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Tulsa housing study highlights housing crisis, investment needs

An independent study of Tulsa's housing crisis revealed a $2.45 billion gap that requires an estimated $245 million per year for 10 years from private, public and philanthropic investments to close.

"The needed investment is massive, but more affordable housing means more discretionary income and stability for every Tulsan," said Becky Gligo, Housing Solutions executive director. "Tulsans are paying too much for rent and mortgage, driven by a lack of housing stock of all types. More fortunate Tulsans are stuck in homes they can't afford, while Tulsans experiencing homelessness have programs to help them rent but nothing is available as prices and occupancy rates skyrocket."

The study shows that one in five Tulsa renters pay more than half their income on housing. Similarly, one in five Tulsa homeowners pay more than 30% of their income on housing.

"Housing investment is economic development, and this study makes it clear that the housing crisis is a burden to every Tulsan in every neighborhood," Gligo said. "There is no silver bullet. This study shows a need for all types of housing and requires private, public and philanthropic investment."

About half of all Tulsa's housing stock was built prior to the 1970s, meaning rehabilitation investments to preserve existing houses will be just as important as new construction, according to the study.

The 10-year demand, broken down by income level, calls for 2,160 units for households with extremely low income; 1,790 units for households with very low income; 2,300 units for households with low income; 2,290 units for households with moderate income, and 4,360 units for households with high income. Income is based on Tulsa's average media income, ranging from less than $20,000 in the extremely low-income level to greater than $81,000 in the high-income level.

"I challenged Tulsans at my last State of the City address to invest $500 million over the next two years into housing, and we have established a task force on how the City can best collaborate with our community partners to address the housing shortage in Tulsa," Mayor G.T. Bynum said. "This study reinforces the housing pace we must set for ourselves as a city, and makes it clear that our entire community can benefit economically from every dollar invested."

Tulsa has undertaken similar investments recently. From 2009 through 2020, Tulsa invested more than $1 billion into downtown development through private, public and philanthropic sources, not including almost $200 million BOK Center that opened in 2008. An additional $800 million was planned or in progress last year. Adjusting for inflation, Tulsa's recent investment into downtown exceeds the study's estimated need.

"There's no greater economic impact than a community choosing to invest in itself, and this study underscores Tulsa's significant housing needs as well as the public and private investments necessary to meet the demand," said Brian Kurtz, Downtown Tulsa Partnership executive director. "Because of the strategic community investments made over the last decade to achieve a growing neighborhood, Downtown Tulsa can be a pivotal location to meet the unmet demand for more housing across the spectrum of affordability to ensure Tulsa remains a welcoming and thriving community for all."

The study is the first of its kind for Tulsa and provides data for leaders to make informed decisions and potential strategies to close the gap. The study was paid for by The Anne and Henry Zarrow Foundation; facilitated by Housing Solutions; conducted by Development Strategies and Homebase; and supported by the City of Tulsa, Partner Tulsa, Downtown Tulsa Partnership and Tulsa Housing Authority.

"Tulsa has a history of developing innovative, public-private partnerships to solve the city's biggest challenges," said Kian Kamas, PartnerTulsa executive director. "The results of this study show that we must continue to invest in creative public finance tools that reduce the cost of development and de-risk building and investment. PartnerTulsa is committed to managing existing and developing new tools that will help us rise to the challenges we know exist, as well as partnering with the private developers that will be critical to addressing our housing needs."

"The Tulsa Housing Authority is already building additional units and stands ready to build more, but Tulsa needs a multi-sector effort to close this housing gap," said Aaron Darden, Tulsa Housing Authority president and CEO. "The problem won't be solved overnight, but this study brings the need into the daylight."

Where could the money come from?

The housing study estimates that about 85% of the needed $245 million annual investment can be made through conventional financing sources paired with gap-financing tools and existing public-sector programs. The remaining 15%, or $37 million, will require innovation and collaboration across the community.

How should the money be spent?

The study breaks down Tulsa's needs into seven areas that completely cover the city. All seven areas need substantial portions of the estimated $245 million per year. Overall, the study recommends about 20%, or $50 million per year, be spent on rehabilitation to support Tulsa's existing housing market. 80%, or $195 million per year, should be spent on new construction. The following are the study's findings for demand broken down by affordability:

Income level by Tulsa's average median income (AMI)	Total 10-Year Demand	Methods to Support Preservation and Development
Extremely Low Income (<30% AMI or <$20,000)	2,160 units	• Federal housing programs such as Public Housing or Housing Choice Vouchers
Very Low Income (30% AMI to 50% AMI or $20,000 to $30,000)	1,790 units	• Federal housing programs such as Public Housing or Housing Choice Vouchers • Resources to help homeowners stay in current homes in Tulsa's older housing stock
Low Income (50% AMI to 80% AMI or $33,000 to $54,000)	2,300 units	• Low Income Housing Tax Credits, CDBG, HOME to support new development • Resources to preserve existing affordable rental and ownership options
Moderate Income (80% AMI to 120% AMI $54,000 to $81,000)	2,290 units	• Tax Increment Finance, Abatements, other housing assistance funds to support new development • Investments in product development serving the high income bracket will reduce pressures and price increases for this income bracket
High Income (>120% AMI or >$81,000)	4,360 units	• Largely developable without market interventions • Support site development, permitting assistance, etc. to facilitate development and alleviate pressure on lower income brackets

Key conclusions from housing study:

1. **Housing is needed in Tulsa across the affordability spectrum, from extremely low income to high income. Quality development in any of the categories will help the overall market.**
2. **There is no single solution or strategy that will make it possible to meet demand.**
3. **More than half of the housing demand is from households at or below Tulsa's average median income. Meeting that demand will be difficult without gap funding.**
4. **Meeting demand will not solve all of Tulsa's housing challenges. Meeting demand will help balance the market, provide more attainable housing choices, support continued growth, and begin to create a more equitable housing market. Challenges, including housing conditions and cost burden, will persist but improve.**

Data highlights across Tulsa:

- **Some areas of Tulsa have seen market rent increase 53% since 2019. Meanwhile, average home prices have increased 43% across all areas of the city.**
- **Tulsa has an aging housing stock. About 50% of all properties are more than 50 years old in Tulsa.**
    - **54% of multi-family properties were built before 1970.**
    - **44% of residential properties were built before 1970.**
- **Tulsans struggle to make monthly housing payments.**
    - **46% of all renters spent more than 30% of their income on housing.**
    - **About one in five of all renters spent more than 50% of their income on housing.**
    - **It's not just renters. About one in five homeowners spent more than 30% of their income on housing.**

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