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July 2026



Housing for Workers in the Middle

A Policy Reform Framework for Accelerating Workforce Housing

Prepared by:

The Coalition, in coordination with the South Carolina Association for Community Economic Development (SCACED) and the Texas Association of Community Development Corporations

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Background

About The Coalition

The Coalition is a dynamic 501(c)3 nonprofit that advances equitable community economic development solutions in the District of Columbia. Our holistic systems-change approach encompasses community-informed budget and policy advocacy, data-driven thought leadership, and needs-based programmatic initiatives in the areas of Housing and Homelessness, Workforce Development, and Small Business Ecosystem Building.



About the Workforce Housing Policy Accelerator

Every state in America faces challenges meeting the housing needs of their middle-income workers under the current housing system. Materials, labor, land costs, zoning limitations, and regulations push the equilibrium price for housing beyond what mid-level workers and skilled professionals can afford. Yet these households—teachers, first responders, nurses, tradespeople, and other vital community workers—often earn too much to qualify for subsidized housing. They are stuck in a structural gap between subsidized housing and the open market.

The Workforce Housing Policy Accelerator brings together three diverse markets —Washington, DC, South Carolina, and Texas—to identify, test, and share solutions to this challenge. Through peer-led knowledge exchange, each cohort city is identifying at least three structural or regulatory barriers to address while contributing to this cross-city reform framework.

The participating organizations—the South Carolina Association for Community Economic Development (SCACED), the Texas Association of Community Development Corporations, and The Coalition—began our collaboration on workforce housing in 2025. We have pushed each other to develop strategies and targets for removing barriers that impede workforce housing success. The Coalition is grateful for our partners in South Carolina and Texas for joining us in this effort and proving how much value there is in peer collaboration, even across places with different political and market opportunities and constraints.

Funder Acknowledgement

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Executive Summary

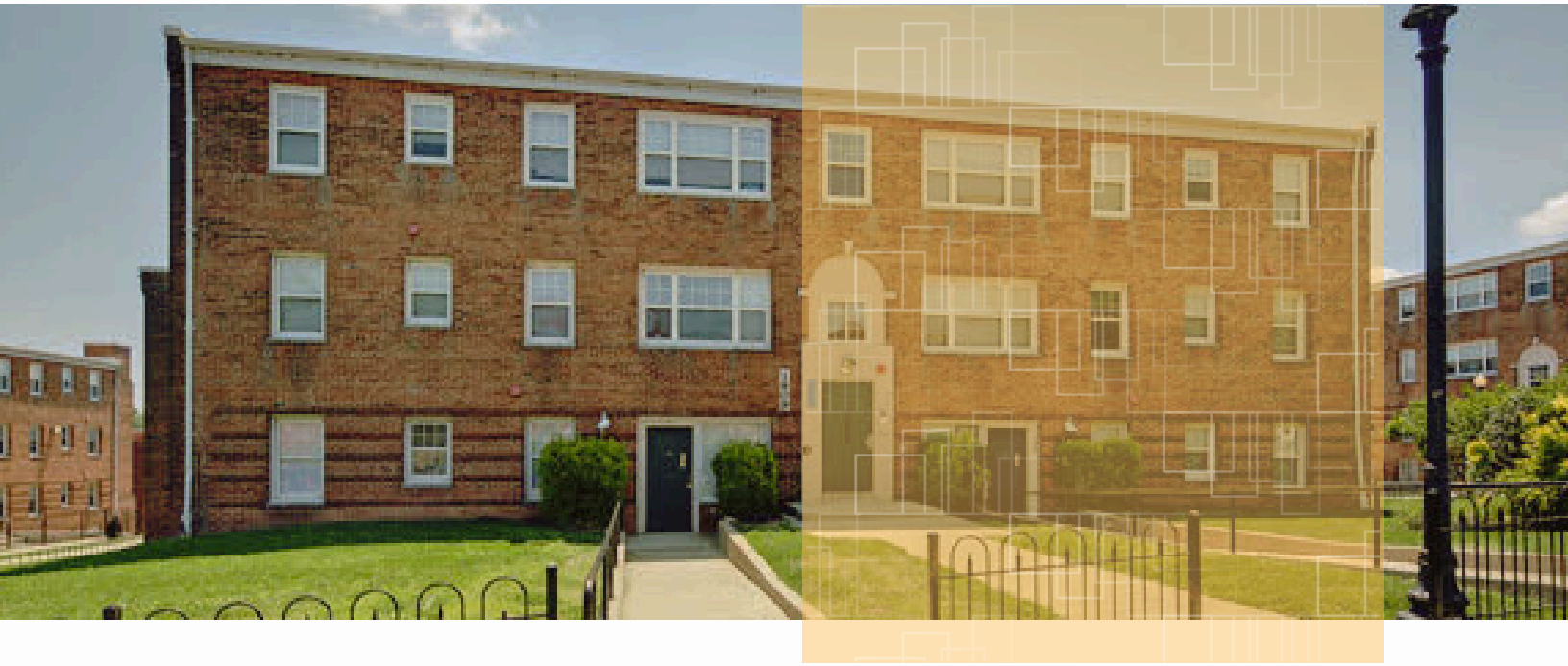
Housing costs and employment income have been moving in different directions throughout the U.S., upending the idea that a decent job enables decent housing. In places where buying a home had been possible for most workers, home price inflation is shifting more households toward renting. In higher cost places, even the promise of renting affordably based on regular earnings has become a dream. For workers' wellbeing, local economic strength, and more efficient use of housing subsidies, communities need to rebalance our housing and employment markets so that a steady job is once again enough to afford decent housing.



What is "workforce housing"?

In the language of real estate, "workforce housing" refers to properties that are affordable to households in the middle income bands without a development subsidy. The target income group for workforce housing varies, but is typically between 60%-80% of area median income and 120%-150% of area median income.

Developing and operating housing through the U.S.'s major housing subsidy programs, such as the Low-Income Housing Tax Credit, requires layers of complex financing and compliance assurance that can add costs and require different expertise compared with market-rate development. However, market pressures have led to affordability challenges rising up the income scale so middle-income workers cannot afford market rents or home prices, but also earn too much for subsidy programs. Most of the workforce housing solutions in this paper can also help housing subsidy programs deliver more housing per dollar spent.



This paper presents eight reforms drawn from a scan of promising practices across and beyond the Accelerator participants. These reforms are organized into three categories: (1) structural and regulatory approaches that change the rules of the game; (2) funded approaches that redirect or create capital for workforce housing; and (3) construction approaches that change how housing gets built. Together, they represent a menu of options that any community can adapt to its local conditions.

Key Principle

Workforce housing solutions should change the math for developers and the market by making it feasible and attractive to build at workforce price points. While workforce housing policy should strive for no public subsidy, some market and product types may need either a one-time subsidy or shallow support, such as reduced property taxes. Where subsidy is needed, it should be structured to leverage private investment and revolve for continued impact.



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Section One

Workforce Housing: A Unifying Issue with a Challenging Name



Already familiar with the term “workforce housing”? Skip to the next section.

Once upon a time, steady employment allowed households to afford at least a modest place to call home. More recently, housing costs and employment income have been moving in different directions throughout the U.S., upending the idea that a decent job enables decent housing.[1] In places where buying a home had been possible for most workers, home price inflation is shifting more households toward renting. In higher cost places, even the promise of renting affordably based on regular earnings has become a dream. For workers’ wellbeing, local economic strength, and more efficient use of housing subsidies, communities need to rebalance our housing and employment markets so that a steady job is once again enough to afford decent housing.

This is what we call the workforce housing problem.

[1] *Home Prices Surge to Five Times Median Income, Nearing Historic Highs | Joint Center for Housing St*

Today's workforce is less able to afford housing on their own than they had been a generation ago. For governments, the result is both an increased demand for subsidy and less impact per subsidy dollar. For the economy, unaffordable housing affects employers' ability to attract and retain talent, entrepreneurs' ability to invest in new ideas, and the burden employees face when asked to return to in-person work.
Making housing more affordable calls for all parties to bring their knowledge and skills to the table. In this paper, we aim to advance workforce housing solutions by identifying policy reforms that can make decent housing more available and less costly. We see these reforms as one piece of the puzzle and hope that others will contribute expertise to address other factors, such as income growth and technology.

The Definitional Challenge

In the real estate industry, workforce housing refers to the lower end of market-rate housing. The term has a clear meaning and purpose within the industry. While affordable housing developers specialize in complex financial transactions with various subsidy layers, workforce housing developers aim to keep the rents or asking prices low through creativity and a focus on economizing. From an industry perspective, "workforce" and "affordable" are distinct types of products, even if they both relate to affordability for households who are often in the workforce.

In policy conversations, the term "workforce housing" is widely used but inconsistently defined. Sometimes the term has the same meaning as in the real estate industry, while other times the term has a much broader meaning. This lack of clarity creates real problems: it creates confusion that can turn allies into adversaries, leads to poorly aligned resources, and misses fiscally-friendly methods to improve households' financial status. Before taking on workforce housing policy, communities need a shared understanding of what workforce housing is and who it serves.

Does ‘workforce housing” go by other names?

Some groups prefer to call housing that is affordable without a development subsidy something other than workforce housing, in part because households in the workforce include those with both much higher and much lower incomes.

“Attainable housing” is becoming increasingly common, as is “unsubsidized but affordable” housing. Housing that has aged into becoming affordable is often called “naturally occurring affordable housing” or NOAH.



Definitions of workforce housing vary significantly across jurisdictions and organizations. In each of the three places represented by our Workforce Housing Policy Accelerator, the term often refers to the price band just above standard development subsidy programs such as the Low-Income Housing Tax Credit (LIHTC), but specific programs or reports may use the term more broadly. We have seen the term “workforce housing” used to mean the entire range from extremely low-income housing to middle-income housing.

The South Carolina Code of Laws defines workforce housing as “reasonably and appropriately priced for rent or sale to a person or family whose income falls within 30 percent and 120 percent of the median income for the local area.” A Workforce Housing Pilot from South Carolina Housing Finance Agency, meanwhile, used 80 to 120 percent of AMI. Proposed and enacted workforce housing assistance in Washington, DC have applied a range of specific definitions that are all above the typical subsidized housing limits – 60 to 120 percent AMI for a proposed fund, 80 to 100 percent of AMI for a currently debated tax abatement, and 80 to 120 percent of AMI for an existing nonprofit tax abatement. However, a 2019 analysis by the Coalition for Smarter Growth argued that DC’s real workforce housing need falls below 50 percent AMI, since eight of the city’s twenty most common occupations earn at or below that threshold. In Texas, programs that have used the term workforce housing have either focused on specific moderate-income professions or have used the broadest definition so that subsidized and unsubsidized housing could all fit under the same umbrella.

These differences are not academic. They determine how programs are designed, where public dollars flow, and what counts as success. When "workforce housing" could be for anyone from workers making $10 an hour to those with annual salaries in the low six-figures, the goal is too wide to mean anything. While the broadest usage of the term correctly frames all manner of lower-priced housing as essential for low- and moderate-wage workers, we argue that there is a value in aligning policymakers and housing developers toward solving the just-above-LIHTC housing affordability problem.

A Working Definition

This Accelerator focuses on a specific population: middle-income households earning approximately 80 to 150 percent[2] of AMI. These are people who are generally financially stable but face structural barriers that prevent them from accessing adequate housing in the communities where they work. They are not in poverty. They are not eligible for most subsidized housing programs. And the private market, left to its own devices, is not building for them.



The Workforce Housing Household

A registered nurse and a bus driver with two children. A mid-career teacher saving for retirement. A firefighter who wants to live in the community they serve. The housing market could work for them, but too often doesn't. The barriers they face are not income barriers but entry barriers: high upfront costs, limited housing stock at appropriate price points, zoning restrictions that prevent the right types of housing from being built, and permitting processes that add time and cost that developers pass along to buyers and renters.

[2]The upper end may be lower or higher depending on the gap between local incomes, market rents, and home prices from place to place.

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Why the Distinction Matters

Conflating workforce housing with affordable housing creates three problems. First, it dilutes limited public resources by spreading them across populations with fundamentally different needs. Deeply affordable housing for households at 30 percent AMI requires ongoing operating subsidy; workforce housing at 100, 120, or 150 percent AMI may need only a one-time permitting fee reduction or a time-saving regulatory fix. Second, the political dynamics differ. In some jurisdictions, including conservative and moderate states, the term “workforce housing” can build a stronger base of support because it speaks to the economic self-interest of communities that need teachers, nurses, and first responders to live nearby. Third, the solutions differ. Workforce housing is more likely to respond to supply-side interventions—removing barriers, changing zoning, streamlining permitting—than to demand-side subsidies.

Focusing on making housing affordable at moderate incomes does not diminish the urgency of housing needs at lower income levels. In fact, the tools that make workforce housing feasible—cost containment, permitting reform, new building typologies—improve the efficiency of subsidies at lower levels as well. A system that builds decent-quality housing faster and more economically benefits the full income spectrum.



Section Two

Why the Market Doesn't Deliver Workforce Housing



If workforce households earn enough to afford housing, why isn't the private market serving them? The answer lies in a set of structural dynamics that push housing costs up and away from the middle of the market.

For most market goods, cost-conscious consumers can find low prices through suppliers that offer pre-owned or refurbished versions or seeking a basic model with minimal amenities. Suppliers can usually also reduce production costs by seeking out less regulated locations and potential economies of scale. Each of these tools is breaking down for workforce housing.

Profit also plays a role, but to a much lower degree. Investors, designers, and developers need to know that the housing they create will either not lose money if they are socially-motivated or generate a reasonable return for the risk in the more standard profit-driven model. Workforce housing can be a very low risk product since demand for decent and affordably priced housing is high in every market. Reliable demand for a low-cost good has been a profitable formula for many industries. Walmart, for example, has found a combination of volume and customer awareness that allows reliable profits as one of the nation's lowest-price retail stores. Workforce housing had once been similar, but market constraints are pushing housing investments toward the higher end of the market and away from the safer bets.

Modest Housing Shifts Up or Filters Out

Workforce housing demand would normally seek unsubsidized but affordable properties, but these homes are being removed from the market both through upselling and decline. When supply restrictions limit new housing in areas with increasing demand, modest housing gets a surge in demand. Short-term rental platforms can also drive up prices by converting long-term housing into tourist accommodations that can charge higher rates. Private equity firms acquire modest housing and extract as much profit as possible by shifting owned housing to rentals, raising rents beyond workforce levels, and reducing service. Age and deferred maintenance push existing housing past viability, leading to demolition or full-scale redevelopment. Meanwhile, heirs property and tangled title issues keep some workforce housing off the re-sale market and potentially sitting vacant.

Bans on "Missing Middle" Housing

America's housing system delivers two types of housing, each with more amenities than the typical household needs. To comply with common zoning ordinances, residential developers are either delivering detached single-family homes on large lots or high-rise multifamily buildings with all the bells and whistles. The housing types that historically served middle-income households—duplexes, triplexes, fourplexes, garden apartments, low-rise apartment buildings, and townhomes—are no longer being built in many communities. These "missing middle" typologies are often more affordable than either single-family homes or high-rises. When comparing a plan for detached single-family homes and one for attached properties, the latter would distribute the same land cost across multiple units. Mid-rise and low-rise properties also avoid the cost surge that comes with property heights that require steel frame rather than wood frame construction. Lifting zoning restrictions is one of the most powerful levers available for workforce housing.

Local Requirements Drive Up Costs

Layered on top of market dynamics is a regulatory environment that adds cost at every stage of development. Permitting and entitlement processes add months or years to project timelines, increasing carrying costs. Building codes and design requirements—some essential for health and safety, others outdated or duplicative—add construction expense. Impact fees, parking requirements, and energy standards also add costs. Individually, each regulation may seem reasonable. Collectively, they stack up to make it nearly impossible to build housing at workforce price points without subsidy.

The 89th Texas Legislature recognized this directly, passing a suite of reforms targeting specific layers of the cost stack: single-staircase building codes that unlock more efficient mid-rise construction, manufactured housing zoning mandates that remove municipal barriers, and office-to-residential conversion streamlining that eliminates rezoning requirements entirely. Each of these reforms reduces cost without requiring a dollar of public expenditure.

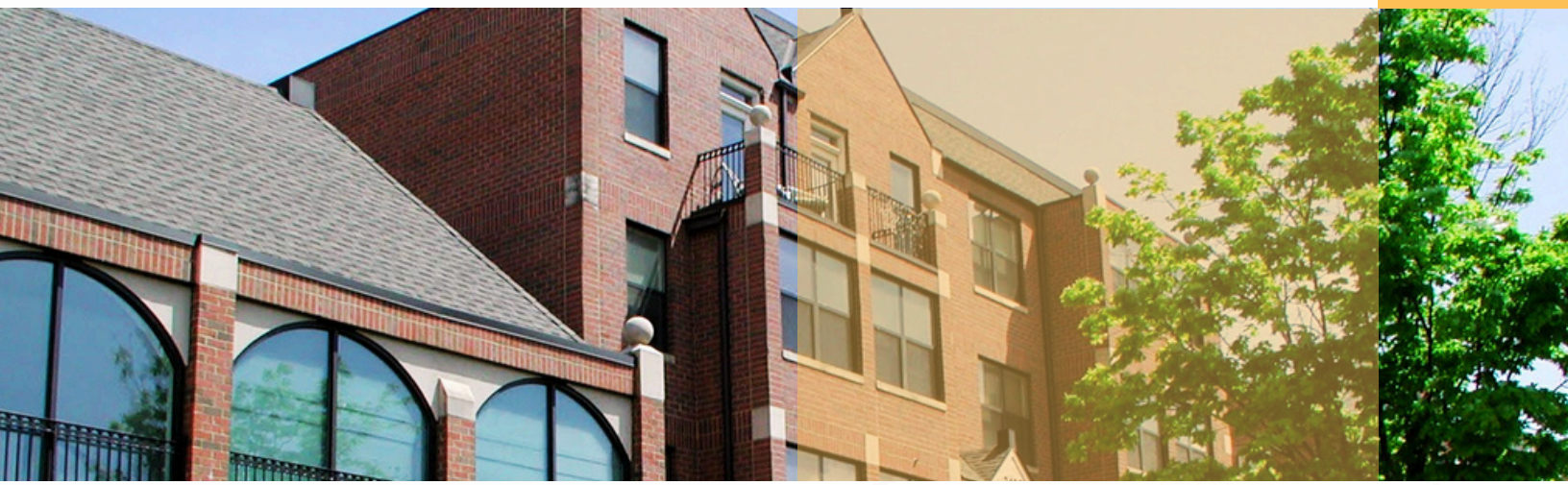
Supply Constraints Increase Competition

When the basic inputs for housing development are in short supply, scarcity drives up the price of production. Shortages of drywall, wiring, and other building components mean a plan that was once feasible at 80 to 150% of AMI may need to increase prices and no longer deliver workforce housing. (For affordable housing, this same scenario raises the amount of subsidy needed for each unit, which can lead to concerns about excessive costs and reduce public support.) Communities can boost career pathways in the building trades to address labor shortages. Manufactured housing, factory-built homes, and technological innovations may also help improve efficiencies. Material shortages, however, call for new building approaches or a longer-term investment in local industry to improve resilience.



Section Three

Eight Reforms for Workforce Housing



The following reforms are drawn from a scan of promising practices across the Accelerator's three cohort cities, national research, and peer jurisdictions. They are organized into three categories: structural and regulatory approaches, funded approaches, and construction approaches. For each reform, we identify the problem it addresses, how it works, evidence from the cohort, implementation considerations, and fiscal impact.

Communities should treat this as a menu, not a prescription. Each market will need to select and sequence reforms based on local political feasibility, existing infrastructure, and the specific barriers facing workforce households in their region.

CATEGORY A: STRUCTURAL & REGULATORY REFORMS

Reform 1: Allow more Housing Types By-Right | Timeline: Mid-Term (2-5 Years)	
Problem	Zoning in most communities restricts housing to either single-family or large multifamily, eliminating the mid-density typologies—duplexes, fourplexes, townhomes, small apartment buildings—that naturally price at workforce levels. Discretionary review processes for these housing types add time, cost, and uncertainty that developers avoid.
How it Works	Reform zoning codes to permit missing middle housing types as of right in residential zones, particularly near transit, employment centers, and commercial corridors. This includes duplexes, triplexes, fourplexes, accessory dwelling units, townhomes, and small apartment buildings. By-right permitting means projects that comply with objective standards proceed without discretionary hearings, eliminating the time and political risk that deters investment at workforce price points.
Evidence from the Cohort	TX: SB 840 permits residential-in-commercial by right in the state's 19 largest cities. SB 15 enables smaller lots for starter homes. SB 785 requires every municipality to allow manufactured housing in at least one zoning category. Austin is redefining "quadplex" to allow larger projects through single-family review, saving up to 18 months. SC: S.284 now requires local comprehensive plans to include a housing element analyzing nonessential regulatory requirements and market-based incentives like density bonuses and streamlined permitting. DC: Inclusionary Zoning applies to developments of 10+ units. Opportunities to expand matter-of-right development near transit through Comprehensive Plan amendments.
Implementation	Requires local zoning code amendments. Political feasibility varies: TX has state-level preemption momentum; SC operates through incentive structures; DC requires Council action. Use the Zoning Atlas (zoningatlas.org) to diagnose current restrictions before proposing reforms. Pair with design standards to address neighborhood compatibility concerns.

Fiscal Impact	Low to no direct fiscal cost. Reduces municipal review workload. May modestly reduce per-unit tax revenue compared to single-family but increases total assessed value through higher density.

Reform 2: Streamline Permitting and Entitlement | Timeline: Short-to-mid-term (0–5 years)	
Problem	Lengthy and unpredictable permitting timelines add cost to every housing project. Each month of delay increases carrying costs (financing, insurance, taxes on undeveloped land), and these costs are ultimately passed to buyers and renters. Thin-margin workforce projects are especially vulnerable because they cannot absorb cost overruns the way luxury projects can.
How it Works	Reduce permitting timelines through administrative reforms: consolidated review teams, parallel (rather than sequential) agency reviews, shot clocks for agency response, and clear objective standards that minimize subjective discretion. For qualifying workforce housing projects, create an expedited track with guaranteed review timelines.
Evidence from the Cohort	TX: Austin has assembled a cross-agency team targeting a six-month reduction in review timelines. SB 2477 eliminates the need for rezoning on office-to-residential conversions, removing the most time-consuming step entirely. SC: Red tape reduction on housing rehab identified as a priority. Housing impact analysis required under S.284 adds accountability but also a procedural step. DC: Process improvements identified as a near-term need. PUD process adds significant time and cost to larger projects.
Implementation	Administrative reforms can often be implemented by executive action without legislation. Benchmark current timelines across the cohort to quantify the problem and measure progress. Consider fee waivers or reductions for workforce-priced projects as part of the streamlining package

Fiscal Impact	Low direct cost. Potential savings in staff time from more efficient processes. Can be budget-neutral or budget-positive through increased permit volume.

Reform 3: Incentivize Starter Homes and Owner-Occupied Properties | Timeline: Mid-term (2–5 years)	
Problem	Homeownership remains the primary asset-building vehicle for middle-income households, but entry barriers—high down payments, limited supply at appropriate price points, competition from investors—prevent workforce families from buying. Meanwhile, builders have little incentive to construct smaller, lower-priced homes when larger homes generate better margins.
How it Works	Create builder incentive programs that offset the margin gap on workforce-priced homes. Pair with buyer-side down payment assistance calibrated to the 80–150% AMI range. Encourage owner-occupied properties with rental units (e.g., house-with-ADU, duplex with owner in one unit) as a strategy that both creates housing and grows individual assets .
Evidence from the Cohort	SC: “Made it Home!” provides $12,500 builder cost offset plus up to $25,000 buyer DPA for homes sold at $175K–$200K to households at or below 150% AMI. $5M allocated for 130 homes statewide. S.284 requires workforce housing programs funded by accommodations tax to include homeownership promotion. TX: SB 15 enables smaller lots for starter homes/townhomes. Dallas CLT gaining interest to stabilize purchase prices and limit property tax escalation. CDCB’s grow-home model in Brownsville starts small and allows expansion. DC: HPAP provides interest-free loans up to 110% AMI. PADD disposes of public property with affordability requirements. Shared-equity models in use. However, 62%+ of for-sale units are too expensive or too small for families.

Implementation	Builder incentives must be large enough to change behavior. SC's $12,500 offset is a starting point; evaluate impact and adjust. Address stock removal from short-term rentals and private equity acquisitions through complementary policy (owner-occupancy requirements, transfer taxes). Community land trusts offer permanent affordability but require long-term institutional commitment.
Fiscal Impact	Moderate. Builder offsets and DPA require appropriations or dedicated revenue. SC's accommodations tax model generates revenue without general fund impact. Revolving fund structures recapture investment over time.

CATEGORY B: FUNDED APPROACHES

Reform 4: Middle-Income Loan Product or Credit Enhancement | Timeline: Mid-to-long-term (2–5+ years)	
Problem	Conventional financing works well for higher-income borrowers and deeply subsidized projects have access to LIHTC and other tools. Workforce housing developments—those serving 80 to 150% AMI—fall into a financing gap: they don't generate the returns that attract conventional capital, and they don't qualify for low-income programs.
How it Works	Establish a dedicated workforce housing fund that provides below-market-rate gap financing to developers building at workforce price points. Structure the fund as a revolving loan fund so that repayments recapitalize the fund for future projects. Credit enhancements (loan guarantees, interest rate buydowns) can also reduce lender risk and unlock private capital for workforce housing.

Evidence from the Cohort	DC: $20M Workforce Housing Fund (60–120% AMI) with public seed money leveraging private capital and returns reinvested. Washington Housing Initiative (JBG Smith) provides a private-sector model. TX: SB 234 proposes a workforce housing fund at TDHCA providing mezzanine loans at below-market rates (capped at 20% of construction costs, 50–120% AMI, 20-year affordability). Scoring prioritizes deeper affordability. Faces political challenge of requiring appropriations. SC: Palmetto Home Advantage supports homebuyers up to $135,750 income. Bond program generated $464M in total loans in FY2025. Exploring expanded credit enhancement for the workforce band.
Implementation	Political feasibility is the primary constraint. DC and TX both need low- or no-cost structures. A revolving fund reduces long-term fiscal impact but requires upfront capitalization. One-time investment, revolving loan fund, or no-cost credit enhancement—the structure must match the political environment. FL's Sadowski Trust Fund (dedicated revenue from doc stamp fees since 1992) offers a model for sustainable capitalization.
Fiscal Impact	Moderate to high upfront cost depending on structure. Revolving fund mitigates long-term impact. Credit enhancements may be low-cost if loss rates are low. Key question: can doc stamp fees or similar dedicated revenue offset cost?

Reform 5: Tax Incentives for Development and Employer-Assisted Housing | Timeline: Long-term (5+ years)	
Problem	Developers have no tax incentive to build at workforce price points when market-rate yields more. Employers bear no cost when their workers endure long commutes or housing instability, despite the productivity and retention benefits of proximate, stable housing.

How it Works	Create development-side tax incentives (property tax abatements, credits against state or local taxes) for projects that include workforce-priced units. On the employer side, establish tax benefits for employer-assisted housing programs—down payment assistance, housing allowances, or employer contributions to a housing fund. Structure incentives to be time-limited and performance-based.
Evidence from the Cohort	SC: Pursuing legislation for a state tax credit through commerce-certified organizations. S.284 repurposes accommodations tax revenue (up to 15%) as a de facto incentive. A champion legislator has been identified, but depth of support is uncertain. TX: No state income tax limits credit-based tools. SB 234's scoring system functions as an incentive for deeper affordability. San Antonio exploring density bonus fees-in-lieu. Property tax implications make CLTs attractive as an indirect incentive. DC: EAHP provides government employees a deferred 0% interest loan plus matching grant. Schedule H offers a property tax credit. DC Region Housing Playbook (Dec 2025) provides employer pathways for the private sector. Only 46% of DC government workforce lives in the city; only 16% of police officers do.
Implementation	Tax incentives require legislative action and fiscal impact analysis. Employer-assisted programs can launch without legislation through voluntary corporate adoption; the DC Housing Playbook provides a ready template. Performance metrics should be built in: require annual reporting on units produced and households served.
Fiscal Impact	Variable. Tax credits reduce revenue; fiscal impact depends on the take-up rate and cap structure. Employer-assisted programs may be budget-neutral if structured as loans. Dedicated revenue sources (doc stamp fees, accommodations tax) offset general fund impact.

Reform 6: Land Strategies: Public Disposition and Community Land Trusts | Timeline: Long-term (5+ years)	
Problem	Land costs are a major component of housing expense, often representing 20 to 40 percent of total development cost. Publicly owned and institution-owned land sits underutilized while nearby workforce households cannot afford to buy or rent.
How it Works	Dispose of surplus public land with affordability covenants at workforce price points. Support community land trust (CLT) formation to create permanently affordable homeownership by separating the cost of land from the cost of the home. Engage faith-based institutions and other anchor organizations in donating or long-term leasing land for workforce housing. Address heirs property and tangled title issues that prevent existing affordable homes from being maintained or transferred.
Evidence from the Cohort	DC: PADD and surplus property disposition with affordability requirements (30–120% AMI). Strong framework exists but demand exceeds available land. Shared-equity models in practice. TX: Dallas CLT gaining interest to stabilize costs and limit property tax escalation. CDCB's grow-home model in Brownsville leverages affordable land. Heirs property and tangled title identified as barriers to preservation. SC: CLTs emerging as an alternative. Faith-based organizations exploring land leverage for community benefit. Baltimore (a peer market) also exploring faith-based land strategies.
Implementation	CLTs require institutional infrastructure and long-term stewardship capacity. Public land disposition is politically sensitive; transparent processes and clear community benefit requirements are essential. Heirs property reform requires targeted legal and technical assistance and is an equity issue given its disproportionate impact on Black families.

Fiscal Impact	Low recurring cost for land disposition (one-time asset transfer). CLTs require startup funding but are self-sustaining once established. Heirs property programs are low-cost and high-impact.

CATEGORY C: CONSTRUCTION APPROACHES

Reform 7: Modular and Manufactured Housing | Timeline: Mid-term (2–5 years)	
Problem	Conventional construction is slow, labor-intensive, and increasingly expensive. The construction workforce itself is shrinking. Yet zoning and stigma block alternative building methods that could produce workforce housing faster and at lower cost.
How it Works	Remove zoning and code barriers to manufactured and modular housing. Establish quality and design standards that address stigma while preserving cost advantages. Promote factory-built housing as a strategy to reduce dependence on scarce site-built construction labor.
Evidence from the Cohort	TX: SB 785 is the nation's strongest state-level manufactured housing mandate—every city must zone for HUD-approved manufactured homes and remove existing restrictions and fees. SB 2835 creates statewide single-stair building code, enabling more efficient mid-rise construction. SC: Palmetto Home Advantage explicitly includes manufactured housing (conventional and FHA). AXHOJ.com identified as a high-quality manufactured provider. NC's Tiny House Big Movement highlights flexibility in changing models. DC: Limited modular activity; high land costs mean construction method savings are less impactful. Single-stair design identified as cost-reducing opportunity.

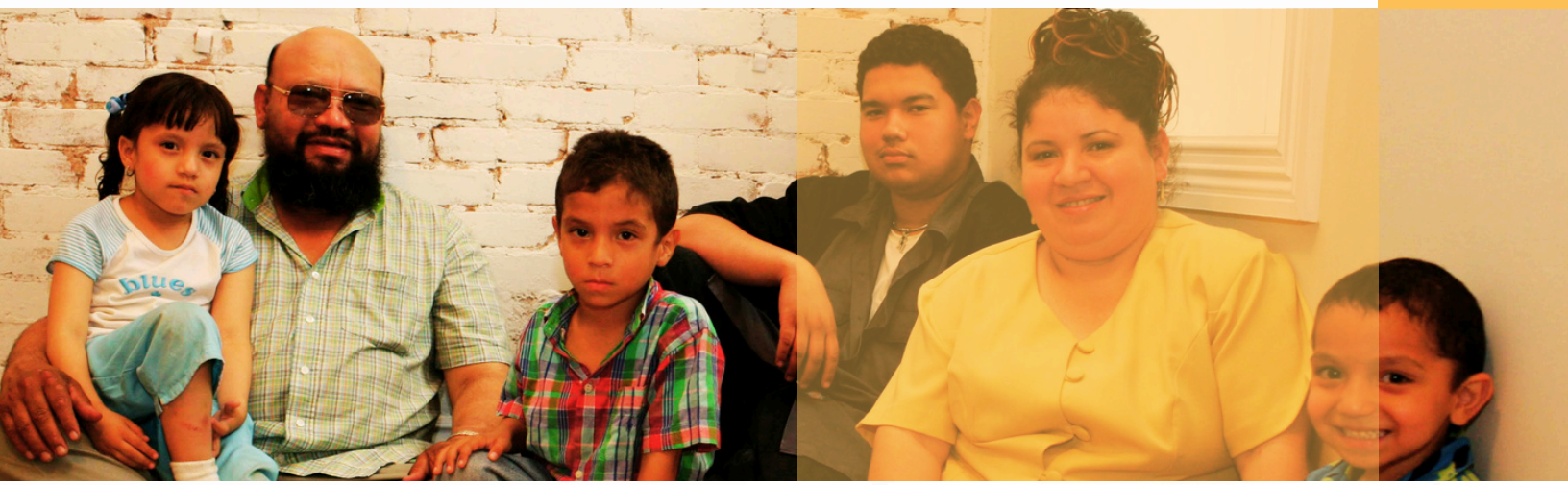
Implementation	Quality standards are critical to overcoming stigma. Showcase high-quality manufactured housing to policymakers and community members. Modular construction can reduce project timelines by 30–50%, which compounds savings through reduced carrying costs. Address the workforce pipeline: modular factories can employ and train workers who might not enter traditional construction trades.
Fiscal Impact	Low public cost. Primarily requires regulatory reform, not expenditure. Quality standard development has modest administrative cost.

Reform 8: Missing Middle: Duplex, Two-Flat, Accessory Dwelling Units | Timeline: Mid-term (2–5 years)	
Problem	The housing types that naturally price at workforce levels—duplexes, two-flats, in-law units, small apartment buildings—have been effectively prohibited by single-family zoning in most American communities. This forces a choice between a single-family home (often too expensive) or a large apartment complex (often too dense for family needs).
How it Works	Rezone to allow duplexes, triplexes, and ADUs in single-family zones. Create pre-approved plan sets for common missing middle typologies to reduce design costs. Support owner-occupied multifamily (e.g., owner lives in one unit, rents the other) as an asset-building strategy that simultaneously creates rental supply.

Evidence from the Cohort	TX: SB 2835 enables single-stair buildings up to six stories with four units per floor—a new typology at scale. Austin's 28-unit project on a triangle lot demonstrates creative infill. San Antonio task force recommends missing middle housing including communal living environments and single-room occupancy with shared spaces. SC: Small Rental Development Program funds projects up to 39 units with grants and low-interest loans ($32M in 2025). Made it Home! two-tier system (2BR/1,000sf and 3BR/1,200sf) templates right-sized workforce housing. DC: IZ applies at 10+ units, potentially missing smaller-scale development. PUD process offers flexibility for mid-density. Condo/co-op management identified as a preservation issue for existing missing middle stock.
Implementation	Pre-approved plan sets reduce barriers for small and emerging developers. Owner-occupied multifamily requires lender education; many mortgage products still treat anything beyond a fourplex as commercial. Design standards should ensure neighborhood compatibility while avoiding regulations that negate cost advantages. Consider the survey idea raised by the cohort: what does the workforce housing audience actually want in terms of housing type and tenure?
Fiscal Impact	Low direct fiscal cost. Pre-approved plan sets require modest upfront investment. May increase property tax revenue through gentle density.

Section Four

Getting Stakeholders in the Room—and to an Outcome



One of the most persistent challenges in workforce housing is not technical but relational. Developers, community organizations, policymakers, and residents routinely enter planning conversations with fundamentally different goals. Developers seek feasibility and return. Community organizations seek affordability and equity. Policymakers seek solutions that are politically viable and fiscally responsible. Residents seek neighborhood stability. Without a structured process for alignment, these competing priorities produce meetings that go nowhere.

The Alignment Framework

The Accelerator's experience across three markets suggests a four-step alignment process that can be adapted to any community:

Step 1: Define the audience first

Before discussing solutions, stakeholders must agree on who workforce housing serves in their specific market. Use local wage and occupation data to ground the conversation in reality. When everyone is looking at the same data about which occupations earn what, and what housing they can and cannot afford, ideological arguments give way to pragmatic ones.

Step 2: Map the barriers together

Bring developers, community organizations, and policymakers into a shared barrier-mapping exercise. Each group identifies what prevents workforce housing from being built, financed, and occupied. The overlap between these maps—the barriers that all parties agree exist—becomes the starting agenda. This avoids the trap of one group's priorities dominating.

Step 3: Sequence by feasibility, not preference

Use the short-term (0–2 years), mid-term (2–5 years), and long-term (5+ years) framework to sequence reforms. Start with changes that are administratively achievable and politically viable—permitting reform, regulatory cleanup—to build trust and demonstrate results. This creates the political capital needed for more ambitious structural reforms.

Step 4: Create accountability

Establish measurable indicators (units permitted, timelines reduced, households served) and report publicly. The Accelerator's own indicators—three barriers addressed per city, a published reform document, evidence of municipal action—model this approach.

Bringing Innovators to the Table

A recurring theme across the cohort is the disconnect between people with cost-reducing ideas—modular builders, alternative construction methods, technology-enabled financing—and the planners and policymakers who set the rules. Traditional planning processes do not create space for disruption. The Accelerator should consider a dedicated convening format that brings innovators, developers of all sizes, and regulators together specifically to evaluate new approaches. Florida's Housing Coalition, legislatively funded through the Catalyst initiative to provide training and technical assistance, offers a model for institutionalizing this capacity.



THE COALITION

Section Five

The Workforce That Builds Workforce Housing



There is an irony at the center of the workforce housing challenge: the workers who build housing are themselves often priced out of it. The construction labor shortage that constrains housing production is itself a workforce issue. Addressing the workforce housing gap requires attending to both sides of this equation.

The construction industry faces an estimated shortage of hundreds of thousands of workers nationally. This shortage drives up labor costs, extends project timelines, and limits the total volume of housing that can be built regardless of demand or policy environment. For workforce housing, where margins are thin and delays are especially costly, labor scarcity is a direct barrier.

Several of the reforms in this paper address the labor constraint indirectly. Modular and manufactured housing shifts production to controlled factory environments that can employ a broader range of workers, including those who may not enter traditional construction trades. Missing middle typologies can be simpler to build than large multifamily complexes, opening opportunities for smaller contractors and emerging developers.

But these indirect strategies are insufficient on their own. The Accelerator should explore partnerships with workforce development programs, community colleges, and trade unions to expand the pipeline of construction workers. This is both an economic development opportunity—well-paying construction jobs can themselves be workforce-level employment—and a prerequisite for any strategy that depends on increased housing production.

Equally important is the question of who builds. Large developers have the capitalization and experience to pursue complex projects, but they are also the most likely to pursue higher-income products where margins are better. Small and community-based developers may be more mission-aligned with workforce housing but often lack the capacity to navigate regulatory processes or access capital. A comprehensive workforce housing strategy must cultivate both: creating conditions where large developers find it feasible and attractive to build at workforce price points, while building the capacity of smaller developers to participate.



Section Six

Next Steps



This policy brief represents the first iteration of the Accelerator's cross-city policy reform framework. We encourage developers, policymakers, builders, and others to vet the ideas in this paper in your own community. We want to hear what resonates and what does not. We want to learn from you as much as we want to share our own work with our peers who face similar challenges.

We are continuing to support each other in advancing workforce housing improvement through continued peer exchange, technical assistance, and on-the-ground testing. In our initial work, we have found two main obstacles. First is concern from our fellow affordable housing advocates that any attention to workforce housing comes at the expense of lower incomes. This is far from true for most workforce housing strategies. Lowering the cost of delivering decent homes not only helps more people afford housing without a subsidy, it also allows affordable housing developers to deliver more homes per dollar.

For Each Individual Participant

: Using the companion Strategy Matrix, we are engaging our community partners to identify at least three reforms from this paper to pursue based on local political feasibility, existing infrastructure, and the specific barriers facing workforce households. We are also supporting these engagements with local occupation and wage data, as well as home prices and rents, to ground the conversation and build local will.

For the Accelerator as a Whole

We are exploring whether our markets have sufficient capital tools for financing workforce housing. As we work individually to advance policy reforms that improve feasibility, we plan to look ahead to the state of workforce housing finance so that capital can flow to these deals in lieu of them seeking public funds.





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