IVORY PRIZE
FOR HOUSING AFFORDABILITY
America is experiencing a housing affordability crisis. Through the Ivory Prize process, we have learned that a key part of the prescription is innovation - one step at a time. Although the housing affordability challenges are great, and there are no simple nationwide solutions, the Ivory Prize process – with 126 nominations and applications -- has demonstrated that there is a great deal of innovation and creativity at the “grassroots” level around the country, and a number of good things are happening. By looking at the participants in the Ivory Prize, it is possible to get a vision of the innovation that is underway and to identify directions that are essential if we are to improve housing affordability. Five paths or directions begin to emerge:

- Increase housing construction through innovation and technology to build faster, increase productivity, and lower costs.
- Preserve and produce affordable housing in neighborhoods, building for the people and elevating strengths in that community.
- Utilize creative finance approaches to allow more people to qualify for a mortgage and buy a home, and to build more affordable rental housing.
- Innovative use of existing lots and homes to expand the numbers of accessory dwelling units to help fill the nation’s housing demand and to increase income for homeowners.
- Remove regulatory barriers at the city, state, and federal level -- but especially in local communities -- to allow more homes and apartments to be built and to reduce the time and cost of building.

We are grateful for the innovators and problem solvers who are passionate about finding solutions that will positively impact housing affordability.

“I would like to thank the Ivory Innovations advisory board, the leadership and staff at the Sorenson Impact Center and the students from our Housing Affordability Innovation Lab. These housing experts and students should be credited with energizing the Ivory Prize. I know the future holds great things thanks not only to our winners, but the network of innovators we’ve brought together to tackle our nation’s housing affordability challenges.”

— Clark D. Ivory, CEO, Ivory Homes

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The Ivory Prize for Housing Affordability was announced in September 2018 to tap the most innovative ideas to address the complex challenge of housing affordability. The Prize was designed to advance projects and reward innovators for their efforts to develop adoptable solutions to tackle housing affordability. Solutions were sought in three key award component areas; (1) construction / design; (2) finance; and (3) regulatory reform. 126 nominations and applications were received, and on February 7, 2019 the top 10 finalists were announced at the Sorenson Winter Innovation Summit at the University of Utah in Salt Lake City, Utah. The winners were announced April 10, 2019 at the National Press Club in Washington, D.C.

**IVAURIAL WINNERS**

Factory_OS is transforming the construction industry by vertically integrating 21st century off-site building technologies, software operating systems, lean manufacturing, and workforce development. They are striving to deliver multifamily housing more than 40% faster and at 20% lower cost.

Almost half of the nominations for the Ivory Prize were in the area of Construction and Design (46%), and nine out of ten of those nominations were modular/factory-built approaches -- many with the goal of increasing construction productivity and bringing down housing costs. Factory_OS stood out in this group. They are currently executing on 40,000 orders and delivering in professional fashion.
Landed is on a mission to help essential professionals (starting with educators) build financial security near the communities they serve. They invest alongside teachers and school staff when they are ready to buy a home in expensive cities. The Landed “shared appreciation” model has broad applicability and could make a significant impact. To date, Landed has helped nearly 150 public school teachers and employees purchase homes valued at $100 million. Landed in helping teachers help put deep roots in their communities.

In high priced communities the down payment is a daunting challenge for many people striving to afford work force housing. The availability of an “equity partner” can be an essential ingredient to achieving homeownership.

Home Partners of America has built an innovative financing and operating platform that has enabled thousands of households who currently are not mortgage-qualified to gain access to quality for-sale listed homes in local neighborhoods by participating in their lease-purchase program. Since its launch, HPA has purchased over 12,000 homes in 40 metropolitan markets and 20 states nationwide for a total investment of over $3.5 billion. Over 800 resident households have exercised their “right to purchase” and have successfully purchased their home utilizing the lender of their choice.

Beginning in 2019, HPA is now piloting a program to target low-to-moderate income households. This program known as Choice Lease supports residents whose household income is at or below 100% area median income (AMI), with an expected average of 80% AMI. Funding for this program is provided through socially motivated capital.

The Alley Flat Initiative (TAFI) was recognized based on their innovative efforts to change the policy framework in Austin, Texas to allow for the adoption of Accessory Dwelling Units (ADUs) – often using underutilized alleys to create additional dwelling units by tucking small, single-family homes (ADUs called Alley Flats) on existing lots. In addition, the Alley Flat Initiative has developed a “one-stop shop” for income-qualified homeowners providing personalized support through the development process including green design, financial education and pre-qualification, property management and construction guidance.

Also, The Alley Flat Initiative has partnered with the City of Austin’s policymakers and department leaders to design development incentive programs to promote income-restricted ADUs and to provide assistance to lower-income owner-developers who are facing displacement, due to rapid growth, so that these individuals are able to increase their income from the rent generated by the Alley Flats.
The nation faces a significant housing affordability crisis. At the end of 2012, according to the National Association of Home Builders/Wells Fargo “Housing Opportunity Index”, 74.9% of new and existing home sales were affordable to a family earning the local median income, based on standard mortgage underwriting criteria. By the end of 2018, only 56.6% of new and existing home sales were affordable by the same standard.

Underlying the nation’s housing affordability challenge is a shortage of housing. Laurie Goodman and Rolf Pendall at the Urban Institute raised the alarm in June of 2016. “In 2015, we estimate that more than a million new households were created, but only 620,000 new housing units were completed, creating a shortage of just over 430,000 units. This gap has pushed up home prices and rents, a trend that will continue for the foreseeable future absent imminent policy changes.”

More recently, in December 2018, Freddie Mac’s chief economist, Sam Khater, spoke of the major challenge of U.S. housing supply: “We estimate that over the next decade, young adults will add about 20 million households – and those households will need a place to live.” According to Freddie Mac research, the current rate of construction is about 370,000 units below the level required by long-term housing demand.

The housing shortage is further complicated by the rise in house prices and rents — especially compared to income growth — constant labor cost pressures and the cost of building materials, the challenge for potential home buyers to provide a down payment or qualify for a mortgage, government regulations at the local, state and federal level that add significantly to the cost of a house or apartment, and numerous other factors.
Applications for the 2nd Annual Ivory Prize for Housing Affordability will open October 1, 2019. This will include an updated category for blue sky / startup nominations, as well as other updates. Stay up to date at www.ivory-innovations.org