

PROVEN STRATEGIES  
FOR **SOLVING HOUSING**  
**SHORTAGES** IN COMMUNITIES  
ACROSS NORTH AMERICA

A GOLDEN SHOVEL AGENCY WHITE PAPER



# INTRODUCTION

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Dear Economic Developer,

At Golden Shovel Agency we believe in taking a holistic approach to economic development and are privileged to work with the professionals who fight to make their communities stronger. Our team has a front-row seat to the housing and economic development challenges community leaders face and their quest to find solutions. Every day, we advise and provide solutions to our clients. We are sharing our best practices with communities to help address the ongoing housing crisis and provide solutions that each of you can incorporate into your strategic planning process.

Pre-pandemic communities were facing housing shortages that negatively impacted their ability to grow. We heard from companies that they needed more housing for their employees, or that people couldn't move for employment opportunities because there wasn't affordable housing with the amenities they were seeking. While concerning, this didn't rise to the crisis level. After two years of COVID-19, everything has changed.

Housing shortages are now at the forefront of public consciousness and the existing housing costs exponentially more. The [S&P Corelogic Case-Shiller Index Report](#) showed an 18.8% annual home price increase. And, [Zumper's National Rent Report](#) showed that rent for a one-bedroom apartment hit an all-time high of \$1,400 in 2022, for the national average— this is a 12 percent year-over-year increase. Prices have gone up, in part, because there simply isn't enough housing to meet the demand.

The United States alone has a housing shortfall of 3.8 million units. According to [Freddie Mac](#) researchers, "The main driver of the housing shortfall has been the long-term decline in the construction of single-family homes. That decline has been exacerbated by an even larger decrease in the supply of entry-level single-family homes or starter homes."

People early in their careers like nurses and teachers, or those who work in lower-paying professions like retail and childcare, are unable to find a place to live. This is an issue on the mind of most economic developers we speak with because, without these workers, communities can't grow. "We need workers at all levels to live in our community. I want everyone to be able to thrive here and that means having access to housing, childcare, healthcare, and quality of life amenities in addition to the good jobs our local companies provide," said Lisa Hurley, Economic Development Director for York Development Corporation. "Workforce housing is a critical component of that."

Golden Shovel wants to be part of the solution. Though we cannot physically pick up our shovel, what we can do is bring you best practices being used by communities to create more housing. Throughout this whitepaper, you will find housing strategies that are working throughout North America and can be put to work in your community. I want to thank all of the economic developers and community leaders who shared their solutions with us and invite each of you to learn from their experiences.

Happy reading!

Bethany Quinn, VP Strategy and Content Development ■ Golden Shovel Agency

# START WITH THE FACTS

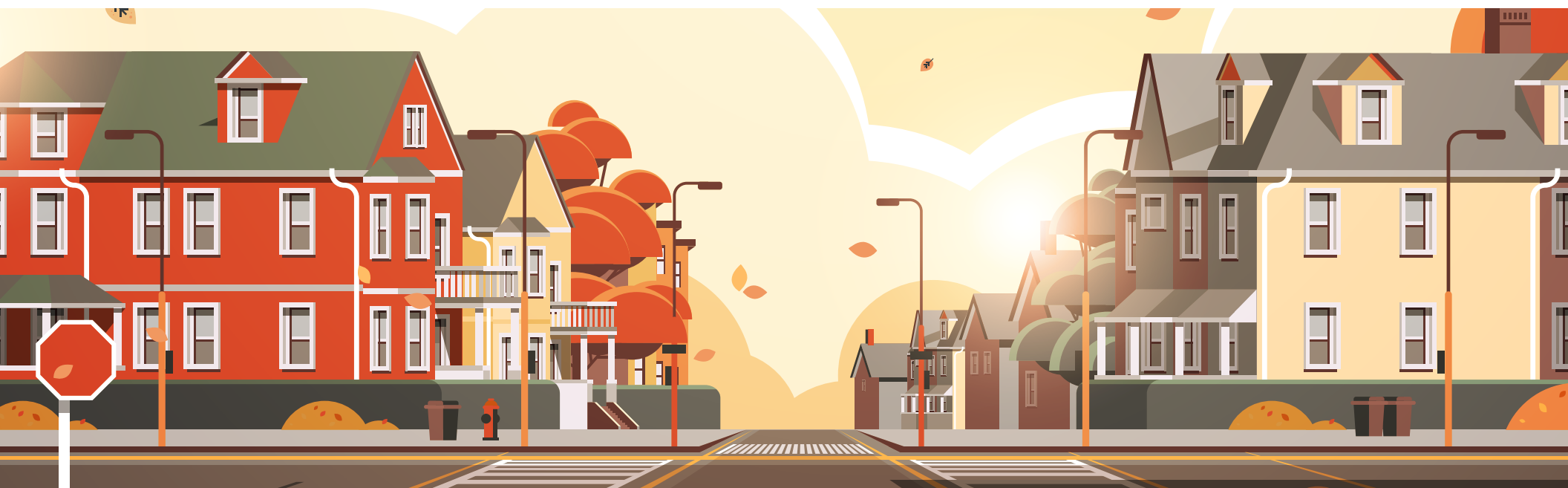
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Before solving the housing crisis in your community you need an understanding of what the problem looks like at the local level. Commissioning a housing study should be the first step.

Individual communities and regions are commissioning housing studies to determine the total demand, the type of housing that's needed, and the ideal price point for the local market. Once complete, a housing study is the best tool for attracting developers because it demonstrates that there is a true need and exactly what that need is.

## Housing Studies Are a Tool to Use with Developers

The [Greater Beloit Economic Development Corporation \(GBEDC\)](#) spans two states (Wisconsin and Illinois). With new projects coming online, like the [Ho-Chunk Casino](#), creating thousands of jobs, the region needs workforce housing, and quickly. Commissioning a housing study was the first step in the process. "We need real-time data to demonstrate to housing developers that Greater Beloit is a strong market with an immediate need," said Jen Hall, President/CEO. "Once complete, our housing study will be a tangible tool in our recruitment efforts."



# START WITH THE FACTS

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## Information Contained in a Housing Study

The structure of a housing study varies from consultant to consultant and is based on community priorities. Some of the common features are as follows:

- Analysis of current housing supply, broken down by owner-occupied vs. rental, and type of housing.
- Report on the condition of current housing stock, including identifying the number of homes that should be torn down or need serious renovations to be livable.
- Analysis of the affordability of housing for the existing workforce.
- Estimate how many housing units will be needed, per category, over the next five years.
- Location breakdown for housing demand (necessary for a regional report).
- Determination of how many housing units need to be built as “workforce housing.”
- Determination of how much senior housing will be needed.
- A projection of how the housing needs could change if the EDO’s work results in job growth.
- Analysis of the community’s current development capabilities and if outside developers will be needed to meet housing targets.

Some housing studies also include a survey of residents, reporting back on the challenges they are currently having with housing. For example, if taxes or price points are viewed as a barrier, this would be identified in the report.

Commissioning a housing study is an economic development best practice because it changes the nature of conversations with stakeholders and developers from being based on a hunch to being based on facts. Housing is a real need. Your study will prove it and give you the baseline to start solving the problem.