

TULSA CITYWIDE HOUSING ASSESSMENT: RESULTS & NEXT STEPS

PREPARED FOR
Housing Solutions of
Tulsa and its Partners

March 22, 2023

DEVELOPMENT STRATEGIES



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



An aerial photograph of a residential neighborhood, showing a dense arrangement of houses with various roof colors and styles, interspersed with green trees. The image is dimmed to serve as a background for the text.

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

**...and nearly \$40 million in
new resources each year to
meet that need.**



12,900

units

\$40m

in new
resources /yr.

What does this mean?

Where do we start?

What comes next?

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...



...IMPACTS EVERYTHING

Housing
development builds
the **economy**

Secure housing
strengthens
education

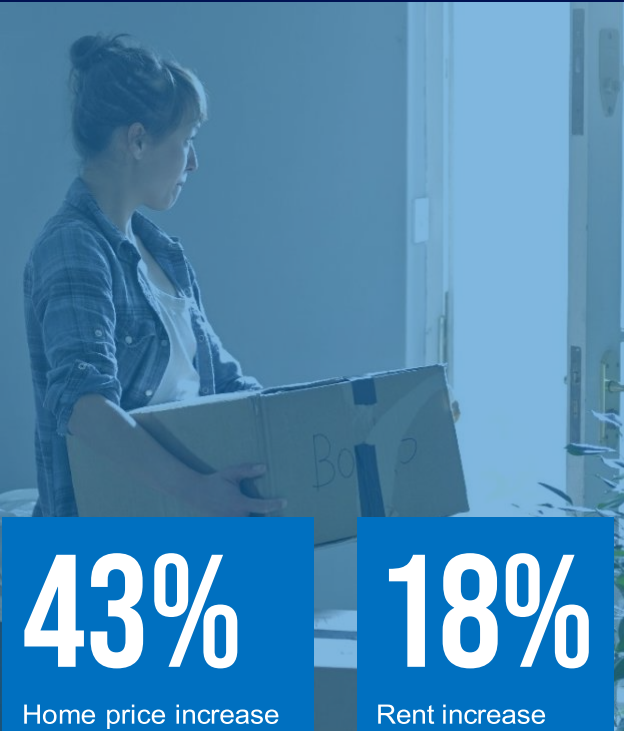


Stable housing
improves **financial
security**

Stable housing
supports **health**

The Urgency...

INCREASING HOME PRICES AND RENTS



43%

Home price increase

18%

Rent increase

Substantial increase in housing prices over the past five years

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)



WHY INVEST IN HOUSING?

KEY TRENDS: HOW DID WE GET HERE?

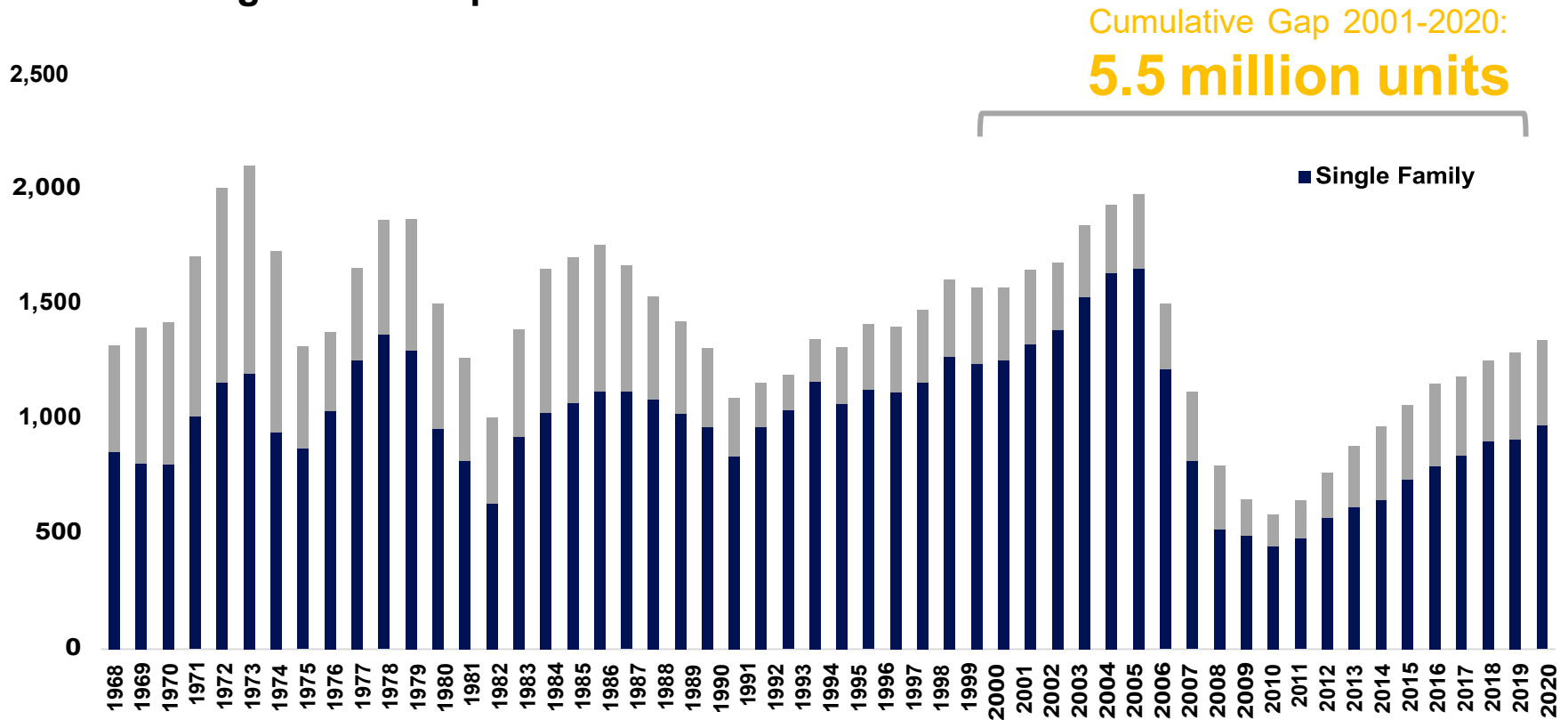
MARKET ANALYSIS: WHAT IS THE NEED?

FEASIBILITY: WHAT IS THE COST?

NEXT STEPS: WORKING TOWARD A STRATEGY

After a decade of **underbuilding** nationally and generational **disinvestment** in many existing neighborhoods

New Housing Units Completed



Note: Number of housing units in thousands.

Source: U.S. Census

SUMMARY OF KEY THEMES

7 KEY FINDINGS



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

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

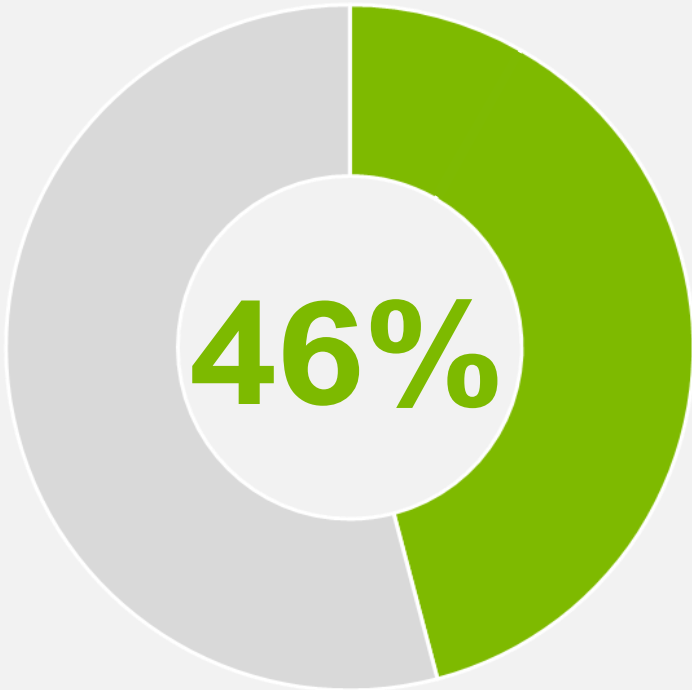
30%

of households

In the MSA **cannot afford that rent**

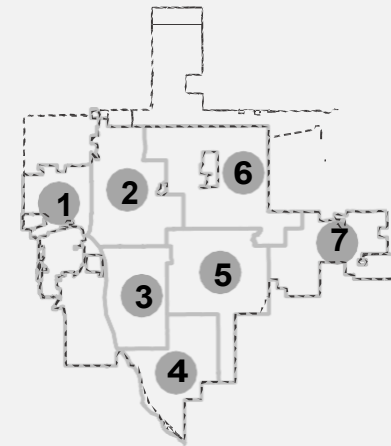
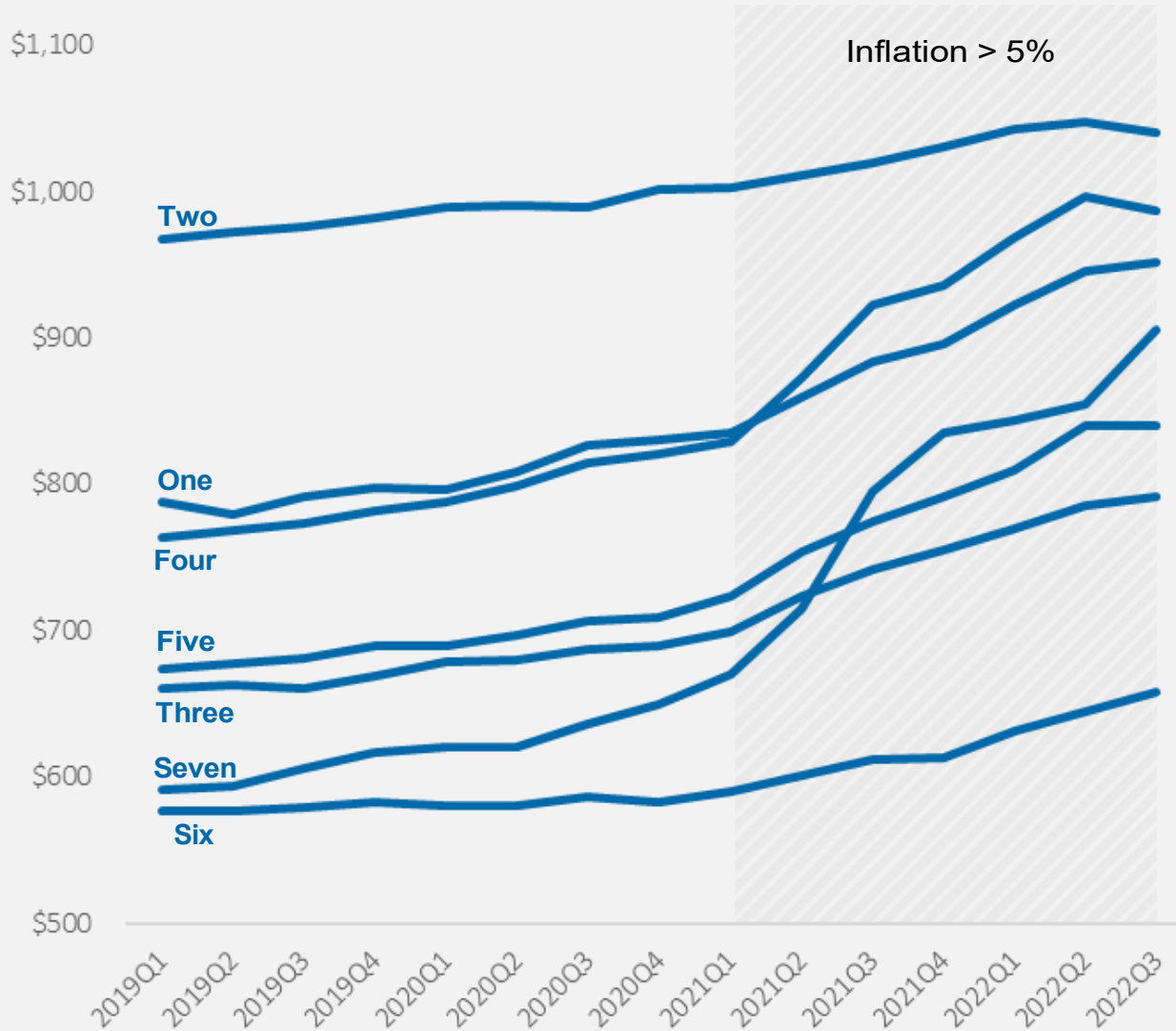
Calculated based on a \$987 rent, assuming 30% of income toward rent, full-time employment

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

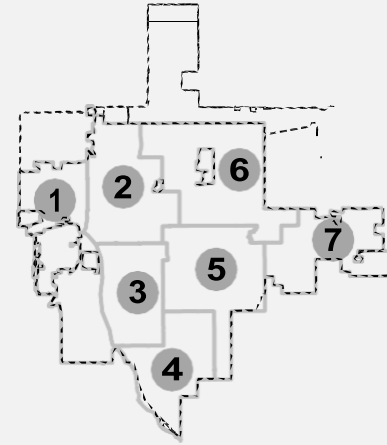
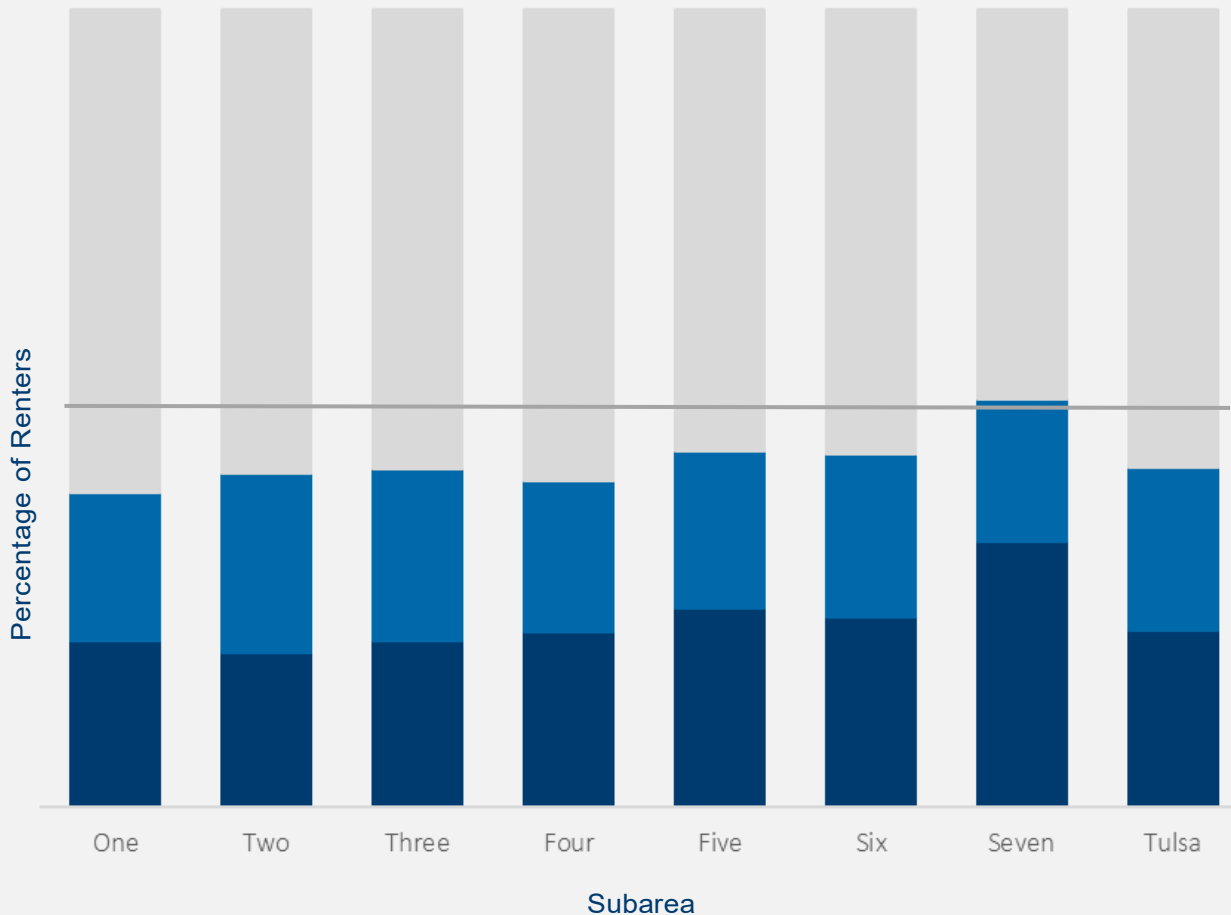
5. TRENDS VARY ACROSS THE CITY



Across all subareas,
market rent has
increased
8% to 53%
since 2019 Q1

5. TRENDS VARY ACROSS THE CITY

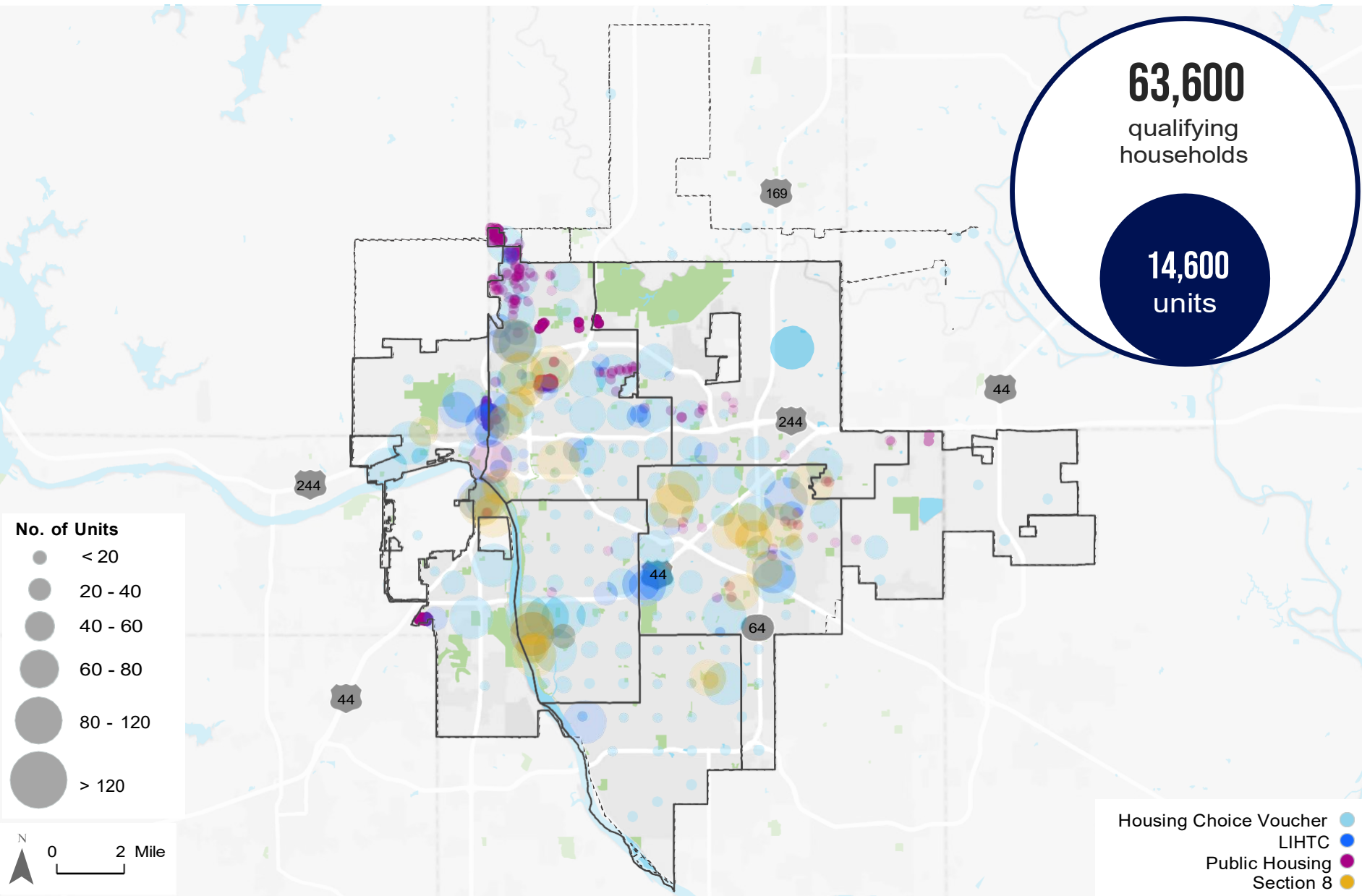
Housing cost burden is a citywide issue



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

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

6. THERE ISN'T ENOUGH DEDICATED AFFORDABLE HOUSING



63,600
qualifying households

14,600
units

No. of Units

- < 20
- 20 - 40
- 40 - 60
- 60 - 80
- 80 - 120
- > 120

Housing Choice Voucher (light blue)
LIHTC (dark blue)
Public Housing (purple)
Section 8 (yellow)

0 2 Mile



WHY INVEST IN HOUSING?

KEY TRENDS: HOW DID WE GET HERE?

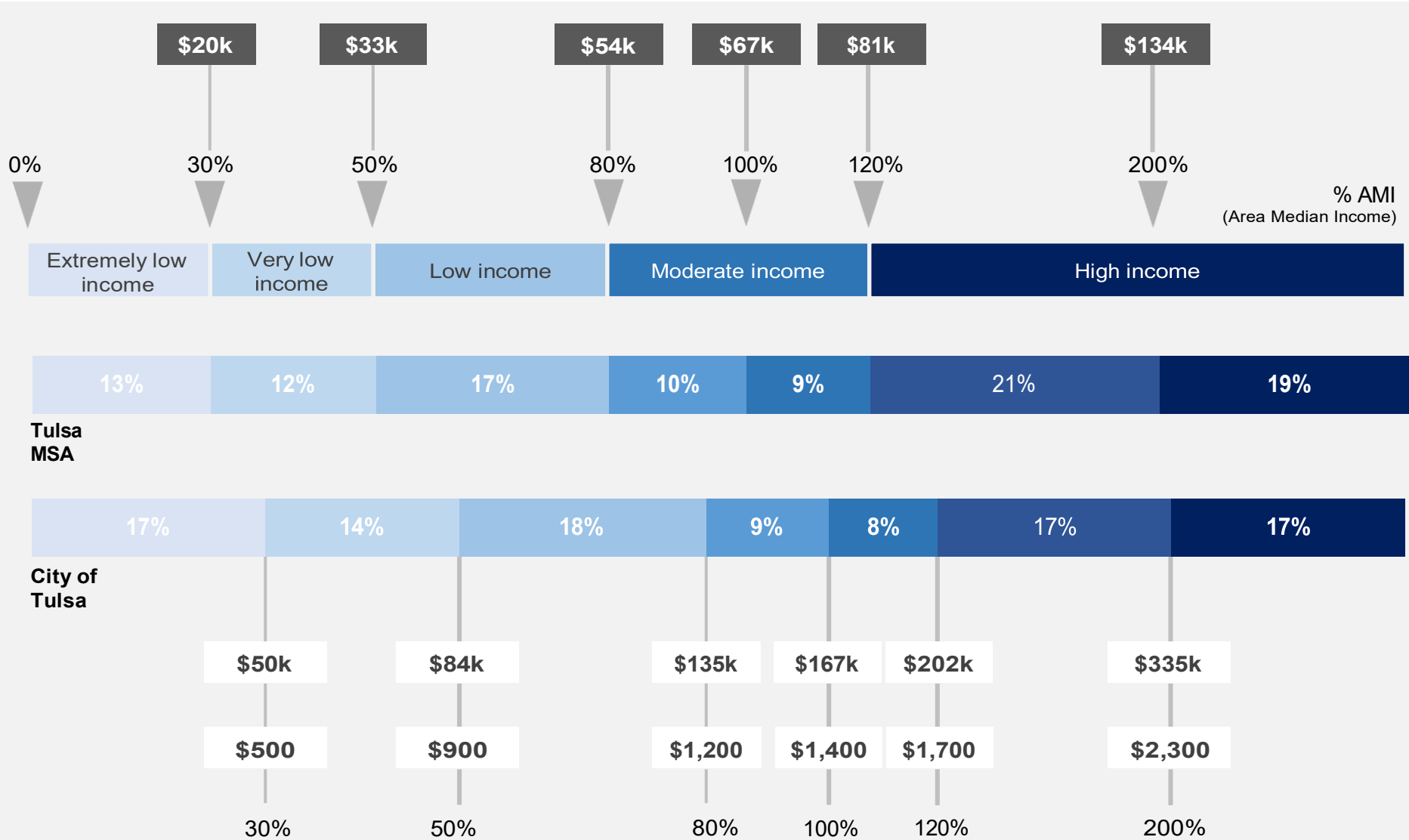
MARKET ANALYSIS: WHAT IS THE NEED?

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NEXT STEPS: WORKING TOWARD A STRATEGY

COST OF HOUSING

AFFORDABILITY METRICS AND INCOME DISTRIBUTION



Source: HUD, Development Strategies, ESRI

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 Miller Family

Household Occupation/s
Warehouse Manager
Part-time day-care worker

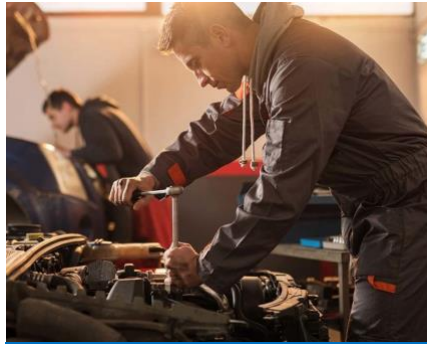
Household Income
\$40,000

Household Size
2 adults
2 children

Max. Affordable Rent
\$1,100

Attainable Home Price
\$100k

60% AMI



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

80% AMI



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

100% AMI



The Price Family

Household Occupation/s
Software Developer
Assembly line worker

Household Income
\$81,000

Household Size
2 adults
1 child

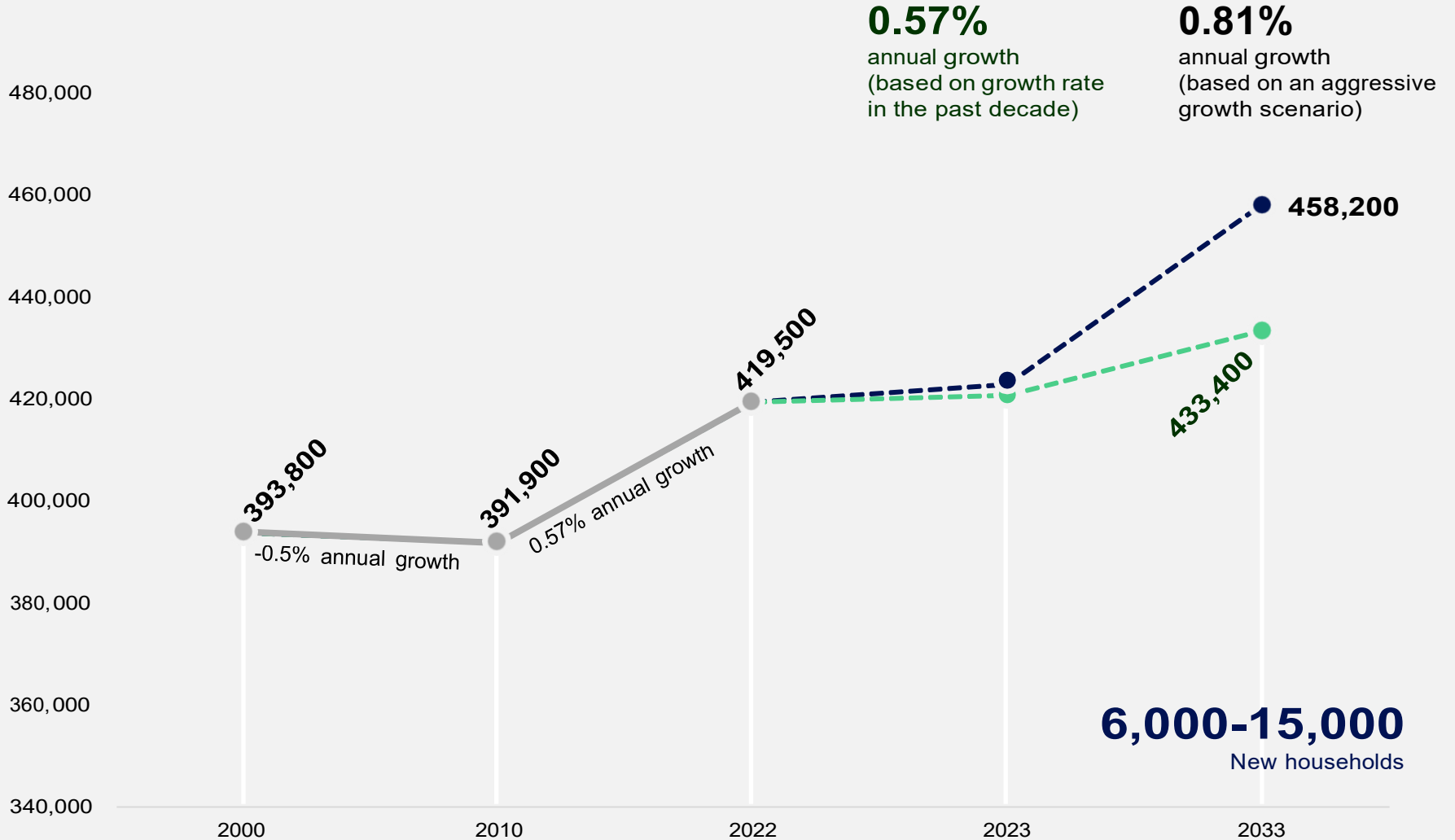
Max. Affordable Rent
\$1,800

Attainable Home Price
\$267k

120% AMI

HOUSING DEMAND

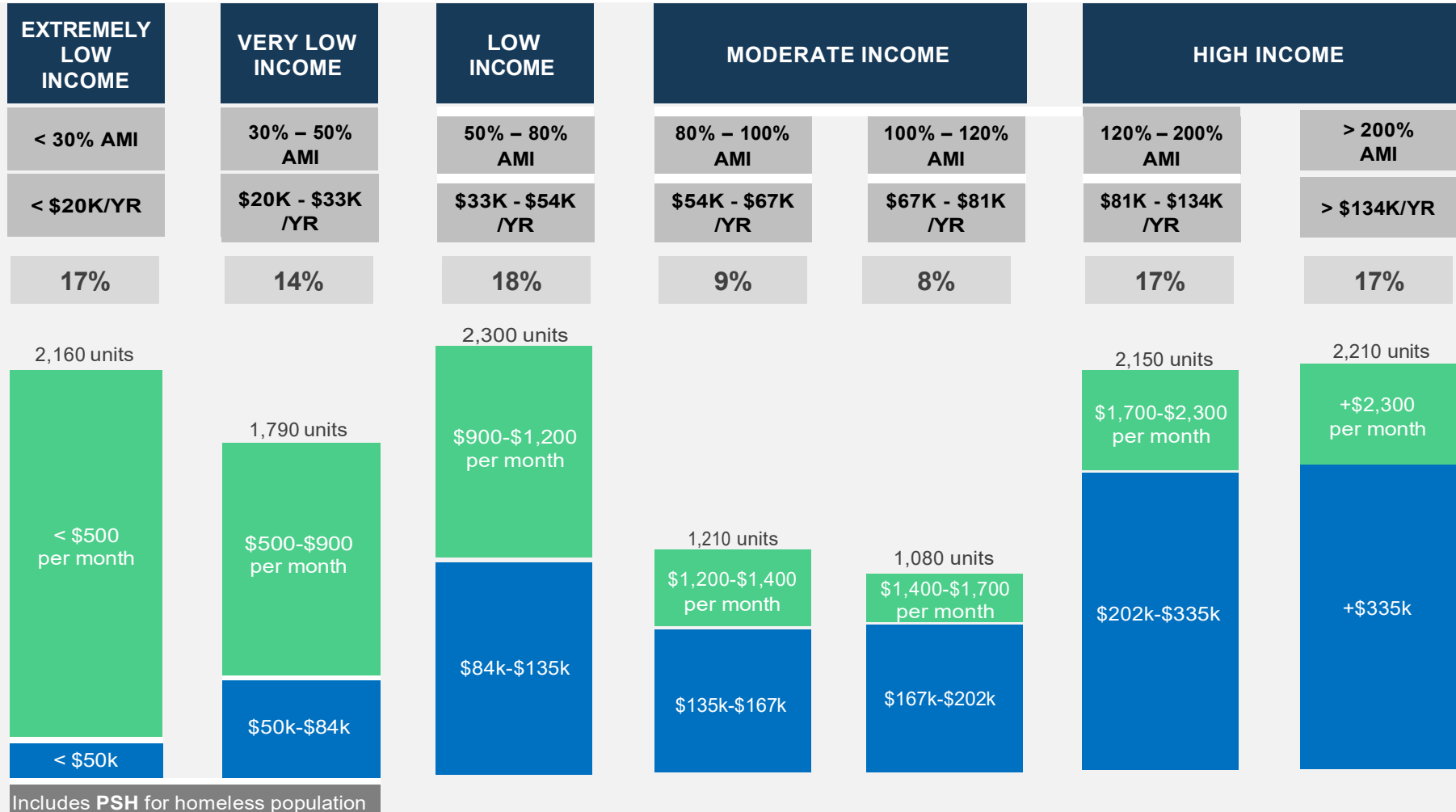
PROJECTED POPULATION GROWTH



DEMAND SUMMARY

CITY OF TULSA

■ For-sale units
■ Rental units



12,900 UNITS OF TOTAL DEMAND OVER THE NEXT 10 YEARS

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.

DEMAND SUMMARY
FOCUS ON HOMELESSNESS

In 2021



FUNCTIONAL ZERO

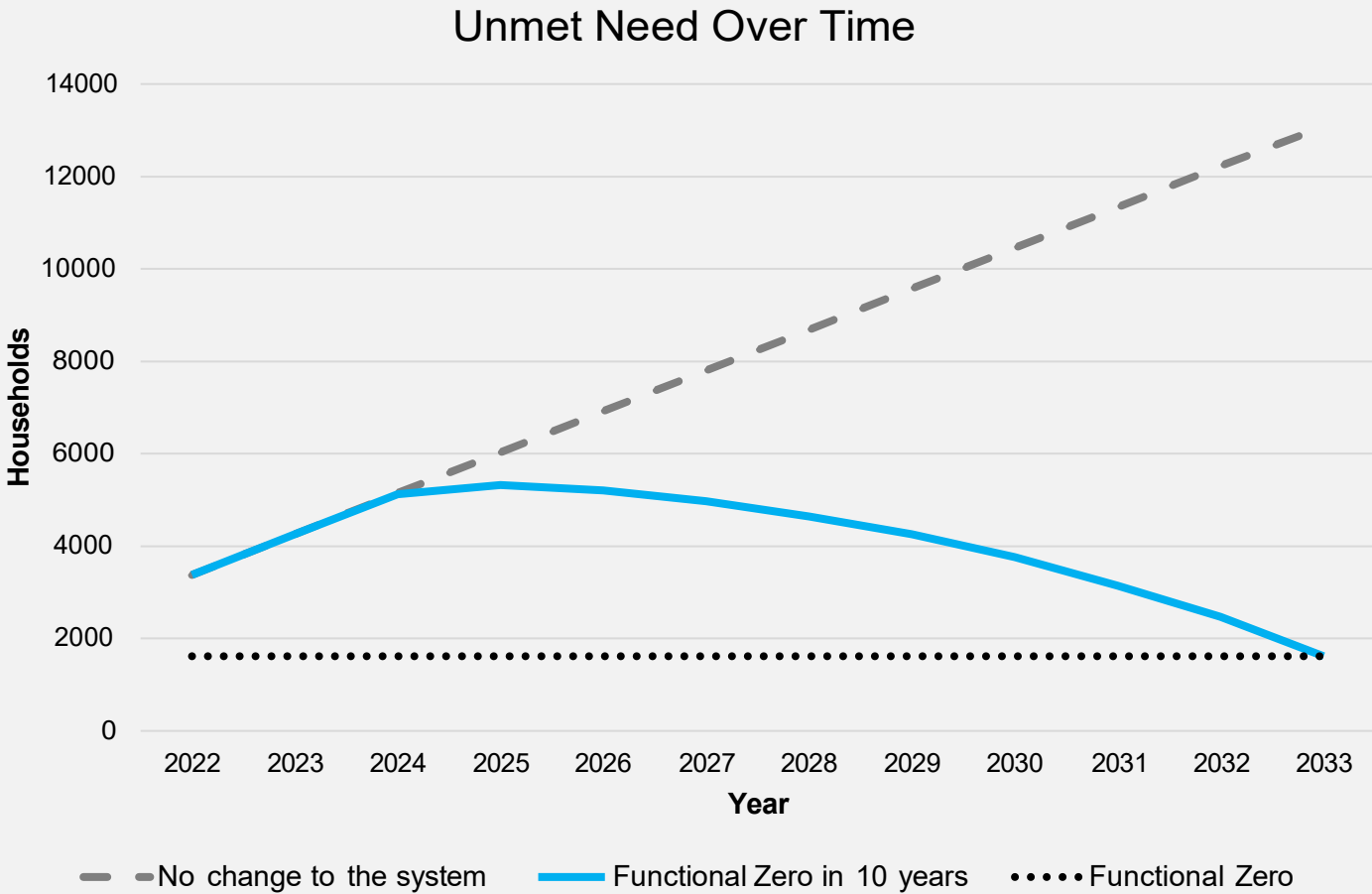
A SIMPLE DEFINITION

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



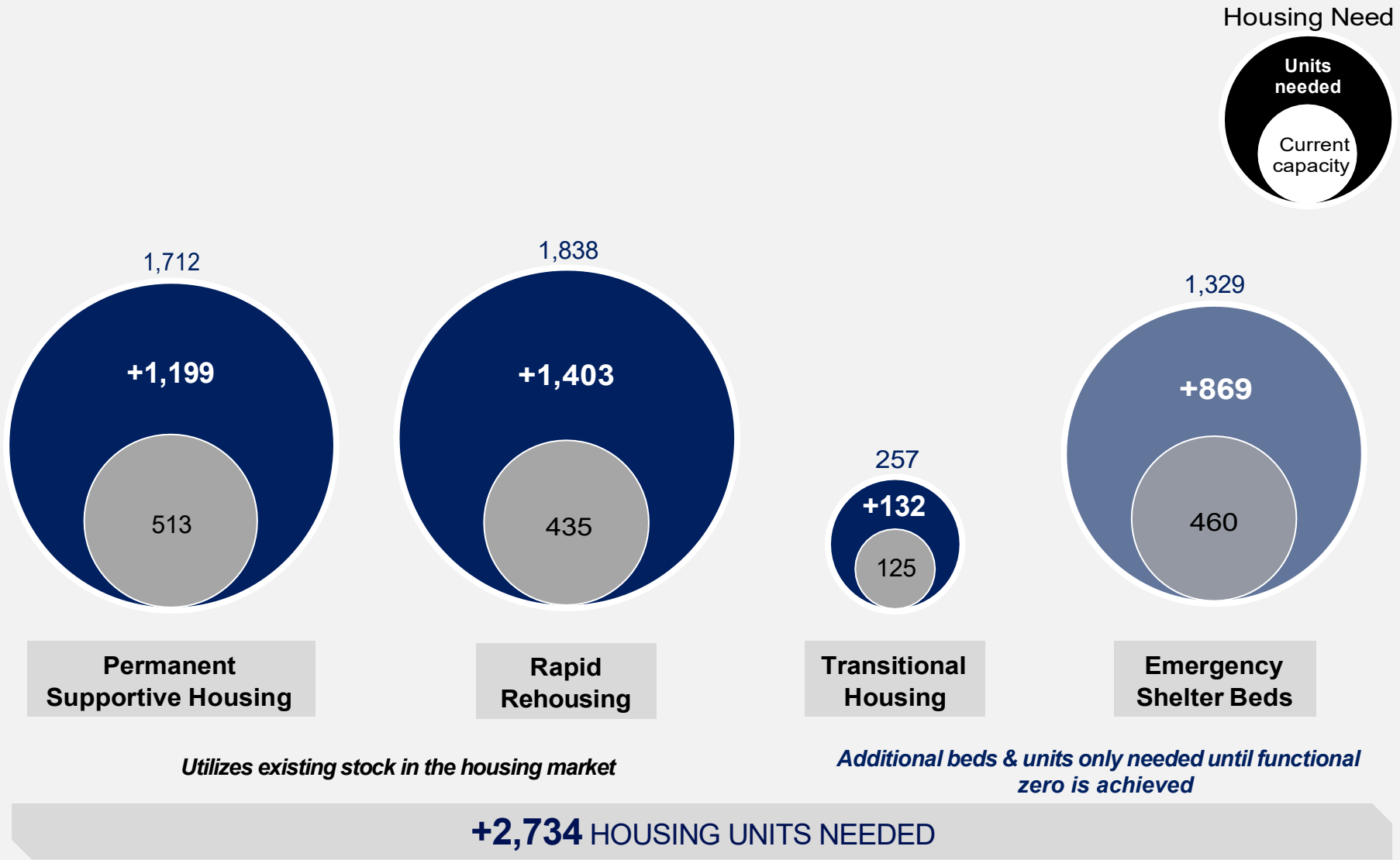
FUNCTIONAL ZERO

HOW DOES TULSA ACHIEVE IT?



DEMAND SUMMARY

HOUSING UNITS NEEDED FOR HOMELESS POPULATION



Nationally...

taxpayers pay
\$46,000
per year

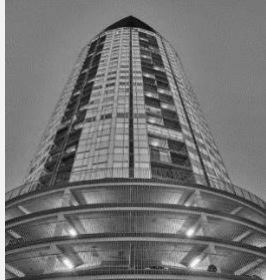
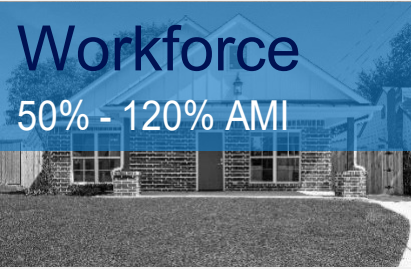
to provide emergency
and health services for
each individual
experiencing **chronic**
homelessness

versus
\$16,700
per year
to provide
supportive
housing

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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NEXT STEPS: WORKING TOWARD A STRATEGY

FEASIBILITY

EXAMPLES OF PUBLIC-SECTOR PROGRAMS

SUBSIDIZED

LOW-INCOME

AFFORDABLE

WORKFORCE

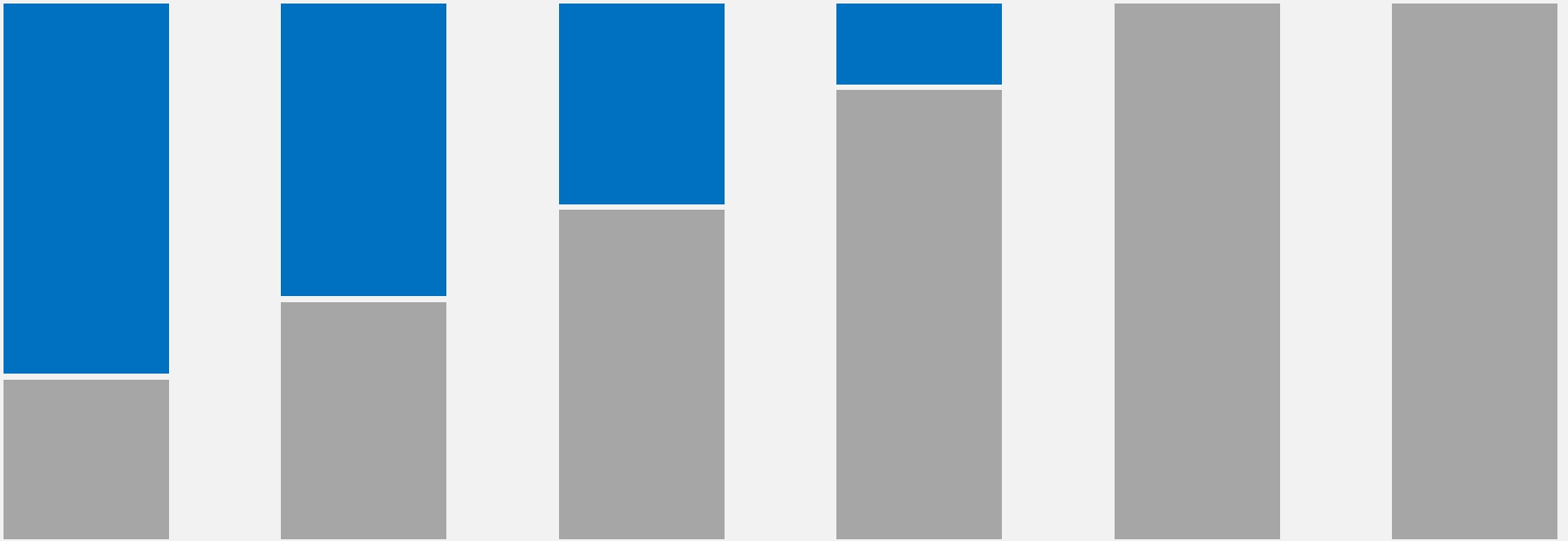
MODERATE

UPSCALE

LIHTC



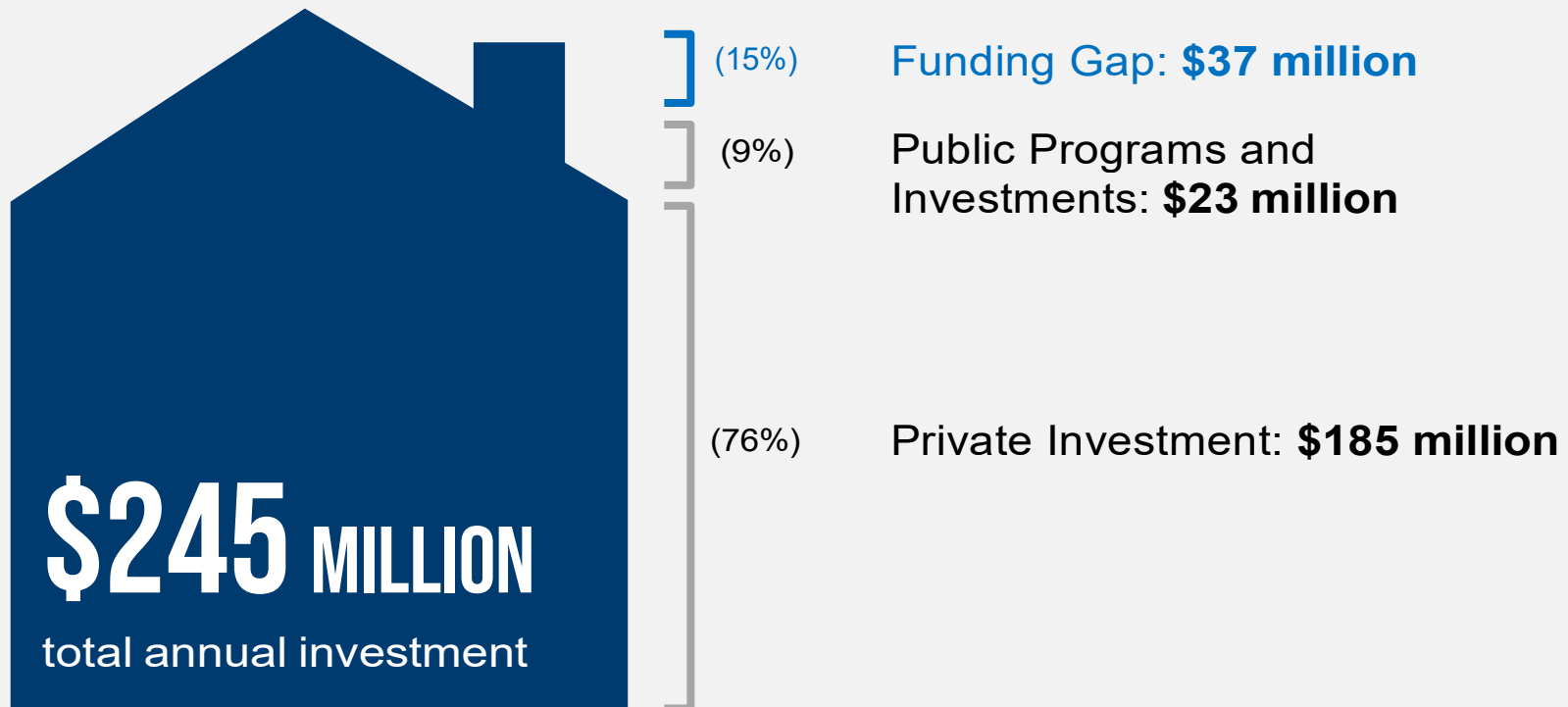
Tax Increment Financing (TIF)



Lower rents and sale prices
LARGER GAPS

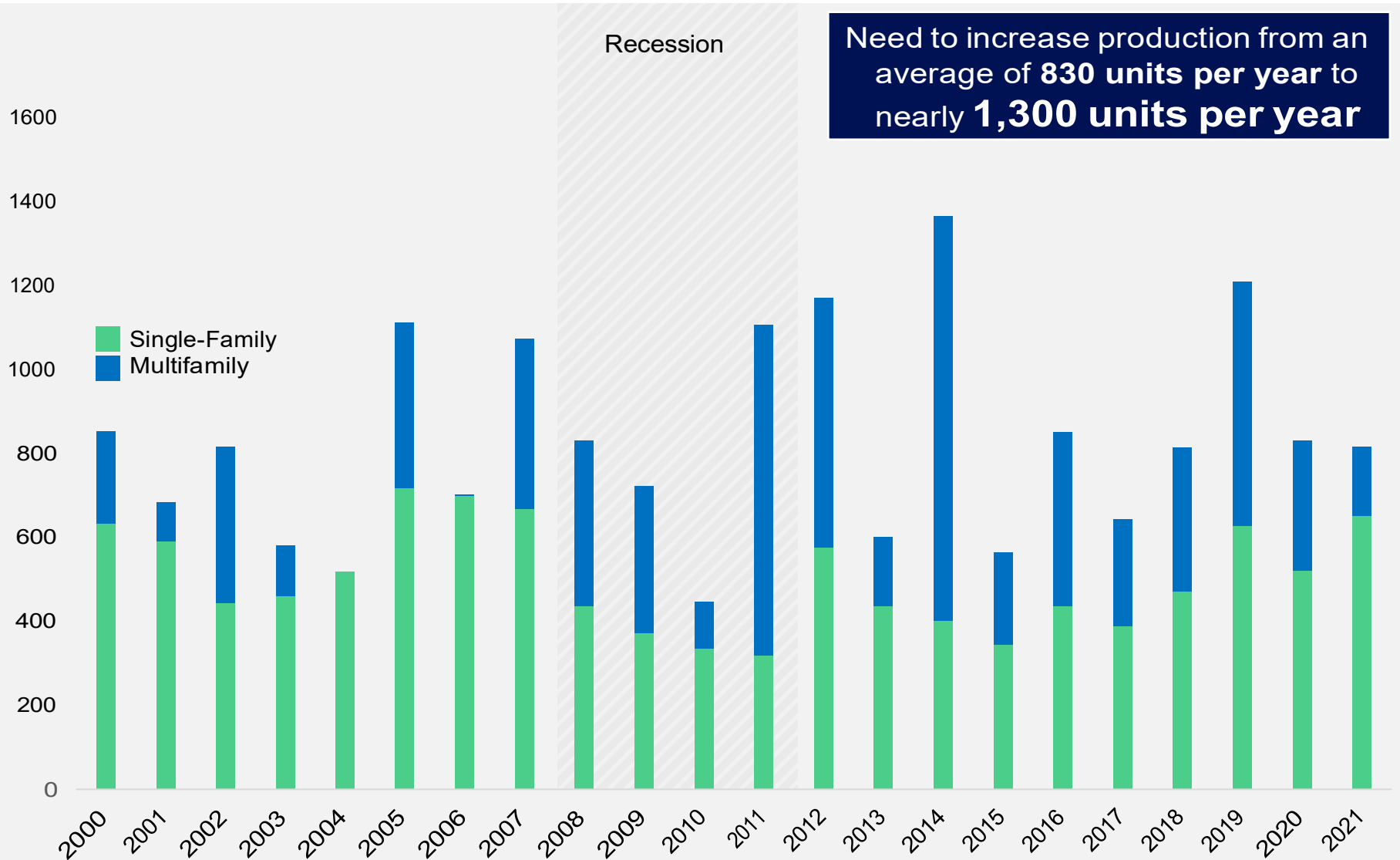
Higher rents and sale prices
SMALLER / NO GAPS

How much investment is needed to support housing demand?



WHAT DOES \$500 MILLION MEAN?

BUILDING PERMITS (IN UNITS)





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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**

Philanthropy

Funders / Influencers

Non-profits

Providers / Implementers

Developers

Risk Takers / Builders

Lenders

Provide capital / Assume risk

Investors

Provide capital / Determine risk

CDCs

Organizers / Implementers

Corporations

Provide capital / Leadership

Intermediaries

Pool capital / Partner / Finance

- **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

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.

DISCUSSION

A dark, grayscale photograph of a residential street. In the foreground, there is a sidewalk and a landscaped area with various plants and grasses. To the right, a brick house with a window is visible. In the background, there are more houses, trees, and a white van parked on the street. A blue banner with the word 'DISCUSSION' in white capital letters is overlaid on the top left of the image.

MAXIMUM AFFORDABLE MONTHLY HOUSING COSTS

AREA MEDIAN INCOME

Calculated at 30% of monthly income, including utilities

	Household Size					
AMI	1	2	3	4	5	6
30%	\$424	\$484	\$576	\$694	\$812	\$930
50%	\$705	\$805	\$906	\$1,006	\$1,088	\$1,168
60%	\$864	\$988	\$1,110	\$1,233	\$1,333	\$1,431
80%	\$1,128	\$1,289	\$1,450	\$1,610	\$1,740	\$1,869
100%	\$1,439	\$1,645	\$1,850	\$2,055	\$2,220	\$2,385
120%	\$1,726	\$1,974	\$2,220	\$2,466	\$2,664	\$2,861
150%	\$2,159	\$2,466	\$2,775	\$3,083	\$3,330	\$3,576
200%	\$2,878	\$3,289	\$3,700	\$4,110	\$4,440	\$4,769

REFERENCE INCOME TABLE

AREA MEDIAN INCOME

	Household Size					
AMI	1	2	3	4	5	6
30%	\$16,950	\$19,350	\$23,030	\$27,750	\$32,470	\$37,190
50%	\$28,200	\$32,200	\$36,250	\$40,250	\$43,500	\$46,700
60%	\$34,550	\$39,500	\$44,400	\$49,320	\$53,300	\$57,250
80%	\$45,100	\$51,550	\$58,000	\$64,400	\$69,600	\$74,750
100%	\$57,550	\$65,800	\$74,000	\$82,200	\$88,800	\$95,400
120%	\$69,050	\$78,950	\$88,800	\$98,640	\$106,550	\$114,450
150%	\$86,350	\$98,650	\$111,000	\$123,300	\$133,200	\$143,050
200%	\$115,100	\$131,550	\$148,000	\$164,400	\$177,600	\$190,750

