CommunityScale

DRAFT

2024

# Regional Housing Study
# Strategy Toolkit

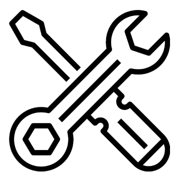
DRAFT

Overview

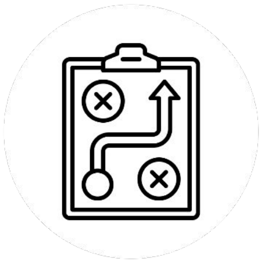
# Regional Housing Study: Strategy Toolkit

This report compiles best practice strategies and policy recommendations at the regional scale, drawing from county-by-county and region-wide analysis, literature review, and extensive stakeholder outreach.

**The report consists of the following sections:**



**Strategy toolkit**, compiling approaches and policy ideas to support progress toward housing production and affordability goals across scales, from local to regional.



**Implementation plan**, recommending strategies, policies, and action steps for MACOG to reinforce its role as a regional catalyst for housing development and technical assistance.

The strategies introduced in this section could be adopted by municipalities and counties as part of their housing planning, policy making, and investment activities.

# Strategy toolkit

Developing housing at scale is more challenging now than in recent memory - especially if affordability is a priority. Costs and interest rates are high, real estate and regulatory environments are complex, and the market is still reeling from the shock of the pandemic and other shifts in employment and household preferences. Overcoming these challenges requires a strategic and collaborative approach to planning, capital investment, and development.

Informed by analysis, best practices, and conversations with dozens of stakeholders, this section compiles recommended strategies and tools that can help streamline housing production and foster more affordability at local and regional scales, including the following:

Strategy toolkit

# Community land trusts

A Community Land Trust (CLT) is a nonprofit organization that acquires and manages land to provide long-term affordable housing. It separates land ownership from building ownership, ensuring housing remains affordable for future generations by controlling resale prices and prioritizing community stewardship and stability. Properties are typically leased to income-eligible households earning below 120% or 80% AMI.

CLTs can operate at multiple scales, from a focus within a single municipality to a broader county or regional expanse. Like land banks, CLTs often collaborate with local governments, agencies, and nonprofits to acquire underutilized and surplus land and plan redevelopment concepts.

CLTs may also collaborate with trust funds and other financial programs oriented toward affordable housing.

Indiana examples:

- Northeast Neighborhood Revitalization Organization (South Bend)
- Summit Hill CLT (Bloomington)

DRAFT

Strategy toolkit

# Construction workforce pipeline

Developers and builders have reported a labor shortage within the construction industry that has impeded their ability to build at pace with the opportunities available to them. This shortage includes both unlicensed and licensed workers, driving prices above industry standards and contributing to construction delays. Tradespeople such as electricians and plumbers are difficult to schedule and can charge a premium which ultimately leads to higher prices for renters and buyers.

There are many workforce development and trade school programs across the region. Local and workforce development organizations in the area should assess this shortage in collaboration with developers and builders and consider promoting and adding resources to training pipelines for trades and other skilled construction professions. The Indiana Department of Workforce development reports average construction wages at nearly $34/hour, the highest rate among surveyed occupations from their May 2024 Labor Market Review. Messaging around construction workforce development could emphasize the ability to earn a living wage in a job that will likely be in high demand for many years to come.

**Statewide Average Weekly Hours & Earnings by Industry for May 2024**

| Industry | Average Earnings (per hour) | Average # of hours worked (weekly) | Average Earnings (per week) |
|---|---|---|---|
| Construction | $33.85 | 40.1 | $1,357.39 |
| Manufacturing | $25.54 | 39.8 | $1,016.49 |
| Durable Goods | $26.40 | 41.3 | $1,090.32 |
| Fabricated Metal Product Manufacturing | $26.83 | 43.2 | $1,159.06 |
| Transportation Equipment Manufacturing | $28.54 | 41.4 | $1,181.56 |
| Non-Durable Goods | $23.12 | 36.1 | $834.63 |
| Retail Trade | $18.72 | 28.5 | $533.52 |
| Financial Activities | $27.60 | 37.1 | $1,023.96 |
| Health Care and Social Assistance | $29.09 | 32.4 | $942.52 |
| Accommodation and Food Services | $16.10 | 24.8 | $399.28 |
| Food Services and Drinking Places | $15.70 | 23.8 | $373.66 |

Source: https://www.gotoworkone.com/_files/ugd/35d8a7_b683fd1b2eee403da33c06da31a2e951.pdf

DRAFT

Strategy toolkit

# Coordinated development standards across jurisdictions

One commonly voiced challenge facing the region's developers and builders is the significant variation in key standards and regulations between jurisdictions and among building inspectors and planning officials. For example, different municipalities employ different sets of zoning definitions and building standards that require builders to learn multiple systems in order to operate in each location. Ultimately, many developers and builders simply settle into the one or few places they have eventually figured out and disregard other places in the region. This leads to a partitioning of resources that ultimately does not serve the region as well as a pool of developers and builders that could more freely follow housing needs and opportunities from place to place.

While it is unreasonable to expect all or even most jurisdictions to completely consolidate around a uniform set of codes and standards, it should be possible to strategically and incrementally improve alignment and compatibility between at least some of the more impactful regulations to start reducing this friction.

County officials and/or MACOG could take a leadership role in identifying and addressing opportunities for better regulatory alignment. Model regulations and standards could be crafted in collaboration with jurisdictions and developers/builders to reflect mutual needs and priorities. To help keep the process manageable, participants could prioritize topics and work through the list gradually, starting with low hanging fruit that offer meaningful impact without too much controversy.

DRAFT

Strategy toolkit

# Development opportunity promotion

While many municipalities have identified several sites or districts where new development might be designated or desired, the developer, builder, and investor community may not become aware of these opportunities organically. Targeted promotional campaigns can help generate interest in potential development sites and attract new investment activity to a community.

Promotional tactics may include:

- **"Developer days" events** that invite developers and builders from across the region to tour a municipality's candidate sites, discuss potential incentives and public private partnership opportunities, and market the community as a promising place to invest.
- **Press releases and marketing packages** profiling opportunity sites with information about development possibilities, available incentives, and supporting community assets that would help reinforce local investment.
- **Place-based marketing** that more generally advertises the strengths, amenities, and opportunities offered by a municipality's downtown or other priority location to increase attractiveness by audiences such as developers looking for sites, employers looking for workplace locations, and households looking for a place to live.


Source: rightplace.org (Grand Rapids)

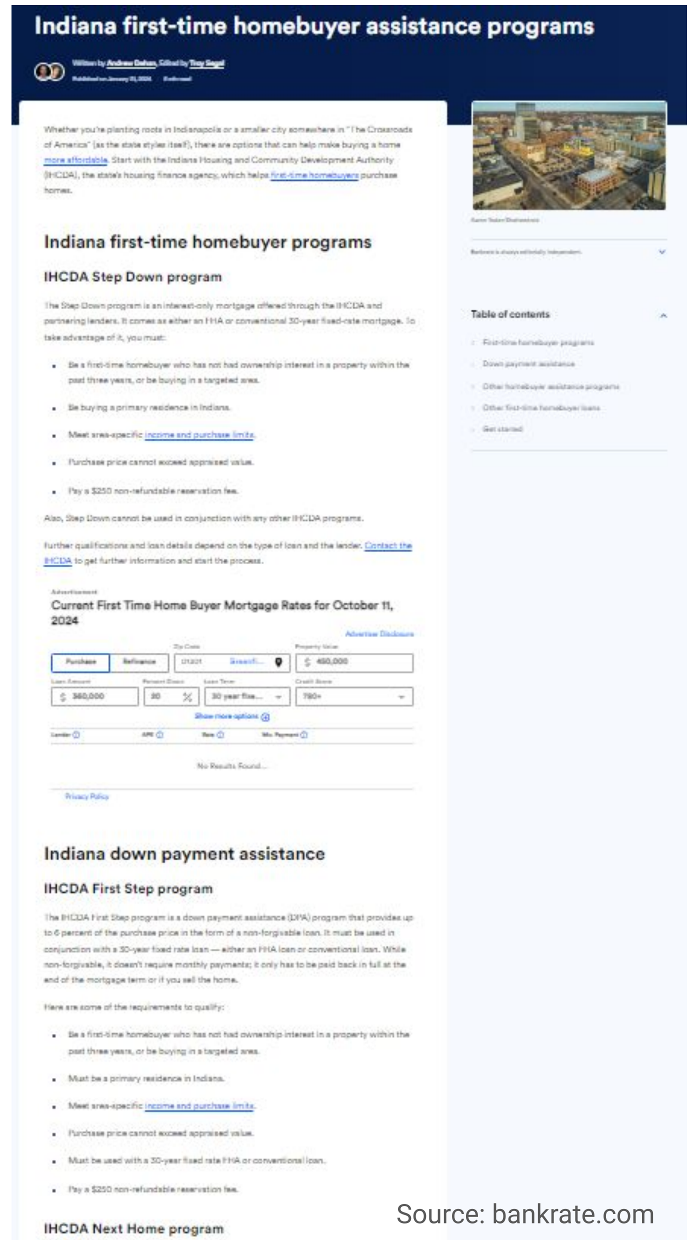
Strategy toolkit

# First-time homebuyer resources

Elevated home prices and interest rates have made homeownership increasingly challenging, especially for prospective first-time buyers. However, with the right guidance and access to programs and services, many households may be able to purchase a home. Attracting and supporting new homeowners can help communities add young families to offset otherwise aging populations and new workforce to drive employment growth.

Municipalities and other stakeholders with an interest in expanded access to homeownership can help these first-time homebuyers in several ways, such as:

- **Create and distribute homebuyer guides** that compile available resources to help demystify and clarify the process of financing and purchasing a home, including how to access technical services and financial support.
- **Develop homeownership assistance programs** targeted at first-time buyers that provide financing support and other incentives to improve these households' eligibility for loans and competitiveness in the market.
- **Collaborate with developers and builders** to increase production of entry-level housing and prioritize new units for first-time buyers (leveraging other strategies to help close financial gaps and drive down costs).



Indiana first-time homebuyer assistance programs

Whether you're planting roots in Indianapolis or a smaller city somewhere in "The Crossroads of America" (as the state styles itself), there are options that can help make buying a home more affordable. Start with the Indiana Housing and Community Development Authority (IHCDA), the state's housing finance agency, which helps first-time homebuyers purchase homes.

Table of contents
- First-time homebuyer programs
- Down payment assistance
- Other homebuyer assistance programs
- Other first-time homebuyer loans
- Get started

Indiana first-time homebuyer programs

IHCDA Step Down program

The Step Down program is an interest-only mortgage offered through the IHCDA and partnering lenders. It comes as either an FHA or conventional 30-year fixed-rate mortgage. To take advantage of it, you must:

- Be a first-time homebuyer who has not had ownership interest in a property within the past three years, or be buying in a targeted area.
- Be buying a primary residence in Indiana.
- Meet area-specific income and purchase limits.
- Purchase price cannot exceed appraised value.
- Pay a $250 non-refundable reservation fee.

Also, Step Down cannot be used in conjunction with any other IHCDA programs.

Further qualifications and loan details depend on the type of loan and the lender. Contact the IHCDA to get further information and start the process.

Current First Time Home Buyer Mortgage Rates for October 11, 2024

Purchase Refinance $ 450,000 $ 360,000 30 % 30 year fixe... 780+
Show more options
No Results Found...
Privacy Policy

Indiana down payment assistance

IHCDA First Step program

The IHCDA First Step program is a down payment assistance (DPA) program that provides up to 6 percent of the purchase price in the form of a non-forgivable loan. It must be used in conjunction with a 30-year fixed rate loan — either an FHA loan or conventional loan. While non-forgivable, it doesn't require monthly payments; it only has to be paid back in full at the end of the mortgage term or if you sell the home.

Here are some of the requirements to qualify:

- Be a first-time homebuyer who has not had ownership interest in a property within the past three years, or be buying in a targeted area.
- Must be a primary residence in Indiana.
- Meet area-specific income and purchase limits.
- Purchase price cannot exceed appraised value.
- Must be used with a 30-year fixed rate FHA or conventional loan.
- Pay a $250 non-refundable reservation fee.

IHCDA Next Home program

Source: bankrate.com

Strategy toolkit

# Proactive planning for housing as economic development

Housing is often considered a potential driver of economic development and downtown or neighborhood revitalization. With a clear vision, proactive planning, and targeted communication, municipalities can assume a more active and deterministic role than they otherwise might if opting to wait for opportunities to come to them.

The following approaches can support a strategy of planning for housing as economic development:

- **Develop a clear vision and shape policy to support it.** For example, use the comprehensive planning process to establish and communicate growth goals and identify development priority areas. Then, proactively upgrade zoning and incentive policies to support desired development (rather than making these changes in response to a developer's proposal).
- **Communicate what the community wants** so developers know what project features and public benefits will be expected early in the conceptual development process rather than late in the approvals negotiation phase.
- **Align housing policy with other economic development strategies.** For example, employment growth is often tied to the availability of housing for new workforce. Housing development is often the most powerful way to create new taxable real estate value and bring investment and activity to downtowns and other neighborhood revitalization target areas.

DRAFT

Strategy toolkit

# Housing database

While a community's housing goals may be well established and its policy strategies well intentioned, it can be hard to execute plans and track progress without good data highlighting opportunities and informing activity along the way. Effective data management and communication can accelerate progress toward achieving housing production goals, such as:

- **Housing supply inventory:** Often, there is a significant difference between how a community anecdotally understands its housing supply and what actually exists. A comprehensive and detailed inventory of existing housing supply can help the community more effectively manage its housing stock, assess the relationship between supply and demand, track affordability, and pinpoint gaps to address with targeted new development.

- **Opportunity site inventory:** A complete inventory of development opportunity sites helps match potential developers with property that matches their interests and capabilities, from vacant city-owned infill parcels to larger priority growth areas.

- **Pipeline development tracking:** By documenting pipeline development in detail from planning through occupancy, communities can monitor progress toward meeting housing production goals and track success (or inform improvement) of policies tied to certain projects.

- **Infrastructure capacity mapping:** Most communities have detailed documentation of existing infrastructure such as water and sewer facilities but these records are often fragmented and limited to description of location and design. From a housing development standpoint, it would be helpful to also document details such as condition, available capacity, and opportunities for new connections and expansion at localized and overall network scales. This information could help inform feasibility and cost assessments for infrastructure associated potential housing projects and identify areas where proactive infrastructure investment could unlock new development opportunities most cost effectively.

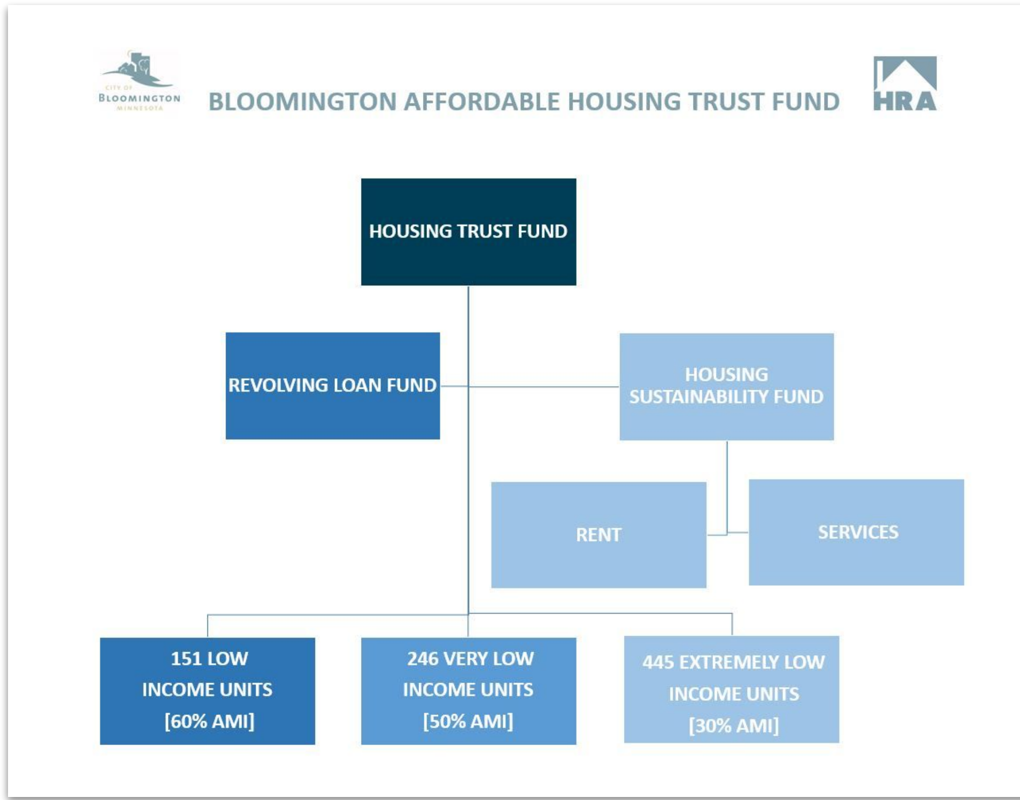
Strategy toolkit

# Housing trust funds

A public or private fund established to support the creation, preservation, and/or maintenance of affordable housing, housing trust funds can be financed through a variety of sources, including local taxes, developer fees, municipal surpluses, grants, and donations. The funds support affordable housing construction, renovation, and related services.

Housing trust funds could be paired with strategies such as land banks and community land trusts to provide a financing vehicle that compliments either land assembly and disposition or management functions.

The Regional Housing Collaborative proposed by the Community Foundations of Elkhart, St. Joseph, and Marshall Counties would be an effective combination of the land bank and housing trust fund concepts. More details available in this memo.




Bloomington Affordable Housing Trust Fund structure

DRAFT

Strategy toolkit

# Infill development

Infill housing consists of new housing added to established neighborhoods, either built on underutilized parcels or added to already-improved parcels. Infill development can take many forms, from small ADUs and carriage houses to townhomes to small multifamily buildings. Often, infill housing requires context-sensitive architecture and urban design to help new structures fit in with their existing neighborhood settings.

Especially in urban neighborhoods, infill development represents a significant opportunity to both add housing units and also revitalize parts of the community suffering from disinvestment.

The following can help promote infill development:

- Assess zoning codes to ensure potential new units fitting constrained lots are allowed by right.
- Proactively upgrade water, sewer, and other utility connections to avoid adding these costs to new development.
- If municipally owned such as through tax taking, prepare property for streamlined disposition and development, for example by remediating contamination and cleaning titles.
- Collaborate with a land bank or land trust.


Image source: South Bend neighborhood infill design guidelines

DRAFT

Strategy toolkit

# Interlocal infrastructure development funds

Sources: US Census, Longitudinal Employer-Household Dynamics dataset, 2021, South Bend Tribune, South Bend Chamber

Especially in suburban and rural contexts, new housing development is contingent on extending water and sewer service to reach and supply the development site. More than a new or upgraded hook-up to an existing trunk line (as might be the case in an urban infill context), these connections must be scaled to serve the entire development and routed through land that the developer might not own (such as along public rights of way leading between existing distribution lines and the new site). In many cases, neither the developer nor the municipality is equipped to assume the cost, complexity, and time commitment required to implement this threshold investment.

By pooling resources, a group of jurisdictions could establish the critical mass of funds and financing capability to address catalytic capital investments like sewer and water extensions for new housing development. An infrastructure development fund could be managed at the county level, such as by the economic development corporation.

DRAFT

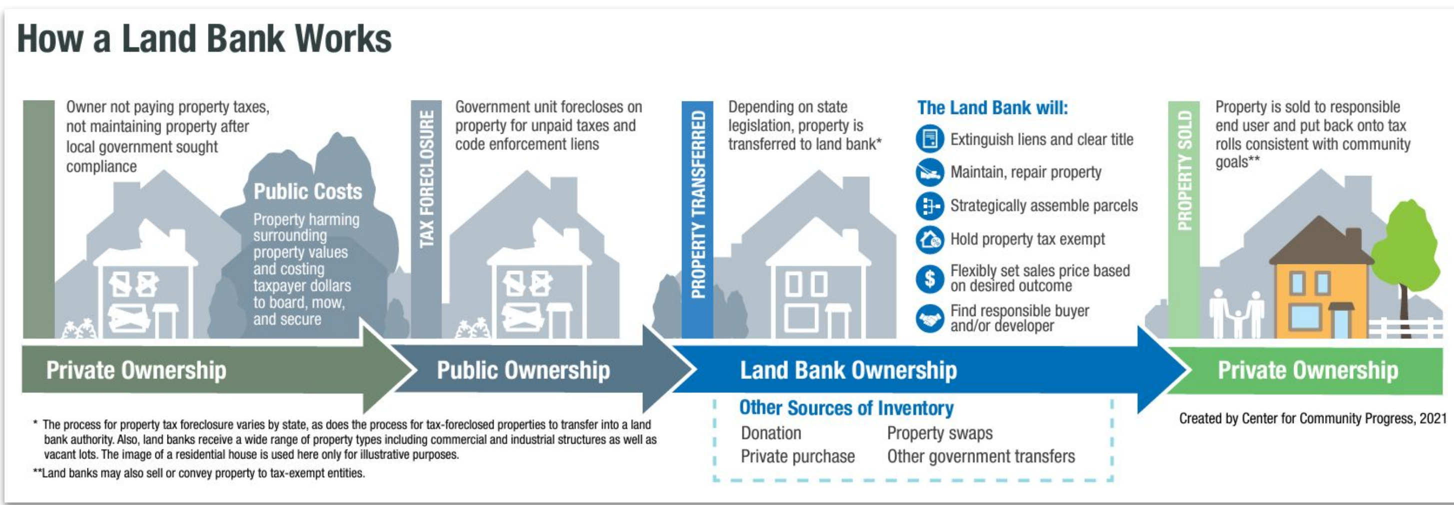
Strategy toolkit

# Land banks

A land bank is an entity that acquires, manages, and repurposes vacant, abandoned, and tax-delinquent properties to foster neighborhood revitalization, reduce blight, and support economic development and affordable housing initiatives. Land banks may be administered at the municipal level or regionally through collaboration between multiple jurisdictions under a designated managing organization and fiscal sponsor. Land banks are often paired with housing trust funds which help finance construction and other redevelopment activities. Properties are typically sold to income-eligible households earning below 80% AMI.

Often, land banks acquire and reposition land taken for tax delinquency by municipalities. While held by the land bank, property can be cleared, remediated, and otherwise prepared for development. Proactive steps such as restoring or upgrading water, sewer, and utility connections and cleaning the title can facilitate quick redevelopment by private or nonprofit development partners and reduce the overall cost toward a lower sale price at disposition to the benefit of lower-income homebuyers.

The Regional Housing Collaborative proposed by the Community Foundations of Elkhart, St. Joseph, and Marshall Counties would be an effective combination of the land bank and housing trust fund concepts. More details available in this memo.




From the 2023 report "Establishing a Land Bank in South Bend and St. Joseph County" by the Center for Community Progress.

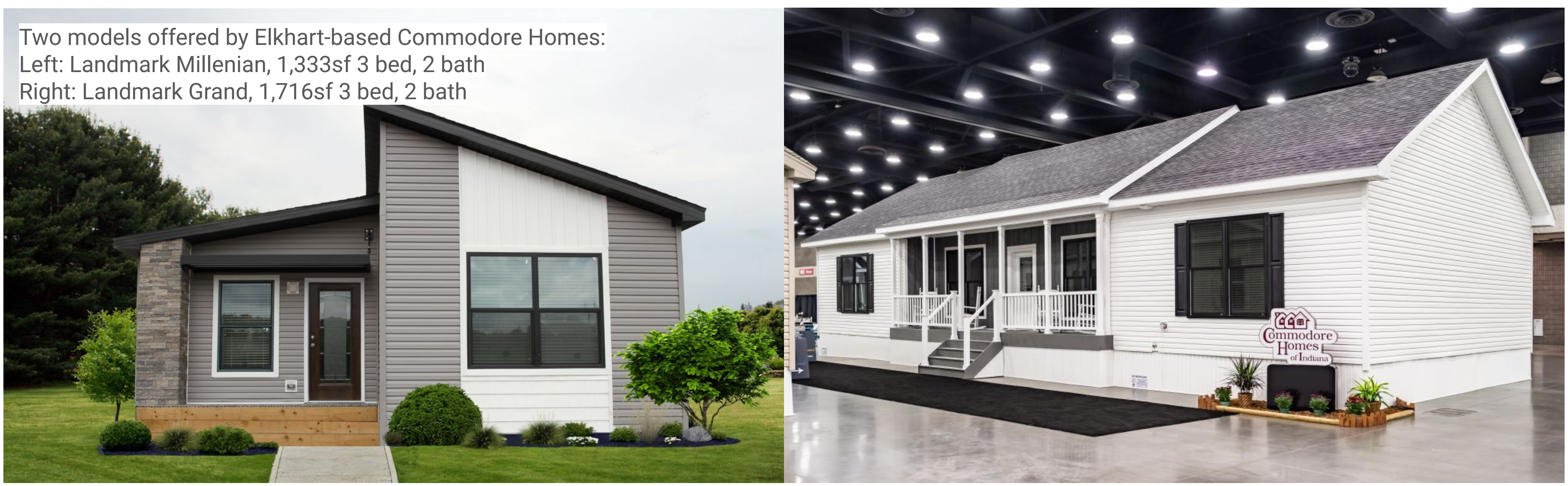
DRAFT

Strategy toolkit

# Manufactured housing

Elkhart is a national leader in manufactured housing production with units shipped nationwide and beyond. However, these products are underrepresented locally in part because zoning codes in many communities are designed to exclude manufactured units in favor of more conventional stick-built construction that appears more permanent and higher value. While manufactured homes may historically have been less varied and attractive in their appearance, modern options are often indistinguishable from conventionally built units. GIven the high time and labor efficiency of factory production, manufactured homes can cost less and perform better in terms of energy usage and assembly quality, leading to lower operating expenses. Transportation costs, typically significant when shipped to most places, could be limited with local delivery. Quality control could be coordinated with local building inspectors to ensure units meet aesthetic and durability expectations.

Manufactured homes could represent a larger share of the region’s moderately priced inventory with more permissible zoning codes and increased collaboration between producers, developers, and local land use and economic development officials.




Two models offered by Elkhart-based Commodore Homes:
Left: Landmark Millenian, 1,333sf 3 bed, 2 bath
Right: Landmark Grand, 1,716sf 3 bed, 2 bath

Strategy toolkit

# Proactive infrastructure investment

Infrastructure costs are one of the most widely cited impediments to new housing production across contexts, from urban to suburban to rural. New or upgraded sewer and water connections can add over $30k to the cost of an infill unit (even after potential municipal rebates). Extending sewer and water service to new development sites in rural communities represents a capital expenditure developers cannot justify on top of elevated costs for other project elements. In the event a developer does take on these infrastructure expenses, the costs are invariably passed on to future tenants and homebuyers, reducing housing affordability at a time when mid-range “starter homes” and rentals are in greatest demand.

To help reduce development costs and accelerate housing production, municipalities should consider making critical infrastructure investments prior to developers’ involvement. This would include prepping infill sites with water, sewer, and other utility connections and proactively extending water and sewer districts to new development areas.

Costs can be managed through strategies such as executing infill upgrades blocks at a time rather than lot-by-lot and pooling resources with other communities into a infrastructure development fund to finance larger capital projects.

DRAFT

Strategy toolkit

# Tax abatement

Municipalities can incentivise housing development and renovation project through tax abatements which temporarily shield the net increase in property value from a corresponding net increase in tax liability. Eligible investments include new construction and reinvestment in existing structures through remodeling, renovation, and repair. The abatement period can extend for up to 10 years, though the net new taxes may incrementally phase in across all or a portion of that time.

Tax abatements could apply to new infill or greenfield housing development to help improve financial feasibility for developers and/or lower overall costs for more affordable rent or sales prices for renting or owning households.

Abatements can also help households avoid displacement and remain in their homes by mitigating the long-term cost of essential repairs, accessibility retrofits, and energy efficiency upgrades.

**Real Property Abatement Schedule**

*Real property abatement is a declining percentage of the increase in assessed value of the improvement based on one of the following time periods and percentages as determined by a local governing body. Land does not qualify for abatement.*

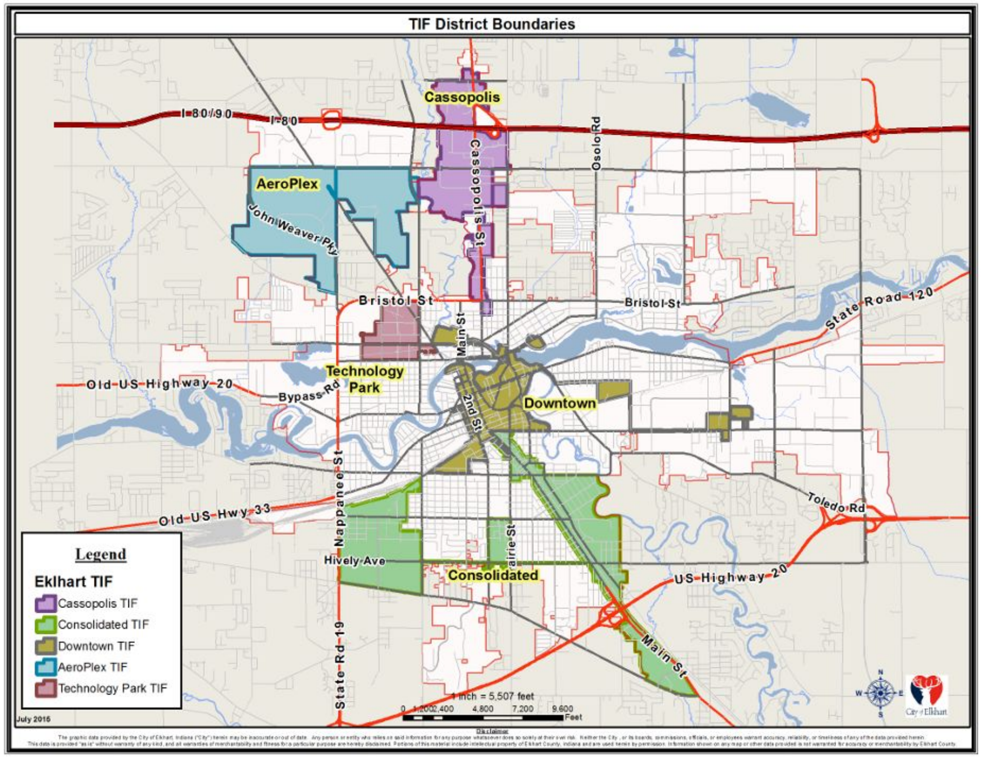
| Year | Ten Year | Nine Year | Eight Year | Seven Year | Six Year | Five Year | Four Year | Three Year | Two Year | One Year |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 2 | 95% | 88% | 88% | 85% | 85% | 80% | 75% | 66% | 50% | 0% |
| 3 | 80% | 77% | 75% | 71% | 66% | 60% | 50% | 33% | 0% | 0% |
| 4 | 65% | 66% | 63% | 57% | 50% | 40% | 25% | 0% | 0% | 0% |
| 5 | 50% | 55% | 50% | 43% | 34% | 20% | 0% | 0% | 0% | 0% |
| 6 | 40% | 44% | 38% | 29% | 17% | 0% | 0% | 0% | 0% | 0% |
| 7 | 30% | 33% | 25% | 14% | 0% | 0% | 0% | 0% | 0% | 0% |
| 8 | 20% | 22% | 13% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| 9 | 10% | 11% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| 10 | 5% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Average | 49.50% | 49.60% | 45.20% | 39.90% | 35.20% | 30.00% | 25.00% | 19.90% | 15.00% | 10.00% |

Example tax abatement schedules

DRAFT

Strategy toolkit

# Tax increment financing (TIF)




Tax increment financing (TIF) is a tool that allows municipalities to utilize the net increase in tax revenue from a redevelopment district to help fund certain components of its implementation, such as site acquisition, infrastructure, site preparation, and public realm improvements.

TIF represents a critical component of the financing strategy for many of the largest and most impactful mixed use projects across the region. Developers cite TIF as essential for making these complex projects possible, especially when combined with other incentives and grants such as READI.

Municipalities should consider using TIF to help catalyze additional housing development wherever appropriate and feasible. To ensure the incentive most directly addresses local priorities and vision for a given initiative, the community should clearly articulate planning goals and design expectations before seeking developer partners interested in delivering the desired projects and taking advantage of the benefit. TIF benefits should be restrained to just those projects that embody the envisioned purpose and managed to sustain numerous investments over time if possible.

TIF districts should be strategically demarcated to include not only sites where reinvestment is currently planned but also sites where reinvestment is likely to occur over the coming years, such as blocks under consideration for redevelopment by CDCs and related entities that would benefit from TIF support.

DRAFT

Strategy toolkit

# Transparent approvals process

Uncertainty is often the biggest threat to a development project's successful implementation. Some uncertainties cannot be controlled, such as interest rates. However, approval risk is one that communities can address. Developers are less likely to build in communities that have ambiguous or subjective regulatory and approvals criteria. Communities with more up front, objective, and transparent zoning and approvals process tend to attract more developers with more satisfactory project outcomes, such as following best practices including:

- **Pre-approvals meetings** including developers, municipal staff from relevant departments, and local leadership  to compare notes and discuss preliminary design and development feedback ahead of the formal process and before significant resources have been invested on design drawings. The closer and more coordinated all parties can be going into the process, the smoother and quicker the process is likely to go.
- **Objective and measurable design parameters** that reflect the community's vision and will be supported by leadership if adhered to. The better a developer understands what the community wants in a project, the more closely they can design to that vision up front and with confidence that the project is headed in the right direction.
- **Clear evaluation criteria** that are as objective and measurable as the governing design parameters to help the developer shape and describe the project in terms of how the community will evaluate and approve it.
- **Defined approvals process** with defined submittal requirements and fixed timelines and milestones that all parties commit to up front. Time costs developers money (which contributes to higher housing costs for tenants and buyers) and can delays when the community will benefit from a project's taxes and added housing supply.
- **Modest flexibility** in design and other parameters to accommodate situations where a developer needs to slightly deviate from requirements to make a project work efficiently.

DRAFT

Strategy toolkit

# Zoning reform

Most of the region's housing was built under significantly different market and demographic conditions than exist today. For example, dynamics such as smaller households, remote work, pent up demand by first time homebuyers, and an aging baby boomer generation are fueling demand for alternative housing options that, while not dramatically different than the current stock, may be different enough to conflict with underlying zoning and therefore be difficult to produce.

Zoning modifications that can help support increased and more streamlined housing production include:

- **Allowing smaller houses:** Many singles and couples without children are interested in homeownership but prefer a small house on a compact, low maintenance lot. In some places, minimum building and lot sizes might not accommodate this model. Zoning revisions would allow this smaller-scale development model desired by the market. The regulations could include design standards that help ensure the new construction fits into the neighborhood context in terms of front setbacks, massing, and other placemaking parameters.

- **Encouraging ADUs and multifamily rental conversion:** Many communities dominated by single family detached houses do not offer options for households interested in renting locally. Beyond simply designating an area of town for multifamily development, zoning can be amended to allow new units within existing neighborhoods, such as accessory dwelling units (ADUs) on single family lots and conversion of larger single family structures into multifamily.

- **Reducing parking requirements:** Off-street parking requirements can limit housing density regardless of local support for more housing otherwise. In many cases, there is sufficient on-street parking capacity to accommodate many of the vehicles owned by nearby households and their visitors. Some take the approach that off-street parking supply should be a market decision left to developers and zoning should not require it. Another approach is to impose a parking maximum rather than minimum to divert more land toward housing production instead of parking supply.

DRAFT

Strategy toolkit

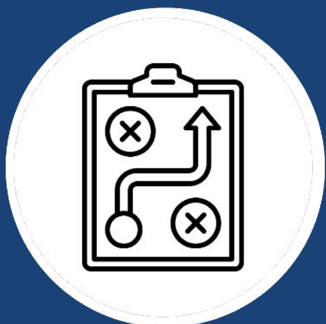
# Zoning reform (continued)

Zoning modifications that can help support increased and more streamlined housing production include (continued):

- **Allowing manufactured homes:** Given the potential cost-savings and efficiency advantages of manufactured homes (such as those produced at scale in Elkhart), local zoning codes should find ways to accommodate these units with regulations that help them fit into the neighborhood context but also permit their often smaller footprint.

- **Reflecting development feasibility thresholds:** In some cases, developers need to reach certain height or massing minimums to achieve densities that support financial feasibility. This can be accommodated in some cases with relatively minor changes to height and massing regulations, such as by permitting an extra floor or a slightly larger building footprint. Communities can work with local developers to right-size zoning envelopes and other design parameters to reflect these trade-offs.

- **Permitting alternative housing typologies and household configurations:** Most housing - and the underlying zoning that regulates it - is designed for a relatively rigid definition of a household and housing unit. Each unit is positioned to house a single, discrete household (often called a "family"). However, in practice, units and households exhibit more flexibility, such as in multigenerational and roommate configurations. Zoning and related regulations should enable units designed for alternative (but decreasingly uncommon) living arrangements, for example by loosening the definition of "household," allowing shared facilities (kitchens, bathrooms) and "swing rooms" (bedrooms can can be attached to one unit or the other on-demand, similar to an adjoining hotel room), and other flexible and adaptable features.



These recommendations focus on ways MACOG and its regional partners can promote more effective housing policy and production moving forward.

# Implementation plan

MACOG is uniquely positioned to establish a leadership role around housing planning, policymaking, and organization at multiple scales, from local technical support to regional program administration. Its regional partners such as the South Bend-Elkhart Regional Partnership and local Community Foundations can help integrate housing priorities into regional economic development initiatives and channel funding toward housing production projects and programs. This section provides recommendations to help MACOG and its partners shape and expand their housing roles in the region along with performance metrics to measure and track progress.

DRAFT

Implementation plan

# Manage a regional land bank and housing investment fund

Especially within some of the region's more established cities and neighborhoods, there are concentrations of vacant, abandoned, and derelict (VAD) properties that are negatively impacting local communities and creating burdens for municipalities left taking ownership and management responsibilities while losing tax base. A land bank could provide the mechanism to help transform these properties from sources of blight to vehicles for homeownership. Operating regionally and staffed by MACOG, a land bank could leverage economies of scale on multiple fronts, from administrative capacity to portfolio volume to funding support, maximizing positive impact in communities large and small across St. Joseph, Elkhart, and Marshall Counties. Coupling the land bank with a regional housing investment fund would add capacity and flexibility to utilize more public, private, and philanthropic funding sources and support more projects.

The Regional Housing Collaborative, a proposed land bank and housing investment fund that follows this model, should consider the following:

- **Bundle parcels for development** so builders can apply economies of scale to make land bank projects competitive with other opportunities from a construction and cost efficiency standpoint. Consider batches of about 10 that are proximate to each other.
- **Prepare sites as shovel-ready** to reduce developers' cost, complexity, and time investment. Before marketing a property, perform site preparation tasks such as demolition, clean up, utility hook-ups, and title cleaning so developers can focus on efficient and affordable construction.
- **Balance funding between new construction and renovation** to introduce more units with less funding. The total units created or impacted can be measured in terms of program investment per unit. Renovation investments can total a fraction of new construction investments, helping stretch supporting funds' resources across more units.
- **Distribute parcels across the local builder community** taking advantage of each builder's strengths to extend the land bank's mission and purpose. For example, allocate portions to nonprofit developers like Habitat for Humanity to leverage their resources and capabilities around affordable homeownership.
- **Introduce revolving funds** that support homebuyers but also cycle back into the program as houses are sold by their first owners. For example, sell homes at appraised value and provide a low interest secondary mortgage to income qualified buyers that must be repaid when they sell the home later. Recycle these proceeds back into the revolving fund for the next new homebuyer.
- **Track program performance and economic impact** as the program launches and grows to measure economic effectiveness and inform policy, procedure changes, and funding allocations over time as needed to help insure investments translate into desired outcomes.

DRAFT

Implementation plan

# Integrate housing strategy with NIRDA initiatives

The Northern Indiana Regional Development Authority (NIRDA) was formed in 2015 to spur investment in quality-of-life projects for Elkhart, Marshall and St. Joseph Counties and the municipalities within the region. NIRDA is focused on the long-term prosperity of the region and is focused on raising per capita income of its residents. Focusing efforts on five key areas, or pillars, will help the region match national per capita income by 2025:

- Educating a world-class workforce
- Recruiting and retaining great talent
- Attracting and growing new economy companies in complement to our remarkably strong manufacturing industries
- Helping entrepreneurs thrive
- Promoting inclusion and sparking opportunities for women and minorities

The housing strategies outlined in the South Bend-Elkhart region's READI 1.0 and 2.0 plans aim to address the region's growing housing needs while supporting broader economic goals, particularly increasing per capita personal income and attracting talent. Key initiatives focus on developing workforce housing near employment centers, encouraging infill development in underutilized urban areas, and promoting mixed-use developments that enhance the live-work-play environment. Through public-private partnerships and regulatory updates, the region seeks to create more affordable and accessible housing options, ensuring alignment with economic development and population growth.

READI 2.0 further builds on these strategies by emphasizing sustainable housing initiatives, rural housing development, and innovative housing models to address diverse housing needs. The region is focused on ensuring that housing supports not only population growth but also talent attraction by offering affordable, accessible, and connected housing options. By fostering collaboration between cities, counties, and developers, the South Bend-Elkhart region aims to ensure a holistic approach to housing that aligns with its North Star goal of increasing per capita personal income through the attraction and retention of a highly skilled workforce.

DRAFT

Implementation plan

# Elevate housing attainability as a Community Foundation priority

The Community Foundations of Elkhart, Marshall, and St. Joseph Counties are partners in the development and delivery of this Regional Housing Strategy in part to help inform how they may integrate housing-related priorities and initiatives into their future funding and and other programs. The following are potential strategies and initiatives these Community Foundations should consider adapting into their current and upcoming work:

- Establish local funds to help catalyze housing production (especially in concert with the proposed regional land bank and affordable housing investment fund).
- Establish a Marshall County Housing Authority - or connect Marshall County housing stakeholders with counterparts in adjacent counties to help expand capacity.
- Help establish and scale Community Development Corporations (CDCs).
- Assist in pursuing philanthropic resources for affordable housing initiatives.
- Provide convening power and creditably among non-profit developers, public agencies, and elected officials.

DRAFT

Implementation plan

# Convene a regional housing dialogue

As the region's overarching planning agency, MACOG is uniquely positioned to provide a broad perspective on the housing discourse across municipalities and counties that compliments its members' and partners' more local purviews. MACOG should build on the foundation this study has established to serve as ongoing convener of dialogue and collaboration around housing issues, opportunities, and policymaking for region.

This role could include activities such as:

- **Routine check-ins with members and partners** regarding local housing opportunities and challenges.
- **Proactive networking** to keep regional stakeholders connected and in dialogue with each other.
- **Roundtables and speaker events** convening stakeholders, experts, and decision makers around housing-related topics of widespread interest or concern.
- **Community outreach and messaging** to build widespread awareness and knowledge about housing topics to support informed public discourse.
- **Digital engagement** through social media, news, and other channels.
- **Regional Housing Study maintenance** providing periodic updates and timely resources for members, partners, and stakeholders.

DRAFT

Implementation plan

# Provide ongoing technical assistance

In its role as regional planning agency, MACOG should build on this study to establish a suite of housing-related technical assistance services and resources to offer member communities as they address housing issues and opportunities in their local planning, policy making, and investment activities.

Technical assistance offerings could include:

- **Housing plans** providing community-wide long-term visioning, goal setting, and policy recommendations focused on housing.
- **Master plans** assessing specific opportunity sites within communities and providing development options and action steps to advance implementation.
- **Policy advisement** supporting housing plans and housing elements of comprehensive plans.
- **Regulatory review** auditing zoning codes and approvals processes for opportunities to streamline
- **Data analysis and mapping** to inform plans as well as opportunity-specific investigations and due diligence.
- **Fundraising support** such as assistance identifying grant opportunities and development applications.

DRAFT

Implementation plan

# Expand in-house housing capacity and policy integration

Explore opportunities to expand MACOG's in-house housing policy and planning expertise and capacity, considering ideas such as:

- **Hire a housing expert** with development/finance experience to support smaller municipalities that can't keep this capability in house (suggested by stakeholder interview)
- **Align MACOG's transportation, infrastructure, and brownfields functions with housing goals** to support a holistic planning perspective around housing production (especially in particularly complex areas/sites where coordination is needed across these perspectives to unlock housing opportunities) - maybe there's a shortlist of priority sites that hit all of these notes and thus would benefit from MACOG shepherding.

DRAFT

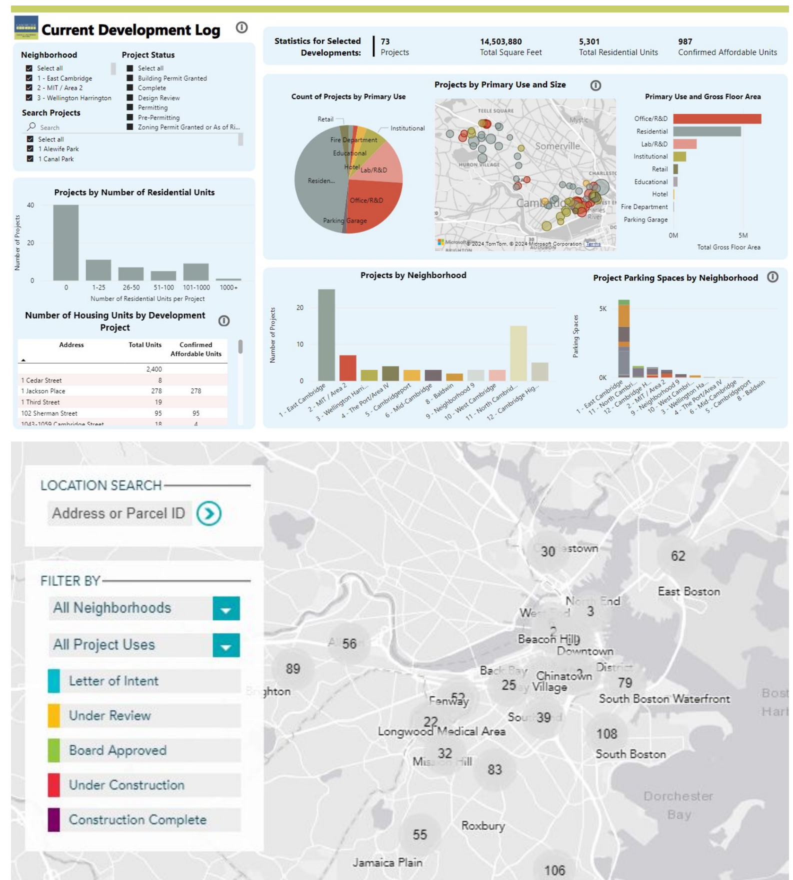
Implementation plan

# Assemble and manage a regional housing database

Related to the housing database strategy in the previous section, MACOG could develop and manage a regional housing database accessible by area municipalities, counties, stakeholders, and others that offers perspective and analytical support for planning and policy making across the region. In addition to gathering compiling existing data from member communities and partner organizations, MACOG could take a leading role in the development and maintenance of new regional datasets that support and build on those maintained by individual counties and municipalities. In addition to providing a valuable resource for analysis and planning, the database could help MACOG and area stakeholders quantitatively track progress toward regional housing goals and objectives over time.

The regional database could include the following:

- **Housing supply inventory** with details such as year built, unit mix, tenure, property value, and current rents.
- **Opportunity site inventory** including estimates of development capacity, site constraints and challenges, and the community's vision for its future, especially if a major component of local housing planning.
- **Pipeline development tracking** with details such as anticipated unit count, bedroom mix, affordability allocation, and timeframe.
- **Infrastructure capacity mapping** with focus on areas identified for housing development, especially where new capital investment may be needed to unlock opportunities.




Example dashboards from Cambridge (top) and Boston visualizing development databases. There are few examples of places that combine all of the elements listed at left, but it is possible given technology available and some communities are working toward this goal.

DRAFT

Implementation plan

# Performance metrics: Leading indicators

To set and measure progress toward housing goals, MACOG and its partners should consider the following "leading indicator" performance metrics which track proactive and catalytic actions led or supported by the partnership:

**IMPLEMENTATION PLAN PROGRESS: What is the status of each implementation plan action item?**

Operational status of each strategy (Binary started/not started)

Progress toward full implementation for each strategy (% complete/online)

**POLICY IMPACT: To what degree have municipal policies adapted to reflect housing issues and encourage more housing production?**

Comprehensive plan housing elements updated (# of plans since X date)

Zoning code updates (# of codes revised to promote more housing production since X date)

Zoning capacity increases (increase in acres of multifamily allowable by right)

Explicit connections to and synergies with other plans (references in other regional plans such as CEDS)

**LEVERAGE: How has the partnership leveraged outside investment to amplify impact in terms of resources mustered and units produced?**

Units produced through specific programs (such as land bank)

Federal funding secured (total $, # of grants)

State funding secured (total $, # of grants)

Grant funding dedicated to housing (total $, # of grants)

Total private capital leveraged ($ and as % of total capital committed)

Affordable housing investment catalyzed through CDCs ($)

DRAFT

Implementation plan

# Performance metrics: Trailing indicators

To set and measure progress toward housing goals, MACOG and its partners should consider the following “trailing indicator” performance metrics which indicate the broader impact of partnership action on community housing issues:

**SUPPLY SIDE: How has the housing supply evolved relative to production rates and affordability?**

Construction starts (units/time)

Construction starts by program and/or affordability level (units/time/category)

Annual building permits (Census via FRED API)

Monthly median list price (Realtor.com via FRED API or Zillow ZHVI)

Average rents in recently constructed properties by bedroom count (CoStar - no API)

Housing absorption (MF absorption rate via CoStar; SF days on market via Realtor.com or similar)

Housing stock quality (Overcrowding rates; substandard rates - both Census)

**DEMAND SIDE: How have need and demand evolved, especially in response to partnership interventions and investments?**

Cost burden prevalence (by AMI level)

Minority homeownership (minority homeowners via ACS)

Jobs to housing ratio (actual compared to goal)

Commute times (by income, Census)