



Our Housing Future: A Call to Action for Northwest Arkansas

WALTON FAMILY
FOUNDATION



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Acknowledgments

"Our Housing Future: A Call to Action for Northwest Arkansas"
is the culmination of an 11-month research and engagement effort
led by Enterprise Community Partners in 2018.

With support from the Walton Family Foundation, Enterprise produced this report and its call to action in partnership with an advisory board of diverse stakeholders—across the public, private and nonprofit sectors—that helped guide and inform this important work.

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The Northwest Arkansas Regional Planning Commission and the Center for Business and Economic Research at the University of Arkansas also provided critical collaboration. The planning commission led logistics for community engagement activities, including focus groups, public meetings and other outreach. It also was the primary liaison to the housing committee. The Center for Business and Economic Research provided market data, as well as regional context about market dynamics.

Enormous thanks also go to the more than 500 community members who shared their perspectives in public meetings, focus groups and interviews. Their valuable ideas and input helped inform and shape this report's findings and recommendations.

ABOUT ENTERPRISE

Enterprise Community Partners, Inc. is a proven and powerful national nonprofit that improves communities and people's lives by making well-designed homes affordable. Enterprise brings together nationwide know-how, partners, policy leadership and investment to multiply the impact of local affordable housing development.

The Enterprise Advisors team has built strategic relationships with a wide range of partners in more than

500 communities across the United States. Over the

past five years, Enterprise Advisors has completed more than 10 strategic housing plans for cities and regions nationwide. With a focus on innovation, the team brings expertise and a spirit of collaboration to a broad range of issues and opportunities facing communities. The highly skilled team works in partnership with residents, local leaders and other vital stakeholders to cultivate more inclusive and equitable communities, so all people have a place to live, grow and thrive.

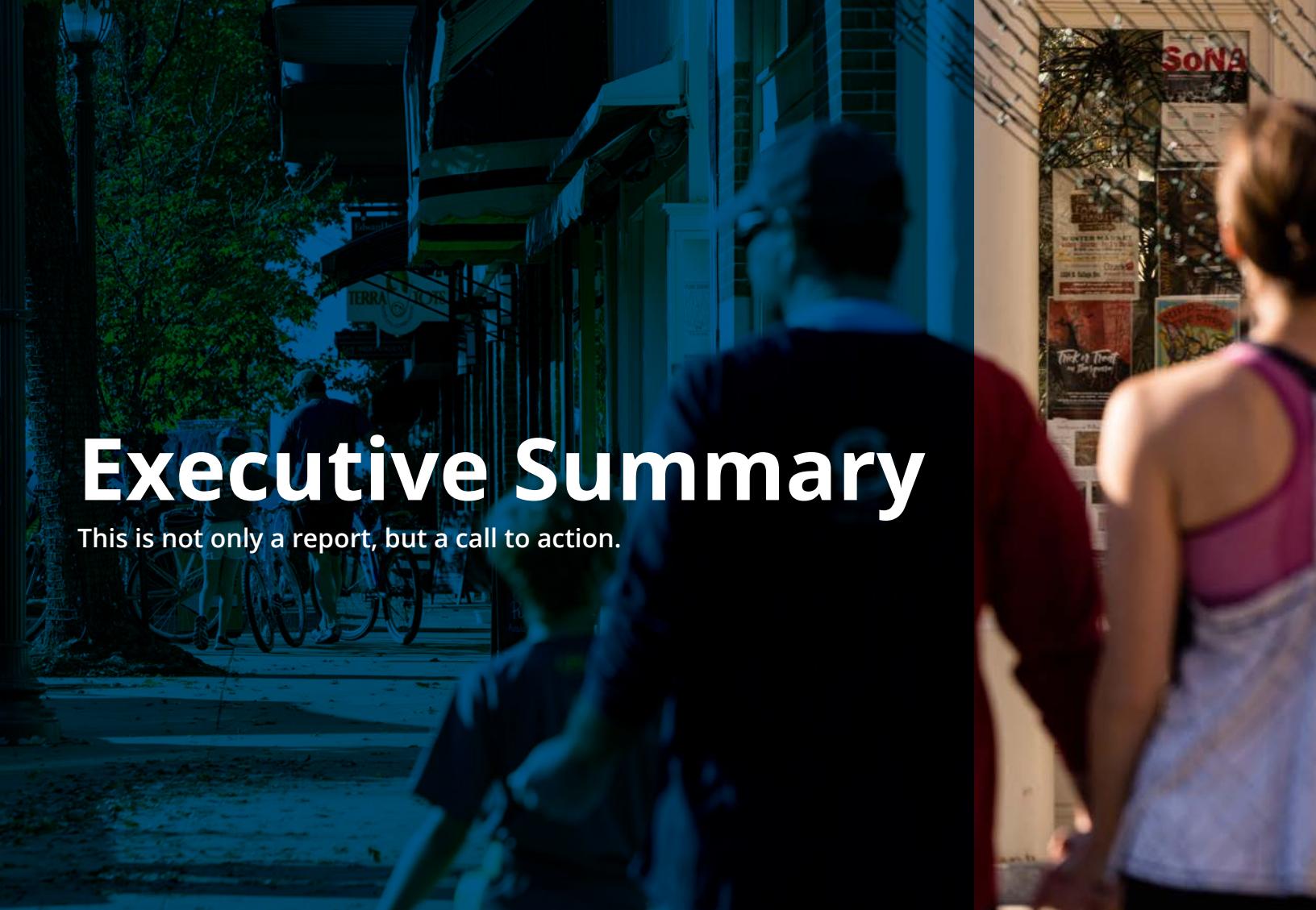
A NOTE ABOUT GEOGRAPHY

The analysis in this report primarily examines demographic and housing market trends in the four largest cities of Northwest Arkansas: Bentonville, Fayetteville, Rogers and Springdale.

Consistent with some but not all regional studies, the report's references to "Northwest Arkansas" or "the region" use the 2010 Urbanized Area definition from the U.S. Census Bureau, which represents most of the metropolitan area's population. Because not all studies use this same definition, readers should avoid direct comparisons to other regional analyses that use different methods.

While the specific data used has clearly delineated borders, the report's recommended actions are broadly applicable. Thus, leaders throughout Northwest Arkansas should feel empowered to use these findings and recommendations to help chart housing's future across the region.

Finally, it is important to note that different regional studies define Northwest Arkansas differently. They use geographies that vary in total area and population and examine demographic and socioeconomic trends using different measures than those used for this report. Many national rankings of Northwest Arkansas often refer to the Fayetteville-Springdale-Rogers AR-MO Metropolitan Statistical Area, which is made up of four counties. Regional transportation studies by the Northwest Arkansas Regional Planning Commission use a Metropolitan Planning Area, which is made up of Benton and Washington counties in Arkansas and a small portion of McDonald County in Missouri. Due to differences in how this study defines Northwest Arkansas for analysis purposes, readers should avoid direct comparisons to regional studies that use different methods.



Executive Summary

This is not only a report, but a call to action.

While Northwest Arkansas is prosperous by multiple measures, many residents cannot afford what most people consider basic necessities, such as a car or quality childcare or even an affordable home. In fact, housing is becoming increasingly inaccessible to the region's workers, families and seniors.

- Household income growth has lagged rising rent and for-sale home prices in three of the region's four largest cities in the last several years.¹
- Regional employers have started expanding their facilities to less costly areas partly due to a limited supply of homes affordable to their workers in the region.
- On any given night, nearly 2,500 people in Northwest Arkansas (including more than 1,000 children) lack a permanent place to live.²

This is not only a report, but a call to action. Swift regional and local action is needed to meet the

immediate needs of families who have lost their homes or are struggling to find one they can afford. Action must also address future needs, with nearly 80,000 families projected to move to Northwest Arkansas' four largest cities—Bentonville, Fayetteville, Rogers and Springdale—by 2040. By then, to accommodate and continue to propel the region's growth, approximately half of new homes in Northwest Arkansas must serve workforce households (a family of four earning \$33,000 to \$78,000) and the lowest-income households (a family of four earning less than \$33,000).

Through extended community engagement, residents and regional stakeholders consistently identified the four most urgent housing challenges facing Northwest Arkansas over the next decade: 1) lack of a regional housing policy, 2) need for diverse housing options, 3) limited choices for low-income households, and 4) weak links between housing and transportation options.

10 YEARS, FIVE CRITICAL ACTIONS

Because Northwest Arkansas is an interconnected network of communities, solutions to the most pressing housing challenges require a regional approach. Leaders across the region must take five critical actions within the next 10 years to meet current and future challenges – and strengthen the region’s housing delivery system:

1. Establish a regional housing compact.
2. Create a regional housing trust fund.
3. Introduce development incentives to spur participation in regional and local housing initiatives.
4. Use publicly owned land for housing production.
5. Expand and leverage federal, state and local resources for affordable and workforce housing.

Success depends on coordinated leadership and partnership across the public, private and philanthropic sectors. At the same time, each sector has a unique role to play:

- The public sector can remove development barriers, create effective policies and expand resources for housing-related work.
- Philanthropy can use its convening power, influence and programmatic investments to advance affordable and workforce homes.
- The private sector, including nonprofits, community organizations, financial institutions, developers and employers can lend their technical expertise and build support for new approaches and more resources through advocacy and coalition-building.

Working together, the region must act now to build a stronger housing system – and make a long-term commitment to creating affordable, inclusive places to live in Northwest Arkansas. By making a clear, strong commitment to create a stronger housing delivery system, Northwest Arkansas can establish the tools, capacity and public support needed to secure its housing future and address the immediate needs facing many of its residents today and over time. The cost of doing nothing is too great.



About the Project

This engagement sought to gather perspectives from a representative sample of diverse stakeholders as well as provide opportunities for interested community members to participate in public workshops.

The Enterprise Advisors team produced this report and its call to action over a period of 11 months.

The team drew heavily on broad stakeholder and community engagement to help define and prioritize housing needs in the region's four largest cities: Bentonville, Fayetteville, Rogers and Springdale.

This engagement sought to gather perspectives from a representative sample of diverse stakeholders as well as provide opportunities for interested community members to participate in public workshops.

A 22-member housing committee comprised of diverse stakeholders and partners, including government and elected officials as well as leaders representing businesses, philanthropy, nonprofits and developers, helped inform and shape the development of this report and its call to action.

Enterprise also collaborated with two key regional partners: The Northwest Arkansas Regional Planning Commission and the Center for Business and Economic Research at the University of Arkansas.

THIS TWO-PHASE PROJECT FOCUSED ON:

1. Defining the range of housing issues in the region
2. Identifying the most important issues and how to address them over the next 10 years

PHASE 1

February-June 2018

- Project kickoff
- Analysis of local and regional housing challenges and opportunities
- Stakeholder interviews and focus groups
- Housing Committee meetings
- Public workshops
- Identification of regional and local housing issues

PHASE 2

June-December 2018

- Stakeholder interviews and focus groups
- Housing Committee meetings
- Public workshops
- Discussion of regional and local housing issues
- Draft recommendations
- Call to action for public release

COMMUNITY ENGAGEMENT BY THE NUMBERS

500+ PARTICIPANTS



Introduction

With its national reputation as a great place to live and steady economic and population growth, Northwest Arkansas is on the rise.

Few regions offer its mix of unique attributes, such as access to some of the nation's largest employers, world-class cultural institutions and natural scenic beauty.

Like many fast-growing regions in the United States, however, Northwest Arkansas confronts a series of challenges related to its success, including higher housing costs, limited housing options for a range of household incomes and growing income inequality. Similar to trends nationwide, broader demographic and economic shifts also are shaping the most pressing

housing challenges in Northwest Arkansas. They include: an aging population, stagnating household wages and increased demand for walkable urban neighborhoods.

Sustaining quality of life in Northwest Arkansas depends on the region's ability to provide a wide range of accessible, high-quality housing options for the region's workforce and its most vulnerable populations, including seniors on fixed incomes and people experiencing homelessness. As the region continues to grow, ensuring that all residents have access to a stable, affordable home where they can thrive is paramount.

CLOSING URGENT HOUSING GAPS

Like nearly all thriving regions within the United States, Northwest Arkansas lacks enough housing for its workforce and vulnerable populations. These gaps leave many households spending an unsustainable portion of their income on housing or living in substandard conditions.

Housing affordability emerged as a central theme in the development of this report. Members of the public consistently shared how higher housing costs were affecting their overall quality of life, often resulting in painful tradeoffs like long commutes or crowded housing conditions. Household wages have not kept pace with Northwest Arkansas' escalating housing costs. Between 2011 and 2016, median rents increased 1 to 13 percent in three of the region's four cities, while growth in median household income only increased slightly in Fayetteville and largely remained unchanged in Rogers and Springdale. During that same period, median for-sale home prices increased 15 to 43 percent.³

Production of new homes also lagged household growth in Fayetteville, Rogers and Springdale between 2010 and 2016, adding just one new home for every 1.5 new households.⁴ To keep up with new demand through 2040, the region's four largest cities would need to add nearly 2,900 homes each year.⁵ For comparison, the region added about 1,400 homes annually between 2010 and 2016.

This general shortage is particularly acute in the rental supply for lower-income households, particularly extremely low-income households. In the region's four largest cities, there are 66 affordable rental units for every 100 very low-income households and 33 affordable rental units for every 100 extremely low-income households.⁶ To put this in context, a regional worker earning minimum wage qualifies as extremely low-income, according to the U.S. Department of Housing and Urban Development (HUD). This means they could afford to pay no more than \$442 in rent each month – below the median rents in the region's four

largest cities and downtowns.⁷

The region's four cities need more than 7,100 units to close the existing gap for extremely and very low-income renters.⁸ In fact, the total homes needed to accommodate growth in households with the lowest incomes would be twice as large if the housing isn't available to them (because it is occupied by residents who could rent higher-cost housing). Existing units can be made affordable at these income levels through public subsidy, like rental assistance. Looking ahead to 2040, the region needs an additional 18,000 rental units to keep up with expected growth among households in these lower-income categories.⁹

WHEN HOME BECOMES A BURDEN

A home is typically considered affordable if total housing costs do not exceed 30 percent of a household's gross income. When families spend more than that on housing, including utilities, they are considered cost-burdened. In the region's four largest cities, between 25 and 35 percent of households pay more than 30 percent of their budget toward housing costs.

This burden falls hard on lower income households. Across the region's four cities, eight out of 10 extremely and very low-income households pay more than 30 percent of their income toward housing. Of these households, about one in two pay more than 50 percent.¹⁰ When a household pays a large portion of their income on a home, it is more likely to miss rental or mortgage payments, face eviction or experience displacement. This also leaves fewer resources to pay for other necessities, such as food, child care and health care.

Housing burdens are not confined to lower income households. Many of the region's essential workforce – firefighters, police officers and nurses, for example – are beginning to experience what some members of the public called "the squeeze." They are forced to make hard tradeoffs to pay for necessities and save for the future. About 10,000 households within this "workforce housing" segment experience cost burdens. The largest

number of these cost-burdened households live in Fayetteville, but each city has a similar proportion.¹¹ To accommodate future demand, Northwest Arkansas must produce at least 28,000 workforce homes by 2040.¹² As with low-income housing, the region will need even more of these homes if these units are not available to workforce households. Households at this income level face increased competition for units priced for them – from both higher income households seeking lower priced homes and lower income households for whom there are not enough affordable and available units.

Because housing is complex and interconnected, the analysis for this report identified other important priorities beyond affordability. These included:

- **Linking where people live and the places they want to go.**
- **Increasing access to employment hubs and higher performing schools.**
- **Offering a wider range of housing types.**
- **Serving vulnerable populations, like people experiencing homelessness.**
- **Maintaining community character and quality of life.**

As a result, this report addresses the need for housing affordability as well as diversity of housing types; connections between housing and transportation options; and housing that provides access to opportunity, namely jobs, goods and services and economic mobility.

CREATING A STRONGER HOUSING DELIVERY SYSTEM

Because loss of housing affordability threatens one of Northwest Arkansas' greatest economic assets – its current and future residents who drive the regional economy – inaction will undermine the region's economic competitiveness.

Today, Northwest Arkansas lacks the housing policies, programs and resources commonly offered elsewhere in the United States. Unlike other cities experiencing growth and limited housing affordability, Northwest

Arkansas' largest cities do not offer land-use incentives, such as density bonuses, or a dedicated local source of funding for housing-related activities. There also is no regional entity that coordinates housing functions, such as administering regional finance tools and assisting localities with housing-related activities.

Even if Northwest Arkansas created more housing policies and programs, the region would still need capable, willing developers to build a wider range of homes and use various sources of financing – along with financial institutions to underwrite the housing and the support of the community and elected leaders.

By making a clear, strong commitment to create a stronger housing delivery system, Northwest Arkansas can establish the tools, capacity and public support needed to secure its housing future and address the immediate needs facing many of its residents today and over time. The cost of doing nothing is too great.

This report calls on leaders in every area and sector of Northwest Arkansas to take five critical actions over the next 10 years:

- 1. Establish a regional housing compact.**
- 2. Create a regional housing trust fund.**
- 3. Introduce development incentives to promote participation in regional and local housing initiatives.**
- 4. Use publicly owned land for housing production.**
- 5. Expand and leverage federal, state and local resources for affordable and workforce housing.**

Each of these actions are explored in detail in section 3 of this report.

No single locality or organization can solve the wide-ranging housing needs across Northwest Arkansas. With support, leadership and partnership from several large corporations and anchor institutions – including the University of Arkansas, J.B. Hunt, Tyson Foods and Walmart, as well as active, supportive philanthropic organizations – Northwest Arkansas is uniquely positioned to address its housing affordability challenges.

Top Four: The Most Urgent Housing Issues to Tackle in the Next 10 Years

During a series of public meetings, focus groups and interviews in 2018, residents and regional stakeholders identified the four most urgent housing challenges facing Northwest Arkansas over the next decade. The following section includes a breakdown of the issues identified – what they are, why they matter and where the region currently stands on each challenge.

1 LACK OF REGIONAL HOUSING POLICY

THE ISSUE:

Municipal staff, service providers, employers and community members broadly agree that Northwest Arkansas must create a range of housing to serve new and existing residents and preserve the region's disappearing housing affordability. They also agree that doing so is a public policy issue that warrants close attention in localities and across the region. Despite a strong regional identity, Northwest Arkansas lacks a cohesive, comprehensive policy to unify its approach to housing investments. Regional stakeholders noted that without such a policy, Northwest Arkansas faces barriers to addressing its most pressing housing needs.

WHY IT MATTERS:

Absent a comprehensive housing policy, development across Northwest Arkansas remains unpredictable. The region's four largest cities have moved to promote land-use standards that encourage mixed-use development and advance community-level housing goals. But

development processes, regulations and community support differ substantially, creating time-consuming, costly barriers. The lack of a clear policy also can create or reinforce housing disparities. Though not developers, localities create the broader policy environment for affordable housing development. In an interconnected economy, local decisions on whether and where to build affordable homes and offer services influence the entire region. Unaddressed, this dynamic can lead to inequitable distribution of homes and services for lower income households, concentrate poverty and limit economic mobility. Regional stakeholders see this pattern emerging in south Fayetteville, where homeless services, faith-based outreach, public housing and gentrification pressures are concentrated.

WHERE THE REGION STANDS:

The region and its largest cities do not have policy tools focused on housing-related issues (see Table 1). For example, unlike other cities in the United States experiencing growth and limited housing affordability, Northwest Arkansas does not offer land-use incentives, like density bonuses. The region also lacks tenant and landlord rights, and a clear policy priority to use publicly owned land for residential development. Neither regional institutions nor the public sector has the experience or capacity to mitigate housing risks and explore opportunities for new housing development. The State of Arkansas also does not have any policies that encourage or require regions or localities to address housing-related issues.

TABLE 1. HOUSING POLICY TOOLS IN NORTHWEST ARKANSAS

Policy tools	Tools by jurisdiction				Regional comparison		
	Rogers	Bentonville	Fayetteville	Springdale	Austin	Madison	Durham
Density bonus					X	X	X
Other housing incentives					X	X	X
Tax exemptions					X		
Community land trust					X	X	X
Public land disposition					X		
Fee reductions or waivers					X		
Housing habitability standards					X	X	X

2

NEED FOR DIVERSE HOUSING OPTIONS IN NORTHWEST ARKANSAS

THE ISSUE:

The region is undergoing demographic changes that affect housing demand and could shape the future housing market – including increased racial ethnic diversity, a growing senior population, more residents living alone or in smaller families and more intergenerational or larger families. Thus, the region needs homes that meet different family sizes, support aging-in-place and offer walkable access to shops, restaurants, recreation and services. Despite these changes, homes in Northwest Arkansas primarily are limited to three-bedroom single-family homes.

Detached, single-family homes make up at least 60 percent of all homes in three of the region's four largest cities.¹³ Many Northwest Arkansas residents want to live with their families or accommodate growing ones, but often cannot due to the existing home supply and issues, such as city codes that regulate how many families can live together. Members of the public also stressed the importance of housing access for people with eviction and criminal histories as well as for underserved populations, including creating more transitional homes.

WHY IT MATTERS:

Creating a wider range of homes for different

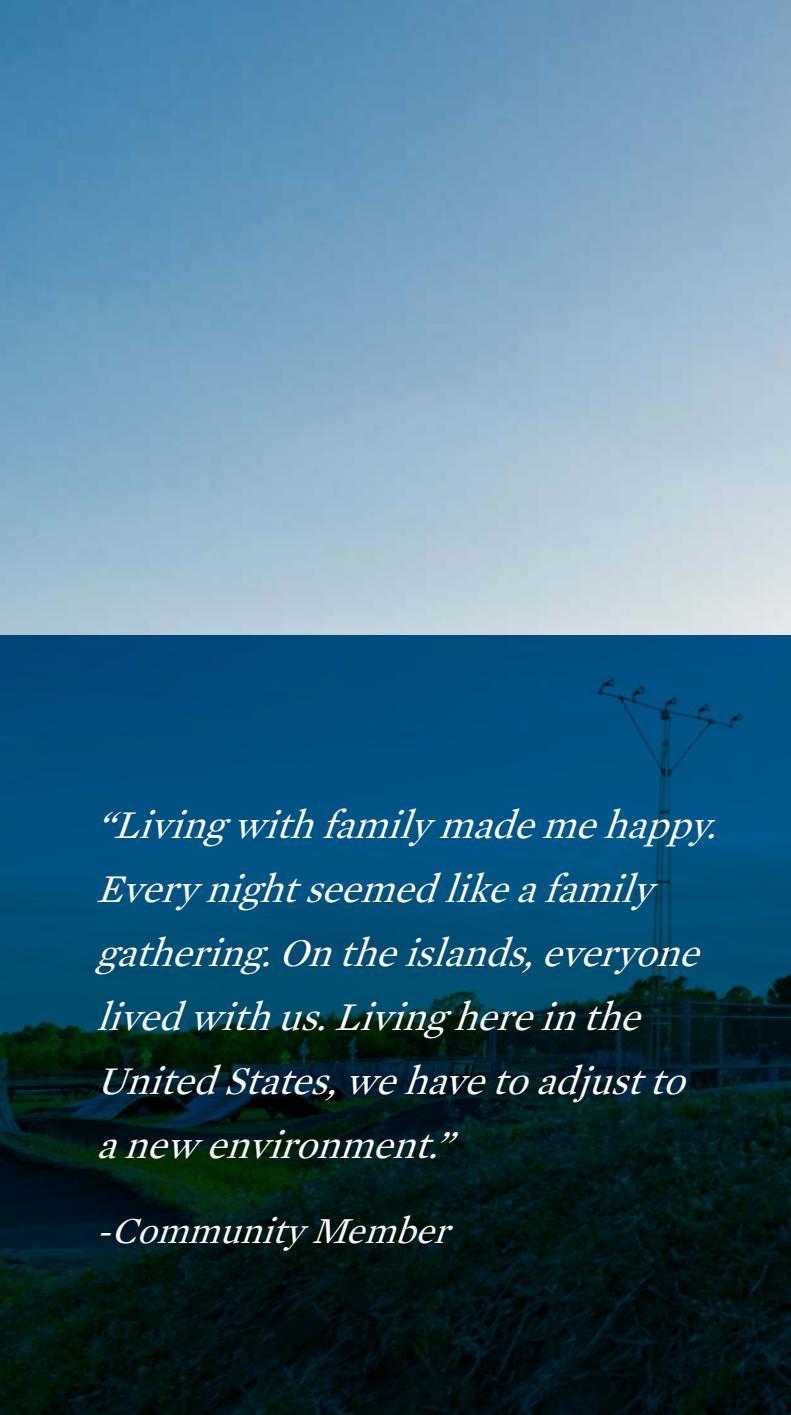
household sizes, income levels and abilities is critical to accommodate the nearly 80,000 new households expected in Northwest Arkansas' four cities by 2040. Seniors will need homes with accessibility features and nearby services, such as grocery stores, health care and transit.¹⁴ Housing diversity also can attract millennials and support the existing workforce, thereby sustaining economic growth. Many employers factor affordable and workforce housing and transit into decisions about siting or expanding new facilities. Recent nationwide surveys found higher housing costs affected employers' ability to draw qualified candidates, while studies show higher cost cities struggle to attract and retain millennial employees due to lack of affordable housing and reliable public transit.¹⁵ Anecdotally, higher regional housing costs factored into one employer's decision to build a new poultry processing plant outside of Northwest Arkansas, underscoring the importance of adequate, attractive housing for a range of occupations.

WHERE THE REGION STANDS:

In Northwest Arkansas, many developers said it was costlier to build different housing types like "missing middle" homes¹⁶ and denser development, due to additional land-use approvals and community opposition. A regional developer described building a subdivision of denser, market-rate single-family homes. While ultimately approved, the project faced opposition during the rezoning process. Such uncertainty during

the development process could deter different styles of housing. More recent building trends suggest a wider range of homes (along with denser housing) are emerging throughout Northwest Arkansas. But not-in-my-backyard (NIMBY) attitudes toward multifamily buildings and greater density could hinder wider construction of housing needed in the region.

The Housing Northwest Arkansas Professional Design Competition and new developments like the Homes at Willow Bend in Fayetteville¹⁷ show what well designed, mixed-income communities could look like. The design competition chose five design proposals for mixed-use and attainable live-work units in Bentonville, producing regionally significant examples of what is possible.¹⁸



“Living with family made me happy. Every night seemed like a family gathering. On the islands, everyone lived with us. Living here in the United States, we have to adjust to a new environment.”

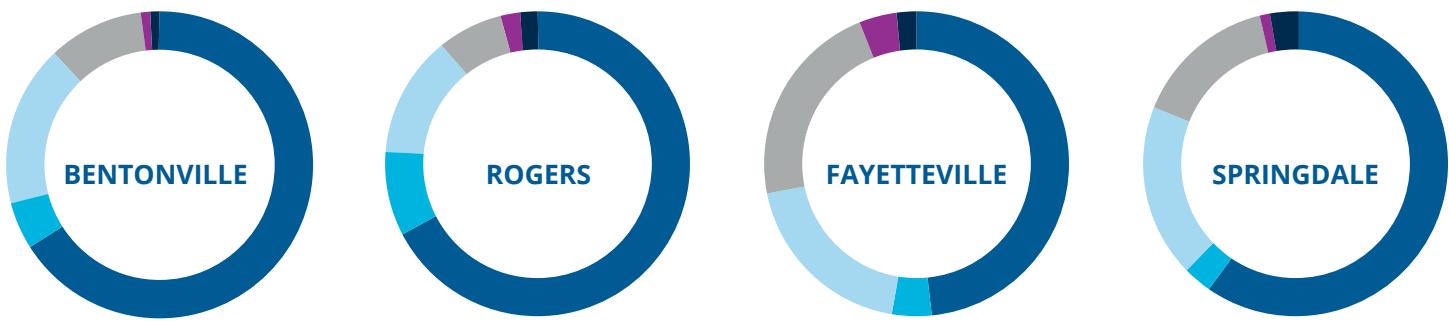
-Community Member

“People live in whatever they can find. But then they find out the water and electricity doesn’t work or there are leaks. But there are no other options so they stay there.”

- Focus group participant



DISTRIBUTION OF HOUSING TYPES IN NORTHWEST ARKANSAS' FOUR LARGEST CITIES



- Detached, single-family homes
- Attached, single-family homes
- Small-scale, multifamily buildings (2—9 units)
- Medium multifamily buildings (10—49 units)
- Large-scale multifamily buildings (50+ units)
- Other homes (mobile homes, houseboats, etc.)

Source: 2012–2016 American Community Survey Five-Year Estimates

PROJECTED GROWTH (2010–2040)

BENTONVILLE	Households		+14,400
	Seniors		+1,400 households
	School-aged children		+5,300
FAYETTEVILLE	Households		+25,100
	Seniors		+2,600 households
	School-aged children		+5,600
ROGERS	Households		+15,000
	Seniors		+1,900 households
	School-aged children		+5,900
SPRINGDALE	Households		+25,000
	Seniors		+2,600 households
	School-aged children		+9,200

Source: Derived from 30-year growth forecasts from the Northwest Arkansas Regional Planning Commission.

All figures rounded to the nearest hundred.

3

LIMITED CHOICES FOR HOUSEHOLDS WITH THE LOWEST INCOMES

THE ISSUE:

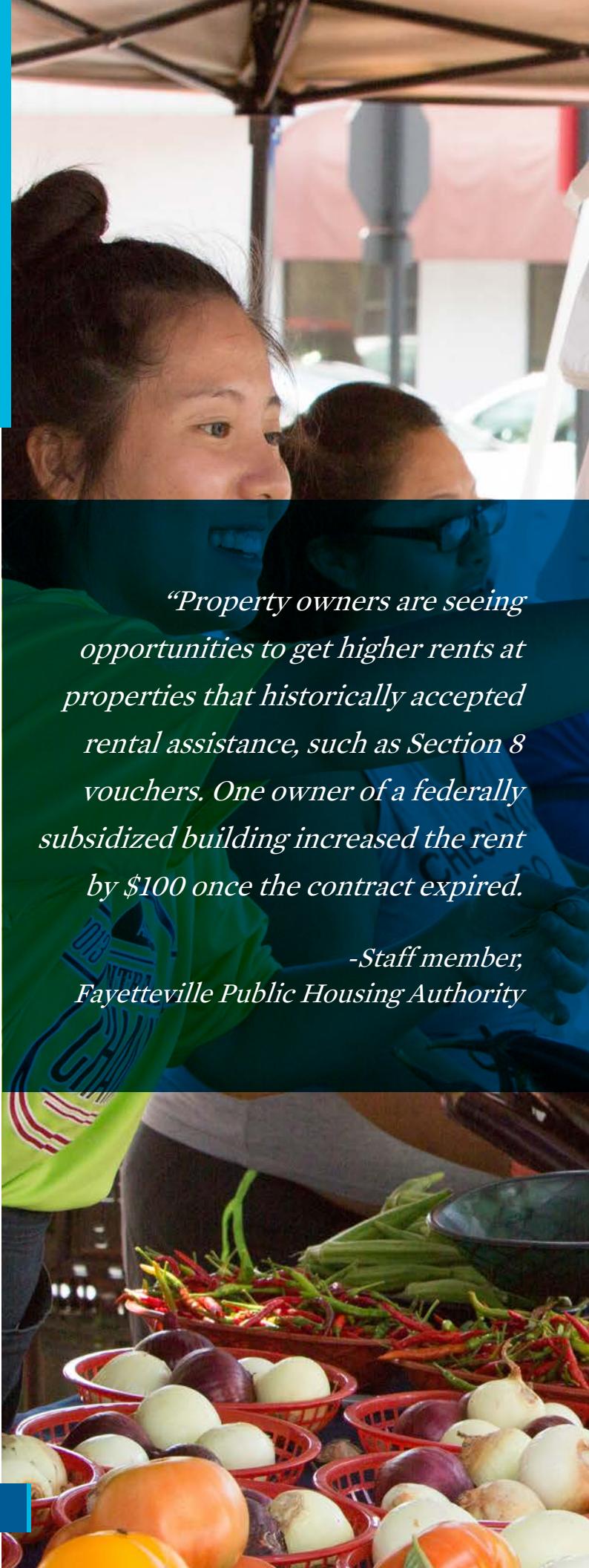
The region's four cities all lack enough rental options for lower income households¹⁹ earning below \$52,000, with the greatest shortage for households earning below \$25,000.²⁰ Increasing rents and home prices have made it difficult for the region's workers to find affordable homes.

Housing affordability means a household pays less than 30 percent of their income on housing costs (including utilities), according to a widely accepted standard.²¹ By this measure, more than 19,000 extremely and very low income households in the region's four cities live in homes they cannot afford.²² Housing affordability is especially limited for lower income households because they have fewer resources overall to meet household expenses. At the same time, housing costs relative to median household income have increased over the last several years because wages have not kept pace with Northwest Arkansas' escalating housing costs.

After adjusting for inflation, median rents increased 1–13 percent in three of the region's four largest cities, while growth in median household income only increased slightly in Fayetteville (4 percent) and largely remained unchanged in Rogers and Springdale, changing less than 1 percent, between 2011 and 2016. Meanwhile, median for-sale home prices increased 15–43 percent between 2010 and 2017.²³

"Apartments are being purchased to be torn down and redeveloped as higher end homes. Losing even 100 units in a city has a huge impact."

-Regional Stakeholder



"Property owners are seeing opportunities to get higher rents at properties that historically accepted rental assistance, such as Section 8 vouchers. One owner of a federally subsidized building increased the rent by \$100 once the contract expired."

*-Staff member,
Fayetteville Public Housing Authority*

WHY IT MATTERS:

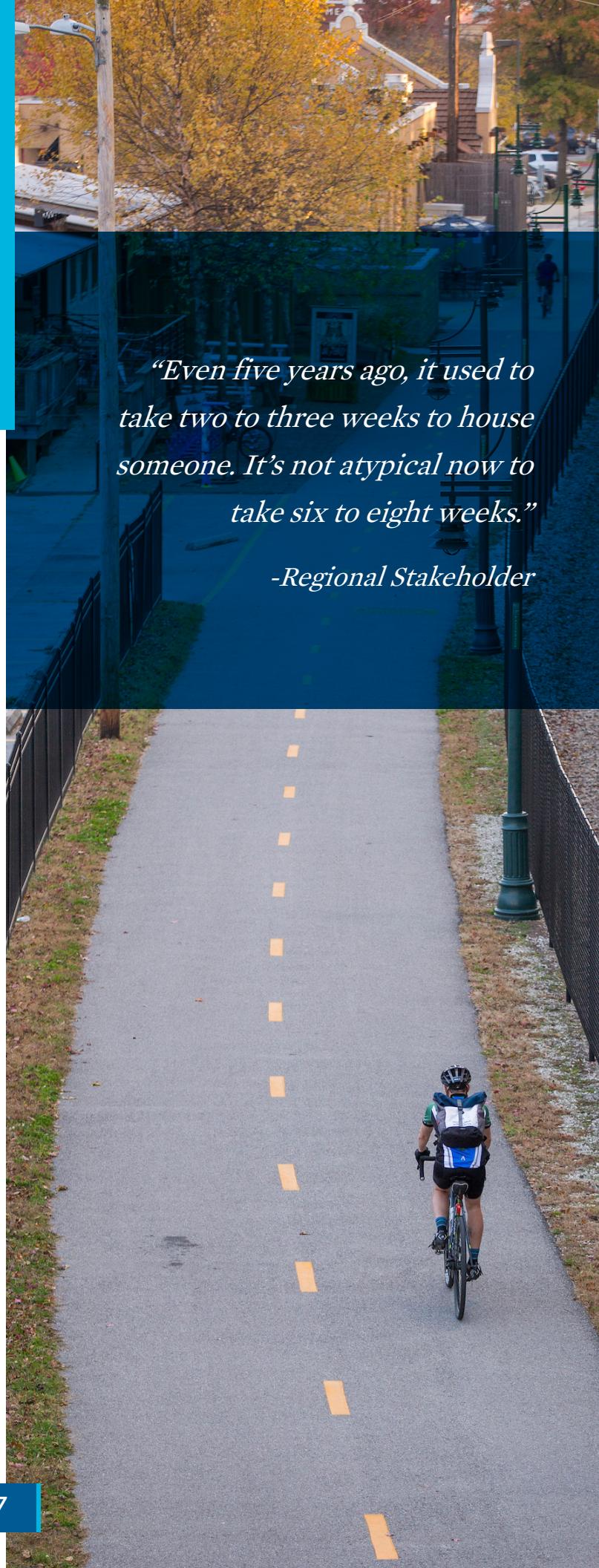
Limited choices result in painful tradeoffs or risky housing situations. Many community members shared stories about tradeoffs they or loved ones make due to increased housing costs. Limited choices also contribute to homelessness or other forms of housing instability, such as couch surfing or doubling or tripling up in one home.

One leading employer reported many of its lower wage workers, who are predominantly Latino, have struggled to find housing and often live in overcrowded conditions. Moreover, Northwest Arkansas could lose a substantial number of publicly assisted units over the next 10 years through deteriorating quality and conversion to market-rate properties, including after federal subsidies expire. Losses from expiring federal subsidies could total 1,500 units in private, federally assisted properties by 2030, or 44 percent of the region's private federally assisted housing supply.²⁴

The region's four cities need more than 7,100 rental units today for households with the lowest incomes. By 2040, Northwest Arkansas must add more than 18,000 homes priced for households earning less than half of AMI by 2040 – with more than 14,000 needed for renters, assuming current rental and ownership patterns remain.²⁵

"Apartments are being purchased to be torn down and redeveloped as higher end homes. Losing even 100 units in a city has a huge impact."

-Regional Stakeholder



"Even five years ago, it used to take two to three weeks to house someone. It's not atypical now to take six to eight weeks."

-Regional Stakeholder

WHERE THE REGION STANDS:

Most regions and localities do not achieve housing affordability for lower income households, especially extremely and very low income households, without some public assistance.²⁶ The region lacks locally dedicated resources to support affordable housing production or preservation, which limits its ability to address the most pressing housing needs. Local programs in Northwest Arkansas' four cities focus on the construction of new and rehabilitation of existing owner-occupied homes (see Table 2). Community Development Block Grant administrators in Fayetteville, Rogers and Springdale say the programs are in high demand, often helping senior homeowners who cannot get a loan or make repairs themselves.²⁷

Yet no local resources support production or rehabilitation of below-market rental homes in Northwest Arkansas, even though the vast majority of regional households with the lowest incomes rent their homes.²⁸ Regional stakeholders see the need for a wider range of resources to address limited housing affordability. Arkansas offers resources for rental production and rehabilitation, such as the Low-Income Housing Tax Credit, that are underused in Northwest Arkansas. Today, private property owners provide most of the publicly assisted homes in Northwest Arkansas, and demand far exceeds availability.²⁹

The region's three housing authorities have lengthy waiting lists: 900 households in Springdale, 800 in Siloam Springs (serving all of Benton County) and 350 in Fayetteville.³⁰ Service providers who help families and individuals find affordable housing reported significantly longer placement times due to limited choices. Increasing the supply of publicly assisted homes means overcoming their stigma. A recent attempt by the Fayetteville Housing Authority to redevelop one of its properties met community backlash, highlighting broader regional NIMBY barriers.

AFFORDABLE & AVAILABLE RENTAL UNITS BY HOUSEHOLD INCOME

BENTONVILLE

0-30% AMI: **27** per 100 **extremely low-income** households
0-50% AMI: **62** per 100 **very low-income** households
0-80% AMI: **92** per 100 **low-income** households
0-120% AMI: **104** per 100 **moderate-income** households

FAYETTEVILLE

0-30% AMI: **36** per 100 **extremely low-income** households
0-50% AMI: **67** per 100 **very low-income** households
0-80% AMI: **97** per 100 **low-income** households
0-120% AMI: **104** per 100 **moderate-income** households

ROGERS

0-30% AMI: **27** per 100 **extremely low-income** households
0-50% AMI: **61** per 100 **very low-income** households
0-80% AMI: **92** per 100 **low-income** households
0-120% AMI: **104** per 100 **moderate-income** households

SPRINGDALE

0-30% AMI: **35** per 100 **extremely low-income** households
0-50% AMI: **67** per 100 **very low-income** households
0-80% AMI: **96** per 100 **low-income** households
0-120% AMI: **104** per 100 **moderate-income** households

Source: 2012-2016 American Community Survey 5-Year PUMS; numbers above 100 suggest a surplus of homes, numbers below 100 a deficit.

TABLE 2. CURRENT HOUSING PROGRAMS IN NORTHWEST ARKANSAS' FOUR LARGEST CITIES

Housing programs	Bentonville	Fayetteville	Rogers	Springdale	State*
Down-payment assistance					X
Weatherization assistance**	X	X	X	X	X
Homeowner rehabilitation		X	X	X	X
New construction: For sale**		X		X	
New construction: Rental					X
Rehabilitation or preservation: Rental					X
Tenant-based rental assistance	X	X	X	X	X
Project-based vouchers		X			
Housing-related services		X	X		X

*State-funded programs available in the region. **Available through partner organizations.



4

WEAK LINKS BETWEEN HOUSING AND TRANSPORTATION OPTIONS

THE ISSUE:

Transportation that connects the region's housing to the places people need and want to go is essential to Northwest Arkansas' housing future. Strong connections between homes and transportation was a central theme in conversations that informed this report. Community members seek 1) better mobility options, including convenient, high-frequency transit, in areas with affordable and workforce homes, and 2) more homes in walkable communities with nearby destinations. Regional stakeholders stressed the importance of prioritizing diverse, higher density housing along corridors that can support transit service, which is often overlooked. The region's four cities have focused on achieving walkable communities through downtown revitalization and growth. Along with walkability, downtown living provides excellent trail access and proximity to cultural and entertainment offerings. Proximity to downtown is beginning to command a premium in some cities, making it harder to achieve housing affordability. In Fayetteville, median rent is 13 percent higher downtown.³¹ A 2017 economic revitalization assessment of downtowns in Northwest Arkansas also shows growing demand for urban living.³² With limited transit options, many lower wage workers rely on carpooling, which can be unreliable. If the vehicle breaks down, several people are late or miss work.

"In an ideal world, there should be affordable housing everywhere, with good options for transportation around the region."

-Regional Stakeholder



WHY IT MATTERS:

For many residents across Northwest Arkansas, car ownership – and the associated costs and long commutes – is a necessity due to lack of widespread, high-frequency public transportation and the often prohibitively high cost of living near workplaces.³³ Less than 1 percent of workers commute using public transportation in Bentonville, Rogers and Springdale. Only 2 percent of workers use public transportation in Fayetteville.³⁴

Like housing, transportation costs are becoming an increasingly large part of families' budgets, exacerbating housing costs. An average household in the region pays above what is considered affordable for combined housing and transportation (H+T) costs.³⁵ Both the region's workforce and large-scale employers cite lack of convenient public transportation as a barrier to mobility – and both have tried different strategies to expand transportation access with limited success. One employer, for example, bought annual bus passes for employees, only to eliminate the benefit when the region's transit system proved too inconvenient.

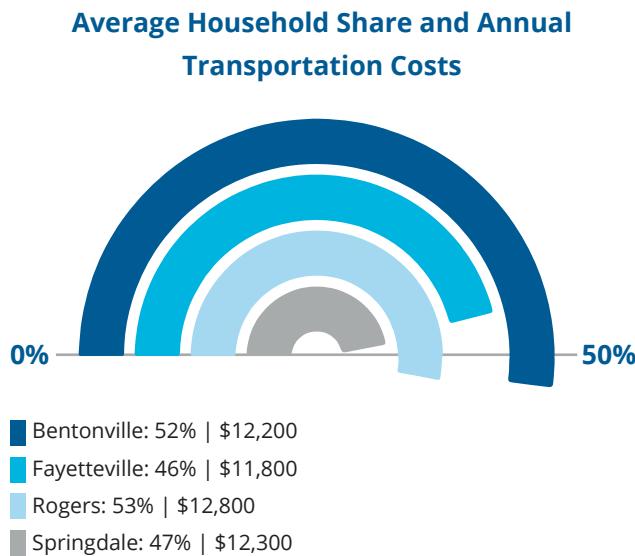
WHERE THE REGION STANDS:

The region's four largest cities all incorporated housing and transportation goals in their most recent downtown master plans. Nevertheless, the goals treat housing and transportation independently, rather than as complementary. In addition, although many of the goals were informed by changing demographics and future demand, they do not reflect the income level, household type and other attributes of the populations to be served. Also missing are clear metrics to measure progress. The plans' recommendations – including inclusionary zoning and downtown affordable housing plans – have gained little traction over the last several years, even as needs have grown.

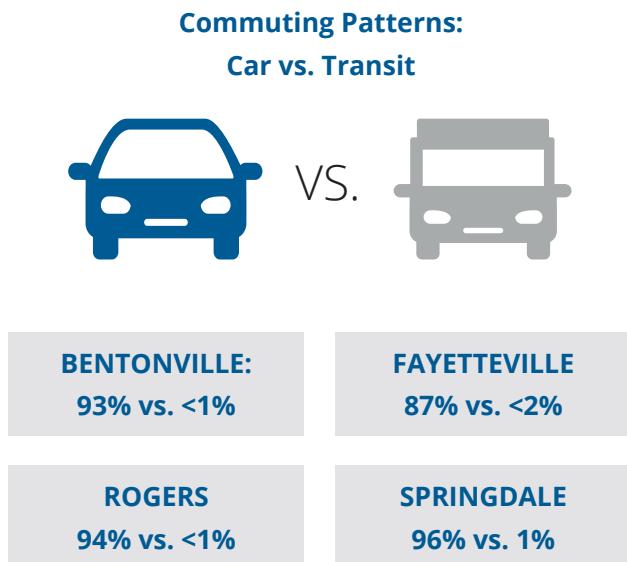
Northwest Arkansas has undertaken several local and regional studies to plan for its transportation needs and increase mobility across the region, including some early thinking about how to use residential development to build a more transit-supportive environment.³⁶

This work creates a strong foundation to connect Northwest Arkansas' evolving transportation system to new and existing homes, as well as increase households' mobility in their neighborhoods and across the region.

HOUSING AND TRANSPORTATION COSTS IN NORTHWEST ARKANSAS' FOUR LARGEST CITIES:



Source: Center for Neighborhood Technology, Housing and Transportation Affordability Index
All figures rounded to the nearest hundred.



Source: 2012–2016 American Community Survey 5-Year Estimates.
Reflects workers 16+ years and commute mode by car
includes carpooling.



10 Years, 5 Critical Actions

Northwest Arkansas must create a strong housing delivery system and develop the tools to support it.

This section of the report identifies five important steps toward building that system and positioning the region to address its most pressing housing issues, while keeping pace with anticipated growth over the next decade and beyond.

Strong housing delivery systems are built on three foundational pillars related to community investment. The first is strategic priorities, including a well-articulated vision to guide housing investments. Second is consistent resources and multi-sector partnerships with capacity and clear roles to adequately support a development pipeline. The third pillar is an enabling environment that features housing-supportive policies, programs and processes.³⁷

SUCCESS ALSO WILL HINGE ON THE INTEGRATION OF THREE CROSS-CUTTING CONSIDERATIONS:

1

EQUITY:

In Northwest Arkansas, the burden of higher housing costs (and fewer affordable homes) falls on households earning the lowest incomes. To become an equitable, inclusive place to live, the region must collectively acknowledge and address long-standing institutional barriers. Doing so will ensure that jurisdictions affirmatively further fair housing, a legal requirement that federal agencies and grantees must meet under the Fair Housing Act. Integrating equity into regional housing work will require representative decision-making and community organizing, especially among communities that have been historically marginalized from key housing decisions.

2

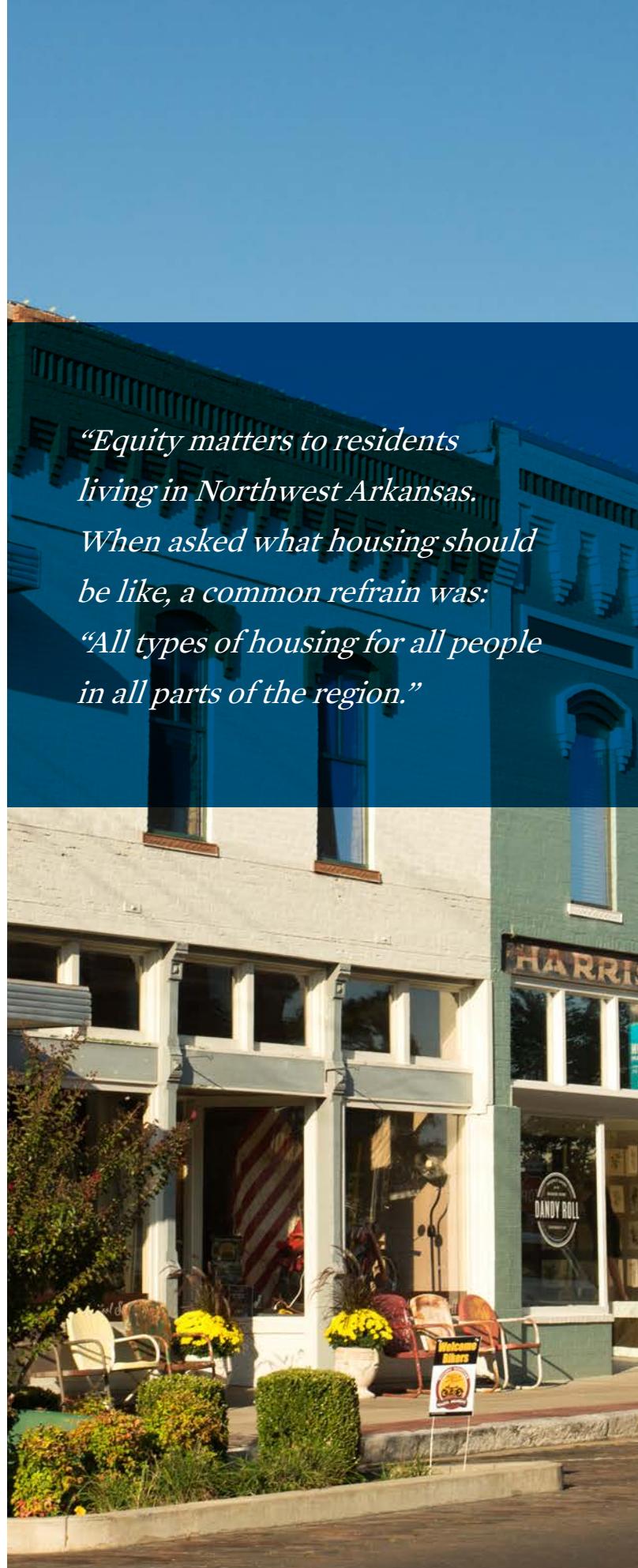
EDUCATION AND OUTREACH:

Not all residents and decision-makers believe Northwest Arkansas should increase housing affordability. Indeed, many cite NIMBY attitudes and misperceptions about multifamily buildings, greater density and publicly assisted homes, despite growing understanding of the region's affordability challenges. Stronger coalitions and public education campaigns are needed to build broad public support for affordable housing and its essential contributions to the region's quality of life and economic competitiveness.

3

CAPACITY BUILDING:

The region will need extensive new skills and abilities to achieve its affordable housing goals. These include increased capacity to build homes and invest in communities; use and administer new and expanded policies, programs and funding; and create a strong advocacy network. Greater capacity is needed among nonprofit and for-profit developers; local and regional staff; and community members and organizations. These groups also will require technical assistance on a range of topics, from incorporating new financing into development pro formas to supporting grassroots organizing and leadership development to implementing this report's five core recommendations.



These five actions will be especially catalytic for Northwest Arkansas in building its housing delivery system and creating a more inclusive housing future. While rooted in proven best practices, each action is closely tailored to the context of Northwest Arkansas, addressing both the region's critical gaps and drawing on its considerable assets.

ACTION #1: ESTABLISH A REGIONAL HOUSING COMPACT

Northwest Arkansas should establish a clear, shared vision for the role of housing in the region's overall growth and development – and a process to formalize that vision.

RELATIONSHIP TO REGIONAL HOUSING DELIVERY SYSTEM: STRATEGIC PRIORITIES

A regional housing compact will demonstrate agreement among decisionmakers on the role of housing in Northwest Arkansas' growth over the next 10 years. It will also provide clear ways to formalize this regional vision and translate it into meaningful local actions.

Northwest Arkansas' regional housing compact would be a homegrown one. In contrast to regional housing policies required by state law, it would rely on voluntary participation among localities and incentives rather than state-level regulations and enforcement. Regional stakeholders emphasized the importance of tying participation to funding, like a regional housing trust fund (see Action #2 for more information about a regional housing trust fund and Action #3 for more ways to encourage participation among localities in regional housing initiatives).

Any regional compact should be broad enough to account for local differences – in real estate markets, community character, local assets and support among decision-makers and residents. A compact that recognizes localities' differences will help create a more equitable region. Many regional housing policies use a "one-size-fits-all" approach, ultimately entrenching racial

and economic patterns of discrimination rather than proactively addressing them.

A compact also needs to formalize its regional vision and then translate that vision into meaningful local action. The Denver region's Mile-High Compact is a binding interlocal agreement among nearly 50 communities featuring broad language that leaves localities to define the details. At the same time, the compact directs every locality to create a comprehensive plan with a housing component that addresses housing type, affordability and availability, and the connection between housing production and job growth.

Most of the details of Northwest Arkansas' regional housing compact will be determined while being developed. At a minimum, it should include:

Aspirational housing goals and principles for the region. These could include equity; fair share of new housing development (based on factors such as projected population growth and existing supply); preferences for diverse housing types; target populations (such as income levels, occupations and greatest unmet needs); connection to transportation options; and location (for example, proximity to employment centers).

Approaches localities can use to achieve the compact's goals, including a clear directive to use their authority (for example, by reducing regulatory requirements or offering incentives) to achieve them.

Identification or creation of a regional entity to lead the compact's implementation and administer incentives or other programs.

Performance measurement and reporting

including how localities can measure and report progress toward meeting their local housing goals. For example, the regional housing entity could develop an online dashboard or annual report card to assist with metrics across participating localities.

Many keys to a successful regional effort already exist in Northwest Arkansas, such as a history of collaboration and organic, bottom-up approaches to identifying solutions. In developing the housing compact, leaders can build on past models like the Northwest Arkansas

Regional Airport and Razorback Regional Greenway, as well as other regional transportation and environmental plans. Several organizations with a regional focus could serve as the convener for this process, including the Northwest Arkansas Council, a nonprofit representing the region's business community, or the Northwest Arkansas Regional Planning Commission, the region's metropolitan planning organization. Or, a nonprofit with housing development experience like Partners for Better Housing could work with either regional entity to help lead this effort. Additionally, local leaders could convene independently to develop the compact.

ESTABLISH A REGIONAL HOUSING COMPACT:

FIRST STEPS

- **Convene a working group with representatives** from localities in Northwest Arkansas to develop a regional housing compact.
- **Conduct a stakeholder analysis** to help shape the working group.
- **Establish incentives** to encourage working group participation and commitment to implementing the regional housing compact.

COLLABORATIVE TASKS:

PUBLIC SECTOR:

- Convene a working group to develop a regional housing compact.
- Develop and endorse a regional housing compact.
- Create complementary local policies, programs and processes.

PRIVATE SECTOR:

- Convene a working group to develop a regional housing compact.
- Create the structure for a regional housing entity to oversee the compact's implementation.
- Build coalitions in support of the compact and other housing initiatives.

PHILANTHROPIC SECTOR:

- Provide ongoing funding for technical assistance to develop a regional housing compact and the regional entity that will lead the compact's implementation.
- Encourage elected leaders of Northwest Arkansas' four cities to develop a regional housing compact.

ACTION #2: CREATE A REGIONAL HOUSING TRUST FUND

Northwest Arkansas should establish a housing trust fund to serve as a flexible funding source for its investments.

RELATIONSHIP TO REGIONAL HOUSING DELIVERY SYSTEM: STRATEGIC PRIORITIES RESOURCES FOR DEVELOPMENT PIPELINE ENABLING ENVIRONMENT

The trust fund will create much-needed resources for housing activities in Northwest Arkansas at a time when federal resources have not kept pace with changing needs.³⁸ The fund also can empower Northwest Arkansas' regional housing compact by prioritizing funding for participating localities.

Housing trust funds provide flexible, dedicated resources for affordable and workforce housing, supportive services and, in some cases, capacity building through loans, grants or other financial tools. This model can work at any scale – small towns, large regions and statewide. Most housing trust funds are created, funded and administered by city, county or state governments.

Based on a 2016 survey, the most common sources of local housing trust funds were developer impact fees, property taxes and general funds. For state housing trust funds, they were real estate excise taxes, document recording fees and general funds.³⁹ Housing trust funds are designed to attract and leverage other sources of public and private capital. On average, city-level housing trust funds leverage \$6 in additional public and private funds for every \$1 invested in affordable housing activities.⁴⁰

To create a housing trust fund, Northwest Arkansas must have three elements in place:⁴¹

1. The public and political will to address its shortage of affordable and workforce housing.
2. Funding that can be dedicated to this purpose.
3. A local or regional organization capable of initiating and administering the trust.

The private and philanthropic sectors also play key roles in creating, funding and administering housing trust funds. Public-private-philanthropic partnerships have produced successful examples in Knoxville, Tennessee,⁴² Tompkins County, New York,⁴³ and the Silicon Valley region of California.⁴⁴

In Northwest Arkansas, the private and philanthropic sectors would be well-positioned to lead the creation of a regional housing trust fund, given their track record of significant investments in the region and support for regional housing work. Resourcing a housing trust fund is a powerful way for these sectors to demonstrate their support.

A commitment of funds from the private and philanthropic sectors also could incentivize localities to work together to develop and implement a regional housing compact by, for example, stipulating that localities must sign on to the regional housing compact to access funding. These incentives are important in Northwest Arkansas because some local governments may not be motivated to collaborate on a regional housing compact without funding.

Housing trust funds are often created in tandem with broader outreach and public education efforts on the importance of affordable and workforce housing. Getting residents in Northwest Arkansas on board on the importance of addressing the region's need for affordable and workforce housing will foster support for a trust fund.

Due to the stigma too often associated with affordable housing, any public education campaign must directly dispel myths and stereotypes about affordable homes.

CREATE A REGIONAL HOUSING TRUST FUND:

FIRST STEPS

- **Identify** potential private and philanthropic funders and solicit commitments to seed the trust.
- **Connect the regional housing trust fund** to the development and implementation of Northwest Arkansas' regional housing compact.
- **Select a housing trust fund administrator.**

COLLABORATIVE TASKS

PUBLIC SECTOR:

- Help establish and endorse the regional housing trust fund.
- Create a dedicated local source of funding to support it.

PRIVATE SECTOR:

- Support the fund by pledging annual financial contributions.

PHILANTHROPIC SECTOR:

- Make financial contributions to the fund. Provide capacity building for the housing trust fund administrator.



ACTION #3: INTRODUCE DEVELOPMENT INCENTIVES TO PROMOTE PARTICIPATION IN LOCAL AND REGIONAL HOUSING INITIATIVES

Northwest Arkansas must encourage both localities and private-sector developers to be part of its housing future.

RELATIONSHIP TO REGIONAL HOUSING DELIVERY SYSTEM: ENABLING ENVIRONMENT

As a result, a regional entity will need to create incentives for localities to participate in the regional housing compact. Localities also will need to create incentives for private developers to build more affordable and workforce homes.

REGIONAL INCENTIVES FOR LOCALITIES

The region's housing future relies on the active participation of localities, especially the cities of Bentonville, Fayetteville, Rogers and Springdale. Incentives such as receiving priority for funding can be used to attract more localities to the proverbial table. Incentives have worked to increase collaboration in past regional projects, like the Razorback Regional Greenway. Incentives may be created concurrently with a regional housing trust fund, integrated into other regional efforts (like programming federal transportation funding), or spearheaded as a new initiative by philanthropy.

The Twin Cities region of Minneapolis-Saint Paul uses its Livable Communities Program to encourage localities to meet regional housing goals and create local development incentives. Administered by the Metropolitan Council, a policy-making body and planning agency for the region, Livable Communities offers a range of incentives, such as monetary resources to communities that negotiate long-term affordable and "lifecycle" housing goals with the council.⁴⁵

While many local and regional stakeholders expressed backing for expanded housing activities in Northwest Arkansas, localities will still need support to implement these activities – at least until additional capacity is created. Grants and technical assistance can be used to build the capacity of localities that demonstrate a commitment to achieving regional housing goals.

LOCAL INCENTIVES FOR DEVELOPERS

Local incentives offer benefits to developers in exchange for including affordable and workforce homes as part of their new or rehabilitated developments. These incentives are one way to engage the private sector in creating more affordable and workforce homes without a direct subsidy from local government. Successful housing incentives strike a balance between what a local government is willing to offer developers and what it asks developers to provide.

Localities across the U.S. offer a range of incentives to private developers in exchange for the creation of low- and moderate-income housing. Examples of development incentives include fee reductions or waivers; increased density or height; regulatory relief (such as reduced parking requirements); and expedited permitting.

Some level of private market activity is required for development incentives to work well. Localities will need to analyze the feasibility of various development incentives under different market conditions and to meet a range of community housing goals like household income level served and location. Localities also must consider how any affordability requirements will be preserved, monitored and enforced, accounting for differences between housing for renters and homeowners. To build efficiencies, a single organization could conduct this ongoing work.

Development incentives should reinforce local and regional strategic priorities (as expressed in the regional housing compact). The Safe, Mixed-Income, Accessible, Reasonably-Priced, and Transit-Oriented (S.M.A.R.T)

Housing Program in Austin, Texas, offers expedited permitting and reduced or waived fees as its primary incentives to private developers, who create rental and homeownership opportunities for low- and moderate-income households. The program, which has produced nearly 5,000 units since 2000, encourages homes for families, for persons with disabilities and near transit – a clear reflection of its policy goals.⁴⁶

Localities should also consider offering rent subsidies to developers (either independently or in partnership with their local or regional housing authority). Rent subsidies

create a steady cash flow for developers and help them offer deeper affordability. Localities in Northwest Arkansas could partner with the region's three housing authorities to competitively award project-based vouchers for new construction or to substantially rehabilitated properties. Expanding project-based vouchers would address another regional issue: private landlords' reluctance to accept tenant-based vouchers. Project-based vouchers also could advance equity by prioritizing use in areas that offer access to opportunity or as part of more comprehensive place-based investments.

INTRODUCE DEVELOPMENT INCENTIVES:

FIRST STEPS

- **Identify incentives** for localities, such as technical assistance and priority or streamlined access to other public or private funding sources.
- **Conduct feasibility studies** to identify the costs and benefits of different incentives to developers and clarify any legal constraints.

COLLABORATIVE TASKS

PUBLIC SECTOR:

- Create local development incentives for private-sector and nonprofit developers.

PRIVATE SECTOR:

- Use local development incentives to incorporate affordable and workforce homes into new or rehabilitated private development.

PHILANTHROPIC SECTOR:

- Fund technical assistance to study local development incentives and to draft legal documents integrating affordability requirements into these incentives.
- Support capacity building for nonprofit and for-profit developers.



ACTION #4: USE PUBLICLY OWNED LAND

FOR HOUSING PRODUCTION

Publicly owned land is one of the many resources in Northwest Arkansas that can preserve the region's housing affordability over time.

RELATIONSHIP TO REGIONAL HOUSING DELIVERY SYSTEM: RESOURCES FOR DEVELOPMENT PIPELINE ENABLING ENVIRONMENT

This includes city- and county-owned land and property in the downtowns of each of the region's four largest cities, including some in walkable areas.⁴⁷

Publicly owned land is a common tool that many localities across the United States use to address rising development costs and devote more public resources to housing and community development activities. These communities recognize the dual role that publicly owned land can play in advancing local goals. In stronger real-estate markets, use of publicly owned land expands affordability in an environment in which mission-driven developers struggle to compete for sites. In struggling real-estate markets, publicly owned land can be used to catalyze revitalization.

To effectively use publicly owned land for housing production, localities in Northwest Arkansas will need to develop a land disposition policy and process to move the property from city (or other public) ownership to private development. A land disposition policy defines how the property can be used, including how to maintain long-term or permanent affordability. Any local land disposition policy should be closely coordinated across the region's localities, ideally advancing the goals of a regional housing compact.

Many regional stakeholders expressed support for using publicly owned land to achieve public policy goals. However, they noted that the State of Arkansas' legal framework poses a barrier to selling most publicly owned land at a discount or donating it to a developer—disposition methods often used by other communities across the United States.

Ground leasing would be one way for localities in Northwest Arkansas to use publicly owned land for new mixed-income development without having to sell or donate it. In Birmingham, Alabama, the city is using ground leases to encourage denser, mixed-use development along its intercity bus rapid transit route. Birmingham leases its land (through a 99-year ground lease) to a private developer, who is building restaurants, shops, homes and a hotel near the end of the transit line. To effectively use ground leases, localities in Northwest Arkansas will need assistance creating requests for proposals (or other ways to solicit and evaluate potential projects) and lease documents, including legal language about affordability requirements.

While this action primarily focuses on city-owned land, additional opportunities include:

- Acquiring new land and engaging other partners in using their land and property for affordable and workforce homes.
- Collaborating with regional employers expanding or building new facilities to integrate new homes on the same site.
- Working with other public (or quasi-public) entities, like school districts and public housing authorities, as well as private-sector employers to use their land for affordable and workforce homes.

USE PUBLICLY OWNED LAND FOR HOUSING:

FIRST STEPS

- **Work with the State Attorney General's office** to clarify local powers regarding land disposition.⁴⁸
- **Establish a local land disposition policy**, including a review of existing local ordinances relating to the process of using publicly owned land.⁴⁹
- **Develop a comprehensive inventory of publicly owned land** in Northwest Arkansas and evaluate opportunities for residential development.

COLLABORATIVE TASKS

PUBLIC SECTOR:

- Create a local land disposition policy and process in collaboration with other localities and public or quasi-public organizations, like housing authorities and school districts.

PRIVATE SECTOR:

- Identify ways to use existing land holdings for new homes or mixed-use development.
- Participate in the creation of the region's public land inventory.

PHILANTHROPIC SECTOR:

- Provide technical assistance to draft legal documents that integrate affordability requirements into the use of publicly owned land.
- Provide funding to create and maintain an inventory of publicly owned land.



ACTION #5: EXPAND AND LEVERAGE FEDERAL, STATE AND LOCAL RESOURCES FOR AFFORDABLE AND WORKFORCE HOUSING

Northwest Arkansas should increase resources available for affordable and workforce housing at all levels of government – and maximize the use and impact of these resources.

Increasing resources means both enhancing use of existing (but untapped) resources, like federal Section 108 financing, and working to create new state and local resources, including dedicated local and state housing trust funds. Maximizing impact means using these resources to attract additional private and philanthropic capital. Having more resources, along with different types of resources such as low-interest loans and grants, will support a healthier pipeline of projects and increase the use of the Low-Income Housing Tax Credit in Northwest Arkansas.

LEVERAGING EXISTING FEDERAL RESOURCES

Community Development Block Grant:⁵⁰ Bentonville does not receive CDBG funding from HUD, even though the city is eligible for these funds. This funding, awarded as annual formula grants by HUD to local governments, can be used for a variety of community needs, including housing, small business development, infrastructure and community services. Bentonville, Fayetteville, Rogers and Springdale should align their priorities for CDBG funding with other local and regional housing goals, including the regional housing compact.

HOME Investment Partnership Program:⁵¹

The HOME Investment Partnerships Program, also awarded annually by HUD as formula grants, could fund a range of activities, such as building, buying and rehabilitating affordable homes and providing direct rental assistance. To leverage HOME funding, the region could establish a HOME consortium to pool resources and create administrative efficiencies. Starting the process entails identifying a consortium lead, executing a legally binding consortium agreement and developing a shared plan to guide region-wide use of these funds.

MAXIMIZING THE IMPACT OF FEDERAL RESOURCES

Section 108 Loan Guarantee Funds: Section 108 Loan Guarantee Funds, a source of financing available to CDBG grantees (which can borrow up to five times their annual allocation) can support larger, catalytic mixed-income and mixed-use developments. Section 108 financing provides CDBG entitlement communities with a significant and typically lower cost source of financing that could support development or preservation of affordable homes, among other projects. In Northwest Arkansas, localities could use Section 108 to create well-designed, mixed-income and mixed-use developments to demonstrate to elected officials and community members the value and viability of using CDBG funds for this purpose.⁵² Combined, Fayetteville, Rogers and Springdale could leverage nearly \$10 million in Section 108 financing. If Bentonville participated in the CDBG program, another \$1 million could become available.⁵³

Neighborhood Revitalization Strategy Area:⁵⁴

Having an NRSA-designated area provides greater flexibility when using block grant funds for community revitalization. In Northwest Arkansas, only a few areas qualify for traditional CDBG programming. Establishing these strategy areas could promote more mixed-income communities and economic activity.

Opportunity Zones: Opportunity Zones are designed to drive long-term private investment in low-income communities by offering special treatment on capital gains. Several census tracts in Northwest Arkansas (including many in or near downtowns) are now designated as Opportunity Zones. This designation should be aligned with regional housing policy goals and other local tools, such as Section 108 financing and NRSA designations, to maximize all available funding and generate equitable outcomes for residents with lower incomes.

EXPANDING STATE RESOURCES

State housing trust fund: Regional organizations and individual localities should support creating a dedicated source of funding for the Arkansas Housing Trust Fund, building on the advocacy efforts of Housing Arkansas.⁵⁵ The state housing trust fund was established in 2009, although no appropriations have been made. If capitalized, the state housing trust fund could leverage local and regional dollars, as well as private resources. Once dedicated funding is secured, the region should align awards from the state housing trust fund with other local and regional resources.

INCREASING LOCAL RESOURCES

Dedicated funding sources: Cities across the country are creating their own housing trust funds (as complements to regional efforts and to offset fluctuations in other public funding sources). Local funding offers flexibility, as well as gives nonprofit and for-profit developers confidence that funds will be available. Bentonville, Fayetteville, Rogers and Springdale should each create a dedicated source of funding for local housing and community development activities through legislative action or their budget process. Over time, a portion of their local sources can be used to support the regional housing trust fund.

EXPAND AND LEVERAGE FEDERAL, STATE AND LOCAL RESOURCES

FIRST STEPS

- **Work with the HUD field office** to explore opportunities for technical assistance around using different federal tools and resources like HOME and Section 108.
- **Develop a strategy for each Opportunity Zone** that aligns community-based needs with available local and regional incentives.
- **Continue advocating for a dedicated funding source** for the Arkansas State Housing Trust Fund.

COLLABORATIVE TASKS

PUBLIC SECTOR:

- Pursue all available state and federal resources for local housing and community development activities.
- Establish a dedicated local source of funding and use bonds or other local finance tools to generate more funding.

PRIVATE SECTOR:

- Diversify use of financing in developments to leverage all available public and private resources.
- Develop a strategy for each Opportunity Zone that aligns community needs with available local and regional incentives.

PHILANTHROPIC SECTOR:

- Convene (or support convening) local leaders and staff to discuss creation of a HOME consortium.

Regional Action: Getting Started

All five actions proposed in this report are intended to support and expand essential components of the housing delivery system in Northwest Arkansas.

The tables below organize the initial steps for these actions into immediate, short-term and medium-term priorities. They also highlight which stakeholders within each sector should lead each step.

- **Immediate priorities** help form a guiding vision and establish much-needed resources for housing-related work. This work aims to create the strategic priorities and resources necessary to support a development pipeline for the region's housing needs.
- **Short-term priorities** create a stronger enabling environment in the region for housing investments by establishing local and regional incentives.
- **Medium-term priorities** focus on using publicly owned land for residential development, creating another resource and a stronger enabling environment.

Stakeholders warned that failure to act could result in widespread instability, including job losses, increased poverty and rising numbers of homeless individuals and families. Implementing the above will safeguard against such consequences and protect Northwest Arkansas' reputation as a great place to live, work and locate a business. By establishing the foundation for a more robust and coordinated housing delivery system, leaders across the region can work together to further tailor the system to achieve specific outcomes as market conditions and needs change over time.

Working together to advance the region's housing future, leaders from all sectors have a tremendous opportunity to improve the lives of countless children and adults who call Northwest Arkansas home – today and in the future.

IMMEDIATE PRIORITIES

Initial Step	Supports implementation of...	Which sector leads? What is their key role?	Who leads within sector?
Conduct a stakeholder analysis to help develop the composition of the regional housing compact working group.	Action #1	Private Convener Public Convener	<ul style="list-style-type: none"> ▪ Nonprofits ▪ Regional planning commission ▪ Local elected leaders
Convene a working group with elected leaders and other representatives from localities in Northwest Arkansas to develop a regional housing policy.	Action #1	Private Convener Public Policymaker Convener	<ul style="list-style-type: none"> ▪ Nonprofits ▪ Regional planning commission ▪ Local elected leaders
Identify potential private and philanthropic funders and solicit commitments from them to seed the regional housing trust fund.	Action #2	Philanthropic Funder Private Funder	<ul style="list-style-type: none"> ▪ Foundations ▪ Individual investors ▪ Financial institutions ▪ Large employers ▪ Chambers of commerce
Connect the regional housing trust fund to the development and implementation of Northwest Arkansas' regional housing policy.	Action #2	Private Convener	<ul style="list-style-type: none"> ▪ Nonprofits
Establish incentives to encourage participation in the working group and commitment to implementing the regional housing policy.	Action #3	Philanthropic Funder Private Funder	<ul style="list-style-type: none"> ▪ Foundations ▪ Individual investors ▪ Financial institutions
Work with the HUD Field Office to explore opportunities for technical assistance for using different federal tools and resources.	Action #5	Public sector Administrator	<ul style="list-style-type: none"> ▪ Public housing authorities ▪ Municipal staff
Continue advocating for a dedicated source of funding for the Arkansas State Housing Trust Fund.	Action #5	Private Advocate Public Advocate Philanthropic Advocate	<ul style="list-style-type: none"> ▪ Large employers ▪ Chambers of commerce ▪ For-profit developers ▪ Nonprofits ▪ Service providers ▪ Local elected officials ▪ Foundations

Milestones achieved through immediate priorities | Relationship to housing delivery system

- Development of a regional housing policy | Strategic priorities
- Creation of regional funding incentives for municipalities (via regional housing trust fund) | Strategic priorities | Resources for development pipeline
- Technical assistance to establish at least one new federal program | Resources for development pipeline | Enabling environment

SHORT-TERM PRIORITIES

Initial Step	Supports implementation of...	Which sector leads? What is their key role?	Who leads within sector?
Select a housing trust fund administrator.	Action #2	Philanthropic Funder Private Funder	<ul style="list-style-type: none"> ▪ Foundations ▪ Individual investors ▪ Financial institutions
Identify incentives for localities, such as technical assistance and priority or streamlined access to other public or private funding sources.	Action #3	Philanthropic Funder Public Administrator	<ul style="list-style-type: none"> ▪ Foundations ▪ Regional planning commission
Conduct feasibility studies to identify the costs and benefits of different incentives to developers and clarify any legal constraints.	Action #3	Public Policymaker Philanthropic Funder	<ul style="list-style-type: none"> ▪ Local elected officials ▪ Municipal staff ▪ Foundations
Work with the State Attorney General's office to clarify local powers of land disposition.	Action #4	Philanthropic Funder Public Policymaker	<ul style="list-style-type: none"> ▪ Foundations ▪ Municipal staff
Develop a strategy for each Opportunity Zone that aligns community-based needs with available local and regional incentives.	Action #5	Public Policymaker Private Investor Advisor	<ul style="list-style-type: none"> ▪ Large employers ▪ For-profit developers ▪ Nonprofits ▪ Service providers ▪ Municipal staff ▪ Community members
Continue advocating for a dedicated source of funding for the Arkansas State Housing Trust Fund.*	Action #5	Private Advocate Public Advocate Philanthropic Advocate	<ul style="list-style-type: none"> ▪ Large employers ▪ Chambers of commerce ▪ For-profit developers ▪ Nonprofits ▪ Service providers ▪ Local elected officials ▪ Foundations

Milestones achieved through short-term priorities | Relationship to housing delivery system

- Creation of regional funding incentives for municipalities | Enabling environment
- Guidance on use of land disposition and local development incentives at the local and regional levels | Enabling environment
- Creation of development incentives in Northwest Arkansas' four largest cities | Enabling environment
- Development of strategic investment plans for Opportunity Zones | Resources for development pipeline

*Assumes continued advocacy efforts will be needed in each legislative cycle.

MEDIUM-TERM PRIORITIES

Initial Step	Supports implementation of...	Which sector leads? What is their key role?	Who leads within sector?
Establish a local land disposition policy, including a review of existing local ordinances on the process for using publicly owned land.	Action #4	Public Policymaker	<ul style="list-style-type: none"> ▪ Local elected officials ▪ Municipal staff ▪ School districts officials
Develop a comprehensive inventory of publicly owned land in Northwest Arkansas and evaluate opportunities for residential development.	Action #4	Philanthropic Funder Public Administrator	<ul style="list-style-type: none"> ▪ Foundations ▪ Municipal staff ▪ Academic institutions ▪ Regional Planning Commission
Continue advocating for a dedicated source of funding for the Arkansas State Housing Trust Fund.*	Action #5	Private Advocate Public Advocate Philanthropic Advocate	<ul style="list-style-type: none"> ▪ Large employers ▪ Chambers of commerce ▪ For-profit developers ▪ Nonprofits ▪ Service providers ▪ Local elected officials ▪ Foundations

Milestones achieved through medium-term priorities | Relationship to housing delivery system

- Creation of local land disposition policies and processes in Northwest Arkansas' four largest cities | Enabling environment
- Creation of a public land inventory to assist with land disposition | Enabling environment | Resources for development pipeline

*Assumes continued advocacy efforts will be needed in each legislative cycle.

KEY TERMS

Affordable housing: Housing is typically considered affordable if total housing costs do not exceed 30 percent of a household's gross income.

Area median income: Area median income is an income benchmark calculated and used by the U.S. Department of Housing and Urban Development to understand housing needs and other characteristics by income level.

Cost-burdened: When a household pays more than 30 percent of their gross income on housing, including utilities, they are "cost-burdened."

Median: This measure represents the midpoint of a set of values. For instance, if median rent is \$1,000, then one-half of rents are lower than \$1,000 and one-half of rents are above that value.

Household: According to the U.S. Census Bureau, a household includes anyone who occupies a housing unit as their usual place of residence.

Households with the lowest incomes: For the purposes of this report, "households with the lowest incomes" means any household earning roughly 50 percent of area median income or lower (based on HUD-defined income limits for the Fayetteville-Springdale-Rogers HUD Metro Fair Market Rent Area). In Northwest Arkansas, this income range translates into earning less than approximately \$33,000 for a family of four.

Housing unit: According to the U.S. Census Bureau, a housing unit is a house, apartment, group of rooms or single room intended for occupancy as separate living quarters.

Housing + transportation costs: The Center for Neighborhood Technology, which produces the H+T Affordability Index to measure these costs, sets the benchmark at no more than 45 percent of household income spent on combined housing and transportation costs.

Low-income: Generally used to describe a household that earns 80 percent of area median income or less.

Subsidized housing: Public housing, rental assistance vouchers like Section 8, and developments that use Low-Income Housing Tax Credits are examples of subsidized housing. Subsidized housing lowers overall housing costs for people who live in it. Affordable housing and subsidized housing are different, even though they are sometimes used interchangeably.

Public housing: Public housing was established to provide decent and safe rental housing for eligible low-income families, older adults and persons with disabilities. It is subsidized through the federal government and managed by local housing authorities.

Urbanized Area: A Census-defined geography with a population of 50,000 or more people. For the analysis in this report, the 2010 Urbanized Area boundary from the U.S. Census Bureau is used to define Northwest Arkansas as a region.

Workforce housing: While no common standard exists, workforce housing can refer to providing homes for middle-income service workers, such as police officers, teachers and nurses, who may not qualify for housing subsidies. For the purposes of this report, "workforce household" means any household roughly earning between 51 and 120 percent of area median income (based on HUD-defined income limits for the Fayetteville-Springdale-Rogers HUD Metro Fair Market Rent Area). For Northwest Arkansas, this income range translates into earning between approximately \$33,000 and \$78,500 for a family of four.

WHAT IS “AFFORDABLE” TO DIFFERENT WORKERS?

The workforce in Northwest Arkansas spans a wide range of incomes and occupations. If a household pays less than 30 percent of their income on housing costs (including utilities), their home is generally considered “affordable.”



OCCUPATION	ESTIMATED ANNUAL EARNINGS	AVERAGE HOURLY WAGE	MAXIMUM MONTHLY HOUSING COST
INCOME CATEGORY: LESS THAN 30% AMI (EXTREMELY LOW INCOME)			
Any minimum wage worker	\$17,680	\$8.50	\$442
INCOME CATEGORY: 31-50% AMI (VERY LOW INCOME)			
Receptionist	\$25,170	\$12.10	\$629
Bus drivers, school or special client	\$25,340	\$12.18	\$634
Helpers - carpenters	\$25,700	\$12.36	\$643
Office clerk	\$27,872	\$13.40	\$697
Light truck drivers	\$31,430	\$15.11	\$786
INCOME CATEGORY: 51-80% AMI (LOW INCOME)			
Firefighter	\$35,820	\$17.22	\$895
60% AMI			
Loan interviewers and clerks	\$39,670	\$19.07	\$992
Police officer	\$39,650	\$19.06	\$991
Automotive body and related repairer	\$43,620	\$20.97	\$1,090
INCOME CATEGORY: 81-100% AMI (MODERATE INCOME)			
Web Developer	\$56,330	\$27.08	\$1,408
Registered Nurse	\$57,850	\$27.81	\$1,446
Teacher (B.A. + 15 years of experience)	\$60,798	\$29.23	\$1,520
INCOME CATEGORY: 101-120% AMI (MODERATE INCOME)			
Computer Programmer	\$65,920	\$31.69	\$1,648

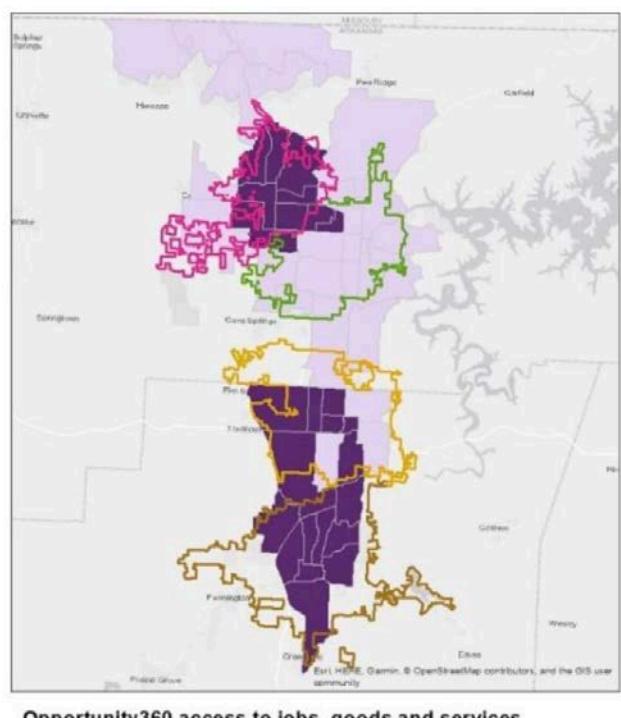
By this widely accepted standard, Northwest Arkansas still has areas where people working in lower wage occupations can afford to live. However, these areas are shrinking, largely due to increased housing costs or private economic activity. To sustain a growing regional economy, Northwest Arkansas’ housing market needs to offer a wider range of options to its residents.

Sources: United States Department of Labor, Bureau of Labor Statistics, May 2017 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Fayetteville-Springdale-Rogers, AR-MO Metropolitan Statistical Area; Arkansas Department of Education, 2017-2018 Teacher Salary Schedule for Bentonville, Rogers, Springdale and Fayetteville school districts | Notes: Assumes a 40-hour work week, 52 weeks of the year for a single-income household.

CONNECTING TO OPPORTUNITY

A home is a platform to access education and employment opportunities, healthy living and economic security. As Northwest Arkansas pursues its housing future, it should think about housing in this broader context. It should consider housing a gateway to increased opportunities for residents living in the region, both today and in the future.

A large body of research reinforces what many know intuitively: Where you live affects your daily well-being and long-term economic mobility.⁵⁶ The resources, institutions and social factors in neighborhoods influence access to opportunities over a person's own and their children's lifetimes.



Opportunity360 access to jobs, goods and services state percentile rankings (2017)

- Lower than or equal to the region's midpoint
- Higher than the region's midpoint
- Bentonville
- Rogers
- Springdale
- Fayetteville



ACCESS TO JOBS, GOODS AND SERVICES

One of the region's most pressing housing issues is weak connections between housing and transportation options. Throughout this project, stakeholders prioritized access to jobs, goods and services and the region's major trails when developing housing solutions. They stressed the importance of integrating this connection into a regional housing compact and trust fund.

Analysis using Enterprise Community Partners' Opportunity360 platform suggests that access to jobs, goods and services varies across Northwest Arkansas.⁵⁷ The cities of Bentonville, Fayetteville and Springdale experience greater access to jobs, goods and services. Higher access may be partially explained by the location of major employers. According to a 2010 study, some of the region's largest employers are located along major transportation corridors, like I-49 and Ozark Regional Transit routes.⁵⁸ Rogers' lower ranking likely means that residents have more limited access to jobs within a 45-minute car or transit commute relative to the rest of the region, even though some of the largest employers in Benton County are located there.⁵⁹

Evidence suggests that living in more centrally located areas encourages a more active lifestyle. Walking and biking to work are more common in the region's central cities, along with northeast Fayetteville and southeast Springdale. Elsewhere, a small share of the region's population walks or bicycles to work, even though Northwest Arkansas offers world-class trails, and more than half of the region's households live within one-quarter mile of the Razorback Regional Greenway.

This link – between where someone lives and the opportunities a place offers – is best understood through "opportunity mapping." The analysis above, based on mapping two key aspects of opportunity, creates a starting point for Northwest Arkansas to make these connections.

ECONOMIC SECURITY

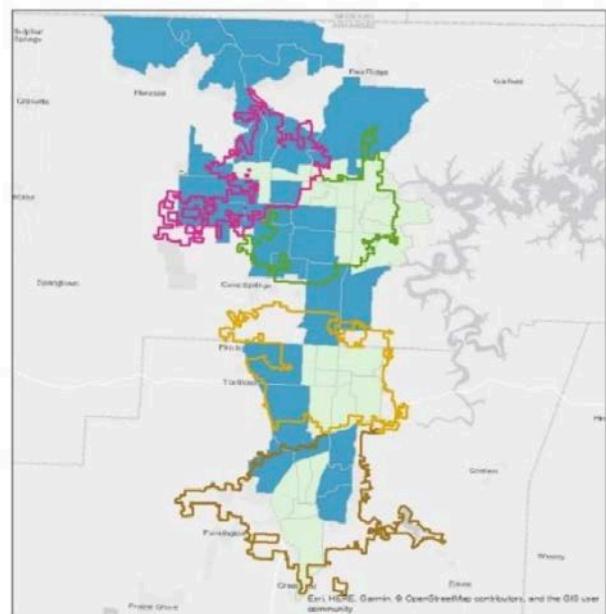
Another central metric of opportunity is economic security. While Northwest Arkansas has a low unemployment rate and offers a range of job opportunities for different skill levels, economic security is not shared across all occupations and parts of the region. Analysis conducted using the Opportunity360 platform suggests that economic security exists throughout Northwest Arkansas, most notably in Bentonville. By contrast, households living in the eastern portions of Rogers and Springdale as well as central Fayetteville and Springdale experience the lowest economic security. This means that households in these areas may experience lower median household incomes, higher unemployment and higher poverty than elsewhere in the region.⁶⁰



PRIORITIZING OPPORTUNITY

Connecting households to opportunity must shape how Northwest Arkansas implements its catalytic actions over time.

Indeed, access to jobs, goods and services, and economic security can propel Northwest Arkansas to success as it develops a regional housing compact; prioritizes investments from the regional housing trust fund; designs development incentives; uses publicly owned land; and invests local, state and federal resources.



Opportunity360 economic security state percentile rankings (2017)

- Lower than or equal to the region's midpoint
- Higher than the region's midpoint
- Bentonville
- Rogers
- Springdale
- Fayetteville

For example, the regional housing compact could articulate a need to increase housing opportunities in areas that already offer multiple modes of transportation or ensure residents have a short commute to major employment centers. Additionally, if a development in an area characterized by lower levels of economic security seeks funding from the regional housing trust fund, the developer may need to show how they (either directly or in partnership with local or regional organizations) will offer programming or other support to improve educational attainment and employment prospects.

SOURCE GLOSSARY

1 2012–2016 American Community Survey 5-Year Estimates and Center for Business and Economic Research at the University of Arkansas.

2 Count of persons experiencing homelessness is from a 2018 census conducted by the University of Arkansas. For more information, visit www.nwahomepage.com/news/fox-24/census-shows-over-half-of-nwa-homeless-population-is-18-under/150902316.

3 In Springdale, median rent decreased slightly (1 percent) between 2011–2016. In Bentonville, median household income rose 32 percent, while median rents and for-sale homes increased 13 percent and 16 percent, respectively. Data for median rent and household income is from 2007–2011 and 2012–2016 American Community Survey 5-Year Estimates. Median for-sale home prices are from the Center for Business and Economic Research at the University of Arkansas.

4 2010 U.S. Decennial Census and 2012–2016 American Community Survey 5-Year Estimates

5 Derived from the Northwest Arkansas Regional Planning Commission’s 30-year growth forecasts; annual rate is calculated between 2010 and 2040, the two years included in the growth forecasts, and adjusted for units produced between 2010 and 2019.

6 Enterprise estimates using 2012–2016 American Community Survey 5-Year Public Use Microdata Sample (PUMS). The methods to derive these numbers were validated against estimates in the Comprehensive Housing Affordability Strategy maintained by the U.S. Department of Housing and Urban Development. Based on this validation, these numbers represent conservative estimates, meaning they likely overestimate affordability for certain income groups.

7 Bureau of Labor Statistics (May 2017). Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Fayetteville-Springdale-Rogers, AR-MO Metropolitan Statistical Area.

8 These units do not need to be new. They can be created by making existing units affordable and available through public subsidy. The supply gap omits units for extremely and very-income households in higher-cost housing experiencing cost burdens.

9 The number of homes needed to meet growth in lowest-income households will be twice as large if they are occupied by higher-income households and therefore unavailable. Attaching income-based requirements would ensure their availability. New home estimates based on 30-year growth forecasts from the Northwest Arkansas Regional Planning Commission and 2012–2016 American Community Survey 5-Year PUMS data. They assume similar patterns of income groups and tenure hold through 2040.

10 2012–2016 American Community Survey 5-Year PUMS data

11 For this report, “workforce household” means households roughly earning 51–120 percent of area median income (AMI) (based on the Fayetteville-Springdale-Rogers HUD Metro Fair Market Rent Area). This income range translates into earning between approximately \$33,000 and \$78,500 for a family of four. Based on regional wages, occupations in this income range may include firefighters, police officers, teachers, and nurses.

12 The number of homes necessary to accommodate growth in households at this income level would be larger if they are not available to them. Units in this price range would face competition from both higher-income households seeking lower priced homes and lower-income households for whom there are not enough affordable and available units.

13 The exception is Fayetteville, where detached single-family homes make up slightly less than half of the city’s housing. Data from 2012–2016 American Community Survey 5-Year Estimates.

14 Derived from 30-year growth forecasts from the Northwest Arkansas Regional Planning Commission.

15 For referenced studies, visit www.politico.com/magazine/story/2017/10/30/mayors-poll-millennials-cities-urban-policy-215765 and www.mhp.net/writable/resources/documents/MHP-Report-Final_042817.pdf.

16 According to Opticos Design, “missing middle housing” refers to “a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living.” For more information, visit <http://missingmiddlehousing.com/>

17 Willow Bend is a public-private partnership between the City of Fayetteville and nonprofit developer Partners for Better Housing. The master-planned neighborhood will include 84 market-rate and affordable homes with sustainable design features in a walkable location.

18 For more information, visit www.housingnwa.org.

19 For this report, “lower-income households” or “households with the lowest incomes” means households roughly earning 50 percent of AMI or lower (based on the Fayetteville-Springdale-Rogers HUD Metro Fair Market Rent Area). This income range translates into earning less than approximately \$33,000 for a family of four. Based on regional wages, occupations in this income range may include retail, shift workers in local poultry plants, receptionists and minimum-wage positions.

20 Data from 2012–2016 American Community Survey 5-Year PUMS and HUD’s FY2018 Income Limits and Fair Market Rent Documentation System; income figures rounded to the nearest thousand.

SOURCE GLOSSARY, CONT.

21 For more information, visit HUD's Affordable Housing webpage: www.hud.gov/program_offices/comm_planning/affordablehousing/.

22 The methods to derive these numbers were validated against estimates in HUD's Comprehensive Housing Affordability Strategy. Based on this validation, numbers are conservative and likely overestimate affordability for certain income groups.

23 For median rents, the exception is Springdale, where median rent decreased slightly (1 percent) between 2011–2016. In terms of median household income, the exception is Bentonville, where median household income increased 32 percent relative to a 13 percent increase in median rent and 16 percent increase in median for-sale home prices. Data for median rent and household income is from 2007–2011 and 2012–2016 American Community Survey 5-Year Estimates. Change is calculated between 2007–2011 and 2012–2016 and figures are in 2016 inflation-adjusted dollars. Median for-sale home prices are from the Center for Business and Economic Research at the University of Arkansas.

24 National Housing Preservation Database, 2018.

25 The number of homes needed to meet growth in households with the lowest incomes would be up to twice as large if unavailable because they are occupied by higher-income households. Attaching income-based requirements would ensure availability over time. Estimates of new homes based on 30-year growth forecasts from the Northwest Arkansas Regional Planning Commission and 2012–2016 data from American Community Survey 5-Year PUMS. Existing rental supply gap based on Enterprise estimates using 2012–2016 American Community Survey 5-Year PUMS.

26 Publicly assisted housing tends to serve households earning less than 80 percent of AMI (about \$52,000 for a family of four in the region). In Northwest Arkansas, firefighters and police officers, retail employees and shift workers in local poultry plants earn incomes within this group or a lower one.

27 The Community Development Block Grant program is a flexible federally-funded program that provides local governments and states with resources to address a wide range of community development needs. The CDBG Entitlement Program provides annual grants through a formula basis to entitled cities and counties to pursue activities that benefit low- and moderate-income people. For more information, visit www.hud.gov/program_offices/comm_planning/communitydevelopment/programs.

28 2012–2016 American Community Survey 5-Year PUMS.

29 Publicly assisted housing in Northwest Arkansas falls into three main categories: 1) public housing, which receives federal funding to provide housing for eligible households and is managed by Fayetteville and Springdale public housing authorities; 2) tenant-based rental assistance like Section 8 or Veterans Affairs Supportive Housing; and 3) privately owned housing that receives a federal subsidy.

30 Correspondence with Fayetteville, Springdale and Siloam Springs public housing authorities, 2018.

31 Other cities also seek more walkable, urban communities. In Rogers, the city government recently adopted its Comprehensive Growth Map (<https://rogersar.gov/DocumentCenter/View/15541/ORD-18-40-exhibit-Comprehensive-Growth-Map-?bId=1>) to create neighborhood and regional centers throughout the city. Data for median downtown rent from the Center for Business and Economic Research, University of Arkansas; includes multifamily rental buildings with 10+ units.

32 Center for Business and Economic Research, University of Arkansas. (2017). "Measuring the Vitality of Downtowns in Bentonville, Fayetteville, Rogers, Siloam Springs, and Springdale."

33 2012–2016 American Community Survey 5-Year Estimates. Only 2–3 percent of workers 16 and older lack access to a private vehicle across Bentonville, Fayetteville, Rogers and Springdale.

34 2012–2016 American Community Survey 5-Year Estimates.

35 Center for Neighborhood Technology, Housing and Transportation Affordability Index, <https://htaindex.cnt.org>. The center sets the benchmark at no more than 45 percent of household income spent on combined housing and transportation costs.

36 See "Northwest Arkansas Commuter Corridor Alternative Analysis: Transit Oriented Development Scenarios." (2014). Report prepared for Northwest Arkansas Regional Planning Commission: <http://nwarpc.org/wp-content/uploads/2016/07/Transit-Economics-Report.pdf>. As of 2019, the Commission is developing a transit plan, which incorporates transit-oriented development.

37 The functions in this framework were adapted from the following working paper: Hacke, R., Wood, D., and Urquilla, M. (2018). "Community Investment: Focusing on the System," <https://centerforcommunityinvestment.org/sites/default/files/2018-09/CI%20As%20a%20System.pdf>.

38 Kingsley, G.T. (2017). "Trends in Housing Problems and Federal Assistance." Urban Institute, www.urban.org/sites/default/files/publication/94146/trends-in-housing-problems-and-federal-housing-assistance.pdf.

39 The Housing Survey Report. 2016, http://housingtrustfundproject.org/wp-content/uploads/2016/10/HTF_Survey-Report-2016-final.pdf.

40 The Housing Survey Report. 2016. Available at http://housingtrustfundproject.org/wp-content/uploads/2016/10/HTF_Survey-Report-2016-final.pdf.

SOURCE GLOSSARY, CONT.

41 Questions adapted from Local Government Institute. (2007). "Establishing a Local Housing Trust Fund." Available at www.ca-ilg.org/sites/main/files/file-attachments/resources_Local_Housing_Trust_Fund_0.pdf.

42 The Affordable Housing Trust Fund in Knoxville, TN, was funded by a local community development corporation and the City of Knoxville, which also provides annual contributions. It is administered by the East Tennessee Foundation. To learn more, visit www.easttennesseefoundation.org/scholarships-grants/grants/competitive-grants-and-loans-by-name/affordable-housing-trust-fund.

43 The Community Housing Development Fund, formerly the Housing Fund, is a joint effort of Tompkins County, City of Ithaca and Cornell University. The fund helps communities and organizations throughout the county respond to the diverse affordable housing needs of county residents. <http://tompkinscountyny.gov/planning/housing-choices-housing-fund>.

44 Housing Trust Silicon Valley is funded by a variety of donors and public resources, <https://housingtrustsv.org>.

45 For more information on the Livable Communities Program, visit <https://metroCouncil.org/About-Us/Facts/CommunitiesF/FACTS-Livable-Communities.aspx>.

46 S.M.A.R.T. Housing Program Resource Guide, www.austintexas.gov/sites/default/files/files/Housing/Application_Center/SMART_Housing_smart_guide_0708.pdf.

47 The City of Fayetteville owns 35 acres in walkable areas. While some properties are municipal buildings, others, like several municipal parking lots, may be development candidates. The City of Bentonville and Benton County also have large physical downtown presences, totaling about nine acres, with a third owned by Benton County. Their downtown location makes the properties strong candidates for residential or mixed-use development should the city or county opt to move or consolidate facilities.

48 See AR § 14-43-602.

49 By state statute, municipalities have the authority to sell, convey, lease, rent or let any real estate owned or controlled by the municipal corporations. See AR § 14-54-302.

50 For more information about the CDBG program, visit www.hud.gov/program_offices/comm_planning/communitydevelopment/programs.

51 For more information about the HOME program, visit www.hud.gov/program_offices/comm_planning/affordablehousing/programs/home/.

52 Some interviewees expressed concern about the ability to pay back Section 108 loans because of the unpredictability of CDBG funding. While local governments must pledge their current and future CDBG allocations as security for the loan, the goal is for the proposed project to have sufficient cash flow to repay the loan without CDBG dollars.

53 Estimate based on 2015 CDBG allocation for Bentonville, the last year for which data is available from the U.S. Department of Housing and Urban Development for the city.

54 An NRSA designation from HUD aims to promote economic opportunity (through job and small-business creation, among other activities), mixed-income development, and neighborhood revitalization in a targeted area. It must be a contiguous geographic area with a high percentage of low- and moderate-income residents. This designation provides flexibility in using CDBG funds for innovative economic development, housing, and public service activities. For more information about NRAs, see HUD's 2016 notice to grantees; www.hud.gov/sites/documents/16-16CPDN.PDF.

55 For more information about Housing Arkansas, an organization focused on creating a permanent, dedicated source of revenue for the Arkansas Housing Trust Fund, visit www.housingar.org/.

56 See Knapp, E. (2016). "The Cartography of Opportunity," <https://knaaptme.com/papers/index.html>; Galster, G. (2010). "The Mechanism(s) of Neighborhood Effects Theory, Evidence, and Policy Implications." Paper presented at the ESRC Seminar. St. Andrews University, Scotland; and Galster, G. and Sharkey, P. (2015). "Spatial Foundations of Inequality." Paper prepared for the Russell Sage Foundation.

57 Opportunity360 is a comprehensive approach to understanding and addressing community challenges by identifying pathways to greater opportunities using cross-sector data, community engagement, and measurement tools. www.enterprisecommunity.org/opportunity360.

58 A 2010 study by the Northwest Arkansas Regional Planning Commission shows that Benton County's five largest employers are located on or near Ozark Regional Transit routes, while Washington County's five largest employers are located along major north-south corridors. See Northwest Arkansas Transit Development Plan, Technical Memorandum #6. (2010), <http://nwarpc.org/wp-content/uploads/2016/07/Tech-Memo-6-NWARPC-TDP-Latent-Demand-Analysis.pdf>.

59 See Northwest Arkansas Transit Development Plan, Technical Memorandum #6. (2010), <http://nwarpc.org/wp-content/uploads/2016/07/Tech-Memo-6-NWARPC-TDP-Latent-Demand-Analysis.pdf>.

60 On the Opportunity360 platform, "economic security" corresponds with the measures for social capital.