REALTORS® & Smart Growth
on common ground
FALL 2026

# THE PARTNERSHIP PLAYBOOK



## EXPANDING HOUSING CHOICE

## ROAD TO HOUSING ACT

## ALIGNING ZONING, INFRASTRUCTURE & FINANCING

NATIONAL ASSOCIATION OF REALTORS®

# Addressing Housing Challenges Through Smart Growth

Building more homes takes cooperation long before construction begins. Before a new home can welcome its first residents, local rules must allow it, infrastructure must support it, and financing must make it possible. Each step involves different people and decisions. Bringing those people together around a shared goal is essential to building the communities Americans want.

This issue of ***On Common Ground*** explores how partnerships are helping communities address housing challenges through smart growth. With housing costs and availability putting pressure on households across the country, we examine how REALTORS® and their community partners are working together to turn housing goals into practical solutions.

Understanding what people want gives that work direction. NAR's 2026 Community & Transportation Preferences Survey offers insight into Americans' interest in walkable neighborhoods and housing choices that balance affordability with convenient access to everyday destinations. Those findings offer a starting point for collaboration: How can communities work together to make these preferences attainable for more people?

The articles that follow explore the partnerships needed to answer that question. We consider the ROAD to Housing Act through a local lens, examining how federal housing efforts connect to decisions made by communities. We also look at the cooperation behind zoning reforms that make room for smaller lots and a wider range of housing types, including how planners and builders can help ensure new rules work in practice.

Some opportunities begin by bringing new partners into the housing conversation. School districts control buildings and



Photo by Jason Hawke

land that may offer possibilities for new homes, but putting those properties to use requires coordination with municipal governments and development partners. Infrastructure presents a related challenge. Early collaboration with utilities and public works officials can help communities plan for additional capacity and direct housing toward places where services already exist.

Even when communities make room for more housing, financing remains a critical partnership challenge. We explore how lenders and nonprofit organizations can help address barriers to purchasing modestly priced homes and repairing older properties. These efforts can preserve existing housing while opening paths to homeownership.

Throughout the issue, REALTORS® help connect the people whose decisions shape housing opportunities. Our "Take Action" feature looks at how associations are using research and bringing partners together to help communities move projects forward. Their experiences offer readers a place to begin: identify a local housing challenge, find the people needed to address it and start building a working partnership.

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## Fall 2026


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# UNLOCKING MORE HOUSING THROUGH PARTNERSHIPS

## OHIO REALTORS® PARTNERS TO CREATE RAPIDLY IMPLEMENTED TOOLKIT



*By Steve Wright*

Housing opportunities, especially of the attainable/affordable variety, are at the top of the list of just about every local, state and national constituency. Hundreds of agencies and nonprofits are wrestling with how to create diverse housing types that meet a broad range of needs.

Ohio REALTORS®, in partnership with the Greater Ohio Policy Center (GOPC), addressed the concern with concrete action. The result is a free toolkit packed with both time-tested and innovative implementation tools.

Housing Ohio Tools for Development is a 48-page document that uses plain language to share solutions such as preapproved plans, zoning adjustments, land-bank partnerships and small-builder feasibility. Veronica Cardello, assistant vice president of external engagement for Ohio REALTORS®, said the toolkit idea started in 2023 when Ohio communities were facing many different housing issues. Cardello worked with Alison Goebel, the executive director of the Greater Ohio Policy Center (GOPC), to do a scan of needs. Visualization tools and smart growth grants helped to create a report.

Cardello and Goebel reached out and saw that many communities were experiencing roadblocks to new housing. Cardello said that, with a housing crisis in Ohio, it wasn't difficult to bring together builders, nonprofit housing developers, elected officials, zoning administrators, land bank directors and other community stakeholders.

### Ohio Needed a Housing Playbook, but Didn't Have It

"The township association, county commissioner association and land bank association were all experiencing this. So, we wrote a playbook," Cardello said. "We found that simple things, like reducing the minimum parking requirements or lot line boundaries could make a difference."

The toolkit research committee worked with expert consultants Pattern Zones Company, Neighborhood Workshop and MBL Planning for technical guidance.

In March 2025, the toolkit went public at the website housingoh.org/download-the-guidebook. It includes:

- "Actionable recommendations for zoning code adjustments that eliminate barriers to infill housing and encourage new development. These changes are simple enough to be implemented by city staff without requiring outside consultants."
- "Two free predesigned building plans (a single-family home and a duplex) with multiple variations. These plans help reduce soft costs, such as architectural fees, and can be incorporated into preapproved plans programs to streamline permitting."
- "A roadmap for local governments to establish a preapproved plans program, enabling expedited permitting and lowering development barriers in their communities."

### Partnerships Born of Community Engagement

"Addressing Ohio's housing challenges requires collaboration," said Mic Gordon, president of Ohio REALTORS®. "REALTORS® see firsthand how housing availability affects families, communities and local economies. Housing Ohio is about bringing people together around practical solutions and giving local leaders tools they can adapt to create more housing opportunities in their communities."

In little more than 18 months, there have been more than 1,000 downloads of the sample housing plans, and more than 100 Ohio communities are working on zoning changes highlighted in the toolkit to reduce barriers to housing development.

The toolkit also highlights an opportunity already present in many Ohio communities. Over the past two decades, the demolition of abandoned residential buildings has left vacant parcels in established neighborhoods, many of which are now held by county and city land banks and may be available at below-market prices.

When cities make it easier to build — by relaxing often antiquated, overly stringent zoning rules and creating programs with preapproved building types — they encourage small-scale, local developers to invest in filling in vacant lots.



More than 1,000 downloads of sample housing plans and zoning work in more than 100 communities show the toolkit's reach.

Left: Courtesy of Housing Ohio Tools for Development

### A Housing Toolkit That Is Effective, Scalable and Exportable

"One community went from a three-month review time to 15 minutes," Cardello said. "Cincinnati and Toledo received HUD funding to implement the programming."

"Another win is that the toolkit doesn't focus on greenfields. Ohio communities have thousands of vacant parcels in existing neighborhoods where roads, utilities and other infrastructure are already in place — including 2,000 vacant parcels ready in Lima alone," Cardello said.

The toolkit is intentionally scalable, with small, medium and large communities adapting its recommendations to meet local needs. Cardello noted that its flexible approach also makes the model exportable and that federal funding through the 21st Century ROAD to Housing Act could further support many of the strategies outlined in the toolkit.

Cardello cited Lima, Ohio — a city that has lost one-third of its population since 1970 — as a great example of a municipality that has moved at near-lightning speed to turn the Ohio toolkit into housing starts in northwest Ohio.

### Build-Ready Plus Incentives to Turn Blueprints Into Projects

"Lima's Build-Ready Program is about making it easier to build quality housing by removing unnecessary barriers," said Mayor Sharetta Smith, a fifth-generation Lima native serving her second term. "Through our partnership with Ohio REALTORS® and the Greater Ohio Policy Center, we're offering free preapproved home plans. In addition to these plans, the city is offering incentives and assistance through the construction process, including CRA tax abatements for up to 15 years, utility tap fee waivers worth several thousand dollars per home and personalized development assistance to help builders navigate permitting."

### Shovels in the Ground, Housing Rising From Lots

"While we've received more than two dozen inquiries since launching the program in April, we're already seeing its impact. Three new homes on Holly Street were inspired by the Ohio REALTORS® Pattern Book, with designs adapted to meet Lima's local needs while preserving the principles behind the program," said Smith, a lawyer and public servant who has focused her administration on neighborhood revitalization. "That project reflects the power of collaboration, with the Lima Community Improvement Corporation serving as developer, the City of Lima helping make the project possible and Blass Holdings constructing the homes. Together, we're creating practical solutions to expand housing opportunities and strengthen our neighborhoods."

Smith urges other cities to break down barriers to small, incremental developments on urban infill lots.

"Personalized development support means we don't just hand someone a set of plans and wish them luck. Every builder starts by submitting a simple online interest form that connects them directly with our Housing and Neighborhoods team. From there, we help identify vacant lots that fit their project, discuss which preapproved home designs are compatible based on lot size, zoning and setback requirements, explain available incentives and walk them through our online permitting system," said Smith.



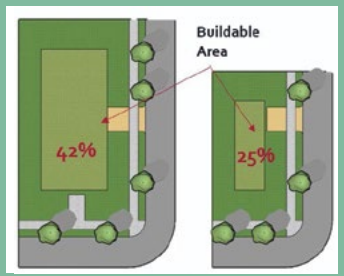
Photo by Olek Buzunov

## Adaptable tools allow communities to expand housing opportunities while responding to local needs.

Right: New two-story houses with front porches line Holly Street in Lima, Ohio. Courtesy of the City of Lima. Below: A home on a compact lot and diagram comparing buildable areas illustrate opportunities for infill development. Courtesy of Housing Ohio Tools for Development.








Courtesy of Housing Ohio Tools for Development

It makes good sense to build where roads, utilities, infrastructure, housing and services already exist.



"When they're ready to move forward, we provide a seamless handoff to our Building Department so they have support throughout the entire development process."

### Adding Gentle Density and Making It Easier to Build

Erica Spaid Patras is director of research at the Greater Ohio Policy Center, the nonprofit revitalization organization that teamed with Ohio REALTORS® to create the housing toolkit.

Changing zoning codes to allow multiple units on one lot within a single-family zoning district "is a tough nut to crack," said Spaid Patras, advising advocates to slowly chip away at preconceived notions that more density creates problems.

"Cleveland Heights did something interesting. The city had a design competition for ADUs — before they were legal — to build community support," she said of accessory dwelling units (ADUs). "People saw carriage house designs, they saw how cute these gentle density approaches can be."

Spaid Patras said required variances and lengthy reviews slow down and threaten small-scale development — leaving many lots vacant. The toolkit gives sample designs for a narrow home and an attractive two-unit dwelling on small parcels. She noted that in many cities, restrictive codes outlaw the kind of housing that was developed in that very community decades ago.

"Household sizes in Ohio are getting smaller and smaller. We need smaller housing that fits that size. We need more diverse housing — dwellings that are affordable, that allow people to enter the housing market or downsize to a smaller home," Spaid Patras said. "This is not designed to put skyscrapers at the end of cul-de-sacs."

### Encouraging Infill Development, Avoiding the High Cost of Sprawl

Spaid Patras stressed that duplexes and triplexes do not change the character of a neighborhood — they simply allow a little more density. Many historic, high-value neighborhoods have a diverse mix of housing types.

"Our goal for this housing toolkit was to help lower the barriers to infill development. It makes good sense to build where roads, utilities, infrastructure, housing and services already exist," she said.

"A virtuous cycle is created by investing in existing neighborhoods — it raises the value, makes it more livable. The [government] cost of development on the fringe is the huge cost of road, water and sewer extension, building new schools. Infill strengthens the market. When local smaller-scale developers build, the investment stays in the community."

### An Adaptable Pathway to Generating Housing That Meets Needs

Spaid Patras emphasized that the toolkit's creators expect cities to modify the guidebook's ideas to fit local needs. She said that while the housing types have design variations, she encourages updates that add drawings that support accessibility for people with disabilities and aging in place through universal design.

"We put the toolkit out as a way of starting the conversation in Ohio. For any municipality that develops a program, we [support] layering of incentives to level the playing field for infill."

Communities have different housing needs and different visions for growth, but Ohio's experience demonstrates what can happen when REALTORS®, local governments and community partners work together. What began as an Ohio housing toolkit is now providing adaptable, practical solutions that communities can use to turn vacant lots and housing plans into new homes. ●

Miami-based Steve Wright, whose Universal Design expertise has been cited in three acclaimed books published in the past year, has contributed to ***On Common Ground*** for more than a decade.



# WHAT AMERICANS WANT | HOUSING CHOICE AND WALKABILITY



Top: Seabrook, Wash., is a shining example of New Urban design overlooking the Pacific Ocean. Courtesy of the Town of Seabrook. Bottom: Culdesac in Tempe, Ariz., is designed as a car-free missing middle community with no parking except for businesses. Courtesy of Culdesac Inc.

*By Brad Broberg*

American consumers are blessed with an extraordinary range of choices for almost every product imaginable from cars to clothes to breakfast cereal. Yet when it comes to housing, the choices are often far narrower.

The 2026 National Association of REALTORS® Community and Transportation Preference Survey reveals strong demand for more housing options: 59% of respondents preferred a home with a smaller yard in a walkable neighborhood over a home with a larger yard that required more driving, while 63% said they would pay more to live within an easy walk of parks, shops and restaurants.

That preference runs counter to a development pattern that for decades has steered Americans toward single-family homes on large lots in car-dependent neighborhoods. Today, many are willing to trade space for walkability and for the convenience, connection and lighter transportation burden that can bring.

Designed to gauge preferences linked to smart growth principles, NAR's triennial survey of 2,000 adults in the nation's 50 largest metropolitan areas asks people to weigh neighborhood form, transportation choices, access to destinations and different types of housing.

The main takeaway is not to replace one model of development with another, but to widen the selection. Some households will continue to favor larger homes, private yards and driving. Others will prize the ability to walk to a store, park or restaurant.

"The most important signal that comes out of that is we need a variety of housing," said Will Doerlich, a REALTOR® based in San Ramon, Calif., who chairs NAR's Smart Growth Advisory Board. "One size doesn't fit all. We need to pay attention to that."

## Walkability is a leading priority

Walkability is a clear priority based on the survey results. Among respondents, 89% said sidewalks and places to walk are important when deciding where to live and 82% placed importance on being within an easy walk of shops and parks. Another 74% valued having a place to walk or exercise a pet.

Together, those responses show that walking is not merely a leisure activity. It helps people judge whether a neighborhood can support daily life.

At the same time, the survey highlights the obstacles that keep many people from walking more often. Seventy-one percent said the places they need to go are too far away to reach on foot. Weather was identified as an obstacle by 41%, while 39% cited dangers from traffic.

Those barriers underscore an important distinction: residents may value walking, but their ability to walk depends on land-use patterns, street design and the location of homes relative to services.

The main survey takeaway is not to replace one model of development with another, but to widen the selection.

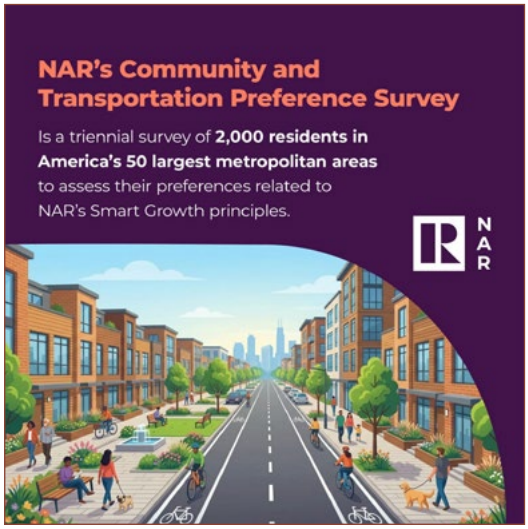










Photo at left: The revitalized central historic square in Fayetteville, Ark., during the weekly Farmers Market. Photo by Brent Buice/Congress for the New Urbanism.

## Majority supports more housing options

That is why expanding housing choice is essential. Neighborhoods dominated by single-family homes on large lots push housing away from shops, restaurants and services and generate too little foot traffic to support such amenities.

The survey results reinforce that link between housing variety and walkability as 63% of respondents said small-lot, single-family homes would be a good fit for their communities while 51% supported townhomes, duplexes and other attached housing options.

"That's a really important [finding] for developers to be aware of and it's also extremely important for policymakers as we're trying to address the housing supply and affordability crisis across the country," said Katharine Burgess, vice president of programs and operations at Smart Growth America.

The spread-out development pattern that has prevailed since World War II also limits transportation choices. Without enough homes and riders within easy reach, public transit becomes difficult to sustain.

"The more compact that a neighborhood pattern might be, the more viable the transit that can support that neighborhood might be," said Mallory Baches, president of the Congress for the New Urbanism. "If you only have single-family houses, your transit system is going to be pretty reduced in its viability."

## Rediscovering the missing middle

Three-quarters of the residentially zoned land in major U.S. cities is designated exclusively for single-family homes to preserve the scale and character of neighborhoods. Missing middle housing offers a way to add more homes without sacrificing scale and character.

Townhomes, duplexes, accessory dwelling units (ADUs) and small-lot detached houses can fill the gap between large-lot single-family homes and dense apartment buildings. Together, these options can meet the needs of people across a wider range of life stages, household sizes and incomes.

Yet housing choices alone do not create a walkable community. A neighborhood also needs a beating heart — a vibrant gathering place that draws people together and puts the rhythms of daily life within easy reach.

"To me, the most important component is the neighborhood main street," said Daniel Parolek, founding principal of the urban design and architecture firm Opticos Design and originator of the term missing middle. "It's being able to walk to the coffee shop, bagel shop, bike shop, maybe even a dentist or small grocery store. This main street is missing from a lot of attempts at walkable communities."

Although the term missing middle may be relatively new, the development pattern itself is deeply rooted in the way many American communities were traditionally built before it was squeezed out by exclusionary zoning practices.

"It's back to the future, right?" Doerlich said. "We used to build towns and cities like this."

## The value of walkability

The willingness to pay for walkability makes the survey's findings directly relevant to the real estate market. The 63% who said they would pay more for easy access to parks, shops and restaurants suggest that location and neighborhood design matter to many respondents.

Likewise, the 59% who preferred a home with a smaller yard in a walkable area to a home with a larger yard that required more driving indicate that lot size is only one component of value. Time, convenience and access also shape housing decisions.

Missing middle housing can meet the needs of people across a wider range of life stages, household sizes and incomes.



Located in Papillion, Neb., Prairie Queen includes a wide range of missing middle housing options ranging from duplexes to six-plexes plus apartments, townhomes and retail space. Photo by Tom Kessler/Tom Kessler Photography.

When daily destinations are scattered, households pay in both time and money. People who cannot drive face even narrower options. Communities that place more homes near shops, services and transit can ease those burdens while nurturing social connection and physical activity.

Those benefits also carry a clear market signal: strong demand, coupled with the limited supply of walkable housing, creates an opportunity for developers ready to build the missing middle.

"These projects have little or no competition in the market," Parolek said. "I don't know what could be better for a developer than to not have any competition in the market. The builders that have been doing it have been doing really well."

## A role for local government

But developers can capitalize on that unmet demand only where local policies allow a broader range of homes and support walkability. "I was really excited to see that [many] of the respondents believed that government has a role to bring housing to vibrant, well-connected locations," Burgess said.

Forty-six percent of survey respondents said local governments should make it a high priority to enable communities where people do not have to drive long distances to work or shop while 39% assigned that goal a middle priority. Only 15% considered it a low priority.

"Zoning has been one of the biggest constraints on development by limiting density, by separating uses and by really making it difficult to build the types of housing and mixed-use developments which often form the historic cores of many of our cities," Burgess said.

The next step is clear: dismantle the regulatory barriers that lock in car-dependent development and choke off walkable neighborhoods.

"Every city and county should give walkable neighborhoods a level playing field. Just make them legal and let the market and development community determine what they want to deliver," Parolek said. "We're still fighting the same battles in terms of street design and mixed-use and densities … as we were 20 or 30 years ago."

Removing barriers to missing middle housing would do more than add homes. It would help cultivate the connected places residents associate with a better quality of life. That is reflected in the survey's findings: 46% of residents in highly walkable neighborhoods reported being very satisfied with their quality of life versus just 25% in areas where walkability is absent.

"There's a much more heightened awareness of how community is supportive of our well-being," Baches said. "That finding is really important. It underscores the idea that places that are designed for people help people live better lives."

## Demand grows as households change

The 2026 survey makes it clear that walkability and housing choice are mainstream preferences. They command broad market and civic support — and the demand is rising. Since 2020, the share of respondents who prefer homes with small yards in walkable neighborhoods has risen 7 percentage points, from 52% to 59%.

Changing work patterns, demographics and household sizes are driving the need for more housing choices. The housing stock built for an earlier era no longer fits the way many people live today.

Remote and hybrid work keep more daily activity close to home. An aging population needs options for aging in place in their existing neighborhood, and high prices are pushing younger buyers to seek smaller, more attainable homes. At the same time, the rise of one-person households strengthens the case for housing that offers less space, lower costs and greater connection to the surrounding community.

Ultimately, the survey's message is about choice. Americans are not asking every neighborhood to look alike. They are asking for more chances to live near daily destinations in homes that fit their budgets, households and stages of life. ●

Brad Broberg is a Seattle-based freelance writer specializing in business and development issues. His work appears regularly in the Puget Sound Business Journal and the Seattle Daily Journal of Commerce.

Housing choice means creating homes that fit different budgets, households and stages of life.



# The ROAD to More Housing Starts at Home

*By David Goldberg*





Opposite page: Photo by Clay Banks. Above: Aerial view of the Mitchell Mill townhome community at 3824 Mitchell Mill Road in Raleigh, N.C. Courtesy of the City of Raleigh, N.C.

If you build a federal ROAD, will the local drivers use it? It's the key question now that the bipartisan 21st Century ROAD to Housing Act has become law as the first comprehensive federal effort to promote housing supply in recent memory.

The Act doesn't come with loads of new dollars or much in the way of mandates or directives. But it does offer a broad set of incentives and tools for local governments — and states, to a degree — to take their own route to putting more homes within reach of their constituents. (ROAD, by the way, stands for Renewing Opportunity in the American Dream.)

"We're happy the bill recognizes that local governments have to be part of the solution, and not obstacles," National League of Cities (NLC) legislative director Mike Wallace told an August American Planning Association webinar. "There's no preemption [of local authority] or unfunded mandates. … But that means local governments have to deliver."

The sprawling act cobbles together some 50 housing measures that had been shopped around Congress over the last few years and will require months, and even years, of rulemaking by federal agencies, primarily the U.S. Department of Housing and Urban Development (HUD), said Elayne Weiss, senior policy advisor on housing at the National Association of REALTORS®.

### ROAD moves add fuel to an already-kindled local fire

"The ROAD Act is great," said Patrick Young, planning director in Raleigh, N.C. "It removes impediments and aligns with the things we're already trying to do." With the second-fastest growth rate among the nation's large metropolitan areas, a tight and expensive housing market and a majority of the city zoned for one house per lot, Raleigh in 2021 launched just the sort of zoning reform called for in the ROAD Act.

"We started allowing any lot zoned for single-family to build a duplex plus an accessory dwelling unit (ADU), so that the base zoning went from 1 to 3 units in lower-density areas," said Young. The city also reduced minimum lot sizes, allowed small apartments in some residential zones and upzoned near frequent transit. Since then, almost 5,000 units of missing middle housing — such as duplexes, triplexes and small apartment buildings — have been approved, including 1,000 that wouldn't have been allowed before.

> Raleigh's zoning reforms have helped approve nearly 5,000 missing middle homes, including 1,000 that would not have been allowed before.

Indeed, Raleigh is one of the cities likely to inform a new national template for housing-friendly zoning to be developed under ROAD's Zoning Frameworks Act, which instructs HUD to create a model code with involvement from local planners. The Act also promotes the creation of "pattern books" of preapproved designs of missing middle types that fit with local conditions — saving money, time and headaches in housing development. And it authorizes funds to help cash-strapped governments do so. Raleigh is already making use of a pattern book for ADUs, Young said, and "if we had the resources, we would love to expand that to other housing types."

### Using Community Development Block Grants to promote housing

Young also is a fan of changes to the federal Community Development Block Grant (CDBG) program, the annual allocation of funds aimed at community affordability and economic progress. For the first time, grants can be used not just to rehabilitate existing housing but to build new, affordable homes as well. New CDBG rules also require localities to maintain a database of publicly owned land that could be used for affordable



Above: An ArcGIS Urban street-level visualization depicts possible new mixed-use development in State College, Pa. Image courtesy of Esri.



Photo by Alka Jha





Photo by Jason Hawke

The ROAD Act removed outdated federal restrictions, which opens the door to more manufactured, modular and even 3D-printed homes.

housing. ROAD's Build Now Act allows localities to earn a 10 percent boost for showing progress toward increased housing production, but warns of a possible reduction for failing to do so, with exceptions for recessions or natural disasters. "This is the one true stick for local communities," said Weiss.

"Local planning and development officials should be thinking about how to use this money and review their processes to make it happen," she added. In addition to CDBG, Weiss also was "excited about changes to the federal HOME Investment Partnerships program to promote homeownership."

HOME is the largest federal block grant to state and local governments dedicated to affordable housing for low-income households. It can be used for rental or homeownership activities, but as Weiss pointed out, many communities use most of their HOME funds for gap financing for affordable rental housing. "This will help folks of modest means who could really benefit from homeownership."

### Legalizing manufactured homes as permanent housing

The Borough of State College, Pa., is a municipality of about 42,000 and the home of Pennsylvania State University. "We have a strong student housing market that drives much of what happens in real estate," said Ed LeClear, director of planning and community development in State College. Because of that, "we have struggled for housing for long-term residents. We need more housing for the staff, teachers and service providers that would like to live in the borough but are priced out."

Like Raleigh, State College is working on updating its 1959 zoning ordinance to allow many more types of housing within a borough that is "built out," with only seven vacant lots, said LeClear. The borough also could make more use of low-cost manufactured homes, and the ROAD Act will help with that. Up to now, federal rules have required manufactured units to remain for all time on a steel chassis, as though they were intended to move — though the vast majority never do. The ROAD Act directs states to change their codes to allow much wider use of manufactured homes by removing that stricture. That, in turn, can allow more modular construction and potentially even 3D-printed homes and components. "It's amazing the political difference between 'mobile home' and a manufactured home on a permanent foundation," LeClear said.

### Streamlining federal reviews to make affordable projects — affordable

Both LeClear and Young said localities like theirs will also benefit from ROAD's regulatory streamlining. The Act reduces the need for environmental review under the federal National Environmental Policy Act (NEPA) for small-scale "infill" housing in already built-up areas and for rehabilitation projects. Those provisions "will help governments at all scales, especially rural and small" jurisdictions with limited resources for drawn-out processes, said NLC's Wallace, and they remove a tool for opponents to obstruct affordable housing with endless environmental appeals. Large projects on undisturbed land will still undergo NEPA review.

### Authorized but unfunded programs

The ROAD Act establishes — or authorizes, in congressional parlance — several new programs that are meant to be funded in later years. Local governments like Raleigh and State College are eager to compete for grants from the Innovation Fund, which would provide grants from






Courtesy of the City of Raleigh, N.C.



Photo by Gabrielle Maurer

Communities may need funding to build more homes, but they do not need money to streamline regulations and remove artificial barriers.

$250,000 to $10 million to localities that can show progress toward enabling and creating new housing. The funds could go toward new housing construction and the transportation and other infrastructure to support it. A similar program would offer planning and implementation grants to help lay the groundwork for affordable housing by, say, updating zoning and development codes or upgrading planning and inspection capacity.

LeClear said he was particularly excited about the RESIDE program, a pilot competitive grant program for converting vacant commercial space into income-restricted housing, aimed at Opportunity Zones. "We have buildings that are retail on the ground floor with second-floor offices, and three or four stories of housing for students," he said. "Coming out of COVID it has been difficult to fill those commercial floors, and we'd love help getting them converted to housing."

For now, local officials can only look longingly at the authorized but unfunded programs. Regardless, they should position themselves now to compete for those dollars when they become available, said Emma Waters, senior policy analyst at the Bipartisan Policy Center, which has closely tracked the many bills that became ROAD. "The money is a very big outstanding question, and it will be needed for sure," she said. "But you don't need money to streamline regulations and remove artificial barriers."

### Can local governments get through ROAD-blocks on their own?

In cities like Raleigh, code changes to promote missing middle housing types are actually a throwback to the early-20th-century housing mixes that exist in the city's most cherished neighborhoods, Young said. But that doesn't mean the changes came easily. "There has been political pushback. One council member got voted out for this, and others have moved on because of the backlash." The new federal law won't magically cure those challenges, but it helps establish a new climate, he added. "The ROAD Act sets up programs that create an incentive structure, and that's really important given political pressures. And it helps on the systemic challenges that we can't address on our own."

Jason Jordan, principal for public affairs at the American Planning Association (APA), said he recognizes that political headwinds could stifle well-intentioned efforts and wonders whether local officials might need more political cover from federal requirements. "We don't want to federalize local land use authority, but it remains to be seen if this goes far enough," he said. "I definitely believe these new programs will encourage attention to affordable homes, but it's mostly helpful for those that have already 'gotten religion.'" Fortunately, he added, that appears to be true of the vast majority of "hot markets" with growing populations that have seen the greatest limits in housing supply and corresponding upward pressure on prices.

As implementation moves forward, local REALTOR® associations can help turn federal opportunities into homes by convening planners, builders, lenders and residents, supplying market data and advocating for practical zoning and permitting reforms. ●

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## ZONING REFORMS COULD STIMULATE

# MORE MISSING MIDDLE HOUSING

An overhead view shows participants arranging housing types on neighborhood maps during a Chicago Metro Toolkit workshop. Courtesy of Opticos Design, Inc.

*By Brian E. Clark*

Zoning reform is not a silver bullet, but it is an important piece of the housing-supply puzzle.

While estimates vary, most experts agree that the United States is facing a severe housing shortage.

The U.S. Chamber of Commerce estimates the national housing shortage at nearly 5 million homes, while the National Low Income Housing Coalition says there is a shortage of 7.1 million rental homes affordable and available to struggling renters.

In California alone, the state's Legislative Analyst's Office has calculated a deficit of 2.7 million units. In Texas, the figure is significantly lower at more than 300,000 homes needed to meet current population demand, hitting lower- and middle-income families the hardest, according to a report from the Texas comptroller.

Though there is no single "silver bullet" to solve this crisis, zoning reform would be "one important piece of the puzzle and a major step forward," says Toccarra Nicole Thomas, director of land use and development at Smart Growth America.

That's why smart growth advocates, academics and many politicians — backed by organizations like the National Association of REALTORS® — are pushing for zoning changes.

Nationally, the new 21st Century ROAD to Housing Act, which became law this year, encourages local governments receiving federal Community Development Block Grant funds to remove restrictive zoning and land-use barriers that slow down home building.

Changes advocated by many planners include streamlining approval processes by replacing discretionary, neighbor-vetted public hearings with clear, administrative "by-right" approvals to speed up construction timelines, reducing parking minimums, permitting housing in empty office parks, vacant retail spaces and commercial zones and allowing for accessory dwelling units (ADUs).

Zoning reforms frequently include legalizing missing middle housing such as duplexes, fourplexes and small courtyard apartments in single-family neighborhoods.

They also often include adopting form-based zoning codes, which can help increase housing stock by regulating the physical shape and placement of buildings rather than prescribing land uses, allowing developers to easily build diverse, multifamily and mixed-use housing on land that traditional zoning restricts.

Another change would boost transit-oriented density by easing height and density caps near major transit hubs and commercial corridors to house more people close to public transportation.

"But these things don't necessarily come easy," said Thomas. "To get there requires a blend of the technical details, political will, meaningful community engagement and messaging.

"The technical details are often easy," she said with a chuckle. "And there are a lot of people at the local level who say they want to change zoning. But when you get into a conversation and say the 'Z' word, well, that's when the pitchforks start coming out."




Missing Middle Housing term created by Daniel Parolek. Image © Opticos Design, Inc. For more info visit www.missingmiddlehousing.com

Thomas said the best zoning reform often comes with support from the "bottom up rather than technocrats at the top telling residents what is good for them. That's because the locals are the ones who live with the built environment every day."

"It's definitely a nuanced conversation. You need the expertise to get things right, but relevant community involvement is important.

"And even then, the opposition may still come out and co-opt the process," she added. "The long and short of it is whenever we're making changes in zoning, even if it's as small as changing one word, it can be seen as a huge deal if all the stakeholders are not part of the process."

Thomas said residents of traditional single-family subdivisions — which have been the de facto standard in American housing since World War II — sometimes react strongly to introducing missing middle housing.

"They are alarmed and say 'You want to put an apartment building next to my home?' They sometimes freak out because the concept of missing middle housing is so different from what they've experienced their entire lives.

"It goes back a long way," she said, citing the 1926 U.S. Supreme Court "Euclid" case in which Justice George Sutherland stated that in single-family residential districts, "very often the apartment house is a mere parasite, constructed in order to take advantage of the open spaces and attractive surroundings created by the residential character of the district."

The court used that reasoning to uphold comprehensive municipal zoning laws (specifically, the right of a suburb to ban multifamily apartments from single-family neighborhoods), claiming apartments block light and air, increase traffic noise and "come very near to being nuisances" in the wrong location.

In Illinois, the housing shortage is changing some of those attitudes about multifamily housing, says Neeley Erickson, government affairs director for Illinois REALTORS®.

She cited the McHenry Missing Middle Initiative as an effort to move the housing conversation forward and create more dwelling units in the state. It focuses on the community of McHenry, which has a population of around 27,000 and is about 50 miles northwest of downtown Chicago.

Below: Illustration showing how a small McHenry site could accommodate a duplex and an accessory dwelling unit under a missing middle housing approach. Opposite page: Illustration showing how a large site could accommodate several missing middle housing types, including cottages, duplexes and small multifamily buildings. Illustrations courtesy of Opticos Design, Inc.

## Small Site Test Fit | Middle Housing Scenario




| MMH Test Fit Buildout | | |
|---|---|---|
| **Lot Metrics** | **Test Fit Metrics** | **Proposed R-4 Standards** |
| Lot Area | 6,500 sf | 5,000 sf min. |
| Density | **13.4 DU/Acre** | 8 DU/Acre max. |
| Street Frontage | 50' | 50' min. |
| Lot Coverage | 28% | 60% max. |
| Building Height | 2.5 stories / 35' | 35' max. |
| Yard Setbacks | | |
| Front Yard Setback | 25' | 25' min. |
| Rear Yard Setback | 25' | 25' min. |
| Side Yard Setback | **5'** | 6' min. |
| **Building Metrics** | | **Proposed R-4 Standards** |
| Housing Type | **Duplex**, ADU | Limited to: Single-family, ADU |
| Building Area (Total) | 3,200 sf | - |
| Average Unit Size | 1,600 sf | Single-family: 1,000 sf min.[1]<br>Multi-family (1BR): 650 sf min.[1]<br>Multi-family (2BR): 775 sf min.[1] |
| **Accessory Structures** | | **Proposed R-4 Standards** |
| Number of ADUs | 1 unit (above garage) | 1 max. |
| Building Height | **2 stories / 24'** | 1 story / 17' |
| Building Footprint | **24' x 22'** | 1,000 sf max. |
| Unit Size | 528 sf | 1,000 sf max. |
| Setbacks | | |
| Side Setback | **2'** | 3' min. from any lot line |
| Rear Yard Setback | 10' | 25% max if above 500 sf |
| From Principal Bldg | 24.5' | 15' min. if above 500 sf |
| **Parking** | | **Existing Title 11 Standards** |
| Parking Spaces | **1 per unit, ADU exempt** | 0 min. per unit[2] |
| Parking Location | **Rear / Within ADU** | Within front, side, or rear yard |

**Note:** Bold cells represent standards that were modified to allow the MMH scenario.

[1] Per Title 10-1-10 (Minimum Floor Space Requirements) of Building Regulations.

[2] Illinois's People Over Parking Act (POPA), effective June 1, 2026, requires municipalities to eliminate parking minimums for new construction near qualifying transit stops and corridors. This site qualifies for the parking minimum exemption.



1 *Duplex with side-by-side units*



1 *Duplex with stacked units*



2 *ADU above a garage*



2 *1.5 story ADU*

**Recommended Zoning Adjustments to Allow MMH Application**

- Require frontages types such as porches to maintain high quality pedestrian experience at the sidewalk.
- Consider allowing and providing standards for a wider range of house-scale building types such as duplexes, triplexes and fourplexes as infill.
- Decrease parking requirements to 1 space/unit to allow more area for housing or open space, or consider allowing on-street parking to count towards the required minimum.
- Require parking spaces to be located behind the building to reserve the front facade for frontage types and/or open space to enhance the pedestrian experience of the street.

Smaller-scale housing can add much-needed supply while creating more attainable choices for first-time buyers, workers and older adults.

According to its website, McHenry has an average household size of 2.66 persons and a median household income of $68,024. Of its 10,075 households, approximately 7,719 are owner-occupied and 2,356 are renter-occupied. The median resident age is 37.1.

"Illinois is experiencing both a shortage of housing and a shortage of housing choices," Erickson said. "The housing that does get built is detached single-family homes or larger multifamily developments. What is often missing are the smaller-scale housing types in between, such as duplexes, fourplexes, townhomes, cottage courts and small multiplexes.

"These smaller-scale housing options can help add much-needed supply while creating more attainable choices for first-time homebuyers, young professionals, workforce households and older adults looking to downsize while remaining in their community."

She said the McHenry initiative was designed to identify local zoning barriers that may unintentionally limit these housing options and explore strategies to expand housing opportunities while respecting the character of existing neighborhoods.

Erickson said a 2025 University of Illinois study finding that the state will need to build 227,000 units over the next five years to keep pace with demand reinforces what REALTORS®, local governments, employers and residents have been experiencing for years.

"The housing shortage is affecting communities of every size," she said. "As demand continues to outpace supply, home prices and rents become less attainable, making it more difficult for people at every stage of life to find housing that meets their needs."

Erickson said housing markets don't stop at municipal boundaries. "People look across an entire region when deciding where to live, and employers recruit workers from throughout the region. That means no single community can solve the housing shortage alone.

"If only one municipality creates opportunities for new housing while neighboring communities do not, the

## Large Site Test Fit | Middle Housing Scenario




*Axonometric View*

| MMH Test Fit Buildout | | |
|---|---|---|
| **Lot Metrics** | **Test Fit Metrics** | **Proposed R-5 Standards** |
| Lot Area | 2.6 acres | Detached single-family: 3,000 sf/DU min. Attached single-family/two-family: 2,500 sf/DU min. Multifamily: 2,000 sf/DU min. |
| Density | 12 DU/Acre | 14 DU/Acre max. |
| Street Frontage | 40', 20' for townhouses | None |
| Lot Coverage | 21.5% | None |
| Open Space | 7.7% | 5% min. |
| Building Height | 3 stories | 40' max. |
| Yard Setbacks | | |
| Front Yard Setback | **20'** | 25' min. |
| Rear Yard Setback | **5' (increased to 10' if adjacent to R1 or R2)** | 25' min. |
| Side Yard Setback | **5' (increased to 10' if adjacent to R1 or R2)** | 6' min. |
| Side Corner Yard Setback | 20' | 15' min. |
| **Building Metrics** | | **Proposed R-5 Standards** |
| Housing Type | **Townhouse, Live/work, Cottage Court, Duplex, ADU** | Single-family (attached & detached), Two-Family, Multifamily |
| Building Area (Total) | 43,781 sf | - |
| Average Unit Size | 1,100 sf | Single-family: 1,000 sf min.[1] Multi-family (1BR): 650 sf min.[1] Multi-family (2BR): 775 sf min.[1] |
| **Parking** | | |
| Parking Spaces | **1.5 per unit** | Single-family: 2/DU Multi-Family: 1.5/DU Live/Work: 1/DU |
| Parking Location | **Garage or Surface, behind primary building** | Within front, side, or rear yard |

**Note:** Bold cells represent standards that were modified to allow the MMH scenario.

[1] Per Title 10-1-10 (Minimum Floor Space Requirements) of Building Regulations.



1 *Live/Work or Townhouse*



2 *Cottage Court*



3 *Duplex*



4 *Accessory Dwelling Unit (ADU)*

**Recommended Zoning Adjustments to Allow MMH Application**

- Require frontages types such as porches to maintain high quality pedestrian experience at the sidewalk and within courts.
- Allow and provide standards for a wider range of building types to direct developers to pick from preferred range of housing options.
- Allow for multiple building per site. Lot width minimums and density will need to be calibrated to allow more creative use of large opportunity sites.
- Decrease parking minimum to 1 space/unit to allow more area for housing or open space, allow on-street parking to count towards the minimum.
- Require parking to locate behind the building. Reserve the front facade for frontage types and/or open space to enhance the pedestrian experience.

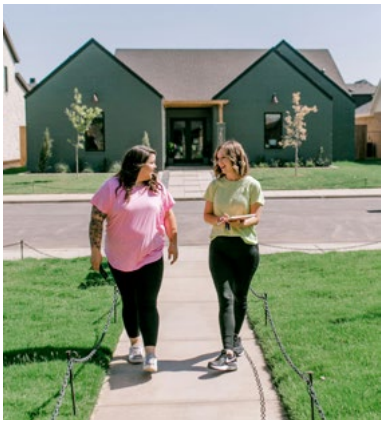


McHenry, Illinois — Opticos Design, Inc. © 2026 



> No single community can solve a regional housing shortage. Meaningful progress requires communities throughout a region to expand housing opportunities together.





Below: The new urban town of Carlton Landing in Oklahoma features clusters of smaller housing types such as this cottage court. Photo by DPZ CoDESIGN.



regional shortage remains. Communities throughout a region must work together to expand housing opportunities if we want to make meaningful progress.

"That is why addressing the shortage will require multiple strategies. Increasing housing production, modernizing zoning where appropriate, supporting infrastructure investments and expanding housing choices all have a role to play."

She said missing middle housing became the focus for McHenry because it is often one of the most practical ways to increase housing supply. "It introduces housing types that are compatible with existing neighborhoods while providing more attainable options than many newly constructed detached homes.

"Rather than focusing on large apartment developments, the initiative explored how smaller-scale housing types could fit into existing neighborhoods through thoughtful design and zoning updates."

Erickson noted that while every community is different, common zoning barriers identified during the McHenry initiative included zoning regulations that limit housing types, minimum lot size requirements, parking requirements, density restrictions, setback requirements and approval processes that can increase uncertainty, time and development costs.

"The initiative evaluated these barriers to identify opportunities where modest zoning changes could increase housing opportunities while maintaining community standards," she said.

McHenry's missing middle housing scan evaluated a variety of housing types, including accessory dwelling units (ADUs), duplexes, triplexes, fourplexes, townhomes, cottage courts and smaller-lot homes.

It also encourages communities to evaluate a range of housing options, including manufactured or factory-built modular housing — where appropriate and consistent with local goals, she said. Modular homes can often be completed in half the time and reduce costs by 25 percent.

"The purpose was not to recommend every housing type in every location, but to identify opportunities where additional flexibility could expand housing choices while remaining compatible with the surrounding area. Any future zoning changes remain a local decision of the city."

Erickson pointed to the McHenry work as "an example of what other communities could accomplish through





Courtesy of Housing Ohio Tools for Development

By cutting its minimum lot size in half, St. Louis unlocked thousands of small vacant parcels for infill housing.

the Illinois Housing Supply Accelerator," a new program launched by Illinois REALTORS®.

She said one of the most valuable components of the McHenry initiative was the Test Fit analysis completed by Opticos, a Berkeley, Calif.-based architecture and urban design firm.

"Rather than discussing housing concepts in the abstract, the team evaluated actual infill sites within McHenry to demonstrate how different housing types could fit within the existing community if zoning regulations were modified."

She said Test Fits help local officials and residents move beyond the term "missing middle housing" and actually see what those housing types could look like in their community.

"That visualization creates a much more informed conversation about neighborhood compatibility and housing choices than simply discussing concepts or zoning regulations, moving the conversation from 'that doesn't fit in my community' to 'Oh wow, I see how that could work,'" she said.

The Test Fits also provide communities with conceptual examples they can use to determine whether there is market interest, she added. "If a community chooses to move forward, those concepts can serve as the basis for issuing a request for proposals to builders or developers interested in bringing similar housing to the community."

The approach has proven so valuable, Erickson said, that the process is being replicated through a new partnership with the Village of Poplar Grove, Boone County, Growth Dimensions — Boone County's economic development organization — and Opticos. "Using the same Test Fit methodology, the team will evaluate potential sites and develop conceptual housing scenarios to help local leaders and residents visualize opportunities to expand housing choices."

Some 300 miles to the southwest in St. Louis, the city reduced the minimum lot size requirements last year for single-family homes.

Those limits dropped to a 2,000-square-foot minimum from the previous 4,000 square feet, unlocking thousands of small vacant parcels for infill housing. That move is part of something dubbed ZOUP, a broader zoning overhaul described as the first major rewrite and map update since the mid-20th century. It has also been called "A Modern Code to Meet the Moment."

St. Louis' population now stands at 301,578, down from a high of 856,796 in 1950 before white flight to the suburbs began.

Jim Fister, a senior planner for the City of St. Louis, described the current zoning code as "clunky and archaic."

But he said progress is being made. In addition to reducing the lot size requirements last year, the city's planning commission unanimously adopted a new Strategic Land Use Plan that imagines, and plans for, a St. Louis that is dense, walkable, equitable and amenity-rich and that creates opportunity for all.

"We need to create more space for local developers and small businesses to build homes and permit their businesses in the interior of neighborhoods, whereas right now it's incredibly complicated," he said.

"We also need better regulatory tools for existing uses and existing businesses.

"But the thing that we are most excited about is [replacing] a code that is not really incentivizing the establishment of more housing units."

Brian E. Clark is a Wisconsin-based journalist and a former staff writer on the business desk of The San Diego Union-Tribune. He is a contributor to the Los Angeles Times, Chicago Sun-Times, Milwaukee Journal Sentinel, Dallas Morning News and other publications.

# Public Buildings and New Opportunities




## School Districts as Housing Partners

*By Michele Lerner*

Housing shortages and the perennial problem of underpaid school employees sometimes converge with a third issue: underutilized buildings or land owned by a school district. The good news: these combined concerns can result in creative partnerships that increase the supply of affordable housing for school staff while eliminating surplus property.

Most school districts own their buildings and land — so while this is publicly owned property, it is managed by the district rather than the local, state or federal government. School districts have their own boards and budgets, and their primary mission is education, but in California, Texas and Florida, some are exploring building housing on property they own to retain and recruit teachers. California legislators passed several bills to encourage school districts to create housing options for school employees.

"In places like California where housing costs are high, a lot of teachers, especially those early in their careers when their salaries are low, find it hard to afford a place to live," said Lev Weisbach, a senior vice president and development manager at Brookwood Group, who has partnered with schools to build housing. "In the Bay Area, for example, the Jefferson Union High School District had a 25% annual teacher turnover rate because they were losing teachers to districts with lower housing costs."

Depending on the site and financing options, multiple stakeholders can creatively work together to develop housing. "To begin, you need consistent champions within the school district such as board members and staff because it can be a long trajectory to get housing built," Weisbach said. "Second, you need community engagement and support."

### Staff recruitment and retention

A school board member suggested the idea of building housing to retain teachers in the Jefferson Union High School District (JUHSD), according to Denise Shreve, director of communication and housing for JUHSD in Daly City, Calif. An employee survey quickly identified enthusiasm for staff housing, and community members also recognized the value of reducing teacher turnover.

"We were able to finance the $75 million project with a $33 million voter-approved bond and $42 million in loans," Shreve said. "Because we didn't use any low-income housing tax credits (LIHTC), we don't have income limits and the apartments rent for the same amount according to size."

Only teachers and non-teaching employees such as maintenance, food and clerical workers are eligible for apartments, with priority on the wait list based on total household income and full- or part-time employment.

School districts can turn underused property into affordable housing that helps recruit and retain teachers and other school employees.





Left: Exterior view of Jefferson Union High School District staff housing at 705 Serramonte. Below: One-bedroom floor plan for Jefferson Union High School District staff housing. Photos courtesy of Jefferson Union High School District.





Above: Architectural rendering of the planned Pacifica School District staff-housing community at the former Oddstad Elementary School site in Pacifica, California. Right: Architectural rendering of the proposed Berkeley Unified School District employee-housing courtyard. Rendering Courtesy of Abode Communities. Design by PYATOK architecture + urban design.

The ratio of residents will be maintained at 60% teachers and 40% non-teachers, which Shreve said mirrors the school employee population. Employees must move after seven years, but they receive support from the school district to find new housing.

"Residents are very appreciative of staff housing and say it has a positive impact on the culture of the school district since they get to know people from other schools," Shreve said. "Every floor has a small community room and a laundry room, plus there's a gym and a larger community room for parties and events."

The 122-unit rental complex, built on surplus land owned by JUHSD, is governed by the Educational Housing Corporation board, which is made up of community members, school board members and non-resident employees. A property management company handles daily operations.

"We were able to navigate the residential permitting process with the help of a third-party organization, since they have the expertise that we don't," Shreve said. "We couldn't be prouder of how well this project worked out and all our schools are now fully staffed."

### Replacing a school while preserving a community

Attracting and retaining teachers is an essential component of school improvement, so the Pacifica School District (PSD), also in the Bay Area, identified the former Oddstad Elementary School campus as an option for staff apartments.

"The school had been closed since 2005 because of declining enrollment, and the district didn't need it for future capacity," said Weisbach, who is developing the housing with Brookwood. "Sometimes when schools want to build housing, community members or teachers question why the funds aren't being used for salaries. However, school district funds for capital needs, such as buildings, are separate from funds for operational costs, such as salaries."

The Pacifica project is funded through taxpayer-approved bonds and anticipated rental income. At the district-owned Oddstad site, community members played soccer, walked dogs and tended a communal garden, Weisbach said.

The complex, expected to open in 2027, will include 70 residences, most priced below market rate for teachers and other PSD staff. Two existing soccer fields will be preserved, along with a community building. Building heights are limited to two stories to blend in with the neighborhood.

"Community input is important, but you also need the school superintendent, school board members and other school district leaders to understand the value housing can provide to retain staff," Weisbach said. "Then you need to work through the local planning process with the local building department with the help of a real estate consultant or developer who understands the regulatory environment, particularly in California."

### From parking lot to housing partnership

Also in the Bay Area, the Berkeley Unified School District (BUSD) worked with BeHOME (Berkeley Housing Opportunities for Municipal Employees) to assess the need for educator housing. Feasibility studies identified an underutilized parking lot at the Berkeley Adult School campus as a site for housing developed with the help of Abode Communities, a nonprofit community development organization, and Satellite Affordable Housing Associates.

"We helped launch the idea of using school district assets such as surplus property to address the affordability crisis for teachers in high-cost housing markets such as Los Angeles," said Lara Regus, chief real estate officer for Abode Communities.

Typically, school districts survey their teachers when they're concerned about retention and recruitment, said Maegan Pearson, associate vice president of development for Abode Communities. Often, teachers leave because long commutes from affordable neighborhoods





Right: Courtyard and residential buildings at Shirley Chisholm Village in San Francisco. Courtesy of MidPen Housing. Photo by Bruce Damonte.

are incompatible with teachers' schedules. School districts benefit when teachers live in the community, too.

"In Berkeley, 75% of staff said they were interested in employee housing," Pearson said. "The goal is to serve both early-stage teachers and non-teaching staff, many of whom have families, so we have a mix of unit sizes."

BUSD, which owns the land, has a long-term ground lease and a third-party operator. Financing included a mix of loans, City of Berkeley bond funding, LIHTCs, tax-exempt bonds and funding from the California Housing Finance Agency (CalHFA), according to Jenny Wyant, senior community development project coordinator with the City of Berkeley Department of Health, Housing and Community Services.

"Income limits with LIHTCs usually cut off at 60% to 80% AMI [area median income], but Berkeley has some units available at 80% to 120% AMI since it's a mixed-income development," Pearson said. "They were able to establish a 100% preference for BUSD employees, but it's open to others to apply if there's availability."

Partnerships were key to this development, Regus said, including committees formed by BUSD to educate stakeholders and reach agreements about the housing design, governance and operations.

## Combining resources for community good

The site of an obsolete school that had been used as a storage facility for the San Francisco Unified School District (SFUSD) for 30 years was redeveloped as Shirley Chisholm Village, a 135-unit affordable apartment complex for school staff, through a collaboration between the school district, the City and County of San Francisco and MidPen Housing Corp., a nonprofit affordable housing developer.

"Priority is given to SFUSD employees, but the general public can also apply," said Michelle Kim, senior project manager of MidPen Housing Corp. "The community wanted a publicly available play area, so we designed an outdoor space in front of the building."

The apartments, funded by federal tax credits, investments from the City and County of San Francisco and voter-approved bonds, are reserved for households earning 40% to 120% of AMI.

"The financing is bifurcated, with 35 units financed with tax credits and separate financing for the other 100 units, which allows those units to be available at the higher household income level," Kim said. "If all the units used LIHTC funding, then we wouldn't be able to serve as many teachers."

School districts, local governments and developers combine resources and expertise to create housing school employees can afford.

Currently, Kim said, 90% of residents are SFUSD employees and 10% are from the second priority group, which includes people with disabilities and mobility issues. Building amenities include a co-working space, a community room, an exercise room, laundry facilities and an array of on-site services such as academic support programs for youth, adult education and homeownership education.

"We designed a mix of studios, one-, two- and three-bedroom units after we surveyed household incomes and sizes in the SFUSD community," Kim said. "The key to these projects is to gather information and understand the goals of the school district, city and county. Local and state legislation in California also had to be approved to allow schools to convert property to housing."

Creative thinking beyond textbook cases can turn an obsolete building or a parking lot into a magnet for teachers and other school staffers — and keep them close and committed to their communities. ●

Michele Lerner is an award-winning freelance writer, editor and author who writes about real estate, personal finance and business topics. Her work has been published in The Washington Post, USA Today, and Urban Land magazine, among others. She is frequently interviewed as an expert source on housing topics and her books have assisted homebuyers, planners, lenders, housing counselors and real estate agents.

# Supporting Housing Through Infrastructure



# COLLABORATIVE PLANNING FOR WATER, SEWER, ROADS, STORMWATER AND POWER TO SUSTAIN GROWTH

*By Steve Wright*

Virtually every think tank that has studied housing has concluded that America has not built nearly enough housing over the past several decades. The resulting shortage has pushed housing of all types beyond the financial reach of many people.

While the race should be on to build diverse and attainable housing, many communities are wrestling with issues of infrastructure capacity. Even if a developer wants to build workforce housing within reach of workers, the community-based effort can be stalled by a lack of roads, sidewalks, water, sewer and stormwater systems and power to support new dwellings.

One way to resolve the challenge is to encourage infill development — new single- and multifamily units on land already served by infrastructure, as well as parks, schools and amenities. Many cities are removing barriers and incentivizing infill development.

Breaking down silos that exist among a dozen or more authorities, utilities and regulators is key. Collaboration can ensure that infrastructure is in place to sustain momentum toward feasible, affordable and sustainable new housing development.

## Educating Communities About Options to Pay for Growth

In the rapidly growing Greater Knoxville area, the East Tennessee REALTORS® (ETNR) is using an NAR grant to create a class about how communities pay for growth.

Maria McHale, ETNR's governmental affairs and policy director, said many area municipalities are behind on infrastructure. But she said they cannot be blamed because it is a cumbersome process to layer state and federal funding with local resources.

She said some local governments have considered impact fees, increased taxes on property sales and other taxes that "ask a very small number of residents to pay for a broad community benefit."

The course being developed by ETNR would teach local leaders about development approaches that help keep the money generated within the development area.

"Rather than a one-time impact fee, municipalities can make use of tools like assessment districts, infrastructure districts or tax increment financing," McHale said. "These methods help add to tax rolls and use the increased value to pay for sidewalks, sewer systems and roads."

Communities can use growth in property values to help pay for the sidewalks, sewer systems and roads new housing requires.


Little Vignettes Photo / Shutterstock.com

Knoxville, Tenn.




Little Vignettes Photo / Shutterstock.com

Building homes near existing jobs, stores and transit can reduce up-front public infrastructure costs by approximately $21,000 per home.

Some large municipalities can issue bonds against future TIF revenue to pay for essential infrastructure upfront. The captured taxes from the growing area pay off the bonds.

"There are partnerships and systems a community can use to pay for infrastructure without resorting to fees that unfairly impact one sector of the business community — and don't work, because a one-time fee cannot create the long-term funding needed for infrastructure improvements and maintenance."

## Helping Elected Officials Match Resources to Priorities

McHale hopes ETNR's growth infrastructure curriculum can become a toolkit for local leaders. She notes that many local elected officials might be new to public office. They care about public service but are not familiar with smart growth and tools to support it.

"We want to get them up to speed and to match them to resources and other municipalities that have succeeded in connecting all those pieces," she said. "This is another opportunity for REALTORS® to serve as a valuable resource for the community."

ETNR has sought input from municipal, regional and state authorities to identify the greatest infrastructure needs.

"Sometimes the revenue exists, but are we prioritizing it the way we need to? Or is the squeaky wheel getting all the grease?" McHale asked. "We will help make sure municipalities are advocating for and articulating what priorities are in their areas — and land planning in a way that makes the best use of revenue. The goal is to bring all parties together to show that the best return on investment is for the long-term health of the community."

McHale said REALTORS®, who often serve on zoning boards and local commissions because of their expertise, truly understand the intersection between planning and land use and how it impacts a real person's quality of life.

"Reasonable density and commercial development in a mixed-use environment can generate revenue three to four times faster than just residential by itself," she said.

"Let's stop and think about how we should pay for this. From an economic development and real estate perspective, the answer lies in land use and zoning," said McHale, citing a study that demonstrates the value of infill development.

## Smart Growth Provides Fiscal Benefits to Municipalities

"The up-front cost to government and taxpayers of building roads, water and sewer lines and other public utilities

Public-private partnerships can turn new investment into utility upgrades, parking, bridges, parks and other infrastructure that supports housing.


Courtesy of Opticos Design, Inc.



to serve new homes near existing jobs, stores and transit is approximately $21,000 lower per home than the infrastructure costs associated with building homes at the outer edge of cities and towns," according to a study by the World Resources Institute and ECOnorthwest, with support from The Pew Charitable Trusts.

The research, released in May 2026, estimated the fiscal impact of new housing in 10 states of vastly different sizes and geographies. It found:

- The ongoing costs to government and taxpayers of maintaining roads and utilities that serve new homes are 50 percent lower, on average, when those homes are built near existing jobs, stores and transit.
- Property taxes generated per acre are 13 percent higher, on average, when new homes are built near jobs, stores and transit.
- On average, the payback period for infrastructure associated with new homes is 50 percent longer when those homes are built in outlying areas than when they are built near existing jobs, stores and transit.
- Local government can keep property tax rates down while maintaining healthy balance sheets when more housing is built in established areas.

### Smart Growth From a Market Perspective in Knoxville

The City of Knoxville is taking a fresh perspective on economic development by incorporating market-based perspectives from developers, investors and builders. The idea is to grow strategically using flexible and creative tools.

"Someone may be interested in a development site. We want to look at it holistically — to make sure affordability, mixed incomes, and for-sale and for-rent figure into the housing. We also want to ensure growth is supported in all categories of utilities, transportation, parks, public space, plazas, greenway connections and programming," said Rebekah Jane Justice, Knoxville's chief of urban design and development.

Justice urges cities to conduct holistic community engagement and to truly understand the unique local market before creating economic incentives. She said Knoxville is seeking projects that fit within its growth needs.

Cities should conduct holistic community engagement to truly understand the unique local market before creating economic incentives.









Top: An aerial view of Knoxville's South Waterfront redevelopment site along the Tennessee River, outlined in white, with downtown Knoxville and the University of Tennessee campus visible across the river.

Middle: An illustrative rendering shows a potential mixed-use district at the South Waterfront redevelopment site, connected to the University of Tennessee by a planned pedestrian and bicycle bridge.

Bottom: An illustrative rendering shows residential, commercial and public spaces envisioned for the South Waterfront redevelopment site near the planned pedestrian and bicycle bridge.

Images courtesy of Knoxville's Community Development Corporation.

## Funding Development Through TIF and PILOT

The city launched a request for qualifications seeking a developer for a portion of its South Waterfront. It is part of a 20-year improvement strategy for approximately 750 acres fronting three miles of the Tennessee River, directly south of downtown and the University of Tennessee, Knoxville. Improvements have included more than $61 million in public investment and $400 million in private investment.

"South Waterfront is a TIF (tax increment financing) district. Private investment turns into the ability to invest in infrastructure improvements. It is leveraged into utility upgrades, parking garages, bridges, public parks and public spaces," Justice said of creating a successful public realm through a public-private partnership.

Knoxville also uses payments in lieu of taxes (PILOTs) as an economic development incentive that can freeze a property's tax value for a set period — for example, 10 to 20 years — to incentivize growth on vacant urban lots or guarantee that a development has a certain percentage of affordable or workforce housing.

"A PILOT could pay for a structured garage, with ground floor retail, with 100 shared parking spaces to serve an infill, mixed-use development," Justice said.

When Covenant Health Park, a $114 million, 6,355-seat venue for professional soccer, minor league baseball and events, was developed, the city worked with the private sector to ensure housing, retail space and public spaces



Successful growth requires infrastructure that is in place or underway, smart-growth principles and strong collaboration among public, private and nonprofit partners.

Left: An aerial view of downtown Knoxville shows the McClung Warehouse redevelopment site outlined in red along West Jackson Avenue and adjacent railroad tracks.

Right: Participants review a community-engagement display about redevelopment of the McClung Warehouse sites.

Images courtesy of Knoxville's Community Development Corporation.




were included, along with infrastructure required to support the economic hub on the eastern edge of the city core.

### Regionalism Is Key: The East Tennessee Development District

The East Tennessee Development District (ETDD) represents 16 counties and 56 municipalities in the East Tennessee region. It is funded by a combination of federal grants, state appropriations, local per capita assessments from member city and county governments and program service fees.

"Development districts exist to solve problems that don't stop at jurisdiction boundaries — housing, workforce, transportation, utilities, resilience and economic development are deeply interconnected. Our role is to help communities see the larger picture, align investment, leverage funding and build consensus around solutions that benefit the entire region," said Tim Hendrick, ETDD deputy director and environmental planner.

ETDD conducts a strengths, weaknesses, opportunities and threats (SWOT) analysis of regional needs to produce its Comprehensive Economic Development Strategy, which is updated annually. Anticipating infrastructure needs is a major element, helping ensure that utilities and other systems are in place to support growth.

### Multibillion-Dollar Investment Will Drive Growth, Require Housing

Oak Ridge National Laboratory (ORNL) is a federally funded research and development center with a $2.6 billion annual budget dedicated to nuclear science, energy, high-performance computing and national security. Located about 30 minutes west of Knoxville in the city of Oak Ridge, which spans Anderson and Roane counties, ORNL is a major economic driver within the ETDD.

Drawn by the Oak Ridge nuclear ecosystem, the French state-owned nuclear fuel company Orano is building a massive $5 billion uranium enrichment facility — the largest industrial investment in Tennessee's history.

"That will need ETDD assistance with housing, including workforce housing, schools, water and the coordination with the Tennessee Valley Authority — the largest public utility in the country. Some of our municipalities are very small — a few hundred residents — so we help them with grants and navigating funding," said Hendrick, noting that the ETDD also creates regional partnerships with the University of Tennessee.

The ETDD works with the Appalachian Regional Commission to provide major infrastructure funding via water and sewer grants. It can also help communities with infrastructure needs access federal funding from the U.S. Department of Housing and Urban Development and the U.S. Economic Development Administration.

Whether the project involves urban infill or compact, mixed-use development in an area planned for growth, the keys are infrastructure that is in place or underway, smart-growth principles and strong collaboration among developers, municipalities, utilities and nonprofits such as REALTOR® associations. ●

Miami-based Steve Wright, whose Universal Design expertise has been cited in three acclaimed books published in the past year, has contributed to ***On Common Ground*** for more than a decade.

# Financing Homes THAT THE Market Misses




Own It homeowner Raghi with her real estate agent, Belinda Thomas, and Own It co-founder Sara Alvarado. Courtesy of Own It. Photo by Maureen Cassidy Photography.

*By Brian E. Clark*

When Ceotrid Gilbert moved to Madison, Wis., from Milwaukee nine years ago, he wasn't sure if he'd be able to afford a home again.

That's because in rapidly growing Madison — home to the University of Wisconsin's flagship campus and a number of burgeoning tech and life science companies — houses are among the most expensive in the state: The median-priced home is around $450,000 in Wisconsin's capital city compared to $228,000 in Milwaukee, according to Redfin.

So the 52-year-old Gilbert and his wife, Marlita Benvenue, had been renting.

But when they heard — through their 5-year-old daughter's pre-K school — about a program called "Own It" that could help with the down payment, they were more than a little curious. So, they signed up and took courses on financial literacy and homeownership. Then, thanks to a $19,000 down payment grant from Own It and their own savings, they were able to buy the modest house they were renting.

Gilbert, who works in IT procurement, called the Own It program "a blessing."

"It's also pretty comprehensive," he said. "They start you out with classes that go over financial literacy and other important things that will prepare you for being a homeowner. Then, once you graduate, you're assigned a mentor who will stay with you for the entirety of the home-buying process."

It took about a year, but after the Gilberts finished the coursework, they became eligible to apply for a grant and purchased their home in July 2026.

Gilbert said he and his spouse might have been able to come up with the down payment, but it would have taken a long time. "If you're looking at a $400,000 home in Madison, trying to come up with that 20 percent is a bit daunting."



Instead of paying rent, the Gilberts are now building equity they can pass on to the next generation.

Left: Ceotrid Gilbert and his wife, Marlita Benvenue, outside their home in Madison, Wis. They purchased the home with help from a $19,000 down payment grant from Own It. Photo by Brian E. Clark.




Above: First-time Own It homeowner Aleshia J. Courtesy of Own It.

Below: An Own It educational workshop. Courtesy of Own It.



An appraisal gap happens when a property's appraised value falls below purchase price or development cost.

Gilbert and his wife, who works in public relations, consider themselves fortunate. Without help from Own It, they'd most likely still be renters, part of a significant group of people who fall through the financing cracks because the traditional mortgage market and lenders often neglect them. "I've already recommended this program to acquaintances," Gilbert said. "Instead of paying rent, we are building equity to pass on and that's a pretty cool thing."

For many, a barrier to homeownership is access to capital, said Tara Roche, project director for the Housing Policy Initiative at The Pew Charitable Trusts. That means that while a community may have older, less expensive starter homes, vacant houses that could be rehabbed and modest infill homes, buyers who could potentially afford monthly payments often run into problems with appraisals or getting loans. In a worst-case scenario, many of those homes remain vacant and deteriorate.

Keisha Wilkinson is the senior policy representative on valuation at the National Association of REALTORS®. She advocates for appraisal policies, home valuation transparency and professional standards while representing over 20,000 appraiser members of NAR.

She said Reconsiderations of Value (ROVs) and appraisal gap subsidies — offered by nonprofits, government agencies and even some banks — can serve as important tools to facilitate home purchases when an appraised value, or market value, is lower than the contract price.

An appraisal gap happens when a property's appraised value falls below its agreed purchase price or development cost. This can stop affordable housing projects and home sales because mortgage lenders restrict financing to the lower appraised value, forcing nonprofits or low-income buyers to come up with extra cash they often don't have.

Subsidies bridge the cash shortage directly, while ROVs provide a formal process for challenging an appraisal; if the value is revised, the lender may be able to adjust the loan amount. "When we talk about appraisal gaps from the agent side, the value that the appraisal should be coming up with is the market value. And that can be very different from the sales or contract price, which is what one person chooses to pay another individual or entity," she said.

"The market value should reflect the most probable price in the market, right? So, the appraiser should be looking

at comparable sales, adjusting them for differences in features or amenities, and then reporting the most probable price determined by their analysis."

Wilkinson said she had a personal experience with an appraisal gap as a consumer when she purchased a house in Florida years ago. "I wanted to buy a home and looked all over the place," she recalled. "I found several houses that were great and all of them had been built about the same time."

She said the one she fell in love with had a lot of updates with a wall knocked out so the kitchen was open to the living room. "And it had a new stove, new air conditioning and new this, that and another thing."

She estimated she would have had to pay at least $50,000 for those improvements, but recent sales of similarly updated homes showed that buyers in her market were not willing to pay the full cost that sellers paid, and this was reflected in the appraisal.

Wilkinson said, "The appraiser's job is to reflect the most probable price on the market. And very often, sellers do not recoup the full price of the upgrades they make to the property. The appraisal is a valuable tool for the buyer and lender to understand what the property would most likely sell for today, even if it is worth more to the individual buyer for whatever reason."

Similarly, affordable or rehabilitated homes in low-cost areas rely on past nearby sales, or "comps," that often fail to reflect true modern building or renovation costs.

The asking price for the home Wilkinson wanted was around $200,000, but the appraisal, using recent sales of similar homes, was $150,000. She was able to use the appraisal to bargain with the owner, who ultimately accepted a price of $175,000.

Wilkinson said there are other times when an appraisal clearly misses something, so a buyer can ask for a Reconsideration of Value. "For instance, a subject property could have solar panels that are owned by the homeowner, but the appraisal incorrectly says they are leased."

"In that case, the borrower can initiate a reconsideration that could change the property value accordingly.

"The better course of action, though — and this is one of the tips that we always like to preach — is for the agents to supply the appraiser with the important property details before the appraisal is completed. That saves



Homeowners through the Own It program. Courtesy of Own It. Photo by Dynae Allice Photography.

> Agents can save everyone time by giving the appraiser important property details before the appraisal is completed.




Own It closing-day celebration. Courtesy of Own It. Photo by Maureen Cassidy Photography.



Above: Own It co-founders Sara Alvarado and Tiffany Malone. Courtesy of Own It. Photo by Colin Droster.

Nonprofit organizations like Own It, credit unions, community development financial institutions, and NeighborWorks America affiliates help finance the homes that the traditional market misses.



Above: Own It ambassadors. Courtesy of Own It. Photo by Dynae Allice Photography.



time for everybody and the appraiser has all the information up front. It saves time and establishes a clear line of communication."

Relatively low-cost homes, even ones in good condition, can be difficult to finance for those without adequate cash reserves, said Roche of The Pew Charitable Trusts.

"Our 2026 research found that looking across the entire market, only about a quarter of homes that sold for under $150,000 were bought with a mortgage, and the rest were purchased with cash or some kind of alternative financing," Roche said. "But for higher-cost homes of $150,000 or more, about 71 percent were purchased with a mortgage.

"Many people end up patching together financing in some way with family members or others. And maybe they then end up with a smaller, older home that needs repair and is less likely to meet their needs. The price might be lower on the front end, but over time, it could need a lot more in expenses for upkeep and repair."

The key problem for borrowers, she said, is that it costs lenders around $12,000 to originate a mortgage, regardless of its size, according to industry data. Simply put, those fixed processing fees mean it's not profitable enough for many lenders to originate a mortgage under $150,000.

That's where organizations like Own It, founded in 2021 by Sara Alvarado and Tiffany Malone, step in. They created Own It to serve Black and brown communities that have been discriminated against in the past by helping with education programs and down payment grants, Alvarado said.

Other organizations — including credit unions, community development financial institutions (CDFIs) and NeighborWorks America affiliates — help finance the homes that the traditional market misses.

In addition, government and quasi-government agencies such as Fannie Mae and Freddie Mac — through their mandated "Duty to Serve" programs — also aid low-income buyers.

These organizations often finance affordable, nontraditional or overlooked properties — such as manufactured housing, small-balance mortgages and fixer-uppers — using specialized loan products that standard lenders often bypass.

CDFIs' core purposes include supporting affordable housing development and homeownership, financing

The best way to approach a complex challenge like homeownership is through collaboration among lenders, counselors and community organizations.

small businesses and microenterprises and promoting financial literacy.

Gilbert and his family are now living in their own home, building generational wealth that they hope to pass on to future generations.

Since its inception, Alvarado said Own It has raised more than $1.4 million through community support and its Ambassador Program — a fund-producing model that engages real estate and lending professionals, institutions, investors, and home sellers who contribute to the down payment fund systematically, tied to their closings and revenue. Partners include the University of Wisconsin Credit Union (UWCU), among many others. This model gives industries that profit from real estate a meaningful way to support homeownership.

The Gilberts bought their home from Pete Waite, who works for Stark Realty in Madison.

Waite, a former UW-Madison women's volleyball coach, is an Own It "Ambassador" who — like a number of REALTORS® in the region — donates part of his commissions to the organization.

"I'd rented the house to them since 2018," he said. "When I reached the point where I was ready to sell, I wanted to give them the chance to buy so they wouldn't have to pack up and move anywhere. With the Own It program and the financial literacy classes they went through, it was the perfect fit."

Waite said he became an Ambassador to help clients afford homes. "It's a challenging market in which to buy these days and there are roadblocks out there for some people," he said. "It feels really good to put part of my paycheck into this effort and help folks get a head start on owning a home.

"What excites me most about real estate is the opportunity to help people achieve their dreams. Every person I work with gets my full attention and I know they'll each bring their own story and challenges to the table. And I love finding creative ways to solve these challenges."

Steph Harrill Kyle, director of financial inclusion and community engagement for UWCU, said helping would-be homeowners navigate financial barriers is part of the credit union's mission.

"As a cooperative, we understand the best way to approach any challenge is through collaboration," she said, noting that buying a home can be a complex process. "We partner with organizations in our communities that are focused on housing stability and homeownership readiness. Those partnerships help connect people to counseling, coaching and other resources that can make homeownership goals a reality."

She said homeownership remains one of the most effective ways for families to build long-term stability and wealth. "Because credit unions are member-owned, we look at success through a longer-term lens.

"At UW Credit Union, helping people achieve financial well-being means creating pathways to opportunities like homeownership that can strengthen financial stability for generations."

Kyle said buying a home can be overwhelming, especially for first-time buyers and those navigating financial barriers. "UW Credit Union invests in a variety of educational tools to make homeownership more accessible. This includes free, ongoing homebuyer education seminars designed to address questions, introduce financing tools like mortgage calculators and share important watch-outs."

She said education and coaching are deeply embedded in UWCU's mortgage loan officers' process because "we want our members to understand their options and make informed decisions.

"UW Credit Union's accessible mortgage service offerings are designed to support individuals from all financial standings. Direct support from our mortgage experts provides an important human touchpoint and often connects eligible buyers with down payment assistance programs.

"Like I said, that's part of our mission." ●

Brian E. Clark is a Wisconsin-based journalist and a former staff writer on the business desk of The San Diego Union-Tribune. He is a contributor to the Los Angeles Times, Chicago Sun-Times, Milwaukee Journal Sentinel, Dallas Morning News and other publications.

# REALTORS® Take Action

## Local REALTOR® Associations as Housing Problem-Solvers

### Building support for housing, one conversation at a time

Words matter when discussing housing. The term "housing crisis" can produce a negative reaction, whereas "housing opportunities" speaks to community needs.

"Number of units" sounds institutional, while "number of homes being built in a development" emphasizes community connections.

**Make It Meaningful — Put a Human Face on Housing Needs**

Frame the conversation so everyone in the community can understand it. Amy Peterson, a REALTOR® based in Blaine, in the northern Twin Cities area, served as 2024 president of the Saint Paul Area Association of REALTORS® and is chair of NAR's Housing Opportunities Committee.

"We hear from a community that there's a housing crisis. But they also say, 'don't put it in my backyard,'" she said of opposition to smaller houses, small-scale multifamily and other solutions. "So, we talk about gentle density that offers affordability, staying in the community, starter housing for the children of the community, elder options, enhanced property values and more. We tell the story of the human side of it to break down some walls."

Peterson urged REALTORS® to help their communities understand that duplexes, triplexes and townhomes can be designed to match a neighborhood and create a cohesive feel. She said REALTORS® can connect a shortage of housing options with reduced affordability and underscore how local businesses benefit when a community adds homes.



"Having stable housing options that people can call home strengthens a community's economic stability," she said. "Put a human face on it. When people are concerned about accessory dwelling units (ADUs), remind them that the TV shows Happy Days had a garage apartment and Full House had a basement bedroom and attic ADU."

**Appeal to Skeptics by Sharing the Benefits**

Skepticism toward these developments can be addressed with survey data, such as current NAR survey data that show nearly two-thirds of respondents would pay more to live in a walkable community. Families can save money by walking or biking to everyday destinations or by meeting the transportation needs of a household with multiple adults using only one car. Explain what housing choices mean and provide examples.

Peterson said flexible housing can allow multiple generations to live on one lot. ADUs allow families to create a private dwelling on the same lot for an older parent or a family member with a disability. "A lot of people want to downsize but stay in the community. Others are just starting and they want a smaller house that is affordable. We need to allow right-sized housing, to provide options to fit a variety of lifestyles," Peterson said.

Peterson also urged REALTORS® to work through their local REALTOR® association to apply for NAR grants that help fund housing studies and initiatives that create partnerships with city, county and regional authorities and nonprofits.

In eastern St. Paul, collaboration led to The Heights, an infill development planned to include about 1,000 housing units, park space and light-industrial jobs. Designed

according to smart-growth principles, the redevelopment of the former Hillcrest Golf Course has achieved LEED for Communities Platinum certification and is designed as a net-zero, carbon-free community.

"Most of the new opportunities are going to be more affordable townhomes with some rental housing. It is a gentle density project, meeting a community need with development on a former golf course," Peterson said.

**Create a Local Coalition of Stakeholders to Get the Job Done**

Dolly Wussow, CEO of the Greater Lakes Association of REALTORS® (GLAR), noted that an NAR grant-funded housing study evolved into a broader effort involving housing authorities, economic development leaders and local governments. Wussow credited Jennifer Bergman, formerly a local housing official and Brainerd city administrator and now director of local government housing programs for Minnesota Housing.

GLAR, which covers central Minnesota — about 120 miles north of the Twin Cities — used the housing study to prove that greater Brainerd is one of the three fastest-growing areas in the state. To help housing supply keep pace with growth, GLAR worked with Crow Wing County to create a housing trust fund.

Wussow said when REALTORS® brought the community together, the greatest victory was an urban infill project that did not require a costly extension of infrastructure.

"Brainerd developments had gone stale for 10-plus years. The infrastructure was in the ground, but nobody was building," she said, noting that 85 percent of the lots were vacant at the planned 100-plus-lot neighborhood.

"Crow Wing County, the City of Brainerd and other agencies worked together, after Jennifer Bergman helped to create a game plan," Wussow said. "The city forgave more than $1 million worth of infrastructure costs and waived outstanding tax assessments on vacant lots."

Within about five years, the development was nearly completed. Much-needed housing was created, the blight of abandoned lots was erased and land went back on the tax roll. The Crow Wing County Housing and Redevelopment Authority and the Brainerd Housing and Redevelopment Authority won an Award of Excellence in Community Revitalization from the National Association of Housing and Redevelopment Officials for their support of Brainerd Oaks.

Wussow said NAR's Transforming Neighborhoods Program helped local leaders identify other future housing sites and noted that a new senior-oriented development is following smart-growth principles, with sewer and water lines being extended and park space being developed.



Photo by Jason Hawke




Sam Wagner/ Shutterstock.com

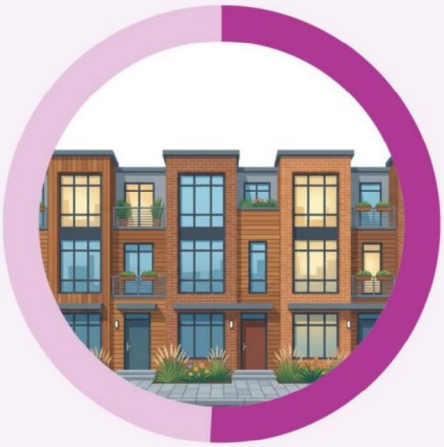
# More housing choices. More possibilities.

## Support is Strongest for Practical Housing Solutions That Expand Choice



**63%**

say **small-lot single-family homes are a good idea** for their communities.



**51%**

support **townhomes, duplexes and other attached housing** options.

Source: 2026 NAR Community & Transportation Preference Survey.

REALTORS® & Smart Growth

on common ground

NATIONAL ASSOCIATION OF REALTORS®