



COMMUNITY DEVELOPMENT
Housing Programs Division

Staunton Housing Strategy Workgroup Meeting #2 – November 7, 2024

	AGENDA
1.	Welcome
2.	<u>Brief</u> Review of September 30, 2024 Meeting
3.	Local Housing Strategies Discussion
4.	Additional Comments from Workgroup Members
5.	Next Steps in Planning Process
6.	Adjournment
<p><u>Workgroup Meeting Schedule:</u> Mtg. 1 – Monday, September 30, 2024 ✓ Mtg. 2 – Thursday, November 7, 2024 Next Meeting: Mtg. 3 – Wednesday, January 29, 2025 Mtg. 4 – Monday, March 31, 2025</p>	

“Home is the nicest word there is.” — Laura Ingalls Wilder

Staunton Housing Strategy Assumptions

- Everyone has a right to safe, sound, affordable housing.
- Housing is healthcare. Like any other aspect of healthcare each person's situation is unique and requires solutions that meet their individual needs.
- Housing is a complex social issue and improving it is also complex with many moving parts.
- It is challenging, frustrating, and rewarding work to make a positive difference tackling a social issue. It is o.k. to feel uncomfortable with the process.
- Addressing housing challenges in a community cannot be solved by one organization or group of individuals on their own. To improve the housing challenges in the City of Staunton, it will take involvement of federal, state, and local government organizations, the private sector, nonprofit and for-profit housing and other service providers, and committed individuals.
- Programs, activities, or actions developed through the City of Staunton Housing Strategy will not duplicate existing housing efforts in the community or Staunton-Augusta-Waynesboro region.

Principles of Asset-based Community Development

- *Everyone has gifts:* Each person in a community has something to contribute.
- *Relationships build a community:* People must be connected in order for sustainable community development to take place.
- *Citizens at the center:* Citizens should be viewed as actors—not recipients—in development.
- *Leaders involve others:* Community development is strongest when it involves a broad base of community action.
- *People care:* Challenge notions of "apathy" by listening to people's interests.
- *Listen:* Decisions should come from conversations where people are heard.
- *Ask:* Asking for ideas is more sustainable than giving solutions.
- *Inside-out organization:* Local community members are in control.
- *Institutions serve the community:* Institutional leaders should create opportunities for community-member involvement, then "step back."

Source: [Asset-based community development - Wikipedia](#)

Demographics and Housing Statistics for the City of Staunton

Population	
Total Population	25,581
Females	13,866 (54%)
Males	11,715 (46%)
Age	
0-19 years	5,550 (22%)
20-44 years	8,429 (33%)
45-64 years	6,192 (24%)
65 and older	5,410 (21%)
Households	
Total Households	11,064
Householder Living Alone	4,096 (37%)
Housholder 65 or Older Living Alone	2,146 (19%)
Households with One or More People Under 18 Years Old	2,820 (25%)
Households with One or More People 65 Years or Older	4,244 (38%)
Population in Households	24,123 (94%)
Housing Occupancy	
Total Housing Units	12,293
Occupied Housing Units	11,064 (90%)
Vacant Housing Units	1,129 (10%)
Homeowner Vacancy Rate	2.3%
Rental Vacancy Rate	6.2

Source: U.S. Census American Survey, 5-year Estimates, 2022



MINUTES

Stanton Housing Strategy Workgroup
 September 30, 2024
 5:30 p.m.
 Caucus Room, City Hall

Workgroup Members			
×	Stu Armstrong	√	Anna Leavitt
√	Brad Arrowood	√	Susan Richardson
×	Jill Bader	√	David Rissmeyer
√	Philippe Bone	√	Lou Siegel
√	Lydia Campbell	×	Rev. Won Un
√	Sharon Coplai	√	Nehemias Velez
√	Jennie Hill	√	Marion Ward
×	Scott Kesecker	√	Alice Woods
√	Chris Lassiter	√	Olivia Wright
√	Dan Layman		
City of Stanton Staff			
√	Rhodney Rhodes Director, Community Development		
√	Amanda DiMeo Director, Economic Development		
√	Rebecca Joyce Housing Planner and Grants Coordinator		

The first meeting of the Housing Strategy Workgroup began shortly after 5:30 p.m. with introductions.

Following introductions, Rebecca Joyce, Housing Planner and Grants Coordinator for the City of Stanton, asked Workgroup members if they would like to share their thoughts regarding the question she had previously emailed them: “If you could express your deepest concern to the City’s leadership (elected officials and staff) about housing or housing-related challenges in Stanton, what would you say? Workgroup members concerns revolved around common themes including; an interest to know the thoughts of City leadership about housing needs, the need for additional housing units particularly affordable housing and workforce housing, and that the Housing Strategy Planning process will prioritize the needed activities to improve the housing issues within the community.

Next Ms. Joyce asked if the Workgroup members had consensus around the following ideas:

- Everyone has a right to safe, sound, affordable housing.
- Housing is healthcare. Like any other aspect of healthcare each person's situation is unique and requires solutions that meet their individual needs.
- Housing is a complex social issue and improving it is also complex with many moving parts. It is challenging, frustrating, and rewarding work to make a positive difference tackling a social issue. It is o.k. to feel uncomfortable with the process.
- Addressing housing challenges in a community cannot be solved by one organization or group of individuals on their own. To improve the housing challenges in the City of Staunton, it will take involvement of federal, state, and local government organizations, the private sector, nonprofit and for-profit housing and other service providers, and committed individuals.

They did. The desire not to duplicate housing efforts already occurring was also stated.

Next, Ms. Joyce gave the Workgroup members a brief presentation on the housing activities that the City has carried out in the last 16 months, what a housing strategy is and why having one is valuable to a community, and reviewed preliminary data that will be included in the Central Shenandoah Regional Housing Study when it is released.

The meeting adjourned at approximately 6:35 p.m. The next Workgroup meeting will be held on Thursday, November 7, 2024 at 5:30 p.m. in the Caucus Room in City Hall.

1	<p>Accessory Dwelling Units (ADUs)</p> <p>ADUs are smaller independent living spaces on the same lot as a single-family home. ADUs can be attached to the home itself or separate structures on the owner’s property. For homeowners, ADUs can be a source of income, utilizing extra space or property. ADUs can also allow homeowners to continue living in (or adjacent to) homes that might otherwise be unaffordable. For localities, ADUs can be a relatively inexpensive way to create low-cost housing units, free-up low-income housing, and increase density in single-family areas, while reusing existing infrastructure such as water and sewer.</p>
2	<p>Activation of Housing Finance Agency Reserves</p> <p>Some local Housing Finance Agencies (HFA) have built up reserves that can be tapped to provide subsidies for the development or preservation of affordable housing. HFA’s generate income through a variety of activities. Some HFAs decide that once adequate reserve levels have been established, any additional funds are to be used to directly fund affordable housing activities.</p>
3	<p>Acquisition and Operation of Moderate-cost Rental Units</p> <p>Some properties rent at levels affordable to low-or-moderate income households by virtue of age, location, amenities offered, or other factors that influence their rent on the open market. Localities typically work with local partners who acquire and continue operating this housing as affordable.</p>
4	<p>Appraisal Gap Financing</p> <p>In many low-cost housing markets, the combined costs of purchasing and rehabilitating an older property may be greater than the resulting appraised value of the property, making financing nearly impossible to procure. Some cities, nonprofit organizations, banks, and other organizations provide grants or other subsidies to cover the gap between the appraised value and market value. These subsidies facilitate rehabilitation in circumstances in which it might otherwise be infeasible. Appraisal gap policies are designed to contribute to improved housing quality, preserve market-affordable housing, improve community development outcomes, and in some cases create dedicated affordable housing.</p>
5	<p>Asset Building Programs</p> <p>Asset-building programs can be designed to achieve a variety of goals, from building a cushion to cover short-term emergencies to saving for post-secondary education or homeownership. These programs include one-on-one financial coaching, seed deposits into savings accounts or matches to participant savings, and assistance to renters to build equity, among other strategies. The immediate goal of asset-building programs is to help individual households reach financial stability and achieve longer-term goals, such as homeownership. But, asset-building programs may also contribute to broader community development impacts such as preventing displacement and stabilizing home values.</p>
6	<p>Assistance For Home Safety Modification</p> <p>Older adults are vulnerable to injuries such as falls, and assistance that enables them to make even modest changes can have a substantial impact on their well-being. People with disabilities also benefit from modifications that make their home more accessible and safer. Many</p>

	jurisdictions offer assistance in the form of grants, loans, and/or in-kind assistance to make home safety modifications.
7	Below-market Financing of Affordable Housing Development
	Below-market financing typically involves providing funds at a lower rate of interest (or with lower fees) than would be required from a market-rate funder. Funds loaned out at a low-interest rate can be recycled to help subsequent borrowers as the funds are repaid. Communities can set-up and run loan funds themselves or delegate the issuance and monitoring of the loans to private banks or other partners. Smaller communities may lack the capacity to manage the record-keeping and underwriting requirements associated with this type of program.
8	Brownfields
	Brownfield sites are defined as former industrial or commercial sites that are not currently in use, typically due to the threat or presence of soil contamination or hazardous waste. Communities often experience several benefits from returning underused and contaminated Brownfield sites to more productive use, including: <ul style="list-style-type: none"> • By addressing the environmental contaminants within a Brownfield, redevelopment can enhance the health and safety of a community while also adding housing supply through the creation of new urban residential sites. • Brownfield redevelopment promotes sustainability by coupling environmental cleanup with sustainable reuse of a property. • Brownfields may provide access to property in high-opportunity neighborhoods that have limited remaining opportunities for development. • Brownfield redevelopment also enables communities to spur job creation through commercial infill development.
9	Capital Subsidies for Building Affordable Housing Developments
	Capital subsidies cover a portion of the costs of developing a rental or for-sale property, thereby improving its affordability and economic viability. Capital subsidies can take several forms, but generally are any funds provided from a source (generally a unit of local, state or the federal government) that reduces the amount of financing a borrower needs to obtain from a conventional lender. Because a capital subsidy does not need to be paid back, it reduces the amount that must be borrowed or obtained through an equity investment by a private party to develop a rental property. Lower debt service levels allow a project to charge lower rents and still be economically sustainable. Capital subsidies may take the form of grants, forgivable loans, or tax credits.
10	Changes To Increase The Predictability of the Regulatory Process
	While a measure of flexibility can be helpful, an overreliance on discretionary approval processes – such as requiring zoning variances or special use permits for all or nearly all new development – can lead to a reduction in the supply of new housing by deterring developers from submitting proposals for needed development. Local jurisdictions should seek to ensure the greatest degree of predictability and transparency possible. <p>Working with developers:</p> <ul style="list-style-type: none"> • Publish flowcharts and other process materials.

	<ul style="list-style-type: none"> • Create an on-line portal. • Assign a development ombudsman or point of contact.
11	<p>Community Land Trusts (CLTs)</p> <p>Community land trusts (CLTs) are mechanisms for creating affordable homeownership units and maintaining the units as affordable over the long-term by retaining ownership of the land and requiring the homebuyer to purchase only the home that is situated on the land. Another way is through deed covenants. CLTs are generally managed by a nonprofit or quasi-governmental organization and governed by a body comprised of purchasers of CLT homes, members of the public, and governmental and nonprofit stakeholders to ensure they remain grounded in the needs of the community. CLTs typically maintain long-term affordability by building resale conditions into the long-term ground lease that accompanies purchase of the structure.</p>
	<p>Dedicated Revenue Sources</p> <p>A dedicated revenue source for affordable housing provides an ongoing committed stream of revenue for affordable housing, often deposited into a housing trust fund. Common, dedicated revenue sources tend to be related to real estate development. (e.g. a percentage of real estate transfer tax or document recording fee revenues; developer fees, such as linkage fees; and demolition taxes). Other potential sources include proceeds from permit fees, lodgers' taxes on hotel stays, interest on government accounts, taxes or fees on luxury housing, and taxes or fees on short-term rentals.</p>
13	<p>Deed-restricted Homeownership</p> <p>Deed-restricted homeownership is a mechanism for preserving the long-term affordability of units whose price was reduced to below-market levels through a government or philanthropic subsidy, inclusionary zoning or affordability incentive. Deed restrictions help to safeguard the long-term value to the community of the initial investment in affordable homeownership by limiting any subsequent sales of the home to income-eligible borrowers at an affordable price. The resale restrictions are attached to the property's deed, and may be enforced for several decades or more, depending on state law. Buyers of deed-restricted properties are typically allowed to retain some but not all of the benefits of home price appreciation, thereby preserving ongoing affordability for the next buyer, in keeping with the terms of the restriction.</p>
	<p>Demolition of Neglected Properties</p> <p>While usually considered an option of last resort, demolition allows municipalities to tear down neglected and vacant properties and prepare those areas for reuse. Demolition strategies are most commonly used in neighborhoods with large numbers of neglected and structurally unsafe buildings and in cities where the housing supply exceeds demand, often as a result of population decline. Some localities focus on demolitions of individual blighted properties to mitigate the likelihood of property value declines in surrounding properties, demolitions to make room for green infrastructure or other reuse options, or demolitions as a part of planned shrinkages to save costs on public services.</p>
15	<p>Demolition Taxes and Condominium Conversion Fees</p> <p>Cities establish demolition taxes and condo conversion fees as a way to generate revenue and replace affordable housing lost to these activities. The proceeds from both demolition taxes and</p>

	<p>condo conversion fees are typically deposited in a trust fund to support affordable housing activities. Demolition taxes are levied on property owners when they tear down residential buildings. These demolitions over time can result in the loss of a substantial supply of naturally-occurring affordable housing. To compensate for this loss, some communities assess taxes on the demolition of single-family homes and/or multifamily buildings, typically charging a flat rate per unit. Condo conversion fees are payable by developers when affordable rental housing is removed from the housing stock through conversion to homeownership units. Fee amounts can be established as a flat rate, as a percentage of the first sale price for each unit.</p>
16	<p>Density Bonuses</p> <p>Density bonuses encourage the production of affordable housing by allowing developers to build more units than would ordinarily be allowed on a site by the underlying zoning code, in exchange for a commitment to include a certain number of below-market units in the development. This arrangement enables developers to recoup some or all of the foregone revenue associated with offering some units at prices affordable to low- or moderate-income households. A policy to provide a density bonus to qualifying developments is essentially a type of voluntary or incentive-based inclusionary zoning policy.</p>
17	<p>Discounted Sales of City-owned Property</p> <p>The discounted sale of publicly owned property is a tool that some cities use to return tax delinquent properties to productive use. The discounted sale of property is most commonly used in cities or neighborhoods suffering from population decline. These neighborhoods can experience increases in vacancies, abandonment, and physical decline of structures, which can eventually contribute to neighborhood deterioration. Through the sale of publicly owned property at discounted prices, localities often seek to accomplish a number of goals, including: returning the property to productive use; preventing or reversing neighborhood decline; attracting moderate-income households to low-income neighborhoods; preventing further population loss; and strengthening the fabric of the community.</p>
18	<p>Down Payment and Closing Cost Assistance</p> <p>Down payment and closing cost assistance helps low- and moderate-income families overcome one of the most common barriers to homeownership—accumulating sufficient savings to make a down payment and pay for closing costs on a mortgage. Assistance can be offered in a variety of forms, including as a grant, a no- or low-interest amortizing loan or a deferred loan in which repayment is not due until the resale of the home. The assistance is often provided by a local housing agency, a nonprofit organization or a state or local housing finance agency, sometimes through a participating private lender.</p>
19	<p>Employer-assisted Housing Programs (EAH)</p> <p>Employer-assisted housing (EAH) programs provide a channel through which employers can help their employees with the cost of owning or renting a home, typically in neighborhoods close to the workplace. Assistance may be provided in a variety of ways, including through down payment grants or loans that are forgiven over a period of employment, homeownership counseling and education, rental subsidies and, less commonly, direct investment in the construction of rental housing. In addition to offering their own EAH programs for public-sector employees, cities can provide incentives to encourage private-sector employers to initiate their own programs. Localities can provide a dollar-for-dollar match for employer contributions to</p>

	EAH programs. Localities (either directly or by funding a nonprofit) can also offer administrative assistance to employers interested in adopting an EAH program.
20	Energy-efficiency Retrofits
	Some states, local housing finance agencies, and localities offer financial support to help homeowners and owners of multifamily rental properties serving low- and moderate-income households cover the cost of energy-efficient retrofits. These upgrades and modifications are intended to lower utility bills, reduce greenhouse gas emissions, and improve building performance. Support may come in the form of grants or rebates, low-interest rate loans, or interest rate buy-downs, where the jurisdiction provides a subsidy to reduce rates on loans originated by private lenders. Localities can also offer low cost or free energy audits. Some localities work with utility companies to offer energy audits or retrofits and also partner with these companies to provide “on bill” repayment options that facilitate repayment.
21	Eviction Prevention Programs
	Eviction prevention programs provide financial assistance to help renters facing eviction stay in their homes. These programs are generally designed for families who are being evicted due to nonpayment of rent during or following an unforeseen crisis, such as job loss or serious illness, rather than those who face more persistent affordability challenges. Jurisdictions may be interested in investing in eviction prevention to address concerns about displacement of low-income renters and also to avoid or reduce use of other more costly local services, like homeless shelters.
22	Expedited Permitting For Qualifying Projects
	All proposed developments, whether new construction or renovation or rehab of existing buildings, must go through a local review process to ensure compliance with building code, land use laws, and other regulations. There are several ways that localities can streamline the permitting process to encourage development of affordable housing. Some local jurisdictions establish a separate “fast-track” permit application for qualifying developments, in some cases assigning a dedicated staff member to shepherd each application through the process. Others give priority consideration to qualifying proposals, moving them to the front of the line and guaranteeing a permitting decision within a set number of days. Sponsors of qualifying projects may also be given access to “early assistance” meetings, in which city staff review the proposal before it is submitted for approval and identify any concerns or problems that need to be resolved.
23	Foreclosure and Disposition of Tax-delinquent Properties
	Localities can use the disposition of tax-delinquent properties to achieve a range of different goals. Many communities prioritize the recuperation of delinquent taxes, but some cities, towns, and counties also strive to repurpose selected tax-delinquent properties to advance their affordable housing or community development goals. Still other communities prioritize keeping resident in their homes, even if it means forgoing some level of delinquent taxes.
24	Foreclosure Prevention Programs
	Foreclosure prevention programs provide assistance to homeowners at risk of losing their homes to foreclosure and are often targeted to low- and moderate-income owners. Among

	<p>other approaches, localities can provide funding to support HUD-approved housing counseling agencies that help homeowners apply for loan modifications, refinancing, or arrange other types of resolutions, such as forbearance, to avoid foreclosure.</p>
25	<p>Housing Education and Counseling</p>
	<p>Homeownership education and counseling programs help households learn about the homebuying process, determine if homeownership is a good fit for them and if they are ready to begin the homebuying process, identify and begin work to overcome obstacles to homeownership, and access products to make homeownership more affordable. Pre-purchase programs are aimed at individuals and families who are considering homeownership or in the process of buying a home. Completion of a pre-purchase education or counseling program is a common prerequisite for most local, state, and federal homeownership programs. Post-purchase programs work with existing homeowners and address issues such as refinancing options, home maintenance requirements, and budgeting. Both types are typically conducted by HUD-certified housing counselors.</p>
26	<p>Housing Rehab Codes</p>
	<p>Under traditional building codes, property owners seeking approval for minor renovations may be required to make comprehensive changes to bring an older home or apartment building into full compliance with current standards for new buildings. The scope of work required to bring the older buildings up to code can be extensive and costly enough to derail all planned improvements, causing existing buildings to fall farther into disrepair. Rehab codes align code requirements with the scale of the proposed project, prioritizing those improvements strictly needed to improve safety while making the rehabilitation of existing buildings more feasible. This flexibility facilitates the preservation of older affordable homes that might otherwise be demolished.</p>
27	<p>Housing Trust Funds</p>
	<p>Housing trust funds are a flexible source of funding that can be used to support a variety of affordable housing activities. Because they are created and administered at the city or state level, housing trust funds are not subject to the restrictions of federal subsidy programs and therefore can be designed specifically to address local priorities and needs. The entity administering the fund determines eligible activities, from emergency rent assistance for families facing the threat of eviction or homelessness to gap financing for new construction of affordable housing to repairs and weatherization for older homeowners. Ideally, funding for the trust fund comes from a dedicated revenue source established with the support and approval of key stakeholders. While the actual amount of funding received each year may fluctuate, securing a dedicated revenue source allows some predictability and eliminates the need to go through the budget allocation process each year.</p>
28	<p>Incentives to Encourage Development of Low-cost Housing Types</p>
	<p>After taking the important first step of reviewing regulations to reduce barriers to development, localities may find that additional incentives are required to encourage the creation of lower-cost homes. Incentives such as tax abatements and streamlined permitting processes aim to stimulate the development of housing types that are more likely to be affordable to low- or moderate-income households. They are similar to the incentives offered to developers of dedicated affordable housing, but do not come with restrictions on rents or home prices.</p>

29	<p>Inclusionary Zoning (IZ)</p> <p>Inclusionary zoning (IZ) policies create dedicated affordable housing units by requiring or encouraging developers to include a specified share of below-market units as part of market-rate rental or homeowner developments. IZ policies leverage the private market, generally allowing new affordable units to be created with little or no public subsidy. Depending on how an IZ policy is structured, IZ can also be an effective way to ensure that affordable units are integrated throughout the community, including in low-poverty neighborhoods and resource-rich areas near public transportation, good schools, and high-quality healthcare.</p>
30	<p>Joint Development on Land Owned By Transit and Other Agencies</p> <p>Joint development enables public transit agencies to sell or lease land around existing or planned public transportation stations to private developers for residential and other uses, including the development of affordable housing. The inclusion of an affordable housing component in joint development located in transit-adjacent areas can help to ensure equitable access to public transportation for households at all income levels, as well as mitigate gentrification or displacement concerns that may arise when new transit systems and stations are planned and constructed. School districts are another potential partner. Particularly in areas where housing costs are too high for teachers to afford, school districts may make land available for new development that includes affordable housing for district personnel. Other potential partners with land that could be used to develop affordable housing include hospitals, parking authorities, and police and fire departments.</p>
31	<p>Land Banks</p> <p>Land banks are public authorities or non-profit organizations created to acquire, hold, manage, and sometimes redevelop property in order to return these properties to productive use to meet community goals, such as increasing affordable housing or stabilizing property values. Land banks can play a number of different roles depending on a community’s development goals, including: (a) providing a mechanism for assembling parcels of tax-delinquent or abandoned properties for redevelopment; (b) acquiring and holding strategically valuable properties until the community can develop them as affordable housing, and; c) acquiring properties to convert to other uses such as retail, parks, or open space for flood mitigation. In addition to acquiring and holding land, land banks can maintain, rehabilitate, demolish, and lease or sell property.</p>
32	<p>Land Value Taxation</p> <p>Land value taxation is an alternative to traditional property tax systems, in which property taxes are levied based only on the value of the underlying land and not on the value of any buildings or other improvements to the site. The owner of a vacant lot would owe the same amount of property taxes as the owner of an adjoining identically sized lot that includes a four-story apartment building. While not widely used in the U.S., these approaches discourage speculation and holding of empty sites, and encourage owners of vacant or underutilized parcels to make improvements that increase their returns without having to worry about the tax consequences.</p>
33	<p>Landlord Recruitment and Retention</p> <p>Cities can help to increase the number of properties where housing choice voucher holders can live by engaging in proactive outreach to landlords and offering meaningful incentives to those</p>

	<p>who participate in the program. Landlords may refuse to accept vouchers for a variety of reasons, including a lack of familiarity with the program, concerns about their obligations under the program, and beliefs that voucher holders may be challenging tenants. Landlord outreach can help to address these and other concerns, as well as dispel myths and misconceptions about the program and its participants. Some cities, towns and counties go beyond relationship-building and offer incentives to landlords to accept vouchers, including cash payments for each unit rented to a voucher holder.</p>
34	<p>Low-Income Housing Tax Credit (LIHTC)</p>
	<p>The Low-Income Housing Tax Credit (LIHTC) is a federal program that encourages private investment in affordable rental housing by providing a dollar-for-dollar reduction in federal income tax liability in exchange for investment in qualifying new construction and rehabilitation projects. The tax credit comes in two amounts: 9 percent credits, which are awarded on a competitive basis and are generally used in new construction and larger renovation projects, and 4 percent credits, which are worth about half as much as the 9 percent credits and generally used either for the rehabilitation of existing structures or for simpler new construction projects.</p>
35	<p>Manufactured Housing and Manufactured Home Communities</p>
	<p>Manufactured housing (MH), previously referred to as mobile homes, comprises the most prominent type of factory-built housing in the United States.¹ While MH units are often seen as one of the most affordable housing solutions not requiring subsidy, there are several concerns about them, including whether they qualify for adequate financing, leave owners and renters vulnerable to housing instability, or even constitute real home ownership.</p>
36	<p>Missing Middle Housing</p>
	<p>“Missing middle housing” refers to housing types that fall somewhere in between a single-family home and mid-rise apartment buildings – such as townhomes, duplexes, triplexes, and courtyard clusters. Missing middle housing can help localities increase the availability of less expensive housing types and support vibrant, walkable neighborhoods, while gently increasing density. These housing types are an important component of a diverse housing stock, contributing to more inclusive neighborhoods. Among other benefits, they can be used to expand the diversity and affordability of housing in neighborhoods dominated by single-family homes.</p>
37	<p>Mobility Counseling For Housing Choice Voucher Holders</p>
	<p>Low-income families often face considerable barriers to using housing choice vouchers in low poverty, resource-rich areas, including a lack of familiarity with new communities and landlords who are apprehensive about renting to voucher holders. Public housing agencies can create mobility programs (either on their own or in partnership with a non-profit) that offer one-on-one counseling sessions and apartment search assistance, as well as group workshops on tenant rights and navigating financial barriers, neighborhood tours, aid in negotiating with landlords, and post-search guidance on how to access services in an unfamiliar neighborhood.</p>
38	<p>Operating Subsidies For Affordable Housing Developments</p>
	<p>Operating subsidies are payments made annually (or more frequently) to owners of affordable housing developments that make the housing more affordable by covering a portion of the</p>

	<p>ongoing costs of operating the development. The federal government provides operating subsidies through the public housing and project-based Section 8 programs (among others) to help make developments affordable to very low-income families who cannot afford to pay the rents that would be needed to support the property without ongoing subsidies. Similarly, some localities make ongoing operating funds available to help make permanent supportive housing or other dedicated affordable rental housing affordable to very low-income households. This form of assistance is sometimes known as “rental assistance.”</p>
39	<p>Preservation Inventories</p>
	<p>Preservation inventories typically focus on collecting information on dedicated affordable properties whose rents are restricted due to a subsidy or other government policy, although affordable unsubsidized units may be covered as well, and include information on each property’s location, age, number of units (affordable and market rate), physical condition, and the year when rent restrictions expire. Preservation inventories enable cities to easily identify affordable housing that is vulnerable to being lost from the affordable stock; this information can be used in various ways depending on local circumstances and priorities.</p>
40	<p>Property Acquisition Funds</p>
	<p>Property acquisition funds provide developers of affordable housing with the means to act quickly and opportunistically to acquire land or buildings as they become available, rather than having to wait for traditional public funding cycles to come through with permanent financing. In some models, affordable housing developers acquire properties directly using up-front financing provided through the fund; in others, the steward of the loan fund purchases the property for eventual transfer to a project sponsor. Loans are typically issued on a short-term basis at below-market interest rates and replaced by permanent financing once it is arranged. Related predevelopment costs are also generally an allowable expense.</p>
41	<p>Property Tax Relief For Income-qualified Homeowners</p>
	<p>In changing neighborhoods with rapidly rising property values, long-time homeowners, including those who own their home outright, may face displacement or tax foreclosure due to rising property tax bills. In the case of rental units, rising taxes can also lead landlords to raise rents, again potentially displacing older adults and other households with limited means. A tool used in a number of jurisdictions for mitigating these effects on those with limited incomes is the property tax “circuit breaker,” which caps the amount of property tax that homeowners have to pay as a share of their income. Some jurisdictions also provide relief to lower-income renters by treating some portion of their rent as attributable to property taxes and then providing an income tax credit to offset the imputed “overload.” In addition to basing the benefit on income, eligibility for circuit breakers can also be restricted to specific populations such as seniors, persons with disabilities, and/or veterans.</p>
42	<p>Reduced or Waived Fees for Qualifying Projects</p>
	<p>Some communities assess development impact fees and permit processing fees during the construction process. Revenue raised from these fees helps to cover the cost of expanding infrastructure and other public services to cover residents of new developments, as well as administrative expenses and other budgetary needs. Typically, developers need to submit an application for the fee waiver or reduction along with documentation proving their intention to comply with eligibility requirements. Once the application has been approved for a qualifying</p>

	<p>project, the benefit is provided. In some cities a specified set of fees may be waived by city staff, while waivers of larger fees must be approved by the City Council. Instead of providing as-of-right waivers, it is also possible for local jurisdictions to consider waivers on a case-by-case basis. Rather than reducing or waiving fees, some local jurisdictions allow payment on a deferred basis. The short-term construction loans available at the start of the development process carry relatively high interest rates compared with longer-term permanent financing. Deferred fee payments allow developers to make payments after securing long-term, lower-cost financing, while the community still collects the expected revenue and avoids budget shortfalls in other areas.</p>
<p>43</p>	<p>Reductions to Impact Fees and Exactions</p> <p>Communities use impact fees and other exactions to address the need for new public infrastructure, facilities, and other capital improvements associated with new development. Impact fees and other types of exactions are assessed on developments as a condition of approval of a proposed project. Impact fees are monetary payments made to the local jurisdiction. The fee amounts are specifically calculated to cover the cost of the infrastructure improvements needed to serve new residents. The use of revenue generated by impact fees is restricted by law only for this purpose. Other exactions may be less directly linked to a specific project, and can range from cash payments to cover the cost of necessary improvements to land donations for new facilities, such as schools or police stations, or on- or off-site physical improvements. Impact fees can help to increase the supply of housing by enabling new development in locations that would otherwise lack the infrastructure to make it possible.</p>
<p>44</p>	<p>Regulating Short Term Rentals</p> <p>Short-term rentals are furnished homes or rooms rented on a short-term basis—typically less than a year and usually only for a few nights or weeks at a time. Their popularity through online platforms like Airbnb and Vrbo has raised concerns among many localities about their potential to exacerbate housing affordability challenges. One criticism is that their relative profitability encourages landlords to convert long-term rentals to short-term rentals—reducing the overall rental stock and contributing to rising rents for remaining long-term rental units. However, homeowners (and even renters in some cases) may benefit from the income provided by short-term rentals. Regulating these rentals in popular vacation hubs may be a particular challenge due to the need to balance income from tourism with other resident interests.</p>
<p>45</p>	<p>Rent Regulation</p> <p>Rent regulation policies protect tenants from dramatic increases in housing costs by regulating how much landlords can increase rents from year to year. The amount of permitted increases is often based on a combination of landlords’ estimated operating costs, improvements made to the unit or to building conditions, the duration of the tenancy in a unit, and other factors varying by jurisdiction. Jurisdictions adopt rent regulations for many reasons, among them ensuring stability for tenants in rent-stabilized units and promoting the overall affordability of rental housing. But the goals of rent regulation can sometimes be in tension: maintaining the affordability of existing housing might discourage new housing construction.</p>
<p>46</p>	<p>Rights of First Refusal</p> <p>A right of first refusal is a contractual right that allows an interested party the first right to purchase a property. Right of first refusal policies can help preserve the ongoing affordability of</p>

	dedicated affordable rental housing by giving priority consideration to mission-oriented buyers when the owner of a subsidized rental property decides to stop participating in a subsidy program. They can be applied to unsubsidized rental properties, help to preserve the availability of rental units and in some cases facilitate conversion to dedicated affordable rentals.
47	Security Deposit and/or First and Last Month’s Rent Assistance
	Some low-income households lack the accumulated savings needed to cover a security deposit and any required prepaid rent, such as first and last month’s rent. Public agencies and private organizations that provide security deposit and/or first and last month’s rent assistance commonly provide the assistance as a grant paid directly to the landlord. However, assistance can also be structured as a low- or no-interest loan to the tenant, payable to the sponsoring organization in installments or in full after a certain period of time.
48	Shared Appreciation Mortgages
	Shared appreciation mortgages help prospective homebuyers afford to purchase a home that would otherwise be outside of their reach. In exchange, the homebuyer agrees to repay the mortgage together with a share of home price appreciation. This repayment approach helps produce sufficient proceeds that the program can keep the housing affordable for the next purchaser as prices rise over time. Most shared appreciation mortgages are made available through state and local homeownership programs. In these models, the shared appreciation mortgage is generally structured as a deferred loan (sometimes known as a silent second mortgage), on which no payments are due until the home is sold to the next buyer.
49	Small Balance Home Mortgages
	A mortgage on a home with a low value (below about \$100,000) can be difficult to obtain. The lack of conventional financing options imposes a significant barrier to lower-income households purchasing naturally occurring affordable housing and has important implications for communities where these properties are prevalent. Some communities and their partners have developed or are exploring a range of approaches to improve access to small-balance mortgage loans.
50	Special Purpose Credit Programs (SPCPs)
	The Equal Credit Opportunity Act authorizes non-profit and for-profit organizations to design credit assistance programs, known as “Special Purpose Credit Programs” (SPCPs), that increase access to credit and offer favorable terms to economically or socially disadvantaged groups, including people of specific races or ethnicities or those living in specific neighborhoods. Although SPCPs were authorized by the federal government more than forty years ago, lenders have used them infrequently due to regulatory uncertainty. Access to credit can be a significant barrier to homeownership, but other obstacles—such as high housing costs—can also perpetuate racial disparities in housing. Cities and their partners should thus consider using SPCPs as just one part of a broader strategy to bridge racial homeownership gaps.
51	Streamlined Permitting Processes
	In some cities, towns, and counties, the process associated with obtaining approval for new construction is so time-consuming or costly that it dampens the amount of new development and adds significantly to its costs. To help streamline the process, localities can initiate a

	<p>comprehensive review of all steps in the development approval process to identify the factors that most significantly suppress new residential construction and redevelopment. Local leaders can then begin to assess whether they can be reduced or eliminated to stimulate development activity and moderate the price pressure on the existing housing stock.</p>
52	<p>Subsidized Home Mortgages</p>
	<p>Mortgage subsidy programs help to make homeownership more affordable by providing reduced interest rate loans to eligible borrowers. These programs offer relaxed underwriting requirements and lower borrowing costs compared to what the private market might otherwise offer for borrowers with similar credit characteristics. The favorable terms increase access to homeownership for many families who might not otherwise qualify. The mortgages are often offered by state and local housing finance agencies, redevelopment agencies or other local government agencies, in conjunction with approved private lenders. Eligibility is typically limited to first-time homebuyers who meet income and home purchase price criteria; however, some jurisdictions relax these requirements for specific populations, such as veterans, teachers, or borrowers in other targeted categories.</p>
53	<p>Target Efforts To Create and Preserve Dedicated Affordable Housing in Resource-rich areas.</p>
	<p>Many of the policy tools that localities use to create and preserve dedicated affordable housing can be targeted specifically to low-poverty areas that may offer access to neighborhood resources like high-performing schools and reliable public transit service. By focusing housing affordability programs on resource-rich areas, localities can help ensure that low- and moderate-income households benefit from the same advantages and opportunities available to their higher-income peers. A growing body of research documents the benefits of growing up in resource-rich areas that offer quality schools, safe streets, access to jobs, and other amenities and resources. While we refer to these areas as “resource rich,” some localities use the term “opportunity areas” instead. To be successful, such approaches must help affordable housing developers overcome the challenges of high land prices, competition from private developers, and other obstacles that make it difficult to develop affordable housing in resource-rich areas.</p>
54	<p>Tax Abatements or Exemptions</p>
	<p>Some localities offer property tax incentives to developers, building owners, and owner occupants who create or preserve affordable housing. These benefits can be structured in a variety of ways depending on local goals, but generally take one of two forms: abatements or exemptions. Property tax abatements directly reduce the amount of taxes owed for a specified period, and can be offered as an incentive to encourage the construction or rehabilitation of buildings that include a share of or all affordable units. Property tax exemptions reduce the property’s assessed value or rate of taxation, thereby resulting in a lower tax bill. Exemptions are commonly offered to encourage rental property owners to make upgrades that improve the condition of lower-cost units. The increased value resulting from the upgrades is excluded from property tax calculations for a defined period. Some localities offer tax abatements or exemptions to owners who participate in project-based rental assistance and other housing subsidy programs. Some localities also offer tax exemptions or other forms of property tax relief to income-qualified homeowners, senior residents, persons with disabilities, and/or veterans.</p>

55	<p>Tax Incentives For The Maintenance and Rehab of Unsubsidized Affordable Rentals</p> <p>Privately-owned, non-subsidized rental properties are a critical source of affordable housing in many cities, towns, and counties. Some of the owners of these properties may lack sufficient rental income to cover the costs of day-to-day maintenance and operation, let alone the costs necessary to bring the property up to code or replace or upgrade such building systems as electrical, plumbing, roofs, etc. Jurisdictions can assist these owners by offering property tax incentives that hold the taxable assessed value of the property at pre-improvement levels for a set period of time, or otherwise reduce or limit the amount of taxes owed.</p>
56	<p>Tax Incentives for New Construction and Substantial Rehabilitation</p> <p>Property taxes typically form an important part of a jurisdiction’s revenue base, so localities should think carefully about how to design a tax abatement or exemption program that addresses local housing needs without compromising the jurisdiction’s ability to fund other priorities. While abatements and exemptions both reduce property tax liability, they do so in different ways and can be designed to achieve different goals. <i>Tax abatements</i> reduce the total amount of tax owed, generally for a fixed period of time, such as five or 10 years. When used as an incentive to stimulate new development, owners typically receive a discount on their tax bill for the duration of the abatement. The discount may be all or part of a particular taxing jurisdiction’s share of total property tax revenue. Alternatively, an abatement could be used to spur rehabilitation, with the tax reduction sized based on the amount of work done. <i>Tax exemptions</i> adjust the value of the property subject to taxation; the resulting assessed value is then used to calculate the total amount of tax owed. For example, local jurisdictions wishing to stimulate new development on vacant lots can exempt the value of any improvements on the lot (such as a new building) for a defined period of time when calculating property tax liability. Tax exemptions can also be used to provide an incentive for the rehabilitation of aging housing developments. Typically, the property continues to be assessed at the pre-renovation value for the duration of the exemption.</p>
57	<p>Use of Public Owned Property for Affordable Housing</p> <p>By making and buildings available for the development of affordable housing, localities can help to ensure an adequate supply of lower-cost homes in areas with high land costs and limited development opportunities. Even in strong markets with little or no undeveloped land capable of supporting residential development, the local government may own properties that include buildings that are vacant, underutilized, or no longer useful for their original purpose. These properties (or development rights on these properties) could be made available at no (or a reduced) cost to developers that commit to specific affordability requirements or redeveloped in a way that combines a governmental use (e.g., a school or a community center) with affordable housing.</p>
58	<p>Weatherization Assistance</p> <p>Weatherization assistance programs provide low-income families with home modifications that increase energy efficiency, reduce energy costs, and ensure that their homes remain habitable throughout the year. Many localities use resources provided through the federal Weatherization Assistance Program to fund their weatherization programs. The federal program covers the cost of an energy audit to review current performance and a series of approved measures that may include attic insulation, sealing of windows and doors, and modifying</p>

	heating and cooling systems. These improvements are carried out by local providers, generally local government agencies and non-profit organizations, which usually operate under the supervision of the state.
59	Zoning Changes – Higher Residential Density
	Zoning codes and ordinances specify the usage that is permissible in each zoning district (residential, commercial, industrial, mixed-use, etc.), as well as provisions for building form, including size and scale. In residential zones, these provisions generally include limits on residential density—that is, how many housing units may be built in a given land area. Localities seeking to increase the overall housing supply may wish to revisit their zoning code to facilitate growth by (a) identifying opportunities in existing areas to increase residential density, (b) opening up areas where residential development has not previously been allowed, and (c) examining design review processes, Planned Unit Development (“PUD”), and other zoning approval processes to see if the regulations unnecessarily increase costs per unit.
60	Zoning Changes – Facilitate The Use of Lower-cost Housing Types
	In many localities, changes to local zoning policies can help to facilitate the development of lower-cost housing types, such as accessory dwelling units, manufactured homes, multifamily housing, micro-units, or single-room occupancy developments. While each of these types of housing tends to be relatively affordable without any subsidy assistance, their availability depends in part on the provisions laid out in the local zoning ordinance or code. Some local jurisdictions may need to revise their zoning policies to allow the market to develop these types of units in some or all parts of town.

Source: Local Housing Solutions <https://localhousingsolutions.org/>