PRACTICAL & INNOVATIVE SOLUTIONS TO ADDRESS THE HOUSING AFFORDABILITY CRISIS

21 July 2022

BOISE STATE UNIVERSITY
IDAHO POLICY INSTITUTE
RESEARCH PARTNERS
What catalyzes innovation in government?
SEVERITY OF AN ISSUE

- Garage and storage areas allowed below existing grade
- Flood-resistant materials used to within 3 feet of base flood elevation

For more information, visit www.stocktonca.gov/200yearflood
Establish the problem
RENTAL HOMES AFFORDABLE AND AVAILABLE PER 100 EXTREMELY LOW-INCOME RENTER HOUSEHOLDS BY STATE

Note: Extremely low-income (ELI) renter households have incomes at or below the poverty level or 30% of the area median income. Source: NLIHC tabulations of 2020 5-Year ACS PUMS Data. ©2022 National Low Income Housing Coalition

https://nlihc.org/gap
MEDIAN HOME VALUE (2020)
U.S. HOUSING COSTS BY INCOME (2022)

Source: homebuyer.com

- **States with housing costs under 15% of estimated monthly income**
- **States with housing costs 15-29% of estimated monthly income**
- **States with housing costs 30%+ of estimated monthly income**
Level of government
IDAHO

17.3% Population Growth 2010-2020

74.8% Increase in Housing Values 2015-2020

$338,751 Median Home Value 2020

17.9% Increase in Household Income 2015-2020

$66,449 Median HH Income 2020

0.8% Owner-Occupied Housing Vacancy Rate - 2020

4.4% Renter-Occupied Housing Vacancy Rate - 2020
Percent of Idaho Households Paying at Least 30% of Income on Housing Costs

[Maps showing the percentage of renters and homeowners in Idaho paying at least 30% of income on housing costs, with a color scale ranging from 10% to 75%.]
THE HOUSING SPECTRUM

Source: City of Boise

**Priorities**
- **PRODUCE**: Invest in creation of new housing and focus deeply and aggressively where the market does not.
- **PRESERVE**: Engage in a proactive effort to preserve units already on the market that serve lower-income households.
- **HOUSE THE UNHOUSED**: Create supportive housing + units dedicated to Our Path Home.

**Goals**
- **PRODUCE**: 1,500 units affordable to households earning 60% AMI and below in the next 5 years.
- **PRESERVE**: 1,000 units of affordable housing units in the next 5 years.
- **CREATE**: 750 units of supportive housing dedicated to Our Path Home in the next 5 years.

**Guiding Principles**
- Center the most marginalized.
- Target resources where resources are needed most.
- Embrace Housing First.
- Approach affordability holistically.
POTENTIAL POLICY RESPONSES

• Research/education
• Establish goals and metrics (coordination)
• Preservation of the existing affordable housing stock
• Investments (public) in housing trust funds*
• Carrots - Fee waivers/fast track permitting
• Sticks - Inclusionary zoning
• Multi-sector partnerships
LAND USE CHANGES - ADUs

Image Credit: www.hausable.com
LAND USE CHANGES – LOT SIZE
PAY FOR SUCCESS FINANCING

1. Government prioritizes social problem
2. Service provider has solution
3. Investors provide upfront capital
4. Intermediary manages project
5. Evaluator measures success
6. Government repays investors from savings if results are met

Source: V. FRY
JOINT POWERS AUTHORITY

The City + Joint Powers Authority

Acquisition
- Purchase property and convert to long-term affordability.
- Issues tax-exempt bonds
- Utilizes governmental tax exemption

New Construction
- Acquire land and build new affordable housing.
- The City decides what to do with the asset when the purchase option can be exercised.

Options:
- Reposition to market rate and sell
- Continue to maintain and/or deepen affordability
- Transfer to/partner with a 3rd party affordable housing company

Source: SPUR and Terner Center
POTENTIAL POLICY RESPONSES

• Research/education
• Establish goals and metrics (coordination)
• Preservation of the existing affordable housing stock
• Investments (public) in housing trust funds*
• Carrots - Fee waivers/fast track permitting
• Sticks - Inclusionary zoning
• Multi-sector partnerships
PRACTICAL & INNOVATIVE SOLUTIONS TO ADDRESS THE HOUSING AFFORDABILITY CRISIS

Vanessa Crossgrove Fry, PhD
vanessafry@boisestate.edu

Boise State University
Idaho Policy Institute