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# Strategies to Solve the Housing Crisis

Thursday, April 3, 2025  
2:00-3:00 p.m. ET



Golden Shovel 

**Bethany Quinn**  
President, Golden Shovel Agency

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# From Shortage to Solution: Rethinking Workforce Housing as Economic Infrastructure

Golden Shovel Agency | Mid-America EDC

April 3, 2025



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# Presenters



**Bethany Quinn**  
President  
Golden Shovel Agency

# Housing Crisis



**Housing Availability:  
Things Have Changed  
Housing Isn't Affordable**

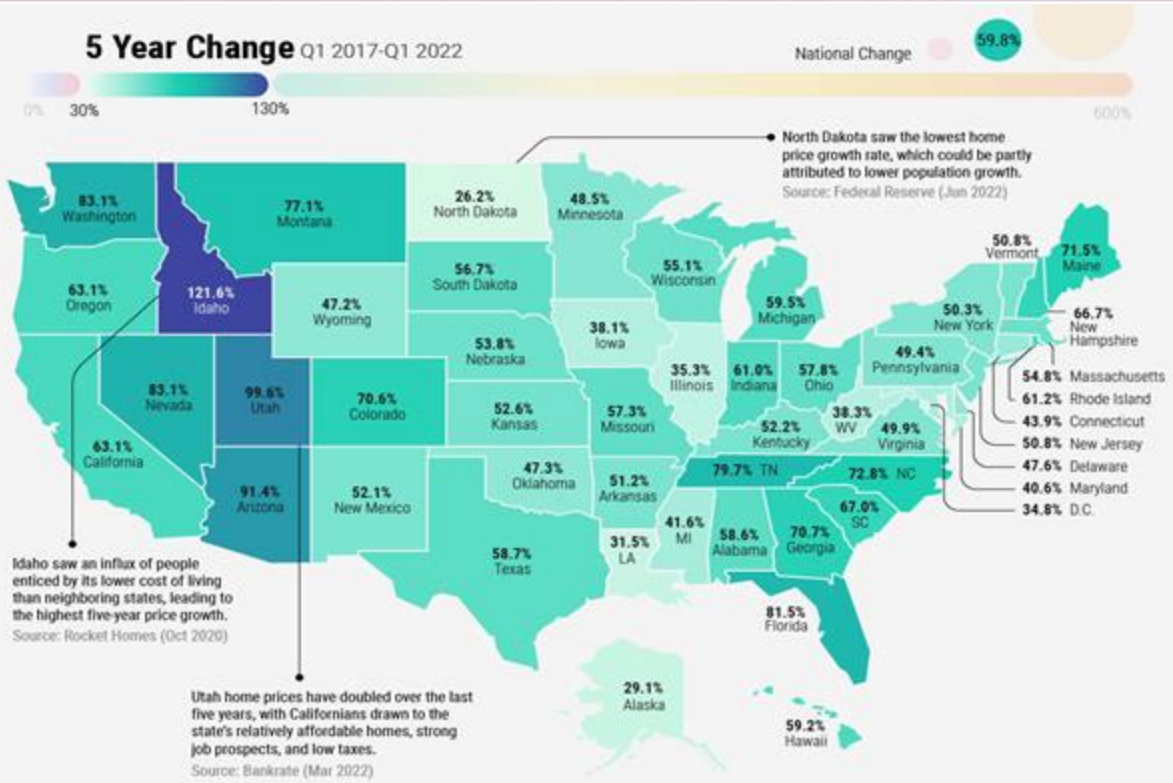
# Housing Affordability

## Homebuyers Need to Earn \$115,000 to Afford Median-Priced U.S. Home--More Than Ever Before

*"Affordable" means homebuyer spends no more than 30% of income on monthly mortgage payment*



# Housing Price Growth and Inflation



- Rising price growth makes homes more unaffordable
- Rising mortgage interest rates makes approval difficult
- People are less likely to move, creating less supply
- The cost of materials and labor has increased development cost



# **Housing Shortages Are Driving High Prices**



## It's Go Time

The United States alone has a housing shortfall of 3.8 million units. According to [Freddie Mac](#) researchers, “The main driver of the housing shortfall has been the long-term decline in the construction of single-family homes. That decline has been exacerbated by an even larger decrease in the supply of entry-level single-family homes or starter homes.”



## 2025 Housing Statistics (Realtor.com Economic Analysis)

- 1.4 million housing units were started in 2024
- Nationwide, it will take **7.5+ years** to close the housing supply gap at current construction rates



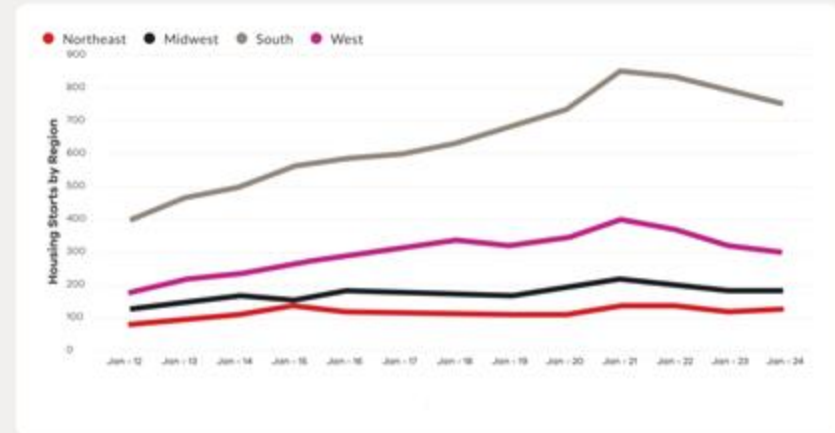
# 2025 Housing Statistics (Realtor.com Economic Analysis)

## Geographic impacts of today's activity

- Southern states will close the gap in 3 years
  - They have the highest number of units needed but construction is booming
- Western states will close the gap in 6.5 years
- The Midwest could take 41 years to close the gap
- The Northeast will have no improvement

The data

### Housing Starts By Region



Source: Census New Residential Construction

## 2025 Housing Statistics (Realtor.com Economic Analysis)

The Midwest saw the second-largest relative gap in 2024, and was the **only region to see household formations outpace housing starts in the year.**

The Midwest has likewise faced tight inventory conditions as buyers take advantage of the region's highly appealing affordability.

Homeowner vacancy rates in the Midwest are just **.09%** (second lowest in the country).

Rental vacancy rates in the Midwest are 7.2% - second best in the country (one bit of good news!)

# Factors that Lead to Growth

## Policies that spur activity

- No offsite requirements (water, road, etc)
- Low regulation
  - No environmental report
  - No prevailing wage requirements
- Flexible zoning laws
- Allow for pre-fab, modular, 3D printed & container homes
- Land is cleared first (demo)
- Only one parking spot required/unit
- Secure a Market Study first (some lenders require it)

## Financial Factors

- Financial incentives
  - Land
  - Infrastructure
  - Gap financing
  - Favorable financing (local banks)
- Waived impact fees

# Factors that Slow Growth

## Factors slowing growth

- Lack of land ready for development
- High impact fees
- Slow permitting process
- Decline in multifamily construction approvals
- High material costs (could worsen with tariffs on Canadian lumber)
- Interest rates ([J.P. Morgan's economist](#) suggests rates need to be 5% to see a significant increase in activity)



# Understanding Your Community's Housing Crisis



# Conduct a Housing Study

- Location breakdown for housing demand (necessary for a regional report).
- The number of housing units need to be built as workforce housing.
- Determination of how much senior housing will be needed.
- How the housing needs could change if the EDO's work results in job growth.
- Analysis of the community's current development capabilities and if outside developers will be needed to meet housing targets.



## How Economic Developers Are Using Housing Studies

“We need real-time data to demonstrate to housing developers that Greater Beloit is a strong market with an immediate need,” said Jen Hall, President/CEO. “Once complete, our housing study will be a tangible tool in our recruitment efforts.”



# Inclusivity Pays Off!

The more members of the community you engage the more information, ideas and support you will receive.

This is a community-wide issue and one you don't have to solve on your own!



# Community Needs Assessment

To ensure the housing strategy you put forward is supported by the community, you must **first engage community members** and **give them a platform** to express their needs, wants, and concerns.



# Who Should You Engage?

## Community members

- They may identify additional needs such as childcare. Lanford, for example, included childcare in their affordable housing project.

## Nonprofits

- Local nonprofits can participate in seeking grants for housing projects
- They may also have land to contribute

## Leaders and officials

- When they participate in the planning process they are more likely to support policy change.

## Landowners

- Discover who is willing to work with you by selling or contributing land to a project.

# Engage Major Employers

## What They Can Do

- They can share land and resources.
  - Springfield, Ohio - the hospital is using underutilized land on their campus to build single family homes
  - CareOregon, the Portland-based Medicaid and Medicare managed care provider, has purchased the Red Lion Hotel in Seaside to convert it to 50-60 workforce and low-income housing for people with behavioral health needs.

# Who Should You Engage?

## Developers/Construction Companies (local and regional)

- What would make them want to build in your community?
- What are the barriers?
- What are your permitting times & processes compared to other communities they are considering?
- Do they need help finding sites?

# Best Practices Are Working



# Pattern Zoning & Pre-Approvals as a Strategy in Claremore, OK

Claremore's pattern zones are a tool that utilizes **pre-approved plans** for building types based on four identified special districts. The **pattern zones were designed based on public input** including human resources groups, business leaders, young professionals, developers, and the general public. These architecturally designed plans intend to provide a quick-start tool that is pre-permitted and can be easily implemented.



**Within the first sixty days of implementation 22 permits were filed.**

# Build Faster

# Building Apartments Using Modular Design in Los Angeles

A five-story 84-unit apartment complex in Westlake used steel modules sourced in China to build a transit-close project that was fast-tracked by the city. The modules were manufactured, pre-plumbed, and wired off-site before being lifted into place by a crane and essentially snapped together like lego pieces.

Scott Baldrige, Aedis Real Estate Group President, [said](#), "This is not just a one-off project. It's a series of places created with a highly replicable design that delivers housing at a speed and scale required by neighborhoods in need."



# Building Faster Using Containers in Calgary, Canada



Home Builders in Calgary are using containers. Modern Huts, for example, expanded into container homes in 2008 as a way to recycle more materials.

Jeremy Johnson told CTV News that they can **build 90 percent of the home in 12 weeks** off-site and then assemble it in just one week, compared to a traditional construction time of six to eight months. In addition, their waste has been reduced by 80 percent.

## Success Story

Jordan Diedrich with Twin Cities Development Association in Nebraska, read our whitepaper promoting container homes as a housing solution.

He put this idea in action and now has a local manufacturing company producing them. This is a ideal solution for a rural region with 43,548 people spread across 3 counties.

# Empower Homeowners

# Down Payment Assistance in Indiana

The **First Step** program by the Indiana Housing and Community Development Authority (IHCDA) provides down payment assistance.

- **6 percent** of the purchase price as a non-forgivable loan for first-time homebuyers (no interest and no payments)
- **3.5 percent** of the purchase price for down payment assistance to repeat homebuyers



# Building Accessory Dwellings in Snohomish County, WA

Snohomish County, Washington is letting homeowners build a second, smaller dwelling on their property either as a rental or for extended family to live in. It **prevents the need to find additional land for housing**.

No conditional use permits are required. Snohomish County has adjusted its planning and zoning codes to allow for one attached and one detached accessory dwelling to be built, per existing single-family unit.

The accessory dwelling must be built on the same lot, have the same ownership and be physically separated from the home.





# Using Cash Rebates to Encourage Development in Harmony, MN

The City of Harmony created a cash rebate program to attract new residents who would **build their own homes**, rather than purchase existing inventory.

They offer **\$12,000 in cash rebates** - something that garnered national attention **without costing the taxpayers anything**.

Since 2014, the program has been responsible for 17 new units – creating over \$3M in new taxable value. This is major growth for a town of 1,000 people!



# Change Policies

# Update the Zoning Code: Langley on Whidbey Island

Langley updated the zoning code to:

**#1 Let people build a collection of small apartment buildings around a shared open space.**

[Meredith Penny](#), the head planner in Langley, describes a 5,000 sf piece of property that's probably going to be developed under the new zoning rules.

"Under the old code, with the two parcels, you likely could have done a duplex on each of them with an ADU behind. So you'd have maybe six units and under the [new] multifamily infill code, you could probably get closer to 12 to 15 units."

**#2 Allow for the construction of tiny homes.**



# Creating Short-Term Employee Housing in the Town of Blackfalds, Alberta

The Town of Canmore is adjacent to Banff, Alberta. With over 4 million people visiting annually, the community recruits a lot of seasonal workers but doesn't have enough housing for them. The Town of Canmore **changed its bylaws to allow for shared amenities housing to be built.**

Common amenity units are being built in Teepee Town. **Residents will have their own bedroom and bathroom, but share a living and kitchen space.** The developer intends to **lease directly to employers** for them to use as employee housing.

# Gentle Rezoning Can Increase Density Without Changing Character

Encouraging the building of townhomes and triplexes could come down to changing the zoning in certain areas of a community. This is what [Brookings](#) refers to when proposing transitioning zoning from allowing one-unit to three or four-unit dwellings. This type of zoning change allows for additional density without altering the essential character of a neighborhood.

To visualize how “gentle” rezoning could work, Brookings created this visual, demonstrating how a single lot could be used.



## All For Mixed-Use Housing

In McAlester, Oklahoma downtown business and property owners lobbied to have the zoning changed to **allow for people to live in the downtown business district.**

Now business owners are living above their retail or restaurant establishments and some downtown properties that were vacant or underutilized are now residential homes.



# Take an Active Role



## Build It Yourself

With no local housing developers, the non-profit economic development group decided to create the Centerville Development Corporation. They have been **developing affordable housing for over 15 years.**

To fund continued development, any profits from the sale of homes are rolled into new housing projects year to year.

They also buy and clean up dilapidated properties to make way for new housing opportunities and are in the planning stages of a new 14-acre housing development on the south edge of Centerville.





## Work With Property Owners

In Clinton, Iowa they negotiated to purchase land, creating a TIF district to include a housing project prior to the deal closing. They heavily marketed 38 lots and held a lottery to purchase them. This stirred up significant interest, allowing them to sell 38 lots immediately after closing. **“We bought the land and paid for it about 5 days later!”**

The profits from the project were used to create additional housing opportunities. “We took the proceeds and purchased an entire city block from the school district where there had once been a school. We used the money to put in an alley and the infrastructure to create an entire block of shovel-ready lots. Those homes were more likely to be a first-time home buyer size and price so they sold quickly.”

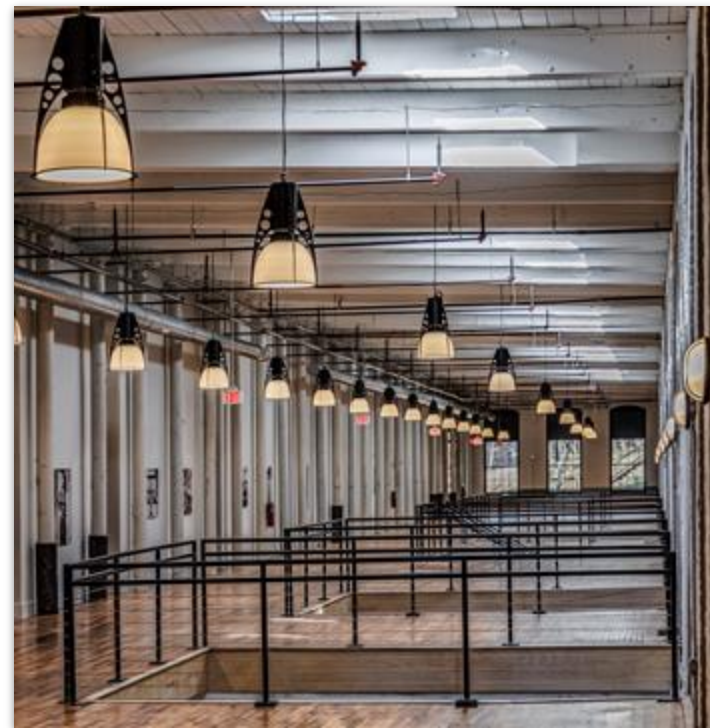
# Repurpose Buildings

## Blue Bell Mill Apartments in Caldwell County, NC

As a community focused on manufacturing, Caldwell County had a period where they had over 5 million square feet of available industrial space. Most of that space has now been purchased by new manufacturing companies. But, one property was repurposed and turned into downtown housing.



# Blue Bell Mill Apartments in Caldwell County, NC



## Repurpose Land & Properties

- The Village of Clinton, Wisconsin turned unused parkland into a housing development by selling lots to a developer for \$1 with an agreement that the developer would put in the infrastructure.
- Roanoke County, Virginia turned an old school into workforce apartments
- Cleveland, Ohio turned an office building into 652 apartments downtown
- Old motels and hotels are being converted into affordable apartments near Disney World and Universal



# Funding Housing Development



# Your Local Banks Have a Role to Play

<b>Homebuilder Return Schedule Comparison with \$1,000,000 in Equity</b>		
	Equity	Debt + Equity
Total Home Costs	\$ 1,000,000	\$ 1,000,000
Equity	\$ 1,000,000	\$ 250,000
Debt	\$ -	\$ 750,000
Net Sale Value	\$ 1,300,000	\$ 1,300,000
Sale Proceeds	\$ 300,000	\$ 300,000
Equity Proceeds	\$ 1,300,000	\$ 550,000
Equity Multiple	1.3	2.2
Additional Equity Capacity	\$ -	\$ 750,000
Additional Project Capacity	0	3
Additional Equity Proceeds	\$ -	\$ 1,650,000
Total Proceeds	\$ 1,300,000	\$ 2,200,000
<b>Net Profit</b>	<b>\$ 300,000</b>	<b>\$ 1,200,000</b>

[Article written by Developer Coby Lefkowitz](#)

# Kansas City Housing Trust Fund

**Goal:** Provide affordable housing for people making \$62,700 or less annually

**Funding sources:** COVID relief money, \$50 million bond measure (passed with 71%)

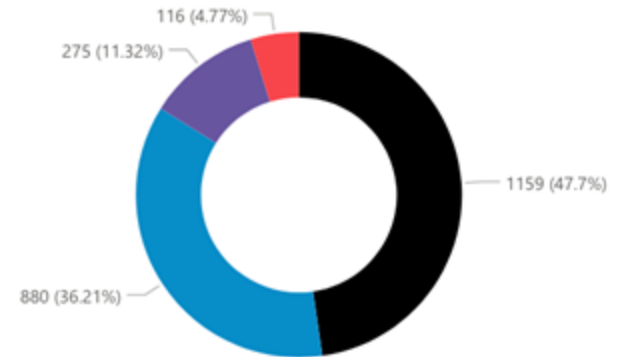
Developers can receive a **grant** or **loan** to go towards the project cost.

**2,430 housing units are projected**

Projected Affordable Unit Count by Category

Category

- Affordable Rental Creation
- Affordable Rental Preservation
- Transitional/Supportive Hous...
- Homeownership Support an...





# Create an Investment Fund

The Greater Fremont Development Council conducted a housing study and found that they needed thousands of units to meet the growing demand. Unfortunately, larger developers weren't showing an interest.

**To incentivize housing development they formed the Dodge County Investment Fund and Here We Grow Homes Fund.** These programs provide gap financing for developers of workforce housing.

As a result of their efforts, **over 1,000 homes have been built in the past several years!**

## Additional Ways to Fund Housing Development

- Negotiate to purchase property for development from landowners with payment delayed until the lots are sold (Clinton, Iowa).
- Secure government loans and funding to build low-income housing (Oxford, MS)
- Work with non-profits who can secure grant funding (Everett, WA)
- Create a public-private partnership with major employers. For example, Universal is building 1,000 affordable housing units in Orlando and Google has pledged billions to build housing in California. Any major employer with excess land can help.

## PCDC Update

[Phelps County Development Corporation](#) partnered with local government entities & organizations to apply for grants to purchase and develop property. They have also recruited small contractors to build a few homes at a time in a development - an alternative approach to finding a single, large home builder.



# Build Affordable Housing

But who qualifies as a family with low to moderate income for CDBG funds?

- Teachers
- Grocery clerks
- Police officers
- Bank tellers

A LOT of people!

**Low- and Moderate-Income Person (LMI) - A low- and moderate-income person is a member of a household with a total annual income equal to or less than HUD's published income limits. The total annual income includes the combined income of all adults in the household over the 12 months leading up to the effective date of the income determination. HUD's income limits for a low- and moderate-income household are equal to or less than 80% of the area median household income.**

# Affordability & LMI is Based on the Community: Caldwell County, NC

## FY 2023 Income Limits Summary

FY 2023 Income Limit Area	Median Family Income <a href="#">Click for More Detail</a>	FY 2023 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Hickory-Lenoir-Morganton, NC MSA	\$71,400	Very Low (50%) Income Limits (\$) <a href="#">Click for More Detail</a>	25,000	28,550	32,100	<b>35,650</b>	38,550	41,400	44,250	47,100
		Extremely Low Income Limits (\$)* <a href="#">Click for More Detail</a>	15,000	19,720	24,860	<b>30,000</b>	35,140	40,280	44,250*	47,100*
		Low (80%) Income Limits (\$) <a href="#">Click for More Detail</a>	39,950	45,650	51,350	<b>57,050</b>	61,650	66,200	70,750	75,350



# Success: State Programs Incentivize Homebuilding

## Kentucky

Kentucky allocated \$30 million in state funds to develop affordable workforce housing in rural areas. Since its launch, this program has led to the construction of over 800 new homes. By working closely with local developers and offering low-interest loans, Kentucky has increased housing stock in critical labor markets.

## Georgia

The "**Rural Zone**" Program initiative encourages development in rural communities by offering tax incentives to developers who build affordable housing. It has led to the construction of over 1,000 new homes across 15 counties. The program is a mix of state funding, federal tax credits, and public-private partnerships aimed at reducing housing costs and increasing availability.

# Leverage Public Grants

Not everyone has access to state housing grants. But, most economic developers can access CDBG grants.

**CDBG money can be used to provide grants to housing providers for housing and community development projects that benefit low- and moderate-income households or neighborhoods.**



# Success: Community Partnerships Invest in Housing Solutions

- Recent community engagement secured **\$2.8M+** on goal of \$2.1M over five years
- A **50% increase** over previous funding level
- Housing and workforce strategies were major components
- Support development of 800 housing units in 3 years
- Annual goal of 300 single family home permits
- City of Lawrence bought in/engaged



*Housing was not included in initial draft plan*



**Strategy + Solutions = Results**



Proven Strategies for Solving Housing Shortages - Whitepaper

# Free Whitepaper

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