TULSA CITYWIDE HOUSING ASSESSMENT:
RESULTS & NEXT STEPS

PREPARED FOR
Housing Solutions of Tulsa and its Partners

March 22, 2023
Tulsa needs **12,900 units** over the next 10 years...
Tulsa needs **12,900 units** over the next 10 years...

...and nearly **$40 million** in new resources each year to meet that need.
What does this mean?
Where do we start?
What comes next?

12,900 units

$40m in new resources /yr.
A FRAMEWORK: 3 KEY IDEAS

1. Tulsa needs **all types and price points of housing** in all areas of the city.

2. Everything should be on the table: policies, funding sources, strategies, zoning regulations, development process, resource alignment, etc.

3. **More public resources are needed:** existing tools and programs are not enough to meet the scale of the need.
WHY INVEST IN HOUSING?

KEY TRENDS: HOW DID WE GET HERE?

MARKET ANALYSIS: WHAT IS THE NEED?

FEASIBILITY: WHAT IS THE COST?

NEXT STEPS: WORKING TOWARD A STRATEGY
Housing development builds the **economy**

Secure housing strengthens **education**

Stable housing improves **financial security**

Stable housing supports **health**
The Urgency...

**INCREASING HOME PRICES AND RENTS**
- Substantial **increase in housing prices** over the past five years
- **43%** Home price increase
- **18%** Rent increase

**VOUCHER CHALLENGES**
- **47** Number of properties **not accepting vouchers**

**HOUSING AFFORDABILITY CHALLENGES**
- **3.9** Housing value to homeowner income ratio in Tulsa MSA (2.6 is considered a healthy ratio)

Source: Oklahoma Commerce Website
Source: American Community Survey (2022)
WHY INVEST IN HOUSING?

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NEXT STEPS: WORKING TOWARD A STRATEGY
After a decade of underbuilding nationally and generational disinvestment in many existing neighborhoods.

New Housing Units Completed

Cumulative Gap 2001-2020: 5.5 million units

Note: Number of housing units in thousands.
Source: U.S. Census
1. Tulsa’s **housing market is very competitive**, with rapidly increasing prices and rents, along with limited availability.

2. Tulsa’s **expanding job market** will attract new residents, increasing demand for housing in an already tight market.

3. Many residents—especially renters—**struggle to make housing payments** alongside other basic costs of living.

4. Nearly half of Tulsa’s housing stock is **more than 50 years old**.

5. **Housing trends vary** across the city.

6. There isn’t enough **dedicated affordable housing**.

7. Tulsa **compares favorably** to its peers.
3. MANY TULSANS STRUGGLE TO MAKE MONTHLY HOUSING PAYMENTS

$987 per month to rent a 2-bedroom unit of safe and decent quality

30% of households in the MSA cannot afford that rent

Gross Rent, calculated based on FY22 HUD Fair Market Rent for Tulsa, OK HUD Metro

Calculated based on a $987 rent, assuming 30% of income toward rent, full-time employment
3. MANY TULSANS STRUGGLE TO MAKE MONTHLY HOUSING PAYMENTS

Nearly half of all renters are cost burdened, paying over 30% of their income toward housing

Source: American Community Survey (2020)
Across all subareas, market rent has increased 8% to 53% since 2019 Q1.
5. TRENDS VARY ACROSS THE CITY

Housing cost burden is a citywide issue

18% to 22% face extreme cost burden (rent > 50% income)

39% to 51% of rental households by subarea are cost burdened

Source: American Community Survey (2016-2020), Esri
6. THERE ISN'T ENOUGH DEDICATED AFFORDABLE HOUSING

- **Housing Choice Voucher**
- **LIHTC**
- **Public Housing**
- **Section 8**

<table>
<thead>
<tr>
<th>No. of Units</th>
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<tbody>
<tr>
<td>&lt; 20</td>
<td>63,600</td>
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<td>20 - 40</td>
<td>14,600 units</td>
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<tr>
<td>80 - 120</td>
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<tr>
<td>&gt; 120</td>
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</table>

- 63,600 qualifying households
- 14,600 units
WHY INVEST IN HOUSING?

KEY TRENDS: HOW DID WE GET HERE?

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NEXT STEPS: WORKING TOWARD A STRATEGY
COST OF HOUSING
AFFORDABILITY METRICS AND INCOME DISTRIBUTION

Calculated based on 2-person household incomes. Mortgage affordability for low-income households is calculated with varied down payments, avg 7%
HOUSING DEMAND ACROSS THE ENTIRE "AFFORDABILITY SPECTRUM"
OUR CO-WORKERS, SERVICE PROVIDERS, NEIGHBORS, AND OTHERS

The Peterson Family
Household Occupation/s
Auto mechanic
Home care aid
Household Income
$54,000
Household Size
2 adults
2 children
Max. Affordable Rent
$1,200
Attainable Home Price
$135k

The Barnes Family
Household Occupation/s
Welder
Retail Salesperson
Household Income
$70,000
Household Size
2 adults
2 children
Max. Affordable Rent
$1,400
Attainable Home Price
$167k

The Miller Family
Household Occupation/s
Warehouse Manager
Part-time day-care worker
Household Income
$40,000
Household Size
2 adults
2 children
Max. Affordable Rent
$1,100
Attainable Home Price
$100k

The Price Family
Household Occupation/s
Software Developer
Assembly line worker
Household Income
$81,000
Household Size
2 adults
1 child
Max. Affordable Rent
$1,800
Attainable Home Price
$267k

60% AMI
80% AMI
100% AMI
120% AMI
HOUSING DEMAND
PROJECTED POPULATION GROWTH

- 393,800 households in 2000 with -0.5% annual growth
- 391,900 households in 2010 with 0.57% annual growth
- 419,500 households in 2022
- 433,400 households in 2023
- 458,200 households in 2033

0.57% annual growth (based on growth rate in the past decade)

0.81% annual growth (based on an aggressive growth scenario)

6,000-15,000 new households
Demand projections ranged from 9,450 total units, assuming that growth continues at the same pace as the past decade, to more than 18,000 units should the city of Tulsa grow at the same rate as the MSA. The conclusion of 12,900 units represents a reasonable blend of these two scenarios, assuming that increased production in the city will allow it to begin to capture a greater share of regional growth in the next several years. It also reflects the reality that it will be difficult to increase the production rate in the city immediately—it will be a gradual effort.
In 2021

3,236 individuals **ENTER** homeless system

...the homeless system serves (HMIS)

4,842 individuals

2,351 individuals **EXIT** the homeless system

Source: Homebase Analysis
Homelessness is rare and brief.
Inflow is less than outflow
The community has the capacity to ensure a positive exits

\[ \approx 45 \text{ days} \]

Source: https://community.solutions/built-for-zero/functional-zero/
FUNCTIONAL ZERO
HOW DOES TULSA ACHIEVE IT?

Unmet Need Over Time

Source: Homebase Analysis
DEMAND SUMMARY
HOUSING UNITS NEEDED FOR HOMELESS POPULATION

Housing Need

- Permanent Supportive Housing
  - Current capacity: 513
  - Housing Need: +1,199
  - Utilizes existing stock in the housing market

- Rapid Rehousing
  - Current capacity: 435
  - Housing Need: +1,403

- Transitional Housing
  - Current capacity: 125
  - Housing Need: +132

- Emergency Shelter Beds
  - Current capacity: 460
  - Housing Need: +869

**Total Housing Units Needed:** +2,734

Additional beds & units only needed until functional zero is achieved

Source: Homebase Analysis
Nationally...

taxpayers pay $46,000 per year to provide emergency and health services for each individual experiencing chronic homelessness versus $16,700 per year to provide supportive housing.

National Alliance to End Homelessness, “Ending Chronic Homelessness Saves Taxpayers Money”
Adding housing of every type leads to greater regional affordability

$67,155
HUD Area Median Income
Adjusted for median HH size for the City of Tulsa (2.34)
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FEASIBILITY
EXAMPLES OF PUBLIC-SECTOR PROGRAMS

LIHTC

Tax Increment Financing (TIF)

SUBSIDIZED  LOW-INCOME  AFFORDABLE  WORKFORCE  MODERATE  UPSCALE

Lower rents and sale prices
LARGER GAPS

Higher rents and sale prices
SMALLER / NO GAPS
How much investment is needed to support housing demand?

- Public Programs and Investments: $23 million (9%)
- Funding Gap: $37 million (15%)
- Private Investment: $185 million (76%)

Total annual investment: $245 million
WHAT DOES $500 MILLION MEAN?

BUILDING PERMITS (IN UNITS)

Need to increase production from an average of **830 units per year** to nearly **1,300 units per year**

Source: HUD Permit Database (for the City of Tulsa, OK)
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NEXT STEPS: WORKING TOWARD A STRATEGY
Toward a **Strategy for Tulsa**

1. Establish priorities
2. Define roles
3. Identify programs and policies / reduce barriers
4. Create a timeline
5. Identify new funding sources
6. Measure progress
<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
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<tbody>
<tr>
<td>Philanthropy</td>
<td>Funders / Influencers</td>
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<td>Non-profits</td>
<td>Providers / Implementers</td>
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<tr>
<td>Developers</td>
<td>Risk Takers / Builders</td>
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<tr>
<td>Lenders</td>
<td>Provide capital / Assume risk</td>
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<td>Investors</td>
<td>Provide capital / Determine risk</td>
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<tr>
<td>CDCs</td>
<td>Organizers / Implementers</td>
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<tr>
<td>Corporations</td>
<td>Provide capital / Leadership</td>
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<tr>
<td>Intermediaries</td>
<td>Pool capital / Partner / Finance</td>
</tr>
</tbody>
</table>
• **Zoning** to allow more diverse housing types by-right

• **Development process** that is efficient and encourages developers to do business in Tulsa

• **Align housing programs** with best practices and broader efforts

• Identify **strategic areas to add density** near jobs, transit access, and amenities, and craft policies that support that development

• **Raise and/or commit additional funds** to housing

• **Increase Tulsa’s competitiveness** with regional communities
What have other cities done?

- **Minneapolis NOAH Impact Fund**
  - $50 million target fund, multiple funding sources

- **Charlotte Housing Our Future Fund**
  - $100 million, multiple funding sources
  - $10 million seed funding from Foundation for the Carolinas

- **Chattanooga Affordable Housing Initiative**
  - Goal of $100 million over 5 years
  - $33m from city’s general fund
1. Tulsa needs all types and price points of housing in all areas of the city.

2. Everything should be on the table: policies, funding sources, strategies, zoning regulations, development process, resource alignment, etc.

3. More public resources are needed: existing tools and programs are not enough to meet the scale of the need.
## Maximum Affordable Monthly Housing Costs
### Area Median Income

Calculated at 30% of monthly income, including utilities

<table>
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<tr>
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<th>3</th>
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<td>$484</td>
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