

## A 2008 Forum:

Experiences of the Terwilliger Center and  
the District Councils on Workforce Housing



# Workforce Housing and Mixed-Income Communities: The ULI Megapriority

April 16–17, 2008 • Boulder, Colorado



**Urban Land  
Institute**

**Terwilliger Center for Workforce Housing**

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The Urban Land Institute is a 501(c) (3) nonprofit research and education organization supported by its members. Founded in 1936, the institute now has more than 40,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service. As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national and international industry leaders and policy makers dedicated to creating better places.

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. Members say that ULI is a trusted idea place where leaders come to grow professionally and personally through sharing, mentoring, and problem solving. With pride, ULI members commit to the best in land use policy and practice.

## About the ULI Terwilliger Center for Workforce Housing

The J. Ronald Terwilliger Center for Workforce Housing was created in February 2007. Established by Chairman and CEO of Trammell Crow Residential and former ULI Chairman J. Ronald Terwilliger, the Center is addressing one of the most critical issues facing this country by supporting the development of housing affordable to moderate-income workers, including teachers, government workers, police officers, and entry-level employees.

As part of its overall program of work, the Center will develop plans for the production of housing oriented toward people typically making between 60 percent and 120 percent of the median income for a specific market, and the housing will be mixed with units offered at market rates. The Center will also identify barriers to workforce housing production (such as inflexible zoning and building codes) and work to eliminate those barriers by raising awareness of the affordability gap and by advocating changes in public policy.

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## Message from the Chairman

During the late 1990s the term *workforce housing* first appeared in our lexicon, and although this terminology is relatively new to our vocabulary, the concept of providing housing for the workforce is not. From employer-owned housing in mill towns at the turn of the century to the rise of accessory dwelling units for military personnel during WWII, the development of workforce housing has been, at best, piecemeal suiting the needs of a specific workforce rather than increasing a region's overall supply.

Today, many workers drive great distances from their employment to find housing that is affordable. These long commutes are taking a toll—not merely in increased costs that reduce disposable incomes, but in quality of life. Unfortunately, the quest for more affordable housing options rarely generates real savings. In fact, the average working family spends nearly 60 percent of its annual income on housing and transportation costs combined.

Today, problems associated with workforce housing are magnified by the impacts of the subprime lending fallout and the jobs-housing-transportation cost burden plaguing our metropolitan regions. ULI has the unique opportunity and ability to harness the power of the business community, the reach of the public sector and the strength of the real estate community to develop and enact large scale solutions to housing our nation's workforce.

I applaud the ULI District Councils in their efforts to diligently work and engage both traditional and nontraditional stakeholders in the area of workforce housing. I look forward to continuing my work at the ULI Terwilliger Center for Workforce Housing—both with the National Advisory Board and staff—as we continue to develop a multifaceted, long-range approach to become a catalyst in increasing the availability of workforce housing that is close to jobs, economically viable, and environmentally sustainable for future generations.



**J. Ronald Terwilliger**

Chairman

ULI Terwilliger Center for Workforce Housing

# Foreword: Identifying the Problem

The recent turmoil in the housing market has not brought housing prices down to affordable levels for America's working families. Price declines have led to an erosion of equity for many, while consumer spending has scaled back, and the credit markets have tightened. Not only does the affordability gap persist, but also America's workforce is faced with growing foreclosures as mortgage rates reset, the loss of home equity continues, and a lack of availability of credit to purchase a home persists. As the housing market slows, the overall American economy is cooling, creating a loss of jobs leading to wage stagnation, furthering the gap of purchasing power that the American workforce faces in the housing market.

The housing affordable to the workforce built in the past decade was located in outlying suburbs that are often more than an hour's drive from the communities where people work. The impact is manifold. Workers must spend inordinate amounts of time and money to reach their jobs. The long commutes add to traffic congestion and pollution, and decrease efficiency. Businesses have difficulty recruiting and retaining workers—and may ultimately move elsewhere, to be close to where their workers can afford to live. The result is a mounting housing/transportation/job cost burden; the average working family spends over half of its annual income on housing and transportation costs. As oil prices continue to soar, long commutes detrimentally affect the financial situation of the American workforce.

In light of these mounting issues, two back-to-back forums were held in April 2008 to discuss the challenges inherent in developing housing affordable to the workforce and to identify the opportunities and initiatives established by local ULI members. This report highlights the second forum, sponsored by ULI and ULI Terwilliger Center, in two sections: (I) an overview of the proceedings summarizing the activities of district councils addressing workforce housing, outlining workforce housing action at the national level, and summarizing the remarks of keynote speaker, Jeffrey Lubell, executive director, Center for Housing Policy; and (II) a synopsis of four workforce housing initiatives in action: ULI Seattle, ULI Los Angeles, ULI Colorado-Enterprise, and ULI Terwilliger Center.

# Section 1: Overview

## Introduction

At the local level, ULI members can play an important role in addressing workforce housing needs. Indeed, many of them are doing so—particularly in communities in which high housing costs have negatively affected commuting patterns, local economic development, and widespread sprawl. With the creation of the ULI Terwilliger Center for Workforce Housing in the summer of 2007, the Institute has committed to creating strategies to address the shortage of workforce housing and its negative externalities. Moreover, ULI has identified “workforce housing and mixed-income communities” as one of its three megapriority areas to focus on for purposes of resources, programs, outreach activities, and publications.

On April 16 and 17, 2008, in Boulder, Colorado, the ULI Terwilliger Center, alongside its “parent company”—the Urban Land Institute—convened an interdisciplinary group of private for-profit developers, nonprofit developers, advocates, land use lawyers, consultants, and ULI staff for a day-and-a-half session titled “ULI District Council Workforce and Mixed-Income Housing Forum.” These members represent local ULI leaderships’ commitment to engage in the complexity of workforce housing, share experiences in creating tools and strategies for change, and address ancillary issues heightened by the lack of housing affordable to the workforce.



Under the guidance of comoderators John McIlwain, senior resident fellow, ULI/J. Ronald Terwilliger Chair for Housing, and Pam Patenaude, executive director, ULI Terwilliger Center for Workforce Housing, the forum focused on two objectives:

- sharing and reviewing ULI’s program of work on workforce and mixed-income housing at the local district council level; and
- integrating activities with national initiatives, programs, and research.

The forum provided the first opportunity for various ULI groups actively engaged in the issue of workforce housing to build connections, share experiences, identify opportunities for growth, and highlight current housing trends. Cochairs from the Terwilliger Center’s three pilot markets—Washington, D.C.; Atlanta; and southeast Florida—were

## ULI Terwilliger Center for Workforce Housing

The ULI Terwilliger Center for Workforce Housing, established by former ULI Chairman J. Ronald Terwilliger, is addressing one of the most critical issues facing this country today by supporting the development of housing affordable to moderate-income workers, including teachers, nurses, firefighters, government workers, and police officers. Terwilliger, chairman and chief executive officer of Atlanta-based Trammell Crow Residential, committed \$5 million to the creation of the center.

“I CREATED THIS CENTER BECAUSE I BELIEVE IN THE URGENCY OF PROVIDING WORKFORCE HOUSING. IN COMMUNITIES NATIONWIDE, MODERATE-INCOME WORKING FAMILIES ARE BEING PUSHED FARTHER AND FARTHER AWAY FROM EMPLOYMENT CENTERS, ADDING TO TRAFFIC CONGESTION, AIR POLLUTION, AND SPRAWL. WITH THIS CENTER, WE ARE AIMING TO TURN THIS SITUATION AROUND. OUR ULTIMATE GOAL IS TO ACHIEVE A MEASURABLE INCREASE IN MIXED-INCOME WORKFORCE HOUSING IN COMMUNITIES ACROSS THE NATION.”

—J. RONALD TERWILLIGER

The center will mobilize the private sector to work toward the production of workforce housing. In so doing, it will develop plans for the production of housing oriented toward people typically making between 60 and 120 percent of the median income for a specific market. As part of its overall program, the center will work to eliminate barriers to workforce housing production (such as exclusionary zoning and inflexible building codes) by advocating changes in public policy.

present alongside representation from ULI Colorado, ULI Hawaii, ULI Los Angeles, ULI Boston, ULI Orange County, ULI Chicago, ULI Minnesota, and ULI Seattle.

In addition to district council representation, members and staff of the ULI Center for Balanced Development in the West (CBDW) attended the forum. The CBDW is the research arm of the Western Region Office devoted to promoting sustainable urban growth patterns throughout the western half of the United States. The CBDW held a day-and-a-half-long forum in Boulder titled “Sustainable Workforce and Mixed-Income Housing in the West: Opportunities & Challenges in a Changing Market” immediately prior to the ULI District Council/Terwilliger Center Forum, which afforded an opportunity to benefit from cross-pollination of ideas, network-building, and expertise on workforce housing.

The attendees of the CBDW forum focused their discussion on the long-term impact of what may be a historic shift in land use patterns. Many forum members believe the combination of declining housing values in outlying suburban areas and rising energy prices will hasten the revitalization of America’s cities and inner-ring suburbs. A survey of forum invitees indicated little to no production of workforce housing in the current housing market. However, some were optimistic that nonprofits could use foreclosures to acquire housing at below-market values and reposition the units as workforce housing, and some expressed guarded hope that land prices may decline enough to make some projects feasible.

## **District Councils at Work**

Focusing on the current state of workforce housing, each district council in attendance at the ULI District Council Workforce and Mixed-Income Housing Forum presented locally based, ULI-sponsored activities that advance the production of workforce housing. The forum provided an opportunity to highlight the overlapping local issues and share strategies and programs being used to confront the challenges and leverage opportunities.

■ Following a proven community outreach model for district councils, ULI Los Angeles embarked on a technical assistance panel (TAP) with the city of Pasadena to discuss the community’s workforce housing challenge and provide recommendations from local real estate experts.

■ ULI Minnesota, through its highly effective Regional Council of Mayors—a forum engaging regional mayors and land use professionals to seek equitable and sustainable regional solutions—has incorporated workforce housing. Specifically, ULI Minnesota will provide technical assistance to localities on reducing regulatory barriers and exclusionary zoning policies and programs.

■ ULI Seattle and ULI Colorado formalized partnerships with local Enterprise Community Partners offices to elevate programming on workforce housing in their respective regions. For ULI Seattle, the partnership resulted in a 2007 Workforce Housing Speaker Series, cosponsored by ULI Seattle and the city of Seattle. For ULI Colorado, the partnership created a unique site modeling tool to enable the development of workforce housing.



**ONE BOULDER PLAZA.**

■ ULI Boston, in conjunction with Citizens' Housing and Planning Association and Massachusetts Association of Community Development Corporations, created a Foreclosed Properties Task Force to form a network of programs, policies, products, and best practices to enable local entities to implement local strategies that promote neighborhood stabilization. The task force consists of five active committees: Acquisition Strategies, Acquisition Funding, Holding Period Strategies, Exit Strategies, and Matching Properties to Homebuyers.

■ By developing strong relationships, the ULI Terwilliger Center in Atlanta is focusing its efforts on three initiatives: advocating for a voluntary inclusionary zoning ordinance in the city of Atlanta; partnering with the Atlanta Neighborhood Development Partnership and Livable Communities Coalition to design and initiate an employer-assisted housing program with Emory University; and carrying out a market study to examine the workforce housing needs in the region and the existing inventory of workforce housing projects.

■ The ULI Terwilliger Center in southeast Florida formed an eight-committee platform to research subject areas instrumental in increasing the production of workforce housing in southeast Florida. These committees include the following: design and construction; insurance and taxes; land acquisition; policy, permitting, and procedure; public education and outreach; public finance; private finance; and public/private partnerships.

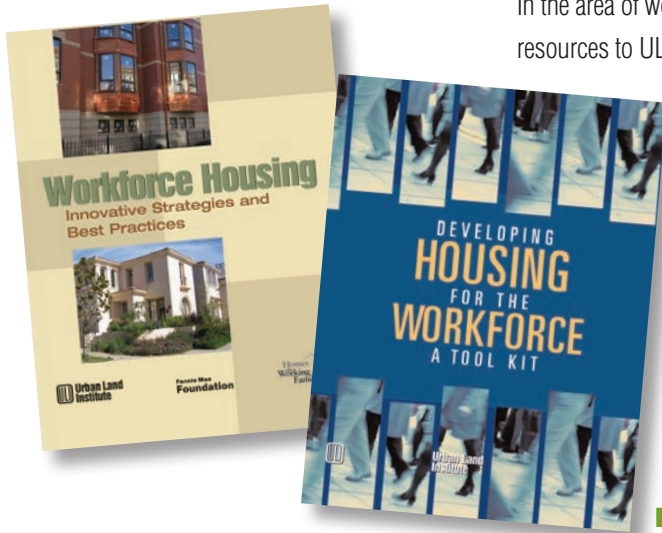
■ Engaging over 70 experts in housing policy and development, the ULI Terwilliger Center in Washington, D.C., created a leadership committee with five subcommittees to focus on the following areas: public policy and regulation, finance tools, community outreach, endorsement of projects, and project specific work. The cornerstone project of their efforts is the establishment of a Workforce Housing Coalition—a partnership whose members are joining forces to recognize and endorse well-designed and strategically located workforce housing in the Washington, D.C., metropolitan region.

## National Level at Work

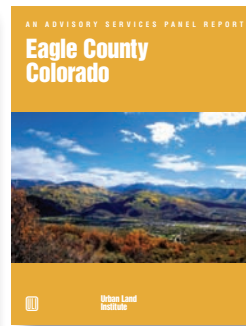
In the area of workforce housing, the Institute provides a variety of activities and resources to ULI members, district councils, public officials, and the general public.

Leading ULI's research efforts on housing, John K. McIlwain, senior resident fellow, ULI/J. Ronald Terwilliger Chair for Housing, examines and promotes affordable and workforce housing solutions, including development and housing patterns designed to create sustainable environments for urban areas. Over the past two years in the area of workforce housing, the Institute's activities have included:

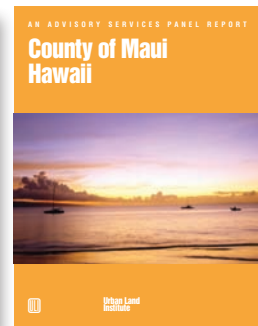
- Publishing books and reports focusing on both public policy and developments, including *Workforce Housing: Innovative Strategies and Best Practices* and *Developing Housing for the Workforce*;
- Conducting advisory services panels on workforce housing for sponsors, including the following:



- *Gulf Coast Housing Finance Forum: Recommendations for the Mississippi Gulf Coast Renaissance Corporation*, April 10–11 and May 16–18, 2007;



- *Eagle County, Colorado: A Regional Approach to Affordable Housing*, December 11–15, 2006; and



- *County of Maui, Hawaii*; July 17–21, 2006.

- Funding six community action grants (CAG) totaling \$145,000 to district councils relating to workforce housing community outreach initiatives, including the following:

### **ULI Colorado: Workforce Housing Initiative Site Modeling Program**

ULI Colorado and Enterprise Community Partners developed a Workforce Housing Site Modeling Program to walk developers through a feasibility process culminating in a daylong charrette with 20 stakeholders, including elected officials, city staff, funding partners, transit staff, developers, architects, and workforce housing experts. The grant supported three modeling programs targeting sites along Denver's current and future light-rail lines or major bus corridors.

### **ULI Hawaii: Affordable and Workforce Housing in Hawaii**

ULI Hawaii will hold a series of workshops and roundtable discussions with land use professionals, business leaders, housing advocates, and public sector officials to build civic leadership and develop solutions to Hawaii's housing crisis. This project will also include a community outreach component with publications, newsletters, and other media, as well as studies on regulatory barriers to affordable housing, inclusionary zoning, and affordable housing as part of transit-oriented development.

### **ULI Charlotte: The Preservation and Provision of Affordable and Workforce Housing**

ULI Charlotte will work with its inner-city adviser, who leads the Charlotte Mecklenburg Housing Partnership, to create a long-term vision to guide the provision and preservation of affordable/workforce housing in the Charlotte area. A visioning session with hundreds of stakeholders and several follow-up workshops will build stronger relationships between the public, private, and nonprofit sectors, and lead to a better understanding of the tools, best practices, and partnerships that will be necessary to implement the vision.

### **ULI Seattle: Housing Our Future: A Model for Change**

ULI Seattle and regional partners created a regional alliance of stakeholders and developed a model for increasing workforce housing production. The grant funded the first year of a three-year initiative to raise awareness of the workforce housing crisis in Seattle, identify policy changes necessary to encourage the construction of additional workforce housing, and provide support to several employers interested in implementing employer-assisted housing.

### **ULI SW Florida: Workforce Housing Stimulus Program**

ULI SW Florida, its Young Leaders Group, and the Economic Development Council of Collier County, Florida, are in the process of planning and implementing an incentive-based Workforce Housing Stimulus Program intended to identify a long-term solution to the affordable/workforce housing crisis in southwest Florida and produce results.

### **ULI Austin: Building and Retaining an Affordable Austin**

ULI Austin is partnering with five community organizations to bring together developers and community groups to conduct legal research and build a leadership consensus on specific land use policies that will enhance the ability of developers to retain and build new workforce and affordable housing throughout Austin.

## Strategies for the Future

In furthering ULI's workforce housing efforts, the forum highlighted several areas in which the Institute could expand or enhance its activities. The attendees expressed interest in

- visual tools, such as PowerPoint presentations, for ULI members to give at local presentations and become, in effect, the foot soldiers for workforce housing;
- concise, user-friendly booklets to diagnose specific issues or policies, such as tools and techniques stimulating the production of workforce housing;
- demonstration of effective models for organizing volunteers to sustain district council initiatives that incorporate monitoring local issues;
- community outreach tools to educate public officials and community groups about the need for workforce housing;
- a template to follow when developing a case report on the regional economic, social, and environmental benefits of increasing the supply of workforce housing near major job centers or transit stations; and
- guidance on fundraising strategies to support multiyear initiatives to increase public awareness and display best practices.

## Summary of Keynote Speaker's Remarks

**Jeffrey M. Lubell**, *Executive Director, Center for Housing Policy*



A direct relationship exists between housing and income, housing and transportation, and housing and policy—the three main issues discussed by Jeffrey M. Lubell, executive director of the Center for Housing Policy.

### Housing and Income

#### ***The Housing Landscape for America's Working Families***

In the most recent update of *The Housing Landscape for America's Working Families*, it was reported that from 1997 to 2005, the number of working families in America paying more than half their income for housing increased 87 percent from 2.4 million to 4.5 million. The Center for Housing Policy, using the American Housing Survey to prepare an annual report that updates national trends on how much working families are paying for housing and/or living in dilapidated conditions, reported that 5.2 million working families face critical housing needs.



### Housing and Transportation

#### ***A Heavy Load: The Combined Housing and Transportation Burdens of Working Families***

A direct relationship and tradeoff exists for many working families between the level of income spent on housing and the increasing costs of transportation. As families move farther away from their place of employment, housing may become cheaper, but longer commutes, less time with the family, increased traffic congestion, and increased CO<sub>2</sub> emissions are just a few of the negative resulting consequences.

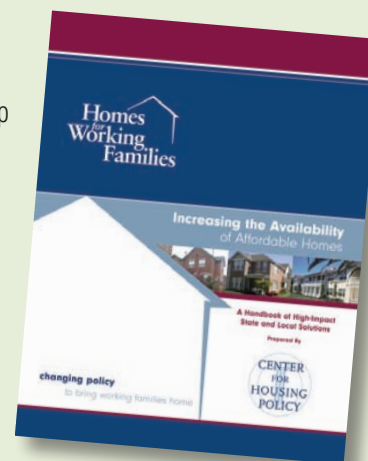


### Housing and Policy

#### ***Increasing the Availability of Affordable Homes***

State and local solutions can help working families afford homes in the communities they serve. High-impact solutions that state and local leaders can adopt to help working families include the following:

- Expand the availability of sites for the development of affordable homes.
- Reduce red tape and other regulatory barriers to affordable homes.
- Harness the power of strong housing markets.
- Generate additional capital for affordable homes.
- Preserve and recycle resources for affordable homes.
- Empower residents to purchase and retain market-rate homes.



# Section 2: ULI Initiatives and Programs

## ULI Seattle: Speaker Series

In 2007, ULI Seattle, in conjunction with the city of Seattle, hosted a speaker series on workforce housing. The series established the district council as a trustworthy source of information on workforce housing and created momentum for a three-year initiative.

# Housing Our Future Speaker Series

Presented by:



**City of Seattle**



**ULI Seattle**



The City of Seattle and ULI Seattle are pleased to announce a new speaker series, *Housing Our Future*. This series focuses on the increasing challenge of providing housing for working individuals and families.

***Why Workforce Housing Matters***  
 Thursday, February 15, 2007, 5:30 - 7:00 p.m. Reception follows. Free Admission  
 Seattle City Hall, Bertha Knight Landes Room  
 Opening remarks by Mayor Nickels.



**Henry Cisneros**, Chairman of CityView, will focus on the need to view housing, like economic development, as an essential component of a strong, healthy community. Cisneros will address the growing disparity between workforce wages and housing costs. Reception entertainment provided by Cornish College of the Arts pianist Mack Grout. Registration begins at 5:00 p.m. (City Event)  
 RSVP: [HousingSpeakers@Seattle.gov](mailto:HousingSpeakers@Seattle.gov) ~ [www.seattle.gov/housing/HousingSpeakers](http://www.seattle.gov/housing/HousingSpeakers)

***The Housing Affordability Gap: Causes, Local Responses and Long-term Implications***  
 Thursday, March 8, 2007, 7:30 - 9:00 a.m. \$30 - \$65 admission includes breakfast and book.  
 W Hotel Seattle, 1112 Fourth Avenue



**John McIlwain**, Senior Resident Fellow, Urban Land Institute, will discuss key trends in workforce housing at the local and national level, the underlying causes of the decline in housing affordability, and examples of best practices that communities are using to meet the challenge. Attendees will receive a copy of *Workforce Housing: Innovative Strategies and Best Practices*, which retails for \$40. Registration begins at 7:00 a.m. (ULI Event)  
 Pricing: [www.seattle.uli.org](http://www.seattle.uli.org) ~ RSVP: [Coordinator@seattle.uli.org](mailto:Coordinator@seattle.uli.org)

***Employer Assisted Housing for a Competitive Workforce***  
 Tuesday, April 17, 2007, 7:30 - 9:00 a.m. Free admission.  
 Seattle City Hall, Bertha Knight Landes Room



**Robin Snyderman**, Housing Director, Chicago Metropolitan Planning Council, will outline how MPC has successfully worked with a variety of regional stakeholders to increase the range of quality housing options available near jobs and transit. Registration begins at 7:00 a.m. (City Event)  
 RSVP: [HousingSpeakers@Seattle.gov](mailto:HousingSpeakers@Seattle.gov) ~ [www.seattle.gov/housing/HousingSpeakers](http://www.seattle.gov/housing/HousingSpeakers)

***Housing Our Workforce: What Business Leaders Need to Know***  
 Tuesday, September 18, 2007, 7:30 - 9:00 a.m. Admission TBD  
 Venue TBD; check website for updated venue information.



**Ron Terwilliger**, Chairman and CEO of Trammell Crow Residential, will address an increasing national crisis: a huge number of fully-employed people, from teachers to hospital workers, are not able to live close to where they work. He will provide a roadmap to change this pattern in a way that benefits both workers and communities. Registration begins at 7:00 a.m. (ULI Event)  
 Pricing: [www.seattle.uli.org](http://www.seattle.uli.org) ~ RSVP: [Coordinator@seattle.uli.org](mailto:Coordinator@seattle.uli.org)

### Co-sponsors

**First Tier**




**Second Tier**






**Third Tier**





**Objectives:** To increase public awareness on the regional benefits of having an adequate supply of workforce housing; to establish a partnership with the city of Seattle; and to enhance the reputation of ULI as a valuable resource on the topic.

With four speakers building upon one another in depth and focus, ULI Seattle's "Housing Our Future" series highlighted the following themes:

### **Why Workforce Housing Matters**

Henry Cisneros, chairman of CityView and former secretary of the U.S. Department of Housing and Urban Development, addressed the need to view housing, like development, as an essential component of strong, healthy neighborhoods in Seattle. He focused on the disparity between workforce wages and housing costs, and the social and economic consequences of a shortage in supply of workforce housing units.

### **The Housing Affordability Gap: Causes, Responses, and Long-Term Implications**

John McIlwain, ULI senior resident fellow, addressed the key trends in workforce housing at the local level, the causes of the decline in housing affordability, and best practices for meeting the challenge.

### **Employer-Assisted Housing for a Competitive Workforce**

Robin Snyderman, vice president of Community Development, Metropolitan Planning Council, described how her organization increased the number of informed stakeholders committed to successful workforce housing near jobs and transit throughout the region by a comprehensive employer-assisted housing program called REACH Illinois.

### **What Business Leaders Need to Know**

J. Ronald Terwilliger, chairman/CEO of Trammell Crow Residential and founder/chair of ULI Terwilliger Center for Workforce Housing, addressed the increasing national crisis in workforce housing, explained the issue from a private sector developer perspective, and reviewed the role for today's employers.

### **Observations on the Series**

**Provide a common understanding of the issue.** Before ULI Seattle hosted the Housing Our Future Speaker Series, local stakeholders were not using the same language. The series gave the key decision makers a common understanding of what the workforce housing crisis is, and what they can do about it.

**Galvanize related initiatives.** The series was the first prominent effort of the Workforce Housing Task Force. The series generated such interest in the topic that it inspired another local organization to focus solely on workforce housing advocacy—

## **ULI Seattle: Workforce Housing Three-Year Initiative**

In 2007, ULI Seattle launched a multiyear workforce housing initiative to heighten awareness of the workforce housing crisis in the Seattle metropolitan area and to support policy changes in local jurisdictions to increase the production of workforce housing in the region.

The first year of the initiative involved: developing an alliance with stakeholders with similar interests, including the city of Seattle, the city of Bellevue, Puget Sound Regional Council, the Housing Development Consortium of Seattle, and the University of Washington; convening stakeholders within two targeted jurisdictions with the will to make policy changes to increase workforce housing production; and identifying regulatory barriers and examining alternative incentives for increasing the production of workforce housing.

In the second year, the district council has coordinated activities of all alliance members to effect policy changes needed in the targeted jurisdictions and will support an educational campaign to influence stakeholders using innovative communication and outreach tools. In year three, the district council plans to assist jurisdictions with implementation.

an activity that the task force does not do. In this way, ULI Seattle remains a trusted source for unbiased information without lobbying.

**Adapt content to a different audience.** The series produced a wealth of content. The task force now is adapting this content into a template presentation for a road show to influential community organizations in the target jurisdictions. In this way, ULI Seattle is repurposing content from the series for a different audience.

## ULI Los Angeles: TAP Series

ULI Los Angeles has been a leading district council in using the Technical Assistance Panel (TAP) Program, offering the expertise of local ULI members to local government and nonprofit entities through one- and two-day panels. TAPs bring together experts in real estate, planning, and development to collaborate on a strategic vision. In the past two fiscal years, ULI Los Angeles conducted a series of three TAPs on issues relating to housing and land use with the city of Pasadena. Most specifically, the second in the series focused directly on the city of Pasadena's workforce housing shortage. The city of Pasadena has been active in housing initiatives, but rapid changes in the housing market threatened the vision that provides all Pasadena residents the right to decent and affordable housing.

**Objective:** At the request of the city of Pasadena, ULI L.A. was asked to provide guidance on the supply-side dynamics of the issue of workforce housing as it pertains to existing policies, the current nonprofit housing development community, and alternative financing schemes.

**City of Pasadena TAP Process:** In January 2007, ULI L.A. created a panel to review the city of Pasadena's Housing Agenda for Action. The panel's aim was to provide recommendations for action related to housing production and affordability within the city. Three of the ten recommendations were workforce housing specific and were unanimously adopted by the Pasadena City Council in April 2007.



Building upon this TAP, the city of Pasadena engaged ULI L.A. in a second series of TAPs in FY 2008 to discuss the issue of workforce housing. The panel's assignment was to focus on four specific questions regarding workforce housing.

- How can we increase the production of workforce housing?
- What strategies exist to leverage the housing trust fund?
- What's the likelihood of a nonprofit housing development corporation in Pasadena facilitating the production of workforce housing?
- What's the feasibility of limited-equity co-ops in the city of Pasadena?

The panel recommended a blended approach of leveraging Pasadena's housing trust funds that included both monetary and nonmonetary incentives. The two monetary incentives recommended were the use of the city of Pasadena's Housing Opportunity Fund and soft second mortgages. Nonmonetary incentives, such as inclusionary zoning and increasing density limits for workforce housing projects, were also recommended.

## ULI Colorado: Site Modeling

**ULI–Enterprise Workforce Housing Initiative:** a jointly sponsored initiative of ULI Colorado and the Denver office of Enterprise Community Partners.

The ULI–Enterprise Workforce Housing Initiative (WHI) seeks to promote the development of workforce housing for households earning 30 to 60 percent of the area median income (AMI) (rental) and 60 to 120 percent of the AMI (for sale) in metropolitan Denver, with a particular focus on bus and rail-transit corridors in Aurora, Denver, Lakewood, Boulder, and Broomfield. The ULI–Enterprise Workforce Housing Committee, an approximately 30-member working group for the WHI, is committed to innovation and education around the issues facing the creation of workforce housing in the Denver metropolitan area.

**Objective:** To increase production of workforce housing in metro Denver, particularly along current and future transit corridors. The site modeling program is a direct response to Ron Terwilliger's challenge to leverage ULI's capacity to make production possible.

The WHI has completed one modeling program, resulting in the decision to develop 50 rental workforce apartments adjacent to a light-rail station in Denver. Two additional modeling programs will conclude by early fall 2008.

### Process

**Site identification:** WHI committee members identify sites in one of five target communities for modeling. Staff and committee members meet with owners and developers (the client) to understand their motivation to participate in a modeling process.

## Observations Worth Noting

A successful TAP requires a direct relationship between the district council and local government and/or nonprofit entities to build not only on their knowledge base, but also on an understood level of trust.

As accomplished with the city of Pasadena, a TAP should not be a one-time event but rather an ongoing relationship that can be developed over time.

In addition, the first TAP can be used as a basis for future TAPs by focusing on the initial recommendations and further developing a plan for implementation. In this case, the city of Pasadena is in the process of implementing many of the recommendations provided in the TAP.

## Observations Worth Noting

This assistance is needed! Site owners and developers without a workforce housing portfolio are not experienced with the tools and resources that are available. The modeling program introduces these tools in a free and trusted manner.

If the program does not assist in increasing tools and resources, in some respects we fail to achieve the mission. The program is helpful in making workforce housing possible in highly desirable locations. However, by teaching new developers to use these tools, it also creates new competition for resources in an already highly constrained environment. The program should result in the identification of increased resources for workforce housing.

The program should inform good policy, not be a substitute for it. Policy makers should look to the policy obstacles and resource shortages identified through each modeling program to provide evidence of the need for policy change.

Ideas are presented and approved at monthly WHI meetings. To date, sites include transit-oriented development opportunities along rail and major bus lines.

**Preliminary analysis:** A team of WHI committee members, and other ULI members when necessary, is assembled to work with the client on a schematic design, cost estimate, pro formas for various scenarios, and the gathering of relevant market data. The analysis is an interactive process, which can eventually yield a mutual decision by the client and the WHI to move forward with a charrette if the site is preliminarily found to be feasible.

**Charrette:** The site modeling process culminates with a half-day to daylong charrette in which development concepts, findings, policy challenges, etc., are shared with a broader audience including elected officials, staff of the city and transit agency, and other community leaders. The charrette provides new ideas for the team to revise and finalize recommendations, and builds early support for the development.

**Implementation:** The client moves forward assembling its team to create the property. The WHI continues to support the site owner or developer on an as-needed basis. Going forward, the WHI may recommend that the client create an advisory group, which includes WHI committee members, thus ensuring ongoing support for the effort.

## Terwilliger Center, Washington, D.C.: WFH Endorsement Coalition and Program

The ULI Terwilliger Center for Workforce Housing is forming the Workforce Housing Endorsement Coalition to engage Washington business leaders and housing advocates in solving the region's lack of housing affordable to its workforce. The goal of the coalition is to address one of the most critical issues facing metropolitan regions—the dwindling supply of housing that is affordable to moderate-income workers near centers of employment and transit.

**Objective:** To create a sustainable Workforce Housing Endorsement Program that will recognize and endorse well-designed and strategically located workforce housing in the Washington, D.C., metropolitan region.

Eligible for consideration are residential or mixed-use projects (both new construction and rehabilitation) that are currently, or soon will be, under regulatory review by a local jurisdiction in the Washington, D.C., region. While being considered for endorsement, a development proposal will be carefully evaluated against a series of criteria established by the coalition.

The coalition's criteria for endorsement considered in evaluating the projects is:

**Affordability:** At least 10 percent, or the minimum legal mandate of workforce units, are for people making between 60 and 120 percent of the area median income.

**Size and location:** At least eight workforce units per development, or total workforce units, should exceed 50 percent of the total project size. Special consideration will be given for proximity to employment centers and/or transit.

**Design:** The project should promote principles of good urban design: pedestrian- and transit-friendly site planning; contextual design with existing neighborhood character; increased density that maintains compatibility with streetscape and neighborhood scale.

**Community involvement:** Projects that have involved the community in the design and planning, or provided the opportunity for neighborhood feedback, will receive additional consideration.

**Innovation:** Examples of creativity and innovation may include the following: improving unit affordability to ensure long-term sustainability of the units; resourceful use of land sites, e.g., publicly owned land; conversion of land; brownfield sites; use conversion; inclusion of employer/employee housing strategies; public/private partnerships; reduction of the costs incurred by the residents; energy-efficient materials and green building principles; integration of mixed-income groups; and parking strategies, such as car-sharing vehicles.

### The Workforce Housing Endorsement Coalition aims to offer a range of support, including

- an official letter of endorsement;
- public testimony at hearings;
- media and press announcements highlighting the benefits of the project;
- attendance and promotion at neighborhood meetings;
- attendance at meetings with public officials;
- education of the merits of workforce housing; and
- publication of the endorsement on materials produced by the coalition and its members.



**Urban Land  
Institute**

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