



# Housing Solutions Lab

Building and sharing knowledge to advance equitable local housing policy.

NYU  
Furman  
Center



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# The Promise and Possibilities of Working with Small and Midsize Cities

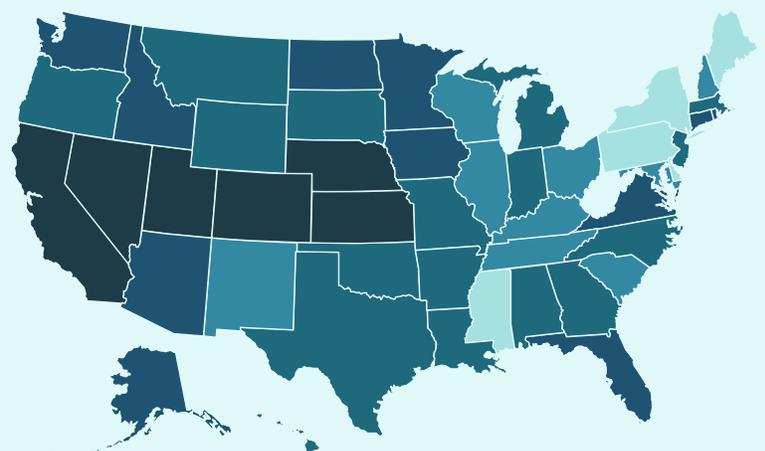
The Housing Solutions Lab, based at the NYU Furman Center, works with small and midsize cities to develop, implement, and evaluate effective and equitable housing policies. Nationwide, nearly 800 small and midsize cities—places with populations between 50,000 and 500,000—are home to more than a quarter of Americans, and that proportion is growing.<sup>1</sup>

When small and midsize cities offer improved access to affordable housing and opportunity-rich neighborhoods, over eighty-five million people stand to benefit. COVID-19 has brought housing to the forefront of national policy discussions, as state and local governments work to protect millions of households from eviction and housing instability in the wake of an economic crisis. But the urgent need for safe, high-quality affordable housing, as well as neighborhoods that support health, education, climate resilience, and economic opportunity, predates the pandemic and will continue through the nation’s economic recovery.

## Opportunities and Challenges

Although large cities tend to dominate conversations about the nation’s housing crises—from homelessness to soaring rents and residential segregation—small and midsize cities face these same challenges. While they may be more nimble, more plugged in to their communities, more apt to experiment and innovate, and less siloed or encumbered by bureaucracy than their large city peers, they may also lack the staffing, resources, or autonomy of larger cities. Moreover, smaller cities may have a less robust non-profit infrastructure to build connections across issue areas, fewer for-profit developers specializing in affordable housing, and fewer philanthropic partners. The Lab’s goal is to help fill these capacity gaps by providing policy, data, and research support and working directly with small and midsize cities and their community stakeholders as they pursue housing equity.

Share of state population that lives in small and midsize cities, 2015-19



□ 1-10%	■ 20-30%	■ 40%+
■ 10-20%	■ 30-40%	□ No SMCs

Source: 2015-19 5-year American Community Survey, NYU Furman Center

**1.** Data included in this brief are drawn from the 2000 Decennial Census and 5-year 2015-2019 American Community Survey (ACS) estimates. See [Housing Characteristics of Small and Mid-Sized Cities](#) for detailed methodology information. Small and midsize cities are defined as Census-designated places with a population between 50,000 and 500,000 in 2015-2019 ACS data. For some analyses, we exclude cities established after the 2000 Decennial Census or that merged with a county jurisdiction to form unified governments over the 2000-2019 period.

## Housing in Small and Midsize Cities

Some of the challenges facing small and midsize cities are universal. People everywhere want quality and affordable housing; equity; and healthy, vital neighborhoods and local economies. But small and midsize cities are not monolithic and include places as different as Jackson, Mississippi; Oakland, California; and Syracuse, New York. Significant variations in growth trajectories and in economic, demographic, and housing market characteristics affect the policies and strategies cities choose to adopt, and the resources they can draw on to carry them out.

For example, small and midsize cities on average grew at nearly twice the rate of large cities between 2000 and 2019. Seven percent experienced a doubling of population during this period. Several small and midsize cities—including Raleigh, North Carolina; Salt Lake City, Utah; and Sioux Falls, South Dakota—are the economic and cultural anchors of booming metropolitan regions, rapidly attracting jobs, investment, and residents in search of additional space, more affordable housing, and the quality of life that smaller cities can offer. With growth often comes affordability pressures and concerns about equity and ensuring community voice in decision-making, as well as fears of gentrification and displacement.

Others—approximately one in eight small and midsize cities—have experienced net population loss over the past two decades. In some places—such as Hampton, Virginia; Huntington Park, California; and Wheaton, Illinois—population decline is a recent phenomenon. Others, such as Saint Louis, Missouri; Akron, Ohio; and Birmingham, Alabama have experienced a longer downward population trajectory. Small and midsize cities that are losing residents and jobs over time must pursue housing policy objectives while confronting disinvestment, high vacancy rates, and diminishing tax bases.

## Need for Affordable Rental Housing

Despite their diversity, the availability of affordable housing is a unifying challenge for small and midsize cities—it was among respondents' top concerns in a [2017 National League of Cities survey](#) of cities with populations between 50,000 and 300,000. Affordability pressures are particularly acute for renters. Rents in small and midsize cities increased faster than incomes over the past two decades. Inflation-adjusted rents grew by 22.8 percent between 2000 and 2019, while renters' inflation-adjusted incomes grew by just 1.7 percent. As a result, half of all renters in small and midsize cities now pay more than 30 percent of their income towards rent, and one in four pays more than half of their income towards rent. The unaffordability of rental housing in these cities [disproportionately affects Black and Latino households](#), who are more likely to be renters and to be rent-burdened.

## Racial Disparities in Homeownership

For those who can access it, homeownership can be a source of wealth and residential stability. The majority of households in small and midsize cities own their homes (55.6% in smaller cities in 2019, compared to 44.5% in large cities). But the gaps in homeownership rates between white households and Black and Latino households—already substantial in large cities—are even wider in small and midsize cities. For Black and white households, the disparity in homeownership rates is 28.2 percentage points in small and midsize cities (compared to 20.1 percentage points in larger cities); the gap between white and Latino households' homeownership rates is 19.5 percentage points (compared to 17.6 percentage points in larger cities). This is driven by the fact that a much larger percentage of white households own their homes in small and midsize cities than in large cities, a difference of more than 10 percentage points (64.2%, compared to 53.9%). By contrast, in small and midsize cities the Black homeownership rate is only 2.2 percentage points higher: 33.8 percent, compared to 36 percent. Policies that expand Black and Latino households' access to wealth-building through homeownership going forward will be a vital component of equitable housing policy regimes in small and midsize cities.



## Partnering with Small and Midsize Cities to Advance Housing Equity

The Housing Solutions Lab works with small and midsize cities to pursue effective, equitable housing policies. Connecting cities to each other to support peer learning is a cornerstone of the Lab's work. In peer networks, cohorts of local leaders can share their success and common challenges, fostering learning and innovation. We will also partner directly with a variety of community stakeholders in individual cities to help design and implement local housing programs and policies, offering policy and data analysis to inform cities' decisions. Through a network of technical assistance providers, we will connect cities to local and national subject-matter experts who can help turn vision and planning into practical solutions on the ground. Finally, we will gather and share crucial lessons about how cities are tackling pressing housing issues, conducting rigorous research and evaluations that build the evidence base about what works in different local contexts.