

# Land Lines

QUARTERLY MAGAZINE OF THE LINCOLN INSTITUTE OF LAND POLICY

SPRING/SUMMER 2024



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Why Home Buyers Can't Afford to Ignore Climate Risk  
A Focus on Affordability and Equity in Seattle  
Is Local Economic Development Working?

# Land Lines

SPRING/SUMMER 2024 | VOL 36 | NO 1

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*Land Lines* is published as a digital and print magazine to report on Lincoln Institute–sponsored programs and related topics.

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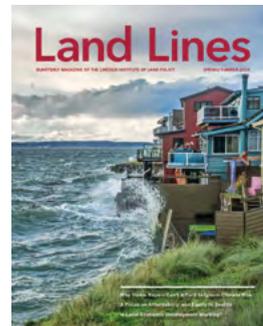
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Stormy waters in West Seattle. Over the past century, sea levels have risen eight inches in Seattle; they are expected to rise another foot by 2050 and up to five feet by 2100. Credit: gmc3101 via iStock.



# Revealing Who Owns America

IN 1903, Elizabeth Magie, an East Coast office worker, introduced a game designed to illustrate the economic consequences of monopolizing landownership. An avid follower of Henry George, Magie wanted more people to understand how unregulated rents enriched property owners at the expense of tenants. The Landlord's Game was played in two rounds: the first involved buying, selling, and renting property, with the goal of making money; in the second round, players who landed on a property paid into a public treasury instead of paying the owner, showing how a land tax could undo the economic and social damage caused by unregulated landownership.

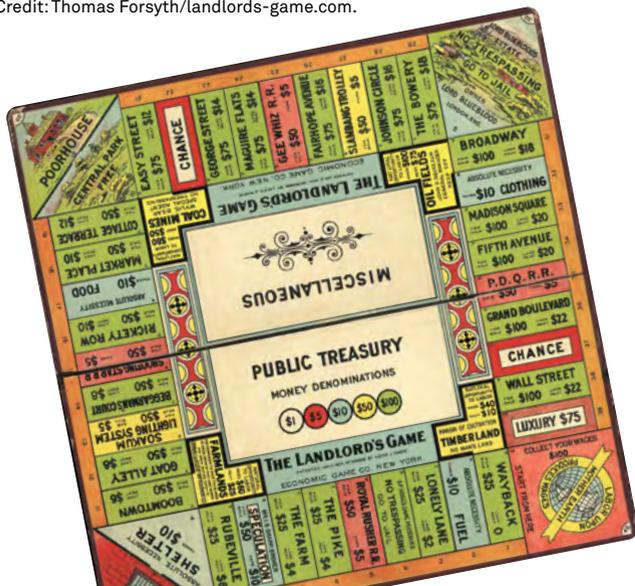
Magie's game was a forerunner of contemporary teaching games designed to reveal the consequences, either intended or unintended, of complex systems. For our purposes at the Lincoln Institute, it illustrates the use of land policy as a potential remedy to social and economic challenges. But it also inspired, and was ultimately usurped by, a popular game with a very different message.

The game of Monopoly is iconic. It is also ironic. The original Landlord's Game was designed to offer solutions to the intrinsic unfairness of consolidated property ownership; Monopoly is a celebration of ruthlessness and greed that promotes unbridled large-scale landownership. The popularity of Monopoly, now the world's best-selling board game, helped normalize the idea that unregulated private property was sacrosanct.

More than a century after the invention of The Landlord's Game, we still struggle to navigate the space between our cultural attachment to unfettered individual dominion over private property and our need to manage land to meet collective needs. A big part of the challenge is that property ownership in the US is still as opaque and almost as unregulated as it was in 1903. How can we regulate something we know so little about?

Property ownership is a matter of public record in the US, but it cannot be determined from any single public source. Our landownership data is inaccessible, fragmented, and, in many cases, outdated or incomplete. To identify all the US property owned by a single individual or corporation with any certainty, for example, one would need to consult paper records held in 3,142 county offices across the country. Although many counties have digitized property records, the records that do exist are rife with errors and infrequently updated. Some private data providers have tried to compile property records nationally into machine-readable form, but these datasets are expensive, incomplete, and prone to repeat the errors found in the digitized county records. They are also typically tailored for

The Landlord's Game warned against property owners profiting at the expense of society.  
Credit: Thomas Forsyth/landlords-game.com.





An analysis of property in Baltimore by the Center for Geospatial Solutions at the Lincoln Institute showed where institutional investors were buying owner-occupied single-family homes and converting them to rentals. Credit: Center for Geospatial Solutions.

individual use cases, like examining the activity of a particular entity or studying the dynamics of a local market.

It is also very difficult to determine actual property owners from the owners of record. This is because corporate ownership of property can be obscured by the corporate structure itself. The owner of record might be a division of a larger holding company, a managing partner of a national real estate investment trust, or simply a person or corporation doing business under a different name.

To make matters worse, land regulations are similarly opaque and complex. There are more than 30,000 zoning codes in use in the US, dictating how each parcel of land can be developed, and 89,000 local governments across the country that influence how land can be used and taxed. These local governments have overlapping jurisdictions, so different rules can apply to different properties on the same street.

Since joining the Lincoln Institute in 2014, I have wanted to be able to answer simple questions about the state of the nation's land. For instance, how much prime farmland has been lost to urban sprawl since we began building the interstate highway system? To what extent are natural resources like forests owned and controlled by investors from other countries? How many units could be added to the national

housing stock if we rezoned and redeveloped abandoned strip malls? As it turns out, finding answers to questions like these is more complicated than I had anticipated. But now, a decade later, we're making some headway.

In 2023, the Center for Geospatial Solutions at the Lincoln Institute (CGS) launched Who Owns America<sup>SM</sup> (WHOA), a nationwide effort to uncover property ownership patterns with unprecedented ease, precision, and nuance. As a first step, this ambitious data mapping endeavor used best-in-class parcel-level data—optimized for analysis at an aggregate level—to respond to specific questions about the ownership of single-family housing in US cities. Starting with Baltimore, we were able to report block by block, neighborhood by neighborhood, and across the city the extent to which institutional investors were snatching up single-family homes and converting them from owner-occupied properties to rentals—an increasingly common trend across the country.

In 2023, the Center for Geospatial Solutions at the Lincoln Institute launched Who Owns America<sup>SM</sup>, a nationwide data mapping effort designed to uncover property ownership patterns with unprecedented ease, precision, and nuance.

Now, dozens of entities—from municipal agencies to national affordable housing organizations—have asked CGS to help them better understand the changing reality of their local housing stock. By equipping organizations like the Neighborhood Assistance Corporation of America and the Salt Lake County Office of Regional Development with precise and enhanced maps of property ownership, CGS is helping to inform strategies these entities can use to defend their housing stock—and to track their progress.

Without an available stock of starter homes, homeownership might disappear as a pathway to “the American dream.” Similarly, our chances of closing racial and ethnic wealth gaps will be greatly diminished if we cannot close racial and ethnic homeownership gaps (which are, incidentally, higher than they were when we passed the Civil Rights Act and the Fair Housing Act in the 1960s).

But ownership of the nation’s housing stock is only the tip of a very large iceberg of questions that this data-based approach can help answer. The unique “data fusion” expertise of CGS reflects the interconnected nature of our most pressing challenges. By layering multiple environmental and social datasets with land-ownership data, their work stands to enrich our collective understanding of the obstacles we face—and how to surmount them.

For example, by weaving in legal-entity information, which is typically dispersed across hundreds of business registers, we can figure out where corporate investors are the most active—in land or housing. We can better understand the impact of large-scale institutional investors compared to that of small, family-owned LLC holdings. We can determine which corporate investors target their housing purchases in lower-income neighborhoods and communities of color; which companies are finding loopholes in development regulations intended to protect water supplies in the parched Southwest; and which out-of-state investors are snapping up local timberlands.

Last month, we got two requests in the same week from practitioners hoping to figure out how much land is owned and controlled by places of worship in their respective states. Drawing inspiration from California’s recently passed SB4, which allows religious organizations and nonprofit colleges to build affordable housing on their property, our partners wanted to better understand the potential of such legislation to engage relatively new players and resources in solving the housing crisis. CGS responded by providing a preliminary analysis estimating the total count of parcels owned by religious organizations, as well as the average and total acreage breakdown by state and county, and is developing an interactive platform to make it possible for others to refine this dataset and explore potential redevelopment sites.

We’re now contemplating how Who Owns America<sup>SM</sup> can help answer many other questions like these—including questions no one has thought to ask yet. The possibilities are endless and exciting.

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Understanding property ownership in America involves navigating a complex web of legal, economic, cultural, and historical factors. Balancing private property rights, public interest, and sustainable land use remains an ongoing challenge—in the face of the climate crisis, it might be the biggest challenge of our lifetimes—and the tension among private ownership, government control, and public interest will continue to shape land policies and regulations. But for the first time, it seems possible that better informed and more transparent policies, buttressed by accurate, accessible data, will help to resolve this tension. □



Researchers with the Lawrence Berkeley National Laboratory Heat Island Group use a reflectometer to take measurements of solar-reflective pavement coatings at the lab's California facility. Credit: Roy Kaltschmidt/Berkeley Lab, ©The Regents of the University of California, Lawrence Berkeley National Laboratory.

## Smart Surfaces and the Resilient City

A FEW YEARS AGO, the city of San Antonio conducted research into the anticipated impacts of climate change on local temperatures. The study projected that, by midcentury, the city might experience 61 days a year with temperatures over 100 degrees. In reality, the city notched 75 days over 100 degrees—in 2023.

Like many cities, San Antonio has been strategizing responses to climate change for years, but recent record-shattering temperatures have given such efforts a new sense of urgency, says Douglas Melnick, San Antonio's chief sustainability officer. One major component that's been getting a serious rethink: city surfaces, from roads to roofs. These human-made surfaces are often dark and impermeable, amplifying hot weather, worsening flood risks, and contributing to the heat island effect. But soaring global temperatures are sparking a wave of experiments with new materials and engineering innovations designed to reimagine surface problems as deep opportunities.

Pavement is a particular focus for San Antonio and many other cities, because it's hot and there's a lot of it: researchers estimate that it accounts for 30 to 40 percent of urban land cover. After an initial "very small" pilot in 2021 experimenting with a reflective pavement coating, San Antonio embarked on a \$1 million project that will test five such materials in various parts of town, Melnick says. The streets were selected based on data related to equity and heat, and the work is being integrated into already-scheduled maintenance and repaving projects; the city will work with the University of Texas at San Antonio to evaluate the results.

Soaring global temperatures are sparking a wave of experiments with new materials and engineering innovations designed to reimagine surface problems as deep opportunities.

A similar effort is underway in Phoenix, a city “on the front lines of extreme heat,” says David Sailor, professor and director of the school of geographical sciences and urban planning at Arizona State University (ASU). The city was an early proponent of rethinking surfaces, launching a major Cool Pavement Pilot Program three years ago. But even in this notoriously hot place, efforts have accelerated lately: ASU has been involved as a research and advisory partner in a city-led project that has treated more than 100 miles of local roads with reflective coatings. “This is something that would not have happened five years ago,” Sailor says, “and it’s increasingly happening across different cities.”

Los Angeles has introduced a number of pilot programs, including one in the Pacoima neighborhood testing a reflective coating on streets, a school playground, and a recreation center parking lot. Researchers at Purdue University, meanwhile, have developed and are preparing for market the “world’s whitest paint,” which reflects 98 percent of solar heat and could be used on buildings, trains and buses, and other surfaces. A number of US cities are offering tax incentives for reflective roofs. Others have installed green roofs, topping waterproofing material with plants and other greenery that can both cool the surface and absorb rainfall. And smaller projects are popping up all over the world, like parking lot solar canopies that provide shade and generate energy; corrugated, self-cooling walls that stay as much as 18 degrees cooler than flat walls and can help reduce the need for air conditioning; and innovative, affordable cool-roofing materials for informal and self-built structures in India, Africa, and elsewhere.

The idea that governmental will to address extreme heat is expanding—and municipal funding is growing along with it—is spurring more material innovation in the market, says



Thermal imaging reveals a dramatic temperature difference between light-colored pavement (foreground) and dark pavement (background) in Mesa, Arizona. Credit: Larry Scofield, APCA.

Sailor of ASU. He notes the creation of new, acrylic-based asphalt treatments. Because lighter colors can show tire markings, demand has also led to the development of coatings that are dark in the visible spectrum but engineered to have high reflectance outside that spectrum, and reflect 30 to 40 percent of the sun’s energy, compared to 4 percent on a standard road. Other materials getting their moment in the sun include new kinds of coating for extruded metal roofing; reflective, porous concrete; and passive radiative cooling film engineered to actively radiate heat away from surfaces (instead of simply reflecting it, as coatings do). ASU is testing such products from giants like 3M as well as smaller startups.

But the real breakthrough isn’t any single material or innovation, says Greg Kats, founder and CEO of the Smart Surfaces Coalition (SSC)—it’s the sheer variety of projects afoot, and a new willingness to “think broadly and citywide” about surfaces. Launched in 2019, SSC is now working with some 40 organizations and 10 cities and metropolitan areas across the country, providing data and tools to help implement smart surfaces effectively. “The city has gotten hotter and darker and more impermeable, with higher energy bills, more environmental injustice,” Kats says. “A lot of cities have really

“The city has gotten hotter and darker and more impermeable, with higher energy bills, more environmental injustice. A lot of cities have really reached a point where they’re looking for systemic solutions.”

reached a point where they're looking for systemic solutions." Kats notes that there are fiscal motivations, too: major credit rating agencies have begun to factor climate change into their calculations, which could affect municipal credit ratings.

Kats and other smart surface advocates emphasize that tech-based materials must be complemented by trees and other natural solutions. Brendan Shane, climate director for the Trust for Public Land, which focuses on creating and enhancing parks and green spaces in cities and communities (and works with SSC), argues that smart surfaces and green infrastructure go naturally together. "Our tree canopies are at historic low levels," he points out. But they are part of a city's surface area, and "the surface of the city is one of those things that really does change. You're going to repave roads. And you're going to replant trees."

The coalition hopes to help cities devise multipronged but locally tailored approaches, Kats says, through improved data synthesis and analysis. SSC is already working with a dozen US cities, and two in India, to compile data from hundreds of sources, producing detailed heat maps from satellite data and other information, and running cost-benefit scenarios on different implementations and timelines. The goal is to be both comprehensive and flexible, given that a dry city like Stockton, California, will have different needs and solutions than a wetter city like

Baltimore. Whatever a given city's objective, Kats asserts that with a full suite of responses—smart reflective surfaces, trees, and green infrastructure projects like rain gardens—the majority of cities can cool average temperatures by five degrees, or even more in previously neglected heat island neighborhoods.

Back in San Antonio, plans are taking shape to use heat-mapping technology to identify the neighborhoods that would most benefit from municipal investments in cool pavement, street trees, and shade structures. The wake-up call of recent extreme weather, Melnick says, has created a real opportunity for coordinated, citywide plans. "Cities tend to be very siloed. The parks department's doing trees over here, and then the public works department is doing roads over there," he says. "Everyone's got a role in mitigating heat, but how do we get everybody talking together?"

As technologies evolve and the world's cities continue to grow, investing in solutions to create cooler, more livable places—and working together to implement those solutions—is essential, Kats says: "Waiting is now a higher-risk strategy than taking action." □

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**Rob Walker** is a journalist covering design, technology, and other subjects. He is the author of *The Art of Noticing* and the new *City Tech* book ([www.lincolninst.edu/city-tech](http://www.lincolninst.edu/city-tech)). His newsletter is at [robwalker.substack.com](http://robwalker.substack.com).



Workers apply a cool pavement coating in the Pacoima neighborhood of Los Angeles. The city has been experimenting with such treatments since 2017, and has detected cooler temperatures up to 300 feet away from treated streets. Credit: Los Angeles Bureau of Street Services.



Above: Scranton, Pennsylvania. Credit: Alex Potemkin via iStock/Getty Images Plus. Inset: Paige Cognetti. Credit: Office of Paige Cognetti.

Scranton, Pennsylvania, known to many as the setting for *The Office*, is facing a challenge familiar to legacy cities across the US: building its future, now that the industries of yesteryear—in this case, coal, iron, steel, and textiles—are long gone. Essentially, the city must reinvent itself as a metropolis that was built, more than a century ago, for purposes that no longer exist. Into this moment comes Paige Cognetti, to help forge a way forward.

Cognetti, a transplant from Oregon with an MBA and a stint in the Treasury department during the Obama administration, was serving as an advisor to the Pennsylvania auditor general and director of the Scranton school board when she won a special election for mayor in 2019. She won reelection to a full term in November 2021, and is the first woman to hold the office.

Earlier in her career, the 43-year-old Cognetti worked in several political campaigns and as an investment advisor in New York City. Senior Fellow Anthony Flint caught up with the mayor on a trip to Scranton for the annual meeting of the Pennsylvania chapter of the American Planning Association.

## The Reinvention of Scranton

*This transcript has been edited for length and clarity. Catch the full conversation on the Land Matters podcast: [www.lincolinst.edu/podcasts-videos](http://www.lincolinst.edu/podcasts-videos).*

**ANTHONY FLINT:** *Scranton was President Biden's hometown, the place where urbanist Jane Jacobs grew up, and the setting for the comedy series The Office. With these interesting connections to politics and culture in mind, what's special about the city for you? What qualities are drawing new residents and facilitating regeneration?*

**PAIGE COGNETTI:** It's funny, politics brought me to Scranton. I moved to Washington, DC in 2005, and ended up coming to Scranton for a political campaign, and then met my husband. It's a long story until we get here, but politics did bring me to Scranton, and it can be a real anchor for what Scranton is known for.

More important than that is its existence as a legacy city, as an industrial city that was part of the industrial revolution in the United States, and exported things abroad, exported energy all throughout North America. That's a huge piece of our heritage. The anthracite coal that was mined from around and underneath us really set the tone for the type of

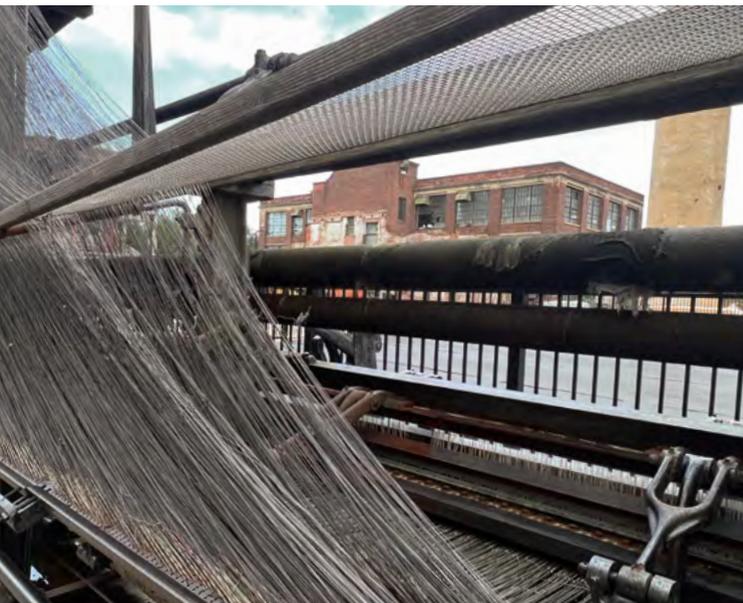
entrepreneurship that we are still known for and that we're looking to have more of in Scranton.

The textile industry was also big here. You would have men working in coal mines and women working in textiles. There was this really perfect marriage between those two industries, and that drove the economy for a very long time. Of course, we don't have those industries here anymore. The Scranton story now is one, I think, of resilience and creativity. Also a little bit of luck.

The different generations before us saw that if you anchor everything in an extractive industry like coal, and that goes away, then you're left with nothing. They did a good job of diversifying the economy. We have lots of educational institutions, we have hospitals, we have healthcare, we have services. We also still have 11 percent of our jobs that are based in manufacturing. You see a lot of families that have continued through generations to own different businesses and be a part of multiple types of industries. You still have people who live in the home that their grandparents or even great-grandparents built.

It's a special place in that way. We've taken a lot of the great things about our past and are applying them to the future.

An industrial loom on the grounds of the Scranton Lace factory, a 34-building complex that is being redeveloped into a mixed-use neighborhood. Credit: Anthony Flint.



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**AF:** *Thinking about this idea of repurposing a city that was built for something else: the Scranton Lace factory used to employ thousands of people on a 34-building campus, which is being redeveloped into a mixed-use residential neighborhood. Is that a replica model, in your opinion? How can adaptive reuse go beyond a boutique scale?*

**PC:** The Lace Village is going to be an entirely new neighborhood right in the core of our city. It used to have thousands of employees and there was childcare, there was bowling, there were hair salons, there was everything. By recreating that and making a new neighborhood right there, it's just going to be really exciting for our whole city. It's great for all the neighborhoods around it, it's great for the school system, it's going to reinvigorate this industrial heart that we have there.

We've got lots of different places that I think could be like Lace Village, though not on as big of a scale. We have a cigar factory that's just about a mile from Lace Village that's just been redone into condos. Those opened up just a few months ago. That's a huge population boost, an energy boost for this one little segment of our neighborhood. There's pockets of that all over the city, and that's something that I think we can replicate.

It does take a lot of funds. We have helped shepherd state money to that project. We believe very deeply that these have to be public-private partnerships. There's so much remediation that needs to be done. There's so much local work that needs to be done with the streets and the curbs and the sidewalks and the lighting.

It's important that we try to find creative ways to help fund it because we know it's a very heavy lift to take something that used to be a factory or an industrial area and make it usable again.

**AF:** *Because of these earlier industrial functions, Scranton has a difficult legacy of toxic pollution. How does that make redevelopment more challenging?*

**PC:** Scranton is built on mines. Our home is actually built on top of a mine. There's an empty lot a few parcels down from us where a house actually started to subside, and they had to take the house down. We definitely have legacy issues. We all deal with them personally. Everybody who lives in Scranton, the earth got gutted beneath us and so we deal with that all the time now.

The generations before us did a good job of cleaning those things up. We've come a long way, but we still have a lot of issues. An example in our downtown is a new pocket park that finally just got sod in and the flowers are planted, the trees are planted. It used to be a dry cleaner,

and just from having a dry cleaner—not even a gas plant, not even coal mining—it's been hundreds and hundreds of thousands of dollars and many, many different iterations of how we're going to fund this.

There are these things that just take so much time and money. Interestingly in a place like Scranton, folks are used to [the idea that] it's going to take a while. It's going to take some more money.

We see a lot of issues in our stormwater. There are a lot of things that we have to be very careful with, including how we do things underground because of that legacy of mining. The riverfront that we have [along the] Lackawanna River is beautiful, but it was built up with factories. We have a long way to go to redevelop the river and celebrate it in a way that people are putting restaurants and cafes there. We don't have those places, but the river is clean. The river is absolutely beautiful. The next piece is that land use. The next piece is that development and we're eager to keep partnering with our developers to help realize that.

**AF:** *You've had some serious flooding issues—what is needed to manage those kinds of vulnerabilities and to build resilience? How might that apply to other postindustrial cities confronting more intense climate impacts?*

**PC:** I think every city is facing intense climate impacts. What's interesting about a place like Scranton is, we have not taken care of the infrastructure, and so even before these last few years where the climate-related storms have started to increase, we already had a long way to go. We had a huge storm in September. We got six inches in 90 minutes, and it just blew through a few of our creeks, jumped the creeks, made new creeks through people's yards. Even if we'd done all the projects we already have planned and teed up, I don't know if we'd gotten those done if that would've helped much given the volume of that water that came down. We've got millions and millions and millions of dollars of work to do.



Mayor Cogneetti inspects the aftermath of flash flooding that caused \$7.3 million in damages in September 2023. Credit: Office of Paige Cogneetti.



A colorful mural in Scranton pays tribute to the city's past as a pioneer of electric lighting and its more recent moment in the cultural spotlight as the setting of the TV show *The Office*. Credit: Anthony Flint.

The challenge, of course, is the funding and the fact that no matter what we do, there's still going to be issues. The other piece is the politics of it: we don't have a regional stormwater authority. We're working on it, and we've got some of our neighboring boroughs and townships on board. The county's not interested in doing a holistic one, but we're looking at probably eight of our municipalities that are going to join in this authority that will work together to do stormwater mitigation. Hopefully, by pulling those resources, we'll be able to have an authority that's taking care of those maintenance pieces and those bigger projects and is able to raise funds on its own for those big pieces.

**AF:** Finally, how satisfied are you that the city has increased bike and pedestrian safety? I've been here and have been walking around. It's a wonderful grid.

**PC:** We just came off of a walkability study, and we have a plan. We're looking to drastically reimagine our downtown's flow. It's a beautiful grid, it's gorgeous architecture, but the one-way streets and all the stoplights create hazards for bikes and pedestrians that are unnecessary. We're looking to go to two-way streets in most of the streets, we're looking to take down many

of the stoplights and do four-way stop signs to really calm that traffic and make a safer environment. With those buildouts will be bike lanes and lots of trees and things that should make it an even more beautiful downtown to walk around.

We've got a lot of different grants teed up to be able to do this work. Our engineers are working on it now. We're really looking forward to matching the architectural beauty of Scranton and the energy of all of our great shops and businesses, restaurants, and bars with a streetscape that does them justice.

I think it will be a huge positive difference for our downtown, but like everything we do as mayors, it will take a little bit of money, a little bit of time, a little bit of conversation, and a lot of enthusiasm. □

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**Anthony Flint** is a senior fellow at the Lincoln Institute, contributing editor of *Land Lines*, host of the *Land Matters* podcast, and author of the book *Mayor's Desk: 20 Conversations with Local Leaders Solving Global Problems* ([www.lincolninst.edu/mayorsdesk](http://www.lincolninst.edu/mayorsdesk)).

**Like everything we do as mayors, it will take a little bit of money, a little bit of time, a little bit of conversation, and a lot of enthusiasm.**

An aerial photograph of a residential street during a heavy rain event. The street is completely flooded, and a dark-colored car is driving through the water, creating a large splash. The surrounding area includes houses with grey roofs, green lawns, and utility poles with power lines. The overall scene conveys a sense of environmental risk and the impact of climate change on infrastructure and property.

What Will Make Home Buyers Consider Climate Risk?  
What Happens Once They Do?

# REALITY CHECK

By Jon Gorey

**REALTOR GABRIELLA BEALE** stopped for lunch at a cafe in downtown Norfolk, Virginia, last summer, on her way to show buyers a home in nearby Larchmont, a neighborhood of tree-lined streets and early 20th-century houses. Then a late August downpour dumped more than two inches of rain on the city, forcing Beale to cancel the showing—because she could no longer get to the house. She watched helplessly from the cafe as flash flooding filled the road outside.

“I couldn’t even get to my car because part of the road essentially became a river,” Beale said. This wasn’t a hurricane, or even a tropical storm—just a rainy Monday in this low-lying city of 238,000. Situated between the Elizabeth River and Chesapeake Bay, Norfolk is experiencing the fastest relative sea-level rise on the East Coast—more than two inches just since 2012—so there isn’t much room for extra water. Parts of the city flood even without rainfall during king tides, and the National Oceanic and Atmospheric Administration projects that the city’s dozen or so annual “sunny-day flooding” incidents could double as soon as 2030 (Thompson et al. 2021).

The encroaching water hasn’t gone unnoticed, Beale said: more buyers ask about flooding than in years past, even in neighborhoods outside the 100-year floodplain. She dutifully counsels all her clients on flood risk, discussing insurance costs, personal safety, and the potential drop in future resale value. Some buyers want nothing to do with a floodplain house, but others don’t mind the risk—or can’t afford to be picky. Beale acknowledges that she can’t make decisions for them. “People have different ideas of what level of flood risk they’re comfortable with, and it’s not really up to me to say, ‘This is a bad house.’”

By the time the stormwater finally subsided on that rainy Monday, Beale’s car was toast; she wasn’t sure it could be repaired. “I can tell that story, and some buyers still want to live in that neighborhood,” she said. Indeed, her buyers rescheduled their showing for the very next day.

**BEALE’S CLIENTS** are hardly alone in their pursuit of risky real estate. Even as climate change delivers more intense and more frequent storms, wildfires, and heat waves, home buyers across the United States continue to move into areas at greater risk of climate impacts like flooding, wildfire, drought, and extreme heat—in fact, they’re doing so at a faster pace.

**That the climate is changing, and not for the better, is hard to miss. . . . Yet home buyers still don’t seem to factor in climate risk when they make one of the biggest decisions of their lives.**

That the climate is changing, and not for the better, is hard to miss. In the first nine months of 2023, the US experienced 23 separate billion-dollar weather disasters, breaking—and far outpacing—the previous annual record of 22 disasters set in 2020; the total number of billion-dollar disasters reached 28 by the end of the year (NOAA 2023). The number of buildings destroyed by wildfire in California each year has spiked 335 percent since 2009, according to First Street Foundation, a nonprofit seeking to make climate risk data more accessible. Nationwide, we’re losing an average of more than 17,000 structures a year to wildfire, a number that is forecast to top 33,700 by 2053—meaning we can expect to lose the equivalent of Daytona Beach, Florida, or Asheville, North Carolina, to fire every single year (First Street Foundation 2023).

Yet home buyers still don’t seem to factor in climate risk when they make one of the biggest decisions of their lives. We keep building and buying homes in the fire-prone “wildland-urban interface” where town meets wilderness, and moving closer to the water, not away from it.



In 2022, Hurricane Ian destroyed more than 5,000 homes in Lee County, Florida, and damaged nearly 30,000 others, causing losses of \$112 billion. It was the third-costliest hurricane in US history. Credit: Jeff McCollough via iStock Editorial/Getty Images Plus.

The most flood-prone counties in the US had 384,000 more people move in than out in 2021 and 2022, according to a Redfin analysis, roughly double the net increase of the prior two years. That includes Lee County, Florida, which gained 60,000 net new residents in two years even as Hurricane Ian destroyed more than 5,000 homes in 2022 and damaged thousands more.

Counties facing the greatest wildfire risk, meanwhile, netted 426,000 new residents in that time. And those most threatened by heat collectively gained 629,000 net residents—including Maricopa County, Arizona, where 76,000 newcomers sweltered in heat that topped 110 degrees Fahrenheit for 31 straight days last summer and left hundreds dead.

And yet, the housing market in Maricopa County has been almost as hot as the sidewalks that gave residents third-degree burns in July: median home prices rose a staggering 64 percent in four years, according to Redfin—from \$290,000 in June 2019 to \$475,000 in 2023—as more residents moved in. Prices in Florida’s Lee County rose 70 percent in that time, compared to 40 percent nationwide. Accounting for likely long-term flood damage—to say nothing of drought or wildfire risk—a study published in *Nature Climate Change* estimated that the residential real estate market in the

US is collectively overvalued by as much as \$237 billion (Gourevitch et al. 2023).

The disconnect is largely driven by short-term affordability concerns, said Daryl Fairweather, chief economist at Redfin. “People are leaving places like San Francisco because their rent is too high, and then they’re moving to places like Tampa or Las Vegas because they can actually afford to buy a home there,” Fairweather said. “But what they’re not thinking about is how their housing expenses might change in the future, how the value of their home might change in the future, and also how the livability of those places might change in the future.”

Where the planet is sending us flashing red “stop” signals, home buyers and developers seem to see green lights. Why? And what will it take to get them to obey the stop signs?

“People are moving to places like Tampa or Las Vegas because they can actually afford to buy a home there. But what they’re not thinking about is how their housing expenses might change in the future, how the value of their home might change, and how the livability of those places might change.”



A brush fire burns near homes in Orange County, California. Sellers are required to disclose moderate and high fire risk to potential buyers in places where the state manages wildfire prevention and response, but not in areas where the local jurisdiction is responsible for wildfire management. Credit: f00sion via E+/Getty Images.



That allowed Walls to compare homes that share the same level of fire risk—as well as school districts, walkability, and other location-based amenities—but have different disclosure requirements. By comparing years of sales data for neighboring homes on either side of the disclosure divide, the researchers were able to show that homes with a disclosed fire risk sold for an average of 4.3 percent less than similar nearby properties with undisclosed risk.

In other words, buyers who were made aware of the risks seemed to adjust their behaviors in a rational way—exactly what you’d hope to see in a well-functioning market. “We can’t expect markets to work and prices to reflect something unless we have all the information,” Walls said.

The effect of risk disclosure on sale prices seems to be strengthening as fire seasons intensify. The eight largest wildfires in California history have all occurred since 2017, burning more than 4 million acres, and 2020 was the state’s worst fire year on record. “We found a stronger effect in the more recent years,” Walls adds. “It’s getting more salient to people after these bad fire years.”

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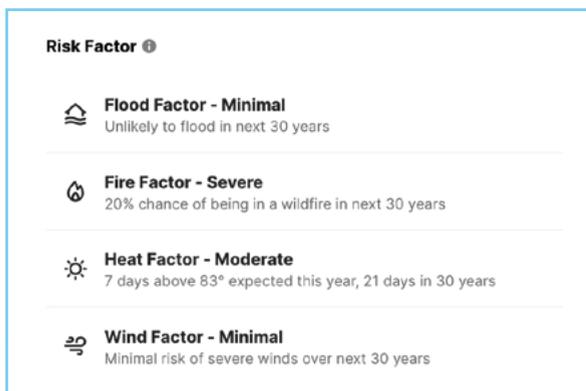
Past research has found that strict flood disclosure rules yield a similar price penalty of about 4 percent (Hino and Burke 2020). In the absence of flood disclosures, though, home buyers can still get some idea of a home’s flood risk from the Federal Emergency Management Agency. FEMA’s flood maps aren’t perfect—they’re based on historical flooding, for one thing, not future climate models—but they’re freely available. Anyone can access them online, though Beale, the Norfolk realtor, says most buyers don’t think to do so until she recommends it. Even then, it’s hard to get a price quote for flood insurance without applying for coverage. In fact, because lenders require borrowers to purchase flood insurance on homes located within a FEMA high-risk floodplain, loan officers are often the ones breaking the bad news about flood risk and insurance premiums—typically very late in the home buying process.

“Usually at that point, the buyers can’t get out of the contract,” Beale said. The average annual flood insurance premium nationwide was \$888 in 2022, “so that’s not a huge impact if you’re spreading it out over 12 months,” she notes. But rates can vary dramatically by property, even cresting five figures. “If it comes back at \$10,000, and you can still technically afford the house according to the lender . . . you can’t walk away.”

Major real estate sites Realtor.com and Redfin have started incorporating First Street's climate risk data on their property listings—right alongside other typical home buyer concerns such as school districts and taxes. And getting that information to a home buyer early in the process makes a real difference, according to a working paper Fairweather coauthored (Fairweather et al. 2023).

Redfin started publishing flood risk data sitewide in February 2021. But before that, in late 2020, the brokerage leveraged a soft launch of the new feature to conduct a three-month experiment among 17.5 million users. Half of them saw detailed flood risk data and “Flood Factor” scores on the homes they searched, while the other half did not. That randomized flood risk information “had a significant and meaningful impact on users’ search behavior,” Fairweather found, and influenced every stage of the home buying process, from initial search to offer to final purchase. Over time, buyers who encountered high Flood Factor scores on their initial home searches gradually adjusted their searches toward—and were later more likely to bid on—less flood-prone homes than were users who didn’t see flood risk information.

“Increasing information to home buyers, especially at the moment they’re buying a home, would help them make a different decision when it comes to taking on climate risk,” Fairweather said.



Realty websites Redfin and Realtor.com have started including climate risk data in their property listings. Credit: Redfin.

## A Reckoning in the Insurance Market

One way markets traditionally communicate risk is through insurance rates; higher premiums quite clearly reflect a greater likelihood of losses. But the home and flood insurance markets are struggling to adapt to a range of issues, with the costs of climate change–fueled disasters, reconstruction, and fraudulent claims all on the rise.

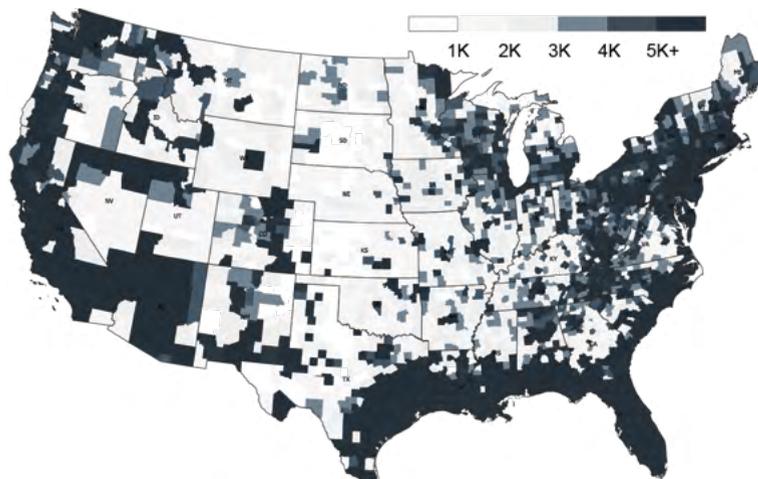
For decades, FEMA's National Flood Insurance Program (NFIP) has underpriced coverage, indirectly subsidizing homeowners in flood-prone areas by making it less expensive to live there than it should be. This is evident through simple math: the NFIP is \$20 billion in debt, as premiums have failed to keep up with the actual cost of damages incurred.

FEMA took a step toward correcting that imbalance by implementing Risk Rating 2.0 in late 2021, a new methodology that better aligns premiums with an individual property's flood risk. However, Congress capped NFIP rate increases at 18 percent a year to ease the impact on existing policyholders. A report by the Government Accountability Office found that median flood insurance premiums would still need to almost double, from \$689 to \$1,288, for the program to be actuarially sound, and that roughly one in 10 properties insured by the NFIP will eventually require at least a 300 percent rate hike (GAO 2023). In Naples, Florida, for example, the average annual flood insurance premium among 1,568 policyholders was \$2,228 in 2022; FEMA calculated that the risk-based cost of those policies should average almost four times as much: \$8,067 per year.

Meanwhile, private insurers (whose homeowner policies generally don't cover flood damage) are increasingly finding it difficult or impossible to provide coverage at fair but profitable rates as windstorms and wildfires grow more destructive, and as reconstruction gets more expensive.

## PROPERTIES IN THE CLIMATE INSURANCE BUBBLE, 2023

A recent report from First Street Foundation estimates that more than 39 million properties—27 percent of properties in the contiguous United States—are in a “climate insurance bubble,” where the need for insurance significantly outpaces what is actually covered. Credit: First Street Foundation.



State Farm announced in May 2023 that it would no longer write new homeowner policies in California, where it is the largest insurer, citing “rapidly growing catastrophe exposure” and historically high construction costs. Soon after, Allstate announced that it would follow suit, making permanent a pause on new policies instituted in 2022. More than a dozen insurance companies pulled out of Florida and Louisiana during those two years, leaving homeowners scrambling for coverage.

Insurance companies could theoretically just raise their rates enough to offset increased costs. But insurance is something of a necessity—lenders won’t approve a mortgage without it, and four in five home buyers rely on a home loan to finance their purchases. So, to protect consumers, big insurance premium hikes often must be approved by state regulators. And in California, insurers can only use past losses, not future risk estimates, to justify rate increases. That makes it hard for insurers to price their coverage accurately or profitably as risk intensifies.

As Michael Wara, director of the Climate and Energy Policy Program at Stanford, told KQED, the price of home insurance in California no longer matches the risk. “Our insurance system kind of pretends that climate change doesn’t exist, and that’s not workable anymore,” he said (Lagos, Shafer, and Romero 2023).

The price signals that private insurers ordinarily provide through premium adjustments are crucial to a functioning real estate market, “because that is ultimately how decisions get made,” University of Pennsylvania economist Benjamin Keys told *Penn Today* (García 2023). “When there are incentives for the choices that homebuilders make, that homeowners make, that’s going to reshape where we live and where we build. When we don’t get that price signal, that distorts our perceptions of risk.”

A report by First Street Foundation asserts that millions of US homes face more climate risk than their insurance rates would indicate, creating a “climate insurance bubble” in the market (First Street Foundation 2023). “You don’t want someone to live in a place that always burns,” First Street Head of Climate Implications Jeremy Porter told *Grist* (Root 2023). “We’re subsidizing people to live in harm’s way.” In that respect, it makes some sense for home insurers like State Farm and Allstate to stop writing new policies in the most high-risk areas—doing so could help dissuade developers from building in places most likely to burn.

**Millions of US homes face more risk than their insurance rates would indicate, creating a “climate insurance bubble.”**

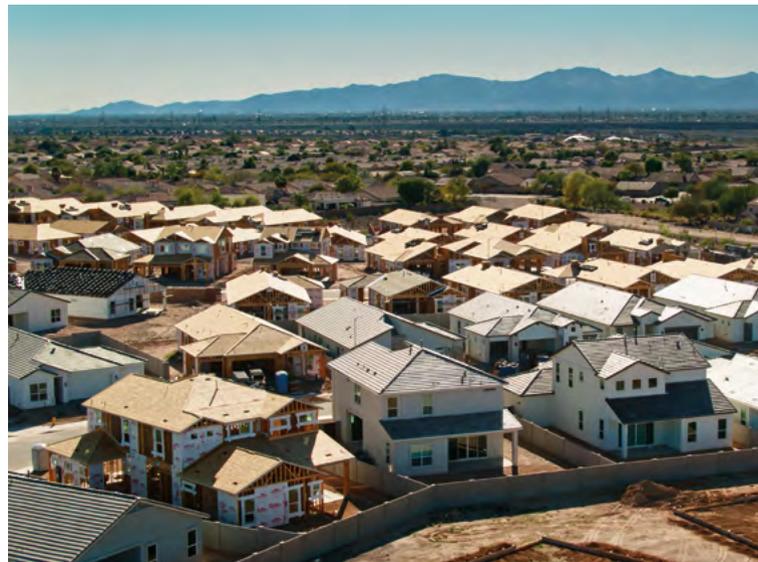
But millions of people already live in high-risk areas. And when those homeowners can't get insurance on the private market, they must turn to state-run plans that offer less coverage at higher prices. These public options are meant to offer policies of last resort, but their role is growing; in Florida, the public Citizens Property Insurance Corporation is now the state's largest insurer, according to the First Street report, with 1.3 million policyholders. The number of homeowners on California's state-run FAIR Plan more than doubled between 2018 and 2022, to nearly 273,000.

"I worry that a larger state role in insurance markets will bring political pressure to keep premiums low without reflecting the growing climate risks," Keys said. "It's challenging for a state-backed plan to raise rates aggressively on homeowners in that state. There's real political tension." State-run plans also transfer financial risk to taxpayers: Florida's Citizens Property Insurance Corporation expected to turn a profit in 2023, but lost more than \$2 billion in 2022. That's one reason Florida is phasing in a new law over the next four years requiring all Citizens policyholders to obtain flood insurance as well.

In September, California Insurance Commissioner Ricardo Lara announced emergency steps aimed at stabilizing the state's wobbly home insurance market by the end of 2024. Under these new rules, insurers will be permitted to consider climate change and future catastrophe risk when setting premiums. However, they'll also be required to cover a percentage of high-risk homes, to start transitioning homeowners off the FAIR Plan and back into the private market. That could well be enough to draw insurance companies back, Keys says: "When an insurer leaves a state, it doesn't mean that they don't want to write insurance policies. It means that they don't want to write insurance policies under the current regulatory environment and with the current limits on premiums. They want to make a profit."

As insurance rates rise to account for increased climate risk, one way to ease the impact on homeowners (without artificially suppressing premiums) is for insurers to offer discounts when property owners invest in preventative risk-reduction measures—such as raising a home's mechanical systems above the base flood elevation, or clearing fire-fueling vegetation from around a house. A new California initiative called Safer from Wildfires, introduced in late 2022, requires insurers to recognize and reward fire resiliency measures by offering discounts to homeowners who create five-foot ember-resistant zones around their homes, for example, or who invest in upgraded roofs, windows, or vents.

"By incentivizing policyholders to implement wildfire-resistant measures, insurance companies can create a win-win situation," the First Street report notes. That could create a positive cycle, reducing the frequency and severity of wildfire losses—and the resulting financial burden on both insurers and communities—while potentially preserving home values.



New construction in Maricopa County, Arizona, which has seen record heat and drought in recent years—and record growth. Credit: halbergman via iStock/Getty Images Plus.

## Change the Lending Landscape

As the government-sponsored enterprises (GSEs) that back most mortgages in the US, Fannie Mae and Freddie Mac wield tremendous influence over the real estate market—and could also help home buyers heed climate risk.

The GSEs already require borrowers purchasing a high-flood-risk home to secure flood insurance as a condition of their mortgage. But they could, in theory, take more aggressive steps to dissuade risky home purchases, such as requiring a bigger down payment on high-risk properties, charging higher interest rates on such loans, or factoring climate risk into valuations. Fannie Mae has started enlisting climate analytics companies like First Street to figure out how and whether it can fairly incorporate climate risk into its underwriting and lending guidelines.

It's a delicate exercise, however. Adjusting valuation or lending criteria to make it more difficult or more expensive to get a mortgage in flood-prone areas would very likely devalue the affected homes. And it's not just expensive beach houses. Due to historical discrimination and redlining practices, low-income households and people of color are disproportionately represented in the most flood-prone areas. These are some of the very communities Fannie and Freddie have been trying to better support through their "Duty to Serve" mandate.

"It's really a double-edged sword," said Ellie White, senior associate on the buildings team at RMI. Like the Lincoln Institute, RMI is a member of the Underserved Mortgage Markets Coalition (UMMC), which seeks to hold Fannie Mae and Freddie Mac accountable for bringing housing finance opportunities to families not traditionally served by the private market.

"A main roadblock of incorporating climate risk information into the valuation of a property



Raising a house above flood level on Long Island, New York. Lenders could influence the market by helping existing homeowners pay for resilience upgrades. Credit: John Penney via iStock Editorial/Getty Images Plus.

revolves around this challenge of ensuring that we're not devaluing properties in already high-risk, low-income, historically disadvantaged communities," White said. "So I think the GSEs are very cautious, and rightfully so, about what it would mean if we had wide-scale incorporation of those physical risks into the valuation of property."

The stakes are uniquely high in the US, where homeownership has long been a primary engine of wealth creation. "If not done correctly, this could really completely wipe out families' generational wealth, and it would disproportionately impact low-income communities," said Welch of the Lincoln Institute. "It's a really complicated, tricky issue." Local governments that rely heavily on property taxes could also see major shifts in their tax base if climate risk were fully reflected in home values. While municipalities can typically offset potential revenue loss by adjusting tax rates when property values decline, large shifts in the distribution of tax burdens can create political challenges.

**"A main roadblock of incorporating climate risk information into the valuation of a property revolves around this challenge of ensuring that we're not devaluing properties in already high-risk, low-income, historically disadvantaged communities."**

But the GSEs could do other things, like using risk research and data to guide policy, and helping homeowners in high-risk areas pay for resiliency upgrades like elevating structures. “The GSEs can take more action on the community engagement front, to support educational programs and raise awareness of these risks and resilience solutions among home buyers,” White said.

In a letter to Federal Housing Finance Authority Director Sandra Thompson in August, the UMMC made a wide range of policy recommendations. Among them: requiring the disclosure of both climate risk and energy performance on existing homes backed with GSE mortgages, and requiring new homes backed by GSE loans to meet more energy-efficient building codes. The latter would reduce long-term ownership costs for home buyers, while also reducing financial risk to the GSEs.

## Zoning for the Future

Figuring out how to protect, insure, or move residents of existing neighborhoods that face increased climate risk is a thorny problem without many satisfactory solutions. But at the very least, experts say, we should stop creating *more* at-risk residents, and focus new development in climate-resilient places.

“New construction has been increasingly going in places with high climate risks, particularly when it comes to wildfire risk and drought risk,” Fairweather said. “And it’s exurban sprawl that is to blame. Because of single-family zoning, people build more and more into places that aren’t naturally equipped for climate change—they’re building into the forests in inland California, they’re building into the deserts, which don’t have access to water.”

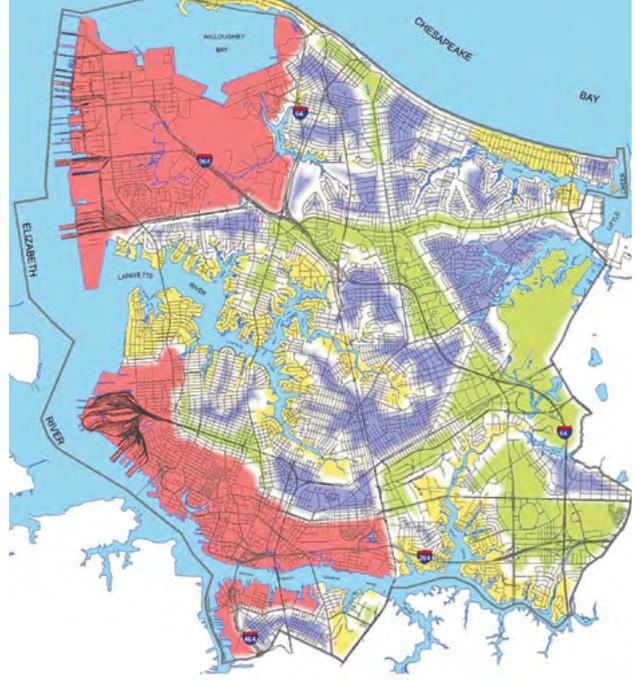
“New construction has been increasingly going in places with high climate risks, particularly when it comes to wildfire risk and drought risk.”

Taking a gamble on new home construction in Nevada. Credit: 4Kodiak via iStock/Getty Images Plus.



Communities should instead be trying to shift development away from high-climate-risk areas and encouraging more density and affordable housing in safer areas, says Michael Rodriguez, research director at Smart Growth America. “Climate-informed zoning can easily overlay with a lot of other priorities that a city has,” he said, such as transit-oriented development.

Right now, land markets clearly aren’t sending the right signals about climate risk, Welch said, but planners and elected officials could help correct that at a local level. “Updating zoning codes and land use regulations to reflect climate risks, whether it’s wildfire or flooding, are relatively simple ways that local governments can start to move the needle on this,” he said.



The city of Norfolk, Virginia, created a color-coded map of flood risk to guide future land use and development. Credit: Vision 2100/City of Norfolk.

“Updating zoning codes and land use regulations to reflect climate risks, whether it’s wildfire or flooding, are relatively simple ways that local governments can start to move the needle on this.”

Back in Norfolk, Virginia, city leaders have taken the lead on climate-informed zoning. Over the past decade, Norfolk has adopted two new land use plans, the short-term PlaNorfolk2030 and the long-term Vision 2100, along with accompanying zoning overlays.

The long-range plan divides the city into four color-coded sections. Red zones, which include the US Navy base and the downtown district where Beale watched stormwater surge through the streets, are densely developed and economically important, but very vulnerable to flooding; the plan calls for investments in flood protection and mitigation in these areas. Yellow zones indicate flood-prone residential and historic areas, where a resilience overlay will discourage new development but support existing residents’ adaptation efforts. Low-risk green zones are where the city wants to invest in denser, transit-rich neighborhoods. And purple zones, which also have a lower flood risk, are slated for

infrastructure investments and lower-density development aimed at preserving housing affordability.

Such a climate policy can influence land use and real estate decisions in a couple of ways, Rodriguez said. “It might work through literal policy incentives and disincentives, in a tangible sense, like money or regulations,” he said. “But then there’s also the signaling aspect. The city government has now put out a map, and that map in itself can send a signal that can have market impacts.”

Some people worried that, by officially declaring some places risky and others preferable for development, Norfolk’s plan could spook home buyers and investors and sink home values in the high-risk areas. But Rodriguez and his colleagues compared years of sales and permit data before and after the Vision 2100 plan was released, and, as they describe in a new working paper commissioned by the Lincoln Institute, there was no statistical impact on home prices (Burgess et al. 2023).

That could be the result of the unusually strong pandemic real estate market during the years studied, the authors wrote, or a general lack of climate concern among area home buyers

at the time. But it may offer some assurance to hesitant communities: Enacting climate-informed zoning to guide future development doesn't necessarily have to wreak havoc on existing home values, at least in the short term.

"It's a long-term solution—it's not going to change the development patterns or reduce the risk today or tomorrow," Welch said. "But it's going to slowly incentivize and push development into less risky areas. And I think one of the takeaways from that study was that you can do this and not immediately crash the local housing market or cause a panic."

Norfolk's experience also showed that an inclusive process can ease perceptions of malicious remapping. "You're drawing lines on the map, and you're saying, 'Build here, don't build there,'" Rodriguez said. "That feels weird, and it feels a little bit like redlining in a historical context of planning. And that feels doubly weird when we know that a lot of the places facing the most climate risk tend to be poor,

and tend to have more people of color. . . . There has to be a lot of community input and communication as to what it means to have climate-informed zoning to try and mitigate some of those concerns."

In that sense, while Norfolk's policy lacks "teeth" and the city has yet to implement follow-up measures such as density bonuses or the transfer of development rights (which would allow landowners in vulnerable zones to sell their development rights to builders in a low-risk zone), the city has already taken a huge step. "They were one of the few communities out there that did anything like this," Rodriguez said.

States and municipalities have other levers they can pull, too—some more drastic than others. In Arizona, for example—where the Colorado River is overdrawn, and depleted aquifers are projected to eventually run dry at current usage levels—state officials announced a moratorium on new residential construction that relies on groundwater in the Phoenix metro area.



Norfolk residents gather during a king tide as part of the Blue Line Project, a public-private effort to illustrate how projected sea-level rise will affect the city. Credit: Aileen Devlin/Virginia Sea Grant via Flickr CC BY-ND 2.0.

Even without placing an outright ban on new construction in high-risk areas, communities can, through zoning and other regulations, effectively stymie risky new development by refusing to fund or permit new streets, water service, and other key infrastructure in high-risk settings. The federal government uses a similar approach to protect sensitive coastal ecosystems through the Coastal Barrier Resources Act. The CBRA doesn't explicitly outlaw development in those areas, but dissuades it by withholding federal support for things like infrastructure, flood insurance, and disaster relief. That disincentive has proven remarkably effective, research commissioned by the Lincoln Institute has shown, reducing development by 85 percent (Druckemiller et al. 2023).

It's worth noting that Norfolk didn't outright ban new construction in high-flood-risk areas, either. But it did set stricter building codes in those zones, which can help the city's built environment adapt to climate risk by accomplishing two things at once. "To the extent that you do build there, at least you're going to build something that's more resilient," Rodriguez said. Meanwhile, higher design standards can add cost and complexity to construction in vulnerable areas, creating a disincentive to build there, and encouraging developers to locate projects on safer sites instead.

Local governments can also charge higher taxes or impact fees to discourage building or buying in high-risk areas—for example, raising water and sewage rates in water-stressed areas, or funding wildfire prevention efforts with a higher tax on fire-prone properties. "Higher fees in risky areas serve two purposes," write Brookings Institute researchers Julia Gill and Jenny Schuetz. "They encourage price-sensitive households to choose safer locations, and they also provide local governments with more

revenue to upgrade the climate resilience of infrastructure" (Gill and Schuetz 2023).

All of these policies could help point home buyers toward making better, more rational decisions. But where we choose to live sometimes defies reason.

Beale, the Norfolk realtor who counsels all her buyers about flood risk, understands why some of them still choose a high-risk home. For some, it's straightforward economics. "If a buyer can only afford \$150,000, and they want a detached house, Norfolk's going to be it—and it's maybe in a flood risk area," Beale said.

But for others, it's a deep-seated desire that isn't so easily erased by rising insurance rates or flood disclosure forms. "These are beautiful neighborhoods" of century-old Colonials and tree-lined sidewalks, she said. "It's not all about money. It's this perceived dream of homeownership—this ideal of, 'What do you want your life to be?'"

Unfortunately, the one thing that does seem to break through and change home buyer behavior is witnessing a weather disaster. Beale says many buyers still shy away from particular streets because they remember driving past flood-ravaged houses there after a bad storm.

After all, no one's ideal dream of homeownership involves fleeing a fire or wading through floodwater. Fairweather expects attitudes to shift as risk increasingly becomes reality for more people. "I think experience will be a teacher," she said, "as there are more hurricanes and more fire events. I think more homeowners will start to worry about it when they see it in real life." □

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**Jon Gorey** is a staff writer at the Lincoln Institute of Land Policy.

All of these policies could help point home buyers toward making better, more rational decisions. But where we choose to live sometimes defies reason.



In 2023, a year after Hurricane Ian had devastated Pine Island, Florida, a local realtor told a local reporter that “there’s a lot of interest from people wanting to come in and pick up property quick, cheap.” Credit: felixmizoznikov via iStock/Getty Images Plus.

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# CLOSING

How Seattle's **Black Home Initiative** Is Addressing Regional Affordability and Inequity

# THE GAP



By Amanda Abrams

**GREGORY DAVIS IS DEEPLY FAMILIAR** with the rising costs of homeownership in the Seattle area. The managing strategist of Rainier Beach Action Coalition, a Black-led community development organization in south Seattle, Davis has watched housing prices soar out of reach for many longtime residents, including some of his own colleagues.

“Some of the young people we’ve hired, they aspire to homeownership. They want homes. They want equity and generational wealth,” he says. Many graduated from high school in or near the community of Rainier Beach, left for college, and returned to the city to begin their professional lives. But in the meantime, Davis explains, increased demand for homes in central Seattle has put pressure on housing prices at the city’s periphery: “We’re paying \$65,000 salaries out of the gate, but what’s that going to get you in homeownership?”

The average home value in the Rainier Beach community—which is one of the city’s most diverse neighborhoods, with 82 percent of residents identifying as Black, Asian, Latino, American Indian, or multiracial—was \$674,000 at the end of 2023, an increase of almost \$170,000 over five years, according to Zillow. That’s low relative to the entire Seattle region, where home values hover around \$816,000—but it’s nearly double the national average.

Still, Davis says the young adults he works with, most of whom are Black, are optimistic. They know they might not be able to afford a stereotypical single-family home “with the white picket fence and the backyard,” as he puts it, but they’re certain homeownership is possible for them, too. “They know they need to look at things differently,” says Davis. “They’re not limiting themselves to a scarcity mindset.”

Davis’s organization is one of dozens of groups in the Seattle region that have joined

together to find creative ways to address some of the barriers that make it especially difficult for Black residents to become homeowners. The Black Home Initiative (BHI) aims to leverage the power of its network, make innovative policy changes, and utilize new funding to help 1,500 Black residents become homeowners by 2027.

**The initiative aims to leverage the power of its network, make innovative policy changes, and utilize new funding to help 1,500 Black residents become homeowners by 2027.**

The collaborative is part of a national program, Connecting Capital and Community (3C), that’s operating in five major cities across the country. Launched in 2021 and run by the Center for Community Investment in partnership with JPMorgan Chase, 3C is an effort to develop and preserve affordable housing while also strengthening racial equity.

“In our efforts to advance an inclusive economy, JPMorgan Chase is committed to addressing barriers to housing affordability and homeownership, especially for households of color, through our 3C work,” said Mercedeh Mortazavi, vice president of global philanthropy at JPMorgan Chase.

Each of the five 3C teams is developing strategies tailored to the specific climate and characteristics of the city where they’re based—Chicago, Los Angeles, Miami, Seattle, or Washington, DC—in ways that are designed to be replicated by local governments, funders, and organizations. Like Davis’s young colleagues, the teams are examining their cities’ affordable housing shortages from a fresh perspective, with the hope of coming up with new, more inclusive solutions.

Clockwise from top left: Houses in Seattle’s Rainier Beach neighborhood (B.O’Kane/Alamy Stock Photo); Gregory Davis, left, with members of the Rainier Beach Action Coalition team (Mike Siegel/*The Seattle Times*); Seattle’s light rail passing through Rainier Beach (Bettina Hansen/*The Seattle Times*); Black Home Initiative brochure (courtesy of the Black Home Initiative).

## It's Not Just About New Units

In the US, the vast majority of affordable housing created today is built using federal Low-Income Housing Tax Credits. The tax credit program is responsible for thousands of affordable units being produced annually, but it has some shortcomings. The units are all rentals, and therefore won't build long-term wealth for their residents. And the developers and investors who build the projects often don't live in the neighborhoods where they're sited; as a result, the income they generate typically leaves the community.

One of 3C's key goals is to do things differently. Can the teams find ways to build or preserve affordable homes that also boost racial equity for Black and Latino residents? And can they do it in a manner that affects not only their immediate developments but also the overall system, so that their efforts have a larger impact?

"It's a real shift away from just counting units as indicators of progress," says Robin Hacke, CCI's founder and executive director. "They're looking at to what extent they're moving the needle on equity. That's a big deal."

(Launched as a Lincoln Institute of Land Policy initiative in 2017, CCI became a sponsored project of Rockefeller Philanthropy Advisors in early 2024.)

Given each city's unique history and context, the five teams' plans are necessarily quite different. But in the three years since 3C began, they've followed a similar process, utilizing a tool called the Capital Absorption Framework.

Developed and championed by Hacke and CCI cofounder Marian Urquilla to help communities address local social and economic issues, the framework is built on three related functions: establishing shared priorities among a range of stakeholders; building up a stream of deals rather than just one-off projects; and strengthening the policies and procedures that can make that project pipeline more effective.

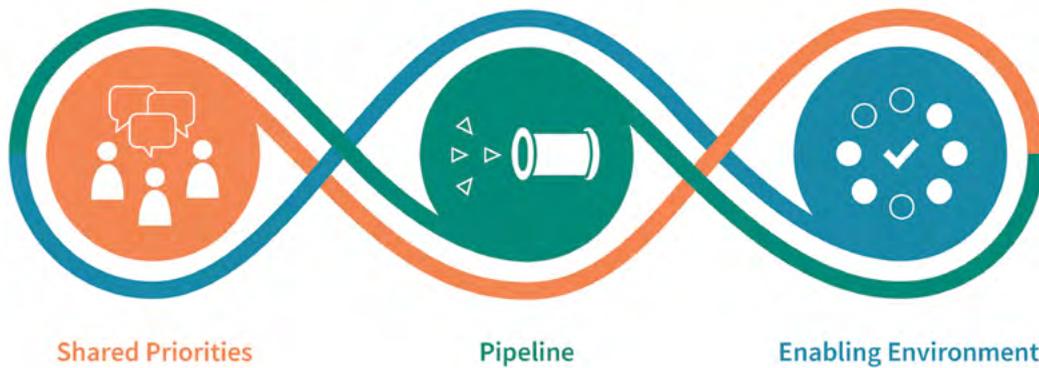
During 3C's first full year, lead organizations in each city spent months gathering a wide range of players with interest or influence in increasing local affordable housing: lenders, funders, representatives of public agencies, real estate developers, homebuyer education groups, and grassroots organizations representing residents. Together, the groups examined their city's housing strengths and weak spots, gradually

Each of the five 3C teams is developing strategies tailored to the specific climate and characteristics of the city where they're based: Chicago, Los Angeles, Miami, Seattle, or Washington, DC.

Participants in the Black Home Initiative celebrate its launch in 2023. Credit: CCI.



## Capital Absorption Framework



The Capital Absorption Framework helps communities address local social and economic challenges by identifying shared goals, developing an investment pipeline, and strengthening relevant policies and processes. Credit: Center for Community Investment.

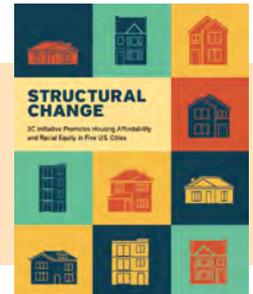
hammering out a set of shared priorities and a plan of action incorporating those findings.

“All five are now in a place where they’re trying to navigate how their strategies can lead to transformation in their communities,” explains Robert Harris, who directs the 3C program. “They’re really thinking, ‘Is this strategy transformative, will it have an impact, and can it be deeply rooted in the communities for 20 or 30 years?’”

Those are big asks, but the teams are moving forward. In Chicago, for example, the 3C collaborative is partnering with developers of color to construct new two- and four-unit buildings that will provide their owners with both homes and rental incomes. Early in the process, the group determined that these units should be affordable to people earning approximately 80 percent of the area median income; to meet that goal, it’s working with the developers and local funders to find ways to reduce some of the projects’ costs.

The Los Angeles team—which includes affordable housing developers and an architect—has already acquired two single-family homes in South LA. Taking advantage of California’s new law allowing single-family-zoned properties to include up to three additional residences, the team will build two more units on one of the

To learn more about the 3C program, see the April 2023 issue of *Land Lines*:  
[www.lincolnst.edu/publications/issues/land-lines-april-2023](http://www.lincolnst.edu/publications/issues/land-lines-april-2023).



properties. The other is currently zoned for commercial uses, and the plan is to tear down the existing home and develop six new units on that land. The team hopes to design a fractional ownership method that would allow multiple residents to own a property at a lower price.

In Seattle, the team has targeted a large geographic area and is aiming to help more than a thousand households. While its approach is original in many ways, many of the fundamental challenges it’s grappling with are common to the entire 3C program. Mortazavi of JPMorgan Chase describes the Black Home Initiative as an important cross-sector collaboration to increase affordable homeownership for low- and moderate-income Black households. “By tackling the problem from a demand and supply side while advancing policy changes,” she says, “BHI is advancing a meaningful strategy to drive systems change.”

## Changing the Systems Underneath the Structures

“There is a desperate crisis here,” says Darryl Smith, executive director of HomeSight, a Seattle-area community development financial institution and member of the Black Home Initiative. Black families in the state have a homeownership rate that’s about half that of their white counterparts, he says, adding that over 40 percent have zero net worth. Smith identifies a critical challenge: “How do we change the systems that lie underneath the structures here?”

Smith and his organization have been core members of BHI since its early days. Shortly before their work became part of 3C, groups in the region had begun to examine why homeownership there varied so dramatically by race, and what could be done to address that disparity. Even then, it was clear that to have any impact at all, the effort would need to include a broad cross-section of groups focused on housing at a variety of levels.

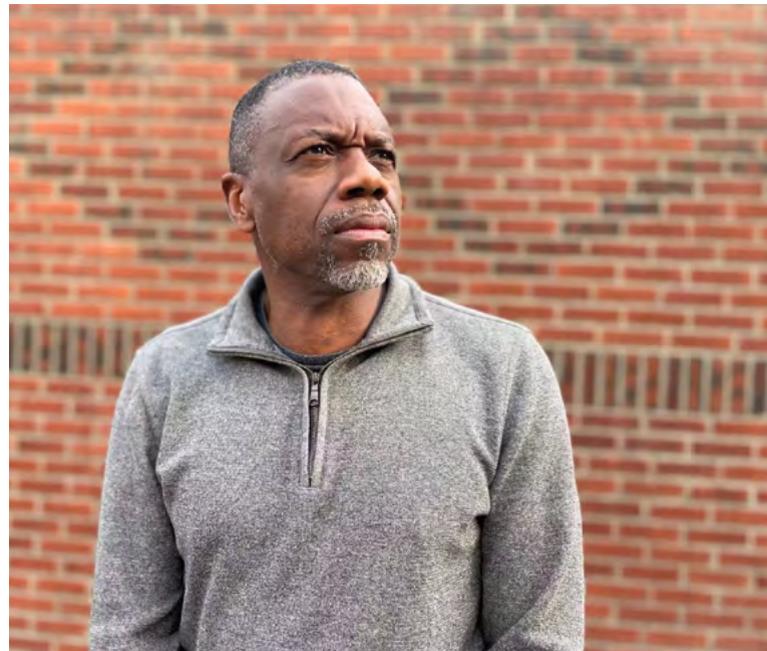
Their range of expertise made it easy to identify the roadblocks, which exist on both the supply and the demand sides. The upshot of that early effort was a seven-point plan outlining some of the region’s key problems—from a need for better outreach and prepurchase housing counseling, to improved policies and more low-cost units—and potential ways to solve them. But until that loose Seattle coalition joined 3C, the document was a framework without a concrete implementation plan.

After joining the program in 2021, the organizations began to solidify into a more cohesive network, with the local group Civic Commons as the lead organization and \$4.45 million in seed funding from JPMorgan Chase allowing for staffing, infrastructure development, and some programming. The initiative’s core team continued to bring in new partners and began to formalize some of those early ideas.

Today, BHI includes around 90 organizations, including local and county governments, regional and national banks, realtor associations, and nonprofits. It covers a roughly 35-square-mile area south of downtown Seattle, straddling two counties and multiple jurisdictions. The area is large relative to the projects in 3C’s other four cities; BHI’s leaders designed the initiative to include the region’s main Black communities, which are very dispersed.

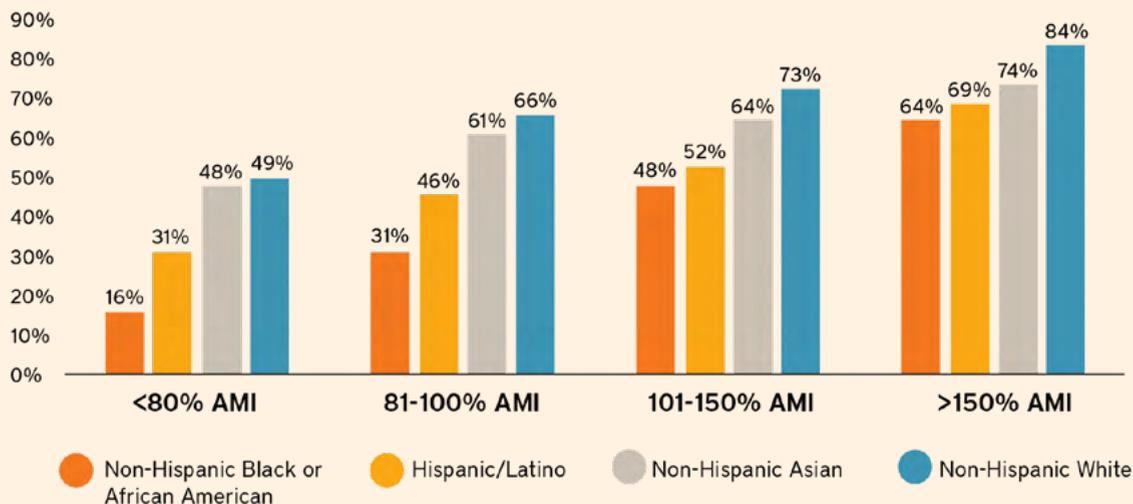
The team has also taken a comprehensive approach in its assessment of the local enabling environment and how it needs to change if Black homeownership is to increase.

“We’ve always known that the way we’ll get there is through policy and systems change,” explained Michael Brown, Civic Commons’ chief architect. The work done on the seven-point plan, examining supply and demand issues, was a strong starting point, he says. The team has since taken those ideas much further.



Michael Brown of Civic Commons and the Black Home Initiative.  
Credit: KUOW/Joshua McNichols.

## WASHINGTON STATE HOMEOWNERSHIP BY RACE



Homeownership rates by race and ethnicity across income categories in Washington state. Credit: Washington State Homeownership Disparities Work Group/Washington Department of Commerce; data source: US Census Bureau ACS 1-year, 2019. Note: Area Media Income varies across the state, based on the county of residence and household size.

## Rethinking Supply and Demand

To develop its strategy, the group delved into the nuances of supply and demand. The issue of “demand,” for example, involves questions about whether low- and moderate-income people who are interested in buying homes are actually ready to do so. Is their credit where it needs to be, do they have access to strong homebuyer counseling, is assistance with down payments or closing costs available? BHI identified all of these points as opportunities for action.

**Is their credit where it needs to be, do they have access to strong homebuyer counseling, is assistance with down payments or closing costs available?**

In response, the team is developing several targeted projects. One is a web-based portal that will serve as a one-stop shop for prospective home buyers, allowing them to scan the availability of

financial assistance, counseling, and other programs targeted to low-income home buyers. Another is the Black Homeownership Legacy Fund, which provides capacity-building grants to BIPOC-led nonprofits focused on homeownership education and similar activities.

And BHI celebrated a big success in the spring of 2023 when the Washington State Legislature approved the Covenant Homeownership Act (CHA). Passed in response to the racial covenants that governed real estate transactions until the 1960s and made homeownership distinctly more difficult for Black Americans—and that are a major reason for their low homeownership rate today, both in Washington and nationwide—the CHA will provide down payment and closing cost assistance for many Black first-time home buyers. Members of BHI had actively advocated for the policy, which will benefit residents statewide who are struggling to cover the up-front costs of homeownership.

“It was a great win,” said Brown of the passage of the CHA. “It’s a recognition of the power of history, and of a network.”

On the supply side, the issue is whether enough affordable housing is currently on the market—and how developers and others can preserve the housing that exists and build more. It's a question all five 3C teams are facing.

In Seattle, BHI's leaders have determined that they can increase the number of affordable homes being built for sale while also supporting Black developers. Building homes requires a variety of loans that developers of color often struggle to get, for reasons ranging from a lack of deep-pocketed personal networks as a source of vital seed money to the discriminatory practices that persist among lenders.

Addressing that challenge, BHI developed Field Order 15, an initiative named for General Sherman's command at the end of the Civil War to give formerly enslaved people 40-acre plots of land. Sherman's effort at reparations was rescinded by Andrew Johnson months after it was issued. The new Field Order 15 program is a reparative fund that will provide developers of

color who are building for-sale homes with grants of up to \$50,000 for early-stage feasibility work. Participants are then eligible to receive technical assistance and predevelopment loans through the fund at low interest rates.

"We have great Black developers here, but they've had to fight against real barriers," said Smith of HomeSight, who was chiefly responsible for crafting the initiative and securing its early funding. He's hoping those who come through the Field Order 15 program will be viewed as "vetted" by traditional lenders, making it easier for them to secure funding in the future.

BHI hopes to also help connect Field Order 15 participants with developable properties and potential opportunities. In particular, some team members are currently working with churches that may be open to using some of their land for affordable housing. Smith and others hope to eventually introduce those church leaders to the initiative's developers, with new for-sale homes as the ultimate product.

For decades, disparate groups have worked to move the needle on Black homeownership with limited success. The goal now "is to shift our mindset away from working as bright but separate stars and towards working like a highly connected constellation."

Rainier Beach and other Seattle neighborhoods have seen housing prices soar over the past few years. Credit: Mike Siegel/*The Seattle Times*.





Tacoma represents the southern reach of the Black Home Initiative's focus area, which encompasses south Seattle, south King County, and north Pierce County. Credit: irina88w via iStock/Getty Images Plus.

## The Gift

In addition to JPMorgan Chase's investment, the Field Order 15 program has received a \$1 million commitment from the Washington State Housing Finance Commission, and Amazon has committed \$550,000. While many philanthropists in the region have been focused on the area's intense homelessness crisis, the initiative's leaders believe its broad-based network and targeted objectives will gradually draw the attention of more financial supporters.

Even as the group's leaders navigate the funding landscape, they are also contending with the challenge of wrangling a large, diverse coalition whose members share many key goals but not all, and who answer to various boards of directors.

"Having worked in the network space for many years prior to this, I can say that the hardest thing is clarifying the purpose and shared priority," said Marty Kooistra of Civic Commons, BHI's project manager. "It's about cultivating trust, and that's hard to do."

It was especially hard in the initiative's early days, when meetings were still virtual. At the group's first summit in 2021, over 100 people

were present, all on Zoom. These days, the coalition frequently meets in smaller, more manageable workgroups. Still, really understanding what each member can offer and then persuading them to give their all to the larger effort is an ongoing challenge.

But as in Chicago, Los Angeles, Miami, and Washington, DC, the Seattle leaders are certain the work is worth it. For decades, disparate groups have worked to move the needle on Black homeownership with limited success, Kooistra says. The goal now, as BHI's website puts it, "is to shift our mindset away from working as bright but separate stars and towards working like a highly connected constellation."

The funding and staffing associated with the 3C program are allowing BHI to develop a large, energetic network with enormous potential to tackle one of the area's most intractable problems. "We may never get another propitious time like this," Kooistra says. "BHI is a gift. How will we leverage this gift?" 

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**Amanda Abrams** is a freelance journalist based in Durham, North Carolina.

# IS ECONOMIC DEVELOPMENT WORKING?

RETHINKING LOCAL APPROACHES TO GROWTH



By Jon Gorey

**WALK AROUND** virtually any city in the United States, and it's hard to miss the stark symbols of economic inequality. Restaurant workers unable to afford the food they cook and serve. Teachers and tradespeople priced out of the community in which they work. A family on the brink of poverty unable to afford treatment at the world-class hospital a mile away.

Such scenes play out not just in large, expensive cities, but in small and midsized ones, too, including places that have worked tirelessly to jumpstart their economic engines. These persistent, almost vulgar disparities were enough to make Haegi Kwon, policy analyst at the Lincoln Institute of Land Policy, pursue a pointed research question: Is economic development, as a set of policies and practices that aims to produce community prosperity, *actually working*?

In a new working paper, Kwon argues that traditional economic development approaches—such as trying to attract outside employers with promised infrastructure or tax breaks (recall how cities bent over backwards trying to woo Amazon as it sought a second home)—often produce uneven growth that can deepen disadvantage and exacerbate longstanding inequities (Kwon 2024). “Just because there’s overall economic growth at the city level, it doesn’t mean those benefits trickle down,” Kwon says. “A lot of times you end up seeing increased disparities within cities.”

Evidence suggests that when a new tech company or other sought-after employer enters a community, for example, the benefits mostly flow toward homeowners and people who are highly educated. “But if you’re low-income and you’re a renter, then you’re probably going to experience some vulnerability, and at worst displacement,” Kwon says.

Historically, the goal of most local economic development programs has been to bring in *more*, says Jessie Grogan, director of equity and opportunity at the Lincoln Institute. “More jobs, more investment, more businesses—there’s a perception that you need to grow, you need more stuff, and that’s what economic development success looks like,” Grogan says. But as part of a research project supported by the Robert Wood Johnson Foundation, Grogan and Kwon are asking community leaders to challenge those long-held assumptions.

In her working paper, Kwon introduces a new three-part framework for thinking about economic development—one that targets resident health, equity, and well-being as the explicit goals of such investments, rather than just growth.

**A new three-part framework for thinking about economic development prioritizes resident health, equity, and well-being.**

## Looking In, Leveraging, and Locking

To gain a new perspective on economic development, Kwon explored existing theoretical frameworks such as the Asset-Based Community Development (ABCD) model and the slow-growth, locally resourced concept of “scaling deep” to achieve more durable success. Applying elements of these alternative perspectives, Kwon has proposed a three-step framework that represents a community-centered approach to economic development: *looking in, leveraging, and locking*.

“This framework emphasizes the importance of identifying and nurturing existing assets, collaborating to leverage these assets, and promoting greater community stability,” Kwon says.

Economic development practitioners should start by **looking in**, she says. That includes some inclusive and collective soul-searching to identify a community’s issues and shared priorities—but it also means recognizing assets already in place to help attain those goals. Every community has something of value on which it can build—some combination of natural, social, cultural, human, political, economic, or built resources.

Community assets might be historical or geographic advantages, such as a working waterfront, key railway, or abundant green space or city-owned lots. They could include institutions, such as a university or museum, or a patchwork of small nonprofits that have earned trust by developing deep roots in different parts of the city. And then there’s the often-overlooked value of the people and cultures that comprise a community—the local knowledge, lived wisdom, and diverse skill sets of the existing residents.

“There might be a lot of skill and talent in those communities that has just not been recognized,” Kwon says, such as informal businesses that could be formalized, or entrepreneurial immigrants whose contributions are often ignored or underutilized. “If you look deeper, there’s a lot of capital and skill that they’re bringing with them.”

**Leveraging** those assets means making the most of them by collaborating, sharing resources, and building off even modest advantages to create an impact greater than the sum of the inputs.

For example, bringing together nonprofit organizations and other institutions that have operated in competition with or in isolation from each other, and getting them to complement each other’s work—by sharing information,

The new framework suggests three critical steps for successful local economic development: *looking in* to identify a community’s issues, shared priorities, and existing assets; *leveraging* those assets through collaboration and resource sharing; and *locking* investments into place to ensure sustained stability and prosperity. Credit: Lincoln Institute of Land Policy.



Looking In



Leveraging



Locking

developing referral systems, and coordinating activities to avoid duplicative efforts—can help them achieve shared goals. Andrew Crosson, founder and chief executive of the regional social investment fund Invest Appalachia, calls this approach the “stone soup” of economic development, with organizations pooling their limited resources and building upon each other’s work.

There’s one more crucial step to the puzzle, Kwon says, and that’s **locking** investments into place to ensure sustained stability and prosperity for the community.

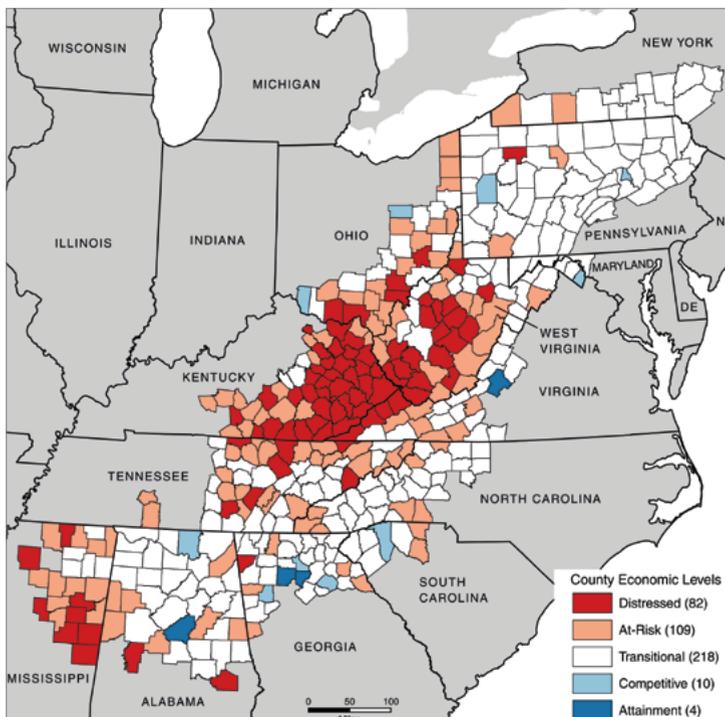
“Locking is about creating virtuous cycles of growth,” Kwon says, often by investing in workforce training, wealth building, and entrepreneurship efforts. “Local business owners are more likely to reinvest, so the more you have businesses owned by people who live locally, the more likely you are to get this kind of reinvestment in the community.” She notes that shared ownership models such as community land trusts can also help secure continued stability and well-being as new investment flows into a community.

## Appalachian Assets

Kwon’s framework isn’t just informed by existing research literature; a number of organizations nationwide have been putting similar steps into practice, with encouraging results.

Before launching Invest Appalachia, for example, Crosson and other members of the Appalachia Funders Network spent years conducting an “open-eyed analysis” of the region’s opportunities and gaps within a historical and economic context—looking in, if you will. They identified the region’s active network of nonprofits as a crucial asset. “We have the benefit of some networks of nonprofits that have been doing community economic development work for years, with really sharp, ground-truthed, multiyear track records,” Crosson says.

“They did a very seemingly homegrown exercise in getting everyone who touches the proverbial elephant together to say, ‘Okay, let’s work together. What do we want, and how can we think about developing shared priorities?’ and then bringing in resources around those priori-



A map of economic status by county in Appalachia reveals a “big red dot” of distressed areas in the central part of the region. Invest Appalachia is a collaborative effort to break the cycle of scarcity there. Credit: Appalachian Regional Commission.



Invest Appalachia uses a blended capital model to support transformative projects in the region, from renewable energy infrastructure in Beckley, West Virginia (left), to social enterprise incubation in Athens, Ohio (right). Credits (l-r): Jenny Harnish/*The Register-Herald*, Paul Sableman via Flickr CC BY 2.0. Facing page: Building a more robust local and regional food system is also a priority for funders and practitioners in Central Appalachia. Credit: Rural Action via Invest Appalachia.

ties in a more structured and intentional way,” Grogan says. “They got all the players organized and rowing in the same direction.”

One of the most powerful ways Invest Appalachia has been able to leverage its modest grant dollars for greater impact, meanwhile, is through credit enhancements. These arrangements allow the fund to essentially absorb excess risk on behalf of low-wealth businesses, builders, and mission-driven lenders—borrowers who will pay back the money, but lack the collateral to qualify for traditional financing, or who need more flexible lending terms. It’s not entirely unlike having someone with financial stability cosign a car loan or apartment lease for someone else.

“You have to break the cycle of scarcity and disinvestment and lack of investment readiness,” Crosson says. “And I think the best tool that we have as a field is credit enhancements, and specifically grant-funded credit enhancements—like loan guarantees, loan loss reserves, conditional repayment loans, unsecured bridge loans, things like that—that can help to get money

into a project to get the juices flowing. You’re giving people a chance to build assets.”

Every credit enhancement unlocks investment capital for projects and borrowers who couldn’t otherwise access it, Crosson says: “It allows community lenders and impact investors to put repayable dollars into things that are investment-worthy but not quite investment-ready.”

One simple and effective example, Crosson says, is providing uncollateralized bridge loans to nonprofits and small businesses that want to invest in rooftop solar. On-site solar generation is a win-win, improving climate resilience while reducing operational expenses, and organizations can get up to 50 percent of the installation cost reimbursed through federal tax credits—but not until they file their taxes a year later. Invest Appalachia worked with the Appalachian Solar Finance Fund, a core partner in the clean energy sector, to identify this major bottleneck in solar development and develop a solution. By extending short-term bridge loans—which carry very little risk, since they’re essentially backed

“You have to break the cycle of scarcity and disinvestment and lack of investment readiness. . . . You’re giving people a chance to build assets.”

by the Internal Revenue Service—Invest Appalachia has helped provide nonprofits like the Just for Kids Advocacy Center and Howell’s Mill Summer Camp, both in West Virginia, with the upfront money they need to invest in solar.

The majority of those loans will be repaid and then reinvested, Crosson says, allowing grant money to go farther and last longer. “That money will come back, it will recycle, and we’ll get to use it again and again and again.” At the same time, the repayable nature of credit-enhanced loans helps lock in prosperity by setting projects on a path toward long-term sustainability and self-sufficiency.

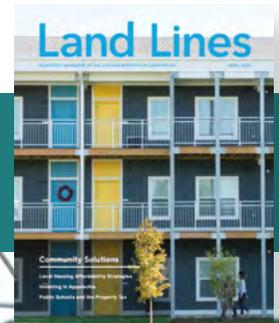
Locking in demands a systems-level approach, Crosson adds. “If we do individual transactions—one factory here, one housing development there, in the way that people think about economic development traditionally—that’s just not going to add up, especially in a

place with the socioeconomic characteristics of our region,” he says. Clustered investments, though, can yield compounding benefits.

“A few targeted interventions can generate the momentum needed to sort of catalyze an entire industry,” he says. “We also think about that in terms of geographies, where doing a cluster of deals, businesses, and projects allows that community to achieve some level of self-sustaining growth and inclusive growth that starts to spill over to the communities around it.”

“If we do individual transactions—one factory here, one housing development there, in the way that people think about economic development traditionally—that’s just not going to add up.”

Learn more about the origins and impacts of Invest Appalachia in the April 2022 issue of *Land Lines*, available at: [www.lincolninst.edu/publications/issues/land-lines-april-2022](http://www.lincolninst.edu/publications/issues/land-lines-april-2022).



## Russell: A Place of Promise

While Invest Appalachia serves an entire region spanning multiple states, the same principles can be applied at the city or even neighborhood level.

In Louisville, Kentucky, for example, local government has been countering decades of disinvestment in the predominantly Black neighborhood of Russell with a focus on revitalization and staying out in front of displacement pressures. Recognizing the value of both the place itself and its people, a public-private initiative called Russell: A Place of Promise has been guiding that effort since 2018 with an uncommonly profound and prolonged commitment to the neighborhood's crucial asset: its residents.

"Oftentimes, what you see in community development projects is a focus more on the built environment, rather than the actual people," says Cassandra Webb, colead of Russell: A Place of Promise (RPOP) and director of the Place of

Promise initiative at Cities United. And as new buildings, facades, trees, streetlights, and other overdue investments make a place more attractive, she says, "folks enjoy the resources and the goods and services that are there, but the people who call that neighborhood home can no longer afford to live there. So part of our strategy was, how do we make sure that folks are a part of building out what RPOP is going to be, and that they also have the opportunities—whether it's workforce development, greater job opportunities, more sustainable housing—so they can afford to stay in their community?"

RPOP leaders have been listening to, learning from, and learning *with* neighborhood residents, not only through ongoing conversations, block party events, and leadership education sessions, but also by taking residents on paid trips to explore examples of shared ownership in other cities. Webb accompanied a group of about 20 Russell residents on a trip to Atlanta, for example, where they met with peer organizations to learn firsthand about community land trusts.

A bridge in the Louisville, Kentucky, neighborhood of Russell conveys the spirit of the area's robust local community development initiatives. Credit: Vision Russell.





Affordable housing developed by Russell: A Place of Promise with local nonprofit REBOUND (left) and banners at 30th and Madison, a five-acre plot committed to the organization by Louisville Metro Government (right). Credits (l-r): REBOUND, WDRB.

“It’s about investing in the people of the community,” Webb says, “and as we invest in them, and work in partnership with them, being able to gain insights that then help us inform our strategies on the place side.”

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Investing in Russell’s residents has helped cultivate another important, hard-won asset: trust.

“The city is not necessarily seen as a trusted partner in historically Black neighborhoods, because the city has been a driver of a lot of the disparity,” says Theresa Zawacki, RPOP colead. Zawacki first got involved with RPOP as a policy executive on loan from Louisville Metro Government, and is continuing her work as a consultant. “Even in present times, the city is seen as a source of state violence, a source of disparate impact, a source of unkept promises. . . . So there was a lot of relationship maintenance and trust-building at first.”

Those efforts got a boost in late 2019, when RPOP hired a resident named Jackie Floyd—known to many in the community as “the mayor of Russell”—as a full-time outreach member. The pandemic prompted some pivoting, but RPOP continued to engage and support residents through the lockdown, providing local families with care packages containing health and hygiene items, kids’ activities, and fresh food grown by a collective of Black farmers. A program called the Russell for Russell Residents Coalition coalesced online, and drew more than two dozen participants, aged 22 to 72, who helped shape a set of Black wealth creation strategies and craft the group’s Partnership Pledge (Russell 2023). Since then, RPOP has graduated 62 residents from its small business accelerator, with one cohort specifically focused on childcare businesses, and built both single-family and income-generating duplex homes in partnership with a Black-led affordable housing developer, REBOUND.

In further community workgroups, residents (who earned a stipend for participating) learned about and helped define the parameters of new neighborhood investments, from models of community ownership to universal basic income programs—including the YALift! guaranteed income pilot that RPOP helped

create and implement in Louisville along with Metro United Way.

Russell: A Place of Promise also has a key place-based asset to leverage as it pursues its mission of creating lasting Black wealth in the area. Louisville Metro has committed a five-acre plot of vacant land to the organization, sitting at the intersection of 30th and Madison Streets—across from an athletic facility that draws tens of thousands of visitors annually.

As RPOP prepares to redevelop the property in its first major capital project, residents are deeply involved in charting the course. The goal is to create a mixed-use community focal point, defined by shared ownership, to act as both a catalyst for generational wealth and a bulwark against displacement.

RPOP and Russell residents have been exploring several different models of shared ownership, Zawacki says, including community land trusts and real estate investment trusts.

But whatever form that eventually takes, the hope is that it will help lock in place a foundation for long-term stability and opportunity. “Where we’ve landed at this point is that residents are interested in the idea of having some amount of financial ownership in 30th and Madison Street, but it doesn’t necessarily need to be something that pays dividends,” Zawacki says. “It could be something that allows for the profit that comes off of that property, after it stabilizes, to be something that they direct in an investment back into the neighborhood.”

Residents also see the opportunity to own a business at the 30th and Madison Street complex as its own form of community ownership. “We’re actually having conversations with seven- and eight-year-olds, about how one day, when the site is built, when you’re 15 or 16 years old, your business that you’re thinking about could actually be at 30th and Madison,” Webb says.

As the organization prepares to redevelop the property in its first major capital project, residents are deeply involved in charting the course.

The team at Russell: A Place of Promise includes, from left to right, Marcus Stubbs, Doneah Marshall, Daphne Walker, Cassandra Webb, Dr. Camara Douglas, and Theresa Zawacki. Credit: Tre’ Sean Durham/Supply Lab Media via RPOP.



## Prioritizing Well-Being

Both Invest Appalachia and Russell: A Place of Promise are explicitly prioritizing resident well-being and working toward that goal with a promising mix of strategies, Kwon says. And while many of those initiatives are fairly new or works in progress, she's excited to see the impacts they'll have on their communities in years to come.

"We're not saying that everything's going to be rainbows and unicorns, but Russell, for example, is really looking at cooperative structures, clear ways of trying to ensure that at the city level, you have dedicated, permanently affordable housing," she says. "They're not just looking at bringing in a chain supermarket—they're looking at, how do we build wealth within the community? How do we ensure affordable housing so people can stay, and also ensure a sort of cultural stability as well?"

Indeed, stability may be just as important to a community as economic growth. "The way I'm starting to think about it is that ideal places are stable across generations," Grogan says. "You have enough opportunities that your kids want to stay here, but you're not so unaffordable that your kids *can't* stay here."

Stability isn't purely an economic matter, either; it's also about autonomy. So as RPOP prepares to incorporate as a standalone non-profit this year, its outgoing coleads are making sure the board is composed mostly, if not entirely, of neighborhood residents and small business owners. "Our board members that we have now, four are Russell residents that have been along with us over the past few years, that have gone on those trips with us," Webb says, "and now are very comfortable and knowledgeable about how we move this work forward."

Crosson says one of the key, and hopefully lasting, aspects of Invest Appalachia's work has been increasing capacity in the region—not just the capacity for technical expertise or securing funding, but the ability to put it to use in service of the community's agreed-upon goals. "One of

"Ideal places are stable across generations. You have enough opportunities that your kids want to stay here, but you're not so unaffordable that your kids *can't* stay here."

our partners uses the analogy of watering the soil," he says. "If there's a drought, and you pour water on the soil, it runs off, right? And if a region is disinvested and under-resourced, you can't just throw money at it and hope that's going to solve everything."

Zawacki credits Louisville Metro Government for supporting Russell: A Place of Promise with a steady palm rather than a strong fist. The city doesn't hold their grant money or dictate how they use it, and has provided land that the organization would have struggled to purchase at market rates. "That opportunity to be entrepreneurial with the resources of government, but without the direction and control of government, has been essential to our success," Zawacki says. "That is definitely one of the takeaways from the last five years of the work: having the resources is great, but having the freedom is even greater." □

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# City Tech: 20 Apps, Ideas, and Innovators Changing the Urban Landscape

By Rob Walker

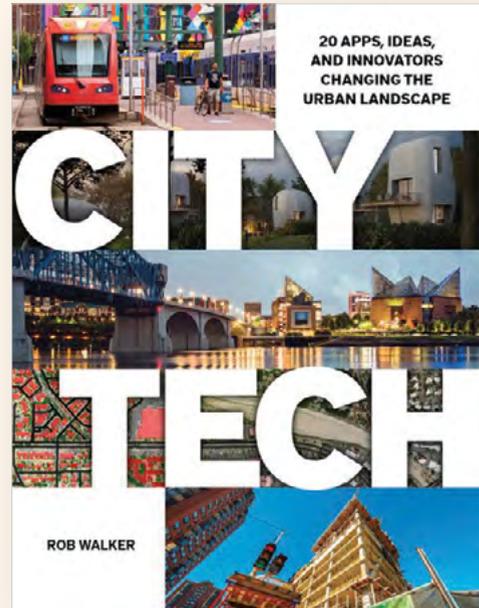
THE WORLD IS RAPIDLY URBANIZING, and experts predict that up to 80 percent of the population will live in cities by 2050. To accommodate that growth while ensuring quality of life for all residents, cities are increasingly turning to technology. From apps that make it easier for citizens to pitch in on civic improvement projects to comprehensive plans for smarter streets and neighborhoods, new tools and approaches are taking root across the United States and around the world.

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June 2024 | Paperback (\$35), 250 pages  
ISBN 978-1-55844-453-9

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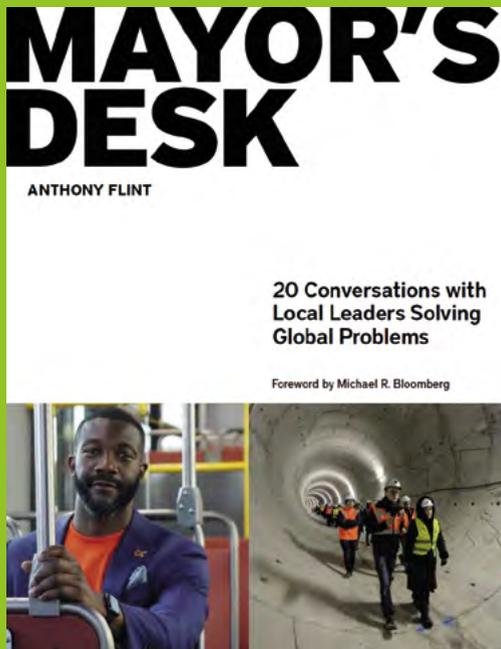
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