

A Model Approach to Effective Municipal Housing Affordability Programs

By

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Applied Research Project

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The rising STAR of Texas

Submitted to the Department of Political Science

Texas State University-San Marcos

In Partial Fulfillment for the Requirements for the Degree of

Master of Public Administration

Spring 2019

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Abstract

Research Purpose: Municipalities across the United States grapple with the challenges of housing affordability, however; there does not appear to be a concise and formulated model to assist cities in creating, evaluating, or refining their housing affordability programs. This research attempts to join this literature by constructing a preliminary model for cities and administrators to improve on best practices and mechanisms to create municipal affordable housing programs. This applied research takes a hybrid research approach. Using the literature, it creates a preliminary, exploratory practical ideal type framework or model. The four primary components identified in the model for effective municipal housing programs are the continuum of housing, preservation of housing, public-private partnerships, and supply-side approaches.

Methodology: This research uses focused interviews to gather detailed input from experts in the field of municipal housing policy and programs to refine the primary components and subcomponents of the model. The six respondents include university academics, leaders in non-profit, municipal government, and developers of affordable housing.

Results: Based on the expert feedback, the model is refined to create a final preliminary model that identifies the practical ideal components for municipal affordable housing programs and policies. This model can be used by municipalities to create or refine their own programs. It is recommended that this model is refined further by future research and modified to reflect the context and diversity of municipalities grappling with housing affordability challenges.

About the Author

Andrea Villalobos is a Fall 2019 Masters of Public Administration candidate at Texas State University – San Marcos. She currently serves as a Senior Planner at the City of San Marcos in the Planning and Development Services Department. In her role as Senior Planner, Andrea assists with long-range planning efforts, including land use cases, annexations, neighborhood planning, the Small Area Plan program development, and workforce housing initiatives. The City of San Marcos is developing a Housing Affordability program to address the unique challenges of housing affordability in the community.

This research serves as valuable knowledge that can be implemented in San Marcos as

the city crafts a housing program and begins to identify and prioritize goals, strategies, and actions to achieve housing affordability. Andrea holds a Bachelor of Science in Geography Urban and Regional Planning with a minor in Public Administration from Texas State University – San Marcos. Andrea’s interests include cycling and exploring new cities via bike, swimming in the San Marcos River, attending local art and music events, and spending time with her cat, Lucy. She can be reached at andrezvillalobos@gmail.com.



Acknowledgements

I would like to thank the City of San Marcos and my colleagues at the City for their encouragement and assistance in pursuing my career and professional development goals through graduate school. Their support is immense, and the City provides a platform to cultivate and expand on the knowledge and guidance I receive in graduate school. In addition, this knowledge takes new form at the City as I strive to balance an understanding of academics and applicability. I would also like to thank my friends and family for their encouragement and kind words through many nights of research. Their support and inspiration to persevere through the program has been genuine and immensely helpful. Lastly, I would like to thank Dr. Patricia Shields for her guidance through the Applied Research Project process and for always being so available and resourceful as we tackle this momentous feat. Thank you for your patience, and for teaching me new skills to apply to my own project management in my professional career.

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CHAPTER 1: INTRODUCTION

I. Policy Problem

In a radio interview on the housing affordability crisis, Siegler and Wang (2018) documented Jimmy Mejia and his wife, Patty Garrido, who are being evicted from their South Los Angeles apartment. They are having trouble finding new housing they can afford. They have four daughters with a fifth on the way and work full-time as assistant managers of a local pizza chain. They pay \$1,600 a month to rent their cramped three-bedroom apartment just blocks from the University of Southern California (USC) campus. Family photos, Bible verse decals, and wedding mementos are displayed in their living room, while roaches crawl around their kitchen and unpatched holes scatter their ceiling. After living in these conditions for the past four years, they found out in late 2017 that their building had been sold and all the tenants were getting evicted. Mejia and Garrido have been frantically searching for new housing in Los Angeles ever since, a difficult task in a city where neighborhoods are exploding with gentrification (Siegler & Wang, 2018).

"Everything is so expensive," Garrido said. "We saw a house, it was only three bedrooms and it was \$3,800." While Mejia and Garrido considered moving 60 to 70 miles outside the city, where the housing is cheaper, their

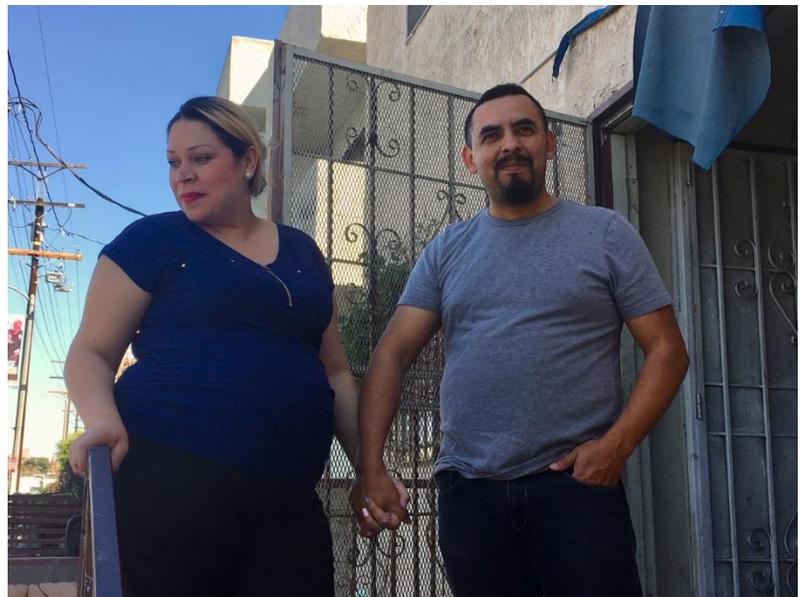


Figure 1: Patty Garrido and her husband Jimmy Mejia (Siegler & Wang, 2018, April 16)
Retrieved from <http://npr.org>.

commute would take hours and they have only one car. Plus, it is not easy leaving a place that is home. "We have our church, we have our family, school, my daughter has been in the same area since pre-K," Garrido said. "She's doing pretty good. She's in honors classes, so I don't want to move her" (Siegler & Wang, 2018).



Figure 2: Jimmy Mejia and Patty Garrido's South Los Angeles apartment building was sold in late 2017. The new owners are going to redevelop the property, and all the tenants are being evicted. (Siegler & Wang, 2018, April 16); Retrieved from <http://npr.org>.

Policymakers and activists in Los Angeles recognize the severe state of housing and tenant boycotts against rent increases and gentrification have increased in the city as community activists push for change. Policymakers are focusing on reforms such as sales tax hikes to build more housing and implementing new fees on development to pay for new low income housing for people at risk of being homeless. A couple of miles south of city hall, Mejia is starting his shift as an evening manager at Blaze Pizza, next to the USC campus. It's not lost on him that some of his customers are the more affluent students who are driving up demand for better housing in this once blighted part of Los Angeles. "I don't try to cry in front of my wife, but emotionally it's hard for me, very hard," Mejia said as his eyes well up with tears. "I know she

cries, too, I know she does, but we try not to do it in front of the kids.” For now, Mejia and Garrido are focusing their efforts on fighting their pending eviction in court, but their story provides perspective on how housing affordability challenges are at the core of many lives in America.

How the state of housing reached this point is attributed to a long historic road of complex social, economic, and political decisions that impact access and production to safe and affordable housing for citizens. To complement housing testimonials, our housing affordability challenges are reflected in numerous data reports that consistently reflect that our challenges are increasing. The National Association of Homebuilders/Wells Fargo Housing Opportunity Index shows that the peak of housing affordability was reached in 2012 when 78% of new and existing home sales were affordable for a typical family based on their incomes and current interest rates (Richardson, 2019). By the third quarter of 2018, that score of 78 had plummeted to 56, meaning only 56% of home sales were affordable (Richardson, 2019). Robert Dietz, a chief economist for the National Association of Home Builders attributes our challenges to a shortage of housing inventory, a deepening construction labor shortage, high land costs, and the perpetual community battle Not In My Backyard (NIMBY) proponents facing off against the foot soldiers of the Yes In My Backyard movement (Richardson, 2019). The data and market projections clearly outline a challenging future for policymakers in housing, but the most impactful data can be found in testimonials like Jimmy Mejia and Patty Garrido who grapple with housing affordability challenges in ways that push them to the brink. At its core, housing affordability is about people. The struggles are felt by neighbors, classmates, friends, family members, business clerks, and teachers, and recognizing this core fact can help provide context as we attempt to find solutions at the policy level.

Housing affordability has historically become an imperative public policy problem that spans generations and geographies. Safe, quality, and affordable living is a crucial foundation to living in America. It affects individuals throughout the many stages of their lives, from childhood, to independent living as a renter, to purchasing one's first home, potentially starting a family, growing as a family, downsizing, and through one's senior years. The type, location, and preference of housing changes throughout a lifetime. Thus, it is necessary to understand affordable housing policy as one that considers a diversity of housing types, the location of housing to amenities and services, and the range of affordability for varying incomes. This research attempts to consider the varying methods to achieve housing affordability in a community by exploring best practice tools available to municipalities.

Housing, a basic component of life and well-being, plays a crucial role culturally, socially, and economically in the lives of Americans. As Michael Stone has written:

“Housing is more than physical shelter. The residential environment consists not only of the dwelling unit but the site and setting, neighbors and community, municipality and public services, habitability an accessibility, rights and responsibilities, costs and benefits. Yet housing is even more than a residential environment, for it is only in relation to those who inhabit and use it that housing has meaning and significance – not only physical and economic, but emotional, symbolic, and expressive. We occupy our houses, and, for better or for worse, they become our homes” (1993, 14).

According to a 2015 study, more than 30% of U.S. households spend 30% or more of their income on housing, which is considered cost burdened (JCHSH, 2018). These realities put pressure on not only the lives of low to moderate income Americans and marginalized groups, but also on policy-makers, community leaders, and stakeholders to formulate effective methods to address the growing concerns associated with housing affordability and availability.

Communities are grappling with the realities of a lack of housing opportunity, the fight for the preservation of existing homes and neighborhoods, and the impacts of new development on

housing costs. As cities craft policies to address their community's housing needs, it is important to question whose responsibility it is to provide affordable housing for residents. Additionally, it is important to consider where municipal governments reside in the problem-solving process. This question is considered in the following study as municipal housing affordability practices and their implications are explored.

II. Purpose

The purpose of this exploratory research is threefold. First, it develops a preliminary municipal housing affordability policy model using the scholarly and practical literature. Next, the model is refined and evaluated by a pool of experts. Finally, this refined model is used by municipalities based on expert feedback to tailor the model to their case.

III. Looking Ahead

This Applied Research Project explores municipal housing affordability and provides a model for understanding components to effective municipal housing affordability programs. The Literature Review, Chapter 2, provides an account of housing affordability by providing an overview of housing policy as understood through a historical context, issues of social equity, and the institutional structures and role of municipalities. Next, it presents a preliminary model and its basis in scholarly literature. The Methodology, Chapter 3, explains the focused interviews conducted and how and why they were used to gauge and refine the proposed model. Chapter 4 presents the results and discusses the key commentary and input provided by the experts on the components of the model. Finally, Chapter 5 summarizes the entire project, presents the revised model and makes recommendations and considerations for future study.

CHAPTER 2: LITERATURE REVIEW

I. Purpose

This chapter, first, reviews the literature on affordable housing policy, including the history, equity issues, and the institutional and intergovernmental structure, with a focus on the policy problem at the municipal level. Next, the chapter develops a framework that municipalities can use to evaluate or enhance their housing policy.

II. Policy Overview

History of Affordable Housing

Housing affordability in America has a long and evolving history that intertwines various actors, levels of government, programs, management techniques, and economic models, and is deeply rooted in social and racial constructs and inequities in America. This history balances several forms and mechanisms to address the availability of housing for the American population. It includes publicly constructed housing, nonprofit and private-sector programs, tax incentives for housing, housing preservation, and homeownership programs for low to moderate income individuals. In addition, housing patterns in America also tell the story of physical and social upgrading of low-income and minority groups in America that spur from historical development patterns of suburbanization, urban revitalization, and residential displacement (Podagrosi & Vojnovic, 2008). The following brief historical account of housing affordability in America is structured chronologically while emphasizing various key events and policies that shifted housing amongst public and private entities.

Beginning in the 20th century, the history of low-income housing policy in America can best be introduced through the concept of low-income public housing. This was first established

as a consequence of the Great Depression in which Congress worked to stabilize the housing market for middle-income Americans by encouraging banks to lend money to residents for single-family home purchases as well as to developers of multifamily projects (Edson, 2011; Von Hoffman, 2016). A separate approach to public housing was the construction of apartment buildings by local and federal public housing authorities for low-income individuals to rent. This approach to public housing was funded, developed, owned, leased, and managed by the government to provide apartments for residents of low-income status on a permanent basis (Von Hoffman, 2016). The initiative helped create homeownership opportunities, stabilize the housing market, create jobs, and provide housing opportunities but it also fueled racial and ethnic discrimination due to strict loan guidelines which excluded people of color (Kalugina, 2016).

Eventually, local and federal housing authorities began to struggle with effectively and equitably juggling the various components of owning, constructing, and managing public housing buildings. The governmental housing programs started to shift towards governmental partnerships with private developers. Programs in the 1960s utilized low-interest rates on lending, subsidies, to enable private, nonprofit, cooperative, and limited dividend companies to construct and offer rental units at very low rates (Von Hoffman, 2016). While implementing strategies to address the dilemma of housing in America by providing financing mechanisms for homeownership and constructing housing for those in desperate need, these methods also set the stage for increased segregation of American cities as residents became segregated through the use of unequitable financing mechanisms for homeownership and the more clear separation of citizens by race and income in the city.

After World War II, cities experienced increased suburbanization by white and middle-class residents simultaneously leading to the decline of inner U.S. cities which had become primary neighborhoods for people of color and low-income residents. The federal government shifted housing policy efforts to increase affordable housing, improve public perception of cities, and address neglect and population decline in urban centers through the “elimination of

substandard housing, the construction of new housing, the revitalization of city economics” (Podagrosi & Vojnovic, 2008, 375). In 1965, the Department of Housing and Urban Development (HUD) Act of 1965 created a Cabinet-level agency to administer housing and Robert C. Weaver becomes the first HUD Secretary in 1966 (HUD, 2019).



Figure 3: In 1958, President Dwight D. Eisenhower reviews the urban renewal plans for Southwest D.C. with developers William Zeckendorf Sr., and John Remon. (Smithsonian Magazine, 2018, May 9); Retrieved from <https://www.smithsonianmag.com/>

The Housing Act of 1968 set the stage for urban renewal efforts. The Johnson Administration set a goal of producing 26 million dwellings in the United States in the following decade and six million of those dwellings were to house low-income individuals (Von Hoffman, 2016). This goal included a “high-volume scheme for multifamily rental units” which became strategically located to align with urban city revitalizations efforts (Von Hoffman, 2016, 11). This federal initiative of urban renewal worked to remove blighted areas of the city, through eminent domain or by pursuing properties at very low prices, by demolishing blocks and neighborhoods in order to make such tracts more appealing to developers for development for new and quality housing. St. Louis, for example, experienced an immense influx of constructed public housing units that by

the mid-1950s nearly 10,000 units had been constructed on several square miles of downtown leaving thousands displaced with many lacking housing relocation assistance (Tighe & Ganning, 2015). This revitalization provided governmental financial incentives to private developers, rather than public agencies, to solve the housing crisis, but it was simultaneously fueled by the governmental removal and displacement of existing residents in urban centers of cities across the nation.

Beginning in the 1970s, affordable housing shifted from a federal role to a shared role between local, state, and federal entities along with private agents due to a number of external societal effects (Pendall, 2008). For example, The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community and energy assistance programs, colonia activities, and regulation of the state's manufactured housing industry and the overwhelming majority of the Department's resources are derived from mortgage revenue bond financing and refinancing, federal grants, and federal tax credits. (TDHCA, 2019). Pressured by the mismanagement of housing programs, budget priorities, and high rates on mortgage defaults from previous programs, President Nixon declared a moratorium on all federally assisted housing programs in 1973 (Von Hoffman, 2016). This led to the creation of a task force to develop a replacement program for existing housing rents which became known as the Section 8 program, as well as the creation of Community Development Block Grants (CDBG) (Edson, 2011). The Section 8 program enabled developers to provide units targeted to low-income groups while also retaining some units for at market-rate rents.

As demonstrated on this brief historical account of housing policy, housing regulation has transformed into neoliberal privatization and marketization strategies in which governments attempt to “reduce the level of de-commodification in housing sectors in order to promote private

market provision” (Kadi & Ronald, 2014, 270). In the 1980s and 90s several other programs were created to follow this marketization trend, including Low Income Housing Tax Credit (LIHTC) programs which enable local developers to create mixed-income multifamily complexes and the HOPE VI programs which included the demolition of demising public housing projects and replacing them with mixed-finance and mixed-income communities (Kalugina, 2016; Hanlon, 2010). Kadi and Ronald (2014) highlight how such transformations have led to making housing markets more exclusive and threaten poor household’s ability by reducing social or protected rental housing and a shift away from project-based subsidies which make it more difficult for these households to find housing. This private-sector interest in housing is fueled by federal funding cuts to public housing and the transformed dependence of private entities to construct and fund affordable housing while also receiving subsidies from public entities for such production. It is also fueled by our understanding of whose responsibility it is to provide adequate housing to communities, and what resources and strategies are needed in order to enable more effective and purposeful housing that meets the housing needs of all.

Issues of Social Equity

The historical accounts of housing in America has been rooted deeply in the social and physical transformations which trace the inequities within the built environment. The normative concept of social equity suggests that levels of social advantage and disadvantage should not reflect differences in wealth, income, or power, and is concerned with “just and fair access for all to material, social, and cultural goods” (Fincher, Pardy, & Shaw, 2015, 518). Key components that have negatively affected the preservation of social equity goals in America with respect to housing are gentrification and displacement. The term gentrification can be defined as the process of change in the social structure of low-income individuals and neighborhoods due to the moving in of middle- and upper-class residents that requalify the housing stock and lead to the displacement of existing residents (Ghaffari, Klein, & Baudin, 2018).



Figure 4: Neighborhood in Denver experiencing gentrification as new development encroaches into existing historic neighborhoods. (Denver Post, 2017, June 23); Retrieved from <http://denverpost.com>.

Anguelovski (2016) adds to this definition: “Gentrification highlights that new or restored environmental goods tend to be followed by rising property values, which in turn attracts social classes, while creating a greater gap with poorer neighborhoods where the lower socio-economic classes are forced to move because these are the only places they can afford” (1212).

Podagrosi and Vojnovic (2008) are critical of how “gentrifiers, developers, and public officials approach displacement and redevelopment” emphasizing how such acts of development

and policy goals for revitalizing cities influence the type of “physical and ‘social’ upgrading that will take place in a community” (375). Changes in the housing environment not only affect the built environment, but transform existing neighborhoods, spaces, identities, and connections that residents have to their community. As demonstrated in urban revitalization efforts by cities, the shift in urban redevelopment strategies aimed at attracting wealthier residents and consumers to drive economic growth and spur new housing developments also revolved around the notion of ‘place-making’ in which existing cultural or diverse settings are commodified as competitive assets that attract business interests that desire to invest and take advantage of the benefits of such diversity. The place-making of neighborhoods has been adopted as a brand for urban renewal projects and is the professional practice of creating a space that is disconnected from that of a moral imperative to embody the vision of residents and rather a competitive strategy or tactic of industry (Fincher, Pardy & Shaw, 2015). In this sense, the practice of place-making holds no resemblance to the goals of social equity.

Housing is at the root of these concepts of social equity as it relates to the evolving shifts in development and redevelopment of various corners of a city. Tighe and Ganning (2015) conclude that “decline and displacement occurred when key policies, prejudices, and plans interacted with broad economic restructuring to devastate poor and minority communities while leaving White and middle-class communities largely intact” (655). Issues of social equity also include neglect in areas of public participation, inclusion, and transparency. Historical housing policy and reforms were often made exclusively with limited and specific stakeholders that did not consider the implications of policies on marginalized groups. Forms of neighborhood demise is a theme that must be re-addressed to ensure that the inclusive and collaborative decision-making is at the forefront of housing policy. These are important considerations to consider

when creating housing policy as the decisions and strategies utilized to promote a seemingly common goal of creating housing affordability for all may have lasting implications that disproportionality affect certain groups while benefiting others. The concept of social equity will be discussed throughout this research paper to better understand how identified housing strategies both further goals of housing affordability as well as broader social equity objectives.

Institutional Structures and the Role of Municipalities

While housing affordability has been driven historically by federal programs and managed by government, local municipalities have developed creative and unique ways to address housing affordability within their jurisdiction. Cities have shifted the implementation of affordable housing policy to private developers as a response to the widespread dissatisfaction with the performance of the public sector in the design and production of affordable housing (Graddy & Bostic, 2010). Yet, we must still face the question of whether the private production of affordable housing production is meeting the policy goals of cities.

Furthermore, whose responsibility is it to provide affordable housing? New Urbanist co-founder, developer, and designer, Andres Duany faced criticism towards the affordability of a new housing development in one of Houston's lower income wards. Duany stated that "providing affordable housing ... is chiefly the responsibility of the federal and local governments rather than developers" (381), and that reducing the costs of his development would compromise the quality of his design (Podagrosi & Vojnovic, 2008). As we've explored in the historical accounts of housing policy, governmental roles in affordable housing production has included the direct production as well as the creation of local incentives and subsidies which drive private developer production of housing. This research focuses on multiple stakeholders involved in the production and prioritization of affordable housing policy including

municipalities, private entities, non-profit entities, and community groups which collaborate to achieve the needs of the community. Fraser (2004) states that “as part of the revitalization of neighborhood and urban space is the ongoing struggle to define the meaning of a city and for whom it exists” (433). In this sense, if a city is understood to be an environment for everyone regardless of background, income, ethnicity, or unique needs, then the city has a responsibility, and a unique role of ensuring a collaborative and diverse strategic plan for achieving housing affordability.

Purpose Statement and Introduction of the Exploratory Research Framework

It is clear that municipalities across the United States grapple with the challenges of housing affordability, however, there does not appear to be a concise and formulated model to assist cities in creating, evaluating, or refining their housing affordability programs. There is disjointed literature regarding best practices and case studies for ideal programs or strategies which take into account the role of municipalities in providing housing affordability and the historical context of how housing has evolved over time, often for the benefit of some, and the demise of others. This research attempts to join this literature by constructing a preliminary model for cities and administrators as a way to improve on best practices and mechanisms to create municipal affordable housing programs. This applied research takes a hybrid research approach and creates a preliminary, exploratory model, which uses a practical ideal type framework. This preliminary model is designed to be further refined by future studies.

III. Introduction to the Conceptual Framework

The historical account of housing affordability in America and the associated issues of social equity provide a foundation for understanding the reality of housing trends in America that has fluctuated through institutional structures and stakeholders as we grapple with the question of how to manage housing affordability and the role and strategies of municipal government in solving this public policy problem. Thaden and Wang (2017) discuss that affordable housing policies should be designed to fit the local environment. However, rather than “reinventing the wheel”, cities should utilize existing affordable housing programs as an efficient guide for creating their unique program and in doing so, can strengthen the impact of policy design and implementation of the program. Considering historical housing practices and their impacts on the livelihood of all citizens while also balancing the practical logistics involved in a city’s ability to create a housing program, we shift our attention to developing a model to organize the various strategies, literature, and methods utilized in cities to address this problem.

This model serves as a first draft that can be expanded and refined based on interviews with experts in the public, private, and academic fields in America who have experienced the implications of municipal affordable housing efforts as it relates to identified categories and strategies in the model. The basic 4 categories in the model include:

- the continuum of housing;
- the preservation of housing;
- public-private partnerships; and
- supply-side approaches.

These categories are further expanded through sub-categories that are reinforced through scholarly literature and document analysis of municipal housing studies and manuals. The

purpose of this section is to provide an overview of the literature related to key best practices of existing affordable housing programs to further initiatives and steward homeownership affordable housing in communities.

IV. Conceptual Framework Categories

1. Continuum of Housing

Affordability in housing is often characterized as subsidized housing or public housing, which presents only a narrow perspective on the spectrum of housing needs in communities. In reality, all individuals seek a form of affordable housing in which their income to cost ratio allows them to enjoy suitable shelter at an affordable rate and with consideration to the plethora of other needs and costs of society. The policy problem of housing affordability straddles a range of families and individuals and takes different shapes depending on the needs of a community. The Coalition for Nonprofit Housing and Economic Development shows that this continuum of housing encompasses a full range of housing needs including supportive, rental, and homeownership (CNHED, 2010).

In addition, constant and intimate attention must be given to the varying needs of the residents of a community as best expressed by the residents themselves. These needs can vary depending on the neighborhood, the region's income, the racial and ethnic group, the access to jobs and services, and the type of housing desired. Housing a municipality's existing and growing workforce usually requires a shift in the type of housing units that are produced as young professionals, new families, and lower-income individuals demand more multifamily housing, smaller housing, and rental units. This diverse range of housing options should meet the unique needs of the residents seeking housing in a community, including renters and owners, high-, medium-, and low-income (Blumenthal, McGlincy, & Pendall, 2016).

1.1. *Permanent Rental and Homeownership Affordability*

In the continuum of housing, rental tenants make up a significant proportion of the population including younger individuals and low- to moderate-income individuals who cannot afford to purchase a home, as well as the elderly who have downsized from larger homes and into smaller, manageable rental units. Rental housing in America includes both public and private rental units. While federal funding for public rental housing has experienced significant cuts since the 1980s, some cities like New York have been able to increase their supply of public rental housing by utilizing regulated rental stock methods from federal Section-8 programs to unique state programs which derive from low-interest loan programs for private developers in order to keep the units affordable (Kadi & Ronald, 2014). Despite efforts to partner with federal and state programs, private rental market restructuring through neo-liberal practices has undermined the supply of inexpensive housing leading to affordability and displacement problems in New York (Kadi & Ronald, 2014). The narrative of increasing in rental costs is experienced in cities throughout the country.

Tenants can face drastic rent increases in a community and also bear the effects of gentrification and displacement as neighborhoods redevelop and such development drives up prices in the surrounding area. Ghaffari, Klein, and Baudin (2017) identify methods which municipalities can implement to manage increases in rental costs in communities: rent skewing, rent subsidies, rent control, and tax exemption. Rent skewing is a method in which higher-income residents subsidize the rent of lower-income residents. Rent subsidies use public funds as a tenant protection strategy. Rent control can circumvent rent speculation by capping rent prices temporarily and under certain conditions, and tax exemptions can be offered to landlords to reduce the gap between rising rents and what tenants actually pay. These strategies often require

that rental units be permanently affordable so that increases in rental costs remain proportional to levels of affordability in the future.

Methods of permanent affordability are also utilized to promote affordable homeownership. Boulder, Colorado created a Homeworks Program that ensures that a supply of the homes in Boulder will always be affordable by creating a process of selling homes at below market-rate prices to income eligible buyers (City of Asheville, 2015). Legal mechanisms for permanent affordability are typically specified through restriction periods which require the property to be affordable for a minimum number of years. One of the largest critiques of affordable housing initiatives is that identified time frames are not lengthy enough to ensure affordability in the long-term. Recommendations for permanent affordable housing include adding deed restrictions and covenants that require long-term affordability. While cities do not regulate or enforce deed restrictions, similar resolutions or agreements can be legally recorded to conserve affordable housing created through city allocated subsidies (Casella & Meck, 2009).

Shared Equity Homeownership (SEH) programs similarly promote permanent affordable homeownership. SEH programs refer to a variety of programs which make a one-time investment to create a home that is affordable by entering into an agreement with homeowners to limit their returns about resale. The homeowners essentially share some of the proceeds from the resale to pay the homeownership opportunity forward to the next household who buys the home (Ehlenz & Taylor, 2018). Another component to SEH programs is the active and ongoing stewardship between the land and homeowner that is typically achieved through a nonprofit or community-represented board that ensure permanent affordability oversight (Ehlenz & Taylor, 2018). Municipalities who utilize a SEH program will need to ensure that adequate education and outreach is provided to potential homeowners, that municipalities understand any legal

challenges that vary across states, and that the SEH program is equitably designed in terms of application and income requirements as well as location.

1.2. Programs for Varying Incomes

The continuum of housing should address the varying incomes of the community so that affordability is a goal that can be achieved for all income levels. Individuals making 50 percent or less of an area's median income commonly qualify for supportive housing programs funded by government subsidies and private charities to create transitional, permanent, or special needs and senior housing (CNHED, 2010). Individuals making 50 percent or more of an area median income fall within the rental and homeownership brackets of the housing continuum and are often ineligible for direct housing assistance. Housing for these income groups can take the form of public housing, privately-owner rental, condo, or single-family ownership. The CNHED (2010) recommends that cities develop and sustain a continuum of housing for all incomes and that such policy is reflected in budget and program priorities. As individuals of moderate incomes struggle to find affordable rental or homeownership options, the housing continuum is affected at all levels which can lead very low to extremely low income individuals to homelessness, thus, expanding the housing continuum further.

The term "workforce housing" generally refers to households making between 60 and 120 percent of the area's median income and has become a growing focus for municipalities who are struggling to provide affordable housing for moderate-income individuals (Haughey, 2002). According to Parlow (2015) this includes middle-income workers such as police officers, firefighters, teachers, healthcare workers, retail clerks and others that cannot afford to buy or rent housing in high-priced areas. High housing prices force these groups to move to the outskirts of a community where they face longer commute times, absences from their family, and increased

unhappiness (Parlow, 2015). To combat this issue, cities have offered grants to assist in closing costs and down payments on a home or provided subsidized loan programs where borrowers pay a reduced interest rate and the sponsoring jurisdiction pays the points charged by the banks (Parlow, 2015).

Another mechanism for creating workforce housing is partnerships for employer assisted housing which include employer investments in housing solutions such as homebuyer education, down payment assistance, and loan guarantee programs that are provided through benefits packages through an employer (City of Asheville, 2015). Matched savings programs are effective employer assisting housing tools in which employees receive up to a certain amount in match money after completing personal finance counseling, homebuyer education, and money management education (City of Asheville, 2015). These methods transcend specific employers and can translate to programs that municipal housing entities can administer to residents of the city as well, making them either effective partnership tools or methods managed using city funds and resources.

1.3. Neighborhood Opportunity

Another sub-category to the continuum of housing, “neighborhood opportunity”, incorporates how residents interact with the fabric of the city and how housing can be situated in their lives in relation to other daily needs, such as work, recreation, services, and other resources. In other words, do all forms and methods of housing meet the varying and diverse needs of a community and does that housing connect to the broader components of daily life that changes through time, and varies from person to person. This component can be described as whether housing strategies are inclusive of all residents and incorporate and further the opportunities of residents and neighborhoods.

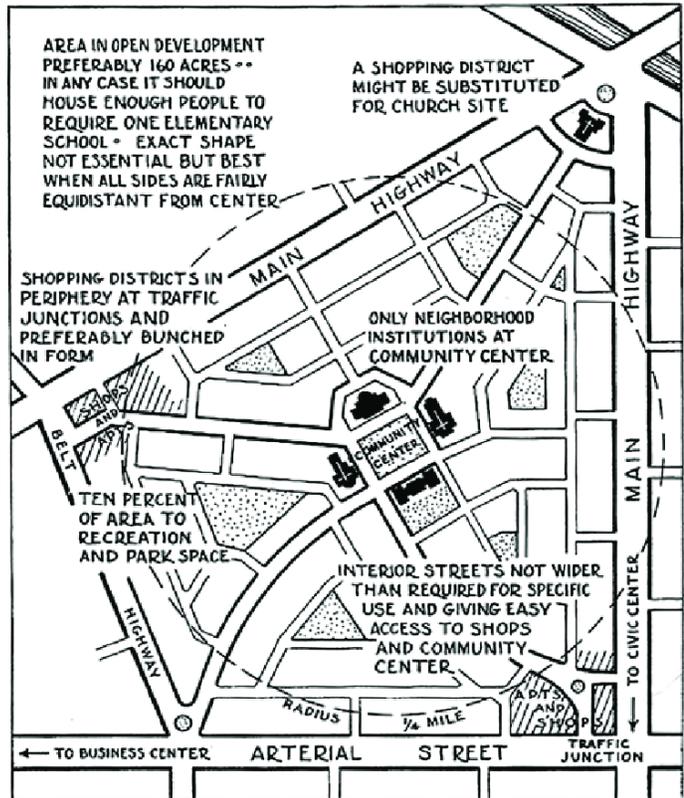


Figure 5: Clarence Perry's "Neighborhood Unit" Diagram (1929) demonstrates the relationship between residents and their neighborhood services, education, work, and resources.

Neighborhood opportunity is defined as potentially beneficial aggregations of “neighborhood resources, services, and contexts” in which the physical features surrounding one’s environment influence an individual’s behavior, health, career, and educational trajectories (Oyspuk and Acevedo-Garcia, 2010; Sampson, Morenoff, & Gannon-Rowley, 2002). A study by Chetty, Hendren, and Katz (2015) found that children who moved from a poor neighborhood to a wealthier neighborhood before the age of 13 earned 31 percent more per year by their 20s than

children who stayed in poor neighborhoods. This underlines the importance of location and geography as it relates to neighborhood opportunity. Sparks (2011) describes the practice of “people-based” or “place-based” policies where neighborhood opportunity is often cultivated and driven by investment of affordable housing practices in certain areas. In addition, proximity to amenities such as parks, schools, a walkable grocery store or service area can be components of opportunity and provide an affordable means of transportation to key services. Elements such as promoting racial and economic integration, increasing proximity to amenities, and increasing investment in high-poverty neighborhoods are all mechanisms to further neighborhood opportunity.

While we often perceive initiatives for affordable housing as centralized around implementing public subsidized housing for low-income residents, housing is a continuum that evolves with the needs of residents throughout their lifetime. Housing is a necessity for all, despite income level, ethnicity, and age, but municipalities must be cognizant of the powers which make access to affordable housing more challenging for certain groups, and thus, create policies and strategies which promote more equal access to affordable housing for all residents in their community by ensuring that programs incorporate rental and homeownership goals, are inclusive in their foundation, and ensure that affordability is permanent for future generations.

2. Preservation of Housing

The “preservation of housing” encompasses another key component for crafting municipal housing programs. Initiatives for the preservation of housing include protection of existing neighborhoods, modernizing land use tools to encourage infill development and a diverse range of housing types that both preserve the existing character of the neighborhood and

promote alternative housing opportunities. It also encourages strong community collaborative efforts and partnerships to better understand the needs of the residents in existing neighborhoods or adjacent to growing areas. There are a wide variety of methods to achieve these foundational components that can be implemented in cities based on their unique needs.

2.1. Protection of Existing Neighborhoods

Existing residential neighborhoods are crucial assets in a city and create the foundational fabric of a city as past and current residents create a physical and social connection to the history and character of the environment. Protection of such neighborhoods is crucial and changes to these neighborhoods can threaten not only the affordability and equitability of the neighborhood, but also the social and community ties that residents have to their environment. Some cities are experiencing threats to the preservation of not only single-family homes being redeveloped as townhomes or apartments, but also the demolition of smaller homes to create larger single-family homes that can appear out of place on small lots (Blumenthal, McGlincy, & Pendall, 2016).

Other cities are experiencing abandoned and vacant properties. Nationwide, the number of vacant residential units increased from 7 million in 2000 to 10 million in 2014 (The White House, 2016). Vacant properties represent new housing opportunities as well as initiatives and can reduce neighborhood blight and put them back to productive use as single family units that fit in with the character and needs of an established community. Dallas, Texas has addressed vacant properties through a government-created land bank that converts tax-delinquent and vacant properties into productive use for long-term affordable housing (The White House, 2016).

The Housing Choice Voucher Homeownership Program can assist tenants with housing choice vouchers that can help residents cover homeownership costs including mortgage payments and property taxes, rather than rent (Lubell, 2016). The tenant pays a portion of the

homeownership cost that is determined to be affordable and the public housing authority pays the difference amount as deemed by the voucher program (Lubell, 2016). This program requires a partnership between the municipality and the local housing authority to ensure that vouchers are administered to residents with the highest need and in neighborhoods that are experiencing more immense growth pressures of displacement or unaffordability.

Cities that support regulations that encourage the rehabilitation of existing housing can assist in preserving an existing inventory of vacant or abandoned housing that could be rehabilitated for low-moderate income families through partnerships with Habitat for Humanity or similar home-building entities who can take advantage of city grants to finance renovation while ensuring permanent affordability (Haughey, 2002).

This method distributes the acquisition, financing, and renovation of existing homes among several entities so that the costs and risks associated with each stage of creating the

affordable unit is not borne by

one entity. Another unique financing mechanism for the preservation of housing is the freezing of property taxes for longtime existing residents, specifically in gentrifying areas in order to add a layer of affordability to existing families who are threatened by encroaching development (Haughey, 2002).



Figure 6: Habitat for Humanity home revitalization program, Kent County, Grand Rapids (Habitat for Humanity)

2.2. Modernize Land Use Tools

Affordable housing has historically been constrained by “exclusionary zoning” and other land use regulations that have exacerbated social and racial segregation and contributed to sprawling land-use patterns where populations are disconnected from adequate housing, transportation, and services (Bratt, 2014). To address this historic issue one of the most popular local strategies enacted by cities is to encourage the development of affordable housing through “mandatory inclusionary zoning”. Inclusionary zoning is a local land use tool that requires or incentivizes the production of new affordable housing by developers as a condition for a residential development permit (Dawkins, Jeon, & Knaap, 2017). Such ordinances typically require 10-15% percent of the housing units in a new development be provided at a purchase or rental price that is affordable to middle-income families or individuals (Parlow, 2015). In 2008, there were approximately 500 local governments in more than half of the US states who had adopted an inclusionary housing program (Mallach & Calavita, 2010).

Freeman and Schuetz (2017) identify six characteristics of inclusionary zoning practices that should be considered by cities utilizing this method including whether the practices are mandatory or optional, the size of developments that are affected, the required percentage of affordable units, the income of eligible residents, the length of affordability restrictions, and the available of cost offsets to the developer if affordable units are constructed. These characteristics vary based on the unique needs of the municipality and can lead to a more effective land use regulations, which further an inclusive practice and add



Figure 7: Infill Workforce Housing, Boulder, Colorado (HUD)

additional affordable housing units to the community. For example, Boulder, Colorado's inclusionary zoning program requires developers to provide a minimum of 20% of all units as permanently affordable to households making less than 80% of the Area Median Income (AMI). This is a requirement for all developments irrespective of size, with an exception to single-lot homes with one owner under 16,000 square feet, and requires that developers build the affordable units either on-site or off-site, or that they dedicate land for affordable housing, or that they pay a fee into the Affordable Housing Trust fund of \$18,000 per unit (Kalugina, 2016).

Existing single-family neighborhoods also present opportunities for accessory dwelling units (ADUs) that are both compatible with the existing residential character and require minimal retrofitting to the neighborhood itself. Accessory dwelling units, often referred to as in-law suites, granny flats, or accessory apartments, allow an additional unit on a property provided certain location, size, and access requirements are met (Blumenthal, McGlincy, & Pendall, 2016). ADUs are considered affordable options because they do not require the extension of public utility infrastructure, do not require the extra expense of purchasing land, can be constructed by either remodeling an existing structure or constructing a new structure, and can be rented separately, providing an extra source of income for an existing family (City of Asheville, 2015). Key policy considerations for ADUs include size limitations, whether a municipality allows a unit to be rented, the number allowed in a neighborhood, occupancy requirements, and community perception to the potential increase in density which may lead to opposition and unease by residents (Blumenthal, McGlincy, & Pendall, 2016)

Zoning and land use regulations are powerful municipal tools which can shape a city in multifaceted ways. Important considerations in modernizing land use regulations is ensuring equitable access to resources for residents and businesses, and that zoning initiatives and the

associated spatial improvements are envisioned by the residents themselves, reflect and encourage local expressions, and as Fincher, Pardy, and Shaw (2016) state, “involve strengthening the inside while inviting the outside in” (534), to ensure equitable places.

2.3. Community Participation

The political dynamics of a community and the support or skepticism that may exist among residents for low-cost housing in neighborhoods, or initiatives by a municipality in general is important. Foremost, a depth of feelings emerges from discussions about housing, and such contentiousness reflects the importance of housing to a community. Hall and Silka (2007) suggest not only creating a collective definition for affordable housing and how different ways of defining it can lead to different ends, but also that fruitful discussions of how to provide housing for all community members can be opportunities for community initiative, involvement, and control over efforts that connect housing to larger systems of economic development, infrastructure, open space, and community preservation. Housing is not an isolated concept, and as continually expressed throughout this research, extends outwards onto the city, and vis a vis, dynamics of the city extend to aspects of housing.

Urban planning’s *The Green Book* discusses the importance of participation, inclusionary decision-making, and equity by emphasizing that “Social and demographic changes affect every aspect of planning, and part of a planner’s task is to recognize and address differences in how various groups segments of the population may be affected by plans” (Dalton, Hoch, & So, 2000, 4) Community participation and bottom-up planning processes specifically at the decision-making level are important foundations to any housing initiative by a municipality as it helps increase the satisfaction of the neighborhood as the area changes or evolves to accommodate housing initiatives (Ghaffari, Klein, & Baudin, 2017). Existing residents often view proposed

affordable housing projects or development of alternative housing types such as accessory dwelling units, townhomes, zero-lot-line homes, or small multifamily as threats to property values, neighborhood character, or aesthetics (Haughey, 2002). In addition to strengthening community participation and education in housing initiatives, creating regulatory standards for how affordable housing products fit into the neighborhood with regards to size, design, and compatibility can alleviate community opposition that may stem from impressions of the qualities of affordable housing. These are aspects that can be included in development codes or further refined to be place-specific as affordable housing projects or building types are nestled in varying neighborhoods.

3. Public-Private Partnerships

Partnerships are important for achieving a cities affordable housing goals. Typically, partnership models subsidize the private sector to deliver services that otherwise would be provided by the government, but are either not provided or provided inefficiently through lack of resources or funds (Kroopnick, 2008). Partnerships enable the community to benefit from the services associated with affordable living in the absence of the government and at an efficiency that the private sector can provide. As discussed in a historical context, municipalities are increasingly less equipped with funding to construct, produce, and manage affordable units, and partnerships with community groups or private entities can assist in filling the voids which are needed to create a wholistic affordable housing program.

3.1. Community Land Trust

Partnerships can “help communities develop affordable housing by bringing additional resources and skills to the development process” (City of Asheville, 2015). An example of a public-private partnership utilized by municipalities to support affordable housing efforts is through the establishment of Community Land Trusts (CLT). CLTs are flexible, dedicated funding sources that provide financing for partnerships between private and public entities to construct additional affordable housing (Larsen, 2004). CLTs are a legal framework within municipal and state affordable housing initiatives that allow an individual to own a building or improvement on land while the land itself is owned by a nonprofit organization and leased to the owner of the building or improvement. In 2013, approximately 200 communities in America operate a form of land trust and the initiative has doubled in the last ten years (Bagdol, 2013). CLTs are an effective tool for combating threats of gentrification. Nonprofit organizations which secure lands in gentrifying areas for affordable housing can limit the displacement of residents and are used as a tool to build resident assets (Ghaffari, Klein, & Baudin, 2017).

CLTs serve as a viable method because they encourage affordability, cultivate community resources, and establish protections which assist lessees in remaining successful homeowners by providing continuing financial training (Bagdol, 2013). The model of housing trust funds is not to “reap financial reward” and only require funds necessary to sustain the program. Houses on trust fund land are 70-75% cheaper than conventional homes because purchasers do not pay for the value of the land when they purchase their home (Bagdol, 2013). The foundation of CLTs are built on key partnerships with municipalities and non-profits to preserve long-term affordability family after family. While there is oversight by the CLT in regards to managing the program and requirements, the family has rights and responsibility to

the land and home providing the benefits of homeownership without the same risks of conventional homeownership. A CLT serves as a collaborative and incremental method to achieve affordable housing.

3.2. Land Banks

Another key practice utilized by cities that aim to provide and steward affordable housing are Land Banks. Land banking is the process or policy by which local governments acquire surplus properties and convert them to productive use or hold them for long-term strategic purposes (Alexander, 2011). Land Banks can be established by public entities or non-profits that specialize in the conversion of vacant, abandoned, and foreclosed properties into productive uses that meet a city's policy such as increased green space or affordable housing (Alexander, 2011). A key example is a partnership between the City of Valdosta, Georgia, and Habitat for Humanity to turn several parcels of land into a 12-lot subdivision. Utilizing the land bank, the city held the properties tax free until they were transferred to Habitat for Humanity to achieve its vision of creating affordable housing for low-income first-time homebuyers (Alexander, 2011). Similarly, Asheville, North Carolina, entered into an agreement to sell 16 acres of city owned property to the local Habitat for Humanity and the city will be responsible for providing long-term financing to new homeowners on the condition that the homes remain affordable long-term (City of Asheville, 2015).

By utilizing the land bank, cities have the ability to assist affordable homebuilding entities to acquire desirable properties. Land Banks can also accumulate vacant or undevelopable lots of irregular shape or small size and combine them into smaller, infill developable lots which meet city regulations and put them on the market or use them for affordable housing. The method of land banking does not construct affordable housing but rather stewards the creation of

developable residential properties which are dilapidated or vacant and were otherwise very unlikely to redevelop or be reinvested in by families or developers.

Land Banks are commonly mistaken as CLTs. The difference is that Land Banks focus on quickly repurposing unused or vacant properties by transferring them to end-users while CLTs focus on preserving affordability. However, the two programs are complementary. Land Banks and CLTs share similar roles as providers and stewards of affordable housing. Fujii (2016) outlines that Land Banks have a “disposition problem” while CLTs have an “acquisition problem”. Several cities, including Atlanta, Chicago, Detroit, and Cleveland have Land Banks and CLTs and the combinations of the programs differ. In order to further promote affordable housing, effective contact points, capacity, and expertise between the programs is ideal and can increase the chances of community organizations, including CLTs, to acquire properties through Land Banks (Fujii, 2016).

3.3. Low Income Housing Tax Credits

Low Income Housing Tax Credits (LIHTC) are a form of financing mechanisms that partners the municipality and a private developer together to fund the production of affordable housing units. The LIHTC program was created in 1986 under the Tax Reform Act and gives states budget authority to issue tax credits for the acquisition, rehabilitation, or construction of rental housing targeted to low-income households (City of Asheville, 2015). The program gives state and local agencies the ability to issue \$8 billion in tax credits and the program accounts for one-sixth of all multifamily housing units built from its establishment in 1986 to 2006 (Kalugina, 2016). The LIHTC program can subsidize between 30 and 70 percent of the low-income unit costs in a project through 4% and 9% tax credits which are either combined with bond financing and used for acquisition or rehabilitation of existing residential buildings or are sufficient to

support new construction projects (City of Asheville, 2015). Cities who support LIHTC projects utilize the existing federal program to meet their housing needs of increasing supply as well as preserving the affordable units for a minimum of 30 years (Kalugina, 2016).

State and municipal entities have discretion on determining which LIHTC developments receive funding and can thus target LIHTC applicants which locate near transit, provide access to services, including educational and civic components such as daycare or occupational services, and include a minimum percentage of market rate and affordable units (Nedwick & Burnett, 2015). Municipalities can regulate these aspects of LIHTC programs by crafting ordinances which align with other policy initiatives for comprehensive zoning plans or transportation goals. One common critique of such municipal regulations is that overarching regulations can make the construction of the projects expensive and limits can lead to discriminatory practices of location projects in the peripheries of the city with less access to services and goods (Parker, 2017). By locating LIHTC projects in primarily low-income neighborhoods, LIHTC programs can conflict with the neighborhood opportunity best practice of encourage racial and economic integration (Sparks, 2011). Cities should ensure that LIHTC ordinances are inclusive and that economically diverse neighborhoods and developments, not isolated pockets of affordability, are necessary to build thriving communities.

4. Supply Side

Another important component to consider in affordable housing policy is the supply and demand of housing and how it forms the unique reality of a community. Various factors influence an insufficient supply of housing, including scarcity of land, restrictive land use controls, cumbersome permitting processes, and community opposition to higher-density

development (Blumenthal, McGlincy, & Pendall, 2016). An insufficient housing supply means there is more widespread competition for a limited number of units, specifically leading to a bidding up of housing costs which may price many individuals, specifically low-income, out of the housing market altogether in a community (Blumenthal, McGlincy, & Pendall, 2016). The supply-side approach is the theory that by constructing more housing in a community, housing prices will drop because the supply is greater than the demand. A lack of housing supply also reinforces income inequality for low-income individuals who are specifically seeking to move from their current residence to a more high-productive area near employment centers or transportation connections. If there are not affordable options across all areas of a city, then they will face more severe cost-burdens on housing, or not afford to move at all. There is an ongoing debate among scholars and policymakers as to whether the construction of market-rate housing drives rents up or down as some cities find that the construction of new housing displaces residents, while others claim that market-rate housing is necessary to reduce displacement and alleviate rent burdens (Blumenthal, McGlincy, & Pendall, 2016). As with housing overall, we must continuously revisit a concept of equity by posing the question: Supply for whom, and to what end?

4.1. Smart Growth

Smart Growth is another common municipal practice that promotes mixed-use, compact urban structures, walkability, expanded housing choices other than single family, and diversified transportation modes (Addison, Zhang, & Coomes, 2012). Smart Growth is a technique used by cities whose existing and projected housing supply does not align with future population growth needs. Key aspects to the concept of smart growth are density and diverse housing types within identified corridors, transportation nodes, or urban centers which may already be characterized

by more compact development. Using this technique, communities provide a variety of housing types to serve a variety of people with a variety of needs. Diverse housing types such as townhome, multifamily, and accessory dwelling units add to a city's toolbox of affordable options which do not exist on a conventional large-lot parcel of land, but instead offer innovative high-medium density development. A study by Aurand (2010) indicates



Figure 8: Depiction of Smart Growth with a mix of uses and open space connected by transportation networks. (Idaho Capitol City Development Corporation)

that cities that have prioritized areas with greater densities and a greater varieties of housing types are likely to have a greater quantity of affordable rental units than low-density conventional residential district with only single-family homes. Additionally, high density development such as multifamily or mixed use housing types consistently promote affordability for low to medium populations (Aurand, 2010).

Increased density and mixed use environments must be strategically planned for in areas of the city that do not affect displacement or threaten the character of existing neighborhoods. Interviewees in a study on strategies for increasing housing supply in low and high density areas stressed the importance of “not bulldozing existing, stable single family neighborhoods for higher density”, as characterized by historical housing practices, as well as accommodating new growth in already dense areas (Blumenthal, McGlincy, & Pendall, 2016, 19). This will require that a city work extensively with a community to identify transportation hubs, major corridors, and accommodate growth in areas where there is support for density while also being cognizant

of the outer edges of that density in relation to existing neighborhoods. In addition, educating the community on initiatives for Smart Growth, create design standards which encourage compatibility in built design, and strengthen partnerships to achieve housing affordability through mixed use and mixed income strategies focused on long-term affordability.

While Smart Growth may be more difficult in communities without a reliable transportation system, such identification of growth areas should be prioritized as areas for city transportation investment in the future in order to align the goals of Smart Growth with the transportation needs of the community. As with many other identified strategies, housing development in Smart Growth areas should be coupled with inclusionary zoning practices, subsidies for low-income units, and partnerships for long-term affordability that align with the goals of the community and the dynamic stakeholders which are brought to the table for collaboration.

4.2. *Financing Mechanisms*

There exists a wide array of creative financing mechanisms between municipalities, developers, and crucial stakeholders which can promote the production and preservation of affordable housing. Such practices vary from state to state depending on the legal framework that exists and are directed at developers, major employers, or even individual homeowners. Several municipalities and major employers have expanded tax credits for first-time homebuyers throughout the city limits or in specified residential areas as well as offer loans to first-time homebuyers to cover down payments. The District of Columbia offers a \$5,000 federal tax credit to first-time homebuyers who purchase a home in the district and a Bank of America program offers a \$5,000 forgivable loan for homebuyers (Haughey, 2002).

Morris (2000) evaluated incentives for affordable housing in four states (California, Florida, New Jersey, and Oregon) and concluded that what works well are not necessarily the sole use of density bonuses and regulatory waivers of fees or development standards, but rather “carefully crafted packages of financial and regulatory techniques that remove barriers to affordable housing but also meet the overall community planning objectives (Morris, 2000, 44). Housing strategies are supported by numerous federal programs such as The U.S. Department of Housing and Urban Development (HUD)’s Community Development Block Grant (CDBG) program, HOME Investment Partnerships Program (HOME), and Choice Neighborhoods; Treasury Department initiatives such as Community Development Financial Institutions and New Market Tax Credits, and are then often layered with additional resources from local governments, and nonprofit organizations to finance the development, acquisition, or rehabilitation of housing in a community (Freeman & Schuetz, 2017).

Tax Increment Financing (TIF) is another tool which can be used for infrastructure and other site improvements in urban areas or specific districts in cities which are identified for future residential growth. TIFs direct additional revenue that is generated by new developments into the specific district boundary rather than back into a city’s general revenue stream (Haughey, 2002). This allocation of funds can be used for sidewalks, multi-modal transportation improvements, roadway maintenance, or other infrastructure components that align with the neighborhood or district’s goals for managing growth and planning for future housing.

Linkage fees offer another creative method which function similar to city impact fees. Linkage fees have helped municipalities get developers involved in financing public transportation, day care, and affordable housing through development extracts which require fees to help mitigate the impacts of development on environmental and social contexts (Shaldjian,

2009). Boston, Massachusetts requires that commercial developers pay a per square foot fee to support the production of workforce housing. The linkage funds are managed by a community committee or trust which manages the program for either the preservation and rehabilitation of affordable units or the construction of new units (Shaldjian, 2009). Municipalities should link financing mechanisms for affordable housing to broader policy goals of development. Destin, Florida utilizes linkage fees to construct workforce housing and connects their implementation to the Destin Comprehensive Plan which encourages the “maintenance of a balanced and sustainable local economy” through the “availability of a stable and qualified workforce to ensure the continuation of the community’s character” (Shaldjian, 2009, 111).

4.3. *By-Right Development*

In 2016, the White House released the Housing Development Toolkit which outlined local barriers and effects of housing development as well as frameworks for modern housing strategies (The White House, 2016). There does not appear to be a uniform measure or study regarding such barriers, however, research has indicated that strict housing regulations are now driving house cost increases previously driven by construction costs and quality improvements (Glaeser, Gyourko, & Saks, 2005) One key focus area in the document is how non-administrative decisions can be lengthy and burdening and put stress and immense feelings of uncertainty on both the community and housing development applicant as public processes become battle grounds between the public and the developer.

Zoning changes or deviations to regulatory development code standards are decisions made during public platforms such as City Council and neighborhood meetings and therefore foster a mix of public support and opposition. Neighborhood-level opposition is often referred to as “Not in My Backyard” or “NIMBY”, can cause delays, force changes to the residential

makeup of projects, and make demands which either condition a project to death, or lead to unaffordable demands. By using a practice of “by-right” development for projects that meet attainable development standards, a city can attain a “Yes in my backyard” or “YIMBY” status which has been vetted by decision makers on a comprehensive scale rather than on an individual non-administrative review. The Urban Land Institute concludes that this can be achieved by creating “efficient time frames, relaxing restrictions to density, building height, unit size, and parking minimums, thereby freeing developers from the need to seek waivers, variances, or rezoning” (ULI, 2014). This can potentially increase the supply of housing efficiently, and comprehensively.

Comprehensive Plan maps and documents which identify long-range plans for managing growth, employment, transportation, and open space allocations can assist in informing the community, developers, and policy-makers as to where growth should occur and how such growth relates to more broad policy goals of affordable housing. A Comprehensive Plan then translates to more refined spatial regulations through zoning districts which identify what can be built and where. Advanced zoning of particular areas which align with housing goals is one component of the concept of “by-right” development (Casella & Meck, 2009). Advanced zoning would eliminate the need for applicants to pursue lengthy rezoning and community processes which add time and costs to achieve the goals for the production of housing. Where a city’s zoning ordinances defines “by-right” entitlements to build housing, it is easier for developers and homeowners to determine the value of the lot and promotes simplicity, transparency, and predictability to enlarge the market for housing (Hills, 2016). An initiative for advanced zoning must be taken on with significant community participation in order to ensure that city-initiated rezoning occurs in acceptable areas with collaborative conversations as well as align with a city’s

comprehensive plan or development codes to ensure that such zoning is designed to be compatible with the area or with the desired vision of appropriate housing types.

Today, demand far exceeds the housing supply in many cities and housing affordability is consistently limited in communities. It is important that cities consider supply-side strategies when creating affordable housing programs because new housing should be consistent with the needs of the community with regards to location, design, and affordability. While implementing strategies to increase the supply of affordable housing, it is also crucial to consider not only how much affordable housing is produced, but where it is produced, and ways to address the challenges of producing it where it is needed. Location is a critical component to affordable housing, and similar to components of accessibility to services and transportation associated with Smart Growth, cities should continuously consider the proximity of affordable housing to jobs and the overall growth patterns and effects which are associated with either sprawl, or with inner-city infill development or redevelopment. If initiatives to increase the supply of affordable housing is prioritized by a city, it will need to be connected to city-wide comprehensive planning for growth all together as well as coupled with other strategies for affordability that meet the community's needs.

V. Summary of Conceptual Framework Table

Table 2.1 summarizes the model or conceptual framework and links it to the literature review. The framework demonstrates the primary components of municipal housing programs and categorizes them into 4 main categories. These main categories are then refined to incorporate specific programs and techniques that cities can implement to achieve the broader goals of housing affordability.

VI. Conclusion of Literature Review

Housing affordability is a crucial component in the lives of Americans. Municipalities who are grappling with housing affordability issues can perhaps better situate housing affordability in the realm of citizen rights or infrastructure as they attempt to solve this prominent policy problem. As Larsen (2004) states, “whether based on social welfare, community development, or macro-economic perspectives, a right to housing argument assumes some level of government assistance” which requires a combination of regulatory reforms, funding, and involvement of municipalities in achieving affordable housing so that it is seen as an essential resource. The literature of housing affordability is immense and widespread, but several trends emerge which can assist municipalities in organizing the plethora of information, practices, and strategies. Identified trends include addressing a continuum of housing, the preservation of housing, public-private partnerships, and supply-side approaches to increase the availability of affordable housing. This research takes a hybrid approach and combines these key components identified in the scholar literature to create a preliminary, exploratory model which uses a practical ideal type framework. This hybrid approach addresses the identified research purpose by developing a model to assist municipalities in creating or evaluating their unique housing affordability program using the comprehensive framework. Table 1 provides a summary of components associated with the conceptual framework and corresponding literature to identify the practical ideals of housing affordability programs (Shields and Rangarajan, 2013; Shields and Tajalli, 2006).

Table 2.1 - Preliminary Conceptual Framework

Essential Components	Supporting Literature
Continuum of Housing	
Permanent Rental and Homeownership Affordability	Kadi & Ronald, 2014; Ghaffari, Klein, & Baudin, 2017; City of Asheville, 2015; Casella & Meck, 2009; Ehlenz & Taylor, 2018
Programs for Varying Incomes	CNHED, 2010; Haughey, 2002; Parlow, 2015; City of Asheville, 2015;
Neighborhood Opportunity	Oyspuk & Acevedo-Garcia, 2010; Sampson, Morenoff & Gannon-Rowley, 2002; Chetty, Hendren & Katz, 2015; Sparks, 2016;
Preservation of Housing	
Protection of Existing Neighborhoods	Blumenthal, McGlinty, & Pendall, 2016; Haughey, 2002; The White House, 2016; Lubell, 2016
Modernize Land Use Tools	Bratt, 2014; Dawkins, Jeon, & Knapp, 2017; Parlow, 2015; Mallach & Calavita, 2010; Freeman & Schuetz, 2017; Kalugina, 2016; Blumenthal, McGlinty, & Pendall, 2016; City of Asheville, 2015; Fincher, Pardy, & Shaw, 2016
Community Participation	Hall & Silka, 2007; Ghaffari, Klein, & Baudin, 2017; Haughey, 2002; Dalton, Hoch, & So, 2000
Public-Private Partnerships	
Community Land Trusts	City of Asheville, 2015; Larsen, 2004; Bagdol, 2013; Ghaffari, Klein, and Baudin, 2017;
Land Banks	Alexander, 2011; City of Asheville, 2015; Fuji, 2016
Low Income Housing Tax Credits	City of Asheville, 2015; Kalugina, 2016; Nedwick & Burnett, 2015; Sparks, 2016; Parker, 2017
Supply-Side	
Smart Growth	Addison, Zhang, & Coomes, 2012; Aurand, 2010; Blumenthal, McGlinty, & Pendall, 2016,
Financing Mechanisms	Haughey, 2002; Morris, 2000; Freeman & Schuetz, 2017; Shaldjian, 2009
By-Right Development	The White House, 2016; Glaeser, Gyourko, & Saks, 2005; ULI, 2014; Casella & Meck, 2009; Hills, 2016

CHAPTER 3: METHODOLOGY

I. Purpose

This chapter describes the methodology used to produce a model framework of questions municipalities can use to develop, analyze, and update a housing affordability program that is tailored to their city or unique setting. This research takes a hybrid approach and creates a preliminary model which uses a practical ideal type framework. This practical ideal type framework is useful in producing a preliminary model for municipalities because it uses literature to justify the “practical ideal” category and considers the set of activities needed to produce a housing affordability policy (Shields & Rangarajan, 2013). Thus, the mode of data collection utilized to collect evidence to support the model are interviews. An explanation of these methods and how they are linked to the preliminary framework are included in this chapter.

II. Operationalization Table

Table 3.1 shows how the conceptual framework is operationalized to connect the descriptive categories and components of effective municipal housing strategies to the data collected using interviews. For each category, interviewees are asked to review the essential components in the model and determine if it is an essential component that cities should focus on if they are to create or refine their own municipal housing program. The Operationalization Table organizes these key components into categories with sub-groups. For example, utilizing extensive literature on housing affordability, the essential categories that were identified are that cities should address a continuum of housing, promote inclusiveness, and focus on public-private methods as well as supply-side methods to achieve goals for housing affordability. Within these major categories are further refined sub-categories. The interview questions directly correlate to

the operationalization table. For example, for the Promote Inclusiveness category (2) the respondents are asked, “Please review the elements in the “Promote Inclusiveness” component. Should any be eliminated or added? If so, which one(s) and why?” Additionally, for the first subcategory (2.1), Production of Affordable Units, interviewees are asked, “Should cities create programs that increase the production of affordable units? Why or Why not?”

Table 3.1 Operationalizing the Conceptual Framework: Tying the Preliminary Framework to the Evidence Collected

Essential Components	Method	Evidence
1. Continuum of Housing	Interview	Please review the elements in the “Continuum of Housing” component. Should any be eliminated or added? If so, which one(s) and why?
1.1. Permanent Rental and Homeownership Affordability	Interview	Should cities focus on programs that address rental and homeownership goals? Why? Why not?
1.2. Programs for Varying Incomes	Interview	Should cities focus on programs for all income levels? Why? Why not?
1.3. Neighborhood Opportunity	Interview	Should cities focus on aspects of neighborhood opportunity? If so, which one(s) and why?
2. Preservation of Housing	Interview	Please review the elements in the “Preservation of Housing” component. Should any be eliminated or added? If so, which one(s) and why?
2.1. Protection of Existing Neighborhoods	Interview	Should cities promote the protection of existing neighborhoods? Why? Why not?
2.2. Modernize Land Use Tools	Interview	Should cities modernize their land use tools to promote the production of affordable units? Why? Why not?
2.3. Community Participation	Interview	Should cities focus on community participation when developing an affordable housing program? Why? Why not?
3. Public-Private Partnerships	Interview	Should cities utilize land bank partnerships? Why? Why not?
3.1. Community Land Trusts	Interview	Should cities utilize community land trust partnerships? Why? Why not?
3.2. Land Banks	Interview	Should cities utilize land bank partnerships? Why? Why not?
3.3. Low Income Housing Tax Credits	Interview	Should cities support Low Income Housing Tax Credits as a component to affordable housing in their community? Why? Why Not?
4. Supply-Side	Interview	Please review the elements in the “Supply-Side” component. Should any be eliminated or added? If so, which one(s) and why?
4.1. Smart Growth	Interview	Should cities support smart growth techniques to promote affordable housing? Why? Why not?
4.2. Financing Mechanisms	Interview	Should cities explore financing mechanisms to promote the supply of affordable housing? Why? Why not?
4.3. By-Right Development	Interview	Should cities encourage by-right development? Why? Why not?

III. Focused Interviews

Interviews were conducted with housing affordability experts in order to evaluate the preliminary model and find ways to improve it. The questions used in the interview are pre-established and correlate directly with the preliminary model developed using the literature and document analysis (See operationalization table). Closed- and open-ended questions were asked. The closed-ended questions focused on whether the interviewee believes the elements within the preliminary conceptual framework were valid components and the open-ended questions allowed the interviewee to provide feedback to refine the model. These questions and comments were then categorized based on their relevance within the conceptual framework.

I utilized the snowball sampling technique for my research sampling method. Atkinson and Flint (2001) identify that the snowball sampling technique is beneficial in targeting a specific population by utilizing links and contacts. I am currently a professional City Planner working for a municipality that is developing a housing affordability program to address local issues of housing affordability in the community. My role on the housing affordability team provided several opportunities to network and work alongside various housing professionals, stakeholders, leaders, and academics. The subject of housing is a multi-disciplinary field that crosses into various professions and includes diverse perspectives. This diversity of perspectives is essential to my research and helped me capture a wide scope of individuals with varying understanding of housing methods all while maintaining an understanding of the importance of finding solutions to the housing affordability crisis. The snowball technique was useful for my research because it is the most realistic method of obtaining a diverse range of participants and allowed me to continue to expand my interview list. I was able to receive a recommendation from one of my

interviewees for another potential interviewee that would provide a useful perspective to my model.

Qualitative research through the use of interviews allowed me to have a more open-ended conversations with experts and better understand their perspectives on the model, on the housing crisis, and create a stronger and in-depth preliminary framework. All interviewees had differing backgrounds and experience, which led them to provide diverse input on the successes and failures of various techniques and approaches to creating a practical ideal of housing affordability methods. Strengths of conducting interviews for a practical ideal framework include the “ability to align the interview questions with the content of each category in the framework and the flexibility and ability to ask follow-up questions or additional clarification to refine the ideal type (Shields & Rangarajan, 2013). Weaknesses include flaws in the questions, availability of time, and availability of interviewees (Shields & Rangarajan, 2013). Yin (1994, p.85) notes that a weakness of interviews are that “they are subject to common problems of bias, poor recall, and poor or inaccurate articulation.” Information that was obtained during the interviews, when at all possible, was corroborated with other sources such as the literature or was asked for clarification during a second set of interviews or email exchanges. Specifically, I am able to follow-up with participants after the interview in order to obtain further clarification or expand on one of the topics we discussed in the interview. Within my thank-you email, I briefly summarized a few of the talking points and subject areas that were discussed in the interview. This allowed me to communicate that I understood their comments and discussion points and gave them an opportunity to expand briefly or correct any statements or key take-aways that needed clarification. One of the disadvantages of using a snowball technique is the lack of diversity and sampling bias. I interviewed individuals from the Central Texas region for

convenience purposes, and my contacts were not random and hand selected by linking various contacts. The model I am creating is preliminary, and these weaknesses in diversity and sampling bias can perhaps be overcome in the future as other researchers utilize and expand the model for broader purposes.

IV. Sample

A letter was emailed to experts in the affordable housing field requesting their participation in a focused interview to evaluate and refine the components of a housing affordability program as identified in the model. Potential interviewees have been identified based on their expertise in either a specific component of the model or their expertise in municipal housing affordability overall. A total of 10 experts were contacted via email. Six experts responded and were available to conduct interviews. The one hour interviews were in-person and on the phone based on the availability and needs of the interviewee. The interview questions were provided to the interviewee before the interview along with a table with room for notes that that expert could utilize to prepare before the interview (Appendix B). In addition, I provided the experts a longer interview script that explained the importance of the study to the broader realm of housing affordability and also connected the research to my own studies and role with a municipality who is currently developing a municipal housing program. This deeper and informal conversation prior to the interview provided a more comfortable platform for beginning a conversation with the participants and solidified the purpose and importance of the research. A follow-up email thanking the interviewee was also sent after the interview.

V. Human Subjects Protection

Prior to conducting any interviews, this research project was approved in writing by the International Review Board (IRB) of Texas State University-San Marcos. However, based on the criteria for the IRB, this research meets the exemption for review, because interviews obtain information on the proposed model and do not ask the interviewee any personal information. The IRB exemption letter and associated documents can be found in the Appendix A. Prospective interviewees received an informed consent form in their recruitment email that was signed and returned to me prior to the interview. No confidential or identifying information was collected during the course of the project and all interview transcripts will be coded with pseudonyms. Personally identifiable data will not be released. The data will be released in the secure records room of the Political Science Department at Texas State University and all audio recordings will be destroyed in May 2019. There are no foreseeable risks outside daily activity that may be presented to the participants as a result of taking part in this study. No monetary or compensatory benefits will be provided to the interviewee, however, a thank you letter was provided to the interviewees for their participation.

CHAPTER 4: RESULTS

I. Purpose

This chapter reports the results from six interviews with experts in topics of affordable housing as it relates to municipalities. Chapter 3 provided an overview of the conceptual framework and the ideal components of a municipal housing affordability program and policy. These components identified within the literature review were used to create a preliminary conceptual framework. The interviewees were asked to review this model and consider basic questions regarding the model. 1) Should any components be eliminated or added? If so, which one(s) and why?; and 2) Should cities focus on a particular subcomponent? Why? Why not? The majority of the interviews consisted of discussion regarding the particular components or subcomponents, their relevance, and general strengths and weaknesses. Several follow-up questions for clarification and elaborations on the components were asked and the discussion was open-ended and conducive to understanding the experts' perspective on housing as well as examples they had seen in their experience with regards to implementation of the components and subcomponents. The literature and corroboration between the interviewees were used to support any responses and provide a foundation for discussion. Several new concepts and creative ideas were suggested to refine the document and create a comprehensive list of elements that were relevant, implementable, and most commonly seen administered successfully in municipalities.

II. Overall Model

During the interviews, several trends emerged from the discussions. The interviewees provided input and feedback on the holistic model and found that the primary categories of

Continuum of Housing, Preservation of Housing, Public-Private Partnerships, and Supply Side were all relevant categories that created a comprehensive list of elements in relation to most municipal housing program strategies. Municipal housing programs and policies generally include a framework of goals, strategies, and action items and one interviewee provided a specific comment that the “categories identified in the preliminary model followed a general trend of topics that correlate to common municipal program goals”. The interviewees did not provide recommendations to deviate from the primary components in the model and so those primary components remain the same.

Results from the interviews focused on refining the subcategories to either add or replace subcategories, or further articulate and emphasize their importance in the model. The open-ended discussion allowed interviewees to expand on strengths and challenges that should be considered for some key subcomponents and also allowed interviewees to propose innovative and emerging trends in housing affordability tools that may not yet be discussed widely in the literature. Broader discussions that emerged were that all components of a housing model must consider the relationship of costs, partnerships, relevance, and likelihood of implementation, all of which are unique to individual communities. These considerations culminate community capacity, budget, partnership infrastructure, demographics and housing market trends, and political will.

However, in conjunction to these considerations, there were several examples of communities identified in the interviews that shared similar characteristics and are grappling with similar challenges or strengths. These were valuable connections identified across the interviews. The personal and professional experiences of the interviewees formed these trends and perspectives that supplemented the literature review to create holistic conversations. A key take-away provided by one interviewee is that it is crucial that cities carefully consider what

policy problem they are facing, what is driving the affordability challenge, and who they are targeting. These crucial reflections on the state of affordability in a community must occur first before the model can be utilized effectively. The following results culminate the results of the interviews and identify refinements to the model.

III. Essential Components

An overview of relevant participant feedback is outlined in the following pages for the essential components and subcomponents. The discussions provided insight not only on whether the subcomponents were relevant in the model but also why they were beneficial tools for implementation in cities. A summary table is then provided at the end of each section indicating the final revised subcomponents for each primary component. The information collected from the interviewees is used to develop the final refined model.

1. Continuum of Housing

1.1. *Permanent Rental and Homeownership Affordability*

The interview began by asking participants to evaluate the Continuum of Housing component of the model and to detail their thoughts on each standard including whether subcomponents should be eliminated or added and why. All of the interviewees commented that it is important for municipalities to focus on both rental and homeownership affordability. Rental units are necessary areas of the market and are often the easiest and most accessible housing option in a community. If cities do not focus on the affordability of their rental units, then they are neglecting a significant portion of the community. One interviewee commented that data analysis on individual communities may even show that one market is more expensive than the other, or may show that both rental and housing options are unaffordable. This type of analysis

serves to set the stage for what the age, demographics, and needs of the community are and is important in understanding that both rental and homeownership initiatives are key focus areas.

A couple of interviewees pointed out trends in communities that are choosing to require ownership options in affordable projects through the use of Condos in order to provide a mix of rental and ownership options in one community or in one multifamily project. The interviewees commented that it is difficult to secure funding for the construction and development of condo units as well as the ability for residents of low-income to qualify for a mortgage. According to one interviewee, “it's really on the lender side, the individual family who's going to buy the condo unit, they have trouble getting the bank to finance that.” Another interviewee provided a perspective on the financing necessary to construct an affordable housing project with condos. “[Decision makers] thought that owners would be members of the community and that renters are transient. But that is actually not a true statement at all in so many ways. It's much more difficult to do a homeownership affordable project than it is to do a rental affordable project. From everything from the financing side of it, getting construction financing. The banks are set up differently for ownership than for rental.”

Several interviewees commented that rather than mixing rental and homeownership into one single complex, cities or nonprofits should focus on how affordable rentals are moving families along a continuum or pipeline of housing. One interviewee commented on this point from the perspective of nonprofits:

Rental units were like our incubators. We bring families in, and we would help them to find decent living. But then over time, we would do social service programs like financial literacy counseling. And the goal was to help them move from renting to homeownership. It was a pipeline or a conveyor belt. You're bringing people in, ready for the ownership and you're cultivating that group and then you're moving them into homeownership. And then that creates an empty unit, then you can bring in another family. It is like moving them along the continuum. Start off as a renter, learn the

responsibilities of being a good renter and financial obligations and then hopefully towards asset building so they can hopefully become a homeowner.

Qualifications for homeownership and rental can be equally challenging, and this perspective highlights that moving along the continuum of housing can be increasingly challenging, particularly for low-income families. Another interviewee expressed the issues of meeting qualifications for various housing programs and how forms of housing such as Community Land Trusts (CLTs) can focus on both rental and homeownership needs. “A lot of federal subsidies go to homeownership and there is a lot more need in the renter field and lower income individuals who wouldn’t even qualify for a CLT home.” To qualify for housing programs, such as a CLT, an individual would still need “good credit, can still get a mortgage, has an income that can pay for a mortgage and home improvements. So, they still need people who are financially stable.” This reality reveals that moving along the continuum from rental to homeownership can be more effective and realistic if resources are utilized to assist individuals and families in understanding the realities and expectations of homeownership. This is further expanded in Section 3.4, through a discussion on education in housing.

1.2. *Programs for Varying Incomes*

The interviewees were all supportive of the category of the continuum of housing and many of the discussions came back to the core concept of housing for all in relation to income. One interviewee stated that “[cities must] be clear as to what you are trying to solve and that there is a continuum of different types of housing units and a continuum of different types of needs depending on income”. The connection between income and housing types was discussed in almost every interview and this concept is further linked to the subcategory of modernizing land use tools, a subcomponent discussed in Section 2.2.

One interviewee commented that although cities most commonly focus affordability efforts to families making 80% of the Area Median Income (AMI), there are more trends that increase this range to 120% AMI, “you have to throw the net out a little wider nowadays because somebody making 110% AMI could and usually is struggling. It is becoming harder and harder to be a solid middle class person living a comfortable life”. Cities rely on HUD and CDBG funding sources to support housing initiatives, however, these funding sources and programs have very specific requirements for ranges of AMI and tight regulations on what cities can utilize these funding sources to achieve. The interviewees discussed ensuring that programs expand beyond the most commonly used HUD or CDBG qualifications to explore creative ways to achieve housing affordability for income ranges that might be above HUD or CDBG qualifications.

1.3. *Neighborhood Opportunity*

Neighborhood opportunity incorporates how residents interact with the fabric of the city and how housing can be situated in their lives in relation to other daily needs, such as work, recreation, services, and other resources. The interviewees touched on this subcomponent by stressing the importance of viewing affordability in neighborhoods as a holistic endeavor that bring stakeholders and various city departments to the table. “The housing folks need to be paired with the amenity folks, need to be paired with the recreation folks and there needs to be more of a holistic discussion about the neighborhood in that process”. An interviewee provided an example of this concept in relation to greenway planning; “you think you’re planning for a greenway, but you’re really planning for the multipurpose needs of the community and you need to have a broader set of individuals at the table. Just as there needs to be a housing task force,

there needs to be a neighborhood task force.” This frame of thinking ties into the importance of community participation discussed in Section 2.3.

Another interviewee focused on the relationship between housing and mobility as it relates to neighborhood opportunity in that “the cost of housing should not be looked at in isolation, you have to look at the cost of mobility as well.” The interviewee commented that “if that’s truly something that [a city] can look at reducing significantly by encouraging someone not to have a vehicle, then that is a really big cost taken off the cost of development of the project and that person’s life as well.” The interviewee discussed that housing in general, and more specifically housing for low income families, should not be located in “transit deserts”. The only way to understand the state of a city’s mobility infrastructure, from walkability and bikeability to connection points for busses or transit, is to bring all entities to the table to gather this perspective and ensure that it is a criteria and goal that is outlined in a city affordable housing policy. This same concept can be translated to access to parks and one interviewee commented that adding housing that fronts or is near parks may actually improve the parks themselves by adding oversight, usability, and achieve one of the foundational goals of neighborhood parks, which is to foster community.

Summary – Continuum of Housing (1)

Although the experts provided many additional aspects and nuances to this model component, they essentially agreed with it. Table 4.1 summarizes the respondent’s assessment of the Continuum of Housing model component.

Table 4.1: Summary of expert assessment of Continuum of Housing model component

1. Essential Component: Continuum of Housing	
Original Subcomponent	Suggested Revision
1.1. Permanent Rental and Homeownership Opportunity	None
1.2. Programs for Varying Incomes	None
1.3. Neighborhood Opportunity	None

2. Preservation of Housing

2.1. *Protection of Existing Neighborhoods*

The conversation of the protection of existing neighborhoods subcategory overlapped with several of the other key subcomponents, however, it remains an important concept to the interviewees in terms of ensuring that residents are not displaced from their existing neighborhoods. Discussions involving this subcomponent revolved around the impacts of potential gentrification of neighborhoods. The interviewees agreed that utilizing renovation and home repair programs is a key tool for the protection of existing neighborhoods and also allows for incremental improvements to homes that serve the specific needs of the families who live there.

One interviewee commented that a city’s zoning code may inadvertently make small incremental development projects, such as adding a bedroom or bathroom to an existing home challenging or even impossible. Lack of transparency on what upgrades can be legally done to an existing home and lack of ability to make improvements forces families, especially families in generational housing in older neighborhoods, to live in homes of deteriorating or unsafe conditions, or force families to move because of the lack of ability or funds to navigate the development process. The interviewee commented that “there’s this whole industry [of hired professionals] out there trying to make [improvements to homes] happen. And really what we

need to do is say ‘it’s ok’. Here’s where we want density, and this is what we want it to look like.”

2.2. Modernize Land Use Tools

Several discussions with interviewees touched on the modernization of land use tools as a crucial component to municipal housing initiatives. One interviewee commented that “government is often the barrier to the flexibility that is needed. One of the land tools adopted by cities discussed in the model are accessory dwelling units (ADUs). This type of unit was discussed by 4 out of the 6 interviewees as an effective land use tool that is incremental and preserves the existing residential character of the neighborhood. ADUs can be a win-win situation for everyone because there is now another affordable unit in the neighborhood that is small-scale.” An interviewee commented that “[cities] need to think more broadly about what supply they want to see. The different types and sizes of units is really important and are underdiscussed topics of affordable housing that need to take place.”

A few interviewees touched on “form-based codes” which focus on the form or physical appearance of a building rather than what uses are inside of that building. If a type of housing fits into the organic fabric or form of the existing neighborhood, then the use within that building should be secondary, provided essential regulatory standards are met, such as parking and building codes. For example, products that expand the supply of housing such as small scale multifamily, community land trust structures, or even commercial spaces adjoined with live-work units can potentially fit into the form of a neighborhood without disruption.

One interviewee added that cooperative housing, or group equity housing development is a newer and underdiscussed housing tool that are hardly in the mix when municipalities discuss

land use tools or housing types. It is a type of housing that would need to be added to city development codes to address their unique use, allowable location, form, and occupancy. Group equity housing is where “A group of people living in one house together that stays affordable and it’s zero equity so you don’t have to buy into it, but it keeps people together so it keeps it affordable.” It is a model of long-term affordability but is more commonly a function of private entity management. The interviewee stressed the importance of building these types of housing into development codes or partnering with cities for their creation;

“[Co-op housing] typically only occurs within the college area, and is only accessible to a certain demographic. [It would be beneficial] if the boundaries of that could be expanded or just given more recognition that housing coops do help with housing affordability. Recognizing it could be a good way to get it more funding streams.”

2.3. Community Participation

Interviewees were asked to discuss their experience or insight on the relationship between community participation and housing affordability efforts. In other words why is it that when discussing affordable housing with the community, there is often a trend of resistance? Often, the subject conjures negative connotations about certain groups of people, and their location and right to the city. How do we, as experts and administrators of affordable housing, grapple with these realities? One interviewee discussed changing that jargon of affordable housing, “when you say ‘affordable’, people automatically put up this resistance. But I find when you talk about helping teachers, or police officers, or you put some kind of a name behind who the neighbors are going to be, it reduces that resistance.”

In other words, all families and households want affordable housing and by creating an inclusive community conversation about the needs of a community while simultaneously connecting those needs back to people, families, and livelihoods, the conversation can achieve a

more productive platform to explore and prioritize solutions to the housing affordability problem. Several interviewees acknowledged that the process for changing the perspective of housing is increasingly political. “You’ve got to look at the best interest of not one person or one group, but the entire city as a whole and it’s very tricky. [A city must] remain flexible while still taking care of the public good without compromising other people’s quality of life”.

Another interviewee commented on a personal experience of community input which substantially changed the make-up of a proposed affordability to include options for homeownership as a condition of an affordability project.

[The neighborhood] thought that owners would be members of the community and that renters are transient. But that is actually not a true statement at all in so many ways. It’s much more difficult to do a homeownership affordable project than it is to do a rental affordable project. From everything from the financing side of it, getting construction financing. The banks are set up differently for ownership than for rental. The decision from the neighborhood was not based at all on data, not based on the ratio of rental versus homeownership for Central Texas, the zip code, or what’s generally around. How does that ratio contribute to the decisions made about the project and that is an important question to ask? And what is the demographic we’re really trying to get at here?

This account of how, through a public process, a neighborhood can determine the end-product of an affordable project provided some important considerations that must be coupled through community participation efforts. Existing residents have opinions and pre-conceived determinations of what affordable housing should achieve, who should live there, and what it should look like. These views are essential to ensuring that decisions are made that reflect the character of the neighborhood, but if these conversations are not coupled with data, and a holistic understanding of the income, demographics, and desired housing forms of the residents within the whole community and within a proposed geographic area, then decisions that influence the design of an affordable project or initiative may fall short of what is best for the community as a whole. This is not to state that community input during a public process should be overlooked,

but it is to stress that holistic studies on what the housing needs of a community are should couple individual decisions on housing and be used as a foundation that every individual project is linked to.

One interviewee discussed the importance of obtaining this holistic community input at the on-set of a housing initiative and the importance of remaining focused on these expectations in the future.

A model that is successful is one that began with community involvement and stayed with it the whole time rather than the way it usually works, which is where some later stage of the game where the parameters of possibility have been very narrowly defined. We take it to the public and it's sort of façade participation. At that point, their options are limited and what makes sense during the debate are limited. Put people affected by the problem at hand way back at the beginning of the research process to help formulate the research problem statement. If you don't have people at the problem statement formulation phase then their ability to meaningfully impact discussion is going to be a lot more limited.

While this model does not prioritize subcomponents by time or significance, the interviewee stressed that this community participation piece needs to occur at the onset of understanding affordability. This perspective coupled with another expert's experience of differing opinions on what affordability should look like might suggest that a housing data study should be undertaken by cities at the on-set of formulating the policy problem. A housing study can help determine both an understanding of percentages of homes sold, home and rental unit gaps, and spatial analysis of the housing market and the general desires of the community. Decisions based on "whoever is the loudest and the most listened to by a Planning Commission or City Council" do not reflect an effective community participation process. Not only is this subcomponent crucial to the formulation of housing affordability programs, but careful design and timing of community participation has been highlighted by interviewees as essential.

Summary – Preservation of Housing (2)

Although the experts provided many additional aspects and nuances to this model component, they essentially agreed with it. Table 4.2 summarizes the respondent’s assessment of the Preservation of Housing model component.

Table 4.2: Summary of expert assessment of Preservation of Housing model component

2. Essential Component: Preservation of Housing	
Original Subcomponent	Suggested Revision
2.1. Protection of Existing Neighborhoods	None
2.2. Modernize Land Use Tools	None
2.3. Community Participation	None

3. Public-Private Partnerships

3.1. Community Land Trusts

Several interviewees discussed the importance of fostering public-private partnerships in cities to achieve affordable housing goals. One interviewee commented that “the name of the game nowadays in affordable housing is leverage. The old days of a single source of funding are over now. It’s about layering money for different entities, different sources to make a project work.” Another interviewee commented that “The missing piece here is the nonprofit housing community. Nonprofits are able to get a lot of funding that city governments are not able to get. So that’s why it really takes a public-private partnership to make a lot of these creative programs work.” The interviewees expanded to discuss that nonprofits have the ability to go after corporate and financial institution funds or foundation money that are important layers to add to what cities utilize through Community Development Block Grants (CDBG). In other words, the

private side partnerships allow for additional layering of funds, resources, and stewardship of housing initiatives.

The interviewees were supportive of the Community Land Trust (CLT) model as an effective mechanism for achieving long-term and permanent affordability goals that leverage public, private, and community resources. One interviewee expanded on the benefits of using CLTs:

[CLTs] keep land affordable in perpetuity by taking land off the market and holding it in a non-profit trust over generations of homeowners. CLTs do rely on external funding from HUD or foundations, or whatever the city has, but that funding doesn't just go to one homeowner who then sells the house, it goes to many generations of homeowners who can live in that house. It is a more efficient use of funds if you're going to be doing affordable housing funding.

In addition, the social and quality of life benefits of CLTs were discussed. CLTs foster the same feelings and stability that comes with traditional homeownership, but as one interviewee discussed, the CLT platform targets low income populations that face more obstacles to traditional homeownership, and so in the interviewee's research, the feelings of stability and quality of life were enhanced and more impactful to residents.

A lot of the homeowners [living in the CLT] had the stability and autonomy that they didn't have as renters before and they're prices went down. A lot of times their mortgage through the CLT would be cheaper than what they were paying for in rent. By living in a CLT house they had all of this space that they didn't have and all of a sudden, they could afford to live more comfortably without working so hard. They had more time for community, family, events, involvement, and volunteering.

Additional benefits of CLTs are the resources and assistance that is provided by the supporting CLT. One interviewee commented that a CLT can play somewhat of a parental and mentor role in the lives of many of the CLT residents.

CLTs are a helpful resource for homeowners who this might be their first time buying a home and maybe their parents never owned a home, so they don't really know how to deal

with funding issues or a roof leaking, or other things like that because they're used to just calling their landlord. A CLT is not a landlord but they help people figure that stuff out because the CLT, by owning the land underneath, stewards the property and makes sure that when someone else can buy it after the current owners sell it. So, the CLT has a vested interest in making sure the property stays livable ... they want their people to do well. I heard residents saying that the staff of the CLTs were kind of like the parents that more privileged people have in guiding them through owning a house.

CLTs come in a variety of forms and are initiated by a diverse group of entities. This diversity allows CLTs to originate and evolve with the specific needs of a community. The flexibility of partnerships allows any entity with a vested interest in achieving affordability in the community the power to purchase land and create a CLT program. An interviewee commented that "some are started by very strong community groups, some are started by cities. Some are started by hospital foundations who want to recognize that their workforce doesn't have an affordable place to live in town." Managing CLT boards are also encouraged to be diverse and "a lot of successful CLTs are started by cities that might target specific stakeholders to put on their board." A successful oversight board should include community representation as well to ensure that the housing reflects the community's best interests. An interviewee commented that the CLT movement was "historically about community organizing and democratic control of your land and neighborhood, especially in black communities" and therefore a tri-part board consisting with community members, public officials, and housing experts can help provide the best oversight of the housing. There is a wide variety of CLT types and forms, and the interest from the interviewees in the CLT tool proved that this subcomponent is a powerful mechanism.

3.2. Land Banks

The interviewees provided consensus that land banks organized as a combination of city and private entity coordination was both a commonly used tool and effective for the preservation of housing. One interviewee spoke on the benefits of leveraging city-owned property.

“Let’s look at them as these potential sorts of affordable housing. How many units can we add there? The same can be done with streets and street spaces. If our streets are too wide, let’s build housing on them. We could start to do these types of analysis and see what does the city own or control? And what can the city do with that? There’s the things that you can control and the things that are more complicated and incentive based.”

Land banking can serve as a city’s low hanging fruit, especially for communities that have vacant underutilized property in existing neighborhoods. Land Banking can further assist with protecting existing neighborhoods because the properties are guaranteed to be utilized as a residential use and provide a homeownership opportunity that reflects the character of the surrounding area. When combined with a CLT program, land banking can provide permanent affordability in a neighborhood. One interviewee commented that land banking is “still a market-oriented approach, but it removes that land banked land from the ravages of speculation. Because any increase in value goes back into the trust and that, in theory, allows the trust to persevere or maybe even expand.”

A few comments were made that land banks should be established to serve unique individuals depending on the identified community need. “It doesn’t need to be solely for low-income qualifying housing, it could also be focused around teachers or firefighters. You could build that segment of the market and then use other forces in other areas. There are different ways to think about it and I think we need to be more creative than we’ve been.” Similar to the discussions in Section 1, Continuum of Housing, land banks can help promote infill development that is not simply limited to traditional large lot single family homes, but provides opportunity

for subdividing land to create smaller sized single family lots that reduce the cost of the land and support smaller-sized homes and provide options for various incomes.

3.3. *Low Income Housing Tax Credits*

The interviewees were asked about the importance of Low Income Housing Tax Credits in the model, and while the interviewees recognized that it is a tool and partnership that can be utilized in cities, the conversations aligned more closely with specific acts, tools, and partnerships that cities can create on their own. Low Income Housing Tax Credit projects are a form of financing mechanisms that partners the municipality and a private developer together to fund the production of affordable housing units. In reality, this partnership is not as pronounced as other partnerships that cities can enter into to meet their housing goals in more creative and municipally controlled ways.

Some municipalities have discretion on determining which LIHTC developments are approved and where, but that discretion is more closely linked to the affordable housing policy itself which encompasses smart growth practices, education, and location. In addition, a LIHTC typically remains affordable for 15-30 years. After that time-period they can be returned to market-rate units and while they do add housing stock to the market, they no longer have affordability requirements and management oversight. One interviewee commented directly on this fault of LIHTCs and recommended that tools, such as CLTs, provide more viable options for perpetual affordability if all the mechanisms and partnerships align correctly. Because there are other areas in the model that encompass these foundational aspects of affordability, this subcomponent has been removed from the model due to conversations by the interviewees around this topic that overlapped with other subcomponents.

3.4. Education

A new component that was identified as a result of the interviewees is the addition of a component to address the formation of educational programs for the community in understanding home buying, budgeting, asset building, and other elements of navigating the complex web of qualifications necessary to receive financial assistance, apply for an existing housing program offered by the city, learn about credit repair, or begin understand what the expectations are for homeownership. In addition, this education is coupled with helping the community as a whole understand the state of housing in their community by providing outreach for why housing is important for all citizens in their community. This added component was not identified to exist within any certain category by the interviewees, but was discussed throughout the conversations. Based on these discussions, the subcategory is most appropriate within the public-private partnership category because it involves partnerships with existing community groups, non-profits, and even existing employers to begin creating platforms for education and engagement. This engagement, if administered correctly, transcends municipal level involvement, and overlaps with the stakeholders and champions within a city that can assist in crafting unique educational programs that cater to the needs of the citizens.

One interviewee commented on this new component by stating:

[a City or non-profit] should find the low income housing projects in town and start having weekend seminars in the community room. Hey, from nine to one, you can come learn what it takes to become a homeowner. Then the nonprofit partners with the local banks, with realtors, with the local insurance agents, with the local title companies, and they bring them as guest speakers to maybe give like a 30 minute presentation on what is the title policy? Why do you need homeowners insurance? What is flood insurance and when do you need it?

The interviewees commented that the city has a responsibility to ensure some entity is working with the community so that the citizens are prepped and ready to qualify for a mortgage.

Renting or owning a home is not free, and renting or owning an affordable home geared towards a certain median family income is just as rigorous in process and qualification. As one interviewee continuously discussed, the continuum of housing can be thought of as a “pipeline” for helping the community move through different stages and types of housing throughout their lifetime. The more that a municipality, alongside the community, can help to educate citizens about the opportunities that exist and the expectations and tools citizens need to prepare and attain their own housing goals, the more effective a community will be at attaining their overall housing goals as a community. The U.S. Department of Housing and Urban Development (HUD, 2019) provides a wide range of education tools, including avoiding foreclosure, buying a home, home improvements, and homes for sale, senior citizen resources, and resources for veterans that can be utilized by residents and cities as foundations for educational campaigns.

This educational campaign must also be coupled with outreach on the importance of housing and an understanding of the many faces and livelihoods that depend on solutions and assistance. In other words, housing is a need for all citizens, regardless of income or background. The importance of housing community participation is further discussed in Section 2.3. One interviewee provided insight on how this type of understanding of housing must begin with city leadership. People and businesses in the community were talking about how their employees were struggling to find places to live. In order to communicate these perspectives to city leadership, the interviewee asked that policy makers perform a quick exercise in their daily activities:

I said next time you go to a restaurant; I want you to ask the server where they live. And he did it. His server lived in a trailer with four other people. People have a disconnect between when they bought their house and what’s it’s like to buy that same house now. And the narrative we must start using is to think about the person who works with you in the cubicle across from you. Theoretically probably similar income, everything. Can they

buy a house in your neighborhood now, versus when you bought it 5 years ago? That answer almost across the board is no. So, how do you tell this story? Data is great, but what the legislative process has told me is that you have to work it into the story, because people like to debate the facts.

This perspective and technique is valuable as cities develop policies on housing. If the community or leadership does not support or understand the primary goal of a housing initiative, why it is important, who it serves, and the level of policy priority, then the housing programs and initiatives that follow will struggle with legitimacy and buy-in. These two concepts of housing education are key components to a municipal housing model and they help create a foundational platform for cities to build their other initiatives from.

Summary – Public-Private Partnerships (3)

The experts provided additional commentary to this model component, and agreed with the CLT and land bank subcomponents. The Low Income Housing Tax Credit subcomponent was not discussed enough by the interviewees and while the experts agreed that it is a tool that can be implemented by municipalities, there are other subcomponents in the model that more effectively address the foundational issues that make LIHTC projects effective, such as neighborhood opportunity and smart growth practices. In addition, the experts touched on components of education as a foundational piece of leading an effective municipal housing program, and therefore, this subcomponent was added as a partnership tool. Table 4.3 summarizes the respondent's assessment of the Public-Private Partnership model component.

Table 4.3: Summary of expert assessment of Public-Private Partnerships model component

3. Essential Component: Public-Private Partnerships	
Original Subcomponent	Suggested Revision
3.1. Community Land Trusts	None
3.2. Land Banks	None
3.3. Low Income Housing Tax Credits	Removed
3.4. Education	Added

4. Supply-Side

4.1. *Smart Growth*

Smart Growth is another common municipal practice that promotes mixed-use and walkability, density, and diverse housing types to provide a variety of housing types to serve a variety of people with a variety of needs. One interviewee commented that research is showing Low Income Housing Tax Credit (LIHTC) projects are being clustered in areas that have inadequate or non-existent transportation networks or modes of transportation. “If we consider the question of policy-level problems, we’re not producing enough units overall of affordable housing, and where we’re producing them is problematic. The sort of suite of existing tools isn’t cutting it.” The interviewees touched on an important concept of Smart Growth in their discussions, which is the relationship of strategically placed density and how that impacts the quality of life of those living in areas designed with smart growth fundamentals. One interviewee refers to it as “desire density”.

The idea is you get something when you build more densely. Cities need to clarify what those pieces of density are. This is where the park component comes in. Just adding density, kind of the way Austin does it where a giant apartment comes in along a giant road and all it does is add traffic, is problematic if we’re not getting anything out of that density. The places with those good bones [should also be adding] parks and amenities to show what you get. So you do lose something if all you want is a single family housing but you get something in terms of destination

and parks and this sort of richness of urban living. And cities need to do a better job of selling that and linking those issues together.

While density aligned with affordable products may offer quality of life components that cannot be achieved on the outskirts of a community or in areas with poor access to services, smart growth principles are not without controversy. Questions as to where density is located, the economic impacts, and how it might fit into the fabric of an existing neighborhood, corridor, node, or park are considerations that can make achieving even small-scale density in a community challenging.

We need to be denser for environmental reasons, social reasons, and affordability reasons. The elephant in the room that we don't like to discuss is that we need to densify our neighborhoods. I don't have a great answer, other than there needs to be a strong political movement that pushes back on the NIMBYS. Maybe there are places where you can talk about adding density and you get more geographic as a way to operationalize.

The interviewee presented an example of density along trails that serve to provide opportunities, destination, and amenities for quality of life purposes. The development along that geographic boundary has its own unique regulations which limit development to a standard and feel that is decided upon by the community and policy-makers. In other words, while smart growth is an essential tool for orienting affordable projects and development in strategic areas that connect residents to the fabric of a city and provide new opportunities to serve their needs, the interviewees agreed that it is important to have consensus amongst an identified geographic area as to the vision of that area, then standards and guidelines should align with that vision, and be upheld both by city leadership and the community that helped formulate them. An interviewee commented that this accountability is equally the most important and challenging to achieve.

Another important consideration to smart growth are the environmental implications of density practices. In other words, how does increased density affect drainage, surrounding water

quality, and the availability of infill open space. One interviewee provided comments on how cities can pursue incremental infill density while also considering the environmental impacts.

Maybe how you look at environmental impacts are that you keep your impervious restrictions the same. So, right now, if there's one house on the lot there could theoretically have 60% impervious cover. What is the difference if there are four units on the property if it still has the same impervious cover restriction? So that could be like a threshold that you use for that type of incremental growth, particularly in the case of floodplain areas. You are not changing the fundamentals of how the property develops. In addition, you may be able to provide some assistance with costs of infill development by creating some prescriptive path alternatives where in-lieu of doing an [environmental model analysis on the property] you address this much of your runoff via rain gardens or engineering wetlands and filter strips, etc. That way you are not having to overpay an engineering to come up with model analysis on a little infill project.

As cities consider smart growth practices, it is important that a sense of scale is used to implement policies and regulations so that density and growth can be understood at various levels of a city. Not all practices of density are appropriate and should be moderated by the geography and environmental constraints of the land, the surrounding uses, and the desires of the neighborhood as it relates to their values and needs. The interviewees discussed smart growth and density at different levels of scale, and this contracts between neighborhood infill and urban core density are important factors that were recommended for cities to consider.

4.2. *Financing Mechanisms*

The interviewees concurred that financing restrictions have vast impacts on affordability and the supply and development of new housing and that it should remain an important subcomponent within the model. A few examples of financing alternatives were discussed during the interviews. For example, the non-profit community can fill the void where cities cannot provide funding to assist in the production of affordable units. For example, strong non-profits such as Community Development Financial Institutions (CDFIs) have the flexibility to modify lending rules to accomplish means of affordability that may be out of reach for a city. In these

situations, rather than dealing with financial institutions, a homeowner may be working with a CDFI that offers tailored resources and innovative programs that invest federal dollars alongside private sector capital. These new sources of capital can be applied where neighborhoods lack access to financing. One of the issues with this mechanism is that it requires a high functioning and resourceful non-profit to manage and apply for such initiatives. An interviewee commented that this may require that cities couple with non-profits to cultivate a partnership that leads to further opportunities with non-profits.

The experts also noted that cities must work with financial institutions to address “emerging markets” that are geared towards minority populations, low and moderate income populations, and first time homebuyers who may not have the financial foundation to qualify for traditional financing loans or who do not have large down payments.” In interviewee commented that to achieve this it “involves very complex loans where there is a lot of layering. Sometimes you have a corporate donor, a foundation donor, and a government donor all striving through a partnership to create an affordable unit.” This type of financing model is more often attained through a city partnership with a private employer and a financial institution in the community and while it is not currently the most voluminous and efficient process, it requires that cities be very intentional with their emerging markets program and create a foundation to build upon for larger funding sources.

Similarly to discussions in the literature review, one interviewee commented that carefully crafted financial and regulatory techniques are needed to achieve overall community planning objectives.

I do feel that the streamlined process and the fee reduction are important elements, but what I would do is I would ask that the developer or the builder, the nonprofit, whoever's going to build the affordable unit, give me your cost breakdown of how much that unit

costs, including all the permitting and itemized impact fees. Also, put your profit in there, because, you know, you have to make money, it takes money to make money, right? So that's fine. But then if the city is going to give a fee waiver, then dollar for dollar that needs to be passed on to the end buyer. Because if not, if you don't see the deal up front, you have the risk of having the developers profit more, with no guarantee that they are going to pass that savings on to the end-buyer.

The interviewees commented that deed restrictions can help guarantee some of the long-term affordability components. An interviewee provided the following example.

If a nonprofit gives a developer a \$10,000 incentive package to build an affordable unit, when the deal is done, a report will be signed stating that the \$10,000 savings is passed to the homebuyer. In addition, take it a step farther, and have that homebuyer also sign something stating that in exchange for the initial incentive, when they sell in the future, that money goes back to the city so that it can be passed out to a future family.

A common theme amongst the interviewees is that financing mechanisms should be linked to long-term affordability in order to make them reliable options to achieve housing affordability in a community. Based on this feedback, this component was revised to state “Financing Mechanisms for Long-Term Affordability” in order to encompass current trends as identified by interviewees that should be addressed within the supply-side component.

4.3. *By-Right Development*

Almost all interviewees expanded significantly on the concept of by-right development and its ability to be a successful tool to achieve housing affordability goals. A few interviewees commented that city regulations can be a barrier to the flexibility that's needed to promote alternative forms of housing types or products that are affordable. One interviewee used the example of accessory dwelling units (ADUs) that can be a successful strategy to attain affordability in a community that benefits the homeowner and the city's long-term goals.

Now there's another affordable unit in the neighborhood, it helps the (property owner out) because it increases my property value. As people live longer and you have a role reversal where the kids are becoming the caretakers of the parents and those kinds of

situations allow the family and the elderly family members to live near the family and maintain their independence.

The interviewees commented that this was an easy win-win for both the city and a homeowner and serves as a small tool for adding additional infill lots without disrupting the character or fabric of the existing neighborhood. The key to making this product successful, however, is allowing a form of by-right process. An interviewee commented that “a lot of cities are promoting policies [that include] increased density that basically give you a right to develop that way, so you don’t have to get a zoning variance for a couple units on what used to be a single-family lot.”

By-right development does not necessarily have to occur as widespread sweeping changes to zoning or uses within a city, and one interviewee commented that as a practitioner, it can be envisioned as a “next order of increment policy”. The interviewee commented that this practice is implemented in Grand Rapids, Michigan, where you may have a single-family home currently, but an incremental policy would allow you to move one increment up in density to a duplex or a townhome. Similarly, if you have a duplex, you may be able to move to a triplex or small multifamily. This practice essentially “let’s you ratchet up one increment without it traumatizing people... what ultimately starts to happen is you get a mixture and the next thing you know you’ve created Charles Street in New Orleans where you have a mix of uses and types in order to increase supply.” The interviewee further commented that “as a leader, you have the most control over the supply side of a city and make a few adjustments to your zoning and the only thing that is hampering you at that point is creating developers and finance mechanisms.”

By-right development can also take the form of incentives or bonuses that allow a development to construct an affordable project and gain some development standard deviations

that help the success of the project. One interviewee provided an example of a draft ordinance in Austin, Texas that includes these concepts.

The ordinance says that if you're going to do an affordable housing project, we're going to waive site development standards such as compatibility setbacks are, provide a height increase, or waive parking requirements. You must have a minimum percentage of units that target a certain MFI range. It's crazy! It's interesting from a political perspective because city staff, Planning Commission, and City Council are making this happen. It's going to save a half-million dollars for small-scale affordable projects. I would say dream bigger than that! If the community really says that affordability housing is a right, like a community should, then why not make it as easy as you possibly can.

The reason such deviations to standards are important in the conversation of the production of affordable housing is because regulatory measures by cities can make construction expensive and result in that expense to be passed on the end-user. An interviewee discussed that "Housing needs an understanding of all of the other the aspects of development, such as parking, compatibility, height, street infrastructure, and all of the things make-up development costs." Donald Shoup's (2011) *The High Cost of Free Parking*, provides an overview of the impacts of parking on development costs, infrastructure, and criticizes how parking is planned and regulated with regards to minimums of off-street parking requirements. This is just one example of how standards might affect production. There are many other factors such as zoning, allowable uses, height, form, and environmental standards that have implications on housing production and it is important that a City understand the effects.

Implementing policies for by-right development is a balancing act and this balance was apparent throughout the interviews. Cities must consider not only what standards should be flexible, but also where geographically that flexibility might be offered, and to what type of project or affordability minimum. An interviewee commented that "not thinking of regulatory controls as essential to the [affordable development] process is crazy" and further commented

that cities should continue to play an active role in stewarding the production of affordability while also being conscience of the implications of who that affordability is for and where.

“One of the interesting political dilemmas in terms of the realm of the possible is that affluent people who live in nice historic districts are extremely resistant to densification in or near their district. So how to get around that problem is tough. But it seems like if we push this kind of solution is lower income neighborhoods where there are a lot of renters and residents who don’t have a lot of political power to resist these kinds of things it may lead to further polarization in cities.”

As discussed at length in the history of housing and social equity, development standards that influence what and where developments can be built can have lasting implications on the form and make-up of a city. Other perspectives push a more open approach to regulatory standards to instead “put some bumpers out there to guide the development in the way that you want to go, but allow for the market to have flexibility. They’ll pick the product type over time and I think the city needs to get out of the way by being too prescriptive.” Again, community participation and a very thorough understanding of the community needs coupled with the perspectives of real estate and development will provide insight on what a city’s regulatory focus areas should be.

Summary – Supply-Side (4)

The experts were in agreement of the Smart Growth and By-Right subcomponents and provided additional commentary stressing their importance as a municipal housing tool. The interviewees discussed the Financing Mechanism subcomponent in the context of long-term affordability and therefore this subcomponent was revised to ensure that the subcomponent included this description of long-term affordability. Table 4.4 summarizes the respondent’s assessment of the Supply-Side model component.

Table 4.4: Summary of expert assessment of Supply-Side model component

4. Essential Component: Supply-Side	
Original Subcomponent	Suggested Revision
4.1. Smart Growth	None
4.2. Financing Mechanisms	Financing Mechanisms for Long-Term Affordability
4.3. By-Right Development	None

IV. Results Summary

Overall, there was wide agreement with the proposed model. The interviews represented perspectives in academia, city management, non-profits, economic development, the production of housing that all provided unique input. The interviewees agreed with the primary components and subcomponents. The deviations to the model were primarily to highlight certain key attributes of the subcomponents and to add a new category that was discussed significantly enough that a subcomponent was warranted.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

I. Purpose

The purpose of this chapter is to review the data presented in the Results chapter. Next, a refined model that compiles the feedback from the interviewees is presented. It is followed by a discussion of the limitations of the research and a discussion on the realm of the possible is presented to help improve the model and make recommendations for further study.

II. Revisions

The revisions suggested by those interviewed were incorporated into the revised model presented below. Changes in the model based on the suggestions and organic flow of conversation included the elimination of the Low Income Housing Tax Credits subcategory and the addition of the Education subcategory within the Public-Private Partnerships component. The interviewees were asked about the importance of Low Income Housing Tax Credits (LIHTC) in the model, and while the interviewees recognized that it is a tool and partnership that can be utilized in cities, the conversations aligned more closely with specific acts, tools, and partnerships that cities can create on their own. In reality, the LIHTC partnership is not as pronounced as other partnerships that cities can enter into to meet their housing goals in more creative and municipally controlled ways. Because there are other areas in the model that encompass these foundational aspects of affordability, this subcomponent has been removed from the model due to conversations by the interviewees around this topic that overlapped with other subcomponents.

A new component that was identified as a result of the interviewees is the addition of a component to address the formation of educational programs for the community in understanding

home buying, budgeting, asset building, and other elements of navigating the complex web of qualifications necessary to receive financial assistance, apply for an existing housing program offered by the city, learn about credit repair, or begin understand what the expectations are for homeownership. This added component was not identified to exist within any certain category by the interviewees but was discussed throughout the conversations. Based on these discussions, the subcategory is most appropriate within the public-private partnership category because it involves partnerships with existing community groups, non-profits, and even existing employers to begin creating platforms for education and engagement. These revisions are indicated in Table 5.1.

Table 5.1: Summary of revisions to Public-Private Partnership model component

3. Essential Component: Public-Private Partnerships	
Original Subcomponent	Revised Subcomponent
3.1. Community Land Trusts	None
3.2. Land Banks	None
3.3. Low Income Housing Tax Credits	Removed
3.4 Education	Added

An additional recommendation for a revision that was a common theme amongst the interviewees is that financing mechanisms should be linked to long-term affordability in order to make them reliable options to achieve housing affordability in a community. Based on this feedback, the primary purpose of the component remains the same, but was revised to shift focus to long-term affordability and was revised to state “Financing Mechanisms for Long-Term Affordability” in order to encompass current trends as identified by interviewees that should be addressed within the supply-side component. This revision is indicated in Table 5.2.

Table 5.2: Summary of revision to Supply-Side model component

4. Essential Component: Supply-Side	
Original Subcomponent	Revised Subcomponent
4.1. Smart Growth	None
4.2. Financing Mechanisms	Financing Mechanisms for Long-Term Affordability
4.3. By-Right Development	None

The other aspects of the proposed model remained unchanged, reflecting agreement of those interviewed with the model. The final revised model is presented below in Table 5.3. The revisions are highlighted in orange.

Table 5.3 Revised Conceptual Framework

Essential Components
1. Continuum of Housing
1.1. Permanent Rental and Homeownership Affordability
1.2. Programs for Varying Incomes
1.3. Neighborhood Opportunity
2. Preservation of Housing
2.1. Protection of Existing Neighborhoods
2.2. Modernize Land Use Tools
2.3. Community Participation
3. Public-Private Partnerships
3.1. Community Land Trusts
3.2. Land Banks
3.3. Education
4. Supply-Side
4.1. Smart Growth
4.2. Financing Mechanisms for Long Term Affordability
4.3. By-Right Development

III. Limitations

Benefits to qualitative research through the use of interviews allows for open-ended conversations with experts to better understand their perspectives on the model and creates a more in-depth preliminary framework. The differing of opinions, backgrounds and experience, so that input is diverse contributes to the success of the model. This research was limited to interviewees that were accessible and in the Central Texas area. It was difficult to obtain a response from certain prospective candidates or certain interviews fell-thru due to scheduling conflicts. In addition, the data and input reflected in the model is applicable to the current state of housing and will most likely evolve or potentially fall off the list of key components of municipal housing affordability programs in the future due to emerging research or new and unique tools.

IV. Recommendations

Further study is recommended on each individual component of the model. Each component is intricate and involves an in-depth understanding to ensure that the component not only meets the housing needs of a community but is also implemented effectively. The interviewees commented on how housing strategies and tools overlap significantly, which is both beneficial and challenging. A few interviewees offered new focus areas of study that can arise from various components, including an understanding of NIMBYism (not in my back yard) and research to understand the dynamics of density and what strategies cities might utilize to educate their community on the spectrum of density approaches as well as design a facilitation process to identify where a community is accepting of that density.

In the course of this research, it became apparent that housing is an evolving and overprominent policy problem that is void of a single solution. The solution is embedded and weaved in multifaceted programs, policies, and partnerships that must combine to recommend changes for a community and overcome a long history of municipal trends of housing that often ignore demographic and racial foundations of city design. At the forefront of recommendations is a need to first, understand the current state of housing in a city by undertaking a housing data survey, next, combine well-designed and inclusive community input on the current and future state of housing in a community, and finally, create an inclusive and multi-faceted group of champions from various backgrounds and entities within the city to create a housing plan moving forward. This model serves as a point of reference for cities who are wanting to bring this discussion of housing policies and best practice and should continue to be expanded upon in the future by future researchers in different geographic areas as well as refined to understand the intricacies of each subcomponent.

As one interviewee commented, “The real question is what is possible and impossible and how can a model travel geographically? If a model is built around the parameters of what is possible or impossible at a given period of time, then it’s going to have those same constraints built into the model.” Pushing the limits of what is possible can be obtained by exploring the many creative and upcoming ways that communities are addressing housing, and if academia and practitioners can continue to define what constitutes success in their community, then cities will begin to move in the right direction for helping their communities and citizens obtain affordable and quality housing.

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Appendix A: International Review Board (IRB) Approval



In future correspondence please refer to 6292

January 28, 2019

Andrea Villalobos
Texas State University
601 University Drive.
San Marcos, TX 78666

Dear Andrea:

Your IRB application titled "A Model Approach to Effective Municipal Housing Affordability Programs" was reviewed and approved by the Texas State University IRB. It has been determined that risks to subjects are: (1) minimized and reasonable; and that (2) research procedures are consistent with a sound research design and do not expose the subjects to unnecessary risk. Reviewers determined that: (1) benefits to subjects are considered along with the importance of the topic and that outcomes are reasonable; (2) selection of subjects is equitable; and (3) the purposes of the research and the research setting is amenable to subjects' welfare and producing desired outcomes; that indications of coercion or prejudice are absent, and that participation is clearly voluntary.

1. In addition, the IRB found that you need to orient participants as follows: (1) signed informed consent is required; (2) Provision is made for collecting, using and storing data in a manner that protects the safety and privacy of the subjects and the confidentiality of the data; (3) Appropriate safeguards are included to protect the rights and welfare of the subjects. (4) Compensation will not be provided for participation in this study.

**This project is therefore approved at the Exempt Review Level
Category 2 Surveys, Interviews, or Public observation**

2. Please note that the institution is not responsible for any actions regarding this protocol before approval. If you expand the project at a later date to use other instruments, please re-apply. Copies of your request for human subjects review, your application, and this approval, are maintained in the Office of Research Integrity and Compliance.

Report any changes to this approved protocol to this office. All unanticipated events and adverse events are to be reported to the IRB within 3 days.

Sincerely,

Monica Gonzales
IRB Regulatory Manager
Office of Research Integrity and Compliance

CC: Dr. Patricia Shields

OFFICE OF THE ASSOCIATE VICE PRESIDENT FOR RESEARCH
601 University Drive | JCK #489 | San Marcos, Texas 78666-4616
Phone: 512.245.2314 | fax: 512.245.3847 | WWW.TXSTATE.EDU

This letter is an electronic communication from Texas State University-San Marcos, a member of The Texas State University System.

Appendix B: Interviewee Note Sheet



Essential Components	Method	Evidence
Continuum of Housing	Interview	Please review the elements in the "Continuum of Housing" component. Should any be eliminated or added? If so, which one(s) and why?
Permanent Rental and Homeownership Affordability	Interview	Should cities focus on programs that address rental and homeownership goals? Why? Why not?
Programs for Varying Incomes	Interview	Should cities focus on programs for all income levels? Why? Why not?
Neighborhood Opportunity	Interview	Should cities focus on aspects of neighborhood opportunity? If so, which one(s) and why?
Preservation of Housing	Interview	Please review the elements in the "Preservation of Housing" component. Should any be eliminated or added? If so, which one(s) and why?
Protection of Existing Neighborhoods	Interview	Should cities promote the protection of existing neighborhoods? Why? Why not?
Modernize Land Use Tools	Interview	Should cities modernize their land use tools to promote the production of affordable units? Why? Why not?
Community Participation	Interview	Should cities focus on community participation when developing an affordable housing program? Why? Why not?
Public-Private Partnerships	Interview	Should cities utilize land bank partnerships? Why? Why not?
Community Land Trusts	Interview	Should cities utilize community land trust partnerships? Why? Why not?
Land Banks	Interview	Should cities utilize land bank partnerships? Why? Why not?
Low Income Housing Tax Credits	Interview	Should cities support Low Income Housing Tax Credits as a component to affordable housing in their community? Why? Why Not?
Supply-Side	Interview	Please review the elements in the "Supply-Side" component. Should any be eliminated or added? If so, which one(s) and why?
Smart Growth	Interview	Should cities support smart growth techniques to promote affordable housing? Why? Why not?
Financing Mechanisms		Should cities explore financing mechanisms to promote the supply of affordable housing? Why? Why not?
By-Right Development		Should cities encourage by-right development? Why? Why not?

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Essential Components – PARTICIPANT NOTES
Continuum of Housing
Permanent Rental and Homeownership Affordability
Programs for Varying Incomes
Neighborhood Opportunity
Preservation of Housing
Protection of Existing Neighborhoods
Modernize Land Use Tools
Community Participation
Public-Private Partnerships
Community Land Trusts
Land Banks
Low Income Housing Tax Credits
Supply-Side
Smart Growth
Financing Mechanisms
By-Right Development