

## **Housing Chapter**

### **Introduction**

Housing planning and development is something that affects every resident of Tulsa. Well-planned, balanced housing means that each Tulsan has a home that is affordable to him or her. It means that residents can choose from a variety of housing styles, sizes and neighborhoods. On the larger level, it means ensuring the housing availability, and affordability, that keeps people in Tulsa and attracts new residents and jobs to the city.

While this plan is being written in the midst of one of the nation's largest shifts in housing and the economy and generations, the analysis, goals and policies that are described here are intended to look beyond the immediate challenges and into the future.

This chapter describes Tulsa's current housing stock, the future demographic trends that will impact its future housing needs, the results of a housing needs analysis, goals for the future of housing in Tulsa, and the policies and implementation actions that will get Tulsa to its desired outcome.

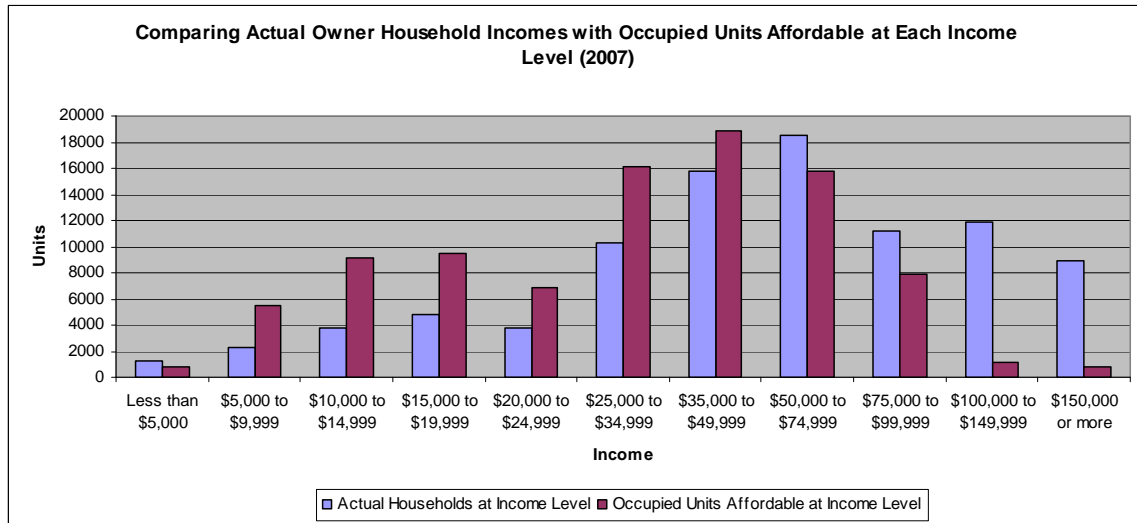
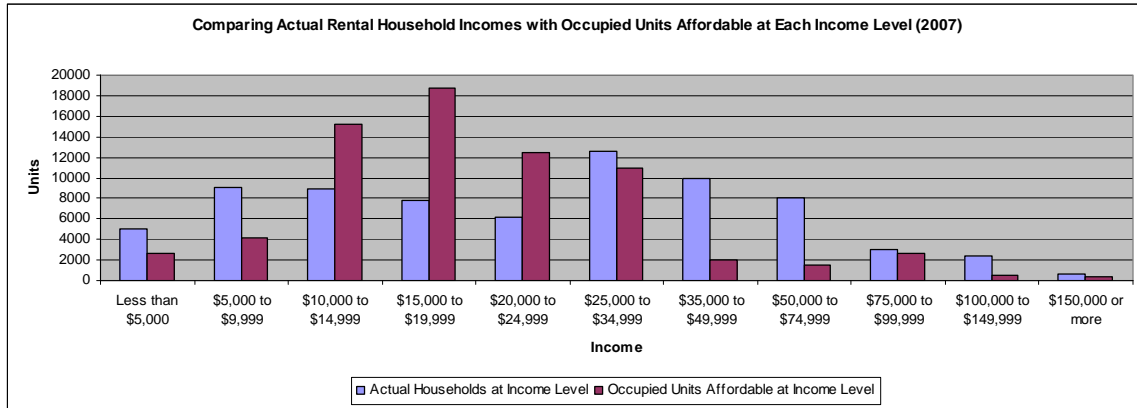
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## Part I: Tulsa's Housing Today

Tulsa's housing stock includes many different types of housing, with the majority (66%) comprised of single family housing. Tulsa had almost 166,000 occupied total housing units in 2007 of which roughly 92,495 were owner-occupied and 73,503 were rented. The median value of an owner-occupied home was \$109,000 and the median rent of a renter-occupied home was \$632.



This Plan is based around the idea that housing affordability does not mean low-income housing but rather the idea that every household should have high-quality options which cost less than 30% of their gross income. For example, a household earning Tulsa's median income of \$38,054 (2007 American Community Survey) could afford to spend about \$950 per month on housing-related expenses. The charts above show some of today's matches and mismatches in Tulsa's housing stock by this definition of housing affordability. For renters, it means that there are more renters at both the upper and lower ends of the spectrum than there are units. Essentially some very low-income renters are spending more than 30% of their income on housing and many middle and upper-income renters are spending less than 30% of their incomes on housing. Tulsa's owner-occupied

housing is better-matched – and almost one-third of the city’s owners do not have a mortgage. However, there are many households in Tulsa which earn over \$100,000 and are living in less expensive housing – this highlights an important market opportunity for high amenity urban housing options.

With the second largest expense for most households as transportation costs, the design and placement of housing in walkable, transit-accessible neighborhoods can also help provide a way for Tulsa’s residents to choose to live affordably in convenient, accessible housing in neighborhoods across the city. Nationally, combined housing and transportation costs of less than 48% of a household’s gross income is considered affordable.

However, about 21% of households in owner-occupied housing were economically stressed, spending more than 30% of their income on housing and housing-related costs; 8% were in even greater stress, spending over 50% of their incomes on housing. Of renters, 45% were spending over 30% of their incomes on housing with a full quarter of rental households spending over 50%. This points to a key need for more affordable housing in Tulsa.

**Tulsans Living in Unaffordable Housing (2007 ACS)**

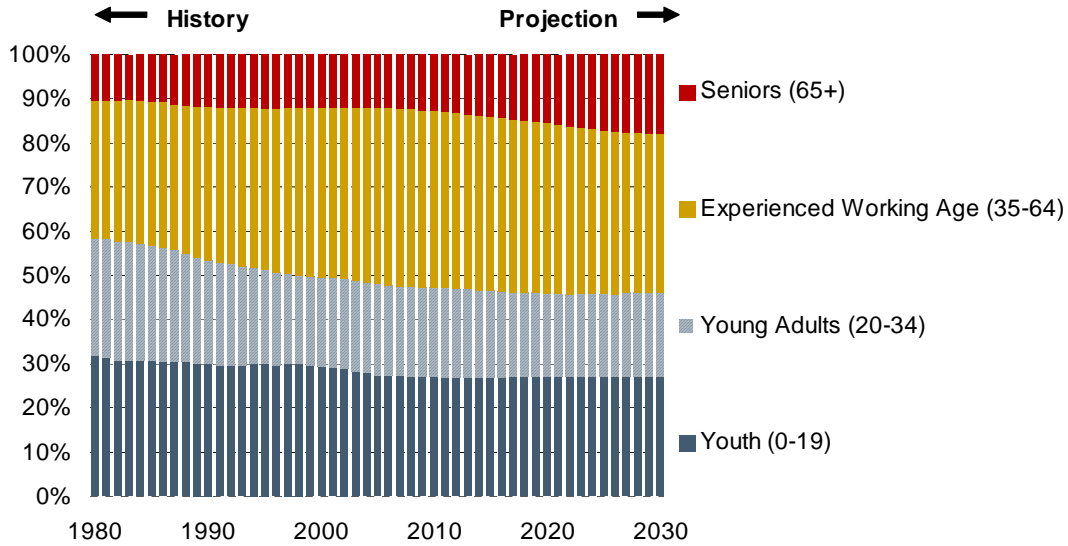
<b>Percentage of Renters are Paying Over 30%</b>	45%
<b>Percentage of Renters are Paying Over 50%</b>	25%
<b>Percentage of Owners are Paying Over 30%</b>	21%
<b>Percentage of Owners are Paying Over 50%</b>	8%

**Demographic Shifts**

While Tulsa has largely been developed around the single family housing homes, there are some local and national trends which point toward the benefits of a diverse housing stock that will meet the needs of the city’s future citizens. The most prominent housing-related trends include demographic shifts, competition for employers and employees, and climate change.

Demographic changes in Tulsa will determine much of the need for housing. Nationwide, households are getting smaller and older. The senior population will continue to grow and will drive demand for homes that are smaller, require less maintenance, and are located close to services and shopping. In addition, seniors often have lower and fixed incomes, so housing units targeted at seniors may have to be less costly than the typical single-family home. This is partially responsible for declining household sizes, with growing numbers of one- and two-person households.

Tulsa Metropolitan Area’s Projected Age Profile

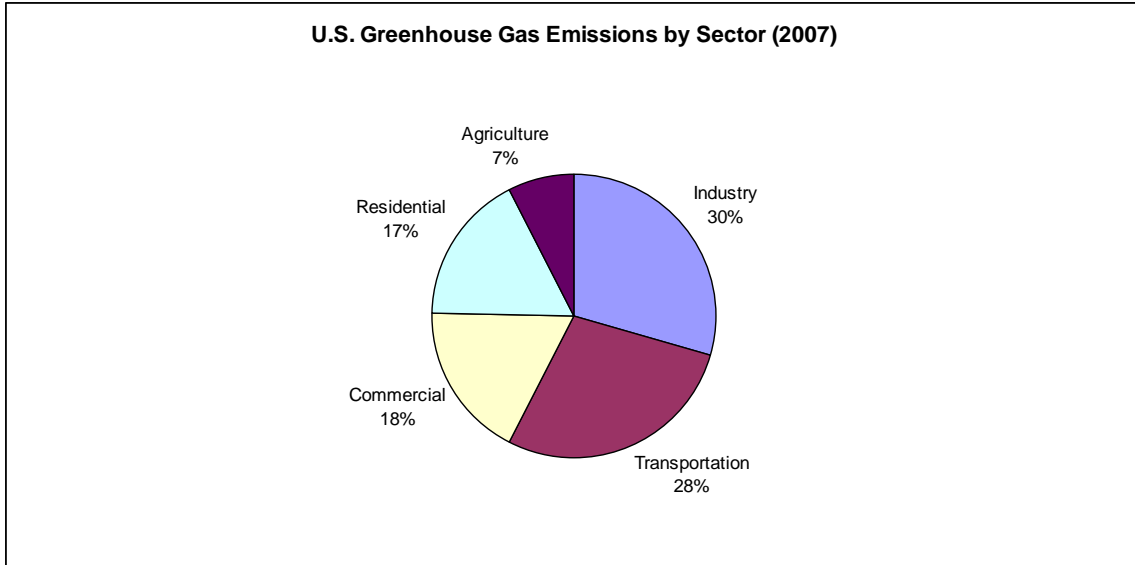


Source: *US Census Bureau (accessed via Moody's Analytics)*

At the same time economic shifts mean that cities are increasingly competing for both employers and a more mobile workforce. A balanced, affordable mix of housing types will provide communities, such as Tulsa, at a critical advantage. For cities across the country, including a wide range of housing choices has proven to be a real asset. Furthermore, strengthening existing neighborhoods by coordinating land uses and widening the variety of housing options will be an important step for Tulsa.

Finally, one of the biggest challenges facing Tulsa, the nation, and the world will be the effects of climate change. According to the U.S. Department of Energy, a significant and growing amount of the nation's greenhouse gas emissions come from residential buildings. In the context of planning Tulsa's future housing stock, this presents an extraordinary opportunity. This plan, including the Housing Chapter, are designed to align Tulsa's land use, transportation, economic and housing goals toward reducing the city's carbon footprint.

Planning for housing will not only reduce greenhouse gas emissions, but will also save Tulsans money. According to the Lawrence Berkeley National Laboratory and the federal government's Home Energy Saver program, energy upgrades to an average home in Tulsa would reduce energy bills by \$527 (from \$1,724 to \$1,197). Clearly, major savings are possible on a city-wide basis.



Source: U.S. EPA

These trends point towards a housing future that will be significantly different than that of the past and the present. Given these trends, the following section describe the process and findings of a housing needs analysis that quantifies the estimated future housing needs for Tulsa by tenure (rental vs. ownership), price point, and housing type.

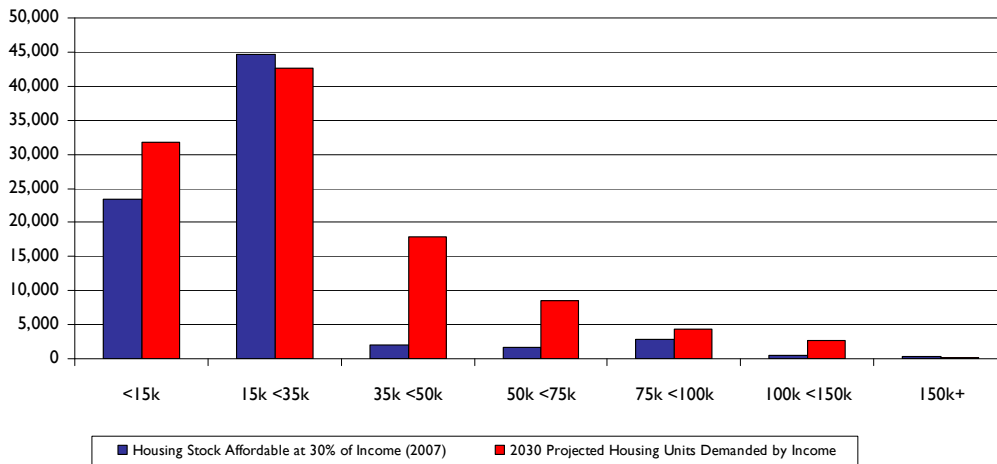
## **Part II: Tulsa’s Future Housing Need**

The housing needs analysis revealed that there are some good matches and some opportunities to develop new housing that will meet gaps in Tulsa’s current stock, along with accommodating future population growth. The appendix to this Housing Chapter provides a more detailed description of the methodology and growth forecasts.

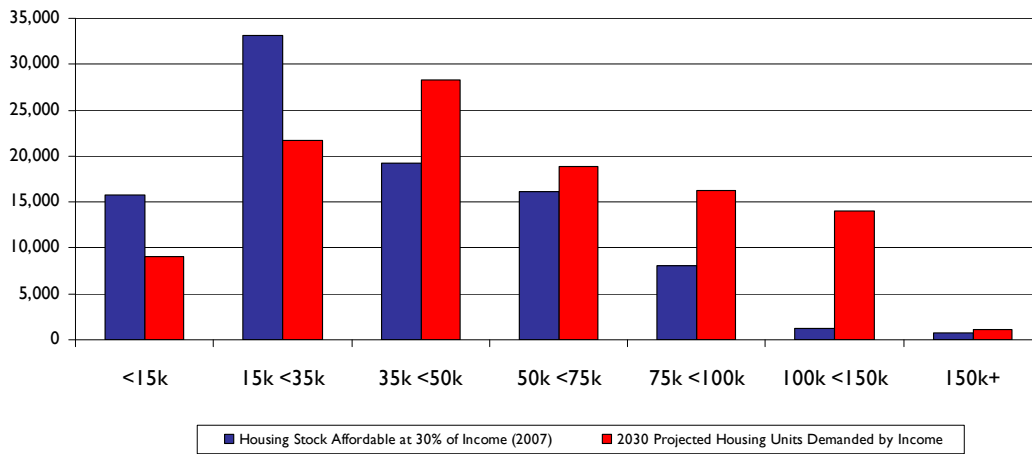
Tulsa’s rental stock is relatively well-matched with its population – most of the city’s renters earn under \$35,000/year and most of the rental units are priced for these households. In the future, there will be demand for both additional low-income and upscale rental units to accommodate some families who are likely overpaying (spending over 30% of income on housing) and some upper-middle and high-income households who would like to rent but cannot find upscale rental housing available.

Owner-occupied housing in Tulsa is both a larger share of the total housing in the city and more varied in price and affordability level. In general, Tulsa’s owner-occupied housing is affordable and mostly priced for households earning less than \$75,000 per year. There will be future demand for more workforce and middle-income affordable ownership housing, but there will also be demand for higher-income housing in an urban setting, as seen in many other cities of Tulsa’s size.

**2030 Rental Demand Compared to Current Housing Stock**



**2030 Ownership Demand Compared to Current Housing Stock**



**Expanding the Palette of Housing Options to Meet Tulsa’s Future Needs**

In addition to Tulsa’s stock of single family homes on medium-sized and larger lots, there are several housing types, which though relatively new to Tulsa, have been built around the country with much success in meeting. It is important to note that new housing in Tulsa should be targeted at the whole income spectrum – and include housing types, such as high-amenity upscale urban housing, that appeals to young couples, families, and seniors. The following examples would expand Tulsa’s range of housing options over the life of the plan.

**Single Family Homes on Smaller Lots**

One way of diversifying the supply of housing while retaining Tulsa’s tradition of single-family neighborhoods is to broaden the range of lot sizes in new neighborhoods. Large-lot subdivisions tend to consume large amounts of land and require more maintenance. Through the small area planning process, new neighborhoods could be designed with a range of lot sizes, from 3,500 to 5,000 square feet.

**Townhomes**

Townhomes are generally two stories tall and designed in a compact arrangement. Townhomes typically have a fee simple ownership structure, are attached to other townhomes, and generally have a homeowners’ association which provides maintenance and other services. These homes, generally in more densely developed urban areas can also fit well in residential neighborhoods. Townhomes can be used as infill development, in sizes as small as two or four units per building and on lots as small as 10,000 square feet.

**Live/Work Units**

Live/work units are usually made up of two or three levels that combine residential and small business space. The “work” area is usually located on the ground floor and features large windows and a flexible space for offices, retail, or services. Neighborhood services like salons and professionals like architects, accountants, or designers often find these units to suit their needs. The “live” area is typically on the upper floors and often resembles a townhome in design.

### **Multi-Family Ownership -- Condominiums**

Condominiums provide a multi-family type of building with ownership units. While Tulsa currently has a limited supply of condominiums, this can be the ideal type for young singles and couples and older residents who want the combination of proximity to lively areas and a low maintenance lifestyle. Some condos may be designed for entry-level buyers while others may be upscale and appeal to high income households. Condo owners retain fee simple ownership over a unit, generally defined as the air space within the walls of the unit itself. Tenants in common ownership prevail for all other common areas such as a swimming pool, elevators, etc. Condos are physically separated from other units and are commonly built in low- or high-rise buildings.

### **Mixed-Use Condominiums and Apartments**

Mixed-use buildings with retail and residential uses are nothing new – this type of development has been commonplace across the world for hundreds of years. Mixed-use condominiums and apartments are combined with ground floor retail or office space, usually on a main street or transit corridor. They typically feature internal so the street frontage is reserved for storefronts. These buildings can be owner- or renter-occupied; in many cases they could also serve well as student housing options in or around mixed-use campuses.

### **High-Rise Condominiums and Apartments**

High-rise condominiums are generally in high-density urban areas and often offer greater amenities and luxury than other condos. *Our Vision for Tulsa* calls for high-rise condominiums in denser urban areas such as the downtown core.

### **Tulsa 2030 Goal and Tulsa’s Housing Need**

The Tulsa 2030 Goal was designed to meet Tulsa’s housing demand for a variety of types of units and the gaps in housing by income range, as shown above. Most generally, the scenario included about 64% single family housing, 8% townhomes and 28% multi-family (both ownership and rental). While this new housing reflects a shift from current trends, it would also serve to meet the affordability needs and potential demographic preferences of Tulsa’s future citizens.

This diversity of housing types was designed to fit best with Tulsa’s existing character. This means that the most compact condos and apartments would be located in the downtown and along major corridors. Townhomes and compact single family homes would be located in vacant areas of existing single family neighborhoods. This would help ensure that there is housing to meet every Tulsan’s need, while preserving the city’s single family neighborhoods.

For example, in Tulsa 2030 Goal, Tulsa’s downtown would see about 2,000 new units, 90% of which would be apartments or condos – many in mixed-use buildings with retail on the ground floor. This housing would range from upscale condos with many amenities to entry level housing for young professionals and couples to senior-oriented apartments designed for a maintenance-free lifestyle.

North Tulsa, on the other hand, would include many more new homes than downtown, or about 8,800, the majority of which would be single family. Tulsa 2030 Goal considered the strong infill development potential of North Tulsa, along with the complementary nature of many new units and provisions for new complementary commercial space. Tulsans will continue to demand high quality, moderately-priced housing options and the Tulsa 2030 Goal includes much of that in North Tulsa.

**Tulsa 2030 Goal Compared with Projected Demand by Type of Unit**

	<b>Projected Demand</b>	<b>Tulsa 2030 Goal</b>
Single Family	65%	64%
Townhome	8%	8%
Multi-Family	27%	28%

Based on this housing needs analysis, Tulsa can plan for the approximate income ranges into which its new housing could fall in order to both fill gaps in its existing housing supply (such as the lack of upscale rental units and renter and owner-occupied units for households earning from \$35,000-\$150,000 annually) and to meet the needs of its future demographics (such as those of an aging population).

**Current Distribution of Housing Units and Tulsa 2030 Goal Distribution (by Affordable Income Range)**

<u>Affordable Income Range</u>	<u>Today’s Housing</u>	<u>Tulsa 2030 Goal</u>
<\$15K	23%	19%
\$15K-\$35K	46%	29%
\$35K-\$50K	13%	21%
\$50K-\$75K	10%	13%
\$75K-\$100K	6%	9%
\$100K-\$150K	1%	8%
\$150K+	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Major Lessons Learned**

This analysis, along with the results from the PLANiTULSA public engagement process, points to several conclusions that guide the goals and policies on this Housing Element:

**It is critical that Tulsa preserve its existing housing stock.** The largest stock of Tulsa's housing is made up of that which has already been built. Tulsans love their neighborhoods and these neighborhoods reflect a strong base on which to build a thriving city. In some areas of Tulsa, including much of North Tulsa, the existing housing stock could benefit from rehabilitation and updates. A strong rehabilitation program in targeted areas would help improve some neighborhoods of Tulsa which may be struggling; in currently thriving neighborhoods, the city can provide support to ensure continued success.

**Tulsa needs a range of new housing types at various affordability levels.** The future of Tulsa's housing is one which includes a range of housing types and affordability options for both renters and owners. The housing types include some similar to those already developed in Tulsa, such as single family or apartments, but also types that are relatively new for Tulsa, such as mixed-use residential or urban townhomes. As population demographics shift, housing types for everyone from single-person households to large families, and everyone in between will be needed. Tulsa's residential developers should not just consider size, however, but also design. The analysis also shows significant demand for a variety of housing types for people that make more than \$100,000 a year.

**Downtown Tulsa presents an unbeatable opportunity to provide new homes to the segment of Tulsans who are seeking urban-style living.** The PLANiTULSA involvement process, as well as national trends, showed that a strong segment, including young people and retirees, would like to live in a walkable downtown. Tulsa has both underutilized historic buildings which could be retrofitted for housing and vacant land and parking lots which would be ideal for mixed-use residential development.

**Transit-oriented projects should be developed along key corridors.** Transit Oriented Development (TOD) refers to housing and other uses which are developed around key transit areas. These developments are more compact than typical single family neighborhoods with homes in mixed-use buildings, multi-family buildings and townhomes. North and South Peoria Avenues are examples of the type of corridor with strong transit-oriented potential.

**Tulsa needs more housing options for its students.** Successful colleges and universities are typically surrounded by quality, affordable housing for students. This means apartments and houses, mainly for rent, which are near campus and also accessible by transit, bike or on foot. The city and local public and private universities should partner to identify opportunities for new student-focused housing.

**Tulsa also needs a variety of housing types for higher income residents.** The analysis also shows significant demand for a variety of housing types for people that make more than \$100,000 a year for purchase, and rentals for people who make more than \$50,000 per year. While this is often overlooked in policy documents, part of the success of any community is that it is attractive to persons of all income ranges. Persons of higher incomes tend to bring both disposable incomes to their neighborhoods, and to bring

entrepreneurial activity as well. As the saying goes, the business often locates where the boss likes to live, so culturing a selection of amenity-rich houses, condos and apartments is part of Tulsa's strategy as well.

## **Part III: Priorities, Goals and Policies**

The following principles, goals, policies are designed to help Tulsa to maximize its existing housing stock while also encouraging new development well-suited to meet its needs into the future.

- Priorities are the big idea topical areas that address the guiding principles. They capture big picture changes that must occur to implement the plan.
- The Goals establish specific, measurable, attainable and realistic objectives that guide plan implementation by ensuring that the community and stakeholders have a clear awareness of what must happen to move Tulsa toward the Vision.
- Policies delineate the steps needed to achieve the goals.

Page references to background information in the policy plan text are provided after each goal. In addition to priorities, goals and policies, the Plan recommends the Strategic Actions that should be taken in the first 3 to 5 years following plan adoption. These strategic actions are found in the Implementation and Action plan.

### **Principle 1: Promote Balanced Housing Across Tulsa**

The City should develop the ability to preserve its existing single family areas while building new housing types and creating places that will be attractive to young people, entrepreneurs, and those who will help write the next chapter of Tulsa's history.

#### **Goal 1: A mix of housing types and sizes are developed and available across the city**

- 1.1 The City shall establish land use and zoning designations that permit the creation of single family homes on small and medium sized lots, attached townhomes, and cottage or courtyard style housing. These housing types shall be permitted in new and existing residential neighborhoods.
- 1.2 The City shall establish land use and zoning designations that permit the construction of mixed-use condominiums, apartments, and live-work lofts along corridors, downtown, and in new centers.
- 1.3 The City shall establish land use and zoning designations that permit higher density mixed-use housing along transit lines and near station areas.
- 1.4 The City shall work with the development community and other stakeholders to plan, design and build one or more catalytic mixed-use projects based on the PLANiTULSA innovative building model concepts.

#### **Goal 2: Tulsa maintains an adequate supply of land with appropriate zoning designations to meet anticipated housing demand**

- 2.1 The City shall establish and maintain a forecast of housing type needs, and set periodic goals for housing production.

- 2.2 The City shall monitor housing development activity, developable land supply, residential zoning capacity and owner-occupancy rates to inform progress toward housing goals and to enable midcourse adjustments.
- 2.3 When engaging in a small area planning process, the city shall ensure that the mix of housing types provided for in the plan reflect citywide needs.

**Goal 3: Downtown Tulsa offers expanded opportunities to live downtown.**

- 3.1 The City shall develop and execute an action plan to expand the range of housing options downtown, including retrofitting existing office buildings to condominiums or apartments and building new buildings with urban densities.
- 3.2 The City shall collaborate with area foundations and other institutions to develop incentives, leverage historic tax credits, and other programs to support catalytic projects downtown.
- 3.3 The City shall develop and utilize an infill and revitalization toolkit to help facilitate housing development downtown.

**Goal 4: A healthy jobs-housing balance is maintained citywide.**

- 4.1 The City shall work to coordinate its business retention, recruitment, and other economic development activities with housing development programs.
- 4.2 The City shall coordinate with Tulsa businesses to create Employer Assisted Housing programs.

**Goal 5: Tulsa's existing housing stock is preserved and maintained.**

- 5.1 The City shall define targeted areas for preservation of existing housing.
- 5.2 The City shall maintain and expand incentives for rehabilitation of existing housing in targeted areas.
- 5.3 The City shall create a set of sample upgrade plans, and these plans could be promoted via City-supported low cost loans and modest rehabilitation subsidies.

**Goal 6: Student and faculty housing options are enhanced through collaboration between the city, colleges and universities and other stakeholders.**

- 6.1 The City shall partner with local universities to encourage the development of attractive, high quality student and faculty housing conducive to the creation of a university district.

**Principle 2: Ensure Housing Affordability for All Residents**

Housing is typically the largest household expense for households in Tulsa, and across the nation. This Housing Chapter is based on the principle is that every resident should have the opportunity to live in housing that is affordable to them.

**Goal 7: Low-income and workforce affordable housing is available in neighborhoods across the city.**

- 7.1 The City shall work with for-profit and non-profit developers to encourage new mixed-income developments in every neighborhood of the city.

- 7.2 The City shall ensure that land use and zoning regulations in every neighborhood allow a mix of housing types, including single family homes, cottage homes, townhomes, condominiums and apartments, that allows people at a variety of income levels.

**Goal 8: The combined housing and transportation costs of Tulsa’s residents is reduced.**

- 8.1 The City shall coordinate planning of housing and public transportation with the goal of limiting residents’ combined housing and transportation costs to 48% of gross income or less.

**Principle 3: Encourage Sustainable Housing Across Tulsa**

A focus on sustainability in housing in Tulsa is one which could not only reduce the city’s overall carbon footprint, but also save its residents significant amounts of money.

**Goal 9: Tulsa promotes energy and carbon reduction strategies in existing and new housing.**

- 9.1 The City shall promote energy-efficiency programs in order to reduce both residents’ energy costs and carbon emissions.
- 9.2 The City shall work with developers to promote development of LEED and other accredited “green” residential projects.
- 9.3 The City shall encourage the development of unit types and sizes, including multi-family units and townhomes, which have a lower carbon footprint than single family homes.

**Goal 10: Housing planning is coordinated with transportation planning to reduce transportation-related emissions**

- 10.1 The City shall coordinate its land use and transportation planning to ensure that new housing is easily accessible to multiple transportation options, including walking, bicycling, and public transportation.
- 10.2 The City shall work with developers to create transit-oriented projects in prime areas that include key corridors and downtown.

## **Housing Chapter Appendix: Methodology and Assumptions**

Tulsa's future housing needs analysis was conducted using a model to determine what kinds of housing Tulsans might demand in the future, and to identify market opportunities. The model's results are driven by current and projected demographics and local tenure (ownership versus rental) choices. The model's outputs include needed housing units by tenure by income range. The model was used to find gaps that may represent current unmet needs and future housing needs.

In many areas around the country, the standard practice for estimating future housing need has been to extrapolate forward the past to determine future housing requirements. While this market or demand driven approach was commonly used to define the housing "needs" for an area, the true housing "needs" of that area's population may not have been addressed. Fregonese Associates' Balanced Housing Model was used to model the need by tenure choice and income level. In this model, "affordable" is not referring to low-income housing, but rather to the relationship between incomes and housing costs. The "30% rule" assumes that housing is only affordable for a household if it spends less than 30% of its gross income on housing expenses.

The model approach was designed based on research showing that two variables—age of head of household (Age—A) and household income (Income—I)—demonstrated significantly stronger correlation with housing tenure than other variables, including household size. These two variables are the primary demographic variables for the model. As one might expect, different Age/Income (AI) cohorts make significantly different housing tenure choices. For example, a household headed by a 53 year-old that earns \$76,000 is likely to make a different housing choice than one headed by a 29 year-old that earns \$28,000.

The data sources for the population estimate, people in group quarters, and occupied housing units were taken from 2007 American Community Survey (ACS) of the Census Bureau. The number of households in each AI cohort for Tulsa was calculated by utilizing Census data to determine the percentages of households that are in the 28 AI cohorts (4 age cohorts and 7 income cohorts).

The Census-generated tenure parameters used in the model represent the probabilities of being a renter or homeowner for each of the 28 AI cohorts. Based on these tenure parameters, the model allocates those households in each AI cohort to an indicated number of rental and ownership units that is affordable for the **Income** range for that cohort. The model then aggregates the units demanded within each income range to show the total units that could be afforded at each income range by tenure.