



## CASE STUDY

FINDING A HOME FOR WORKFORCE HOUSING:  
NORTHWEST GEORGIA REGIONAL  
COMMISSION'S INNOVATIVE APPROACH TO  
INFILL DEVELOPMENT

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As the national housing crisis intensifies, Economic Development Districts (EDDs) across the United States are taking on a range of roles to help create and preserve affordable housing in their communities. The Northwest Regional Commission's (NWGRC) work preparing a centrally located site in the city of Dalton for infill development offers a compelling example of how an EDD can act as a planner and convener by bringing together city officials, local organizations, and state partners to create workforce housing.

A stable supply of quality affordable housing can directly contribute to a community's economic prosperity. In Dalton, the Hamilton Street Rural Workforce Housing Project ensures that new homes are added to the local and regional housing stock that serve a range of household types and income levels. This effort demonstrates how place-based strategies, creative funding approaches, and local collaboration can come together to meet a growing regional need.

### Understanding the Regional Landscape

The city of Dalton sits in Whitfield County, a fast-growing part of Northwest Georgia. NWGRC provides 15 counties and 48 municipalities with grant writing and administrative support, long-range planning guidance, and technical assistance. NWGRC also helps some member communities with land use and zoning regulation. NWGRC acts as Dalton's designated regional planner, helps manage both long-term visioning and day-to-day zoning decisions, and serves as staff to the local planning commission.



Future site of the Hamilton Street Rural Workforce Housing Project, image source Chattanooga Times Free Press article "Officials break ground on 40-unit housing community in Dalton" by David Floyd

As Dalton and its surrounding areas continue to grow, so too has concern over the availability of affordable housing. Two housing needs assessments commissioned by the Greater Dalton Chamber of Commerce's Believe Greater Dalton Initiative (one completed in 2018 and another in 2023) identified trends underscoring the need for more affordable housing options. Since 2010, the region has seen one of the steepest increases in average home prices in the state (more than \$150,000), driven in part by the lack of housing stock available to meet a growing market demand. "Whitfield County and its cities have made many quality of life investments over the past decade," says Ethan Calhoun, Assistant Planning Director for the Northwest Georgia Regional Commission. These investments "have invigorated their historic downtown[s] and created tons of parks, trails, and athletic amenities."



This demand and its associated increase in housing prices, however, has put pressure on both renters and homeowners. Furthermore, over 30% of renters are considered cost-burdened in Dalton, meaning that they are spending more than a third of their income on housing.

Local demographic shifts have added to the challenge:

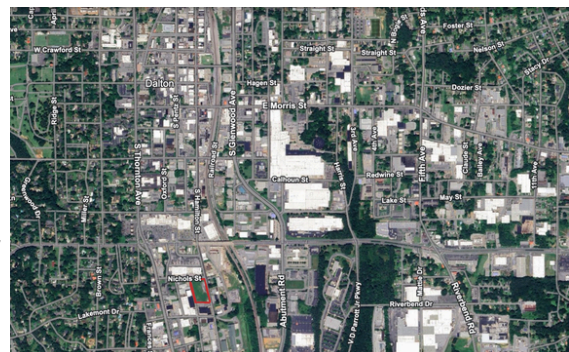
household sizes are shrinking, rental demand is rising, and while residential permitting has increased, most new homes are priced at levels out of reach for Dalton's working families. Between 2018 and 2023, the gap between the housing that was available and the housing that was needed widened. The 2018 housing needs assessment found that 40% of residents earning over \$40,000 annually lived outside the city, a sign that, at the time, Dalton was losing middle-income households to other nearby areas due to a lack of affordable or available housing options. Median household income in Dalton is approximately \$61,000 as of 2023. The 2023 housing needs assessment additionally highlighted a need for more housing options affordable for families earning below that threshold. It recommended more flexible zoning that would allow for a diversity of housing types, especially near the city center, to meet the needs of both lower and middle-income residents – a recommendation that helped set the stage for the project that followed.

### **A Path Forward: Infill, Infrastructure, and Innovation**

A centrally located 3-acre plot of land (approximately a city block), was donated by Mohawk Industries to the City of Dalton in 2011. The flooring company donated the parcel, formerly site of a chenille plant now unsuitable for modern manufacturing needs, under the agreement it be used as a public green space. The City demolished the on-site buildings shortly after receiving the land. In 2023, the company and the City revised the requirement to allow for the parcel to be transferred to the Dalton Whitfield County Joint Development Authority (JDA) and transformed into workforce housing.

***Every area has its own unique needs and regional contexts.***

Mapping out the housing ecosystem in each community can help EDDs understand how to best respond to housing challenges in their jurisdictions.



Location of Hamilton Street Rural Workforce Housing Project within Greater Dalton Area, image source Google Earth

### HAMILTON RURAL WORKFORCE HOUSING PROJECT CAPITAL STACK

- \$1,500,000 from Georgia's [Rural Workforce Housing Initiative](#)
- \$622,000 from the [City of Dalton](#)
- \$60,000 from the [Dalton-Whitfield Joint Development Authority](#)
- \$15,000 from the [Greater Dalton Chamber of Commerce](#)

To secure the funding needed for the project, NWGRC lent its expertise in grant writing and obtained financing for the project through Georgia's [Rural Workforce Housing Initiative](#), a program [established by Governor Brian Kemp in 2023](#). After a successful pre-application and site visit, the JDA was [awarded \\$1,500,000](#) to prepare the site with essential infrastructure, including streets, utilities, and stormwater management features.

"So much work and collaboration had to occur in order to have the foundation in place to take advantage of the funding opportunity," shares Calhoun. For this reason, Samantha Bishop, a Community & Economic Development Representative for NWGRC, advises that "it is never too early to start discussing a project" with an area EDD.

A mix of funding sources was pooled to cover all of the work needed to transform the site. Layering investments from different funding sources lowered the cost of development and enabled the coalition to secure a developer for the site, who plans to build 39 single-family homes. The homes will be sold at price points between \$125,000 and \$290,000 – a range intentionally designed for the region's working families.

Building out the lot's infrastructure wasn't the only thing needed to make the project possible. Dalton's existing zoning – based on a traditional model that segregates land by its intended use – posed significant barriers to the type of innovative infill development that the coalition proposed. In response, NWGRC worked with local officials to create a new zoning district – a change that was unanimously adopted by the Dalton City Council. [The new district](#), an urban planned unit development (UPUD) requires a site plan but offers flexibility in density, layout, and design. The new district is limited in scope, available only within Dalton's Metropolitan Statistical Area and other areas identified for redevelopment. Rather than forcing a sweeping overhaul of the City's existing zoning codes, NWGRC found a tailored solution that fits within the City's existing character and neighborhood profiles.

Infill development is a priority for the area – there are parcels of land in various central neighborhoods that have fallen into disuse following the decline of manufacturing in the region. Repurposing these parcels will help improve the character and quality of the downtown area. Additionally, the city is adjacent to large tracts of land that are used for

agricultural and recreational purposes. Further sprawling development that expands the city into this land puts those valuable resources at risk.

***"This project was the result of years of planning at the local and regional levels," Calhoun said in regards to the project. "It took a mix of leadership from local government, non-profit, Greater Dalton Chamber of Commerce, and the Dalton Whitfield County Joint Development Authority to identify the needs and build the framework for something like this to be possible."***

### **Demonstrating Demand: Making the Case for One-Bedroom Homes**

With funding secured and zoning codes updated, development can begin. The homes, some of which will be one-bedroom detached units, are intentionally designed to fill a gap in the current market. One-bedroom single-family homes address the needs of several key demographics. For older residents looking to downsize, the units offer a more manageable and affordable option, freeing up larger homes for growing families. For younger professionals – many of whom now work from home and are seeking entry into homeownership – these compact homes represent a crucial first step on the housing ladder.



The Hamilton Street Rural Workforce Housing Project breaks ground, image source Greater Chattanooga Economic Partnership article "[Dalton Tackles Workforce Housing Shortage with Innovative Infill Project](#)"

Because one-bedroom homes are uncommon in the area, lenders were initially concerned about their ability to sell as the lenders could not find comparable transactions upon which to base mortgage values. To help make these types of homes a viable investment for a developer, NWGRC worked with local philanthropists who were willing to step in and purchase the first few one-bedroom homes. This established a reliable comparison value and reassured lenders that they could underwrite mortgages for these units. It's a unique, community-driven workaround to a common financing challenge – and one that shows how proactive collaboration can address systemic gaps.

The project broke ground on May 15<sup>th</sup>, 2025; construction will begin in the following months and units are expected to go up for sale in 2026 and 2027.

## Key Takeaways

1. **Play to your strengths – Planning and Convening:** The Northwest Georgia Regional Commission (NWGRC) leaned into its established role as a regional planner and convener of other area groups to bring this project to life. NWGRC's ability to leverage cross-cutting expertise as both a thought-partner and a facilitator helped the project overcome a series of legal and financial hurdles to become a reality.
2. **Collaboration is key:** This project exemplifies how progress happens through partnership. NWGRC not only worked across local governments and interest groups but also secured state funding to support this work. Even financial institutions and philanthropists played a role, stepping in to solve lending barriers around one-bedroom homes. The success of this project hinged not just on one organization's capacity, but on the collective will and coordinated effort of many.
3. **Get involved early:** Looping in an EDD in the early stages of an idea can be extremely beneficial in getting a project started off on the right foot. Early engagement can also help prevent tight timelines and duplicated work that can result from not having all key stakeholders involved in the process from the beginning. NWGRC was able to leverage existing relationships, planning expertise, and grant-writing knowledge to help open channels and build the foundation needed to accomplish this collaborative effort.
4. **Get creative with combining funding streams:** The financing behind this infill project wasn't a single source solution. Instead, it was stitched together from a mosaic of contributions from state, local, and private actors. This creative blend of public and private funding helped reduce upfront costs and made the site more attractive to developers. It's a prime example of how flexibility in funding can unlock projects that otherwise wouldn't be feasible to implement.
5. **Prioritize place-based solutions:** Rather than seeking to expand housing access at any cost, NWGRC and its partners focused on providing solutions tailored to their unique area. The housing needs assessment identified distinct gaps and provided data and information that the partners were able to use in planning their approach. By pursuing an infill project, they simultaneously made use of and protected their existing resources – these housing units will activate underutilized vacant land central to downtown and preserve the land surrounding the city limits that holds agricultural and recreational value.

This resource was written by Olivia Graham, NADO Research Foundation Fellow.

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