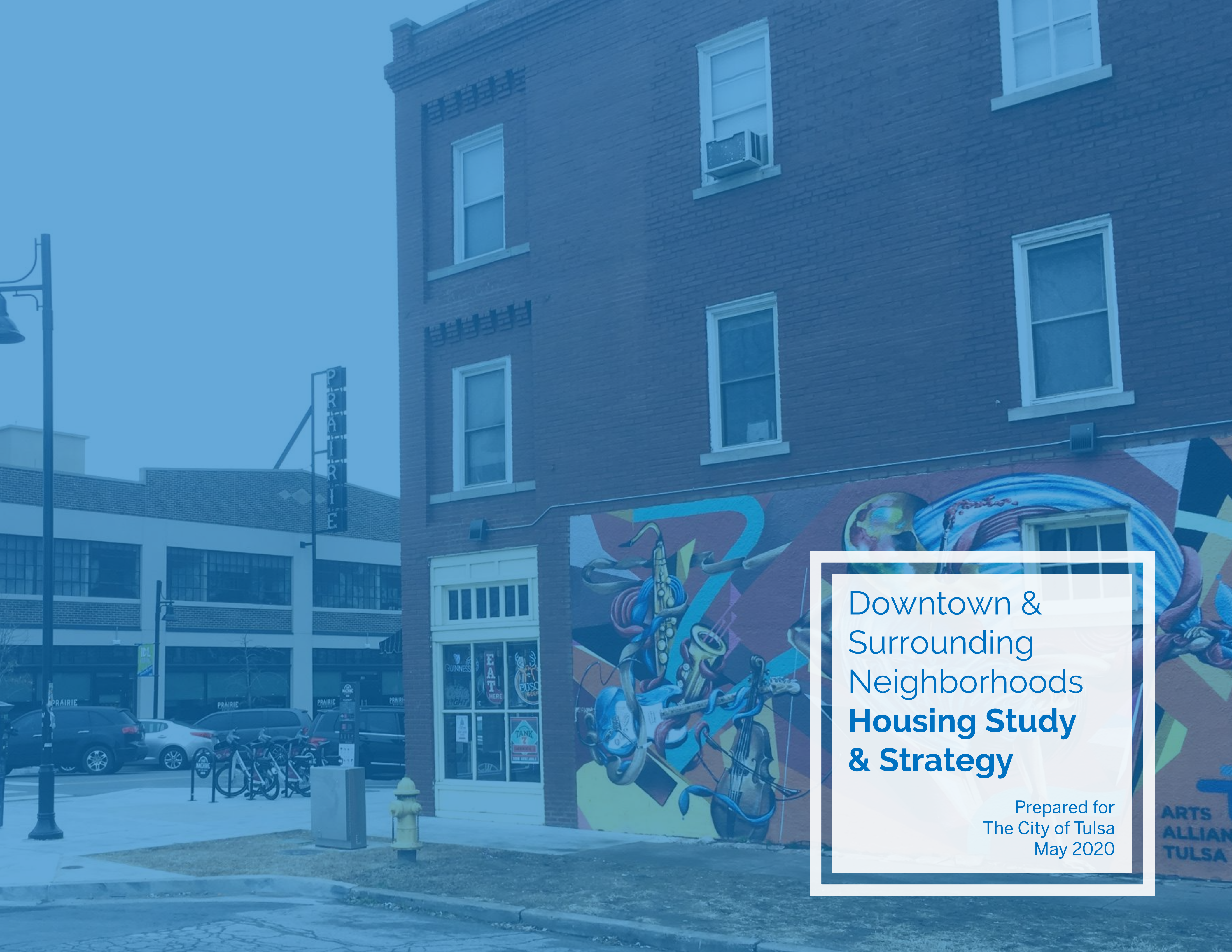

Downtown & Surrounding Neighborhoods **Housing Study & Strategy**

Prepared for
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Contents


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1 Introduction & Summary

Study Background & Purpose

This study and strategy was commissioned by the City of Tulsa—in partnership with the Downtown Coordinating Council, Economic Development Commission, Tulsa Development Authority, and Tulsa Planning Office—to comprehensively re-assess housing needs Downtown and in the surrounding neighborhoods, and craft a holistic development and policy framework to guide equitable housing investments in the area.

In 2010, the City of Tulsa commissioned a study to assess the potential demand for residential development in Downtown and near-Downtown neighborhoods. The study identified robust demand for new housing in the Study Area—including as many as 1,600 new rental housing units—and offered several recommendations for stimulating housing production to meet those housing needs. Implementation of the study's recommendations led to the creation of a revolving loan program known as the Vision 2025 Downtown Housing Fund, which alongside other programs, has invested more than $20 million Downtown and supported the development of hundreds of residential units.

Repayment of the revolving loan funds began in 2018, with the full balance of funds to be recouped by 2024. As the City looks to the potential redeployment of these funds, it must re-assess the housing needs based on changing circumstances and the need to embrace equity in policymaking.

Development and Reinvestment

Since 2010, Downtown and some of the surrounding neighborhoods have experienced significant growth and reinvestment, including 690 new multifamily units (with an additional 1,200 proposed or under construction) and $1.4 billion in building permits just in Downtown. Nearly $1 billion in public investment through Vision Tulsa was also key in fueling this dynamic transformation, supporting projects like the new BMX national headquarters, Arena District Master Plan implementation, Bus Rapid Transit routes, Route 66 revitalization, and much more.

Employment Growth

The new and expanding job markets highlight an increased interest from employers who value quality of life, public safety, and infrastructure to attract and retain talent both now and in the future. Downtown contains the largest employment density in the City of Tulsa with nearly 35,000 jobs in just 1.3 square miles. Regional job growth is highlighted by the new campus of The Greenheck Group (more than 900 jobs), the new Amazon fulfillment center (1,500 jobs), an 800,000 square foot expansion of Whirlpool's existing facility (150 jobs), the creation of 600 new jobs and $550 million in investment by American Airlines, along with many other businesses who plan to locate and expand operations in Tulsa.

Quality of Life

Recent placemaking investments have contributed to high-quality living experiences in Tulsa's urban core neighborhoods. It is evident in the popular use of Arkansas River trails that promote health and fitness; Guthrie Green in the Arts District where Tulsans gather on the lawn to listen to music and play; and the Gathering Place, a 65-acre world-class riverfront park with year-round events for all ages.

Legacy of Inequity

While the market environment, economy, and quality of life have significantly improved in many parts of Tulsa's urban core, some neighborhoods have seen little private investment over this same period, and have not yet shared in Downtown's growing prosperity. As the 100-year anniversary of the Tulsa Race Massacre approaches, acknowledging and discussing history and its impact on the Tulsa seen today is at the forefront of civic dialogue. Historic racial bias in policy and investment decisions—such as redlining, Urban Renewal, and racial zoning—continue to hold many neighborhoods behind and create significant barriers to equitable participation in the area's renewed prosperity. An understanding of the challenges and disparate experiences of the African-American, Hispanic, and Native American communities and other residents of color will be needed to ensure that the strategies outlined in this report meet the needs of all Tulsans.

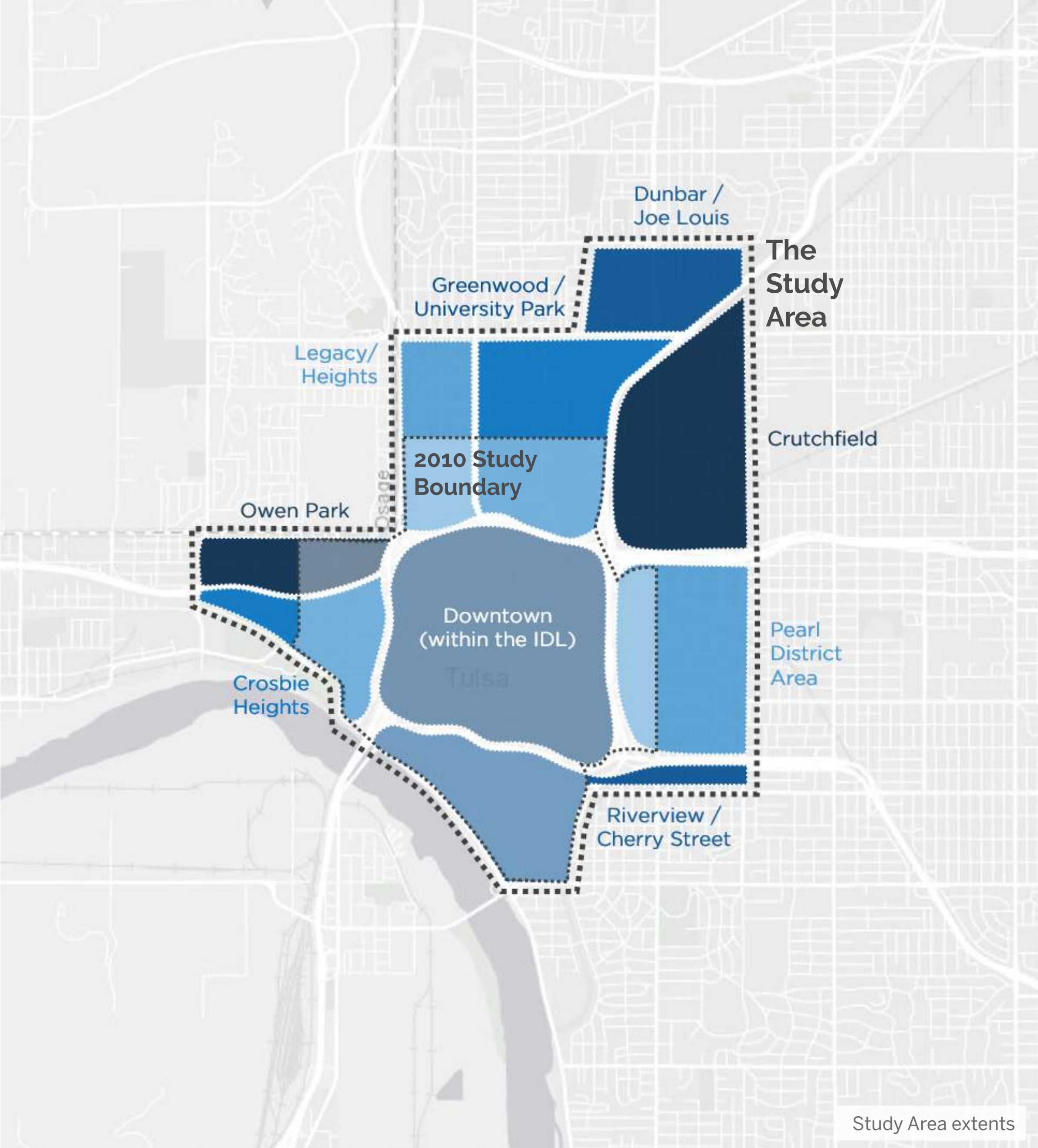
Purpose of this Study and Strategy

In light of changing market conditions and a renewed focus on the need to overcome Tulsa's inequities, the City of Tulsa and its partners commissioned this housing study and strategy to reassess the potential for residential development in Downtown and the surrounding neighborhoods (herein referred to as the Study Area), and craft a holistic strategic framework for meeting housing needs.

The assessment's process and approach also placed a new focus on:

- Engaging communities in and around Downtown to ensure that community experience and feedback closely guided the work;
- Identifying opportunities to align investments with community priorities to ensure that recommended strategies support the goals of the area's broad range of stakeholders; and
- Identifying tools that address the housing needs of all residents including long-time residents, new community members, and residents with a wide range of affordability levels.

The Study Area for this current assessment is expanded to include a broader set of neighborhoods that represent core focus areas for equitable reinvestment by the City and its partners.



Study Area extents

Approach: Three Big Ideas

This assessment of housing needs and strategies is guided by three core ideas that together recognize the complexity of the Study Area. The key is balance—each perspective must be appropriately emphasized in the study of housing needs and the corresponding strategies to meet those needs.

Midsized Downtown Development

Downtowns across the Midwest and South were first established as the economic centers of their communities. Now, after generations of disinvestment, they are re-emerging as powerful components of their regions' economies. As young professionals and other growing segments of these regions' workforces increasingly demand walkable, urban, and amenity-rich places, quality downtown environments are increasingly needed to attract and retain those workers and the employers that want to hire them. Vibrant and healthy downtowns contribute to the quality of life in surrounding communities and suburban areas, and are needed to build a strong, dynamic region.

To remain competitive in the global economy, cities must continually invest in their downtowns and ensure that they deliver on walkability, sense of place, culture, and quality of life. Housing is a critical piece of this puzzle. Residential density can support a sense of vibrancy, as well as the creation of amenities and services (such as restaurants or a grocery store) that serve the entire downtown community. Attractive housing development can also contribute to a sense of place, making the area more attractive to prospective downtown employers and residents.

Tulsa has made incredible strides with its Downtown, investing in quality development, planning, and services. There is a real sense of momentum in Downtown Tulsa, with new investment and construction underway. As much progress as there has been, Downtown is far from "done"—the City and its partners must find ways to sustain this momentum, including through investments in Downtown housing.

Neighborhoods and Equity

Tulsa's urban core is more than its Downtown. More than half of the Study Area for this assessment comprises the neighborhoods that ring Downtown, all with their own history, character, aspirations, and challenges. Successfully meeting the housing needs across this part of the city will rely on a keen understanding of these complexities. "One size fits all" solutions will not be sufficient; rather, the strategy will outline a toolbox of approaches designed to address the wide range of conditions in Tulsa's urban core.

Furthermore, not all neighborhoods will need the same level of support. Where some neighborhoods will need modest support, others will require sustained care and attention, working hand-in-hand with those communities.

Growth and the Cost of Housing

While housing in Tulsa is relatively low cost today, the City and its partners must also plan for a future in which these conditions change. If Tulsa continues to successfully promote reinvestment and growth in its urban core, home values and rents are certain to rise. This has the potential to burden and displace the residents who have been part of the community for generations; and it would exclude a segment of Tulsans who want to be part of that growth but cannot afford it.

While Tulsa is not currently experiencing the rapid appreciation in home values seen in high-growth and coastal communities, it is experiencing value and rent increases nonetheless. Many of those fast-growth communities may not have anticipated the unintended consequences of their economic success. Tulsa has the special opportunity to plan for that potential future and create the conditions for inclusive growth.

Image credit: Smart Growth America

Process & Involvement

The eight-month process engaged a wide range of perspectives and stakeholders. The aspirations and experiences of residents, policymakers, builders, and other experts all provided an essential foundation for the assessment of needs and the strategies to meet them.

Iterative Dialogue & Collaboration

The Housing Study and Strategy followed a four-step process, allowing the consultant team to engage in an iterative dialogue with the Client Team, the Steering Committee, and Neighborhood Stakeholders. Each step brought the process closer to a preferred set of priority strategies for guiding housing investments in the Study Area.

This process—described in greater detail on the following page—was designed with several key principles in mind:

- to ensure that the analysis and understanding reflect and honor the lived experience of the Tulsa community and its rich history;
- to consistently share information with stakeholders and keep them informed about and engaged in the process;
- to align strategic recommendations with the assets, aspirations, and priorities of Study Area residents and stakeholders;
- to assist with building trust and understanding between the City and its residents;
- to develop community understanding and awareness of key issues and opportunities related to housing in the Study Area; and
- to establish the foundation for successful implementation of strategic recommendations.

Three key groups, representing a diversity of perspectives, expertise, and experience provided invaluable feedback and perspective throughout the four-step process.

Client Team

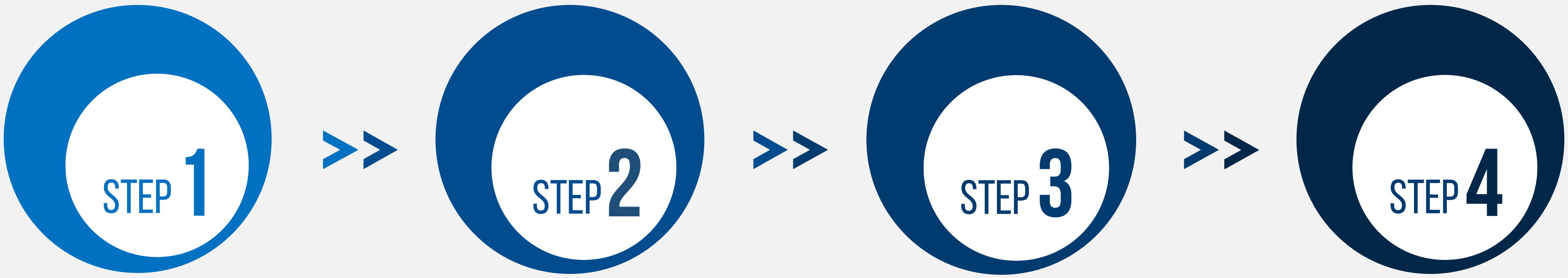
The Client Team included representatives from all City departments and agencies that are involved in housing and housing-related programs. This team provided oversight and direction throughout the project.

Steering Committee

The 17-member Steering Committee of local experts was formed to provide critical feedback throughout the process, and also to identify opportunities for collaboration as strategies are implemented.

Neighborhood Stakeholders Group

The Neighborhood Stakeholders Group included 32 members, representing the diverse neighborhoods within the Study Area. This group helped to enrich the consultant team's analytical understanding, and ensure that the strategic framework aligned with their respective neighborhoods' unique needs and preferences.



Understand

The Understand phase established the baseline housing conditions in the Study Area, particularly as they relate to market trends, affordability, and physical assets. This included; extensive field work; conversations with the steering committee, neighborhood groups, and other key stakeholders; and detailed quantitative analysis.

This phase also included a Housing Needs and Preferences survey. The results from this survey complemented other research methods to directly inform the market analysis. This phase concluded with a detailed presentation of market analysis and housing needs to the Client Team, Steering Committee, and Neighborhood Stakeholders group.

Quantify

The Identify & Quantify phase evaluated the economic feasibility of developing a range of market-supportable housing typologies in the Study Area.

This analysis—summarized in Chapter 3—helped to inform the strategic framework by highlighting the scale of assistance needed to deliver different housing types under current market conditions.

Strategize

The Strategize phase built on the foundation of the market, economic, and physical analysis to create a set of goals and a holistic strategic framework for housing in the Study Area. These goals and strategies are outlined in Chapter 4.

Engagement in this phase included presentations and discussion with the Client Team, Steering Committee, and Neighborhood Stakeholders group. This phase also included briefings and discussion with the Downtown Coordinating Council, the Economic Development Commission, the Tulsa Development Authority Board, the City Council Urban and Economic Development Committee, and the Tulsa Industrial Authority.

Align

Based on feedback and discussion during the Strategize phase, the Refine & Align phase outlined priority actions for implementation. This prioritization framework—summarized in Chapter 5—identified roles for the City and for a range of existing and future partners needed to successfully address the housing needs and challenges in the Study Area.

Engagement in this phase included presentations and discussion with the Client Team, the Steering Committee, and neighborhood-level partners in implementation.

Key Findings & Recommendations

Downtown and the surrounding neighborhoods are dynamic places with a wide range of housing options, diverse cultures, neighborhoods, and opportunities for future growth and development.

It is also a place with a rich and complicated history. It includes historic Greenwood, the site of the 1921 Race Massacre. It is home to many of Tulsa's cultural centers and institutions. It is the economic engine of the region, with tens of thousands of jobs and many of the largest employers. It is the area in Tulsa most affected by historic policies, including redlining, Urban Renewal, and interstate highway construction. It is an area that has undergone substantial redevelopment and reinvestment over the past decade.

The Study Area is a complex place with many challenges and wide-reaching opportunity. There is great potential for equitable housing development that supports the community's vision for economic development, neighborhood stabilization, and quality of life. This approach would seek to prevent missteps of the past, and in some cases, correct them.

But this potential future will not create itself; success will require dedicated and strategic focus by the City and its partners to meet the broad range of housing needs in the Study Area.

Key Findings

Housing market analysis, conversations with a broad range of stakeholders, and the housing survey identified key themes and needs, which are summarized in the following statements and detailed in the chapters that follow.

The neighborhoods in the Study Area each have their own distinct character, histories, and aspirations for the future. Efforts to improve housing conditions must be rooted in an understanding of these histories and differences, and shaped through an equity lens.

Physical housing conditions and market strength vary widely in the neighborhoods surrounding Downtown. Some neighborhoods have growing populations and home value appreciation; others have stagnant or declining populations and home values. Demographic characteristics also vary widely; each area has its own racial and ethnic composition, and its own distribution of income levels.

This neighborhood-level variation underscores the need for a comprehensive approach that includes a range of strategies and tools tailored to the diverse needs of the Study Area.

There is demand for housing at all price points in the Study Area. The demand analysis estimates support for up to 3,200 rental units and 1,250 for-sale units over the next ten years. Nearly

two-thirds of that demand is for affordable and workforce housing.

Current resources are not enough to meet the demand for affordable and workforce housing in Downtown and the surrounding neighborhoods. The City and its partners must implement new tools and expand resources to meet this critical need.

Downtown Tulsa's multifamily rental market strengthened considerably during the past decade. Market-rate multifamily construction is approaching economic feasibility, especially at higher densities. This means that the level of incentives needed to support downtown development should decrease and the City has more leverage to utilize incentives to negotiate for public benefits in new development, such as the inclusion of affordable and workforce housing or the creation of community amenities.

Compared to its peers, Tulsa has not captured as much of its recent regional growth in its urban core; however, the Study Area is quickly catching up, with approximately 1,200 units under construction or proposed. For the City to sustain this momentum, it will need to continue investing in the livability of its Downtown and urban core neighborhoods.

Renovation and rehabilitation of the existing housing stock is needed to meet the largest segments of for-sale housing demand. While the majority of demand in the Study Area (and especially Downtown) is for rental housing, there is substantial for-sale demand at multiple points—about half is for affordable and workforce options, with sales prices under $250,000. There is also a strong community desire to support homeownership in the neighborhoods surrounding Downtown.

Due to construction costs, it is difficult to build new for-sale housing at price points below $250,000 without incentives. Renovation and rehabilitation of the existing housing stock is a viable alternative approach. It would also serve to make existing housing in the Study Area more

marketable, improve existing neighborhood conditions, and reduce housing vacancy. The City and its partners will need to identify tools and supports to foster this renovation and rehabilitation activity, including in neighborhoods with depressed markets and low appraised values.

Recommendations Summary

The market analysis findings and community priorities form the basis of a strategy for housing in the Study Area. This detailed set of recommendations offers holistic guidance for how to meet the area's many housing needs—both of existing and prospective residents—and create the conditions for equitable development. Strategic recommendations are summarized below and detailed in Chapters 4 and 5.

Redeploy approximately $16 million of the Revolving Loan Fund capital to continue to support housing and other catalytic projects in Downtown.

- Use the tool to encourage the inclusion of public benefits like community amenities or affordable and workforce units.
- Keep the structure of the loan the same—a six-year, zero-percent interest loan.
- Consider expanding the use of loan funds outside of the Inner Dispersal Loop (IDL) only under specific circumstances.

Create an Affordable Housing Trust Fund (AHTF) and seed that fund with $4 million of the revolving loan fund capital from 2019 and 2020. Additional funding will be needed to meet the substantial need identified by this study; this can include contributions of discretionary funds from members of City Council, other public funds, portions of a bond issue, philanthropic support, private-sector commitments, and other sources.

Expand land bank capacity to return vacant properties to productive use.

- Create or identify public or nonprofit entities to strategically acquire vacant/problem properties and convert them to productive use.
- Ensure that land banks operate in a strategic, collaborative manner that advances community priorities, including the creation and preservation of quality affordable housing.
- Work with Tulsa County to establish the ability to view and strategically purchase available vacant properties prior to their sale at the Tax Delinquency Auction.

Other policy and regulatory mechanisms are needed to ensure that residents are treated fairly, to prevent displacement, and reduce housing insecurity. It is recommended that the City explore a range of policy changes to support resident housing stability such as a tenant right to counsel, a landlord licensing system, a quality property management certification, and supports for residents aging in place.

Neighborhood-Focused Recommendations

Create additional support for renovation and rehabilitation of existing housing stock. The City has some tools already at its disposal—including the HOP program, the Tulsa Development Authority, and repair programs—but should expand the organizational and financial resources available for this work.

Encourage a broad variety of infill housing types through zoning and other regulatory mechanisms. Over time, this will ensure that Downtown and the surrounding neighborhoods have the diverse housing options they needs to evolve as a vibrant, mixed-income community.

Support homeownership by expanding financial assistance for low- and moderate-income homeowners, creating permanently affordable homeownership opportunities, and supporting affordable rental opportunities.

Invest in community development capacity by strengthening existing organizations and supporting the creation of new entities where needed.

Downtown-Specific Recommendations

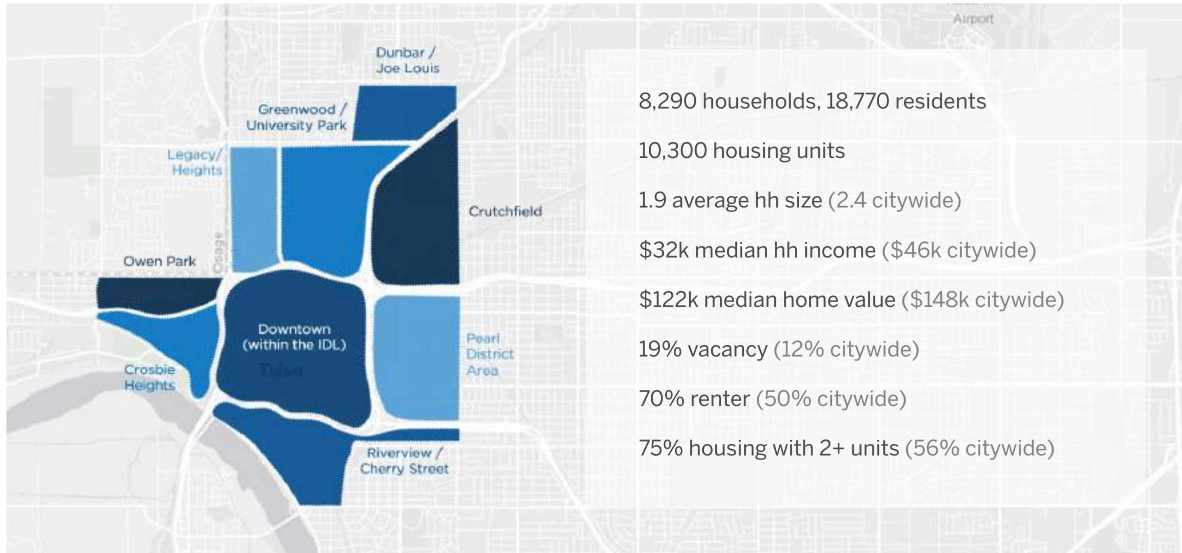
Explore the creation of additional, privately-funded supports for Downtown development, including a Downtown-focused community development corporation and an equity fund for Downtown development.

Create a strategy for Downtown parking to support strategic development. The intent is to free up surface parking lots for mixed-use development.

2 Housing & Market Analysis

About Downtown & the Surrounding Neighborhoods

The Study Area is a dynamic area composed of dozens of neighborhoods, each with its own history, conditions, and priorities. In recent decades, this area has not shared in prosperity experienced by other parts of the Tulsa region; however, the Study Area is at an exciting turning point, with momentum from recent successes and more investment to come.



Source: ESRI 2019

The Study Area and Its Neighborhoods

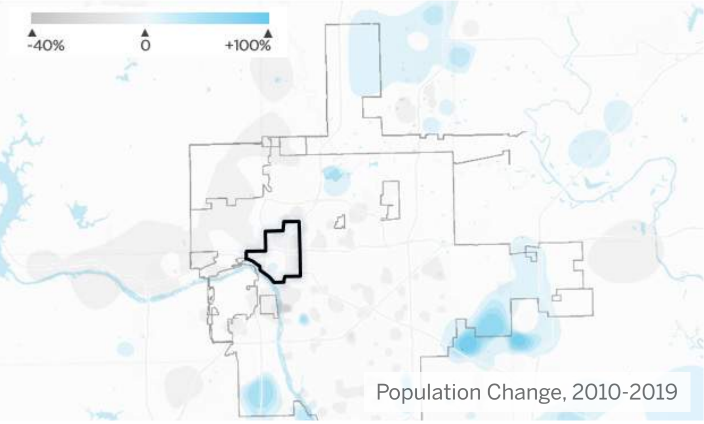
The focus area for this Housing Study and Strategy includes Tulsa's Downtown and several of its surrounding neighborhoods—defined in this report as the Study Area. This area is the region's historic and economic center, and includes some of the city's most vibrant and diverse neighborhoods.

This geography includes dozens of districts, neighborhoods, associations, and planning areas. Each distinct community within the Study Area has its own priorities, needs, and challenges, and many have their own plans and visions for the future. For the purpose of analysis, the area has been divided into neighborhood subareas, shown on the map. While these boundaries cannot fully recognize the diversity, character, or history of the area, they offer a lens through which to understand the differing market and demographic conditions across the Study Area.

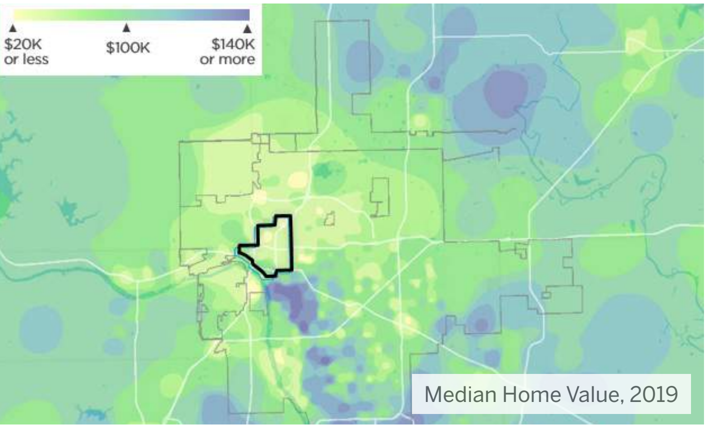
Economic and Demographic Overview

With Downtown at its core, the Study Area is one of the region's major job centers. Like in many urban core areas, the Study Area's 45,430 jobs vastly outnumber its population by a ratio of 2.5 to 1. This job density makes it an ideal area to capture the region's population growth, creating housing opportunities in close proximity to jobs. Most of these jobs (more than 31,000) are located Downtown, within the Inner Dispersal Loop (IDL); however more than a quarter of the area's jobs are to the south and east of Downtown.

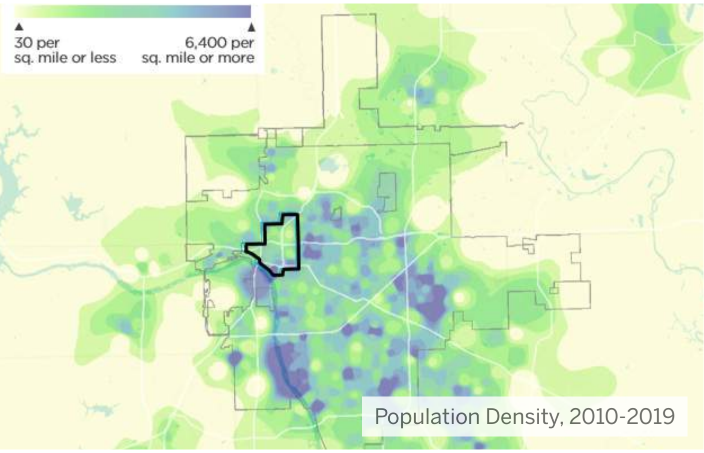
Current data from the Bureau of Labor Statistics show that the Tulsa Metropolitan Statistical Area's (MSA) recent employment growth (10 percent from 2010 to 2017) outpaces that of the state (8 percent), but lags somewhat behind the nation's (13 percent). Through 2015, much of the region's economic growth was outside of the City. But since 2015, the City has added 11,000 jobs (representing 4 percent growth) through new or expanding businesses. This trend, combined with recent job announcements in and around the Study Area, suggest that the City's urban core



Population Change, 2010-2019



Median Home Value, 2019



Population Density, 2010-2019

is poised for ongoing economic development success.

In spite of its employment density and economic momentum, the Study Area still lags the city and region in incomes, population growth, and population density. The median household income in the Study Area was $32,000 in 2019, compared to $46,000 citywide and $53,000 in the MSA. More than 40 percent of its households have incomes below $25,000—roughly the federal threshold for poverty. While incomes are growing more quickly in the Study Area than in comparison geographies, this trend can likely be attributed to the in-migration of higher-income households.

The area's population grew by 4.9 percent between 2010 and 2019 (compared to 5 percent in the city and 8 percent in the MSA). More than 80 percent of this growth came from Downtown (700 additional residents, to 4,670 residents in 2019). Some neighborhoods, including Greenwood/University Park, the Pearl District area, and Crutchfield saw no growth at all, or even lost population. The Study Area is projected to experience modest growth in future years; however, this trend could accelerate with the right housing and community development investments.

The Study Area has much lower population density than many other parts of the city. This can be attributed to the area's high vacancy rate (19 percent, compared to 12 percent citywide), as well as the legacy of large-scale demolition associated with Urban Renewal. Lower median home values in the area have the benefit of offering more affordability to current and prospective residents, but these low values are also an impediment to new development and reinvestment in the housing stock needed to make those homes more marketable and reduce vacancy over time.

National Context for Housing in the Study Area

Housing needs in Tulsa are shaped by national trends relating to preferences, affordability, and demographic change. These factors provide context for the opportunities and challenges.

Trends Shaping Downtowns

It is no secret that downtowns and urban core neighborhoods across the country are seeing greater levels of attention, investment, and growth than in a generation or more. Downtown Tulsa is certainly part of this new wave. The demographics and preferences driving these changes suggest that these trends are likely to continue for the forseeable future.

High-income households (those earning $75,000 or more) have become the primary source of new rental demand, driving almost three quarters of the growth in 2010-2018. Developers have responded, adding a great deal of new supply to meet this demand. During the same period, the number of low-income renters actually declined slightly, by about 5 percent.

Combined with construction, labor, and land costs that are rising much faster than inflation, these trends mean that upscale and luxury apartments are often the only new rental construction that "pencils out." In markets without sufficient new construction to meet this growing demand, low- and moderate-income renters—still the vast majority of the rental market—are forced to compete with this growing segment of high-income renters for a limited supply of quality rental housing.

Shifting preferences are driving much of the growing rental interest into downtowns and urban cores, where households can be close to work, cultural amenities, and services. As value for this type of proximity increases, demand for dense, urban living options will continue to grow.

Finally, the continued growth of non-family households—or unrelated individuals living as roommates—means that housing built for the traditional nuclear family is not sufficient to serve the needs fo the market. Further, shifting attitudes toward homeownership may lead some households to continue renting later into life, delaying or deciding against homeownership altogether. Different housing types that cater to these groups will be needed to attract and retain them in Tulsa.

Renters

increase in renter-occupancy among households earning $75,000 or more 2010-2018

Source: State of the Nation's Rental Housing

Preferences

prefer attached or small lot housing*

*If it puts them closer to work, mix of uses, etc.
Source: National Association of Realtors. Image credit: La Cita Vitta.

Demographics

non-family households by 2025

Source: Martha Farnsworth Riche.

Cost Burden

of renter households are burdened by housing costs

Source: State of the Nation's Housing, 2019. Image credit: Curbed.

Single-Family Rental

spent by large investors 2010-2017 to acquire single-family homes as rental property

Source: The Atlantic, 2019 (200,000 properties in total)

Barriers

of potential buyers lack the savings for a 3.5% downpayment on a median-priced home

Source: State of the Nation's Housing, 2019

National Affordability Challenges

Alongside these trends driving new interest and investment in downtowns, the nation is in the midst of an affordability crisis. Low-income renters are often cost-burdened. More than 70 percent of renters with incomes below $15,000 paid half of their incomes toward housing costs, as did more than 40 percent of those with incomes between $15,000 and $30,000.

Housing cost burdens are increasingly affecting moderate-income households; fully one in four renter households spent more than half of their incomes on housing in 2018. This challenge is in part an outgrowth of worsening income inequalitiy among renters. These complex dynamics call for new and innovative strategies at all levels of government to create and preserve affordability; cities have an especially important role to play in creating tailored solutions for their local context.

The emergence of single-family rental investment by large-scale investors following the foreclosure crisis is another national challenge affecting Tulsa. Between 2010 and 2017, nearly $40 billion was spent by large investors to acquire single-family homes as rental property across the nation.

While some investors manage these rental properties with care and attention, others do not. The poor management of some single-family rental properties harms renters in those homes and has a detrimental effect on the surrounding neighborhood. This trend has also removed a significant part of the single-family supply from the starter home market, creating yet another barrier to entering homeownership.

The single-family rental trend is one among many barriers to low-and moderate-income households who want to enter homeownership. Credit health can be a barrier to qualifying for a mortgage, but research suggests that there is a strong perception even among those who do qualify for mortgages that the homebuying process will be difficult to navigate.

Perhaps the greatest barrier to homeownership among would-be homeowners is having the savings needed for a downpayment. Nationally, 85 percent of potential buyers lack the savings for a 3.5 percent downpayment on a median-priced home in their region. This can be a barrier especially for people of color, who are less likely than white households to have the intergenerational wealth made possible by mid-century policy supports for homeownership. These challenges point to a need for a broad range of supports for interested homebuyers to enter and sustain homeownership.

The Study Area's Momentum & Assets

With recent development successes and abundant assets in the Study Area, the City and its partners are on a course to promote additional housing investment that meets the needs of all Tulsans in the Study Area.

Despite its complicated history, Tulsa is making significant strides forward. Downtown and the surrounding neighborhoods especially have a great deal of momentum and major assets they can leverage for equitable development.

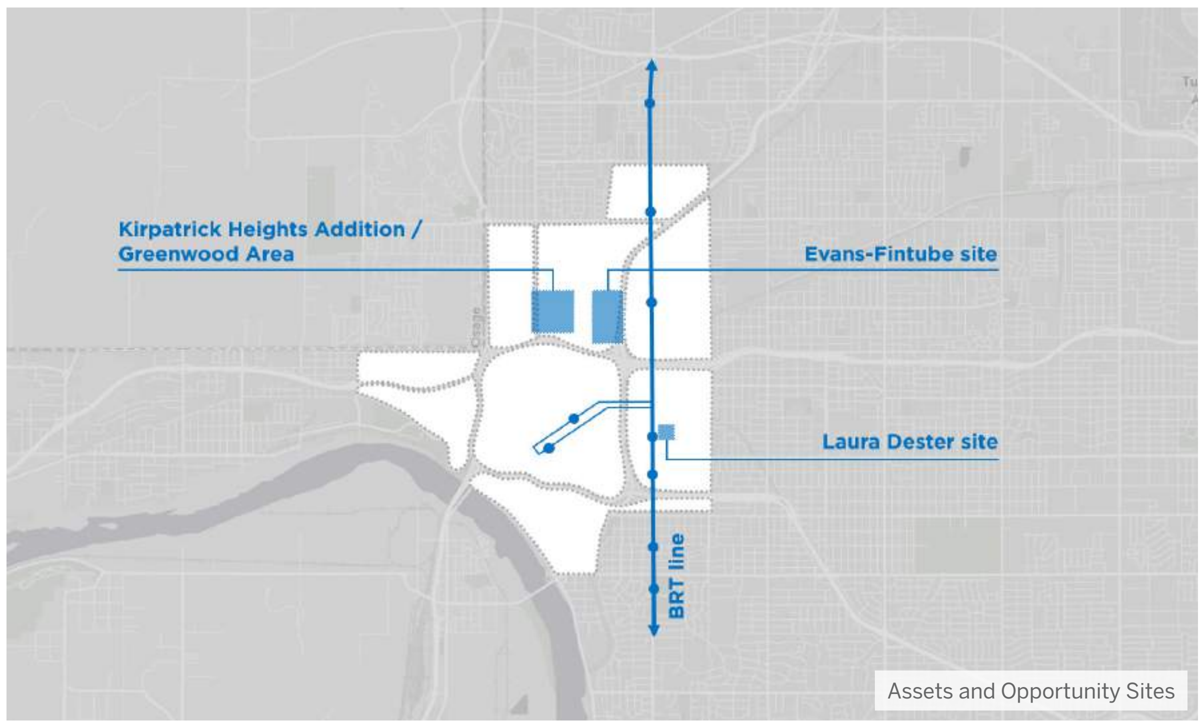
Development Momentum

The Study Area has experienced impressive growth and reinvestment in recent years. Since 2010 alone, 775 new multifamily units were added, $1.4 billion in building permits were issued, and 1,200 additional units are proposed or under construction in the area. Public investment through Vision Tulsa has fueled this growth, supporting projects like the new BMX national headquarters, Arena District Master Plan implementation, Route 66 revitalization, and much more.

The City recently opened the Aero Bus Rapid Transit (BRT) system along Tulsa's Peoria corridor. With 15-minute headways during peak service, level boarding, and real-time arrival information, the BRT is making public transportation more frequent, convenient, and comfortable for its users. The Study Area is well-served by the system, with seven stops in Downtown, the Pearl District area, Cherry Street, Crutchfield, and Dunbar.

The National Bicycle Motorcross (BMX) headquarters is now under construction on a portion of the former Evans-Fintube site, located between Crutchfield and Greenwood. The training and trials facility is anticipated to be a significant draw to this part of North Tulsa, and if supported with thoughtful planning and policy, it will be a valuable catalyst for the revitalization of the Historic Greenwood District. The $23 million project, which is slated for completion by 2021, is expected to draw more than 100,000 visitors and more than $11 million in spending during its first five years of operation.

Community development investments in and around the Study Area have also had an important effect. Directly to the east of the Study Area, longstanding education, housing, and economic development initiatives in Kendall-Whittier have transformed the area into a vibrant, mixed-income, and thriving neighborhood. These efforts, which have catalyzed more than $130 million in private investment, demonstrate what is possible through sustained and coordinated community development initiatives. Habitat for



Assets and Opportunity Sites

Bus Rapid Transit (BRT)

Future BMX headquarters

Laura Dester site

Kirkpatrick Heights Addition/Greenwood Area

Humanity's work in Crutchfield has improved housing conditions and overall stability in the neighborhood, and are a seed of what more is needed.

Assets for the Future

Several key assets will position the City and its partners to sustain the area's momentum, while ensuring that growth and reinvestment occur in a manner that benefits all Tulsans.

In Downtown, the abundant surface parking is an untapped asset. Future development of those properties can contribute to the area's vibrancy and walkability, while bringing a mix of new housing, jobs, and amenities to the area.

The Laura Dester site at East 8th Street and Quincy Avenue in the Pearl District area has been vacant for years, destabilizing the surrounding neighborhood. The property is under the Tulsa Development Authority's (TDA) control, and is a major opportunity site in the heart of the Pearl District area. Current redevelopment proposals envision a mixed-income combination of apartments, townhomes, cottages, and mixed uses, which would bring new housing options and amenities to the neighborhood. This proposal would also result in transferring sale proceeds to TDA, creating a potential source for further neighborhood reinvestment.

Directly to the north of Downtown is the Kirkpatrick Heights Addition/Greenwood area, another publicly-controlled site that is an important opportunity to attract equitable development. Previously held by the University Center at Tulsa Authority, these 56 acres are now under the control of the TDA, and will be the subject of a master planning effort to work with area residents to create an equitable course for their future. This area is at once a painful legacy of Tulsa's history of Urban Renewal and the race massacre, and a once-in-a-lifetime opportunity for the community to model inclusive, restorative development. The master planning process has the potential to provide a vision that reflects the history and legacy of the area, generate small business opportunities, improve connectivity to the surrounding neighborhoods, increase accessibility to Downtown, and incorporate a broad range of housing types and price points.

Finally, the City's increasing efforts to promote coordination and collaboration between its departments is an important step to better address housing and related issues. With the support and leadership of the City's Housing Policy Director, the City and its partners are on a course to both imagine and implement new ways of promoting housing opportunity in the community.

Sources: Public Radio Tulsa; The Oklahoma Eagle; Tulsa World; Google Earth. Image credits: The Oklahoma Eagle, Public Radio Tulsa; Tulsa World, Bing Maps.

Market Analysis Summary

This section summarizes key findings from the housing market analysis for Downtown Tulsa and its surrounding neighborhoods, and identifies strategic priorities informed by those findings.

Introduction

The market analysis utilizes several methods to understand the holistic picture of housing needs and opportunities in the Study Area. These include: quantitative analysis of current and prospective residents' housing needs and affordability; a review of existing housing supply; a survey of community housing preferences and challenges; observational and geospatial analysis of neighborhood conditions; analysis of migration trends; analysis of current and projected economic conditions; identification and analysis of target markets for downtown living; and an analysis of the relative market conditions in Tulsa's peer cities.

Broadly, the analysis identifies strong market-rate housing development momentum Downtown and opportunities for quality development and investment throughout the Study Area. Strategies to sustain that momentum Downtown and to address housing condition, equity, and affordability in the surrounding neighborhoods are needed to ensure that available housing opportunities meet the broad range of needs and priorities in the Study Area. The collection of methodologies used in our demand analysis highlights a range of possible development scenarios for the Study Area.

Affordability

Affordability analysis uses conventional market demand methodology to validate a hypothetical new affordable and workforce housing development. Approximately 4,200 households in Tulsa are income-eligible for LIHTC, public housing, and Section 8 properties, far outpacing the existing supply of about 1,300 units. A deep need for affordable rental housing in all neighborhoods exists. Many households can afford "workforce" affordable for-sale housing. Residents near the Study Area express an interest in moving closer to Downtown.

Target Market

The target market analysis considers consumer profiles of residents within the market area to determine desirable housing products. Because much of the demand for downtown residential development is driven by young professionals, there is greater support for rental units than for-sale options. Supplementary demand will be derived from downsizing retirees and mid-career professionals. In Tulsa, many households in these "market segments" are currently living outside of Downtown. These groups have a wide range in housing affordability—from rents under $1,000 to $2,200 or even more—and with the right product, would be very likely to consider moving downtown.

In-Migration

In-migration analysis estimates the number of residents moving to the city that would be attracted to new development in the Study Area using data from the American Community Survey and target market analysis. The region is experiencing population growth due to migration, with much of it from other major metro areas. Some of these new households are likely to consider Downtown as a first place to live.

Peer Cities

Peer cities analysis compares capture rates of downtown housing to peer cities to help inform realistic development goals for the Study Area. On the basis of home values and rents alone, Tulsa is less expensive than some of its peer cities. Tulsa's homeownership rate is lower than its peers, and rents have been rising faster. The Study Area has added a lot of new housing over the past several years, but not as much as some of its peers; however, Tulsa is quickly catching up.

Demand Conclusions

There is demand for housing at all price points in the Study Area. The demand conclusions summarized on the facing page reflect projected 10-year demand for new housing development, as well as housing renovation and rehabilitation. Some products can be delivered to the market without assistance, while others will require some form of development subsidy to be economically feasible.

Ten Year Demand Summary

	AFFORDABLE	WORKFORCE	MODERATE	UPSCALE	LUXURY
AMI Level	< 60%	60-120%	120-150%	150-200%	> 200%
Income Level	< $34k/yr	$34k-67k/yr	$67k-84k/yr	$84k-112k/yr	> 112k/yr
Rental Demand (units)	800-1,000 units	1,000-2,000 units	400-600 units	200-300 units	100 units
Rental Demand (rent)	< $840/mo	$840 - $1,700/mo	$1,700 - $2,100/mo	$2,100 - $2,800/mo	> $2,800/mo
For-Sale Demand (price)	< $160k	$160k-$250k	$250k-$320k	$320k-$400k	> $400k
For-Sale Demand (units)	150-250 units	300-400 units	200-300 units	100-200 units	100 units

Total Rental Demand: 2,500 to 3,200 units

(Rental Under Construction and Proposed: 1,200 units)

Net Rental Demand: 1,300 to 2,000 units

	AFFORDABLE	WORKFORCE	MODERATE	UPSCALE	LUXURY	
Net Rental Demand	160-250 units	200-300 units	140-260 units	100-150 units	40 units	Downtown Share: 640-1000 units

Total For-Sale Demand: 800 to 1,250 units

	AFFORDABLE	WORKFORCE	MODERATE	UPSCALE	LUXURY	
For-Sale Demand	0 units	30-40 units	70-135 units	60-130 units	40 units	Downtown Share: 200-345 units

Source: Development Strategies

Affordable Housing Demand

The analysis highlights deep demand for quality affordable housing: up to 1,000 rental units and 250 for-sale units over 10 years. The number of households in the Study Area that qualify for affordable rental housing (4,200) far exceeds the available supply of subsidized units and rental assistance. There are 1,300 subsidized affordable units, and an estimated 230 Housing Choice Vouchers being utilized in the Study Area today (HUD Resource Locator, PolicyMap). This gap in the supply of affordable housing reflects a trend common to core urban neighborhoods.

Among the survey respondents struggling to find safe, decent affordable housing in Tulsa, 77% attributed it to high rents or mortgage payments.

The Study Area has a large supply of low-cost unsubsidized rental and for-sale housing; however, the physical condition and instability of that housing are a significant challenge. Between 2010 and 2016, more than 1 in 20 renter households experienced eviction each year. While this rate (4.9 percent) is below the citywide rate for the same period (7.8 percent), it reflects households' vulnerability to displacement and its effects.

Affordable housing is an important component of a larger strategy to ensure demographic, economic, and housing diversity throughout Tulsa. Modern affordable models offer attractive mid-rise construction and increasingly robust amenities that are similar to other contemporary market-rate apartments.

The projected 10-year demand for affordable housing reflects an estimate of Low Income Housing Tax Credits that could be awarded to competitive projects within the Study Area, in addition to the potential for other partners and programs to play a role in expanding the supply of quality affordable housing.

Workforce and Moderate Housing Demand

There is a significant market gap in the workforce and moderately-priced housing range. This range can meet the housing needs of households earning between $34,000 and $84,000 per year in Tulsa. Strong demand exists for "missing middle" housing but a very limited supply of quality options is currently available. Missing middle housing is mid-price rental and for-sale housing that is compatible in scale with detached single-family homes but is at a much more affordable price point. Whether in urban or suburban locations, these types of homes can take many forms, including townhomes, duplexes or triplexes, and courtyard apartments.

Upscale and Luxury Housing Demand

Strategies to help prospective buyers overcome barriers to purchasing a home (such as through downpayment assistance, credit repair, homebuyer counseling, etc.) paired with strategies that support repairing and renovating the existing housing stock could help to meet this demand while stabilizing the existing housing stock and surrounding neighborhoods.

Identifying and supporting typologies that are economically feasible at these price ranges, as well as sites where such housing could be constructed, will help attract more workforce and moderately-priced housing to the Study Area.

The Upscale and Luxury housing market corresponds to housing demands of households earning more than $84,000 per year in Tulsa. The strong performance of recent upscale and luxury development Downtown indicates the increasing viability of this market. The Tulsa region has seen steady job growth and continues to attract new employers, or existing employers that are expanding, with moderate- to high-paying jobs. Recent jobs announcements in and around Downtown, along with with positive migration patterns and expanding amenities and services will help to sustain this momentum.

The current Upscale and Luxury supply is comprised mostly of upscale apartments and rental lofts, with a small number of high-end condos and townhomes. Modestly expanding the diversity of upscale and luxury supply to include more non-apartment options will help to meet remaining high-end demand.

Strong rents also indicate that incentives may no longer be needed at the same level to make projects work at the higher end of this market (i.e., rents per square foot at $1.60 or above). However, barriers such as parking and land control need to be addressed in order to sustain the development momentum in Downtown. Supports to help developers overcome various impediments to Downtown market-rate development are needed to continue to meet this higher-end demand. Support for public realm improvements that enhance the downtown environment will also support the continued growth of the luxury and upscale residential market in Downtown Tulsa.

Multifamily Rental Supply

Approximately, 42 percent of the housing in the Study Area consists of multi-family housing. The Study Area has seen considerable growth in multifamily housing supply, adding more than 800 units since 2010.

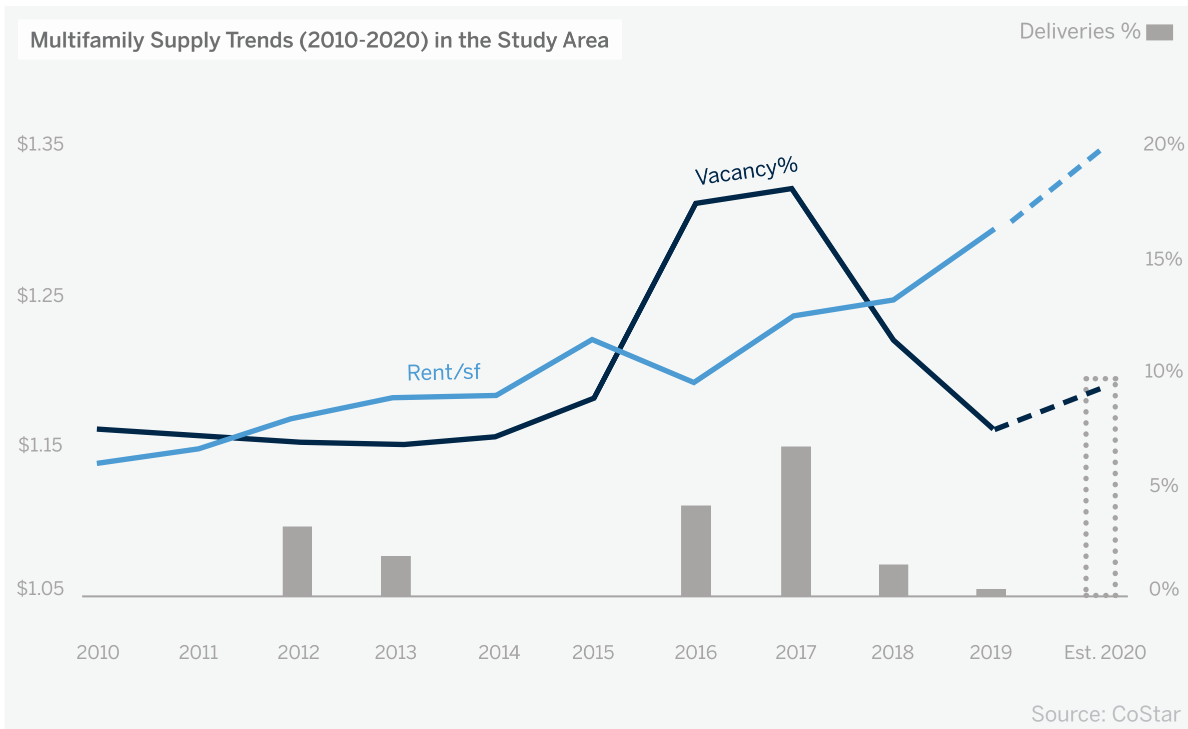
Approximately 60 percent (600 units) of this supply has been added to downtown alone. Fewer than 300 new units were added to the rest of Study Area during the same period—most of those units were added in the Heights and Riverview/ Cherry Street.

The average asking rent among all multi-family units in the Study Area is $990, while the average vacancy is 12 percent. Per square foot rents in the Study Area increased by approximately 8 percent since 2016. At the same time, overall vacancy in the Study Area has decreased by more than 50 percent in the past two years. This indicates growing demand for multifamily units as well as an increased development momentum in the Study Area.

With 1,200 multifamily units in the development pipeline, more units will be added to the market than in recent history. The majority of this development is for market-rate units.

Supply and demand analysis both indicate a deep demand for affordable multifamily units in the Study Area. Sixty-five percent of the renter households in the Study Area are unable to afford rents higher than $750. There is a significant supply for affordable/income-assisted housing, including nearly 270 LIHTC units, 700 public housing units, and more than 300 additional units contained within scattered properties supported by Section 8 vouchers or other rental assistance programs. Most of this supply is concentrated in Greenwood/University Park, Legacy/Heights, and Dunbar/Joe Louis neighborhoods within the Study Area. As stated on the previous page, this supply meets only a small share of the needs of qualifying households. Every affordable property surveyed through market research reported has near-full occupancy, and years-long waitlists.

Demand for affordable housing is persistent in communities throughout the country. Though subsidies and incentives are finite, a combination of LIHTC, traditional public housing, and Section 8 vouchers can be used to ensure the long-term provision of affordable units in improving neighborhoods, or dramatically improve the overall quality of the rental stock in struggling areas. In many communities, new resources are being created, including affordable housing trust funds, to more broadly address the need for affordable housing.



Multifamily Supply


Greenarch Apartments

Built in 2013
70 units
$1.04/sf
94% occupied


Tribune Lofts

Rehabbed in 2000
35 units
$1.29/sf
94% occupied

Earlier Downtown

Multifamily properties developed in earlier waves of Downtown investment are achieving strong average rents ($1.40 per square foot), though lower than rents in more recent Downtown development. Several years into their operation, and amidst growing competition, these properties continue to perform very well.


The Meridia

Renovated in 2017
93 units
$1.62/sf
94% occupied


The Flates on Archer

Built in 2019
62 units
$1.66/sf
95% occupied

Recent Downtown

Recent Downtown development has very strong performance, with high occupancy and average rents of more than $1.60 per square foot. These rents suggest that market-rate development may be approaching feasibility, and may rely less on incentives where parking, land, and soft costs can be controlled.


The Annex

Proposed 2021
240 units


The View

Under construction
102 units

Proposed & Under Construction

The 1,200-unit strong pipeline for new housing development indicates developer and lender confidence in the Study Area's multifamily housing market.


Waterside Apartments

Built in 1983
682 units
$1.19/sf
92% occupied


1634 Apartments

Built in 1960
8 units
$0.89/sf
88% occupied

Lower/Mid-Tier

Older multifamily buildings provide an important source of unsubsidized affordable housing. Their strong occupancy is consistent with the area's strong demand for affordable and workforce rental housing.


Riverbend Apartments

Built in 2002
40 units
50% and 60% AMI
100% occupied


West Park Apartments

Built in 2013
128 units
25%, 50%, and 60% AMI
92% occupied

Family LIHTC/Affordable

The high occupancies and long waitlists for subsidized affordable housing in the Study Area—for properties of all ages—demonstrates the deep unmet need for quality affordable housing.


Cherokee Meadows

Built in 2017
48 units
50% and 60% AMI
100% occupied


Pythian Manor West

Built in 1979
101 units
Section 8
98% occupied

Senior LIHTC/ Affordable

As with other affordable housing, key metrics for age-restricted affordable housing are consistent with demand analysis and community conversation, highlighting the need to expand the availability of this housing type.

Image credits: Tulsa World

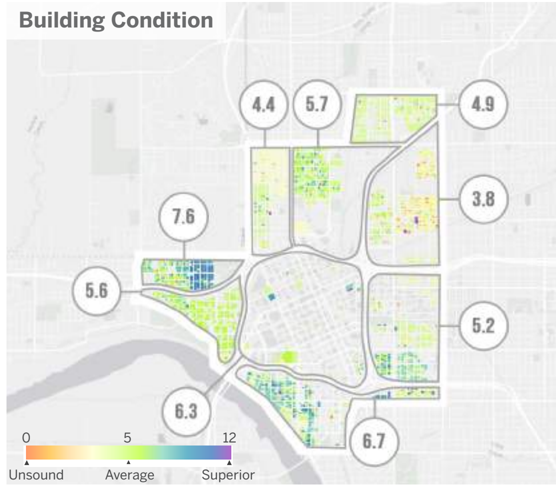
Single-Family Supply

A community-wide supply overview provides a baseline understanding of what housing products are available in the Study Area. Combined with demand analysis, this helps identify what housing is needed to meet current and future needs.

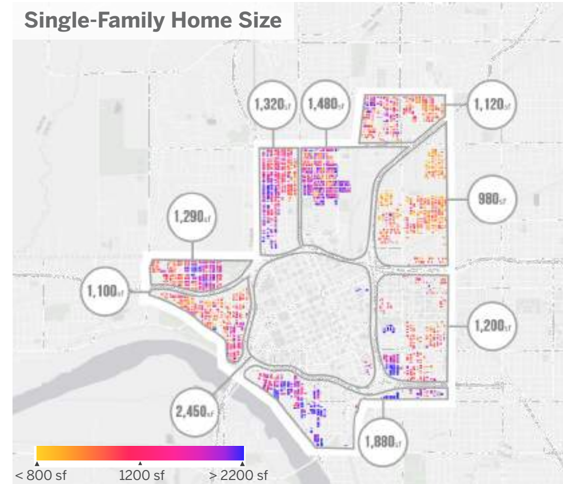
Single-family homes remain the dominant housing typology in the Study Area, accounting for 44 percent of the Study Area's housing units. The typologies and conditions vary significantly across the Study Area, reflected by a wide range of recent sale prices. Move-in ready homes that sold in the Study Area in the past 12 months had a median price of about $95,000. When looking at neighborhoods within the Study Area individually, median sale prices vary significantly. The graph on the facing page illustrates the single-family market sales across all neighborhoods within the Study Area and how prices affect affordability in each of these neighborhoods.

The median housing value in the Study Area is much lower than in the city. Only Riverview and Greenwood have median home prices higher than in the Study Area as a whole.

Overall, there has been a 22 percent growth in the median home sale prices in the past six years. Median sale prices within the Study Area vary across neighborhoods. For-sale stock in Riverview and Owen Park neighborhoods ranges upwards of $100,000. On the other hand, home sale prices in Crutchfield and Dunbar/Joe Lewis are much lower, ranging between $30,000 and $80,000.



Source: Tulsa County Assessor Parcel Data



Source: Tulsa County Assessor Parcel Data

Sale prices are consistent with building conditions data across the Study Area. While conditions across the Study Area are classified as "average" according to the Tulsa County Assessor, neighborhoods like Owen Park and Riverview rate "above average" while housing conditions in Crutchfield and Dunbar are, on average, rated as "below average".

Median home value in the Study Area is 82% of the citywide median

Part of the challenge with the condition of the existing stock is its age—about 30 percent of the homes in Study Area were built between 1920 and 1929. The median year built for homes in the Study Area is 1926. These homes are in need of renovation or rehabilitation in order to elevate conditions across the neighborhoods, and some may be beyond repair and need to be demolished.

The size of the existing housing stock also poses a challenge. Crutchfield has the highest average household size (3.06) among all neighborhoods within the Study Area but has the smallest median size for single-family homes (980 square feet). This mismatch should be addressed in order to accommodate the housing needs of larger households within the Study Area.

The wide range in housing conditions, market strengths and weaknesses, household demographics, and available land reinforce the principle that different strategies and tools will be

Single-Family Supply

Built in 1920
880 sf
Sold for $18.5k
1Br 1Bath

Built in 1920
1,250 sf
Sold for $69.5k
3Br 1Bath

Built in 1930
2,790 sf
Sold for $110k
3Br 3.5Bath

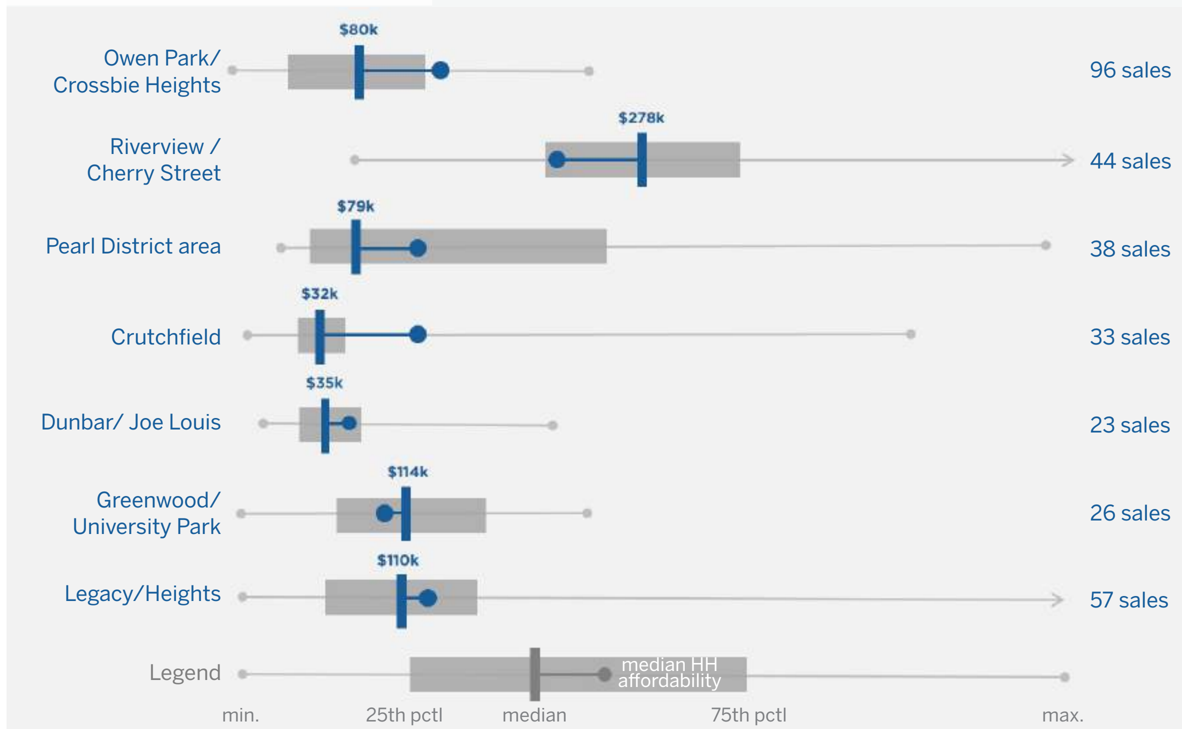
Built in 1920
1,375 sf
Sold for $225k
3Br 3Bath

Built in 1925
2,495 sf
Sold for $325k
4Br 2.5Bath

Source and Image credit: Zillow 2019

needed in different neighborhoods. The goals of promoting equitable development and economic vitality are shared across the Study Area, yet not all tools will be appropriate in all locations. For example, quality development in stronger markets may need minimal support through incentive tools (such as the revolving loan fund or others) to help correct infrastructure issues or through no subsidy at all, whereas quality development in weaker markets will require deeper subsidy. The housing strategy will explore the role of existing and potential tools in greater depth, and highlight where they are best suited to have the strongest effect.

Single-Family Market Sales (2017-2019)



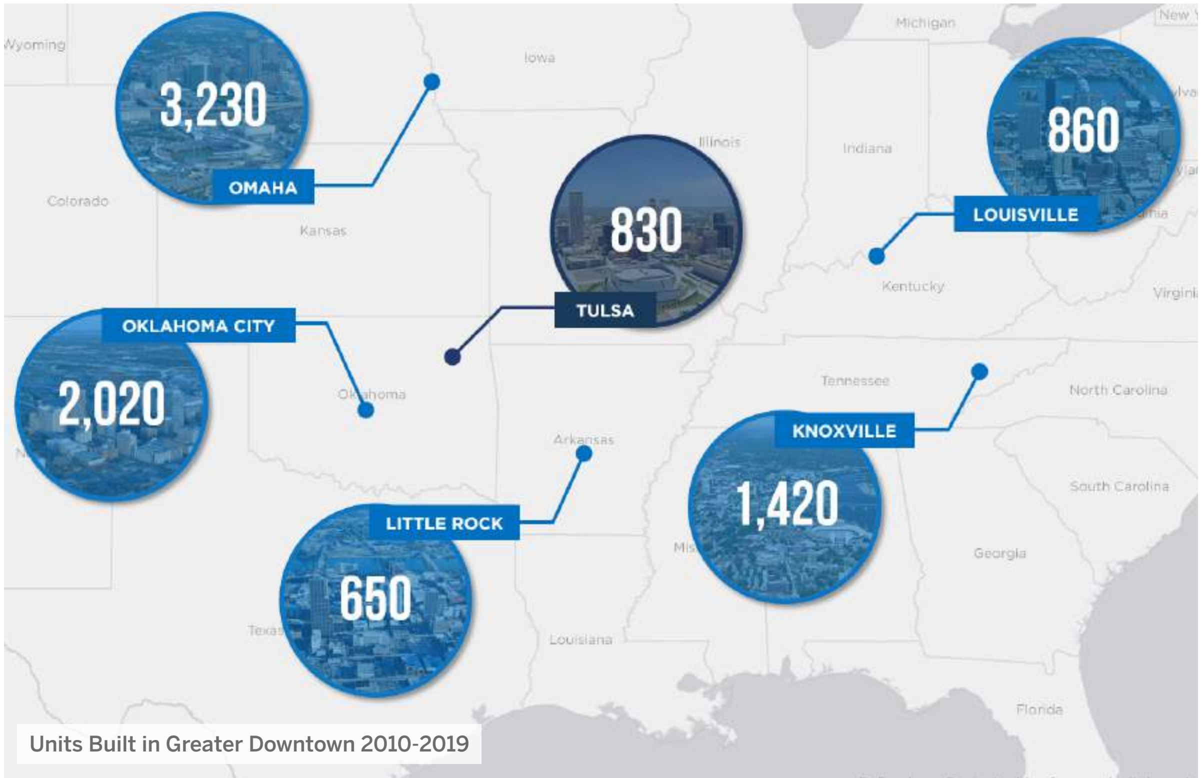
Source: Zillow 2019

Peer Context: Housing Costs, Supply and Market Trends

Five peer and aspirational cities were selected based on housing and demographic conditions, as well as conversations with the Client Team. This allows for a comparison of the housing context in Tulsa with other markets, and helps to identify strategies that have been successfully implemented elsewhere.

Omaha, Oklahoma City, Little Rock, Louisville, and Knoxville were selected to compare key housing trends. Compared to its peers, Tulsa has the lowest citywide housing value index and rent index. Since 2016, property value appreciation in Tulsa has been generally consistent with its peers, although given the lower base value, dollar increases are not as high.

Rents in Tulsa are increasing at a higher rate than many of the peer cities. Between 2016 and 2019, the city recorded a steep increase in rents (12 percent), double the national rate for the same period (6 percent).



Source: ESRI; Defined as a 5-minute drive from each city's center

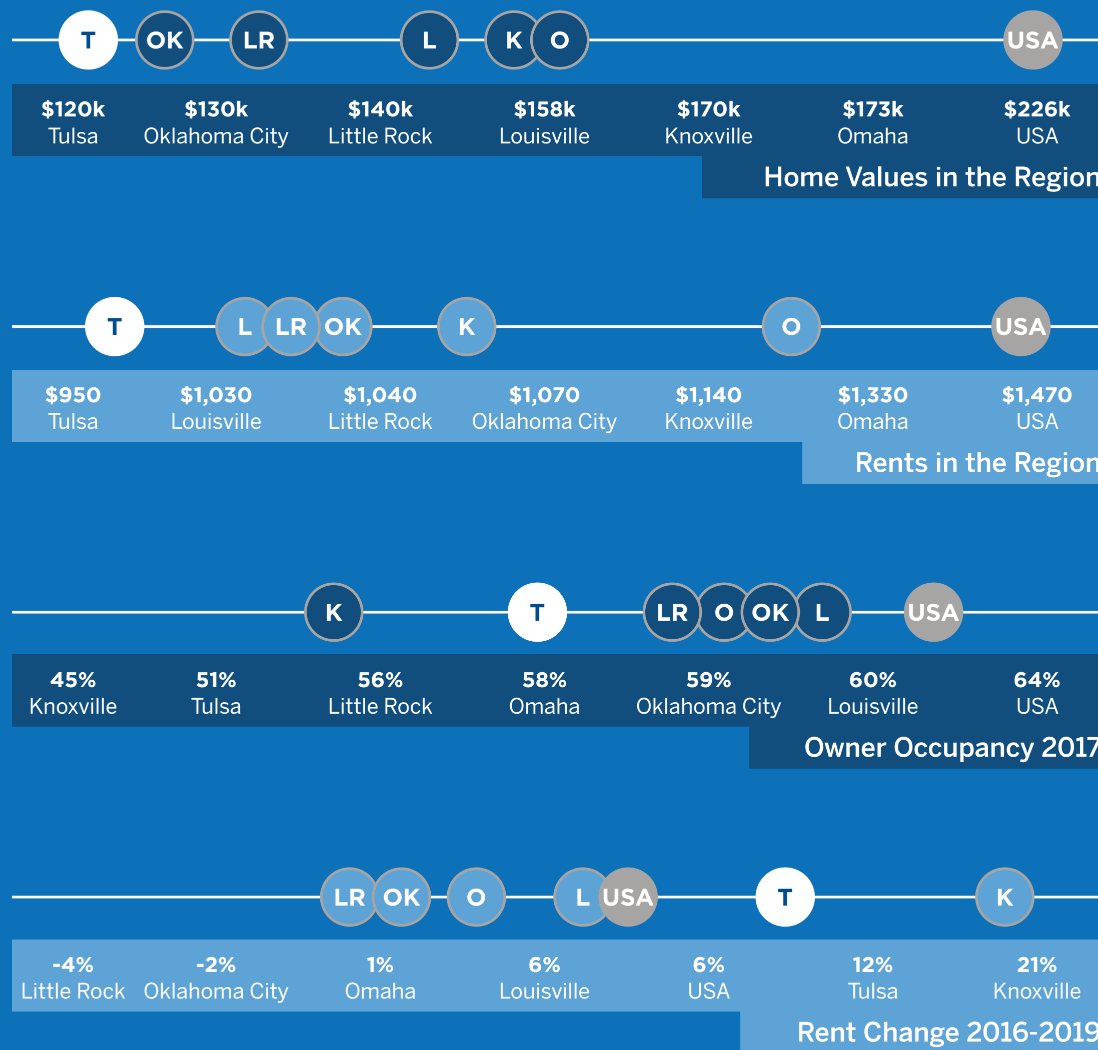
Though a considerable number of housing units were added to the Tulsa MSA (31,877) between 2010 and 2019, the Study Area has the lowest capture rate (2.6 percent) for total share of the housing units added to its MSA when comapared with the capture rates of its peers cities' core areas. In addition, renter-occupied housing in the Study Area increased by 15.2 percent between 2010-2018, higher than both the MSA (13.9 percent) and national (12 percent) averages. The increase in renters and a lack of supporting increase in the rental supply is a contributing factor toward increasing rents. Though the base value for these rents is the lowest among the comparison cities, the rapidly increasing rents present an affordability challenge.

The homeownership rate in Tulsa (58 percent) is considerably lower than the national average (64 percent) and most of its peers. Additionally, the proportional decline of the rate of homeownership has been higher in Tulsa than the national average as well as many of its peers. The share of owner-occupied housing in the Study Area also decreased by 4.4 percent between 2010 and 2018. Even with considerably lower home values compared to the national average and its peers, Tulsa's decreasing homeownership trends could be a function of other factors at play. In terms of citywide competitiveness, Tulsa has considerably lower levels of educational attainment and income compared to the national average and its peers. This contributes to the weaker housing market conditions and also the lower rates of homeownership.

The proportion of renters paying more than 35 percent of income toward rent is lower than the national average and is generally consistent with its peers. The growth in renters paying more than 35% of income towards rent (in terms of basis points) is relatively low.

Peer City Trends

Following graphs compare Tulsa with its peers in terms of home values, rents, homeownership, and rent change.



Source: Zillow 2019

Economic Growth and Housing Needs

Projected economic growth will strengthen the market for upscale and luxury development Downtown, while also reinforcing the regional need for affordable and workforce housing.

Between 2010 and 2015, the Study Area and City of Tulsa lagged the region in economic growth. But since 2015, the City has caught up significantly, adding an additional 11,000 jobs through new or expanding businesses. In the coming decade, 60 percent of projected new jobs in the region will pay under $35,000, highlighting the need for affordable rents ($850 per month or below).

A robust supply of quality affordable and workforce housing can have significant positive effects on an employer's ability to attract and retain desired talent in the Study Area; therefore, it is important that both rental and for-sale housing is available at these affordable price points—i.e. rents that are less than $850/mo and between $850 and $1,700/mo, and homes for purchase between $160,000 and $250,000. Inclusion of affordable and workforce housing can help boost economic development and overall downtown livability. Additionally, employer involvement in housing initiatives can contribute to community development. Support of new housing for employees can help to stabilize neighborhoods that are in need of reinvestment. These efforts increase the desirability of the neighborhood and can help maintain a safer, more satisfying work environment.

67% of survey respondents currently working Downtown likely or very likely to move to the Study Area

Several major job announcements for employers in the city—including WPX Energy (in the Study Area), American Airlines, and Greenheck—will pay wages that would support moderate, upscale, and luxury rents and home prices. Providing attractive options at these price points will help attract some portion of these employees—as well as workers at other Downtown businesses—to live in the Study Area. Additionally, exploring development partnerships with large employers in the city will help support momentum for development of affordable and workforce housing.

Median Annual Wages of Occupations with High Projected Near-Term Growth

Projected Growth: 21%
New Jobs: 1,790
Median annual wage: $19k
Affordable rent: $460/mo

Food Preparation

Projected Growth: 45%
New Jobs: 1,420
Median annual wage: $20k
Affordable rent: $490/mo

Home Health Aides

Projected Growth: 40%
New Jobs: 1,030
Median annual wage: $19k
Affordable rent: $485/mo

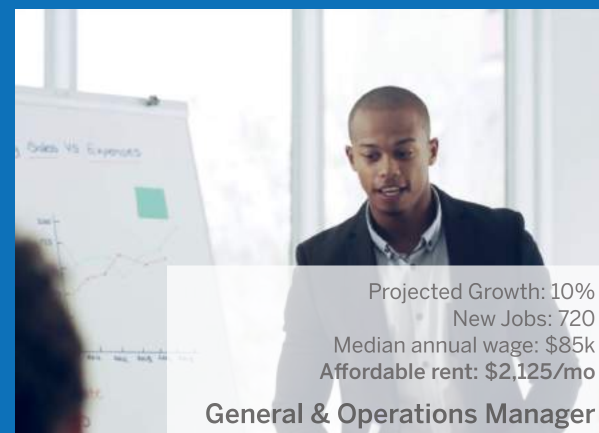
Personal Care Aides

Projected Growth: 13%
New Jobs: 990
Median annual wage: $61k
Affordable rent: $1,530/mo

Registered Nurses

Projected Growth: 27%
New Jobs: 900
Median annual wage: $32k
Affordable rent: $800/mo

Medical Assistants



Projected Growth: 10%
New Jobs: 720
Median annual wage: $85k
Affordable rent: $2,125/mo

General & Operations Manager

New Jobs: 400
Median annual wage: $75k
Affordable rent: $1,875/mo

Jobs at American Airlines

New Jobs: 900
Median annual wage: $50k
Affordable rent: $1,250/mo

Jobs at Greenheck

New Jobs: 150
Median annual wage: $100k
Affordable rent: $2,500/mo

Jobs at WPX Energy

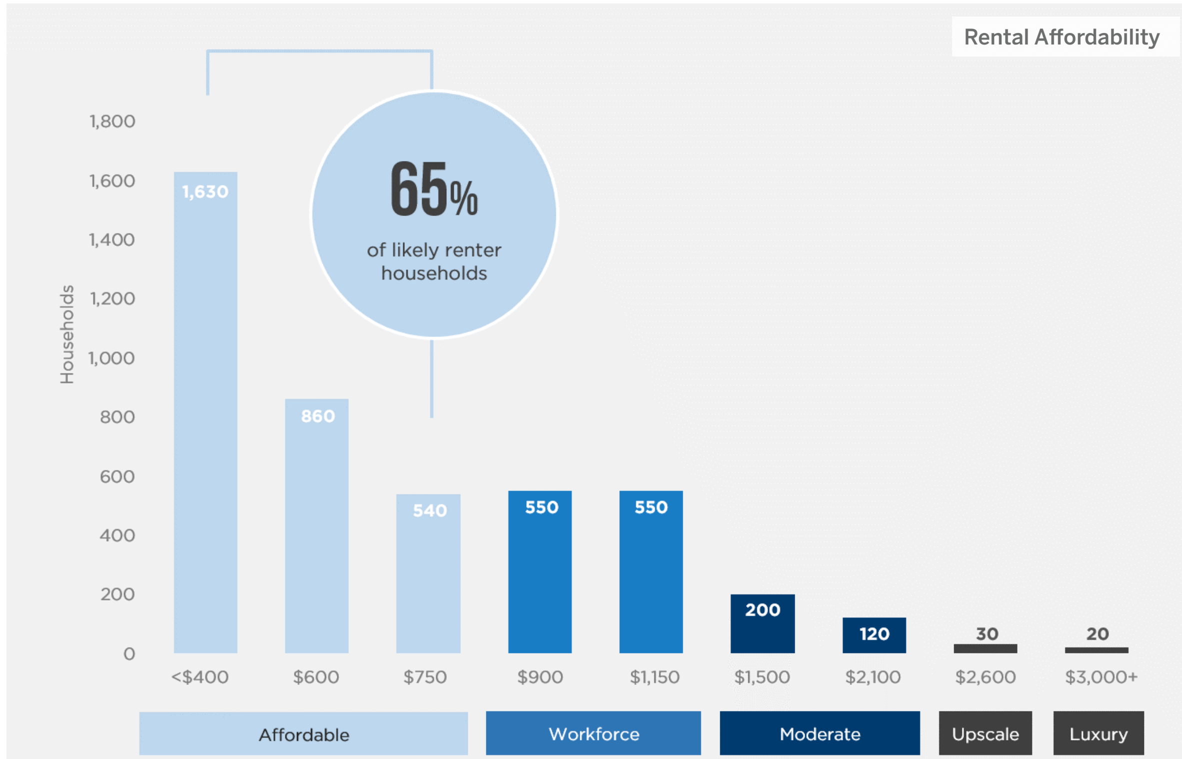
Source: Occupational Employment Statistics program, Oklahoma Employment Security Commission, Research & Analysis Division.

Affordability

Affordability is a significant issue for many residents, despite the fact that much of the housing in the Study Area is low-cost relative to the city as a whole and Tulsa's peer city markets.

The American Community Survey provides income distribution data and the proportion of income spent on housing for homeowners and renters in Tulsa. The following graphs represent the number of households able to afford residential products at various price points; however, this does not represent the existing supply. In some cases, households are spending more than what they can afford on housing costs, while others may spend significantly less due to diminishing relative housing costs at higher incomes or the absence of a desired housing typology.

Each rent range is assigned to a housing type to pair product with affordability, ranging from subsidized units to high-end market rate products. The for-sale process is similar, with typologies ranging from substandard options to newly-constructed single-family homes.



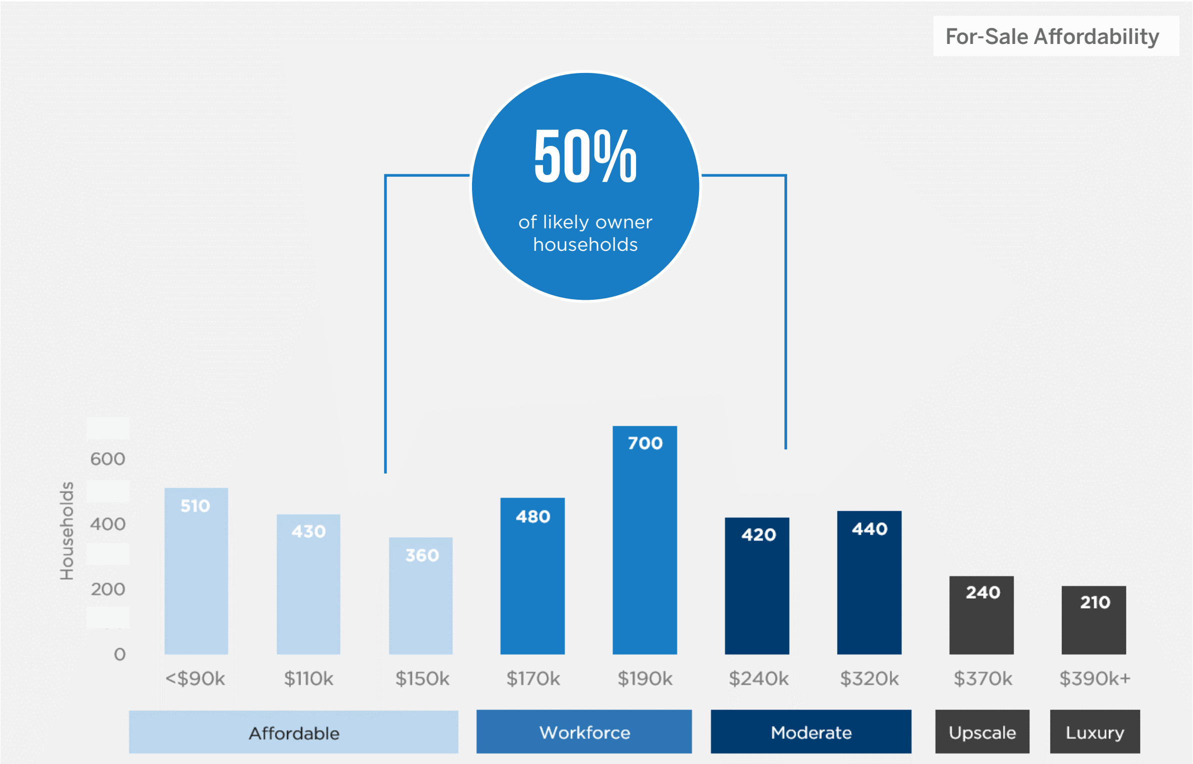
Source: Development Strategies, ESRI

Rental Affordability

There are 4,500 renter households in the Study Area and more than 1,600, or 35 percent, can only afford rents of up to $400 per month. Given the relatively limited supply of public housing, Section 8, and supportive rental units, many of these households are rent-burdened or are forced to choose substandard, low-rent options. This creates a significant supply and demand issue, as there remains a need to invest in the existing housing stock while maintaining affordability.

38% of survey respondents currently residing in the Study Area struggle to find quality, affordable housing

Just under 45 percent of renter households fall in the affordability range of $400 to $900, which is the core affordable and workforce housing demographic. While there are a number of rental options in this range—including some contemporary LIHTC units—newly-constructed or recently renovated properties would charge higher rents. Fewer than 10 percent of renter households in the Study Area can afford rents at or more than $1,500. This is representative of limited support for more luxury rental development in the city.



Source: Development Strategies, ESRI

For-Sale Affordability

Almost 50 percent of the 3,790 owner households in Tulsa can afford homes ranging from approximately $150,000 to $240,000. Approximately 25 percent of area homeowners can afford homes above $240,000.

It is difficult to deliver homes in the affordable and workforce price range through new construction without very deep subsidy. While there is certainly a role for new affordable infill, repair and renovation offer the most effective means by which to meet for-sale demand at affordable and workforce price points.

For-sale demand at moderate, upscale, and luxury price points can generally be delivered by the market without significant subsidy. In the Study Area, this for-sale demand can be met by more than traditional detached single-family homes. National trends and survey results indiciate a growing interest in “missing middle” housing typologies such as townhomes, duplexes, quadplexes, and other medium-density typologies.

Cost Burden and Homelessness

Across the Study Area, 15 percent of households are extremely cost-burdened, paying more than 50 percent of their income toward housing. Extreme housing cost burdens are highest in the Dunbar/Joe Louis (32 percent) and Pearl District (20 percent) areas, which also have the greatest share of renters.

This severe burden has pushed many Tulsans to homelessness. According to Eviction Lab, the City of Tulsa had the 11th highest eviction rate in the country in 2016, with almost one in every thirteen Tulsans experiencing eviction. More than 5,600 people in Tulsa experienced sheltered homelessness in the past year. The number of households in the Study Area who qualify for affordable rental housing (4,200) far exceeds the available supply of subsidized units (1,300) and rental assistance, reflecting a deep need for affordable housing units.

With relatively low home prices, there is an opportunity to relieve some residents’ cost burdens by supporting them in entering and sustaining homeownership. This suggests a need to help residents overcome non-income-related barriers to homeownership—such as resources for a downpayment, credit repair, debt management, homeownership education, and access to mortgage lending. Pairing these supports with resources to help current and prospective homeowners reinvest in the housing stock through maintenance and renovation will support neighborhood stabilization as well as equity-building through homeownership.

Strategies to expand the availability of quality subsidized housing, to improve property management and maintenance practices for unsubsidized affordable housing, and to reduce the prevalence of eviction and displacement will all be needed.

Downtown Demand Segments

One third of downtown residents in various cities recently relocated from outside the MSA. Given the right product, Downtown Tulsa can become well-positioned for many of these households to call home.

Migration

Data from the 2017 American Community Survey indicates that Tulsa County had a net positive migration of 2,500 people each year, 30 percent of which moved from major metro areas like New York, Los Angeles, and Chicago. Studies suggest that people moving into a new city, particularly those coming from another urban county, are more inclined to live in a downtown environment than the typical resident. Applying a capture of 15 percent of the inflow, we arrive at a demand to support around 750 units in Downtown Tulsa during the next ten years.

Market Segmentation

Target market analysis is used to determine demand based not only on geography and demographic traits, but also on consumer preferences. As a result, desired product types can be determined, in addition to affordability. Just as market segmentation is used to determine tendencies to buy different types of consumer products—including products as diverse as cars, computers, and dish soap—data on market segments can be used to identify demand for different types of housing products at a particular location. The segments present in Tulsa are identified using ESRI's Community Tapestry™ data, which use algorithms to link demographic, geographic, and psychographic data to create 65 unique geodemographic segments. In other words, these "segments" are essentially 65 household groupings, each with their own unique combination of demographic (income, age, etc.), geographic, and psychographic (values, culture, etc.) characteristics.

More than 40 percent of households in the "Set to Impress" group are single-person. While these households have moderate incomes, they are well-educated, and generally in the early stages of their career, or finishing college or doing temporary work while seeking long-term employment. They are the third largest tapestry group in Tulsa, with significant households just south of I-244, east of the Study Area. Clusters of "Set to Impress" households are also scattered around the periphery of the Study Area, at the intersection of S. Utica Avenue and the Broken Arrow Expressway.

The "Young and Restless" group is young, transient, single, and well-educated—an ideal market for Downtown; however, given the lack of supply, this group lives in older, garden-style properties outside of the urban core along Riverside Drive, scattered between East 61st and East 91st streets. This group would be attracted to new rental apartments and would be willing to live in smaller units if the rent was affordable.

"Bright Young Professionals" are made of many young single households that are more likely to rent, mostly due to their age. This group tends to prefer newer garden-style rental products on the edge of urban areas, although they would live in an urban area if the right type of housing product were available. Though this group is somewhat scattered, the most prominent clusters are near the south-eastern periphery of the city.

"Metro Renters" are educated singles who are just at the begining of their professional careers. Residents of this group are likely to share housing costs with a roomate to help defray high rents. Most of the households in this segment are already living inside the Study Area, a trend very common among urban cores across the nation.

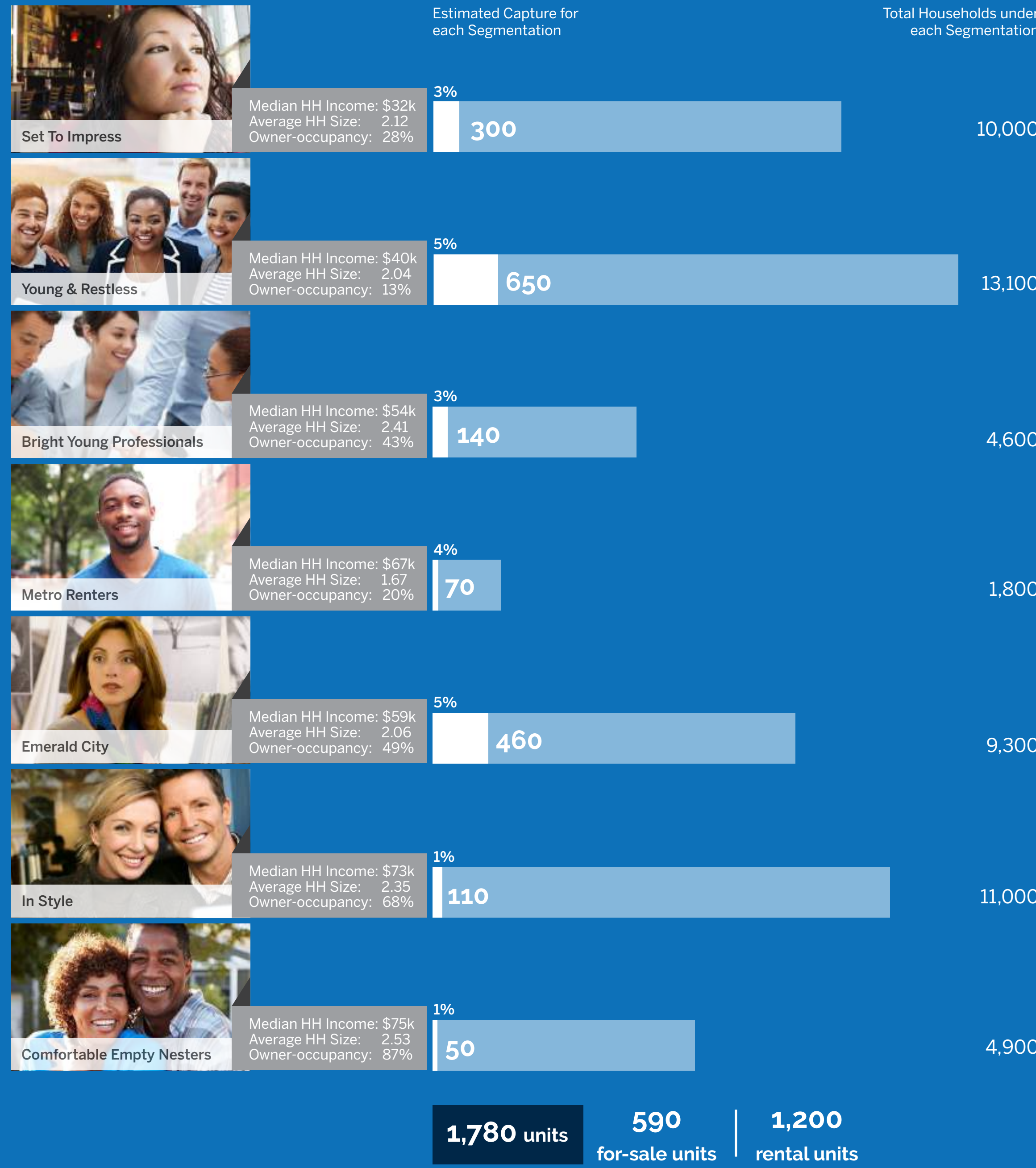
The “Emerald City” segment is highly educated and tends to favor historic, urban neighborhoods. Not quite at mid-career phase, this group has been in the professional world for at least ten years and is more likely to be married or living with a significant other. In Tulsa, this segment is prominent within the existing residential supply within the Study Area, in Riverview/Cherry Street, as well as a large number concentrated to the east of the Study Area in the Renaissance neighborhood.

The “In Style” group is older and more likely to have children, but consists primarily of professional couples or single-person households. These households are mid-career and relatively affluent, with a median household income of more than $70,000.

“Comfortable Empty Nesters” are a large and growing segment of older couples no longer living with children. They primarily reside in suburban areas, but a small number may be interested in downsizing to an urban townhome or condo.

Demand analysis of target market households indicated support for about 1,200 rental units and 590 for-sale units from households in the Study Area. Because the majority of demand is derived from the “Set to Impress,” “Young and Restless,” and “Emerald City” groups, support is generally stronger for rental products than for-sale options; however, supplementary demand for townhomes and condominiums will be driven by mid-career professionals who prefer urban environments to suburban single-family homes and retirees looking to downsize.

MARKET SEGMENTATION



Source: ESRI 2019

3 Feasibility Considerations

Feasibility Analysis

The economic feasibility of building, renovating, or rehabilitating different types of housing affects the ability of developers to add these units to the market and meet demand.

Understanding the factors that affect feasibility will help to guide the use of incentives and investment tools in the Study Area.

The previous two chapters outline the housing needs and goals for the Study Area and identify demand for a broad range of housing types and price points, including those that cannot easily be delivered by the market. Meeting these needs will require some type of incentive, subsidy, or other support.

This chapter evaluates the level of support needed to successfully deliver these different types of housing, which informs the role and potential impact of available tools and resources.

About the Methodology

One must first understand the economic feasibility of building, rehabilitating, or renovating a single housing unit to understand the scale of impact possible through an incentive or subsidy program. This evaluation—feasibility analysis—seeks to evaluate the two sides of this feasibility equation:

- The typology- and market-specific costs to deliver a single unit of housing, including purchase/acquisition, construction, and soft costs.
- The market value of the housing product, based on target rents or sale prices, standard financing terms, a modest profit, and stabilized occupancy.

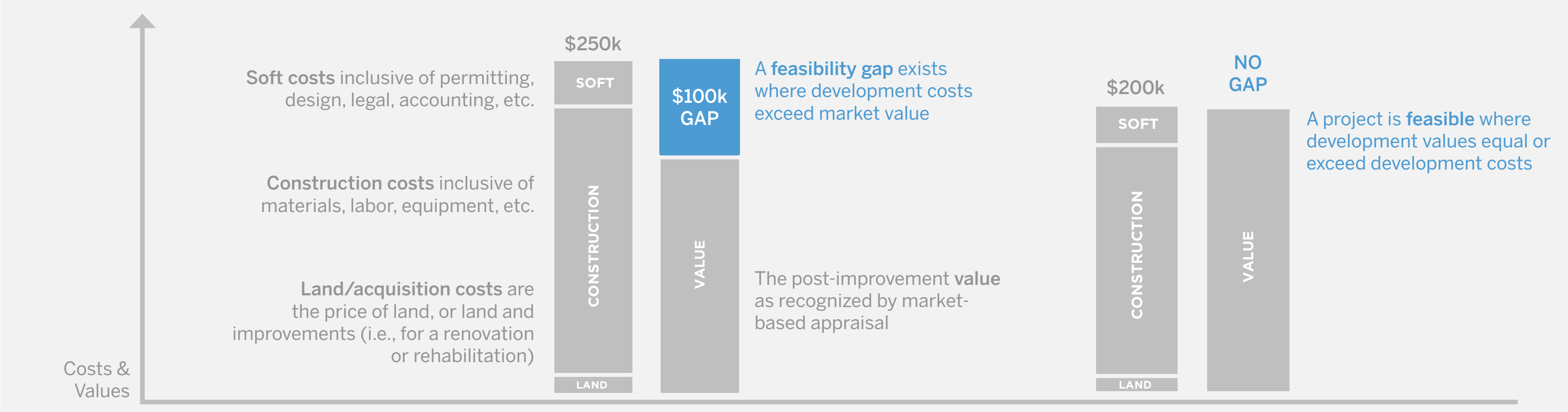
Where development value exceeds development costs, a housing unit can typically be delivered without the support of incentives or subsidy. Where development costs exceed development value, there is a feasibility gap, which incentives or subsidy can help fill.

This methodology was used to analyze the feasibility of six different housing typologies:

- Downtown market-rate multifamily;
- Downtown mixed-income multifamily;
- Multifamily renovation;
- Missing middle infill;
- Subsidized affordable housing; and
- Single-family infill, rehabilitation, and repair.

The findings from this analysis are summarized on the opposite page, and the pages that follow. Additional details are summarized in the appendix.

Illustrative Diagram of Feasibility Analysis



Feasibility Analysis: Summary & Key Findings

Downtown Market-Rate Multifamily Rental

Several recent and proposed Downtown projects are achieving average rents above $1.60 per square foot, which is roughly the break-even point for new high-density multifamily construction. These rents demonstrate that some market-rate multifamily and mixed-use projects—where acquisition and soft costs are contained—may start to reach feasibility on their own.

This creates the potential to use incentives, such as the loan fund, to meet higher standards, include public amenities, and/or include some affordable units within the project.

Downtown Mixed-Income Multifamily Rental

The growing strength of the Downtown residential market creates new potential to use incentives to encourage the inclusion of affordable units in new development. In other words, high market rents, combined with incentives, can "cross-subsidize" a small number of affordable units within the same building.

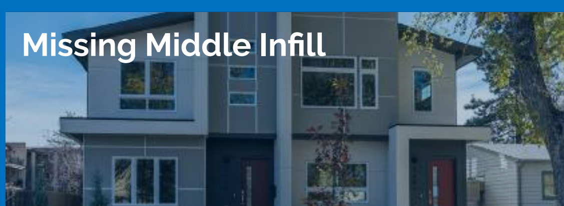
The degree to which affordable units can be supported within market-rate development will depend on the depth of incentives available, location, and project size.

Workforce-Affordable Multifamily Renovation

The Study Area neighborhoods have a stock of older multifamily properties which provide a valuable source of unsubsidized affordable housing. Supports and incentives to renovate these properties without significantly raising rents can help to improve their quality while maintaining their affordability.

A relatively small amount of assistance—such as just $16k per unit combined with tax abatement—could have a significant impact.

Missing Middle Infill



Stakeholder conversations and the housing survey results reveal an unmet demand for "missing middle" housing typologies such as townhomes, duplexes, quadplexes, and other small multifamily housing types. These typologies can be difficult to deliver under many cities' regulatory regimes where they are not allowed by right. Conversations with local developers indicated that zoning changes involved in these projects create significant costs.

This type of housing could be delivered in a mixed-income model, but likely only with some significant source of gap financing or other support.

Affordable Multifamily Rental

Quality subsidized affordable housing is one of the best means to create and preserve affordable housing over the long term. A review of previous allocations of Low Income Housing Tax Credits (LIHTCs)—the primary tool for creating affordable housing—shows that the new or renovated affordable housing relies on about $150k of assistance per unit.

Tulsa's ability to secure this essential source of funding will have a major bearing on its ability to meet the Study Area's extensive need for affordable rental housing. Local sources that help developers successfully compete for LIHTC allocations will be essential.

Single-Family Infill, Rehabiliation, and Repair

As illustrated by the market analysis, home values vary widely by condition and location in the Study Area. There are many neighborhoods where the post-construction appraised value of a home does not fully match the costs of purchase and acquisition. This appraisal gap is a significant barrier to homeownership in areas where the housing stock requires rehabilitation or renovation to be marketable.

Downtown Market-Rate Multifamily Rental

Downtown market-rate multifamily development is close to being economically feasible without public subsidy, meaning that incentives can be used to encourage the inclusion of affordable or workforce units, or add outward-facing amenities.

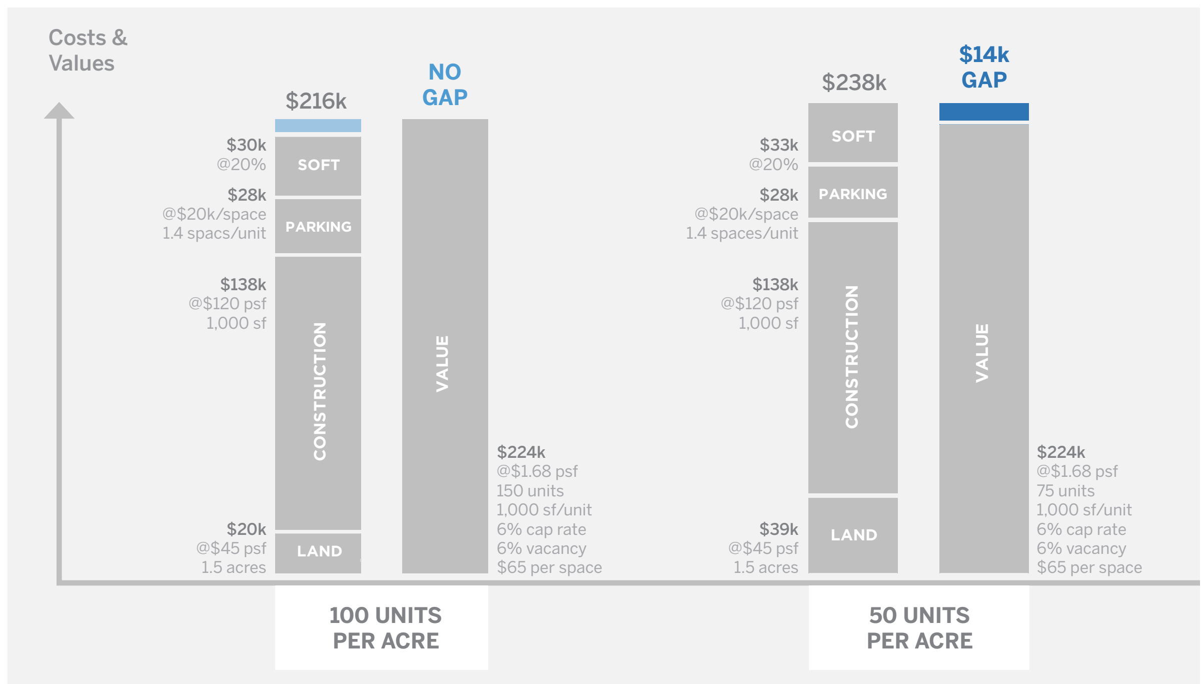
Downtown multifamily development is challenging for a number of reasons. From a financial perspective, site acquisition costs and the need for dedicated, and typically structured, parking significantly impacts construction costs.

As development momentum continues Downtown, finding a suitable site becomes more difficult and owners must be enticed to sell, which means paying a premium.

The estimated acquisition, development, and operating costs (shown to the right) are based on current market conditions, including recent development projects and prevailing market rents. Several area developers reviewed and confirmed that the estimates are accurate.

Key observations include:

- The strong performance of Downtown multifamily properties has led to increasing rents that nearly support overall development costs.
- On a typical site, a relatively small gap exists to produce a high-quality development of sufficient density (e.g., 100 units per acre). At lower densities, even projects that achieve the highest market rents may not be feasible.
- As indicated in the graphics at the bottom of the page, structured parking significantly impacts the feasibility of development. Reducing or eliminating parking minimums and identifying shared parking opportunities are ways that can help mitigate this cost. Otherwise, the need for structured parking is the primary reason developers request incentives to support market-rate development.
- Adding first floor retail does not significantly impact the overall feasibility of multifamily development Downtown.



Downtown Mixed-Income Multifamily Rental

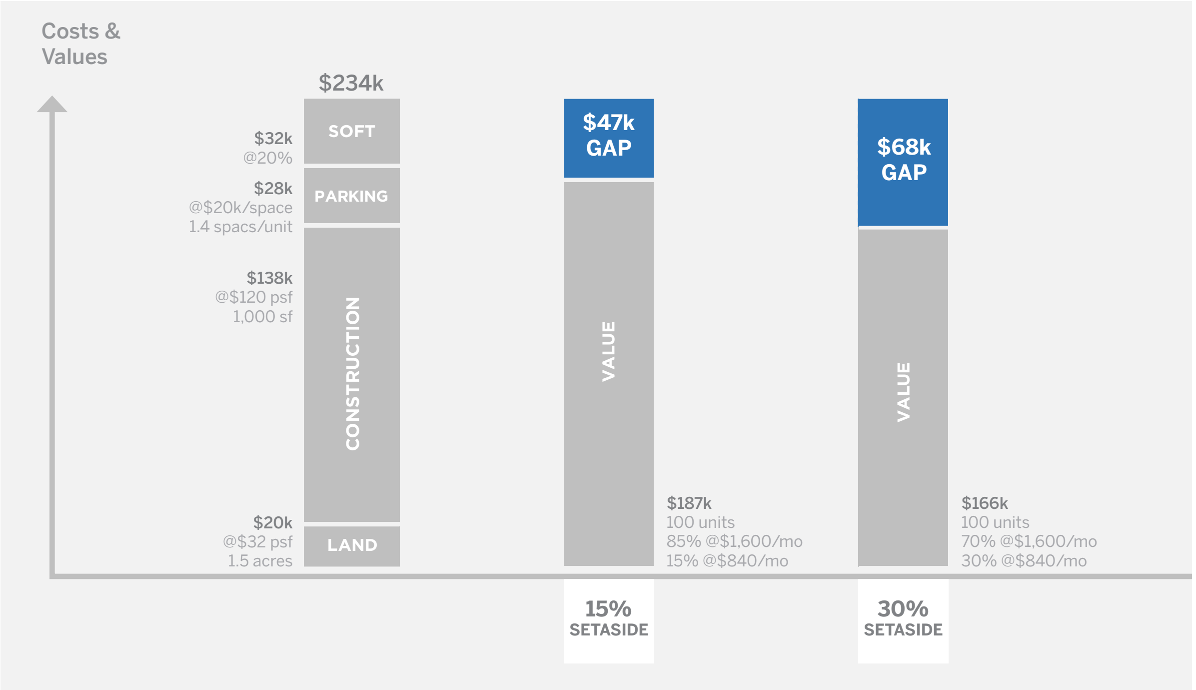
There is a critical need for additional affordable and workforce housing Downtown; however, including an affordable setaside in any development will increase the feasibility gap.

The View, which is under construction, is the first large-scale mixed-income development to occur Downtown in many years. The developer is utilizing Low Income Housing Tax Credits (LIHTC), tax increment financing (TIF), and potentially revolving loan funds to support this effort.

One of the primary goals communicated by the housing survey and stakeholders is the need for additional affordable and workforce housing options Downtown, preferably in mixed-income developments.

Including a 15 percent set-aside at 60% percent of area median income (AMI) increases the feasibility gap from the market-rate scenario to nearly $50,000 per unit. A larger set-aside results in a larger gap.

The traditional way to fill this gap is to apply for and utilize LIHTC; however, the program is highly competitive. Other tools, such as TIF, the revolving loan fund, and Affordable Housing Trust Fund dollars should be used to support mixed-income development.

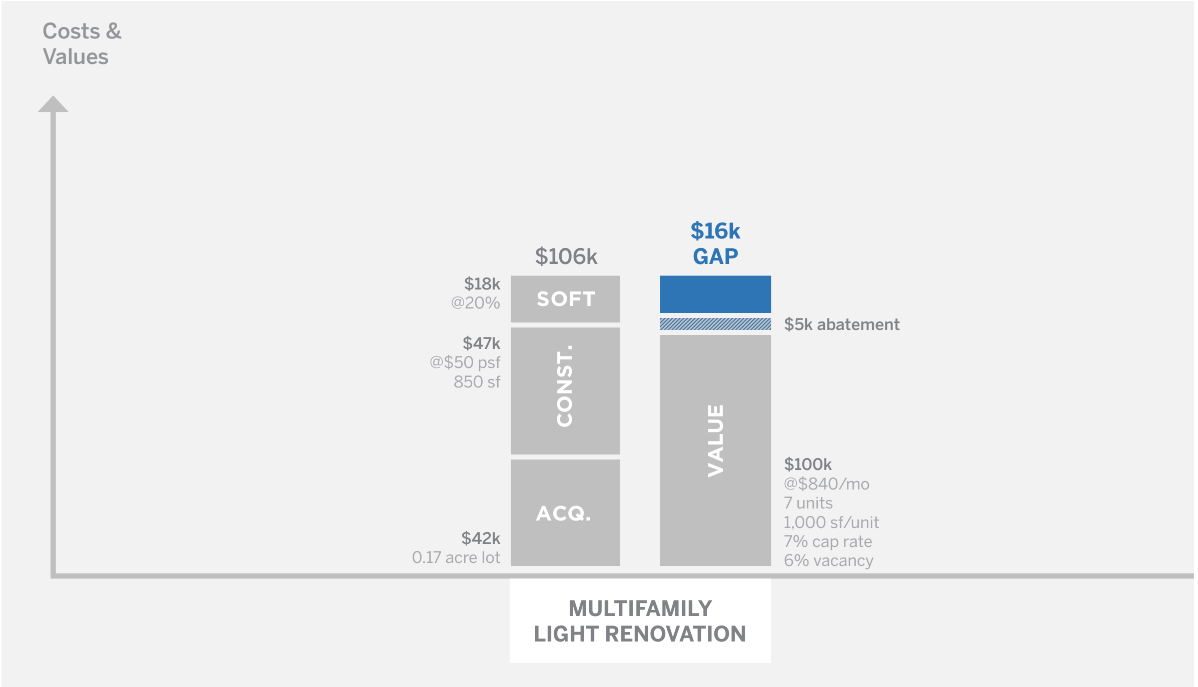


Workforce-Affordable Multifamily Renovation

One way to preserve affordable and workforce housing options is to support the moderate renovation of existing properties. This normally requires subsidies or incentives, but typically has a lower per unit feasibility gap.

There are a number of Class C, smaller multifamily (under 50 units), and existing LIHTC properties nearing the end of their compliance period that could be preserved as affordable and workforce housing. Properties that are not currently in the LIHTC program are affordable because of their age and condition—many of these properties are in need of modest upgrades to continue their functionality. They are also at risk of being purchased and renovated as higher-end apartments, which eliminates naturally-occurring affordable units from the market.

With a goal of preserving existing workforce-affordable units, and expanding their availability, it is important to understand what feasibility gaps exist. As summarized in the graphics to the right, a typical acquisition/renovation of an existing property with affordable rents results in a per-unit feasibility gap of $21,000. It is important to leverage local tools such as tax abatement and the Affordable Housing Trust Fund with other tools like 4 percent LIHTC to accomplish this goal.



Missing Middle Infill

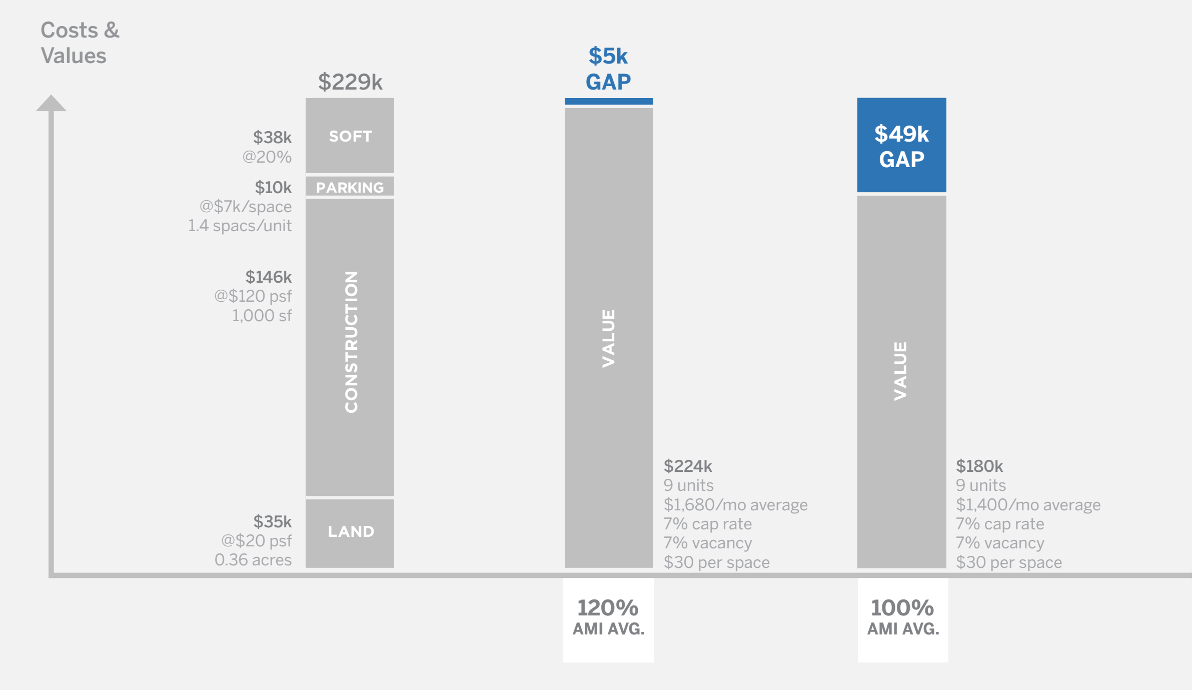
Missing middle infill development would help stabilize Study Area neighborhoods, duplicate housing typologies that were originally built in the area, and diversify the housing types and price points available in the market today.

Supporting missing middle housing typologies in the Study Area and similar Tulsa neighborhoods would serve multiple purposes. It would potentially foster redevelopment in older neighborhoods with housing that "fits in" with the historic housing stock and land use patterns. It would introduce housing types that have not been constructed at scale for decades in Tulsa. It would allow for smaller-scale multifamily development that fits on existing neighborhood sites.

One of the reasons missing middle development has not occurred is that the feasibility gap varies by neighborhood because of market demand and achievable rents and sale prices. It is simply difficult to build new without subsidy or incentive in most Study Area neighborhoods. Regulatory barriers, such as existing zoning regulations and the local regulatory flood plain, add to this complexity.

Yet, supporting more missing middle development was a key goal expressed by stakeholders. The feasibility analysis considers a 9-unit market-rate walkup property. Construction costs are slightly higher on a per unit basis than larger properties because certain efficiencies are lost.

Modest incentives or subsidies would be needed to make very high-end missing middle development feasible in most locations in the Study Area. Affordable and workforce housing would require much more significant gap financing.



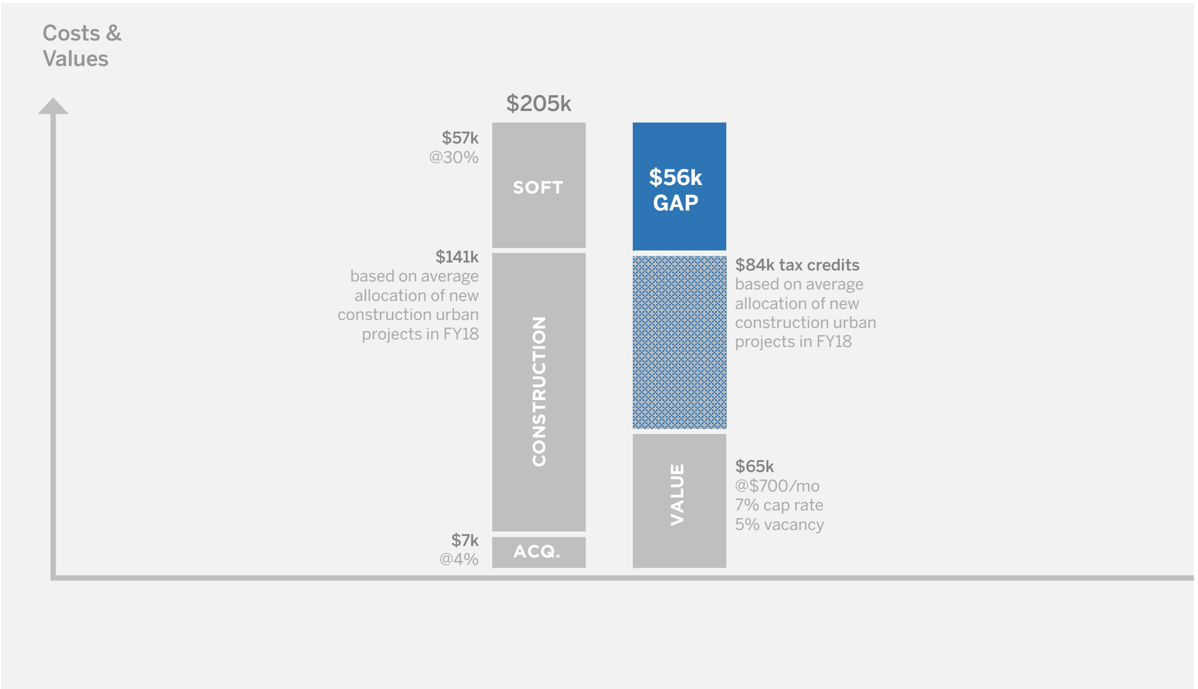
Affordable Multifamily Rental

There is an affordable housing crisis in Tulsa—there simply are not enough affordable and workforce units to meet the need. Developing affordable housing is expensive and the feasibility gap is larger; new and expanded tools are needed to better meet demand.

Producing affordable housing at scale is difficult, especially after years of funding reductions for entitlement programs that support housing. The primary mechanism for producing affordable housing—9 percent LIHTCs—is highly competitive. The process required to apply, find a syndicator/investor to buy the credits, and cover ongoing compliance requirements has made producing affordable units equally, or more expensive, than traditional market-rate units with the same design, quality, and location; construction costs are at least $200,000 per unit, and often much more.

Yet the need for affordable units is not going away and many "affordable" units are of poor quality. Many households have tough decisions—including choosing to live in an affordable unit in poor condition or be cost burdened and live in reasonably better unit.

Based on past years allocations and the high costs of construction, analysis suggests that even projects that are awarded 9 percent LIHTCs will require other sources of gap financing, pointing to the importance of sustaining and creating complementary sources of funding, such as an Affordable Housing Trust Fund.



Single-Family Infill, Rehabilitation, and Repair

A significant portion of the existing housing stock could be repaired, renovated, and/or rehabbed to meet projected demand. Paired with an infill development strategy, enhanced renovation efforts could provide existing homeowners with tools to stay in their homes long term and diversify the aging housing stock.

The City of Tulsa and its many partners ultimately have finite resources to direct toward housing. Understanding how far dollars can go is critical to strategically addressing housing needs. Comparing the feasibility gaps for various single-family approaches provides a clear understanding of how many units of quality single-family units can be provided.

The first scenario tested is for **single-family rehab**. Current market values for units in suitable condition for rehabilitation were estimate based on recent sales data. Constructions costs were estimated at $90 per square foot and the likely market value after rehab was also assessed. The feasibility gap ranges from 48 percent in Crutchfield to 7 percent in Riverview. The only neighborhood with no gap is The Heights. The dollar amount ranges from $65,000 per home in Crutchfield to $18,000 per home in Greenwood, Legacy, and Riverview.

The second scenario tested is for **single-family renovation**. Current market values for units in suitable condition for renovation were estimated based on recent sales data. Constructions costs are estimated at $50 per square foot and the likely market value after renovation is also assessed. The feasibility gap ranges from 35 percent in Dunbar to 2 percent in Legacy. There is no gap (meaning that renovation is feasible without subsidy or incentive) in Greenwood, The Heights, The Pearl District, Owen Park, and Riverview.

The final scenario tested is for **new construction for-sale infill**. The base cost for this scenario is land acquisition and neighborhoods without infill sites—Legacy, The Heights, and Owen Park—are excluded. Hard Constructions costs are estimated at $110 to $120 per square foot and the likely market value after renovation is also assessed. The feasibility gap ranges from 44 percent in Dunbar to 1 percent in The Pearl District. There is no gap in Riverview. The dollar amount ranges from $80,000 per home in Dunbar to $2,700 per home in the Pearl District.

Further detail regarding feasibility assumptions for single-family are included in the appendix.

4 Housing Goals & Strategy

Community Priorities

Six priorities emerged through conversation with the Client Team, Steering Committee, Neighborhood Stakeholder Group, and other key stakeholders. These priorities serve as guiding principles for the housing strategy and implementation priorities outlined in this report.

A housing strategy in the Study Area must be rooted in a market-based understanding of current conditions and needs but also—and most importantly—in stakeholders' experience and priorities for housing. Early and ongoing conversation with a broad range of stakeholders highlighted six key priorities; together, these lay a foundation for the goals and strategies to follow.

History

Every neighborhood within the Study Area has its own rich history. Some of that history is expressed in the architectural character of the housing stock. Other history, like in Greenwood, is no longer preserved in the physical fabric but is still alive in the community's memory and aspirations. And the legacy of past housing policy, though lacking a direct physical expression, has been powerful in shaping neighborhood conditions. A successful strategy must make sure that what is left is preserved, and what once was is honored.

Balance

Reinvestment in neighborhoods and downtowns, if not carefully balanced, can be a double-edged sword. New housing investment improves conditions, supports the creation of new amenities, and contributes to the community's tax base; but the rising property values and rents that follow can make it difficult for some residents to afford to stay. An equitable strategy must include proactive policies to prevent displacement and preserve affordability, alongside policies to promote investment and growth.

Choice

Stakeholder conversation emphasized the importance of expanding not just housing supply, but also housing options. A broad range of housing types and price points will help to ensure that the Study Area evolves as a diverse, mixed-income community. For example, workforce and affordable rental options Downtown are currently limited, but could serve a broad spectrum of the area's workers. And smaller multifamily or clustered housing types could offer a desirable alternative to single-family and large multifamily housing.

Opportunity

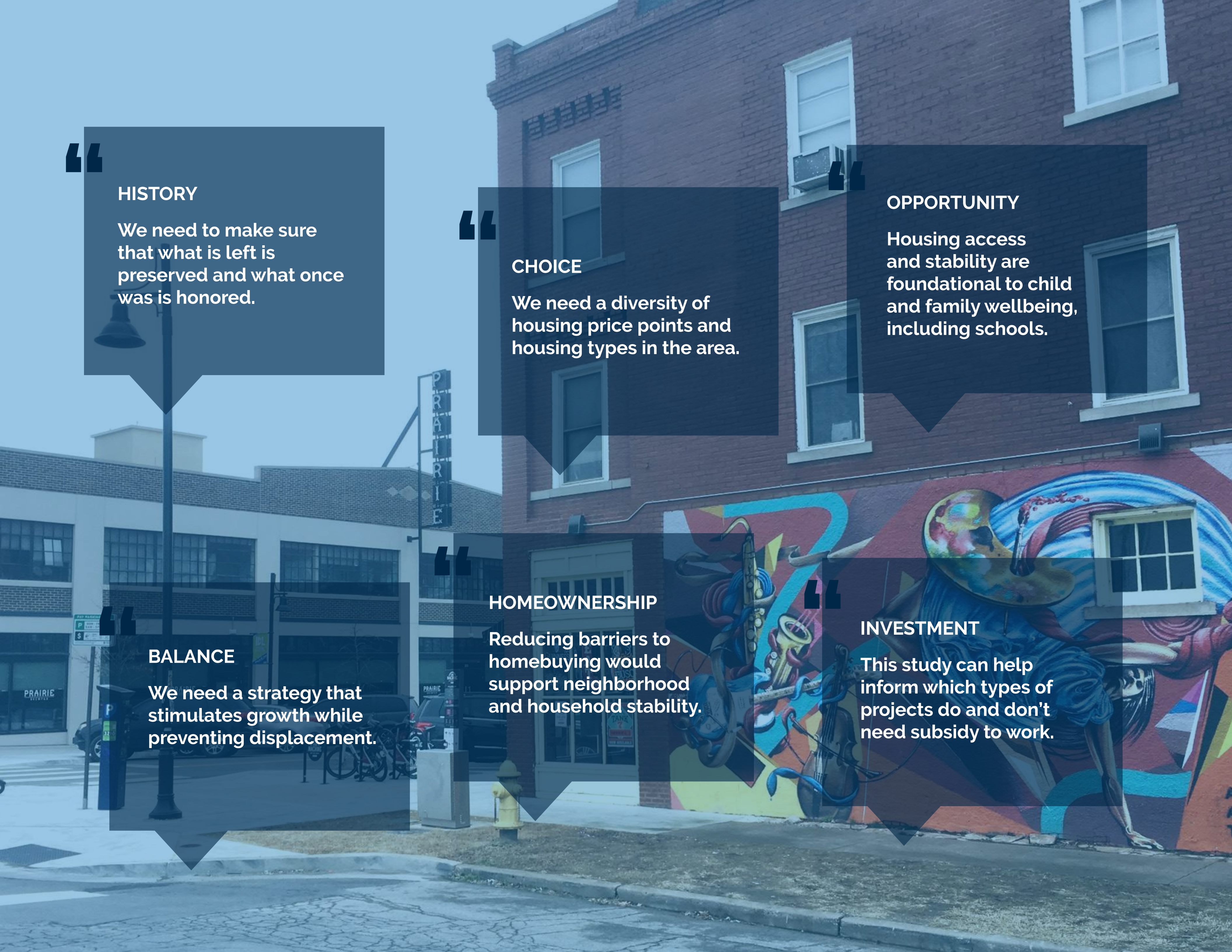
In Tulsa and across the country, there is a growing understanding of housing's role in child and family wellbeing. Stable, affordable housing is needed for children to succeed in school, for adults to sustain employment, and for community health. A strategy that contributes to economic mobility and opportunity in Tulsa must support housing stability and access.

Homeownership

Supporting homeownership in the neighborhoods around Downtown was a consistent theme in stakeholder conversations. In light of the recent decline in homeownership across the city and the emergence of investor-owned single-family rental properties, expanded supports for households to enter and sustain homeownership are needed to preserve this wealth-building vehicle while also supporting broader neighborhood stabilization efforts.

Investment

The market has strengthened significantly over the past ten years, which means that some projects may not need the same type or level of incentive to be feasible. Given the broad range of housing needs, it is critical to identify where incentives are needed, where they are not, and the most effective role of available tools and resources.



HISTORY

We need to make sure that what is left is preserved and what once was is honored.

CHOICE

We need a diversity of housing price points and housing types in the area.

OPPORTUNITY

Housing access and stability are foundational to child and family wellbeing, including schools.

BALANCE

We need a strategy that stimulates growth while preventing displacement.

HOMEOWNERSHIP

Reducing barriers to homebuying would support neighborhood and household stability.

INVESTMENT

This study can help inform which types of projects do and don't need subsidy to work.

Goals & the Conditions for Success

The community priorities and findings from the analysis inform five goals for housing in the Study Area. With the right tools and policy supports in place, the community can make significant progress toward these goals over time.

The Study Area will require a balanced and specific approach for meeting the complex housing needs in the area. The five goals outlined to the right seek to honor community priorities, address the full range of housing needs in the area, and offer a strategic direction for organizing the efforts of the City and its partners.

These five over-arching goals include:

a. Expanding the quality and accessibility of affordable housing;

b. Supporting economic development and competitiveness;

c. Reducing barriers to homeownership;

d. Improving housing stability; and

e. Leveraging housing investment for neighborhood stabilization and quality of life.

a

Expand the quality and accessbility of affordable housing

As shown by the market analysis, some of the greatest needs in the Study Area are for quality, affordable rental housing. While there is a large supply of lower-cost rental housing, its quality varies widely. Strategies to improve the quality and accessibility of existing unsubsidized housing, and strategies to expand the stock of subsidized housing, will both be needed.

The traditional resources for this work—including public housing funds, the Housing Choice Voucher Program, and the Low Income Housing Tax Credit Program—are powerful but limited in the scale of impact they can have. Expanding what's possible will require strategies to leverage existing programs while also creating new tools and resources.

b

Support economic development and competitiveness

Tulsa's ability to attract and retain the employees and businesses it needs to compete in the global economy will have a bearing on its long-term economic success. Attractive and high-quality housing types that meet the diverse needs of Tulsa's growing professional workforce will complement the City's economic development and business attraction efforts.

Strategies that leverage Downtown as an asset, create new housing types, and enhance the area's amenities and livability will all be critical.

c

Reduce barriers to homeownership

Tulsa, as well as the nation, experienced a rapid decline in homeownership and increase in renter occupancy as a result of the Great Recession and the foreclosure crisis. While both owner-occupied and renter-occupied housing play important roles in people's lives, neighborhoods, and local economies, a strong base of engaged and committed homeowners is an asset for a neighborhood's stability. In an improving market environment, homeownership is also a means for households to build wealth over time that they can use to advance any number of other goals.

Successful and sustainable homeownership relies on an interrelated set of factors, including: ongoing ability to afford mortgage, insurance, maintenance, and property taxes; sufficient savings for downpayment; ability to qualify for a loan; knowledge about how to maintain a home; and owner confidence that it is worth investing in a home. Successful strategies to support homeownership in low- and moderate-income communities must consider this full range of conditions.

d

Improve housing stability

Housing insecurity and instability in many forms can be a threat to the wellbeing of the whole community. Eviction and other types of displacement can create a cycle of instability that is costly to individuals' health, children's success at school, workforce participation, and even cities' budgets. While eviction rates are not as high in the Study Area as in other parts of Tulsa, they are still at alarming levels.

Policy supports that improve stability and prevent displacement are critical parts of a holistic effort to address housing needs in the area. Strategies to reduce housing insecurity and ensure that the experience of homelessness is rare, brief, and non-recurring, will be essential components of a broader community and economic development strategy in the Study Area.

e

Leverage housing investment for neighborhood stabilization and quality of life

Housing exists within the context of a neighborhood. Where a house and the people who call it home are successful, so are neighborhoods. Challenges such as vacancy, poor condition, and bad property management can create negative externalities that affect surrounding properties and the broader neighborhood. Addressing these challenges will ensure that neighborhoods succeed, and that individuals can invest in their homes with confidence.

The Study Area also has a number of specific opportunity sites—like the Laura Dester site and the Kirkpatrick Heights Addition/Greenwood Area—that hold special potential for improving neighborhood stability and quality of life. These assets can be leveraged to broaden housing choice, preserve affordability, and invest in neighborhoods.

Strategies Summary

This strategic framework outlines seven complementary strategies to meet the broad range of housing needs in the Study Area. No single strategy on its own will be sufficient; a holistic approach based on collaboration, coordination, and partnership is needed to advance the housing goals in an equitable and balanced way.

Communities are sometimes eager to identify a single signature initiative that will solve all of its housing challenges. But the reality is that cities are endlessly complex, and there is no single point of intervention that will give cities the equitable and balanced results they need.

This chapter outlines a strategic framework that identifes and organizes a broad array of actions that can be taken by the City and its partners to meet the Study Area's housing needs. This framework offers a means by which communities can coordinate their efforts, plan ahead, and identify opportunities for collaboration around a shared goal.

The strategic framework outlines actions under seven broad strategies:

1. Support and expand attainable homeownership opportunities;
2. Address vacant and abandoned properties;
3. Support quality, diverse infill development;
4. Improve the quality and availability of affordable and workforce housing;
5. Encourage housing stability;
6. Sustain Downtown development momentum; and
7. Expand financial and organizational capacity for advancing housing priorities.

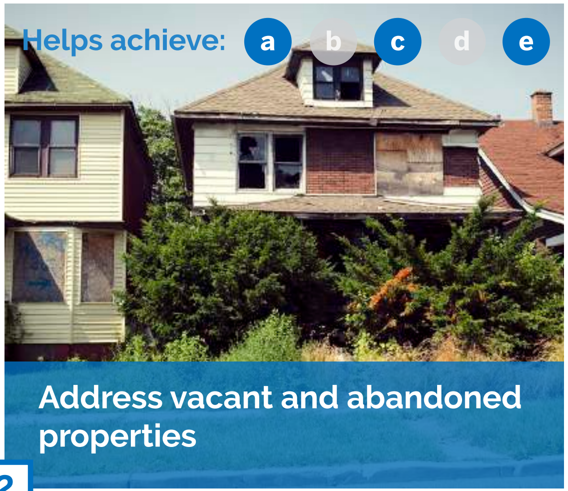
Together, these strategies offer a blueprint for advancing the five housing goals in the Study Area.Each of these strategies is summarized on the following three pages, then detailed in the pages that follow.

At the same time, no community can do all things at once. Cities need to prioritize strategic actions based on resources, capacity, timing, and political will. Based on detailed conversation with the Client Team, Steering Committee, and Neighborhood stakeholders group, this strategic framework has been organized into priority Tools & Resources, Policy Changes, and Programs & Initiatives in the final chapter.

Support and expand attainable homeownership opportunities

1

Community and stakeholder conversations consistently highlighted that supporting homeownership—among current and prospective homeowners—is key to reinvestment and stabilization in the neighborhoods surrounding Downtown. Strategies must ensure that these supports extend opportunity to those who might otherwise be left behind as neighborhoods improve: long-time homeowners, and low- and moderate-income households who are eager to be an active part of these neighborhoods' futures.



Helps achieve: a b c d e

2 Address vacant and abandoned properties

Vacant and neglected properties are a multifaceted issue—they contribute to crime, erode community confidence, drain city resources, stall reinvestment, and leave buildings that could otherwise serve as quality housing on the sidelines. With a vacancy rate of 19 percent across the Study Area neighborhoods (and rates as high as 26 percent in Crutchfield and 29 percent in the Pearl District area), addressing and responding to this challenge is a clear priority.

Helps achieve: a b c d e

3 Support quality, diverse infill development

The projected housing demand and vacant land together create significant opportunities for infill development in Downtown and in the Study Area neighborhoods; however, it will take coordination and support to ensure that this infill complements neighborhood character, creates housing opportunities for households with a range of incomes, and supports neighborhood walkability.

Helps achieve: a b c d e

4 Improve the quality and availability of affordable and workforce rental housing

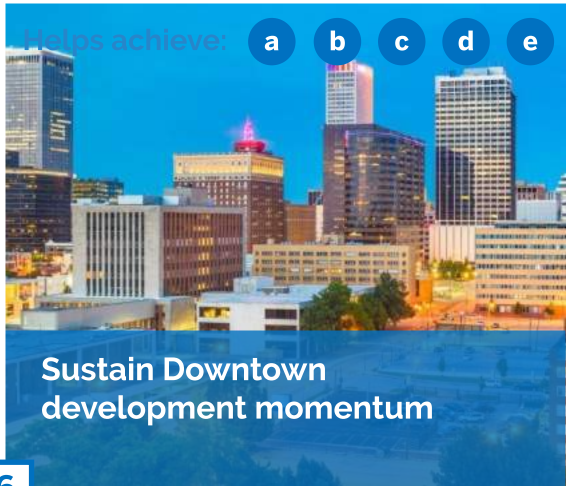
Market analysis and stakeholder conversations both underscore the importance of affordable and workforce rental housing—by far the largest segments of future housing demand in the Study Area. In contrast to moderate, upscale, and luxury housing, quality affordable and workforce rental housing typically require some form of policy support, incentive, or subsidy to develop. And while much of the existing housing in the Study Area is low-cost relative to other cities, there are not enough quality options to meet the demand, and many households experience severe housing cost burden.[1] Improving the quality and availability of affordable and workforce housing will require a range of ambitious strategies designed to support high standards for existing housing, produce additional quality housing, and ensure access across the Study Area for households with a range of incomes.

[1]Across the Study Area, 15 percent of households are extremely cost-burdened, paying more than 50 percent of their income toward housing costs.

Helps achieve: a b c d e

5 Encourage housing stability

Improving housing stability in the Study Area will involve efforts to prevent housing insecurity and displacement in all of its forms. Eviction, which is a crisis across Tulsa, is also a major challenge in the Study Area. Eviction can trigger a cycle of instability and displacement that leads to homelessness, is a barrier to maintaining employment, and also continually disrupts a child's learning by forcing them to switch schools, miss class, and adjust to new surroundings. Older adults or individuals with mobility challenges may be unable to find the accessible home they need to stay in the neighborhoods in which they built their lives. Strategies to improve housing stability and prevent displacement are key to individual and family wellbeing, and will be critical for the Study Area's future.



Helps achieve: a b c d e

6 Sustain Downtown development momentum

Downtown has shown considerable growth and progress since 2000, and since 2010, Tulsa has picked up even greater speed as the city successfully captured the top of this current business cycle.

Tulsa must sustain this momentum in order for Downtown to become the vibrant neighborhood, cultural destination, and economic center that the community aspires it to be. Downtown is key to the city's competitiveness, and its success is foundational. Sustaining the development of housing Downtown is a central piece of the puzzle—additional housing development will bring life to Downtown's streets, support the addition of cultural and commercial amenities, and put surface parking lots to a higher and better use.

Helps achieve: a b c d e

7 Expand financial and organizational capacity for advancing housing priorities

The City and its partners have several tools and resources at their disposal. Making strategic use of these funds and capacities will be critical.

To fully meet the Study Area's housing needs, the community will need to expand existing resources, and build new tools and sources of funds. This is true for every type of demand, from afforable and workforce housing all the way to upscale and luxury housing.

Strategy 1

Support and Expand Attainable Homeownership Opportunities

Community and stakeholder conversations consistently highlighted that supporting homeownership is key to neighborhood reinvestment and stabilization, as well as improving economic opportunity for Tulsans. Strategies must ensure that various supports extend opportunity to those who might otherwise be left behind as neighborhood values rapidly appreciate: long-time homeowners, and low- and moderate-income households who would like to stay in or move to the neighborhood.

Expand financial assistance for low-and moderate-income homebuyers and homeowners

Many current and would-be homeowners face significant barriers to sustainable homeownership, which continues to be a path for building wealth and economic mobility. Barriers include credit, savings for a downpayment, knowledge about the homebuying process, and home repair needs.

Several lenders and nonprofits already offer products and programs that address this need—homebuyer education, credit repair, foreclosure prevention, first-time homebuyer loans, and downpayment assistance are all critical elements of a homebuyer support system. Ensuring the strength of this network, coordinating across organizations, and connecting them to households in the Study Area are important first steps.

A second step is to explore the creation of a mortgage-lending Community Development Financial Institution (CDFI). CDFIs are entities that offer tailor-made products and programs, investing federal dollars alongside private-sector and philanthropic capital. Creating a new CDFI or expanding an existing CDFI to offer mortgage products would expand the availability and flexibility of capital to support homeownership. They are typically able to make loans and other investments in emerging neighborhoods that do not have access to capital from traditional financial institutions.

A near-term opportunity to assist low- and moderate-income homebuyers and homeowners—detailed below and on the page opposite—is to pilot a home repair program around the Laura Dester site. This program would help ensure that these homeowners can participate in the area's growth and development.

Home Repair Program

Support residents working toward homeownership with affordable rental opportunities

In the context of homeownership, affordable rental housing is critical for households working toward homeownership. Stable, affordable housing creates a necessary foundation for households to save for a downpayment, improve their credit, or obtain a stable, well-paying job—all key milestones on the path toward homeownership.

Lease-to-own models are one mechanism for tying affordable rental housing to homeownership. In a lease-to-own program, households are offered affordable rents, savings supports, and homebuyer education during their tenure as renters, then given the option to purchase the property at the end of an agreed-upon time period.

Some communities utilize the Low Income Housing Tax Credit (LIHTC) program to build quality rental units that, at the end of their initial 15-year compliance period, are converted to affordable homeownership opportunities. The experience from other communities suggests these models are most successful when paired with ongoing supports, training, and counseling for aspiring homeowners.

Pilot Initiative

Laura Dester Home Repair Program

TDA is likely to receive approximately $500,000 in proceeds from the sale of the Laura Dester site, which can be used for neighborhood improvement activities in the surrounding neighborhood. The City and its partners can explore piloting a home repair program with these funds, which could be replicated in other neighborhoods in the future.

A home repair program can assist existing and prospective low- and moderate-income homeowners address health and safety issues, resolve code compliance issues, and improve efficiency, helping existing homeowners stay in their homes while also attracting new residents to the neighborhood. Assistance could be structured as a five-year forgivable loan, repayable to the City only if the loan recipient does not stay in the home beoynd the loan period. Assuming a $20,000 average loan amount, the $500,000 proceeds could support 23 repair loans as well as administration costs.

The pilot effort should define an eligible geography in the area surrounding the Laura Dester site (e.g., blocks in a ¼ mile radius) with qualifying homeowners and homes in need of repair.

Expand financial and technical assistance for rehabilitation

Market analysis and community conversations both highlighted demand for mid-price for-sale housing—in the $120,000 to $250,000 range—but the supply of quality options in this range is limited. It is very difficult to deliver a quality new construction product at these price points; rehabilitation and renovation of the existing housing stock offer the best means for addressing this gap. Expanding supports to improve the existing housing stock will help meet this demand, while also stabilizing and improving the quality of life in the Study Area neighborhoods.

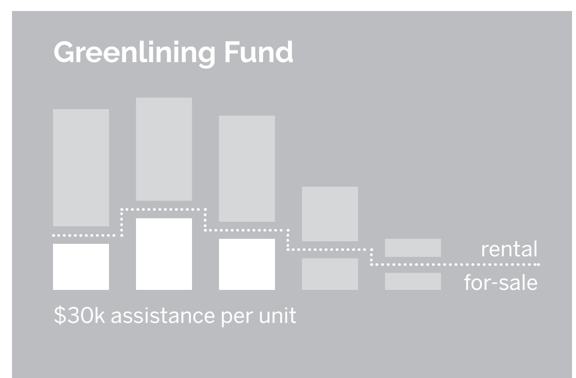
There is a wide range of options for supporting rehabilitation and renovation. Rebating permitting fees for homeowners in the Study Area, creating neighborhood tool-sharing programs, and providing lists of qualified contractors could all reduce barriers to reinvesting in the housing stock. Creating renovation and repair funds could also incentivize improvement in a targeted geography—one immediate opportunity for a program like this is discussed on the prior page.

A major barrier that was frequently discussed in stakeholder conversations is the depressed appraisal values in some neighborhoods in North Tulsa and elsewhere. Appraisals do not support the loan amount needed to cover the full cost of that investment even when to prospective buyer is well-qualified to purchase and renovate a home. This is a barrier especially for prospective buyers who do not have extra cash available to cover this "appraisal gap."

An emerging tool for addressing this "appraisal gap" is a second mortgage product—also referred to as a "greenlining fund"—that offers a mortgage on the gap between appraised value and the full cost of purchase and repair. These second mortgage products can also be used by current homeowners who have major home repair needs, but do not have the equity needed to support a sufficient home equity loan or the capital on hand to complete the repairs. A greenlining fund is also a means to prevent displacement of existing homeowners who want to stay and reinvest.

Precedent models in Detroit and in St. Louis pair this loan product with support to oversee the rehabilitation process, as well as homeownership counseling.

The graphic below illustrates that if the City and its partners were able to raise $5m to pilot a greenlining fund in the study neighborhoods and beyond, this could support as many as 140 homeownership units, with an average of $30k per second mortgage.



Establish a community land trust to create long-term affordable homeownership opportunities

As the neighborhoods surrounding Downtown continue to experience reinvestment, it will be increasingly important to create and preserve homeownership opportunities that are affordable over the very long term. This will help to ensure that these neighborhoods are accessible to households of all income levels and backgrounds, especially when combined with ongoing investment in quality, affordable rental housing.

Community Land Trusts (CLTs) are a model for creating and preserving affordable homeownership opportunities over the very long term—as long as 50 or even 99 years—and could be used throughout the Study Area. CLTs are nonprofit, community-based organizations. CLTs acquire land for housing development and maintain ownership of that land while the homes—the improvements—are sold. When a home is sold, the owner earns a a pre-determined percentage of the increased home value, and the home is transferred back to the CLT where the remainder of the increased value helps to sustain the operations of the trust. The home is then sold to a new owner. This gives CLTs—typically governed by residents, neighborhood leaders, and housing experts—long-term control over future sale prices. It also prevents rapid price appreciation attributed to increases in land values as areas become more marketable.

Master Planning for the Kirkpatrick Heights/ Greenwood site is a near-term opportunity to pilot this model. A collaborative process with residents, neighborhood groups, community organizations, developers, and national land trust experts is needed to establish the parameters for a successful land trust that meets housing needs, respects community context, and honors history on a portion of the site. Alongside this effort, the City and its partners can explore expanding the model to other neighborhoods in the Study Area and city.

Case Study

Gateway Neighborhood Mortgage Program

The St. Louis Gateway Neighborhood Mortgage makes two loans to qualified homebuyers. The first covers the cost of the home up to the appraised value, like a normal mortgage loan would. The second covers the appraisal gap. The program provides qualified community residents with loans up to $75,000 over the appraised value to purchase and improve homes in neighborhoods with depressed home values.

This initiative is expected to close the appraisal gap by providing equitable access to financial resources for homebuyers. It will also infuse re-development and investment into homes that have fallen into despair, thus increasing opportunities for homeownership. Over time, the intent is to reduce and eliminate the appraisal gap by strengthening markets currently struggling with depressed values.

Strategy 2

Address Vacant and Abandoned Properties

Vacant and neglected properties are a multifaceted challenge—they contribute to crime, erode community confidence, drain city resources, and deter reinvestment. Vacant homes also represent an opportunity to provide quality housing assembing sites and building new.

With a vacancy rate of 19 percent across the Study Area neighborhoods (and rates as high as 26 percent in Crutchfield and 29 percent in the Pearl District area), addressing and responding to this challenge is a clear priority.

Expand land bank capacity to return vacant properties to productive use

One of the greatest barriers to addressing vacancy and dilapidated properties is the lack of a straightforward mechanism to strategically acquire, address title issues, and eliminate past due taxes and liens from these properties prior to transferring them to a new owner. Vacant properties will fall into further disrepair without a strategy for how and where these properties will be acquired and reintroduced into the market. Further, properties can remain in a land bank for many years if the entity does not have the resources to address title, ownership, and tax issues.

Land banks are entities established to provide this focused capacity and work with community organizations, developers, and others to align their work with rehabilitation interest and community priorities. In this way, land banks are part of an implementation team for community and economic development plans.

An agreement with Tulsa County to allow a land bank and its partners to view and purchase available properties prior to a tax sale would further enhance the land bank's capacity for strategic acquisition. This type of "first look" agreement could provide the land bank access to properties in strategic locations and/or in better condition, and expand its ability to support housing and development priorities. It would also expand the capacity of the City's HOP program to support rehabilitation of vacant properties.

Land banks are most successful when paired with resources to renovate and rehabilitate properties, actively returning them to productive use. An example of this type of program in Kansas City, Kansas, is profiled on the opposite page.

Expand a proactive and strategic approach to code enforcement

Quality property maintenance and repair is essential to preventing vacancy and to providing safe and healthy housing. Housing that is well-maintained is more likely to remain occupied, hold its value, and encourage investment in surrounding housing.

Proactive code enforcement practices that actively identify and resolve code compliance issues are intended to sustain and enhance property maintenance standards. This stands in contrast to reactive code enforcement practices, which rely on complaints to trigger corrective actions. Reactive code enforcement can create the perception that code violations are acceptable, allows problems to escalate, and make corrective measures more costly and time consuming.

Creating and maintaining a database of vacant and abandoned properties can help identify areas where vacancy is problematic. This information can help the City take a strategic approach to code enforcement and focus its resources where they will have the greatest impact.

Expand the ability of HOP to support housing stabilization

The City's Housing Opportunity Partnership (HOP) Program is a new program launched to address vacant, abandoned, and uninhabitable properties. The funds already committed to this program will be a critical component of the City's work to address vacancy in the Study Area neighborhoods and throughout the city.

Through HOP, the City will partner with community organizations to rehabilitate or demolish homes that are unfit for occupancy. A robust land bank, including a "first-look" partnership with the County Assessor, can help amplify the effects of HOP by helping find and repurpose vacant properties that are in stable enough condition to be rehabbed and sold. Rehabbing vacant properties—rather than only demolishing and rebuilding—can help to stretch this program's resources further and contribute more broadly to neighborhood stabilization and quality of life.

Case Study

Land Bank Rehab Program (Kansas City, KS)

The goal of the Kansas City Land Bank's Rehab Program is to rehabilitate neglected and abandoned homes in Wyandotte County and rejuvenate neighborhoods of the city.

The program works with contractors, real estate investors, and experienced rehabbers to develop and rehabilitate vacant land as well as structures that are acquired by the Kansas City Land Bank. Eligible contractors and developers are provided with a listing of land bank houses as well as the opportunity to attend open houses where they can make an offer.

Strategy 3

Support Quality, Diverse Infill Development

The projected housing demand and the area's vacant, developable land create significant opportunities for infill development. Various forms of coordination, oversight, and support will be needed to ensure that infill development complements neighborhood character, creates housing opportunities for households with a range of incomes, and supports neighborhood walkability.

Align infill with ongoing or planned public investments

For infill to be successfully implemented, it must be coordinated with public projects so that new housing is supported by new infrastructure—water, parks, sidewalks, sewer, etc. Continuing to align capital planning, budgeting, and community planning efforts will help ensure that housing development is feasible, marketable, and mitigates the risk of unexpected construction or permitting and approval costs.

Planned public projects should be mapped along with publicly-owned sites to identify potential catalyst projects that could leverage these already-planned investments. This will require coordination between several city departments. The City and its partners should use the Request for Proposals process for publicly-owned sites to attract development at strategic locations that leverage planned public projects, and streamline the development process once a developer is selected and the plan is approved.

Leverage public assets for quality, mixed-income infill

Public land holdings are unique opportunities to create project pilots, or to demonstrate that quality, mixed-income infill housing development is possible, because the City has site control. This means that it can set the parameters for development proposals, require neighborhood and civic engagement, and ultimately approve the development plan.

A near-term opportunity to demonstrate high-quality, mixed-income infill—as well as a truly inclusive and collaborative process—is the Kirkpatrick Heights Addition/Greenwood Area Master Planning effort. With a site of this size (56 acres), it is possible to mix a wide range of uses and housing types—senior housing, dense multifamily housing, townhomes, single-family, missing middle, for-sale, and rental—while also carefully integrating new development into its surrounding neighborhood context. If the site were developed entirely as housing, it could support 800 to 1,000 units, which would represent a $160 million to $200 million investment.

Case Study

Highlander/75 North Purpose Built Project Omaha, Nebraska

The Highlander/ 75 North Purpose Built Project is a multi-phased, mixed-use redevelopment of a former 36-acre public housing site. The completed project will include 280 rental and for-sale units of housing organized around open space, an event venue, and the Highlander Accelerator. It contains a mix of housing typologies – 10 townhomes, 17 rowhouses, and 74 walk-up apartments with the overall unit mix being 60 percent affordable and 40 percent market rate.

With a total project cost of $76 million, the development is being supported through mix of public, private, philanthropic sources. Other sources include $5.9 million in low-income housing tax credits and $1.2 million in tax-increment financing. In tandem with development planning and implementation, development of neighborhood CDC capacity is also an ongoing effort of the project.

Remove barriers to Missing Middle infill development

Housing typologies with densities between single-family and large multi-family typologies—such as two-, four-, and six-unit walkups or attached townhomes—are sometimes referred to as "Missing Middle" housing. There are several existing examples of this housing already within the Study Area, but in Tulsa and in many communities, these types of housing are largely "missing" from the new supply being added to the stock. These types of housing support walkability and are marketable to households with a preference for urban living, but who also prefer access to semi-private open space.

The market analysis, housing preferences survey, and stakeholder conversations all reinforced that there is significant interest in missing middle options, particularly in some parts of Downtown (e.g., the Gunboat Park District), in the surrounding neighborhoods along commercial corridors and at the edges of Downtown, and along the Peoria BRT line.

Conversations with members of Tulsa's development community highlighted potential regulatory impediments to delivering this type of housing. The zoning approval process stood out as a particular challenge; navigating the re-zoning process can be time-intensive and costly, and creates too much entitlement risk for most developers to pursue this type of project.

Tulsa has several options for removing the regulatory barriers for missing middle development.

- Create an infill development overlay in appropriate locations in the Study Area that allows for reduced setbacks, reduced minimum dwelling sizes, accessory dwelling units, and other features such that missing middle housing could be developed by right.
- Offer a voluntary zoning map amendment (rezoning) program that could include: education for property owners about zoning districts; waived application fees for opt-in rezoning processes; removing the platting requirement for individual rezoning applicants; and/or proactively establishing zoning that supports development/redevelopment consistent with adopted plans and policies.
- Create pre-approved development typologies that satisfy neighborhood aspirations while balancing feasibility constraints, which can be developed byright in appropriate locations.

Support a diverse range of infill housing typologies and price points

The Study Area has a very diverse range of housing types, sizes, and densities—infill development across the Study Area must complement that architectural diversity. Examining and updating development regulations can help to ensure that new development supports existing neighborhood character.

New infill should also provide housing at a range of price points in order to ensure that new development meets the needs of households with a range of incomes. While more deeply "affordable" housing (with rents affordable to households at 60% AMI and below) typically requires significant subsidy, certain housing typologies that have lower construction costs (by virtue of their density) can help to achieve some level of affordability. For example, an accessory dwelling unit (ADU)—a second small housing unit on the same property, or attached to a single-family house—can serve as a source of workforce-affordable housing while also offering moderate rental income for a homeowner.

Mixed-income housing, which includes a variety of price points within a single development project, will also help to ensure that new development creates affordable housing opportunities. These projects, however, will need some level of public support or incentives to be feasible. Tax Increment Financing (TIF) and tax abatement are two tools that could support the inclusion of affordable housing in new development. These tools cannot be used in combination, and cannot currently be used outside of Downtown. Strategy 7 discusses the specifics of these tools in further detail.

In the future, the City and its partners could also consider creating a specific source of financial assistance to support mixed-income infill housing.

Mixed-Income Infill Demonstration

Strategy 4

Improve the Quality and Availability of Affordable & Workforce Rental Housing

Stakeholder conversations and the housing survey both elevated affordable and workforce rental housing as a community priority. The market and demand analyses confirm this need—these are the largest segments of future housing demand in the Study Area. Quality affordable and workforce rental housing typically require some form of policy support, incentive, and subsidy to develop.

It is true that median rents and housing values in the Study Area are relatively affordable; however, there are not enough quality options to meet the demand, and many households experience severe housing cost burden. Across the Study Area, 15 percent of households pay more than 50 percent of their income toward housing costs. Improving the quality and availability of affordable and workforce housing will require a range of ambitious strategies designed to support high standards for existing housing, produce additional quality housing, and ensure access across the Study Area for households with a range of incomes.

Create a landlord licensing system targeted to problem properties

Owners and managers of existing rental properties are important partners in the provision of quality housing. Many landlords in the Study Area do an excellent job of maintaining their properties and serving their tenants; however, the landlords who do not proactively address maintenance, health, and safety issues create a number of challenges for their tenants. In too many cases, substandard rental housing puts already-vulnerable households at greater risk of health problems and housing insecurity.

A landlord licensing system has proven to be a powerful tool in many cities for addressing these problem properties by ensuring that all rental property businesses meet baseline standards for property maintenace. Owners of problem properties that routinely fail to comply with standards and put tenants at risk are required to participate in various measures to ensure their compliance, such as property inspections prior to being granted an occupancy permit.

A landlord licensing system should be created in a manner that does not penalize or require unnecessary inspections of properties that are well-maintained and operated. Owners of properties without issues would be assumed to be in compliance.

A landlord licensing system would be a valuable tool in the Study Area and should be implemented citywide. The City is currently in the process of engaging property owners around this subject and researching national best practices in order to adapt them to Tulsa's context.

Encourage affordable housing development and preservation in transitioning neighborhoods

Increasing and preserving the supply of quality affordable housing through the use of incentives and subsidies is the most direct way to improve the availability of affordable and workforce housing. This will be especially important in parts of the Study Area where rents are rising as neighborhood conditions improve neighborhood.

Helping community development organizations and other development entities identify quality projects and successfully compete for Low-Income Housing Tax Credit (LIHTC) allocations is a key element of this strategy. LIHTC is a powerful tool for providing quality affordable housing, and the more projects in the Study Area receive allocations, the better-positioned the community will be to meet the affordable housing need. An Affordable Housing Trust Fund (detailed in Strategy 7) would futher leverage LIHTCs when they are awarded and serve an alternate funding mechanism for other projects.

The Study Area's stock of unsubsidized but still affordable rental housing is also an asset not to be overlooked. The City and its partners could explore the creation of incentives to preserve these units as affordable, while also improving their quality. The NOAH Impact Fund, profiled to the right, offers a precedent for a program that has been successful in preserving these units.

Multifamily Renovation

Case Study

NOAH Impact Fund Twin Cities

In prime real estate markets, "naturally occurring affordable housing" (NOAH) is often operated under poor management or in disrepair. Speculators are eager to snap up these developments, upgrade a few amenities, and convert these once-affordable homes to higher-market rents. This loss of affordability threatens the stability of individuals and families who are displaced, and even entire communities.

The Greater Minnesota Housing Corporation's NOAH Impact Fund finances the acquisition and preservation of naturally affordable rental housing. It partners with socially-motivated investors and rental property owner-operators to preserve the long-term affordability of units in opportunity areas. All investments target rental properties at risk of conversion to higher rents and the threat of displacement of low- and moderate-income residents.

Incentivize the inclusion of workforce affordability in new Downtown development

Downtown jobs pay wages across the earnings spectrum, from high-paying knowledge jobs to lower-paying service and support jobs. As Tulsa continues to meet the demand for downtown living and urban, car-independent lifestyles, it will be critical to meet the demand for workforce housing in Downtown in addition to moderate, high-end, and luxury demand.

As housing market conditions Downtown have strengthened, projects are closer to becoming economically feasible without incentives. This makes it possible to explore the inclusion of workforce-affordable units in market-rate developments. Incentive programs (such as TIF, tax abatement, or revolving loan fund capital) could encourage developers of new market-rate housing to set aside some portion of their units at workforce-affordable rents. Feasibility analysis suggests that approximately $40k in incentives per unit could encourage a developer of a high-density development project to set aside 15% of their units at $840 per month rents. While the Low Income Housing Tax Credit program has a built-in compliance and monitoring structure, the City would need to create a mechanism for verifying compliance for these set-aside units.

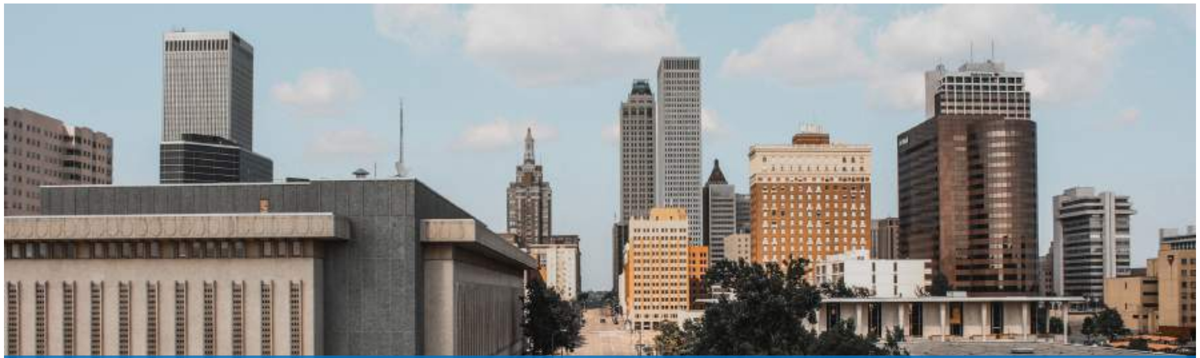
Workforce Set-Aside

$40k assistance per unit

Create a quality property management certification

Another challenge related to rental housing as communicated by stakeholders is that prospective tenants have difficulty navigating the market to find quality units that are well-managed. It is difficult to identify landlords that have a track record of providing quality units and are responsive to maintenance needs. Efforts to recognize landlords already doing an excellent job can support these property owners and improve tenants' experience, especially when used in combination with tools to monitor and enforce compliance. Quality property management certifications are one such tool.

These voluntary certifications are used to identify and publish a list of responsible landlords who meet a set criteria of property maintenance and management (e.g., limited evictions, code compliance, etc.) and/or participate in landlord training programs to improve their practices. These certifications also help renters find and rent with landlords who will treat them fairly and work to make sure their home is safe and healthy.



Explore development partnerships with and between academic institutions and large employers

Many of the academic institutions and large employers in Downtown and in the surrounding neighborhoods have a vested interest in the success of the Study Area—particularly as it relates to the availability of quality, affordable options for their faculty, staff, and/or students. Attractive, appropriate, and affordable housing options can play an important role in these entities' ability to recruit employees, house summer interns, and retain their workforce. These entities also own several sites that could be opportunities for rental housing and mixed-use development.

The City and its partners can work with these entities to facilitate development partnerships that creatively meet these organizations' needs while also advancing community priorities in the Study Area. For example, an anchor institution may consider underwriting an otherwise difficult-to-finance mixed-income housing development if it improves an area near their campus and provides attractive housing options to support their recruitment efforts. Or a large employer may be willing to master-lease units in a workforce housing project if it helps them recruit new employees or house interns.

Development partnerships with institutions and employers will also be part of a strategy to unlock Downtown's surface parking lots for development, such as in the Cathedral District and the Arena District. Shared structured parking solutions could help to satisfy parking needs while allowing key sites to be used for housing or other development—but it will take thoughtful planning and partnerships to identify and finance successful structured parking solutions.

Image credit: Wikimedia Commons

Engage developers specializing in mixed-income housing

Mixed-income housing is an alternative to traditional subsidized housing where development includes units at different levels of affordability—some market-rate, and others affordable at 60 percent of area median income or below. Expanding the capacity for mixed-income housing development will help to meet workforce and affordable housing needs in a manner that supports the Study Area's longstanding and growing socioeconomic diversity.

There are many successful examples of mixed-income housing in Tulsa and throughout the nation. The expertise and experience involved in structuring, financing, designing, developing, marketing, and managing these properties is somewhat specialized, but critical for a successful project. Engaging developers with this expertise, alongside developing more local expertise for this work, will expand the community's capacity to create these mixed-income housing opportunities.

Strategy 5

Encourage Housing Stability

Improving housing stability in the Study Area will consist of efforts to prevent housing insecurity and displacement in all of its forms.

Tulsa has an eviction crisis—it ranks 11th in the nation in evictions, which are also a major challenge in the Study Area. Eviction can trigger a cycle of instability and displacement that leads to homelessness, is a barrier to maintaining employment, and also continually disrupts a child's learning by forcing them to switch schools, miss class, and adjust to new surroundings. Older adults or individuals with mobility challenges may be unable to find the accessible home they need to stay in the neighborhoods in which they built their lives.

Strategies to improve housing stability and prevent displacement are key to individual and family wellbeing, and will be critical for the Study Area's future.

Establish policies to prevent displacement

Neighborhoods that experience rapid and sustained value appreciation—a likely outcome of positive investments in an area—may also become expensive to the point that long-time residents and low-income residents can no longer afford to live there. While some residents may willingly choose to move out of the area as these dynamics occur, the City and its partners can take steps to ensure that any resident who would like to stay has meaningful options to do so. Diversifying the housing stock, and supporting the creation and preservation of affordable housing are both important parts of this strategy—these efforts are detailed in Strategies 3 and 5.

The City and its partners can also work to connect homeowners with resources to manage a rising property tax bill. The State of Oklahoma allows a range of property tax exemptions, deductions, and credits for homeowners on a fixed income. Educating residents on their options for managing their property tax bill can help them avoid financial hardship and stay in their homes.

Support aging in place

One in every eight residents in the Study Area is aged 65 years or older. It is well established the aging of the Baby Boomer generation is causing this age cohort to grow nationally. This cohort is projected to grow at an even faster rate in the Study Area than in Tulsa. Ensuring the availability of appropriate housing options will create opportunities for seniors to age in place, and also attract seniors from other parts of the region.

Accessibility modifications to existing housing—such as doorway widening and grab bar installation—can help mobility-challenged individuals comfortably and safely stay in their current homes. New infill development can also include some number of accessible units, with features that may be more difficult to implement within the existing housing stock, such as zero-step entries and wheelchair-friendly interiors. Senior villages, which include support services and activities for individuals in a neighborhood, are an emerging model to provide needed services while also reducing isolation for seniors in their homes.

Expand supports to prevent and address eviction and homelessness

Eviction and homelessness are multifaceted challenges that must be addressed at many levels. Safe, stable, and affordable housing; expanded resources to help tenants prevent eviction and homelessness; and robust assistance for people experiencing homelessness are all needed to achieve A Way Home for Tulsa's goal to ensure that Tulsa is a community where homelessness is rare, brief, and non-recurring. Ensuring that these supports are in place in the Study Area will be increasingly important with continued growth and investment.

Resources that help divert tenants from eviction—such as emergency rent and utility assistance—can stop an eviction filing before it starts. By coordinating with utility providers, organizations can identify tenants with delinquent bills and create an outreach system to connect them with assistance that can keep them housed. Expanding tenant education may also help vulnerable renters learn to be stable tenants and avoid future issues.

For tenants who are faced with formal eviction proceedings, access to legal counsel can make an enormous difference in the likelihood that they can stay in their homes. Establishing a right to counsel in eviction cases has proven potential to drastically reduce the incidence of an eviction and the resulting cycle of housing insecurity caused by eviction.

Finally, providing permanent supportive housing for people experiencing chronic homelessness is a cost-effective way to reduce homelessness and the associated health challenges. There are many providers that are good candidates to operate additional permanent supportive housing in the Study Area; the City and its partners can help make more of these projects possible by assisting with acquisition and control of suitable buildings and/or sites while development partnerships and funding sources are established.

Spotlight

Tenant Right to Counsel

In eviction cases nationwide, an estimated 90 percent of landlords have legal representation, compared to only 10 percent of tenants. Guaranteeing legal counsel for tenants in eviction cases is shown to significantly reduce the number of cases that result in a warrant for eviction. Preventing eviction in the Study Area will be critical to neighborhood stabilization efforts, and will help renters stay in their homes as their neighborhood experience reinvestments.

Tenant right to counsel laws correct this imbalance by ensuring the availability of legal counsel for all tenants facing an eviction. These policies are shown to be cost-effective, saving many times more than the costs of counsel in related spending on homelessness, education, and courts. In addition, a right to counsel offers several secondary benefits to defendants who are sued for eviction. Attorneys may be able to keep eviction filings off tenants' records, arrange for alternative housing, negotiate reasonable amounts of time for tenants to move out, or help tenants apply for rental assistance.

Strategy 6

Sustain Downtown Development Momentum

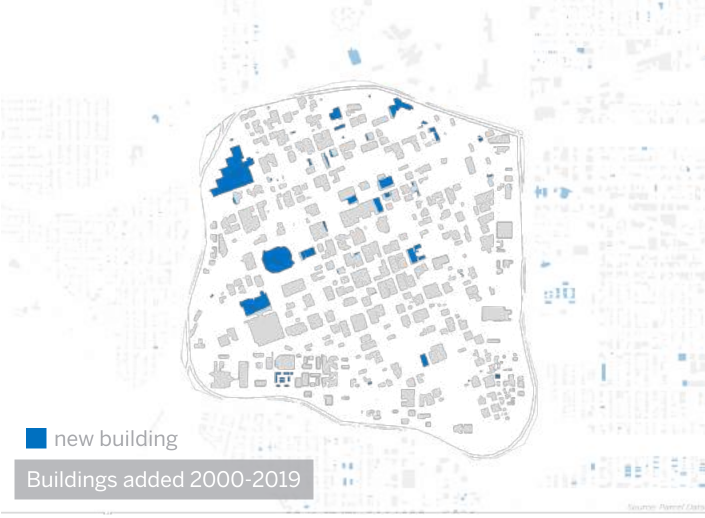
Downtown is key to the region's success. Supporting quality development, new amenities, and greater livability in Downtown will help the city successfully compete in the global economy. Housing is a critical piece of Downtown's livability puzzle. A broad range of housing types and price points is needed.

Downtown's health and success is directly linked to the health and success of its surrounding neighborhoods and the city more broadly. As Downtown becomes a more vibrant, livable, and attractive place, the surrounding neighborhoods are likely to see reinvestment in the existing housing stock, infill development, and new amenities and services. Similarly, as Downtown becomes a more livable and attractive place, the city and region can further leverage that as an asset to attract and retain a dynamic workforce and the employers that want to hire them. If Downtown does not do well, achieving Tulsa's economic and community development goals will be a steeper uphill climb.

Fortunately for Tulsa, considerable growth and progress has occured Downtown since 2000, particularly during the past ten years. Downtown's population has grown by 18 percent, and 500 units were added from 2010 to 2019. Another 940 multifmaily units are proposed or under construction. The revolving loan fund has played a very important role in this story, supporting the development of 775 units since its inception.

Tulsa must sustain this momentum in order for Downtown to become the vibrant neighborhood, cultural destination, and economic center that the community aspires it to be. Downtown is key to the city's competitiveness, and its success is foundational. Sustaining the development of housing Downtown is a central piece of the puzzle—additional housing development will bring life to Downtown's streets, support the addition of cultural and commercial amenities, and put surface parking lots to a higher and better use.

The following strategies outline specific approaches for supporting housing development Downtown in a manner that complements and supports the broader strategic framework for the Study Area.



Source: CoStar, City of Tulsa

Source: Parcel Data

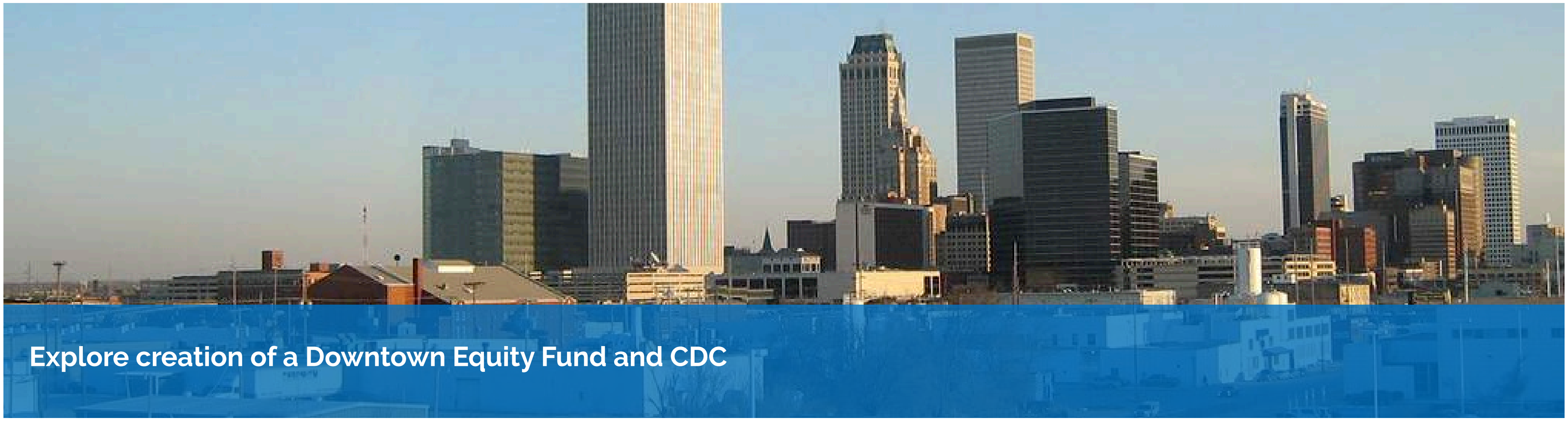
Create a Downtown parking strategy

As shown in the third diagram on the opposite page, parts of Downtown such as the Cathedral District and the Arena District have an overabundance of surface parking. In addition to the 40 acres of vacant land in Downtown, these parking lots total more than 100 acres of land that could be put to a higher, better use in the future. While surface parking is valuable to those who rely on it, it can also significantly detract from Downtown's urban, walkable character and sense of place.

Many of these lots, including those that could be prime development sites for housing or some other use, are actively utilized by downtown residents and workers. While public transportation investments, new and emerging modes of transportation (such as rideshare), and additional housing options for downtown workers may reduce the demand for this surface parking over the long-term, more immediate efforts to use these surface lots for anything other than parking will require strategies that preserve a supply of convenient parking.

In many cases, structured parking will be needed to "unlock" sites currently serving as surface parking lots for institutional and/or corporate users. Shared structured parking can help satisfy parking needs of current and future residential users, but will need to be appropriately phased, funded, and financed for successful implementation.

A Downtown parking strategy is needed to assess current and future demand for parking Downtown, assess utilization of the current supply of parking, and identify strategies to encourage shared parking in support of housing and other development. The Tulsa Parking Authority is a potential partner in this study, as well as in facilitating and/or financing future shared parking solutions. This study should identify priority catalyst sites to focus initial efforts. In the future, similar shared parking supports could also help to facilitate development in the Riverview area.



Explore creation of a Downtown Equity Fund and CDC

Many of the remaining development sites in Downtown are difficult to develop due to ownership constraints and institutional parking needs. While owners of some developable sites may be disinterested in engaging in conversation about a potential sale, there are other development sites that could become available through sustained, patient coordination and negotiation. And in other cases, the numbers for a catalytic project simply cannot work, even with the use of available incentives. In these cases, an additional source of gap financing could help get a great project over the edge, stimulating the further development of quality housing or commercial uses.

Many cities with historic, mid-size downtowns create community development corporations (CDCs) that serve as stewards and catalysts for downtown development. These CDCs often work in tandem with an equity fund that is used to support priority projects.

Capital from an equity fund, matched with CDC capacity to guide development, can help to "unlock" difficult sites by:

- Facilitating development partnerships between landowners, developers, and institutions;
- Identifying and setting the table for catalytic projects;
- Providing gap financing; and
- Assisting with acquisition.

Resulting development could be of any type, including a mix of residential types and affordability levels as well as commercial development.

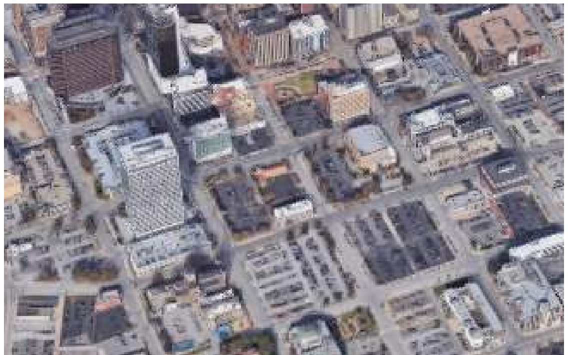
Downtown equity funds are often capitalized by members of the corporate community, including those with a vested interest in a prosperous and vibrant downtown neighborhood. Tulsa is fortunate to have an engaged and generous community of business leaders who may see the collective opportunity in supporting this type of work in Downtown.

Typically "patient" capital is most effective in an equity fund, with a longer-term and/or below-market return expectation. In other words, mission-oriented investors expect to get their money back, but not at the pace or return they would expect from a conventional real estate investment.

The Downtown Coordinating Council is currently conducting a study to examine the possibility of transforming into a private, nonprofit entity. This assessment will explore the potential for that new entity to take on new and different roles, such as the type of development undertaken by a Downtown CDC.

3CDC—profiled on the page opposite—is an example of a downtown-oriented CDC supported by Cincinnati's corporate community.

Image credit: Flickr



Identify target areas to focus residential development

The market analysis suggests that there is demand for up to 1,350 units in Downtown during the next 10 years. This is a significant addition to Downtown's housing stock, but will not fill all potential development sites. For example, if these housing units were developed at an average density of 75 units per acre, they would fill about 9 blocks, or just 18 percent of Downtown's surface parking area.

This indicates that the City and its partners need to be strategic with where to focus residential development. Identifying and planning catalytic residential projects can help support other Downtown goals such as creating a sense of place, supporting new services and amenities, and walkability. A Downtown master planning process can identify key sites and districts for residential development, as informed by the Arena District Master Plan, other previous planning work, and ongoing site-specific study. An updated Downtown Master Plan can also help identify priorities for the use of equity fund dollars.

Case Study

3CDC (Cincinnati, Ohio)

Formed in July, 2003, Cincinnati Center City Development Corporation (3CDC) is a private, nonprofit real-estate development and finance organization focused on strategically revitalizing Cincinnati's downtown urban core in partnership with the City of Cincinnati and the Cincinnati corporate community. Its work is specifically focused on the central business district and in the Over-the-Rhine (OTR) neighborhood.

3CDC helps create and manage great civic spaces, contributes to high-density and mixed-use development, promotes historic preservation, and improve streetscapes across Downtown Cincinnati.

Most funds are gathered through corporate contributions. In 2004, 3CDC accepted responsibility for overseeing Cincinnati New Markets Fund and Cincinnati Equity Fund. These funds are geared toward downtown redevelopment and spurring economic development in distressed and struggling neighborhoods. Today those funds total more than $250 million and have resulted in more than $1.3 billion in investment in downtown and Over-the-Rhine real estate projects.

Strategy 7

Expand Financial and Organizational Capacity for Advancing Housing Priorities

To advance the broad range of goals and priorities for housing in the Study Area, the City and its partners will need a corresponding strategy for aligning and expanding the needed resources and capacity. In some cases, this will involve using existing resources and tools in different, more targeted ways. In other cases, it will involve creating new tools and resources, and investing in the organizational capacity needed to ensure success over the long term.

Enhance the city's ability for strategic land control (not eminent domain)

Tulsa's land bank and future community land trusts are both tools to advance key strategic priorities relating to affordability, reducing vacancy, and improving housing conditions. But their success relies on dedicated organizational alignment and financial capacity.

For example, the Tulsa Development Authority (TDA) currently has the authority and ability to acquire property, clear title, and transfer it to new owners for redevelopment. This land bank capacity will be most effective in advancing strategic housing goals as the TDA increasingly coordinates with other City departments, community development entities, and other neighborhood groups. This collaboration is needed to ensure that redevelopment proceeds in a manner that supports community goals and rebuilds community trust.

Closer partnership with the Tulsa County Assessor's office would help the City and its parters establish the ability to view and strategically purchase available vacant properties prior to their sale at the tax auction.

The growth of Tulsa's ecosystem of community development corporations (CDCs) will also add capacity for strategic land control. If they have sufficient financial capacity, CDCs can proactively acquire and hold land for future affordable and mixed-income housing development.

Examples from across the country demonstrate that land banks—whether they exist within a public or nonprofit entity—are most successful whe paired with resources to stabilize and rehabilitate properties, returning them to productive use rather than holding them for years without a discernable strategy.

Both public and nonprofit land banking capacity can create the conditions for initiating community land trusts (CLTs). CLTs, however, involve a level of governance and financial complexity. To succeed in the long term, they must be carefully established, and properly funded.

Target incentives to support quality housing development

The downtown revolving loan fund has played a transformative role in supporting Downtown development for the past decade and more, and it still has a critical role to play. Below-market loan capital is best positioned to support projects with a smaller feasibility gap, making it an excellent tool for incentivizing market-rate housing development.

To remain competitive, Downtown needs to continue raising the quality of development and adding the amenities and services that will help the area attract new residents. Additionally, affordable and workforce housing is a substantial need in Downtown.

The revolving loan fund capital is still needed in Downtown, but can be used in slightly different ways. The City can start to use this incentive to ask for more, including but not limited to: public benefits such as community space, unique amenities, high-quality exterior design, LEED certification, infrastructure improvement; utilization of Project-Based Vouchers; and inclusion of workforce-affordable units. The loan fund should continue to be focused on Downtown, but could be used on select projects near Downtown if they meet specific set criteria for their catalytic potential, such as:

- project size (e.g., more than 50 units);
- project location (e.g., within a quarter-mile walking distance to Downtown and areas along the BRT corridor where greater density is desired);
- inclusion of affordable or workforce units; and
- demonstration of an untested but desired typology (e.g., missing middle, mixed-use) not yet financeable through conventional sources alone.

Revolving Loan Fund

average of $20k assistance per unit

The loan fund should also maintain its current structure (i.e., a zero-interest, 6-year loan); but if interest rates in the market rise, consider charging below-market interest to sustain this capital pool into the future.

Tax Increment Financing (TIF) and tax abatement also have an important role to play in supporting housing development and the inclusion of affordability. TIF can continue to support housing in Downtown and in new TIF geographies as they are established, and tax abatement can be used in the neighborhoods surrounding Downtown to support infill development.

A process needs to be established where abatement is possible within a district and the taxing authorities do not have to approve each application so long as they meet requirements.

Invest in community development capacity

Community development organizations play an essential role in neighborhood housing development. A stronger ecosystem of community development organizations is needed to advance the community's housing goals, particularly for creating and preserving quality affordable housing.

One opportunity is for the City to utilize a portion of its federal entitlement funds (i.e., Community Development Block Grant dollars and HOME funds) in new ways that help build the capacity of the community development system. For example, a Community Housing Development Organization (CHDO) Academy could strengthen existing community development organizations, and help new ones take root.

The City and its partners should also explore the creation of a housing Community Development Financial Institution (CDFI). CDFIs are entities that pool philanthropic and bank capital to invest in housing needs that conventional sources of financing cannot meet.

Expand services to vulnerable populations to promote stability

As detailed in Strategy 5, there is a need for more services and supports to keep families in their homes, avoid eviction, and prevent homelessness. Emergency rental and utility assistance, for example, can help divert tenants from eviction. And for individuals experiencing homelessness, whether intermittently or chronically, rehousing services and permanent supportive housing are needed to support their long-term wellbeing.

To implement a tenant right to counsel policy, Tulsa will also need to identify resources to guarantee legal counsel for defendants in eviction court. Partnerships between the City, the philanthropic community, and legal aid providers can put this preventive service in place, cutting evictions in more than half while also avoiding the downstream health and emergency service costs associated with homelessness and housing insecurity.

Address physical housing needs and housing conditions

Improving housing conditions, both interior and exterior, will be essential for neighborhood stabilization, quality of life, community health, and meeting housing demand in the Study Area. While the City and its partners have several programs that support this work, many more resources are needed for home repair, home renovation, rehabilitation, and rental property upgrades.

The City's new HOP program is a great step in this direction. These funds, some of which could be used in the Study Area, will help to rehabilitate vacant buildings into quality affordable homes.

There is a particular need for resources that can help prospective homeowners make these investments themselves, including in areas where depressed appraised values do not support sufficient improvements. A greenlining fund, detailed in Strategy 1, could be a valuable means by which to promote investment in the existing housing stock while stabilizing neighborhoods.

Create new resources to support affordable housing preservation and development

There is an urgent need for new, dedicated resources to support affordable housing. Traditional federal and state sources of funding for affordable housing are as important as ever, but insufficient to address the scale of the need in many cities across the country, including Tulsa.

More and more, cities are taking the lead on this issue, creating new sources for affordable housing investment. Local affordable housing trust funds are the primary mechanism for this purpose. Local affordable housing trust funds are highly flexible tools that can meet local housing needs through a mix of programs and funding supports tailored to local circumstances.

The City can use a portion of its available revolving loan fund capital (e.g., $4 million returning in 2019 and 2020) to seed its affordable housing trust fund, and use that public commitment to assemble other public and philanthropic commitments. A $20 million initial target in 2020 would be a transformative first step toward meeting the city's affordable housing needs.

A pipeline of quality projects for the first round(s) of funding could include a mix of: gap financing for affordable housing development and preservation; neighborhood/housing stabilization (e.g., home repair and renovation); and preventing and reducing homelessness.

Once a track record of success is established, the City should move to identify a dedicated revenue source for the trust fund, and to expand it significantly. For example, just 0.5 percent of a $1 billion bond issue would amount to $50 million for the affordable housing trust fund.

Housing Trust Fund

800 affordable units through a $20m fund
$25k assistance per unit (1:6 leverage ratio)

Spotlight

Affordable Housing Trust Fund

Affordable housing trust funds are distinct funds established by city, county or state governments to support the preservation and production of affordable housing and increase opportunities for families and individuals to access decent affordable homes. Trust funds are powerful tools for this work because they are highly flexible, and can be used to fund a mix of programs tailored to their specific local contexts. Trust funds allow local governments to amplify the impact of their dollars, often drawing competitive state and federal sources.

Louisville's Affordable Housing Trust Fund (LATHF), for example, facilitates the development and rehabilitation of quality affordable housing by making grants and loans, providing technical support, and enabling builders and developers to construct affordable housing with less financial risk. The fund is supported by an estimated $10.15 million annually in dedicated public revenue to help struggling families and individuals. Every $1 million invested by the trust fund creates more than 80 units of affordable housing, supports 112 jobs, and generates more than $6.4 million in local revenue.

5 Implementation

Priorities for Action

No community can implement everything at once. Cities must determine where to focus their efforts, and identify initial priorities for implementation that will lay the foundation for long-term success.

Cities and their partners must also set the table for collaboration. Successful implementation requires coordinated effort by public, nonprofit, and private sector partners.

Thirteen implementation priorities emerged through discussion with the Client Team, the Steering Committee, and the Neighborhood Stakeholder Group. These priorities were identified based on available resources, community priorities, and timing. Together, these strategies have the potential of $196 million of investment in the Study Area, leveraging about $26 million in public and partner assistance, and creating more than 1,000 units at different levels of affordability. But implementing these priorities will take effort and involvement from a wide array of partners.

The City's Role

The City has a central role in implementation at every level. It sets policy for the use of land and public resources; it administers programs; it establishes requirements for business operation; it manages careful study of housing needs; and it can facilitate conversations with community partners about the potential for collective action. The City will operate in each of these capacities to implement the priority strategies.

The Housing Ecosystem

There are many other entities that contribute to successfully implementing a housing strategy. This group of partners—referred to as the housing ecosystem—includes philanthropy, nonprofits, developers, lenders, investors, CDCs, corporations, and community development intermediaries. These groups are the funders, influencers, program providers, risk takers, builders, sources of capital, community organizers, and leaders that form an integrated system for housing investment and community development.

Each of the priority strategies will rely on the partnership of this housing ecosystem for success. Opportunities for their collaboration are also identifed in the pages that follow.

››› Tools & Resources

These priority actions relate to the redeployment of existing funds, the creation of new resources, and the establishment of new tools needed to support the strategy. The City will play the lead role in these actions, but philanthropic, civic, and developer involvement will be needed for their full implementation.

››› Policy Changes

Implementation of these priority strategies is focused on regulatory changes and ordinances that will shape how housing is built, how properties are managed, and how tenants are supported.

››› Initiatives & Pilot Programs

These priority actions include efforts designed to address specific place-based challenges, and pilot new programs with the potential for broader implementation. These strategies will help deliver near-term results for the community, while also allowing the City and its partners learn how and where to expand their early efforts.

Tools & Resources

- Redeploy Downtown revolving loan fund capital
- Start an Affordable Housing Trust Fund ★
- Explore creation of a Downtown Equity Fund
- Establish a dedicated land bank ★

Policy Changes

- Allow Missing Middle housing development
- Create a landlord licensing system ★
- Establish a tenant right to counsel ★

Initiatives & Pilot Programs

- Target HOP to promote housing stabilization ★
- Consider piloting a land trust in the Kirkpatrick Heights Addition/ Greenwood Area site(s)
- Pilot a repair program around the Laura Dester site
- Invest in community development capacity ★
- Create a Downtown parking strategy
- Pilot a greenlining fund for home repair and renovation ★

Combined potential of...

$196 million total investment

$26 million public/partner support

1,040 total units*

*2,100 - 3,250 units estimated net new 10-year demand

typically implemented citywide ★

Applying Strategies to Diverse Neighborhood Contexts

Downtown and the surrounding neighborhoods are rich in their diversity and complexity. These differences call for a range of tools and approaches. Market typologies offer one way to understanding these different contexts and craft a specific mix of strategies to meet needs.

Stakeholder conversation and analysis underscore what many in Tulsa already know—that each neighborhood and Downtown district in the Study Area has its own distinct character, needs, challenges, and opportunities. It is impossible to reflect the full depth of that complexity in any single report. But successfully implementation of the strategies must be grounded in a data-driven assessment of specific neighborhood conditions, and the tools and resources best suited to meet neighborhood needs.

Market typologies—which broadly characterize the strengths, challenges, and opportunities of a neighborhood's housing market—offer a lens through which the City and its partners can understand and operate within this complexity.

Emerging Markets

Neighborhoods with "emerging" housing markets can be characterized by depressed housing values, vacancy rates much higher than the city average, and housing condition challenges. These neighborhoods will require sustained focus and holistic community development investments in housing, people, and place. Deep gap financing, community planning, and neighborhood capacity building are some of the tools and efforts most needed in emerging markets.

Transitioning Markets

In "transitioning" markets, some market-based investment is occurring, resulting in incremental improvements to housing condition. These areas often have housing stock that, if improved, could be very marketable. The approach in these markets is a mix of investments to improve housing conditions, expand homeownership, and preserve affordability ahead of increasing values. There are many tools that are effective in these contexts, including repair and rehabilitation programs, and gap financing for market-rate development via TIF, an equity fund, or a loan fund.

Strengthening Markets

Neighborhoods with "strengthening" housing markets generally have stable market conditions, meaning that property values are usually high enough to support market-based investment. But they also have housing condition challenges and further stabilization needs. Neighborhoods with strengthening markets must take proactive measures to ensure that reinvestment is balanced, with strategies to preserve affordability implemented alongside market-rate development. TIF, tax abatement, and other gap-financing sources can promote mixed-income development.

Stable Markets

"Stable" markets can be characterized by their high property values, good housing conditions, and low vacancy. These areas often do not need support to promote market-based investment; rather the goal is to promote inclusion and access and create affordability so that residents with a range of backgrounds can benefit from the high quality of life in these areas.

Emerging Markets	Transitioning Markets	Strengthening Markets	Stable Markets
What are the characteristics?			
Marketability challenges with housing existing stock (Crutchfield) High vacancy and low overall condition High cost burden Substantial feasibility gap Multi-faceted interventions needed Long-term commitment needed Potentially catalytic public assets	Some market-based investment occurring Improving housing conditions More marketable housing stock Targeted interventions needed BRT could be a catalyst Moderate feasibility gap	Generally stable market conditions Substantial pipeline (Downtown) Historic preservation Shrinking feasibility gap Rising land costs Limited large-scale sites/public control Targeted interventions still needed	High home values Historic preservation No feasibility gap Limited vacant land
What is the approach?			
Improve conditions Reduce housing instability Leverage public assets for catalytic development Build community development/ ecosystem capacity Long-term investment strategy	Improve conditions Selective stabilization Preserve affordability Expand homeownership Build community development/ ecosystem capacity	Create/preserve affordability Sustain investment	Promote inclusion and access Create affordability
What are the tools?			
Deep gap financing Land control for catalysts Long-term reinvestment vision Expanded housing ecosystem Eviction prevention	Gap financing TIF for market-rate development Equity fund Loan fund Repair & rehab programs Eviction prevention	TIF for mixed-income development Tax abatement (exclusive of TIF) Equity fund Loan fund Eviction prevention Rental assistance Design standards	Rental assistance Eviction prevention Design standards

Implementation Matrix of Strategic Recommendations

Each strategy has a different focus, a different timeframe for implementation, and different partners involved. An implementation matrix serves as a resource for connecting the dots, and is a reference tool for all partners involved.

The following matrix is a tool that the City and its partners can use to understand how various strategies fit together, which types of housing need they address, the City departments and public agencies involved, and where the strategies can be focused.

While all strategies are focused on housing, some are targeted to for-sale and owner-occupied housing, and others to rental. Different strategies are also designed to affect housing at different demand levels, with some designed to address the need for affordable and workforce housing and others focused on housing at moderate, upscale, and/or luxury price points. The target housing demand type highlights the relevant details related to tenure and price point. Other strategies do not have a target demand type, but are needed to address systemic barriers to quality housing production. These are marked with a "-".

Each strategy detailed in this report has been recommended to respond to specific circumstances and needs in the Study Area; however, many could apply more broadly, or relate to policies that are typically implemented citywide. The Applicability to Citywide Housing Strategy column highlights areas where the strategies for the Study Area may have broader relevance to the city and where recommendations overlap with the City's affordable housing strategy, developed in parallel with this effort.

The City has many departments and public agency partners that touch on housing. Just as the City works to collaborate with outside partners, it also must work to coordinate internally across its many departments. The City and Public Agency Implementation Partners column lists the departments and agencies that would assist with implementation of a given strategy. The partner listed in bold indicates a likely lead implementer and facilitator for the coordinated effort.

The City is also conducting an organizational assessment as part of its citywide economic and community development strategy. The recommendations from that study will identify opportunities to streamline City departmental activities related to housing and should inform future implementation of the strategies outlined here.

As this chapter has detailed, no community can implement all strategies at once. The Implementation Timeframe column indicates roughly when efforts will begin. Some strategies are already in progress, some will begin to be implemented in the near future, and others are medium-term priorities.

Stakeholder conversation and the analysis highlighted the many ways in which neighborhood conditions and needs are different. The strategic framework was designed with this in mind, and it identifies tools targeted to different issues and different market contexts. The Neighborhood Applicability column indicates where strategies are relevant, and highlights neighborhoods where efforts can be focused.

Strategic Recommendations		Target Housing Demand Type			Applicable to City-Wide Housing Strategy	City and Public Agency Implementation Partners (lead in bold)	Implementation Timeframe			Neighborhood Applicability (focus areas indicated by ●)								
		Owner	Renter	Price Point			In Progress	Near-term (immediate)	Medium-term (3+ years)	Downtown	Crosbie Heights	Crutchfield	Dunbar	Greenwood	Legacy/Heights	Owen Park	Pearl Area	Riverview
Strategy 1: Support and expand attainable homeownership opportunities																		
1.1	Expand financial assistance for low- and moderate-income homebuyers and homeowners	x		Affordable, Workforce	Yes	Working in Neighborhoods (WIN); Housing Partners of Tulsa; Financial Empowerment Center (FEC); Housing Policy Director; Resilience and Equity		O			●	●	●	●	x	x	●	x
1.2	Support residents working toward homeownership with affordable rental opportunities	x	x	Affordable, Workforce	Yes	**THA**; Housing Policy; Resilience and Equity; Community Development and Policy			O		x	x	x	x	x	x	x	x
1.3	Expand financial and technical assistance for rehabilitation	x		Affordable, Workforce, Moderate	Yes	**WIN**; THA; Community Development and Policy; TDA		O			●	x	●	●	x	x	●	x
1.4	Establish a community land trust to create long-term affordable homeownership opportunities	x		Affordable, Workforce	Yes	Governing Body; TDA; Legal Department; **Community Development and Policy**		O			x	x	x	●	●	x	●	x
Strategy 2: Incentivize rehabilitation and renovation of rental properties																		
2.1	Expand land bank capacity to return vacant properties to productive use	-	-	n/a	Yes	Governing Body, Legal Department; TDA; State Lawmakers; **Housing Policy Director**; Resilience and Equity; Community Development and Policy		O			x	●	●	●	x	x	●	x
2.2	Establish a strategic approach to code enforcement	-	-	n/a	Yes	**Development Services**; Health Department; Housing Policy Director; Community Development and Policy; Planning			O	x	x	x	x	x	x	x	x	x

Strategic Recommendations		Target Housing Demand Type			Applicable to City-Wide Housing Strategy	City and Public Agency Implementation Partners (lead in bold)	Implementation Timeframe			Neighborhood Applicability (focus areas indicated by ●)								
		Owner	Renter	Price Point			In Progress	Near-term (immediate)	Medium-term (3+ years)	Downtown	Crosbie Heights	Crutchfield	Dunbar	Greenwood	Legacy/Heights	Owen Park	Pearl Area	Riverview
2.3	Create a database of vacant and abandoned properties to analyze ownership patterns	-	-	n/a	Yes	**Development Services**; Health Department; Housing Policy Director; Community Development and Policy; Planning; WIN			O		x	x	x	x	x	x	x	x
2.4	Expand the ability of the Housing Opportunity Partnership program to support housing stabilization	-	-	n/a	Yes	**WIN**; Housing Policy; Community Development and Policy; Health Department; City Council	O				●	●	●	●	x	x	x	x
Strategy 3: Support quality, diverse infill development																		
3.1	Support a diverse range of infill housing typologies and price points	x	x	All	Yes	**Planning**; Housing Policy; Community Development and Policy; Development Services; Governing Body; THA			O	x	x	x	x	x	x	x	x	x
3.2	Remove barriers to missing middle infill development	x	x	All	Yes	**Planning**; Housing Policy; Community Development and Policy; Development Services; Governing Body; Economic Development; THA	O			x	x	x	x	●	●	x	●	x
3.3	Leverage public assets	x	x	All	Yes	TDA; Asset Management; Housing Policy; Community Development and Policy; Development Services; Governing Body; Economic Development; Planning; Resilience and Equity; THA; Downtown Tulsa	ongoing			●	x	x	x	●	x	x	●	x
3.4	Leverage ongoing or planned public investments	x	x	All	Yes	Engineering; Planning; Community Development and Policy; WIN; TDA; Development Services; Downtown Tulsa	ongoing			x	x	x	x	x	x	x	x	x

Strategic Recommendations		Target Housing Demand Type			Applicable to City-Wide Housing Strategy	City and Public Agency Implementation Partners (lead in bold)	Implementation Timeframe			Neighborhood Applicability (focus areas indicated by ●)								
		Owner	Renter	Price Point			In Progress	Near-term (immediate)	Medium-term (3+ years)	Downtown	Crosbie Heights	Crutchfield	Dunbar	Greenwood	Legacy/Heights	Owen Park	Pearl Area	Riverview
Strategy 4: Improve the quality and availability of affordable and workforce rental housing																		
4.1	Create a landlord licensing system targeted to problem properties		x	n/a	Yes	**Development Services**; WIN; Housing Policy		O		x	x	x	x	x	x	x	x	x
4.2	Create a quality property managers certification to support responsible landlords		x	n/a	Yes	Development Services; WIN; Housing Policy	O			x	x	x	x	x	x	x	x	x
4.3	Encourage affordable housing development and preservation in transitioning neighborhoods		x	Affordable, Workforce,	Yes	Housing Policy; Resilience and Equity; Community Development and Policy; Economic Development, TDA, THA	ongoing			●	x	x	x	●	●	x	●	●
4.4	Incentivize the inclusion of workforce affordability in new Downtown development		x	Workforce, Moderate	Yes	Housing Policy; Resilience and Equity; Community Development and Policy; **Economic Development**; **Downtown Tulsa**; THA		O		●								
4.5	Explore development partnerships with and between academic institutions and large employers		x	Workforce, Moderate, Upscale		Housing Policy; Resilience and Equity; **Community Development and Policy**; **Economic Development**; Downtown Tulsa; THA	ongoing			●								
4.6	Engage developers that specialize in mixed-income housing development		x	All	Yes	**Housing Policy**; Resilience and Equity; Community Development and Policy; **Economic Development**; Downtown Tulsa; THA	ongoing			x	x	x	x	x	x	x	x	x

Strategic Recommendations		Target Housing Demand Type			Applicable to City-Wide Housing Strategy	City and Public Agency Implementation Partners (lead in bold)	Implementation Timeframe			Neighborhood Applicability (focus areas indicated by ●)								
		Owner	Renter	Price Point			In Progress	Near-term (immediate)	Medium-term (3+ years)	Downtown	Crosbie Heights	Crutchfield	Dunbar	Greenwood	Legacy/Heights	Owen Park	Pearl Area	Riverview
Strategy 5: Encourage housing stability by supporting tenant protections and people-based initiatives																		
5.1	Establish policies to prevent displacement as neighborhood values appreciate	x	x	n/a	Yes	**Housing Policy**; **Resilience and Equity**; Community Development and Policy; THA; Governing Body; Legal; WIN; FEC			O		●	x	x	●	●	●	●	●
5.2	Provide housing options that support aging in place	x	x	n/a	Yes	**Housing Policy**; Resilience and Equity; Community Development and Policy; THA; Planning; WIN; FEC	ongoing			x	x	x	●	●	x	x	●	●
5.3	Expand supports to prevent and address eviction and homelessness	x	x	n/a	Yes	**Housing Policy**; Resilience and Equity; Community Development and Policy; THA; Governing Body; Legal; WIN; FEC	O			x	x	●	●	●	x	x	x	x
Strategy 6: Sustain Downtown development momentum																		
6.1	Create a Downtown Equity Fund and CDC	x	x	All		**Downtown Tulsa**; Governing Body; Economic Development; Community Development and Policy; Legal;		O		●								
6.2	Create a Downtown parking strategy	x	x	All		**Downtown Tulsa**; Economic Development; Community Development and Policy; Tulsa Parking Authority		O		●								
6.3	Identify target areas to focus residential development	x	x	All		Downtown Tulsa; Economic Development; Community Development and Policy; Tulsa Parking Authority; Housing Policy			O	●								

Strategic Recommendations		Target Housing Demand Type			Applicable to City-Wide Housing Strategy	City and Public Agency Implementation Partners (lead in bold)	Implementation Timeframe			Neighborhood Applicability (focus areas indicated by ●)								
		Owner	Renter	Price Point			In Progress	Near-term (immediate)	Medium-term (3+ years)	Downtown	Crosbie Heights	Crutchfield	Dunbar	Greenwood	Legacy/Heights	Owen Park	Pearl Area	Riverview
Strategy 7: Expand financial and organizational capacity for advancing housing priorities																		
7.1	Enhance the city's ability to facilitate development through strategic land control and assembly (not eminent domain).	x	x	All	Yes	Governing Body, Legal Department; TDA; State Lawmakers; **Housing Policy Director**; Resilience and Equity; Community Development and Policy												
	Create a Land Bank					See 2.1		O			x	●	●	●	●	x	●	x
	Establish Community Land Trusts					See 1.4		O			x	x	x	●	●		●	
7.2	Target new and existing programs to support quality housing development									x	x	x	x	x	x	x	x	x
	Revolving Loan Fund		x	All		TDA; Downtown Tulsa; **Economic Development**; Community Development and Policy; Housing Policy				●								
	Recommendation: Redeploy $15.5 million of revolving loan fund capital to advance housing and development goals Downtown. Leverage funds to encourage workforce units, utilization of project-based vouchers, and increased public amenities or enhanced design.							O		●								
	Recommendation: Set aside $4 million of loan fund capital returning to City in 2019 and 2020 to seed an Affordable Housing Trust Fund.							O		x	x	x	x	x	x	x	x	x

Strategic Recommendations		Target Housing Demand Type			Applicable to City-Wide Housing Strategy	City and Public Agency Implementation Partners (lead in bold)	Implementation Timeframe			Neighborhood Applicability (focus areas indicated by ●)								
		Owner	Renter	Price Point			In Progress	Near-term (immediate)	Medium-term (3+ years)	Downtown	Crosbie Heights	Crutchfield	Dunbar	Greenwood	Legacy/Heights	Owen Park	Pearl Area	Riverview
	Create Affordable Housing Trust Fund	x	x	Affordable, Workforce	Yes	**Housing Policy**; Governing Body; Economic Development; Community Development and Policy; Resilience and Equity	O			x	x	x	x	x	x	x	x	x
	Strategically deploy TIF to enhance the quality of market-rate housing, and to support the inclusion of a workforce and/or affordable housing set-aside		x	All		**Tulsa Industrial Authority**; Economic Development; TDA; Downtown Tulsa; Community Development and Policy; Housing Policy	ongoing			●								
	Utilize Tax Abatement to support quality affordable and mixed-income housing, particularly infill development in neighborhoods			All	Yes	**Economic Development**; TDA; Downtown Tulsa; Community Development and Policy; Housing Policy	ongoing			x	x	●	x	●	x	x	●	x
	Explore creation of a Downtown Equity Fund		x	All		**Downtown Tulsa**; Economic Development; Community Development and Policy; Housing Policy		O		●								
7.3	Invest in neighborhood leadership and community development organizations' capacity			All	Yes	**Housing Policy**; Governing Body; Economic Development; **Community Development and Policy**; Resilience and Equity				x	x	x	x	x	x	x	x	x

Strategic Recommendations		Target Housing Demand Type			Applicable to City-Wide Housing Strategy	City and Public Agency Implementation Partners (lead in bold)	Implementation Timeframe			Neighborhood Applicability (focus areas indicated by ●)								
		Owner	Renter	Price Point			In Progress	Near-term (immediate)	Medium-term (3+ years)	Downtown	Crosbie Heights	Crutchfield	Dunbar	Greenwood	Legacy/Heights	Owen Park	Pearl Area	Riverview
	Identify target neighborhoods for CDCs: Downtown, Pearl District, Greenwood, the Kirkpatrick Heights Addition/Greenwood Area site	-	-	All				O										
	Utilize existing funding sources through CDBG and HOME to build capacity.	-	-	Affordable, Workforce			O											
	Implement CHDO Academy to expand the number of organizations utilizing federal funding sources to develop housing	-	-	Affordable, Workforce				O										
	Create a Housing CDFI to expand funding tools for neighborhood housing development	-	-	Affordable, Workforce					O									
7.4	Expand services to vulnerable populations to promote housing stability	-	-		Yes	**WIN**; **FEC**; Housing Policy; Community Development and Policy; Resilience and Equity; THA; Health Department	ongoing			x	x	x	x	x	x	x	x	x
7.5	Address physical housing needs/ housing conditions	x	x		Yes	**WIN**; FEC; Housing Policy; Community Development and Policy; Health Department; THA; TDA				x	●	●	●	●	x	x	●	x
	HOP Program						O											
	Home Repair Programs							O										
	Rehab/ renovation resources							O										

6 Appendix

Supplementary Demographic Information

Neighborhood Analysis Housing Characteristics Summary (Highest and lowest values highlighted)

	% change in housing units (2010 to 2019)	Median Home Value	% Renter	% extremely cost-burdened	projected HH change 2019-2024	% Vacant
City average	5%	$150k	49%	15%	2.5%	12%
Crosbie Heights	7%	$85k	59%	12%	1.2%	20%
Crutchfield	0%	$40k	56%	16%	-0.5%	26%
Downtown	44%	$115k	89%	15%	12.5%	19%
Dunbar / Joe Louis	3%	$80k	76%	33%	1.3%	18%
Greenwood / University Park	0%	$130k	63%	19%	-3.2%	17%
Heights / Legacy	7%	$110k	52%	17%	3.3%	20%
Owen Park	6%	$95k	41%	9%	3.8%	17%
Pearl District Area	2%	$185k	82%	20%	0.3%	29%
Riverview	4%	$220k	74%	15%	11.7%	15%

Soure: ESRI, Zillow, 2018

Neighborhood Analysis Demographic Summary

	Population	% African-American	% American-Indian	% Hispanic	% White
Med. Income (city)	$45k	$29k	$40k	$39k	$51k
City average	411,490	19%	6%	17%	64%
Crosbie Heights	1,373	14%	10%	23%	54%
Crutchfield	1,798	9%	5%	62%	41%
Downtown	4,669	28%	6%	12%	59%
Dunbar / Joe Louis	1,428	83%	2%	7%	7%
Greenwood / University Park	1,301	83%	1%	1%	10%
Heights / Legacy	1,484	63%	3%	4%	23%
Owen Park	1,112	10%	10%	13%	63%
Pearl District Area	2,095	13%	9%	18%	59%
Riverview	3,515	9%	5%	5%	77%

Soure: ESRI, 2019

Neighborhood Analysis Housing Tenure (Disaggregated)

	Overall % Owner-Occupants	African-American Residents	American-Indian Residents	Hispanic Residents	White Residents	Other Residents
City average	51%	10%	3%	8%	77%	-
Crosbie Heights	45%	11%	11%	7%	73%	-
Crutchfield	47%	11%	2%	56%	52%	-
Downtown	14%	0%	11%	12%	72%	-
Dunbar / Joe Louis	14%	100%	0%	0%	0%	-
Greenwood / University Park	36%	91%	0%	0%	5%	-
Heights / Legacy	51%	58%	12%	2%	26%	-
Owen Park	60%	2%	2%	6%	90%	-
Pearl District Area	14%	14%	0%	27%	86%	-
Riverview	26%	1%	1%	1%	90%	-

Soure: ACS, 2017

Supply Research

Housing Supply Market-Rate Multifamily Rental Summary Metrics

57,300	9.5%	$690
HOUSING UNITS	VACANCY RATE	AVERAGE RENT/MO

2,530	HOUSING UNITS	18,530
7%	VACANCY RATE	9%
$1,014	AVERAGE RENT/MO	$797

4,400	12.0%	$975
HOUSING UNITS	VACANCY RATE	AVERAGE RENT/MO

225	HOUSING UNITS	1,550
6%	VACANCY RATE	9%
$1,450	AVERAGE RENT/MO	$1,130

Soure: CoStar 2019, Development Strategies; Data reflect only existing units, not those under construction or proposed
* Vacancy rate only reflects actively marketed properties

Multifamily Supply Older Low/Mid-Tier Multifamily

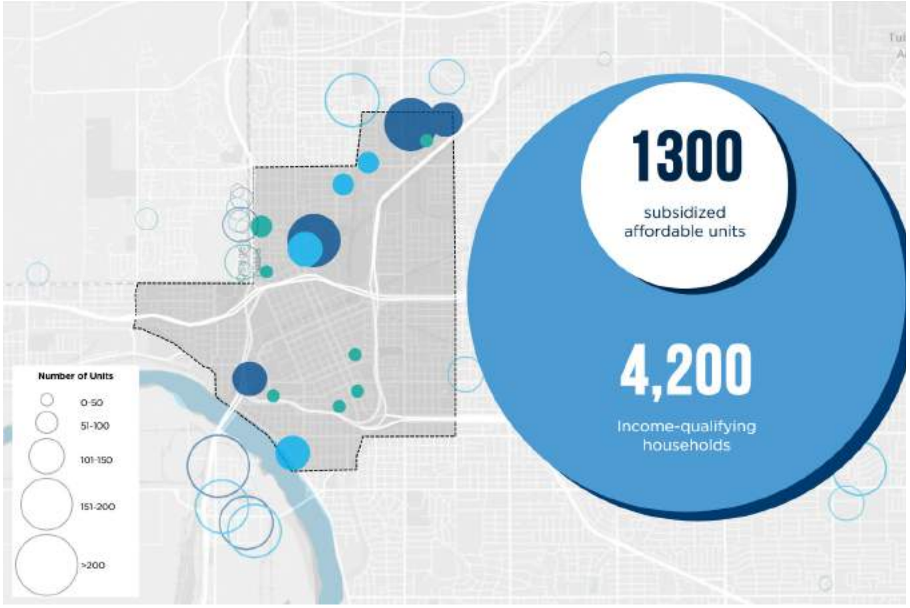
Multifamily Supply "First-Wave" Downtown

Multifamily Supply Recent Downtown

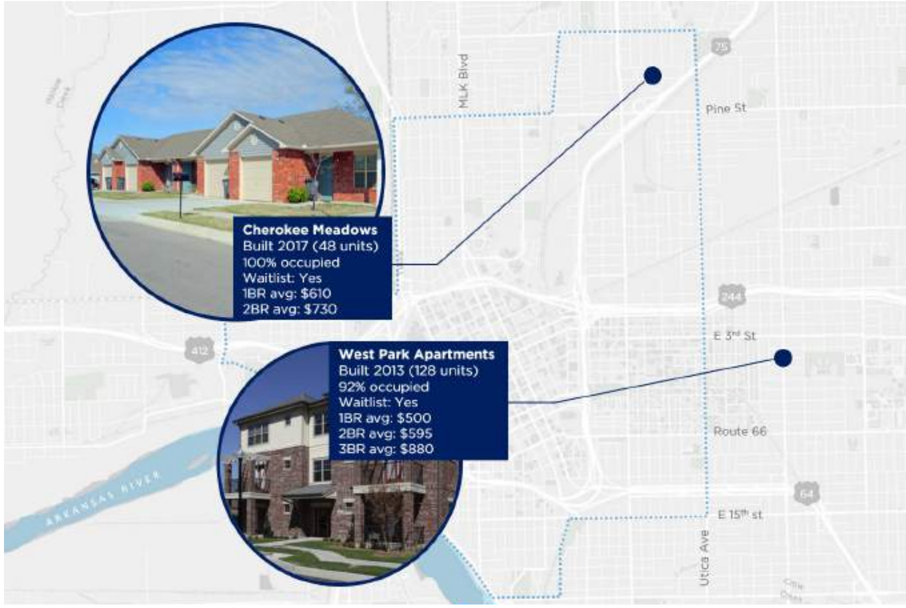
Multifamily Supply Proposed & Under Construction

Condo Sales Market-Rate

Multifamily Supply Subsidized Affordable Housing

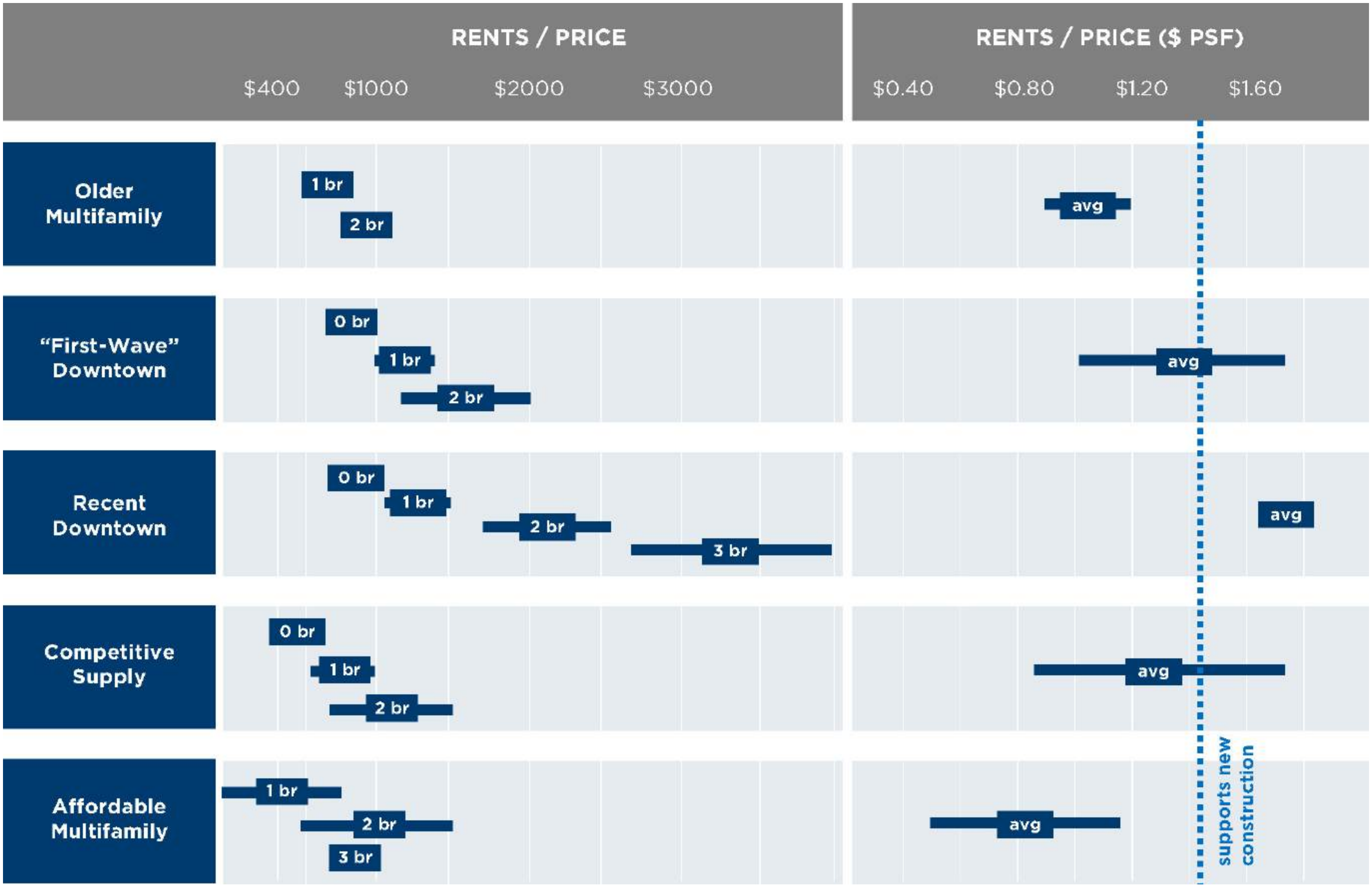


Multifamily Supply Multifamily/Senior (LIHTC)



Multifamily Supply Multifamily/Senior (LIHTC/Section 8)

Supply Summary Rental Housing



Single-Family For-Sale Supply

Owen Park/Crosbie Heights

1506 W Admiral Blvd

Built 1910

1,255 SF
$27 PSF

2BR 1Bath:
$34,000

1811 W Mathew Brady St

Built 1930

1,200 SF
$63 PSF

2BR 1Bath:
$75,000

1924 W Easton St

Built 1930

1,044 SF
$105 PSF

2BR 1Bath:
$110,000

1819 W Cameron St

Built 1920

1,376 SF
$164 PSF

3BR 3Bath:
$225,000

Riverview/Cherry Street

1418 S Elwood Ave

Built 1920

1,200 SF
$117 PSF

2BR 1Bath:
$140,500

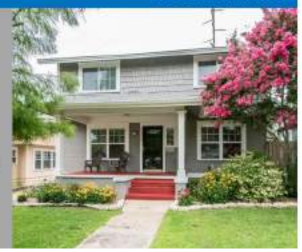
1728 S Carson Ave (Remodeled 1997)

Built 1939

1,747 SF
$143 PSF

4BR 3Bath:
$250,000

1328 S Indian Ave



Built 1930

2,790 SF
$116 PSF

3BR 3.5Bath:
$110,000

1508 S Owasso Ave

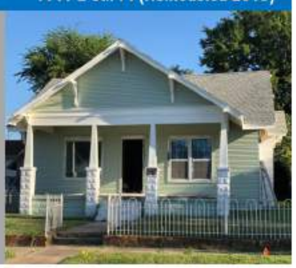
Built 1919

2,546 SF
$147 PSF

4BR 2Bath:
$375,000

Pearl District Area

1111 E 5th Pl (Remodeled 2018)

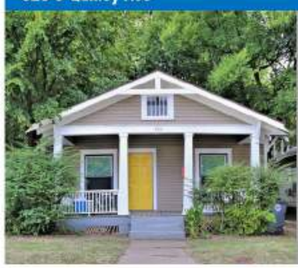


Built 1903

1,174 SF
$56 PSF

2BR 1Bath:
$65000

820 S Quincy Ave



Built 1920

1,250 SF
$56 PSF

3BR 1Bath:
$69,500

810 S Quaker Ave (Renovated)

Built 1915

1,148 SF
$131 PSF

3BR 1Bath:
$150,000

1508 S Owasso Ave

Built 2003

2,367 SF
$156 PSF

3BR 3Bath:
$370,000

Crutchfield

832 N Owasso Ave

Built 1920

880 SF
$56 PSF

1BR 1Bath:
$18,500

1423 N Saint Louis Ave

Built 1920

1,250 SF
$56 PSF

3BR 1Bath:
$69,500

523 N Quaker Ave (Renovated)

Built 1915

1,148 SF
$131 PSF

3BR 1Bath:
$150,000

1123 E Haskell St

Built 2003

2,367 SF
$156 PSF

3BR 3Bath:
$370,000

Source: Zillow

Single-Family For-Sale Supply (Continued)

Dunbar/Joe Louis

1521 E Reading St

Built 1940
1,056 SF
$18 PSF
3BR 1Bath:
$19,500

755 E Pine Pl (Remodeled)

Built 1920
912 SF
$26 PSF
3BR 1Bath:
$24,000

1027 E Queen St (Remodeled)

Built 1940
872 SF
$67 PSF
2BR 2Bath:
$58,500

1878 N Madison Pl

Built 2007
1,542 SF
$75 PSF
3BR 2Bath:
$116,000

Greenwood/University Park

220 E Oklahoma Pl

Built 1940
1,000 SF
$54 PSF
3BR 1Bath:
$53,500

522 E Marshall St (Remodeled)

Built 1935
1,080 SF
$76 PSF
3BR 1Bath:
$82,000

1445 N Frankfort Pl

Built 1980
1,486 SF
$84 PSF
3BR 2Bath:
$125,000

531 E Latimer St

Built 1985
2,155 SF
$73 PSF
4BR 2Bath:
$156,000

Legacy/Heights

1440 N Boston Pl (Remodeled 2017)

Built 1945
1,172 SF
$41 PSF
2BR 2Bath:
$48,000

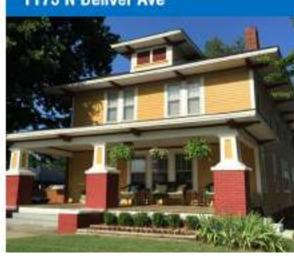
1117 N Cheyenne Ave

Built 1917
1,135 SF
$82 PSF
3BR 1Bath:
$93,000

1181 N Boston Ave (Remodeled 2011)

Built 1930
1,404 SF
$96 PSF
3BR 2Bath:
$135,000

1175 N Denver Ave



Built 1925
2,496 SF
$130 PSF
4BR 2.5Bath:
$325,000

Source: Zillow

Housing Needs & Preferences Survey

About the Survey

The Housing Survey was a component of the market analysis designed to complement other data sources with data on community experience and perspectives. Key findings from the survey are summarized below; raw survey results data are also available through the City.

The Survey's Purpose

The Consultant Team and Client Team designed and administered a survey about the housing needs and preferences of current and prospective residents of Downtown and the surrounding neighborhoods. This survey was crafted to inform key questions about community interest in downtown living and the market for different housing products, and offered critical insight that shaped the market analysis and housing strategy.

The Survey's Organization & Implementation

The survey included 55 questions organized into four sections:

- "Tell us about your home," to understand respondents' current housing situation and location;
- "Housing preferences and challenges," which focused on the residents' previous housing choices and experiences, and the factors likely to drive their interest in moving to the Study Area in the future.
- "Tell us about your housing type preferences," which focused on the interest in and willingness to pay to access specific housing typologies (described both narratively and with representative images).
- "Tell us a little about yourself," which asked a number of optional demographic questions.

The survey was made available in both English and Spanish, and administered primarily through the web-based survey platform SurveyMonkey. A corresponding paper version was created to facilitate participation by hard-to-reach groups.

Initial promotion about the survey opportunity was through the City's social media channels and website, through Steering Committee members, and through Neighborhood Stakeholder Group members. To expand participation among initially under-represented groups, the City and its partners conducted follow-up outreach to groups such as organizations providing English as a Second Language Classes, faith-based organizations, and others.

Almost 2,400 people ultimately participated in the survey, including current Study Area residents (58 percent), other City of Tulsa residents (30 percent), and people living outside of the City (12 percent), including some living outside of the region.

While survey participants were not perfectly representative of the Tulsa community, their responses help the City and its partners better understand the housing needs, preferences, and opportunities for development in the Study Area.

Who Participated in the Survey?

Demographic Characterstics

The profile of survey respondents matched the demographics of the City of Tulsa as a whole. But in comparison to residents living in the Study area, survey respondents were more likely to own their home, have completed more formal education, have higher incomes, and be white. Therefore, in certain sections of this summary, responses have been cross-tabulated with resident background or preference to better represent a broader range of preferences and needs.

The demographic tables and summary that follow detail the demographics of respondents in comparison to those of residents living in the City of Tulsa and the Study Area.

Similar to residents of the Study Area, many

Survey Table 01: Demographic Profile of Respondents

	Survey Respondents	Study Area	City of Tulsa
Tenure			
Own	61%	29%	51%
Rent	33%	71%	49%
Rent to own	1%	categories not available in data sources	
Rent a room	1%		
Staying with family/friends	3%		
Age			
Under 18	0%	19%	24%
18-24	5%	10%	10%
25-34	26%	19%	15%
35-44	23%	12%	10%
45-54	18%	12%	13%
55-64	17%	15%	12%
65-74	11%	8%	9%
75 and above	1%	5%	7%
Race/Ethnicity			
African-American	8%	26%	13%
American Indian	9%	5%	5%
Asian	2%	1%	3%
Hispanic/Latinx	9%	13%	15%
White	69%	44%	50%
Other	4%	7%	8%

survey respondents were in their early workforce years (aged 25 to 34 years) and family years (aged 35 to 44 years). The survey received significant participation (28 percent) from people aged 55 to 74 years, a higher proportion when compared to the Study Area (23 percent) as well as the City of Tulsa (21 percent). Participation from the younger demographic (less than 24 years of age) was very low compared to the Study Area, which is reflective in part of the intended audience for the survey (i.e., adults making housing choices for themselves and/or their household).

The majority of the survey respondents were White, reflecting an over-represention of this group when compared to the Study Area as well as the city. African-Americans were under-represented in the survey, constituting only 8 percent of the respondents.

The largest group of survey respondents (38 percent) were most likely to have a bachelor's degree, closely followed by those having a master's degree (20 percent).

Survey Table 01: Demographic Profile (continued)

Formal Educational Attainment	Survey Respondents	Study Area	City
Less than High School Diploma	2%	15%	12%
High School Diploma or equivalent (GED)	5%	27%	25%
Technical or Vocational School Degree	5%		
Some college	14%	24%	23%
Associate's Degree	9%	7%	9%
Bachelor's Degree	38%	17%	21%
Master's Degree	20%	10%	11%
Doctorate Degree	6%		
Rather not say	1%		
Income			
Less than $20k	5%	26%	14%
$20k-$40k	15%	16%	13%
$40k-$55k	13%	11%	11%
$55k-$70k	10%	12%	15%
$70k-$85k	9%	15%	18%
$85k-$100k	9%	7%	10%
$100k-$140k	14%	7%	10%
$140k-$200k	9%	3%	4%
Above $200k	7%	3%	5%

Respondents' Current Housing Situation

The majority of survey takers (73 percent) currently live in a detached house, closely followed by those living in multifamily apartment buildings (17 percent). This suggests that the responses may best indicate the preferences of current owners of single-family detached homes.

Respondents' current housing costs (including a household's rent or mortgage, utilities etc.) were distributed between $550 and $1,600, with the largest group of respondents (27 percent) spending between $650 and $850 per month. Less than 10 percent respondents indicated having housing costs lower than $400. The average asking rent among multifamily units within the Study Area is $990 a month.

36 percent of the survey respondents indicated that they have facing faced accessing safe, decent, affordable housing in Tulsa. The majority attributed these challenges to high rent or mortgage payments, followed by difficulty in finding healthy and safe home in an affordable price range. This is consistent with findings from stakeholder conversations and other analysis which highlighted the prevalence of both cost burden and housing condition issues in the Study Area and the city.

Survey Table 02: **Current housing situation of respondents**

	Responses
Location	
Downtown	4%
Study Area (other than Downtown)	54%
City of Tulsa (outside the Study Area)	30%
Outside Tulsa	12%
Type of Home	
Detached House	73%
Attached Townhouse	2%
Duplex/Three-plex/Four-plex	3%
Apartment (Building with <30 units)	6%
Apartment (Building with 30 units or more)	11%
Condominium	3%
Other	2%

	Responses
Number of Bedrooms	
0	2%
1	12%
2	24%
3	44%
4	15%
5 or more	3%
Current Housing Costs	
No rent/ mortgage	18%
$1 - $399	7%
$400 - $549	10%
$550 - $649	14%
$650 - $849	27%
$850 - $1,049	25%
$1,050 - $1,199	12%
$1,200 - $1,599	23%
$1,600 - $1,999	8%
$2,000 or more	11%

Respondent's Relationship with Downtown

The majority of respondents (58 percent) currently visit Downtown frequently; daily or at least twice a week. This indicates a fairly high level of familiarity with the area among this group of respondents. Dining and entertainment appear to be the most common reasons for Downtown visits. Yet another large group of survey respondents (39 percent) had never been to Downtown.

Likelihood of Moving

Assessing respondents' interest in moving in the near-term helps to inform the likelihood that they would consider a new housing option in the Study Area. Majority respondents indicated that they intend to remain in their current homes. Among those interested in moving to Downtown/ Downtown adjacent neighborhoods, respondents already within the Study Area showed a greater likelihood compared to the rest. These respondents are likely to be in the early stages of their careers and open to moving within the Study Area given the right housing product is available at an affordable price point. A desire to increase the available living space ranked the highest among all the reasons to move to a different location.

Survey Table 04: **Likelihood of moving (survey respondents)**

	Residents currently living in the Study Area	City residents outside Study Area	Residents outside Tulsa	Residents interested in moving to the Study Area
Stay in my current home	52%	59%	57%	46%
Move to a different home in Downtown/ adjacent neighborhood	28%	17%	15%	32%
Stay within Tulsa, but not in or near Downtown	7%	12%	5%	9%
Outside Tulsa (nearby)	4%	5%	12%	4%
Outside Tulsa	9%	8%	12%	8%
Reason for Moving				
More living space	68%	50%	40%	58%
To buy a home	34%	28%	21%	30%
To reduce rent/mortgage	29%	23%	28%	27%
More outdoor space	28%	20%	19%	22%
Neighborhood amenities/services	20%	30%	31%	29%

Interest in Moving Downtown

More than half of the respondents (57 percent) expressed interest in moving Downtown, and two thirds reported a very strong interest. This strong interest in moving Downtown was predominantly attributed to access to amenities (70 percent) and walkability (66 percent), as well as the overall atmosphere and the ease of commute. These respondents also indicated grocery stores (84 percent), dining choices (66 percent), and nice parks (60 percent) among some of the desirable amenities.

The survey also gauged the location preferences among respondents interested in moving to the Study Area. Riverview/Cherry Street ranked as the highest preferred location within the Study Area followed by the Pearl District area and Downtown. Respondents' hesitation with regard to Downtown living was primarily due to concerns about accessing adequate parking, high volumes of traffic, and safety concerns.

Survey Table 05: **Interest in moving Downtown**

	Responses
Overall Interest	
Very Likely	38%
Likely	19%
Neutral	17%
Unlikely	11%
Very Unlikely	16%
Reasons for Positive Interest	
Accessibility to amenities	70%
Walkability	66%
The atmosphere	66%
Diversity	55%
Architecture	54%
Ease of commute	50%
Important Amenities (for those with most interest in moving Downtown)	
Grocery Stores	84%
Dining Options	66%
Nice Parks	60%
Entertainment	49%
Quality Schools	35%

Survey Table 06: **Location preferences among respondents interested in moving to the Study Area** (by weighted average 1-5, 1-Very Unlikely & 5-Very Likely)

	Responses
Overall Interest	
Downtown	3.04
Crutchfield	2.25
Dunbar/Joe Louis	2.07
Greenwood/University Park	2.58
Legacy Heights	2.57
Owen Park/Crosbie Heights	2.83
Pearl District	3.09
Riverview/Cherry Street	3.44

Housing Preferences

The third major section of the survey assessed the housing preferences of respondents in the Study Area. These responses can help the City better understand the housing aspirations of its residents, and can help developers and builders better understand the market. The survey first captured this information at a broad levelm then with regard to specific typologies and price points.

Detached single-family homes were the preferred typology (72 percent) among respondents who were interested in moving to the Study Area. However, respondents with an interest in the area expressed interest in a broad range of typologies, including condominiums, attached townhouses, and apartment buildings with fewer than 30 units. Apartment buildings with more than 30 units were the least preferred typology. The majority of the respondents (74 percent) interested in moving to the Study Area also indicated a strong interest in owning a home. These preferences to own (rather than rent) and the lower interest in large multifamily housing typologies can be partly attributed to the survey respondents being somewhat skewed toward single-family homeowners.

The following pages detail respondents' attitudes toward a range of housing typologies. Each typology was presented alongside market-based estimates of housing costs, which were intended to inform respondent interest not only in the housing type but also their willingness to pay a market-based rate.

While single-family homes were the preferred typologies among survey respondents, the expressed interest in other typologies reinforces what was heard through stakeholder engagement: that new housing development should include a diversity of housing types and price points.

Survey Table 07: **Housing preferences of residents interested in moving to the Study Area**

	Responses
Type of Home	
Detached House	72%
Attached Townhouse	36%
Duplex/Three-plex/Four-plex	27%
Apartment in a building with <30 units	33%
Apartment in a building with >30 units	17%
Condominiums	34%
Not Sure	7%
Own vs. Rent	
Own	**74%**
Rent	**26%**

Loft Apartments

A loft apartment refers to large adaptable open space, converted for residential use from some other use, often light industrial. Downtown Tulsa, as well as downtowns of many cities, offer such converted loft apartments. These usually appeal to the younger single-person households that work downtown and want to stay close to amenities.

Data collected by the survey shows that loft apartments were a moderately popular choice for respondents living in the Study Area as well as for those interested in moving to the Study Area. A majority of respondents from both of these groups indicated that they would consider moving to a loft apartment if they were available at a lower price.

Survey Table 08: **Interest in moving to Historic Loft Apartments** (In a property like this, a 1 bedroom, 1 bathroom unit rents for $1,100 a month)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	14%	13%	9%
Yes, but at a lower rent	53%	59%	36%
No	32%	26%	53%

Garden-Style Apartments

A garden-style apartment is an outdoor-style complex that can be one, two, or three stories, though they usually have two or three stories. The complex has garden-like settings–low-rise buildings surrounded by lawns, trees, shrubbery, and gardens. Because of their 'outdoor' nature, they are usually found in suburban and suburban-urban hybrid areas.

Current residents of the Study Area and those interested in moving there showed a moderate preference for this typology. The lower rents, availability of on-site amenities like club-house or swimming pool, and a 'greener' setting might be some of the reasons for this preference. This typology was also popular with the respondents living outside the Study Area that were not interested in moving to the Study Area, suggesting that the lower rents are the primary attractive characteristic of this typology, rather than an urban environment or setting.

Survey Table 09: **Interest in moving to Garden Style Apartments** (In a property like this, a 1 bedroom, 1 bathroom unit rents for $700 a month)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	40%	47%	31%
Yes, but at a lower rent	17%	14%	15%
No	42%	37%	52%

Mixed-use Apartment Buildings

A mixed-use apartment building is a type of a commercial property that includes both commercial and residential space. Usually the commercial (retail) portion is situated on the ground floor with the residential units on the floors above. These are commonly found in dense urban areas like downtowns. Active uses in ground-floor spaces can provide attractive amenities for residents while also contributing to a vibrant urban environment.

Similar to loft apartments, mixed-use apartments were popular with respondents living within the Study Area or interested in moving there. However, many respondents expressed a strong preference for more affordable rents for this type of housing.

Survey Table 10: **Interest in moving to Modern Mixed-Use Apartments** (In a property like this, a 1 bedroom, 1 bathroom unit rents for $1,400 a month)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	11%	9%	6%
Yes, but at a lower rent	47%	51%	34%
No	41%	38%	59%

Micro-Units

Micro-units are smaller-than-average-sized studios containing 200 to 400 square feet. They are usually an open concept area with a bedroom, living space, and kitchen blend together. These properties are typically highly amenitized and well-located.

Micro-units were the least preferred typology across all survey takers. Those who did express an interest were more likely to be single or two-person households with no children, currently living in a detached single-family house. This suggests that a niche market for these units may include people looking for opportunities to downsize and save on their rent or mortgage payments.

Survey Table 11: **Interest in moving to Micro Units** (In a property like this, units are smaller than usual (500sf) and rent for $1,000 a month)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	8%	5%	4%
Yes, but at a lower rent	24%	20%	13%
No	67%	73%	81%

Modern Walk-Up Apartments

Modern walk-up apartments are low-rise buildings with no elevator. These are usually two to three stories high and can have a mix of studio, one-bedroom and two-bedroom apartments.

Half of respondents in the Study Area, and those who expressed interest in moving to the area, indicated interest in this typology, suggesting that these could be a marketable part of the mix of new housing introduced to the Study Area–particularly at transitions between higher- and lower-density parts of the Study Area.

Survey Table 12: **Interest in moving to Modern Walk-up Apartments** (In a property like this without an elevator, a 1 bedroom, 1 bathroom unit rents for $1,200 a month)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	13%	13%	9%
Yes, but at a lower rent	32%	36%	22%
No	53%	49%	68%

Duplexes, Triplexes, and Quadruplexes

Duplexes, triplexes, and quadruplexes include a range of smaller-scale multifamily typologies in which one building is divided into two (duplex), three (triplex), or four (quadruplex) apartments, each having its own private entrance. This typology is known for providing the privacy and convenience of a single-family home while being situated in relatively dense environments near amenities.

Among all multi-unit typologies presented in the survey, the survey respondents most preferred this typology, although they indicated a higher interest if it were offered at a lower price point. While there are some existing buildings of this type in the Study Area, zoning changes would be needed to allow for new construction of this type of housing in appropriate locations.

Survey Table 13: **Interest in moving to Duplex/Triplex/Quadplex** (In a property like this, a 2 bedroom, 2 bathroom unit rents for $1,200 a month)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	21%	18%	16%
Yes, but at a lower rent	33%	39%	30%
No	45%	41%	53%

Townhomes

A townhome is a multi-story, single-family house that is attached to one or more similar houses by shared walls.

This typology was strongly preferred by survey respondents, with a higher interest if it were able at a lower price point. As with modern walk-up apartments and duplexes/triplexes/quadruplexes, townhomes could serve as a marketable part of the mix of new housing added to the Study Area, especially at transitions between higher- and lower-density parts of the community.

Survey Table 14: **Interest in moving to Townhomes** (A 2 bedroom, 2 bathroom townhome like this usually sells for $200k)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	29%	29%	22%
Yes, but at a lower price	38%	44%	36%
No	32%	25%	41%

High-Rise Apartments

A high-rise apartment is a multi-story building with multiple units on each floor. Many times these are planned in groups of two or more, forming a high-rise apartment complex. High-rise apartments are commonly found in dense urban areas and are usually equipped with shared amenities for all residents of the complex.

The survey data shows that this was respondents' least preferred typology among those presented in the survey. A majority (75%) of respondents who did express interest in this typology are single and two-person households with no children. Half of those interested have an annual income below $85,000.

This suggests that high-rise apartments can continue to offer attractive housing options to young professionals moving to the community, but reinforces stakeholders' perspectives that a broader diversity of housing options is needed to help retain those residents in the Study Area as they look to move out of these apartments to a larger space and/or to buy a home.

Survey Table 15: **Interest in moving to High-rise Apartments** (In a property like this, a 2 bedroom, 2 bathroom unit rents for $1,200 a month)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	16%	16%	8%
Yes, but at a lower rent	21%	24%	14%
No	62%	58%	76%

Small Detached Single-Family Homes

A small detached house is a stand-alone house with a direct private entrance from the street, and often has a front yard or backyard.

This typology ranked as the most preferred typology among all respondents, with the highest interest from respondents interested in moving to the Study Area. This reinforces the idea that the renovation and rehabilitation of existing smaller single-family homes will be an important part of the mix of housing investments in the neighborhoods surrounding Downtown.

Survey Table 16: **Interest in moving to a Small Detached House** (A 2 bedroom, 1 bath home like this would sell for $140k)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	49%	59%	41%
Yes, but at a lower price	21%	17%	18%
No	29%	22%	39%

Mid-Sized Detached Single-Family Homes

A mid-sized detached house, compared to the small detached house, was also a highly preferred typology among respondents currently living in the Study Area and those interested in moving to the Study Area. Again, this reinforces the importance of renovation and rehabilitation of the existing housing stock to supply attractive housing options at an affordable price point.

Survey Table 17: **Interest in moving to a Mid-sized Detached House** (A 3 bedroom, 2 bath home like this would sell for $200k)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	40%	46%	41%
Yes, but at a lower price	32%	33%	28%
No	26%	20%	29%

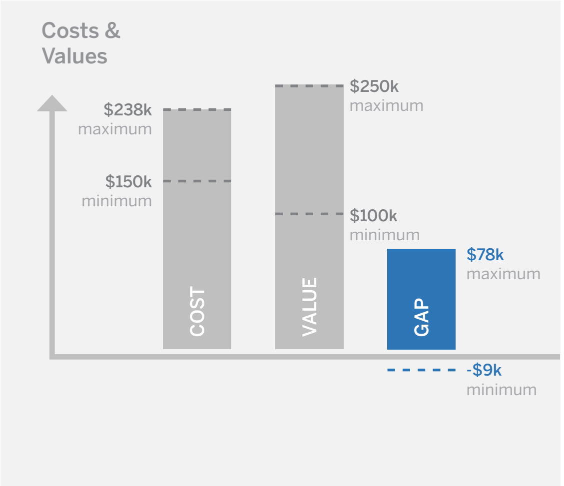
Large Detached Single-Family Homes

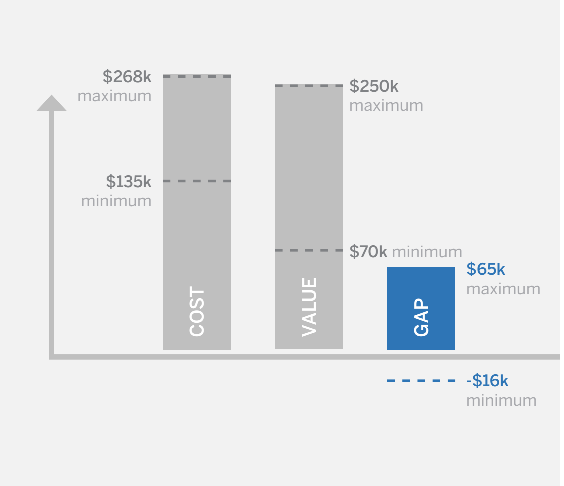
Data collected by the survey recorded a lower interest among respondents for moving to a large detached house in the Study Area, when compared with the interest in small and mid-sized single-family homes. This is likely attributable to the higher price. Also, it is also possible that the typical household size interested in moving to the Study Area is much smaller and does not need all of the living space.

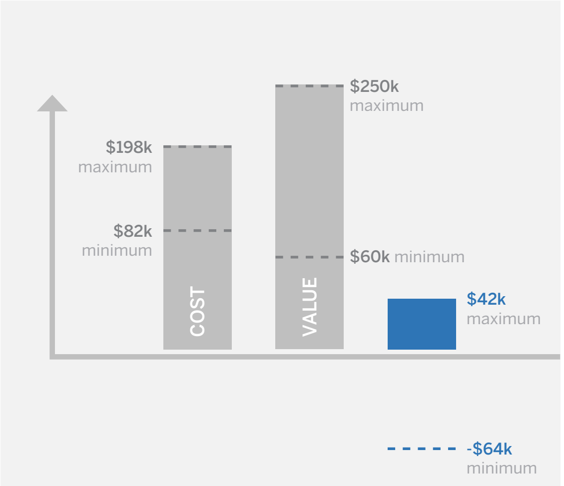
Survey Table 18: **Interest in moving to a Large Detached House** (A three bedroom, 2.5 bathroom home like this would sell for $350k)

	Respondents currently living in the Study Area	Respondents interested in moving to the Study Area	All other respondents
Yes	22%	23%	24%
Yes, but at a lower price	36%	35%	38%
No	40%	41%	37%

Housing Feasibility Detail: Single-Family







New Construction

	Cost	Value	Gap
Crosbie Heights	$196,950	$150,000	$46,950
Crutchfield	$151,200	$100,000	$51,200
Dunbar	$178,350	$100,000	$78,350
Greenwood	$238,400	$180,000	$58,400
Heights	-	-	-
Legacy	-	-	-
Owen Park	-	-	-
Pearl District	$227,700	$225,000	$2,700
Riverview	$241,200	$250,000	-$8,800

Rehabilitation

	Cost	Value	Gap
Crosbie Heights	$172,800	$125,000	$47,800
Crutchfield	$135,240	$70,000	$65,240
Dunbar	$151,200	$90,000	$61,200
Greenwood	$198,000	$180,000	$18,000
Heights	$234,000	$250,000	-$16,000
Legacy	$158,400	$140,000	$18,400
Owen Park	-	-	-
Pearl District	$210,000	$180,000	$30,000
Riverview	$268,800	$250,000	$18,800

Renovation

	Cost	Value	Gap
Crosbie Heights	$115,200	$110,000	$5,200
Crutchfield	$82,320	$60,000	$22,320
Dunbar	$122,400	$80,000	$42,400
Greenwood	$153,000	$160,000	-$7,000
Heights	$198,000	$250,000	-$52,000
Legacy	$122,400	$120,000	$2,400
Owen Park	$140,400	$225,000	-$84,600
Pearl District	$151,200	$215,000	-$63,800
Riverview	$192,000	$225,000	-$33,000