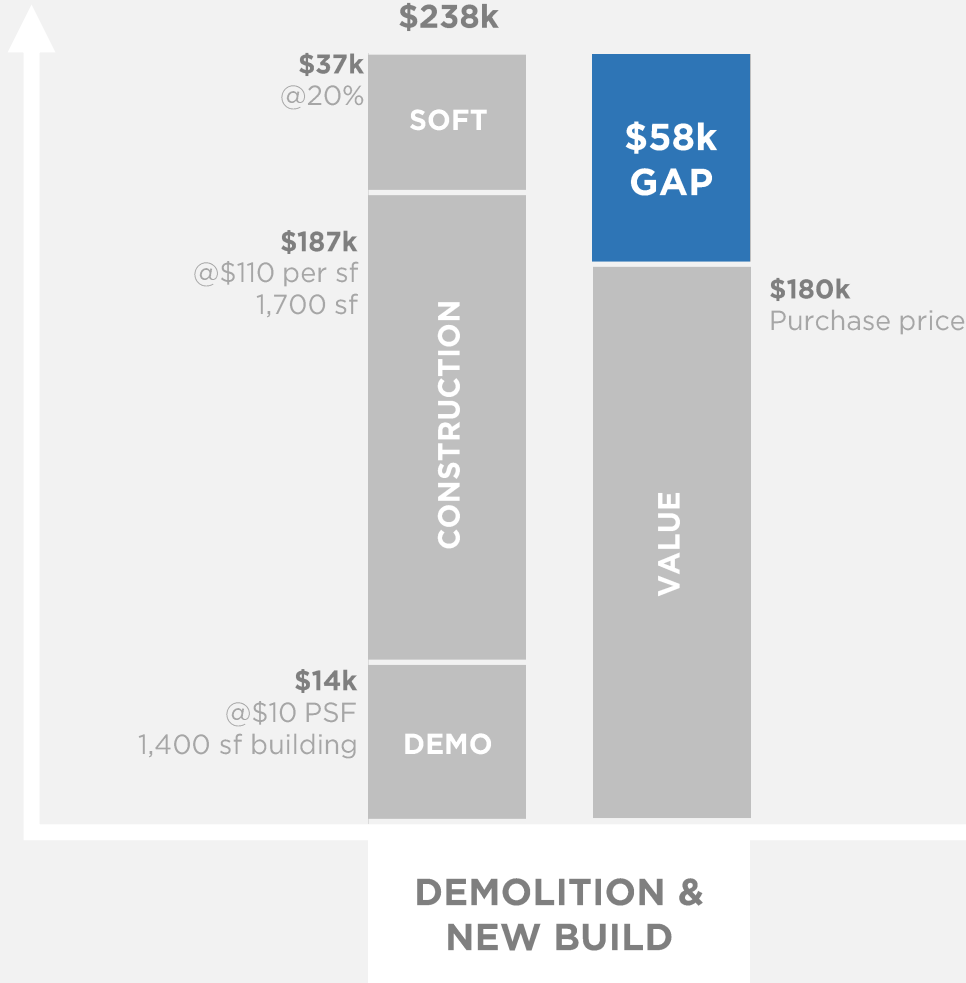
\$500k per year, 3 years



STRATEGY 2

STRATEGY DETAIL

COST & VALUE



DEMOLITION & NEW CONSTRUCTION

INVESTMENT PER UNIT **\$238k**

CITY CONTRIBUTION PER UNIT **\$58K**

26 homes
\$500k per year, 3 years



Support quality, diverse **infill** development

strategy



Support a diverse range of infill housing **typologies and price points**

Leverage **public assets**

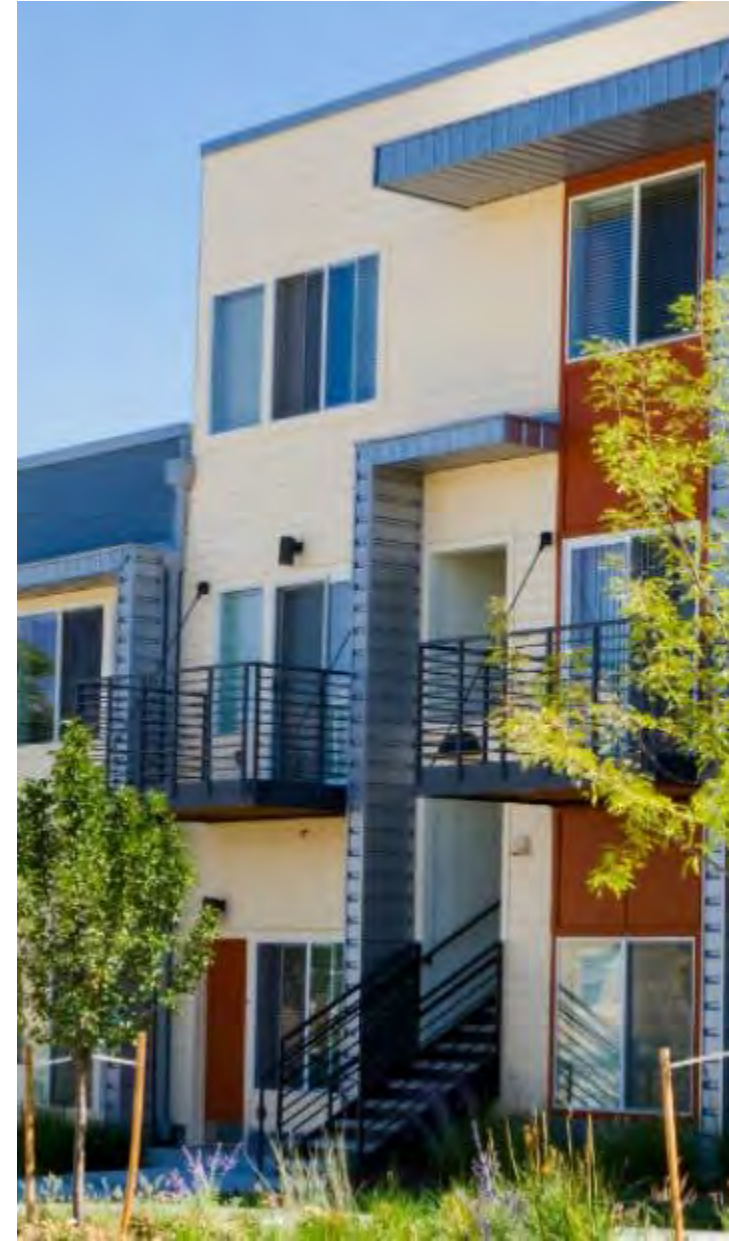
Leverage **ongoing or planned public investments**

STRATEGY 3

STRATEGY DETAIL

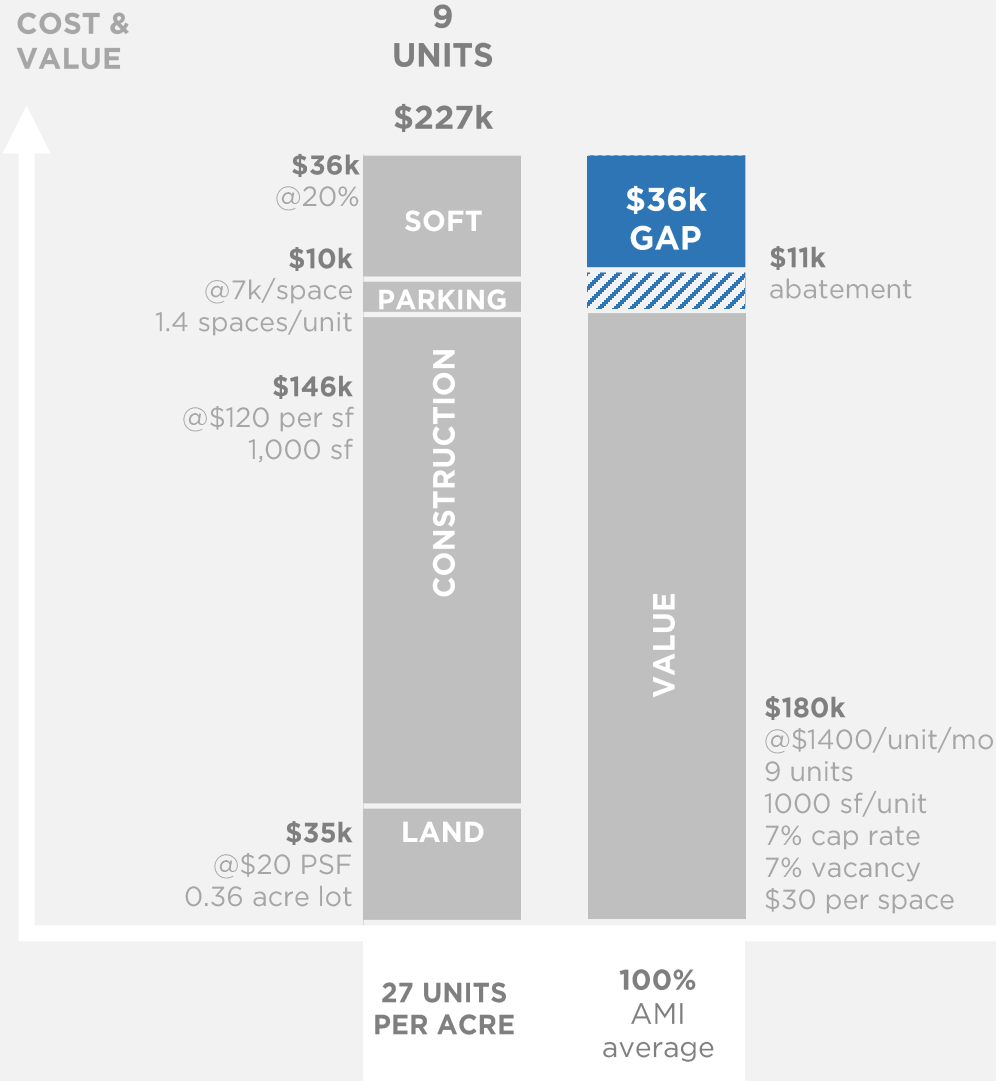
Support a diverse range of infill housing **typologies and price points**

- **Examine existing regulations** to determine if they support infill development that is similar in design to existing housing
- Consider **an infill development overlay** that allows for reduced setbacks, reduced minimum dwelling sizes, accessory dwelling units, etc.
- Consider creating a **gap financing source** to encourage new infill typologies, lower risk for participating developers
- Encourage **mixed-income** infill
- Fund could offer a **bridge loan** used for **predevelopment costs** (such as acquisition, design, and securing financing), a forgivable loan
- Precedent: **Missing Middle Housing Pilot Program** (Minneapolis)



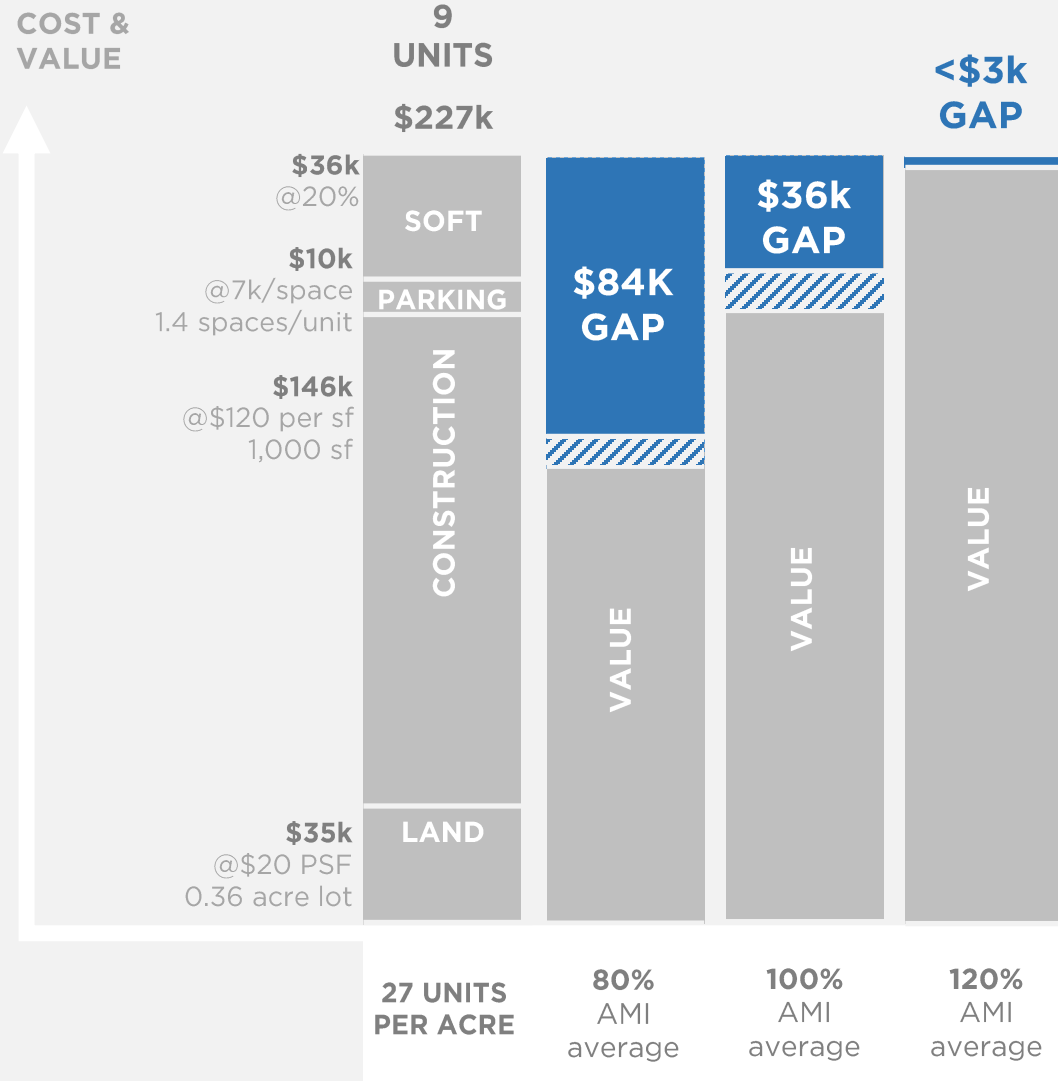
STRATEGY 3

STRATEGY DETAIL



STRATEGY 3

STRATEGY DETAIL



STRATEGY 3

STRATEGY DETAIL

Support a diverse range of infill housing typologies and price points

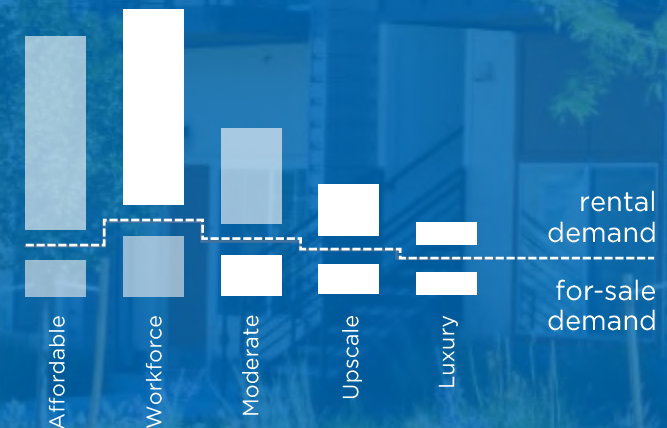
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MISSING MIDDLE DEMONSTRATION

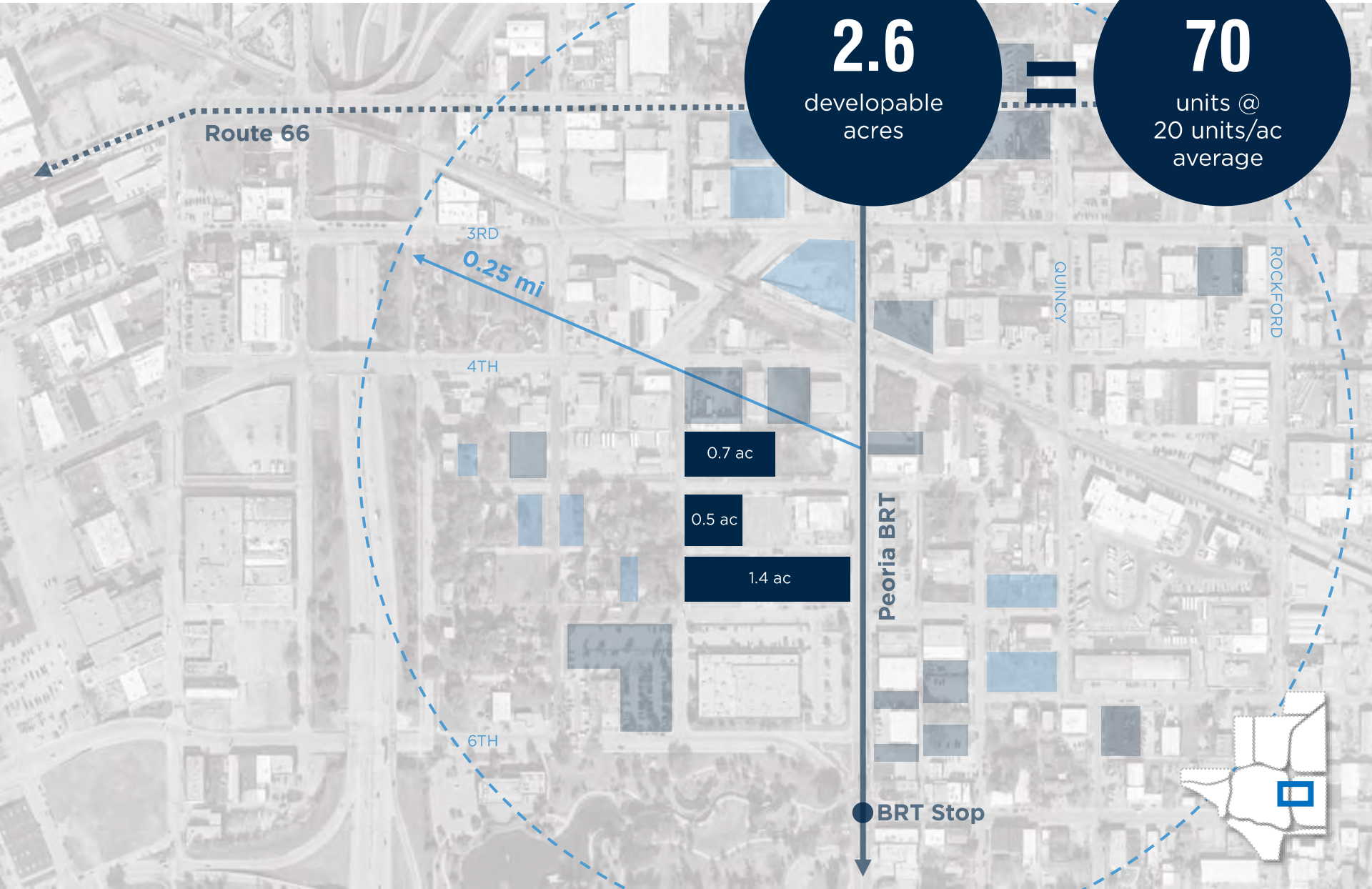
INVESTMENT PER UNIT **\$227K**

CITY CONTRIBUTION PER UNIT **\$36K**

140 units
through \$5m fund



STRATEGY 3 EXAMPLE SITE



STRATEGY 3

STRATEGY DETAIL

Support a diverse range of infill housing typologies and price points

Leverage **public assets**

UCAT Site

- **Utilize RFP process** to develop a master plan for the UCAT site that reflects community goals, including:
 - housing **choices for all**;
 - **honoring history** and integrating site back into the neighborhood with **context-sensitive urban form**;
 - creating **amenities** for existing and new residents;
 - **high level of community engagement**/trust building recommended.
- Leverage site to attract **mixed-income, mixed-use development**
- Possible to **mix senior housing, dense multifamily, townhomes, single-family, for-sale, and rental.**
- Site is about 30 acres (36 including land along MLK); could support **450-600 units if developed entirely as housing**
- 450-600 units would represent **a \$70 million to \$90 million** investment (at \$150,000 per unit) or a \$90 million to \$120 million investment (at \$200k/unit).



STRATEGY 3

STRATEGY DETAIL

Support a diverse range of infill housing **typologies and price points**

Leverage **public assets**

Highlander / 75 North Purpose Built Project (Omaha)

- **Multi-phased, mixed-use redevelopment** of former 36-acre public housing site
- Completed project to include **280 rental and for-sale units** of housing organized around **open space, event venue**, and the Highlander **Accelerator**
- Housing includes a **mix of types**:
 - 10 townhomes (2bd, 1.5br)
 - 17 rowhouses (3bd, 2br)
 - 74 walk-up apartments (1-3bd)
- **Mixed-income**: ~60% affordable, 40% market-rate
- \$76 million total project cost, supported through mix of **public, private, philanthropic sources**
- Development of neighborhood **CDC capacity** in tandem with development planning and implementation



STRATEGY 3

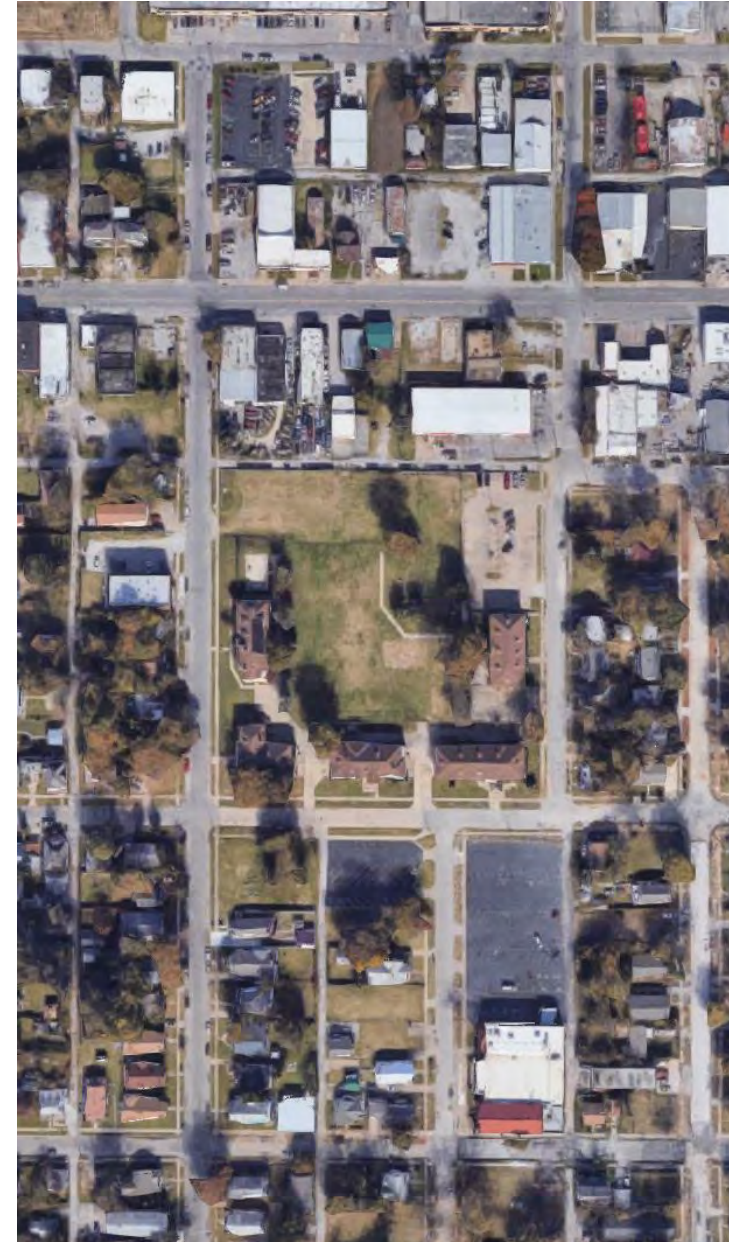
STRATEGY DETAIL

Support a diverse range of infill housing **typologies and price points**

Leverage **public assets**

Laura Dester Site

- Identify preferred use of proceeds from sale of Laura Dester site for development—approximately \$500k
- Option 1: **Home repair fund** for low-income homeowners—current and prospective—living in surrounding blocks
- Option 2: **Home rehab program** to repurpose vacant single-family homes as moderately-affordable rental or for-sale property
- Option 3: **Affordable rental rehab program** to renovate existing multifamily buildings as affordable and workforce-affordable rental housing
- Option 4: **Gap financing for mixed-income infill** development in the neighborhood
- Option 5: **Seed citywide housing trust fund**; match proceeds with public, philanthropic resources



STRATEGY 3

STRATEGY DETAIL

Support a diverse range of infill housing **typologies and price points**

Leverage **public assets**

Leverage **ongoing or planned public investments**

- **Coordinate public improvements**—infrastructure, parks, sidewalks, **sewer—with planned housing development**, where possible, so that new infrastructure supports new housing.
- Identify **publicly-owned sites** adjacent to planned public improvements.
- Where a critical mass exists, issue a **development RFP for publicly owned sites** to attract development along with public improvements. Define acceptable types of development and incentives available.
- Coordinate with city departments to streamline process once a developer is selected and plan approved.



Improve the quality and availability of **affordable and workforce rental housing**

strategy

4

Create a **landlord licensing and inspection or occupancy permit** system

Establish a **preferred rentals database**

Encourage **affordable housing development and preservation** in transitioning neighborhoods

Incentivize the **inclusion of workforce affordability** in new Downtown development

Explore **development partnerships** with and between academic institutions and large employers

Engage developers that specialize in **mixed-income housing development**

STRATEGY 4

STRATEGY DETAIL

Create a **landlord licensing and inspection or occupancy permit** system

- Explore establishing a **licensing** program, **requiring period inspection** of registered properties.
- A licensing and inspection program **helps owners understand their obligations** under city ordinances, encourages **proactive maintenance**, and helps to identify/resolve **health and safety issues**.

Establish a **preferred rentals database**

- **Helps tenants** find and rent with quality landlords
- Reward responsible landlords who meet **set criteria for a high standard** of property maintenance and management and/or **participate in landlord training programs**.



STRATEGY 4

STRATEGY DETAIL

Create a **landlord licensing and inspection or occupancy permit** system

Establish a **preferred rentals database**

Encourage **affordable housing development and preservation** in transitioning neighborhoods

- Build neighborhood development capacity and form development partnerships to identify and implement **competitive Low-Income Housing Tax Credit projects**
- Identify sites and/or buildings with **capacity for 30 to 50 units in areas receiving other public and private investment**
- Encourage **moderate renovation of older multifamily buildings to preserve their affordability**; explore creation of specific funding source this purpose
- Precedent: NOAH Impact Fund



STRATEGY 4

STRATEGY DETAIL

Create a **landlord licensing and inspection or occupancy permit** system

Establish a **preferred rentals database**

Encourage **affordable housing development and preservation** in transitioning neighborhoods

NOAH IMPACT FUND (Twin Cities) Family Housing Fund

- Context: quickly **rising rents in areas of opportunity**; many mid-size multifamily properties in fairly good condition, owned by mom-and-pop owner-developers
- Fund provides **low-cost equity** (@6.5% return, v. 15% conventional expectation)
- Attractive to mom-and-pop developers interested in moderately upgrading rental property, but not flipping to achieve higher market-rate rents
- Targeted **45- to 100-unit properties**
- Affordability restriction: flexible AMI, 15 years



STRATEGY 4

STRATEGY DETAIL

COST & VALUE

7 UNITS

\$106k

\$18k @20%
 \$47k @\$50 per sf 850 sf
 \$42k/unit 0.17 acre lot



\$16k GAP



\$5K abatement
 \$100k @\$840/unit/mo 7 units 1000 sf/unit 7% cap rate 6% vacancy

MULTIFAMILY RENOVATION-AFFORDABLE

AFFORDABLE RENOVATION

INVESTMENT PER UNIT

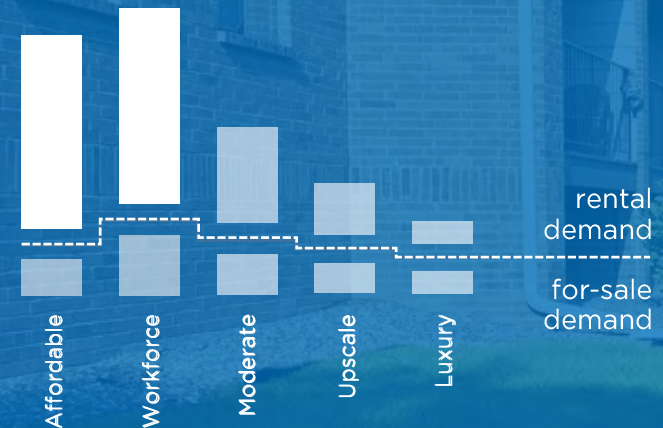
\$106k

CITY CONTRIBUTION PER UNIT

\$16k

310 units

Through \$5m fund



STRATEGY 4

STRATEGY DETAIL

Create a **landlord licensing and inspection or occupancy permit** system

Establish a **preferred rentals database**

Encourage **affordable housing development and preservation** in transitioning neighborhoods

Incentivize the **inclusion of workforce affordability** in new Downtown development

- **Use incentive programs** (such as TIF, tax abatement, or revolving loan fund capital) or additional **density allowances** to encourage developers of new market-rate housing Downtown to **set aside some portion of their units as workforce-affordable**
- **Identify mechanism and capacity for verifying compliance** (such as affidavits of tenant income verification)
- **Evaluate tradeoffs** between on-site inclusion and “payments in lieu” into a fund to support workforce-affordable housing development nearby.
- **Precedent:**
 - Columbus, Ohio Residential Tax Incentive Policy



STRATEGY 4

STRATEGY DETAIL

Create a **landlord licensing and inspection or occupancy permit** system

Establish a **preferred rentals database**

Encourage **affordable housing development and preservation** in transitioning neighborhoods

Incentivize the **inclusion of workforce affordability** in new Downtown development

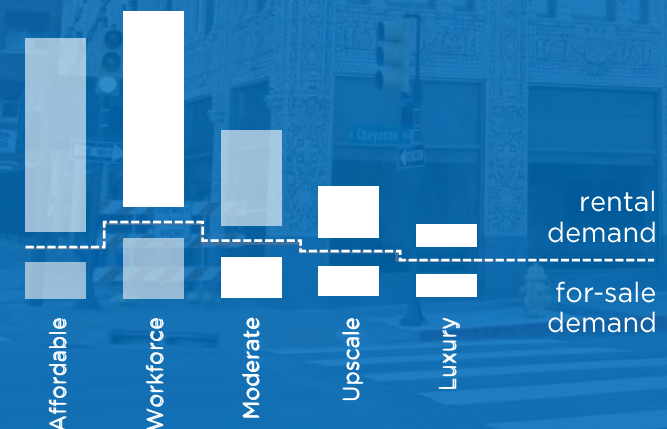
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- **Precedent:**
 - Columbus, Ohio Residential Tax Incentive Policy

INCLUDE WORKFORCE AFFORDABILITY

INVESTMENT PER UNIT **\$219k**

CITY CONTRIBUTION PER UNIT **\$16k**

310 units
Through \$5m fund



STRATEGY 4

STRATEGY DETAIL

Create a **landlord licensing and inspection or occupancy permit** system

Establish a **preferred rentals database**

Encourage **affordable housing development and preservation** in transitioning neighborhoods

Incentivize the **inclusion of workforce affordability** in new Downtown development

Explore **development partnerships** with and between academic institutions and large employers

Engage developers that specialize in **mixed-income housing development**





Encourage
housing stability

strategy

5

Establish policies to **prevent displacement as neighborhood values appreciate**

Provide housing options that support **aging in place**

Expand supports to **prevent and address eviction and homelessness**

STRATEGY 5

STRATEGY DETAIL

Establish policies to **prevent displacement as neighborhood values appreciate**

- Explore **property tax assistance** for low-income homeowners in neighborhoods with rapid value appreciation
- Allow and encourage housing typologies that build in affordability (such as **accessory dwelling units**)

Provide housing options that support **aging in place**

- Support **accessibility modifications** for existing rental and owner-occupied housing stock (e.g., grab bars, railings, etc.)
- Encourage inclusion of **accessible units in new infill development** (e.g., with zero-step entries, interior accessibility, etc.)
- Explore **senior village model** to expand holistic supports and reduced isolation for seniors in their homes
 - Community building
 - Cultural and education activities
 - Vetted list of service providers (transportation, repair, technology, health and wellness, shopping assistance)
 - Precedent: Villages OKC (Oklahoma City)



STRATEGY 5

STRATEGY DETAIL

Establish policies to **prevent displacement as neighborhood values appreciate**

Provide housing options that support **aging in place**

Expand supports to **prevent and address eviction and homelessness**

- Explore establishing a **tenant right to counsel** in eviction cases.
- Align resources to provide **emergency rental and utility assistance** to divert households from eviction
- Facilitate investment in **permanent supportive housing** and/or housing first by **assisting with acquisition and control of suitable buildings / sites** while development partnerships and funding sources are established
- Coordinate with utility providers to identify tenants with delinquent bills and partner with social service providers to create an **outreach system** to connect vulnerable tenants to assistance that can keep them housed.
- Partner with existing providers to **expand tenant education** so that there are resources to help vulnerable renters learn to be stable tenants



Sustain **Downtown** **development** momentum

strategy



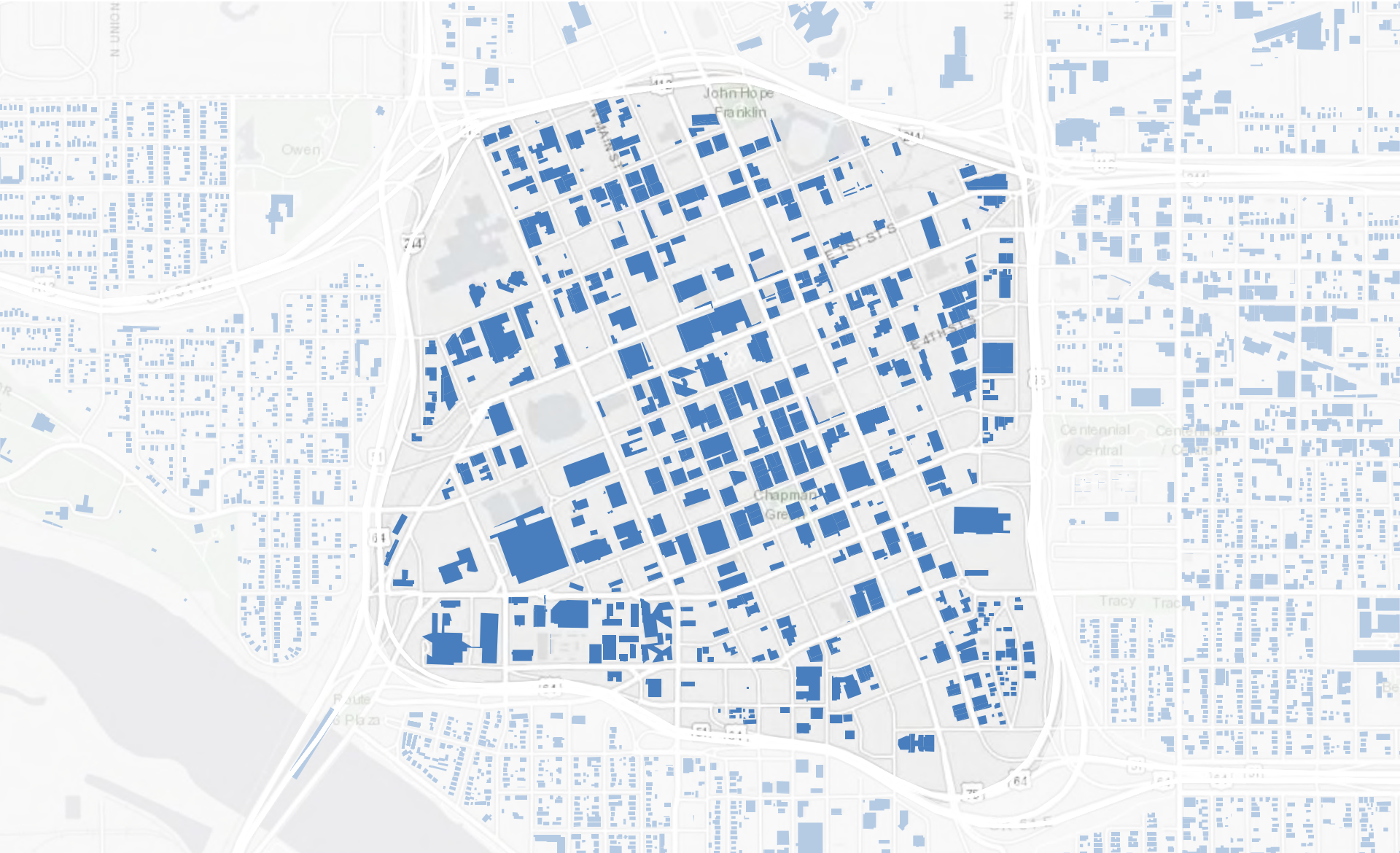
Address non-economic **barriers to development**

Consider forming **new governance structures**, like a CDC, to facilitate development

Identify target areas to **focus residential development**

MOMENTUM DOWNTOWN

DOWNTOWN IN 2000

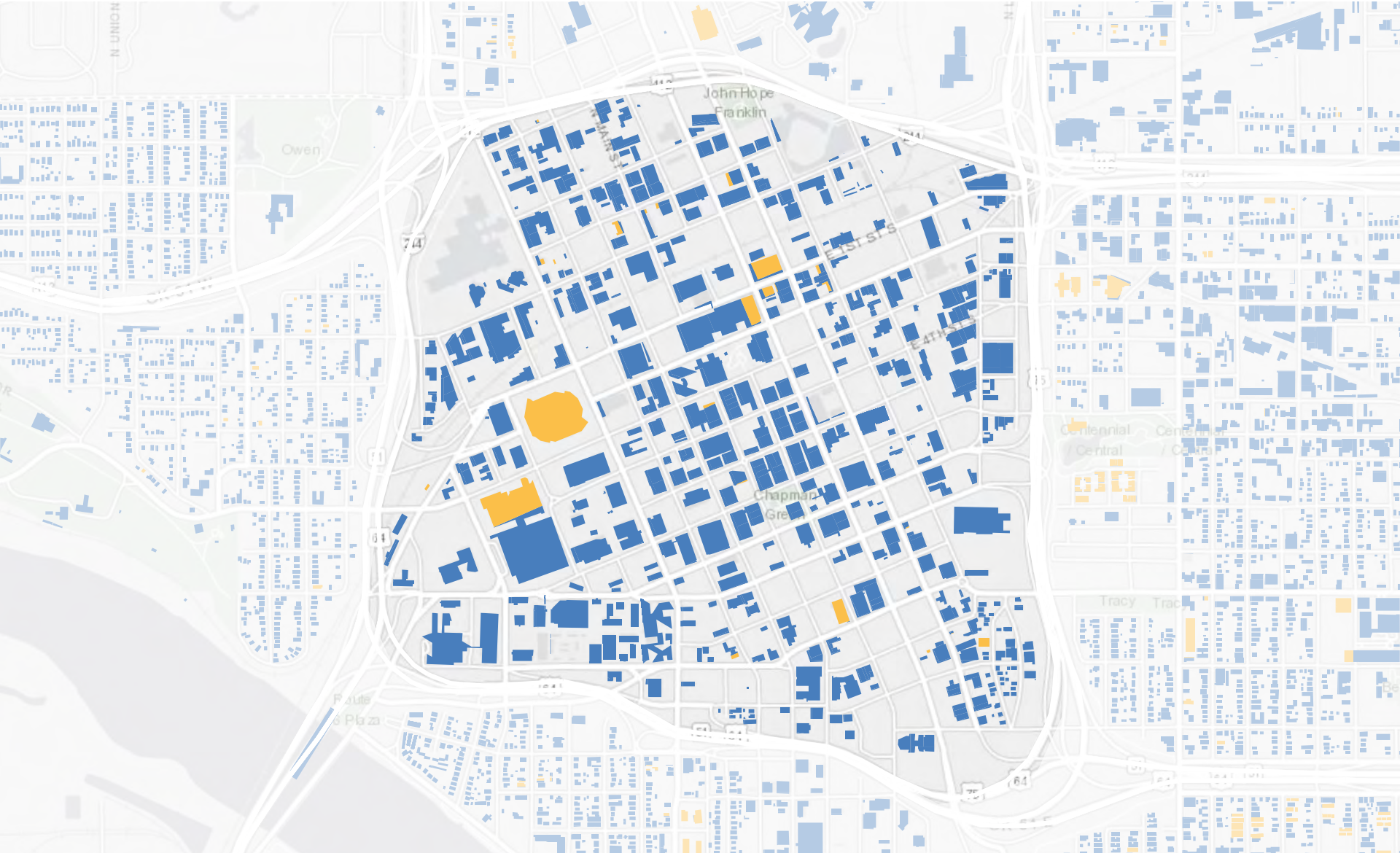



Building Footprint

Source: Parcel Data

MOMENTUM DOWNTOWN

DOWNTOWN IN 2010

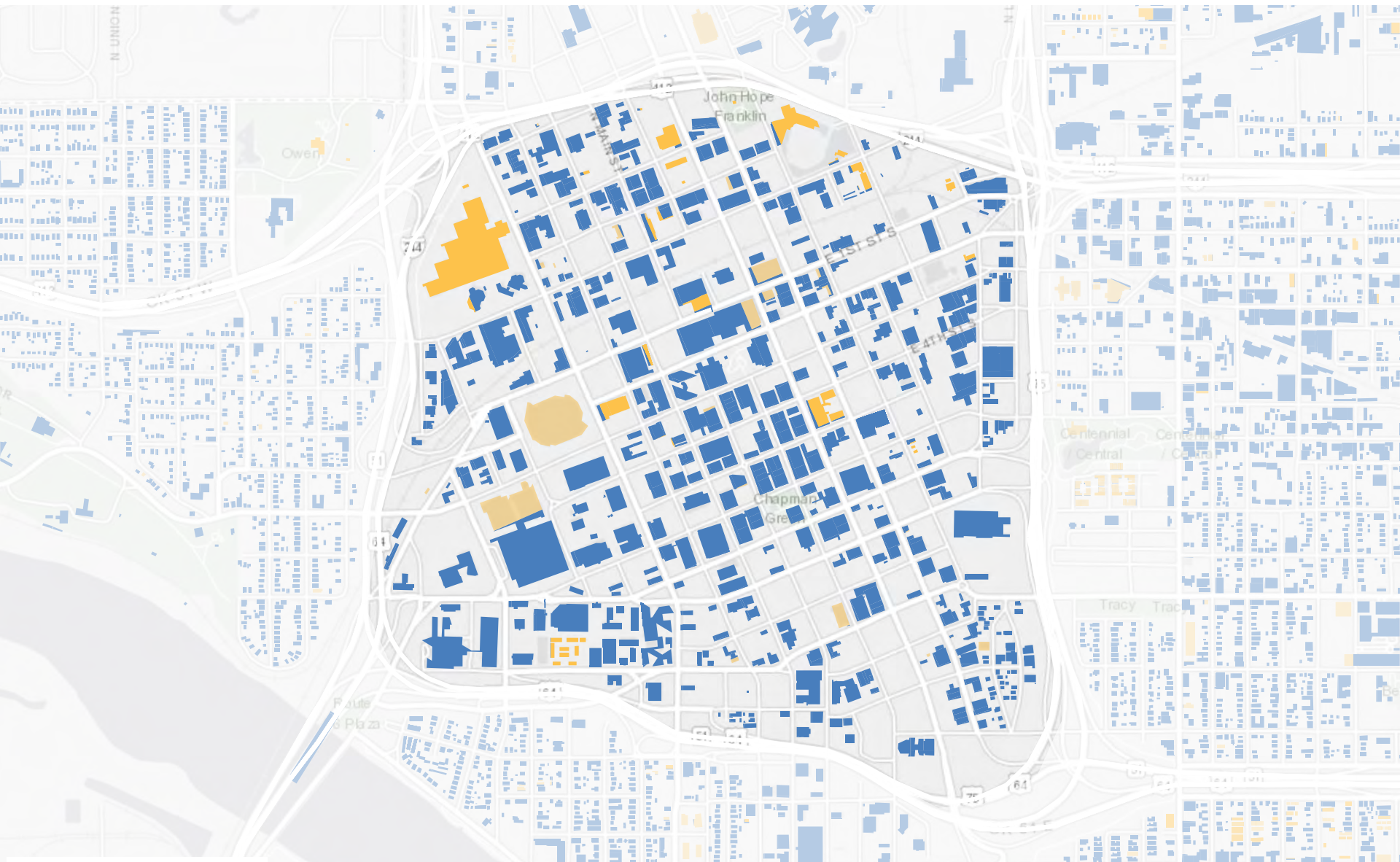



 Buildings Added

Source: Parcel Data

MOMENTUM DOWNTOWN

DOWNTOWN IN 2019

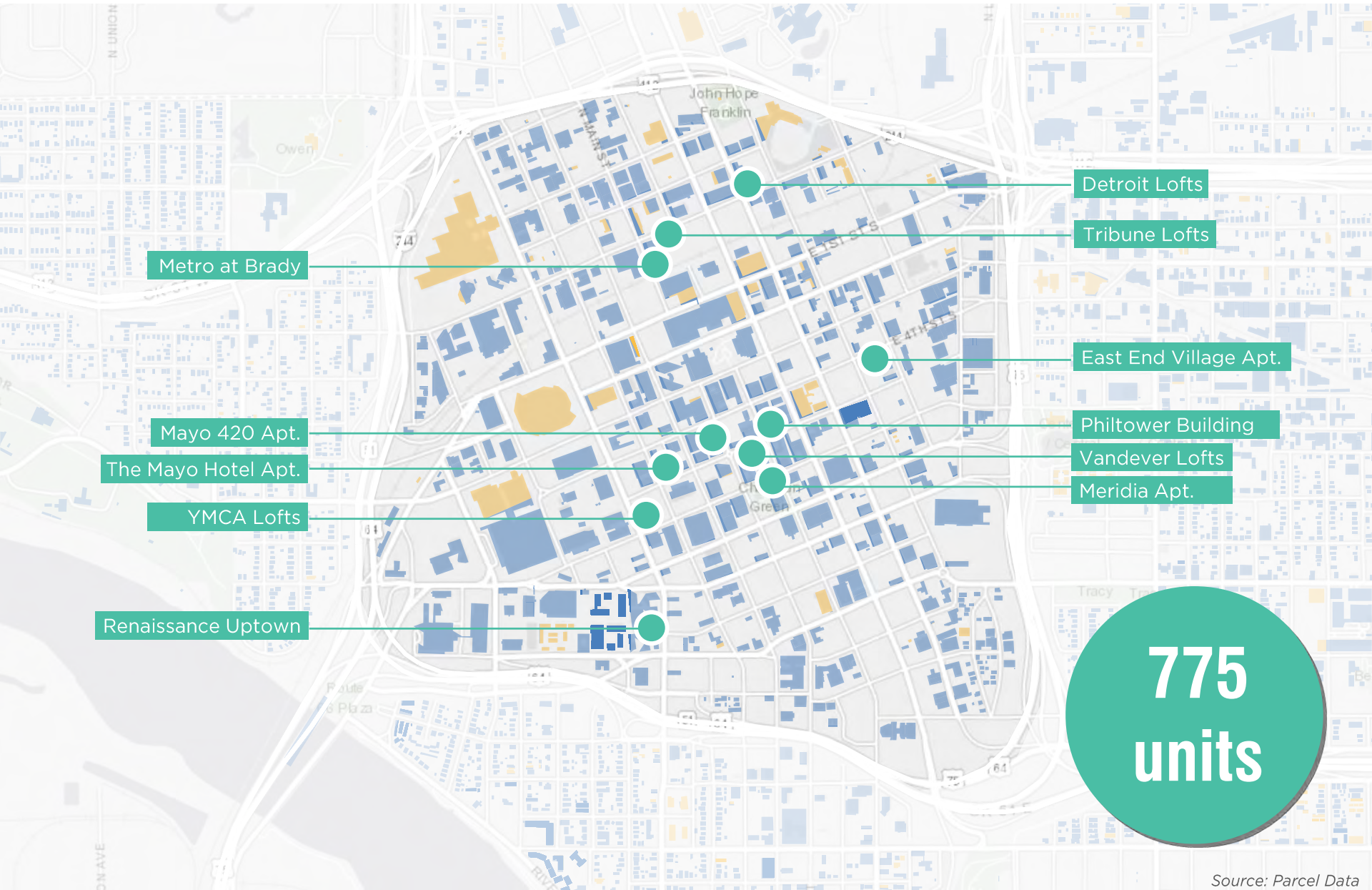


 Buildings Added

Source: Parcel Data

THE LOAN FUND'S ROLE

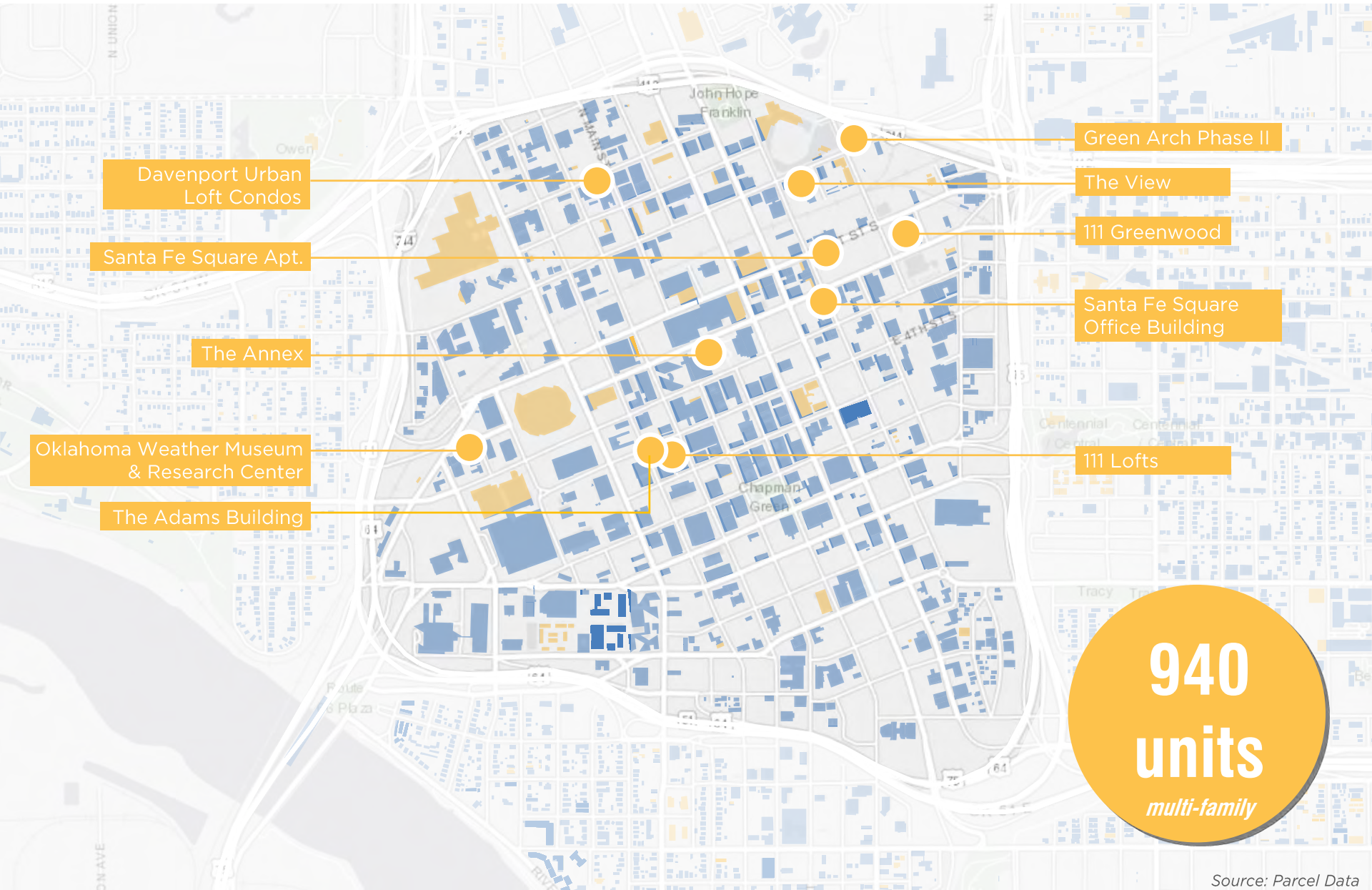
DOWNTOWN – LOAN FUND PARTICIPANTS



775
units

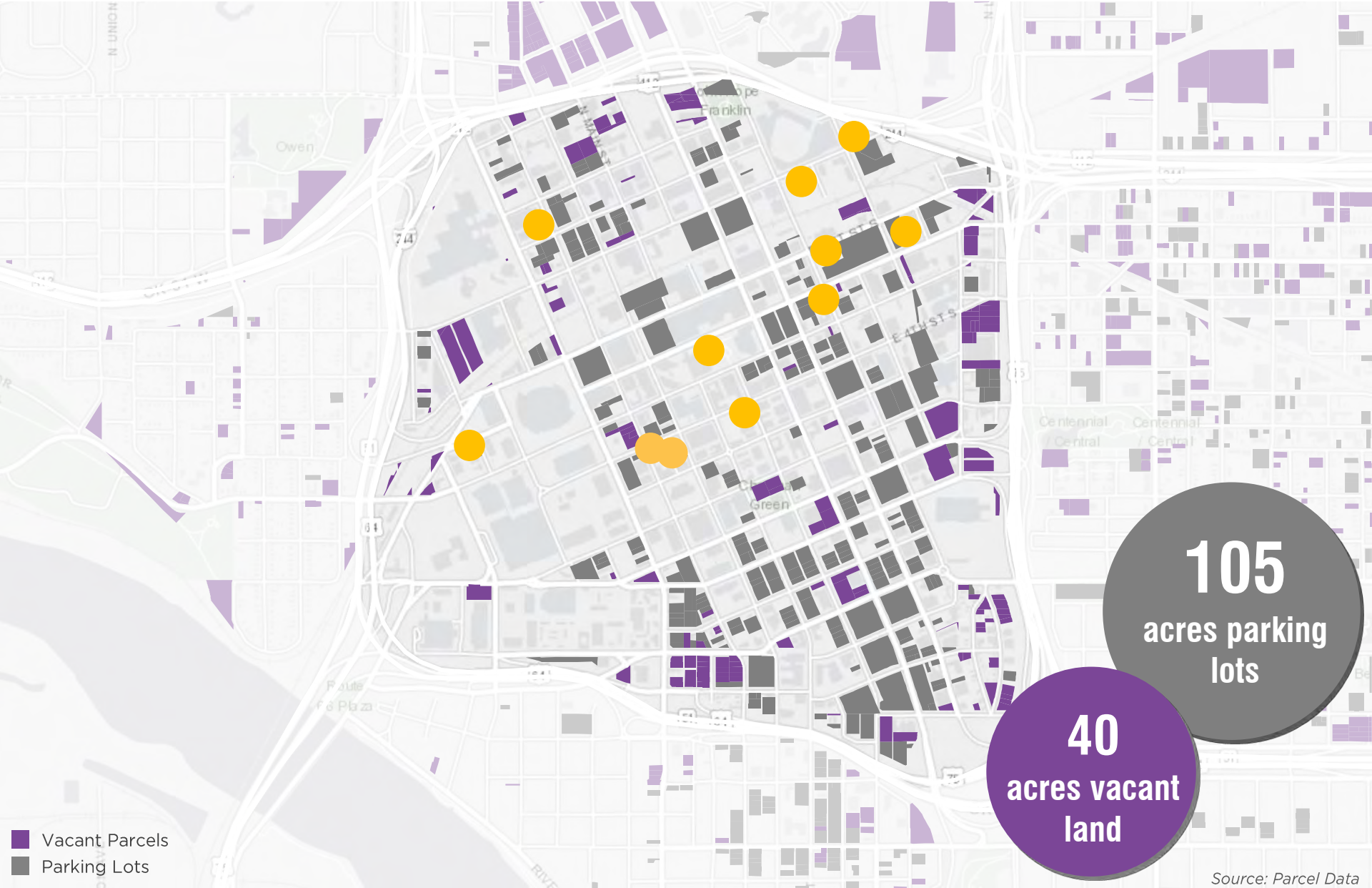
THE PIPELINE

DOWNTOWN – PROPOSED & UNDER CONSTRUCTION



940
units
multi-family

THE POTENTIAL VACANT & PARKING LOTS



STRATEGY 6

STRATEGY DETAIL

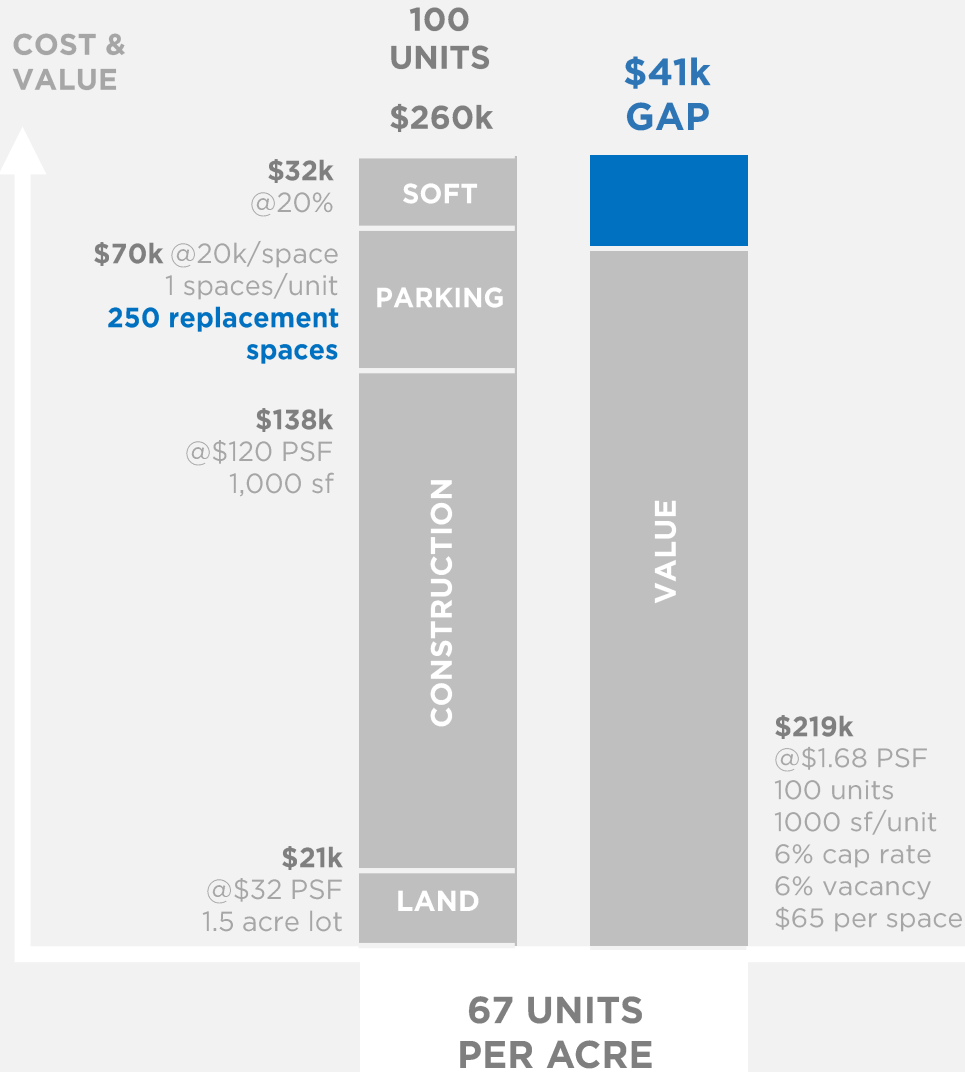
Address non-economic **barriers to development**

- Many of the **remaining development sites Downtown are difficult to develop**, due to ownership constraints and institutional parking needs
- Use loan fund capital to “unlock” difficult sites by:
 - **assisting with acquisition**
 - identifying and creating **shared parking** opportunities, and
 - **facilitating development partnerships** between landowners, developers, and institutions
- Resulting **development could be of any type**, including a mix of residential types as well as commercial development



STRATEGY 6

STRATEGY DETAIL



STRATEGY 6

STRATEGY DETAIL

Address non-economic **barriers to development**

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FACILITATING DEVELOPMENT

INVESTMENT PER UNIT

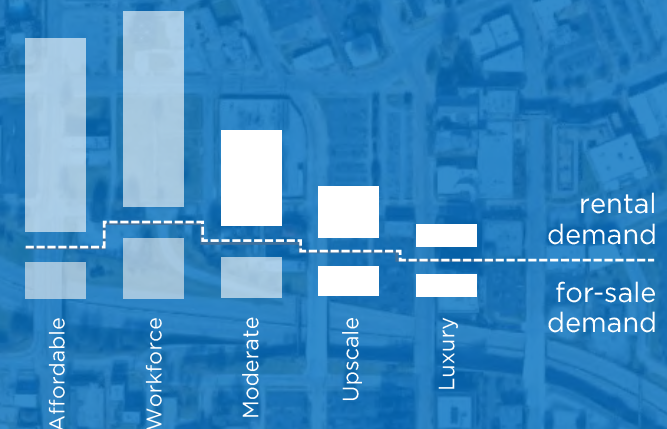
\$260k

CITY CONTRIBUTION PER UNIT

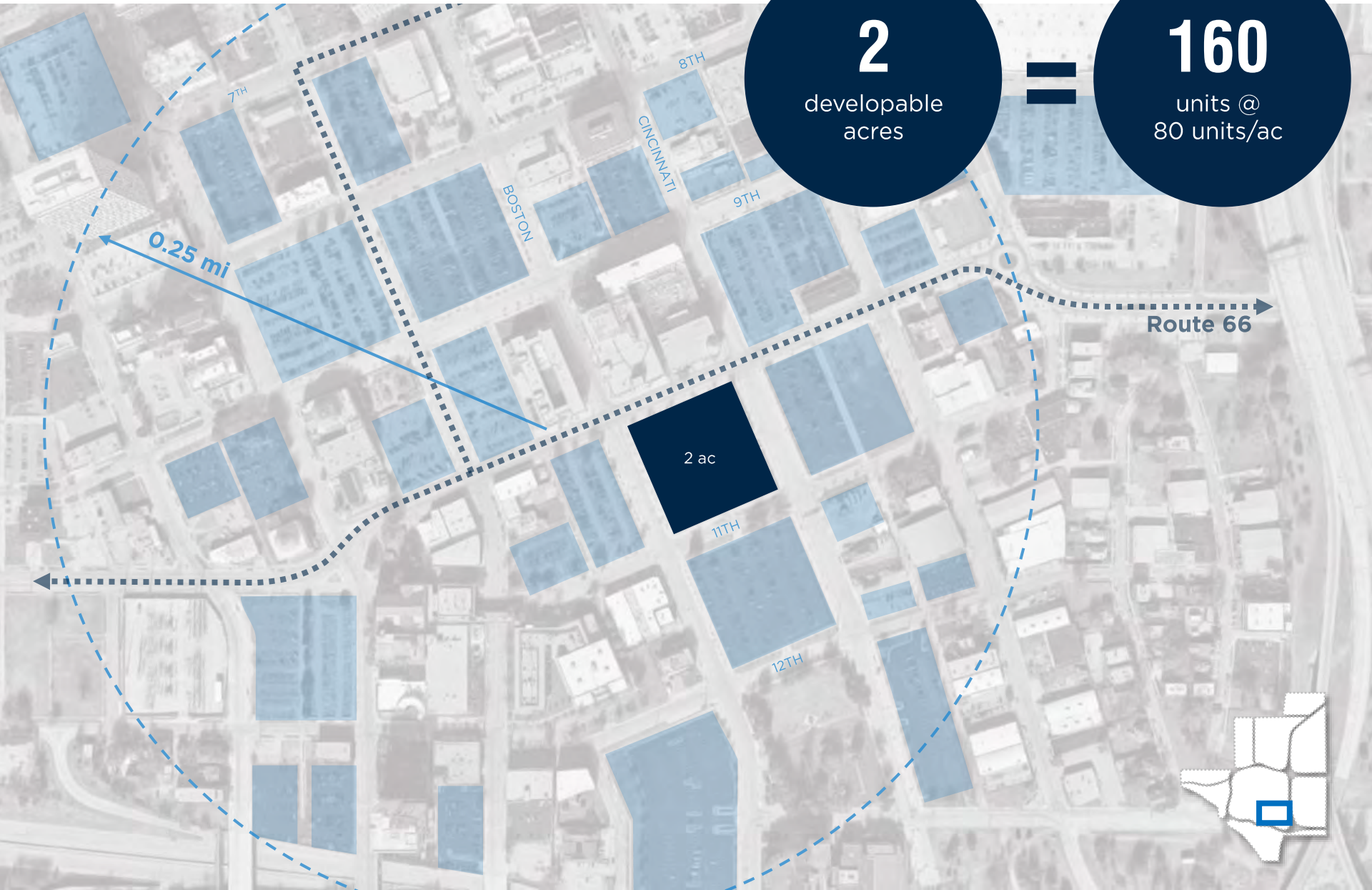
\$41k

120 units

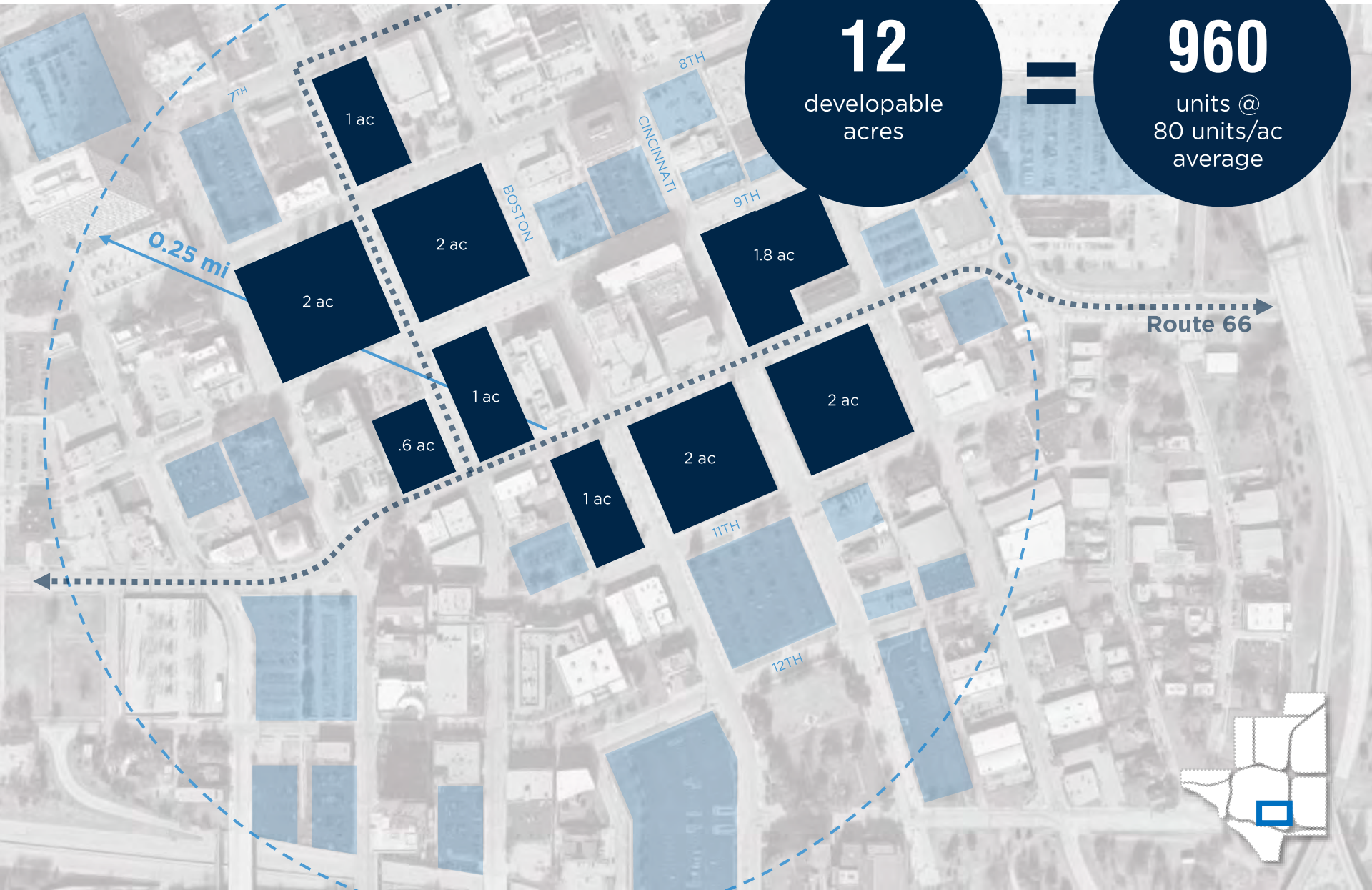
Through \$5m fund



STRATEGY 6
EXAMPLE SITE



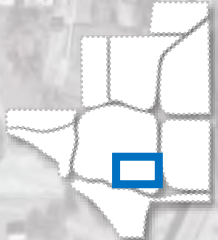
STRATEGY 6 EXAMPLE SITE



12
developable
acres

=

960
units @
80 units/ac
average



STRATEGY 6

STRATEGY DETAIL

Address non-economic **barriers to development**

Consider forming **new governance structures**, like a CDC, to facilitate development

- Expand **capacity** of the Downtown Coordinating to **facilitate housing development** as well as investment in amenities Downtown
- **Seek private funding**—such as from Downtown corporations and employers—to expand resources for this type of work
- Precedent: 3CDC (Cincinnati)

Identify target areas to **focus residential development**

- Identify **key sites and districts for residential development**, as informed by the Arena District Master Plan, other previous planning work, and ongoing site-specific study.



DEMAND SUMMARY

SCALE OF NEW DEVELOPMENT

TOTAL DEMAND:
Up to
4,450
Units

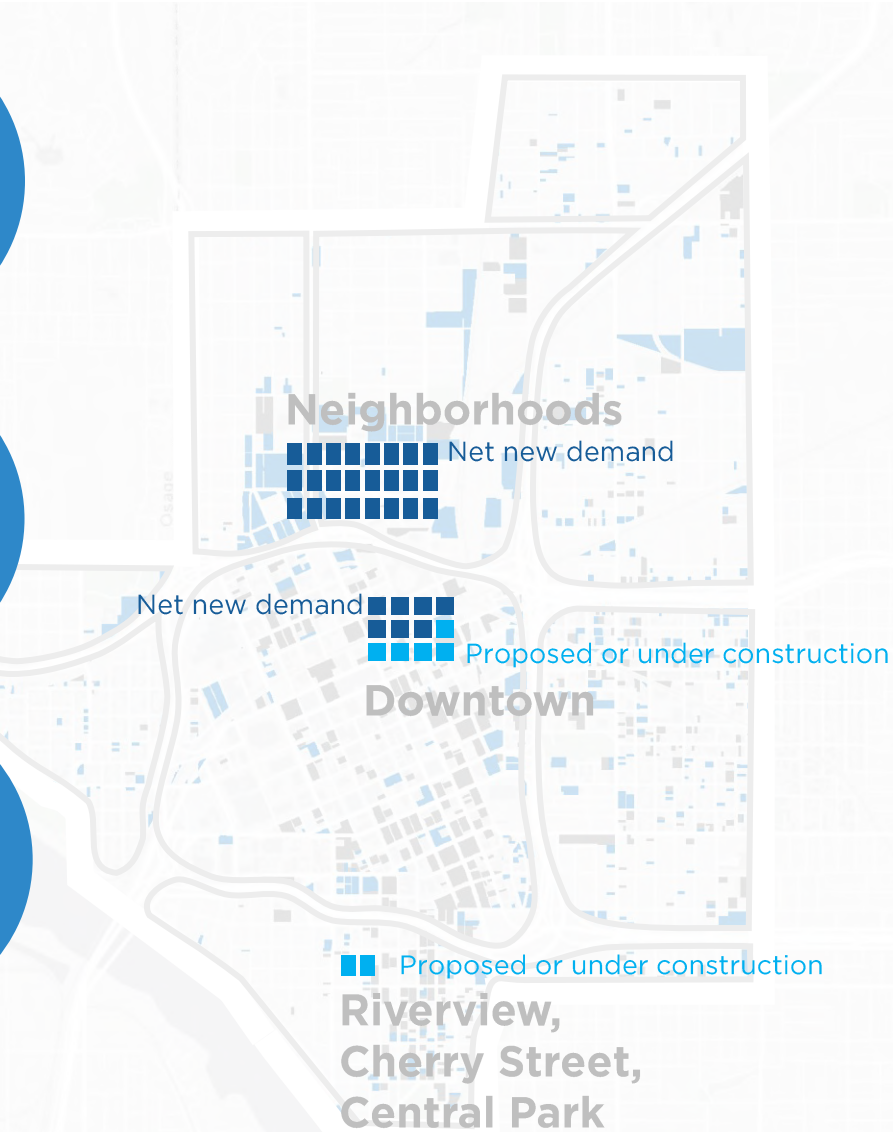
NET DEMAND:
Up to
3,250
Units

SCALE:
120
Acres

SCALE:
105
Acres

DOWNTOWN
1900-2400
Units
20-25
Acres

DOWNTOWN
850 to 1,350
Units
10-15
Acres



Expand **financial and organizational capacity** for advancing housing priorities

strategy



Enhance the city's ability for **strategic land control** (not eminent domain)

Target incentives to support quality housing development

Leverage city resources to create a more robust **community development ecosystem**

Expand services to vulnerable populations to **promote housing stability**

Address physical housing needs / housing conditions

STRATEGY 7

STRATEGY DETAIL

Enhance the city's ability to facilitate development through **strategic land control** (not eminent domain)

- Establish a **land bank** set up to expand the city's ability to strategically acquire and clean title of vacant properties so they can be returned to active use
- **State-level enabling legislation** is needed to authorize the formation of local land banks
- Support the establishment of community land trusts in neighborhoods to prevent the displacement that can occur as a result of gentrification
- Support the development of a **CDC-based ecosystem**—both Downtown and neighborhood-focused—that will expand capacity to redevelop vacant and underutilized property in support of housing goals



STRATEGY 7

STRATEGY DETAIL

Enhance the city's ability to facilitate development through **strategic land control** (not eminent domain)

Target incentives to support quality housing development

- Redeploy **revolving loan fund capital** to advance housing goals.
 - Option 1: continue focus on market-rate development, raising standards
 - Option 2: incentivize the inclusion of workforce affordability
 - Option 4: use a portion to seed an equity fund for Downtown projects
 - Option 3: expand scope to surrounding neighborhoods to encourage quality infill
- Based on scope and intent, **determine best structure** for deploying capital, such as:
 - Current structure (zero-interest 6-year loan)
 - Loan fund with 1 to 3% interest
 - Equity fund with below-market return expectations
 - Forgivable loan / grant



STRATEGY 7

STRATEGY DETAIL

Enhance the city's ability to facilitate development through **strategic land control** (not eminent domain)

Target incentives to support quality housing development

- **Leverage TIF** to enhance the quality of market-rate housing development, and **leverage tax abatement** to support quality affordable and mixed-income development, such as through infill
- Establish an **equity fund** to support Downtown development through land acquisition and gap financing.
- Establish an **Affordable Housing Trust Fund**, pooling philanthropic capital and a dedicated source of public revenue
- **Affordable Housing Trust Funds** are flexible sources of funding that leverage state and federal programs to further support the provision of quality housing for low- and very low-income housing



STRATEGY 7

STRATEGY DETAIL

Enhance the city's ability to facilitate development through **strategic land control** (not eminent domain)

Target incentives to support quality housing development

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- **Affordable Housing Trust Funds** are flexible sources of funding that leverage state and federal programs to further support the provision of quality housing for low- and very low-income housing

AFFORDABLE HOUSING TRUST FUND

INVESTMENT PER UNIT

\$150k

estimated average cost of affordable housing new construction or preservation

TRUST FUND CONTRIBUTION PER UNIT

\$25K

Assumes 1 : 6 leverage ratio

200 units

\$5 million fund



STRATEGY 7

STRATEGY DETAIL

Enhance the city's ability to facilitate development through **strategic land control** (not eminent domain)

Target incentives to support quality housing development

Leverage city resources to create a more robust **community development ecosystem**

- Utilize existing sources through CDBG and HOME to build capacity (e.g., Community Housing Development Organization Academy)
- Explore creation of a housing community development financial institution (CDFI)

Expand services to vulnerable populations to **promote housing stability**

Address physical housing needs / housing conditions



HOUSING MARKET DEMAND STUDY & STRATEGY

STEERING COMMITTEE










Tulsa, Oklahoma
Strategy Presentation

November 2019



NEIGHBORHOOD ANALYSIS

HOUSING CHARACTERISTICS SUMMARY

		% change in housing units (2010 to 2019)	Median Home Value	% Renter	% extremely cost-burdened	projected HH change 2019-2024	% Vacant
	City average	5%	\$150k	49%	15%	2.5%	12%
	Crosbie Heights	7%	\$85k	59%	12%	1.2%	20%
	Crutchfield	0%	\$40k	56%	16%	-0.5%	26%
	Downtown	44%	\$115k	89%	15%	12.5%	19%
	Dunbar / Joe Louis	3%	\$80k	76%	33%	1.3%	18%
	Greenwood / University Park	0%	\$130k	63%	19%	-3.2%	17%
	Heights / Legacy	7%	\$110k	52%	17%	3.3%	20%
	Owen Park	6%	\$95k	41%	9%	3.8%	17%
	Pearl District Area	2%	\$185k	82%	20%	0.3%	29%
	Riverview	4%	\$220k	74%	15%	11.7%	15%










NEIGHBORHOOD ANALYSIS

DEMOGRAPHIC SUMMARY

	Population	% African-American	% American-Indian	% Hispanic	% White
Med. Income (city)	\$45k	\$29k	\$40k	\$39k	\$51k
City average	411,490	19%	6%	17%	64%
Crosbie Heights	1,373	14%	10%	23%	54%
Crutchfield	1,798	9%	5%	62%	41%
Downtown	4,669	28%	6%	12%	59%
Dunbar / Joe Louis	1,428	83%	2%	7%	7%
Greenwood / University Park	1,301	83%	1%	1%	10%
Heights / Legacy	1,484	63%	3%	4%	23%
Owen Park	1,112	10%	10%	13%	63%
Pearl District Area	2,095	13%	9%	18%	59%
Riverview	3,515	9%	5%	5%	77%

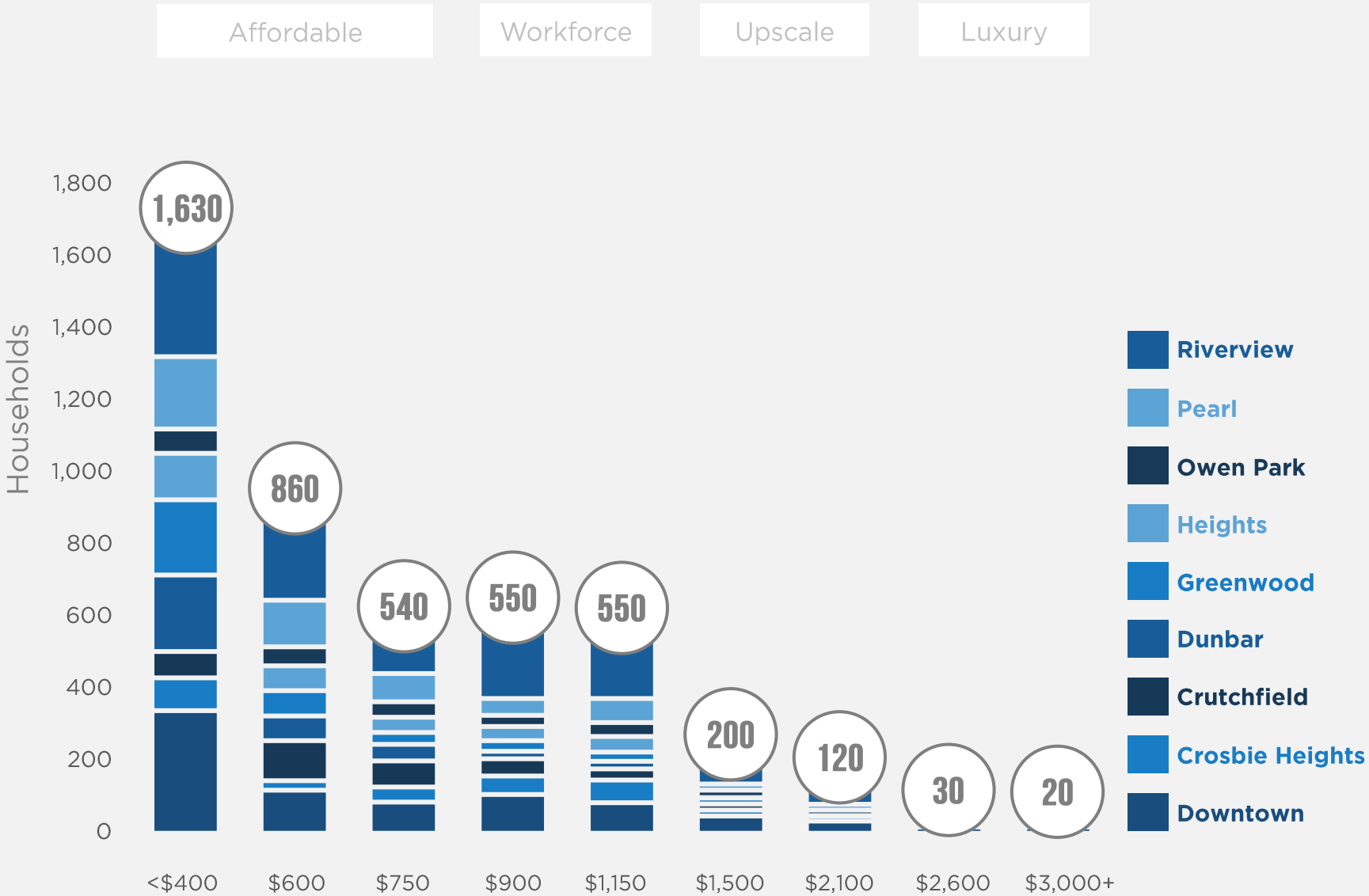
NEIGHBORHOOD ANALYSIS

HOUSING TENURE—DISAGGREGATED

		Overall % Owner-Occupants	African-American Residents	American-Indian Residents	Hispanic Residents	White Residents	Other Residents
	City average	51%	10%	3%	8%	77%	-
	Crosbie Heights	45%	11%	11%	7%	73%	-
	Crutchfield	47%	11%	2%	56%	52%	-
	Downtown	14%	0%	11%	12%	72%	-
	Dunbar / Joe Louis	14%	100%	0%	0%	0%	-
	Greenwood / University Park	36%	91%	0%	0%	5%	-
	Heights / Legacy	51%	58%	12%	2%	26%	-
	Owen Park	60%	2%	2%	6%	90%	-
	Pearl District Area	14%	14%	0%	27%	86%	-
	Riverview	26%	1%	1%	1%	90%	-

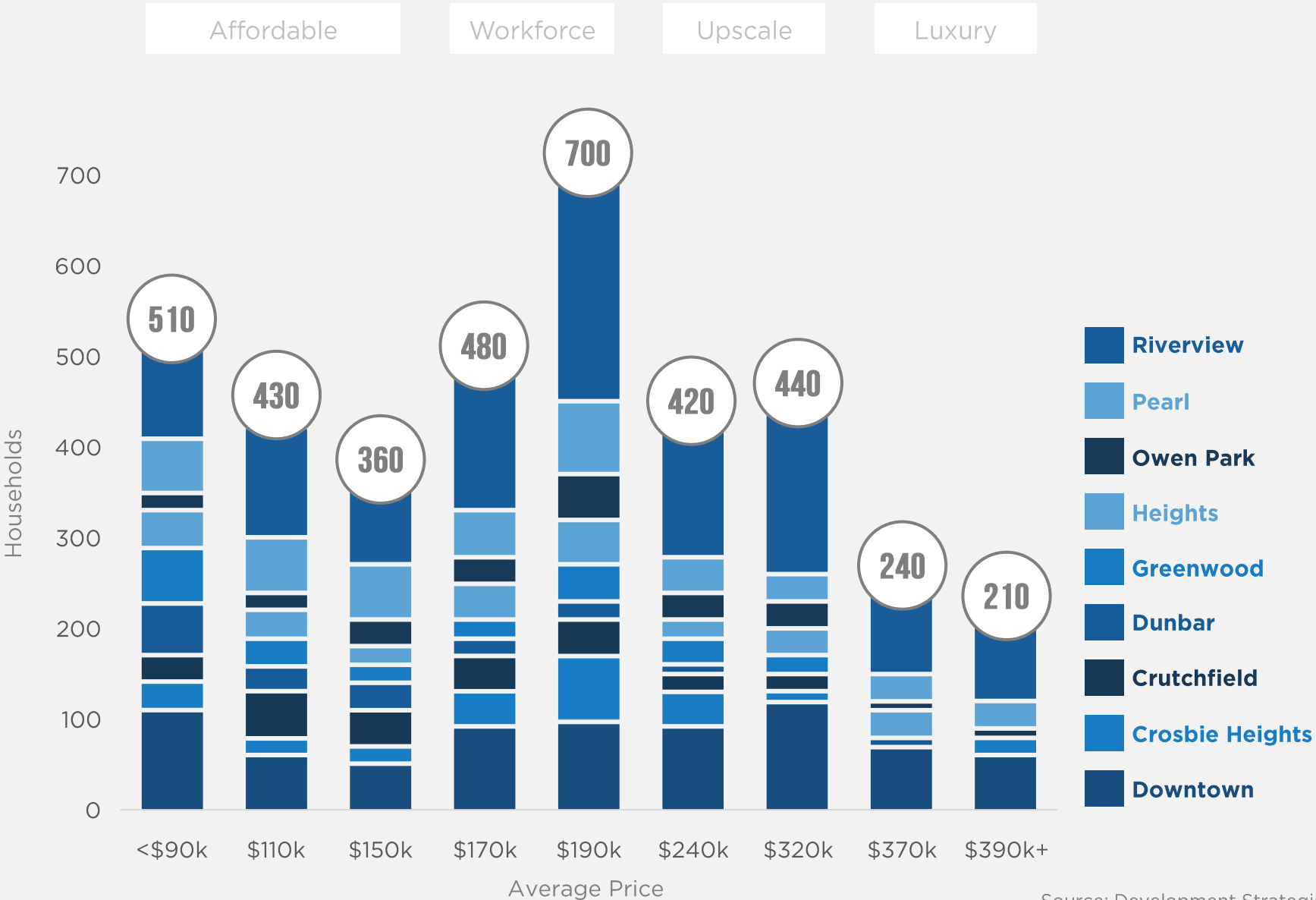
HOUSEHOLD HOUSING AFFORDABILITY

STUDY AREA – RENTAL



CONVENTIONAL DEMAND

STUDY AREA – FOR-SALE



Source: Development Strategies, ESRI