

## Special Focus: Workforce/Affordable Housing

With the increasing mismatch between household income growth and housing affordability, the dream of homeownership has challenged many working families. While the overall homeownership rate recently reached a record high of 69%, the ownership rate among low-to-moderate income families equaled 56%. In fact, fewer working families own homes now than did 25 years ago, a situation that is likely to worsen as interest rates rise from historic lows.

The workforce housing shortage affects communities' overall economic and social health:

- Local employers are unable to attract and retain talented candidates
- Shortage of teachers hurts area school systems
- Long work commutes lead to traffic congestion, lower worker productivity, and high turnover rates in essential jobs (police, emergency medical, teachers, firemen)
- Families are separated as children cannot afford to live near parents

Successful workforce housing programs are a result of public/private partnerships that provide innovative and situation-specific solutions. The staff at BBP LLC have helped communities implement many of the best practices being used today, including:

- Tax Increment Financing (TIF)
- Expedited permit review and fee waivers
- Statute creation to include density bonus in exchange for workforce housing
- Community outreach to inform local residents on impact of workforce housing shortage
- Accessing federal, state, and private funding sources (e.g. HOPE VI grants, low income housing tax credits, CDBG grants)
- Manipulation of land cost through long-term leases or land donation
- Embedding workforce housing into market rate and/or mixed-use developments

The workforce housing shortage is a difficult problem that will continue to impact communities nationwide. While there are no simple or easy solutions, BBP LLC professionals have the expertise and demonstrated experience to advise policy makers on all of the proactive tools available to them.

The selected projects below were managed and/or completed by senior BBP LLC staff, including assignments by Basile and Prost, when they were principals and technical senior staff at other consulting firms.

**Atlantic City, NJ:** Guided phased redevelopment of the Northeast Inlet area of Atlantic City into a \$500M public/private sector development project consisting of about 3,000 new market rate and affordable dwelling units; the funding program included private investment, federal grants, City land contributions, community redevelopment authority loans, investment and public infrastructure assistance.



**Cleveland, OH:** Crafted plans that made use of a lease with an option-to-buy program which utilized local funds from a foundation and a consortium of banks to provide below market interest rates to workforce eligible applicants.



**Dayton, OH:** Undertook a housing needs assessment for the City to identify particular service needs for senior citizens, low- to moderate-income, physically- and mentally-challenged, and homeless residents; determined whether these needs are being met by the existing and planned housing stock.



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**Denver, CO:** Examined affordable and workforce housing opportunities around transit station locations for the City/County of Denver as part of a Transit-Oriented Development Economic and Market Analysis; included discussions with the Denver Housing Authority to incorporate a Public Housing Strategy as part of the FasTracks regional transit system.

**Durham, NC:** Provided an economic analysis of each of the neighborhoods and implementation tools to better position them for the existing and expected developer interest going forward.

**East Hartford, CT:** Conducted an evaluation of the existing conditions of East Hartford's housing stock to understand both the strengths and needs of the Town's affordable housing market which will offer insight into characteristics that may support future development and serve as the basis for the development of an IHZ Housing Plan. The Town's existing infrastructure is also being evaluated as part of this project to determine where additional infrastructure development is necessary to support residential growth.

**East Tampa, FL:** Developed catalyst projects that could drive redevelopment and new investment in low-income neighborhoods. Detailed market and financial analyses were conducted to determine the feasibility of recommended projects which came to include mixed-use retail, several mixed-income housing projects, an International Public Market, and re-use of former storm water drainage basins.

**Fairfax, VA:** Assisted in preparation of market-sensitive and implementable economic development strategies for two older commercial areas in the County where affordable/workforce housing opportunities can be captured in new mixed-use centers.

**Fredericksburg, VA:** As part of the action plan designed to achieve the City's Jumpstart! Fredericksburg 2010 economic development vision, developed a series of recommendations to incorporate workforce/affordable housing in the City's economic growth. Recommendations were based on evaluation of regional best practices and included proffer/regulatory based programs such as: inclusionary zoning and affordable dwelling unit ordinances; incentive-based programs like density bonuses, reduced parking requirements, and expedited permitting; home purchase assistance programs; and partnerships with state-sponsored affordable housing funding programs.

**Long Branch, NJ:** Reviewed multiple development proposals to provide affordable housing units as part of several mixed-use projects containing residential, retail, hotel, office and theaters along the waterfront and in the downtown area.

**Middletown, OH:** Conducted market need studies, financial analyses and implementation strategies for assisted living and congregate care/senior housing; potential financing and funding approaches were examined, and an implementation strategy was prepared; the City, regional hospital and a major local trust adopted the plan and housing was built.





**Prince George's County, MD:** Provided economic and market input and provided recommendations for economic development strategies, including the provision of affordable and workforce housing, for the implementation of the Henson Creek-South Potomac Master to guide future growth and development at activity centers within the study area.

**Shreveport, LA:** Prepared survey questionnaires and tabulated results in order to assess the housing and commercial needs of area residents; an assessment of available financing/funding programs and approaches resulted in a 108 point strategy to provide workforce housing opportunities.



**Tempe, AZ:** As part of on-call development advisory services to the City of Tempe, evaluated and prepared affordable and workforce housing density bonus ordinances; completed extensive research and analysis of federal regulations regarding joint development of transit parcels; documented joint development benefits; reviewed model transit overlay ordinances; and, analyzed affordable/workforce housing provisions.

**Washington, DC:** Completed a housing plan that focused on housing needs, low- to moderate-income housing opportunities, financial feasibility of prototypical development projects; recommended public policy actions to implement an equitable housing plan in the downtown area. Our recommendations assisted the District Government to design zoning overlay districts and policy "tools" (such as transferable development rights, developer contributions to housing trust funds, TIF districts, Hope VI funds, tax-exempt bond issuance, federal and state tax credits, and in-kind donations of land services) to leverage desired private investment and encourage development of affordable housing.



**Washington, DC:** For the area east of the Anacostia River, prepared an analysis of resident survey questionnaire results, an assessment of local housing needs, and a housing market opportunities and constraints analysis.

**Washington, DC:** Formulated innovative financing/funding programs involving an approach which utilized vacant buildings or properties to prepare a plan in which property prices were "written down" and, in conjunction with a nonprofit housing entity, a combination of "sweat equity" and deferred zero-interest second mortgages were utilized to produce affordable housing.



**Washington, DC:** Examined use of the HUD 302K Home Mortgage Rehabilitation Program, the HUD Section 123 Single Family Demonstration Program, various FNMA programs (including Home Equity Conversion Mortgages, Senior Housing Opportunities Funds, and Community Lending Initiatives Programs) as tools to create workforce housing; also investigated use of "loan pools" by local financial institutions for residential and non-residential rehabilitation loans, and various national foundations which fund community revitalization efforts (Ford, MetLife, Bank of America, Structural Employment/Economic Development Corporation, Surdna Foundation, C.S. Mott Foundation).

**West Haven, CT:** Engaged by the City of West Haven to evaluate potential housing and mixed-use development focusing on: a new commuter rail station, the traditional downtown area, potential waterfront sites and areas proximate to the expanding University of New Haven.



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**Willow Grove, PA:** Identified target market uses for two outparcel housing areas associated with the NAS JRB Willow Grove base and developed a diversification plan. Also reviewed the Notices of Interest (NOIs) submitted by homeless advocates and others seeking a public benefit conveyance. The results of this analysis formed the basis of the Homeless Assistance Submission required by HUD and DOD.

