CountyNews
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NATIONAL ASSOCIATION *of* COUNTIES

JULY 3, 2023

THE HOUSING AFFORDABILITY CRISIS

County recommendations to meet the challenge

COUNTIES NEED ACCESS TO MODERATELY PRICED, FAIR-QUALITY HOUSING

by Kevin Boyce and Sherry Maupin

For a growing number of Americans, the cost of housing is crowding out the rest of their household budget. That's forcing many families into precarious living situations that affect their safety, their health, the length of their commutes and their chance to build generational wealth or to contribute to a vibrant community where they feel like they have a stake.

In 18% of counties, households must spend more than 3.5 times their annual income to afford a typical home. Nearly a quarter (24%) of households that occupy rental units are severely cost-burdened, spending more than half of their annual income on rent. According to Freddie Mac, there is a shortage of more than 3.8 million homes — both rental and owner-occupied — across the country, and it will take more than 20 years to close the housing unit gap despite the recent acceleration in development, according to the National Association of Realtors. These statistics lend context to a problem that counties know all too well: Housing affordability is increasingly out of reach for residents.

In Valley County, Idaho, a small resort community outside of Boise, the median home price is $650,000 (while the median household income is only $75,000) primarily driven by the influx of wealthy households. First responders, service-sector and healthcare workers, teachers and other community members face the choice of commuting several hours or living in homes not intended for long-term habitation like recreational vehicles (RVs). For children of the community, there is virtually no path that leads to living in the county where they've grown up.

Across the country in Franklin County, Ohio, the bustling home to the capital city of Columbus, four out of every 10 renters are cost-burdened, spending more than 30 % of their annual income on housing. The lingering impacts of decades of unjust housing policies like redlining, access to financial institutions and affordable financing still cloud the pathways to homeownership for many black and brown residents. And, with Franklin County's rapid growth, expected to welcome more than 1 million more residents by 2050, the demand on the housing market — and the need to ensure affordability — is acute.

Stories like these are not the exception in this country. Housing fulfills the basic human need for shelter and is the foundation for better health, consistent education, a stronger workforce, improved financial wellness and lowered demand for the social safety net.

Housing experts, policymakers and data illuminate three persistent barriers for access to housing: Affordability, supply and quality. In November 2022, NACo President Denise Winfrey of Will County, Ill., launched a national county task force to study housing affordability, charged with two goals: Identify county-led policy, practice and partnership solutions to addressing America's housing affordability crisis and explore intergovernmental partnership opportunities that support housing solutions between federal, state and local officials, along with private, nonprofit and other community organizations.

Housing policy is a highly complex, multi-layered topic requiring bipartisan partnerships, dialogue and coordination across all levels of government, private and nonprofit organizations and the community. It affects residents of all political, demographic, geographic and socioeconomic stripes. County authority on housing-related issues varies, so it is important for county officials to take an overarching perspective and identify opportunities to add the county voice, partnership and leadership into housing conversations.

Since November, the task force has met with experts and policymakers, studied data and trends, and analyzed county authority and strategies to foster housing affordability. While there is no simple solution to housing affordability, counties can work within our policy, financial, convening, educational and administrative levers to be a part of the effort to generate and preserve housing so our neighbors, communities and children can have a better future. H

Hon. Kevin Boyce
Commissioner, Franklin County, Ohio
NACo Housing Task Force Co-Chair

Hon. Sherry Maupin
Commissioner, Valley County, Idaho
NACo Housing Task Force Co-Chair

COUNTIES CAN FOLLOW THE MAP TO THE 'MISSING MIDDLE'

by Kevin Shrawder

Goldilocks and her realtor were getting frustrated. Single-family homes were too big, and too expensive. Apartments were too small. Fewer and fewer properties were just right.

They aren't alone.

The scarcity, and solution to, the "missing middle when it comes to housing was the focus of a recent program that took center stage at the Kreisman Initiative Symposium on Housing Law and Policy held at the University of Chicago. The summit focused on the widening gap between single-family homes and mid-to-high rise apartment units.

The missing middle includes duplexes, cottage courts, townhomes and multi-use buildings, among others. Many of these types of structures were built in the early 1900s, up until the mid-20th century. As one panelist noted, the median two-to-four-unit property was built in 1967. As populations shifted in communities, governments implemented modern regulations and existing housing stock aged; the missing middle became a smaller share of units.

Two key strategies influenced the symposium's programming: Preserving existing missing middle units and fostering the creation of new housing stock through construction.

Not all strategies for housing affordability necessitate new construction. In counties across the country, vacant homes and commercial structures can be repurposed into suitable homes. Renovating existing homes helps to preserve owner-occupied, smaller-type multi-unit buildings (such as courtyard apartments, triplexes, fourplexes and townhomes).

One strategy to preserve some of these properties is incremental development, wherein structures are intended to evolve as the community evolves. This could mean revitalizing a vacant or blighted property to multi-use commercial, adding on an Accessory Dwelling Unit (ADU), or renovating a larger single-family property into separate units. Many of these concepts fall under the umbrella of "lean urbanism," which focuses on projects that "aim small to provide maximum impact."

Vacant commercial properties offer opportunities to use these strategies. Though it is a longer process than demolition, revitalizing old office buildings, hotels or other properties that are no longer providing commercial value can often be more sustainable and more cost effective than new construction.

The critical component of revitalization is to lower the barrier to entry for existing residents. Neighborhoods are better when they are built and maintained by residents, who generally have more of a stake in the community, and it keeps money in the local economy, supporting entrepreneurs and small businesses. When residents don't buy in, community-based organizations and nonprofits can be key partners to help grow and sustain support.

Building codes and liability laws pose some of the biggest barriers to increasing missing middle housing. Building codes are the governing regulations for new construction, establishing requirements on the materials, processes and standards used in projects. The arbitrary threshold between residential and large-scale commercial construction (for example, a 500-unit apartment complex), wherein any building with four units or more are viewed as commercial properties, can lead to increased costs for builders and stymie the process.

While returning to the days of mail-order homes from Sears may not be realistic, there are a few strategies county policymakers can employ. The first is to review zoning and land use codes and consider solutions from a regional perspective. There are several checkpoints a new development must pass prior to construction, and each presents an opportunity for failure unless requirements are met unanimously. Counties can also comprehensively review current regulations to ensure projects have viability. Analyzing regulations governing ADUs could reveal areas to ensure the ADU process is legal and efficient.

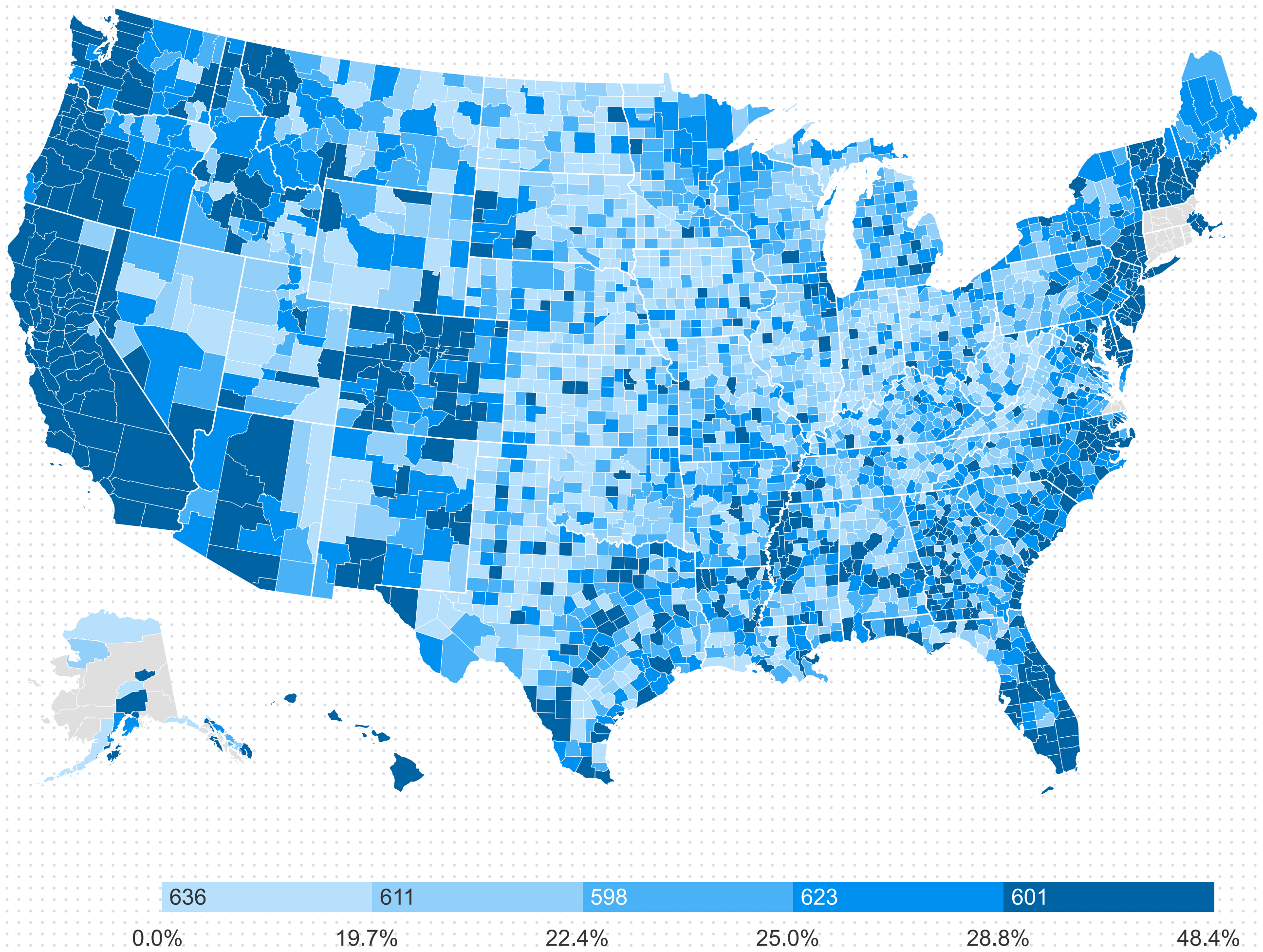
Leveraging local community leaders to engage residents can help build momentum. No housing policy change can be created in a vacuum, and resident voices are crucial to the process. While this can sometimes be a contentious process, several speakers raised the idea of "reframing the conversation" to better communicate the goals. One successful example of this discussed during the conference is to make the connection to the next generation. Instead of discussing density or ending exclusionary zoning, county leaders can talk about the need for housing so residents' children can live in the community where they grew up. This strategy is also effective in cultivating a coalition of community members in favor of housing affordability.

Addressing housing affordability will not be a quick fix, with no "silver bullet" solution. Though there are many innovative strategies, the simplest approach is the most important: Building or rehabilitating more units in communities across the country. Each additional home, whether it is specifically designated affordable or not, adds rungs to the ladder, increasing affordability for residents. By enabling, encouraging and incentivizing more missing middle type homes, counties can help accomplish this goal.

Read more about NACo's local housing policy research and explore the county policy solutions developed by the Housing Affordability Task Force at *www.naco.org/housing.*

Kevin Shrawder is a senior analyst for economic and government studies in the NACo Counties Futures Lab.

PERCENT COST BURDENED HOUSEHOLDS



Teton County creates Workforce Home program for those 'in the middle'

Teton County worked with Mercill Partners to create 30 workforce condominiums, 20 one-bedroom homes and 10 two-bedroom homes. Photo courtesy of April Norton

by Meredith Moran
staff writer

Teton County, Wyo.'s average home costs $5 million, pricing out a large percentage of people who work in the county, including critical services providers. To make the county livable for its middle class, the Jackson/Teton County Affordable Housing Department created a Workforce Homes program for county residents who earn too much to qualify for affordable housing, but too little to afford a home.

"Home prices have grown at an astonishing 48% per year since 2019 relative to median income," said April Norton, director of the Jackson/Teton County Affordable Housing Department. "At the same time, interest rate increases have decreased the purchasing power of median income. The result is that home sales are almost twice as expensive relative to what the median income can afford as they were at the height of the housing bubble in 2008."

There's no income cap for participants in the Workforce Homes program, but the household must earn 75% of their aggregate income locally, an effort to prevent people who work remotely and have trust funds from utilizing it, Norton said. The maximum sale price for an affordable housing unit in Teton County is around $400,000, while a two-bedroom Workforce home typically sells for $600,000 to $800,000.

However, all of the Workforce Homes units have an appreciation cap of 3%, making them more affordable over time. In an estimated 15-30 years, the workforce homes will become affordable housing, according to Norton. The housing department works with local developers to create the deed-restricted units.

"We really shifted our focus in 2016 from sort of a traditional housing authority model, where we would go out and buy land and build whatever housing development and then either sell the units or rent the units and then go to the next project," Norton said. "So, we shifted from that to this public-private partnership model, where we're really focused on finding private sector developers to partner with on across our entire portfolio.

"We typically will ground lease a property to a private developer that we either choose through a public RFP process or we partner with because they own adjacent land or there's something about it that makes sense for us to partner with them."

As a result, the county has seen more than a 50% increase in the number of units it's been able to produce, as well as reduced the public investment per unit, according to Norton.

"Because we're not the only person in the project, we share risk and reward," Norton said. "When we're partnering with

Brian Martinez, who works as a manager at a local restaurant, lives in a Mercill condo.

private developers … instead of us having to take up a loan and then spend all of our time designing and building a project, we actually are able to identify a location where we want housing, then we go find somebody who is going to design the project, who's going to be the project manager and go out and secure funding for the project and then we're able to move on to the next thing.

"In the past, we would do one project and it would take us three years to finish it and then we'd start another one. [Now], every year we start two-to-four new projects and we're just spreading out the same resources, but across more projects, because we're able to actually leverage private-sector expertise, so that they can go and get the development built."

Developer Ruben Caldwell partnered with the department to create 12 workforce ownership homes at 440 W. Kelly

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HOT topics

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WISCONSIN COUNTY INVESTS IN HOUSING FOR NEXT GENERATION

by Meredith Moran
staff writer

Washington County, Wis. is investing $10 million into its Next Generation Housing initiative with the hope that the promise of housing affordability draws millennials and young adults to put down roots in the county.

Through Next Generation Housing, the county plans to build 1,000 homes over the next decade — the most expensive of which will be priced just under $420,000, with 75% of them listed under $320,000. Washington County Executive Josh Schoemann said the price range was determined based on the median household income of the county computed with the banking standard of devoting 30% of income toward housing.

"Washington County has always had a challenge with bringing our kids back and getting them to return to Washington County to raise their families," Schoemann said.

"And when I started to do my research, establishing my platform and the policy initiatives, I realized some of the demographic challenges that were coming and that really kind of lit a fuse to, 'How do we resolve this in the long term?'

"And what became abundantly clear is one of the first major hurdles for any young person wanting to come back is having a place to live, and housing in Washington County, even four years ago, was a challenge, but now it really has turned into the existential crisis that so many demographers and futurists predicted."

According to a study that was funded through the initiative to assess the county's housing needs, the demand for new construction in the county is largely for homes under $350,000, according to Washington County Community Development Director Deb Sielski.

"That's really consistent with that 'missing middle' or mainstream workforce of the markets, but the majority of the new construction offerings in that market are concentrated at prices that are above $350,000, so there's a real disconnect between what was being built and what was being offered," Sielski said.

"When I talk to people about this 'missing middle,' it's about those individuals who make too much to be eligible for subsidized housing, but they don't make enough that they're able to afford the new construction that is happening in our area, so we're really trying to focus in on that that, and it's typically the teachers, the police officers who are working and trying to find a home in Washington County."

Washington County's Community Development Department met with all of the cities and village throughout the county to determine the most suitable areas for potential Next Generation Housing Developments.

The first pilot project, which is in the Village of Jackson, broke ground in May and the county is hoping that people are able to move into the homes by March 2024, Schoemann said.

"There's a supply side issue, and that's being addressed by creating these pilot projects of divisions throughout the county," Schoemann said.

"And then there's the demand-side issue — you've got a 30-something year old individual who's looking to buy, and they've been paying $2,000 a month in rent and haven't been able to save up for a down payment, so how do we support helping them there? So, we created a separate program that we're calling a down payment incentive, and it really takes the concept of the [Veterans Affairs] loan and it flips it on its head."

Washington County residents participating in the down payment incentive program can receive up to $20,000, or 10% of the value of the home, up front, and then "pay" it back through community service.

Each hour volunteered for a non-profit or civic organization in the county equates to $25 back, and participants can donate money to community organizations that goes toward the down payment as well, according to Schoemann.

"We have our economic development corporation put basically a secondary mortgage on the home," Schoemann said.

"… You get the incentive and you're eligible to earn that back by service to the community through a nonprofit or by donations to a nonprofit at a little bit of a lesser rate, and of course, you can pay it back at your own rate or when you sell the home.

"Our program is unique in that it really tries to get people to not just live here, [but] work here, whether it's public service or private service, but more importantly, get rooted in the community and give back to the community. I think that's what makes our program distinct, and one that I think can be replicated all across America."

Washington County's population that is 60 and older is 20% higher than the national average, and how it addresses housing affordability now will play a big role in what the county's socioeconomic landscape looks like down the line, Schoemann said. Christian Tscheschlok, executive director of Economic Development Washington County, echoed similar sentiments.

"Our country as a whole is experiencing a transition of workforce and popula-

See NEXT GEN pg H6

Washington County, Wis. Executive Josh Schoemann discusses the Next Generation Housing initiative. Photo courtesy of Josh Schoemann

Teton County partners with private sector developers to create worker housing

From TETON COUNTY pg H4

Ave. in Jackson, which were completed in March. He said the fact that all of the units are deed-restricted is something he's most proud of — "that isn't something that you would be able to achieve working outside of these kinds of partnerships."

"Here at Teton County, we've seen 100% appreciation over the last three or four years in some of these units," Caldwell said. "So, for a family that has a couple of professional jobs, let's say that they're making $200,000 a year, which is a crazy amount of money obviously relative to the mean family income within the United States, that family maybe with some help could have probably afforded an $800,000 house potentially before this. But now, we're getting to a point where the housing supply here has jumped to well beyond that, so it's not like here on the free market you can kind of stretch and figure it out anymore, unless you really have pretty substantial backing or some kind of huge job.

"... So, I think that these kinds of programs are going to be really important, especially in high barriers-to-entry markets like [Teton County], where they're addressing folks that can't qualify for something that's means-tested, but are in no position whatsoever to begin to approach something that's actually free market."

Developer Tyler Davis worked on the county's Mercill Project, which built 30 deed-restricted units — 18 of which had the traditional parameters of the Workforce Homes program, while the remaining 12 were set aside to be purchased by employers to rent to their employees. Buyers included the county and hospital, as well as local restaurants and stores, according to Davis.

> 'We shifted our focus from a traditional housing authority model.'

"What I liked about the project is it allowed us as the developers to still make a profit and still get a project on the ground and build it, but the deed restrictions made sure that it's people that truly work local and that there's an appreciation kept moving forward," Davis said.

"... We had a huge [housing] demand already, COVID hit, amplified that and construction costs, inflation and everything has made it very hard and out of reach to an extent for the normal worker to make it happen, so it's important to have some of these projects."

Because there's more demand than supply for the Workforce Homes program, it works off a weighted drawing process. A household can have up to 12 entries, earning up to 10 of them based on the number of consecutive years at least one person in the household has worked locally.

There's an additional entry, with a maximum of two total, per household member who works as a critical services provider, including healthcare workers, search and rescue members and fire emergency services, according to Norton.

"We have a list that our elected officials have said, 'These are people that we want to have a little bit of an extra step up in these drawings,'" Norton said.

"... Recognizing that these are folks that are required to be here to actually do their job and on short notice, and if they don't live here, they can't do that and then our town literally will shut down, so it's a health and safety issue."

Inside the NACo Housing Task Force: Tackling the Housing Affordability Crisis

by Kevin Shrawder

Housing undergirds all aspects of well-being, from economic prosperity and employment to mental health, personal security and social connectivity. As an essential pillar of individual physiological needs, access to safe, quality and reasonably priced housing is the top concern of counties nationwide.

In November 2022, NACo President Denise Winfrey launched the Housing Task Force, a group of 33 elected officials and professional county housing experts. President Winfrey charged the task force with two goals:

- to elevate county-led solutions to address the housing affordability crisis confronting America's counties
- to identify intergovernmental opportunities for partnership on housing issues.

Maupin

Boyce

The task force work began in earnest in November 2022, with an in-person convening to explore the county role in housing.

Led by co-chairs Sherry Maupin, commissioner, Valley County, Idaho and Kevin Boyce, commissioner, Franklin County, Ohio, task force members engaged in discussions with experts from the Harvard Joint Center for Housing, the U.S. Department of Housing and Urban Development, and the Aspen Institute — the task force partner — on county authority, challenges and solutions to housing affordability.

Five core focus areas emerged from these conversations to form the *County Housing Ecosystem*.

1. The federal-to-county nexus
2. Local regulations, building codes and fees
3. Financing, lending and county tax policy
4. Land use, zoning, infrastructure and community planning
5. Community engagement, partnerships and education.

Meeting again in February during the NACo Legislative Conference, the task force began to explore these areas in-depth with conversations on homeownership, rental housing and technology solutions.

The task force also participated in an open discussion with White House senior leadership on the federal-to-county nexus and areas for intergovernmental collaboration.

Over the following months, the task force met virtually with experts from around the country to discuss the financial, administrative and policy levers counties can employ to affect change. During the final in-person meeting in May in Dallas County, Texas, task force members explored some of these solutions in action.

From the task force work, a recommendation guide for local leaders seeking to advance housing affordability has been born.

The framework is not a silver bullet solution, and housing affordability does not come to fruition overnight. However, the framework provides a guide — a point of origin — for leaders seeking change, wherever they may be starting the housing affordability journey.

Though county authority on housing is complex and varied, the task force guide aims to be another tool in the county toolbox from which local leaders can draw ideas, inspiration, projects and solutions that can be tailored to fit the unique needs of each community.

Though the work of counties on advancing housing affordability is not done, the release of the recommendation framework marks a milestone in the county effort to build strong communities and ensure equitable access to safe, quality, reasonably priced housing for every resident in every county across the country.

The NACo Housing Task Force invites you to join the release session during the upcoming NACo Annual Conference in Travis County, Texas, on Saturday, July 22, at 8:30 a.m.

To read more about the task force work, delve into data on housing affordability and explore county solution spotlights, visit *www.naco.org/housing*.

County creating homes for next gen

From NEXT GEN pg 5

Washington County is building homes to appeal to young homeowners.

tion where Baby Boomers are retiring, yet there's growth in businesses and communities, but with them retiring, there are fewer people that are getting involved civically, there are fewer people to take job opportunities and everybody is competing for the same slice of pie," Tscheschlok said.

"Our thought process is to grow the size of our 'pie' here in Washington County ... so we see this as a challenge that has many sides, but at the nexus is creating a place where a family can live, grow and a community that they are digging roots and becoming a part of.

"The way that that happens, that nexus, is having that home for them to locate, so rather than us fighting for new talent, we're going to give opportunity for the talent to be able to live and be here and grow here and, in effect, then grow the size of the Washington County 'pie,' solving the workforce issue, solving the community engagement issue and essentially growing our social capital in all of our communities across the county."

HOUSING AFFORDABILITY | By the Numbers

SUPPLY SHORTAGES

3.8 million units

As of the fourth quarter of 2020, the United States had a housing supply deficit of 3.8 million units. These 3.8 million units are needed to not only meet the demand from the growing number of households but also to maintain a target vacancy rate of 13%, according to Freddie Mac.

34.6%

34.6% of households in the country have repair needs, with an average cost of $3,359. It's crucial to address maintenance needs promptly to avoid more expensive repairs down the line.

DEMOGRAPHIC SHIFTS

More than half of counties experienced population growth last year, with medium-sized counties gaining the highest number of residents and emerging as the fastest-growing segment of counties.

1.3 million

While gains in population between 2020 and 2021 occurred in the South and West regions, which grew by 1.3 million and 158,000 residents, respectively, the Midwest and Northeast regions experienced population declines. Domestic migration was the primary driver of regional patterns.

55%

Over 55 percent of large counties, defined as counties with populations exceeding 500,000 residents, witnessed a faster increase in median gross rent compared to the national average of 10.5 percent.

COST BURDENS

3.5 times

In 18 percent of counties, households must spend more than 3.5 times their annual income to afford a typical home, according to the Housing Solutions Matchmaker Tool (naco.org/MatchmakerTool).

30%

A significant issue faced by households is housing cost burden, which occurs when more than 30 percent of their annual income is spent on housing. Across the United States, this burden affects 31 percent of households.

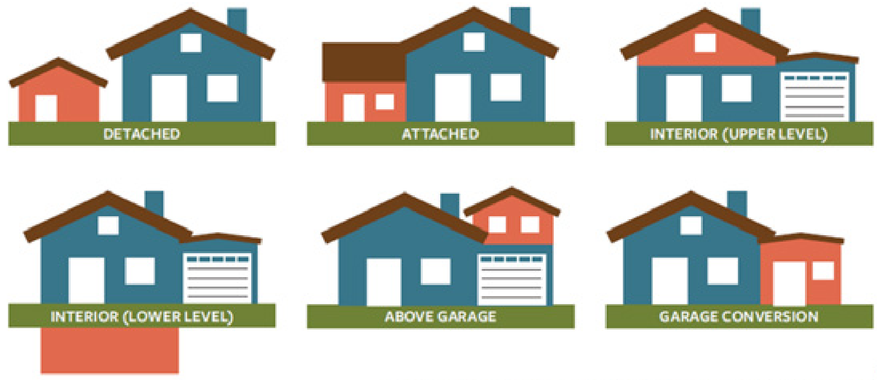
Renters face a significant challenge when it comes to housing costs, with close to half of all renter households burdened by the expense of housing.

MARKET SHIFTS

Although the nation's median household income witnessed a modest growth of 8.3 percent between 2011 and 2021, it was overshadowed by a significant rise in inflation, which surged by 20.8 percent during the same timeframe. This disparity highlights the challenge of keeping up with the increasing costs of living and housing.

Miami-Dade County's ADU rules aim to help many find, keep housing

by Charlie Ban
senior writer



Different types of accessory dwelling unit types, from "The ABCs of ADUs," by AARP

Eileen Higgins is proof that accessory dwelling units work.

As a child in Bernalillo County, N.M., her grandmother lived in an apartment connected to her family's house. As a college student, she lived above a family's garage. Now, as a Miami-Dade County, Fla. commissioner, she was an enthusiastic vote for an ordinance that is allowing accessory dwelling units — ADUs — on properties in the half of the county that is unincorporated.

"In some ways, ADUs go back to the way we traditionally lived in this country, with in-law quarters next to the house," she said. "My grandmother couldn't have afforded a home on Social Security, and my parents — with three kids — couldn't have handled two households."

Miami-Dade County is facing a bevy of threats to housing affordability. The county was already feeling pressure before the COVID-19 pandemic, but the proliferation of remote work has accelerated the influx of high-earners, insurance rates are rising and with the Atlantic Ocean on one side, the Everglades on two sides and Broward County on the other, residential expansion is limited. Infill throughout existing communities is the only alternative.

Locally, Miami, Miami Beach, North Miami, Pompano Beach, Miramar and Tamarac had already passed ADU ordinances before the Miami-Dade County commissioners voted in November 2022 to establish one in unincorporated areas.

The ordinance mandates a minimum area of 7,500 square feet for ADUs ranging from 400 to 800 square feet, with a minimum amount of habitable area of 220 square feet, accommodating garage conversions and reducing the minimum lot area to 5,000 square feet. One-month rental minimums aim to prevent them from becoming vacation rentals. Setback requirements match those for primary structures, as do height limits. RVs and trailers aren't included.

Now 171,683 single-family properties are eligible to add an ADU, and the first such permits were being reviewed in late June.

"This won't just help people find housing, it will help keep people in their homes," Higgins said. "This can be a source of income that helps offset rising costs. They are a means for people to stay in their homes longer as they age and as they move into retirement, when their retirement incomes will not be the same level as their working incomes."

If an ADU isn't occupied by a renter, the same inspection rules don't apply.

"This could be a way families could give their adult children a launching pad while protecting them from a brutal rental market," Higgins said.

The county's total control over the ordinance and the permitting process helps Higgins feel confident that the county can make adjustments as needed.

"We certainly want to be careful with how this rolls out," she said. "It was written to be very careful to make sure these units were in keeping with the rest of the neighborhoods and that parking would be included. We don't want one family's decision to add an ADU to affect another family who chose that neighborhood because it was single-family homes."

ADUs would represent one in a series of measures policymakers aim to apply to reduce the county's housing burden.

"We are not going to solve our housing affordability crisis with this one change, but I think this is a good start that could help a lot of people," Higgins said. "We do need to think about townhouses and multifamily homes, particularly when it's near transit, but in other cases, it's a real solution for people to use their properties. We are going to have to build differently, think differently do differently. And there's no other way...we have to find a way to add to the supply of housing.

"We're going to have to become more comfortable living with our neighbors."

Texas county prioritizes housing for public sector workers

by Charlie Ban
senior writer

An artist's conception shows the tiny homes that would be available to public workers.

Bill Gravell acts like a matador to encourage development of housing that public employees can afford.

The Williamson County, Texas judge will get everyone excited, he'll shake the cape around, and when the project comes charging at him, he steps out of the way. That's how he feels the county can best get the job done: Stay out of the way of the developers.

"In my experience, the less we're involved, the better," he said about the county government. Williamson County has a housing affordability problem, but at the same time, Gravell doesn't want to get into the housing business. The county is growing, roughly 40,000 new residents move in each year, and while private sector salaries have increased with new commercial and industrial development, the county's workforce can't hope to match it.

Some opportunities for housing that will cater to public sector workers, specifically in law enforcement and education, are on the horizon, and although Gravell doesn't want the county to give anything away to developers, he sees an opportunity for an in-kind donation of sorts through a public-private partnership.

The first of those partners is a husband-and-wife team — he's a police officer and she is a teacher — and they lived outside of Williamson County, but they saw an increasing number of their colleagues in their situation: Unable to afford to live in the community they served. The couple wanted to build a community of 28 tiny houses across the street from an elementary school, one that rented only to public sector workers, for $1,340 a month, well below the market rate. Police officers get an additional discount if they park their patrol cars at the ends of the development, as a crime deterrent.

It works, Gravell said, because in construction, time is money, with materials and labor costs increasing steadily. Delays are costly. By expediting any government "red tape," Williamson County can help shepherd projects through and avoid delays that often puts them over budget.

"Sometimes in county government, we forget that we have a powerful voice, and we can 'add the fire' for lack of a better word," he said. "The value-add in this project was believing in it and permitting it.

"We're not giving them anything free, we're not giving any handouts, but we're giving them a hand up to be successful."

In the couple's situation, their development was off a county road, and Gravell was happy to allow them access to the road for utilities if it meant housing more county and city workers.

"I just can't ask men and women to put on uniforms and badges and go into our schools and then when they walk out of those properties they have to drive 45 minutes or an hour to lay their head down at night," he said. "It seems morally wrong that we ask people to work for us, and we ask people to sacrifice to work for the public — teachers, paramedics, firefighters, cops — and then send them somewhere else to live. I think we have a moral obligation to take care of them, a moral obligation to make sure they can have the same quality of life."

The initial development will include 28 freestanding buildings, with two bedrooms each, totaling 800 square feet.

"An 800 square-foot house is a lot better than an apartment the same size," Gravell said. "And for the teachers who live there, they can't walk to school. You can't walk to where you work in most parts of Texas."

He sees the tradeoff — more predictable costs for dedicated housing — catching the interest of other developers, and anticipates 500 new units among different developments over the next two years. His goal is 5,000 units.