COALITION *for* HOUSING OPPORTUNITY

Housing and Transportation

6

May 2013

Housing is the Foundation of Community Prosperity

Overview

Affordability Comparison

Economic Development

Public Health

Educational Opportunity

Transportation

Accessibility

Why the Coalition?

The need for this coalition was identified in the 2008 Regional Housing Conference. At the time, it was determined that the affordability of housing in our community was an issue that needed more public attention. In the intervening years, housing has taken on an even greater sense of urgency. The message of the coalition is that an adequate supply of decent and affordable housing intersects with each of our community's aspirations. A healthy housing supply truly is the foundation of community prosperity.

The Coalition consists of non-profit housing organizations, private developers, community foundations, local housing committees, and others. We are aligned in the mission of pointing the spotlight on our diverse housing needs and seeking a more favorable regulatory environment and funding support for safe, decent, and affordable housing.

Because the location of a home and the transportation needed to access it are inherently linked, both housing costs and transportation costs ought to be considered together when evaluating affordability. Housing that is more location-efficient, meaning in closer proximity to necessary jobs and services, will inevitably have cost advantages over housing that is more remote.

Considering transportation broadens the perspective of affordability from an individual house to a neighborhood, and ultimately to the land use distribution of our region as a whole.

The Costs of Driving

Many housing options in our region require a private automobile to effectively access employment and necessary servicse. Among households who can afford their own car, a significant number are cost burdened by car-dependency. When you add up fuel, vehicle purchases, financing, insurance, repair, registration, and parking this can amount to a significant chunk of the household budget. Even before accounting for public costs such as infrastructure, familes can feel pressure from living in housing that is less accessible to jobs and services and more dependant on driving alone.

Driving Costs for Small Sedan in 2013

Average fixed ownership costs	**$4,642 per year**
Average operating costs (based on 15,000 miles)	**$2,505 per year**
Total	**$7,147 per year**

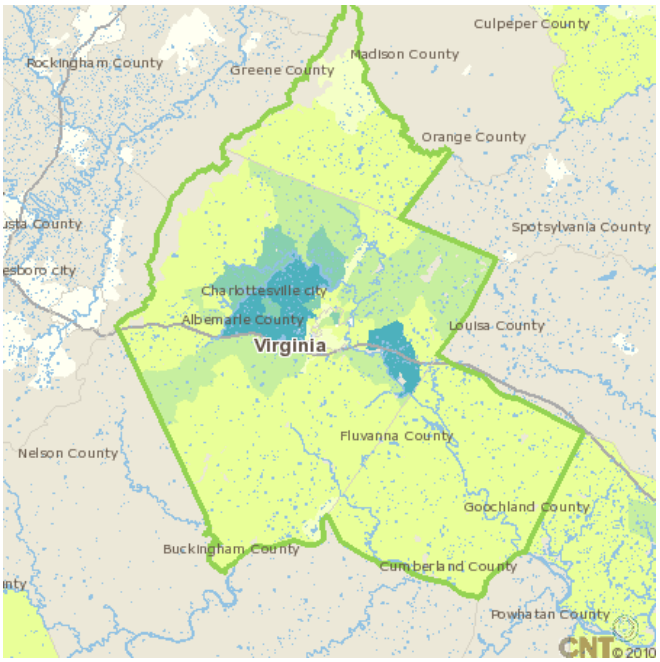
Source: American Automobile Association

Gas Price Volatility

We know that gas prices are highly volatile, and at the same time the location of a particular home remains fixed. Car-dependent homes do not allow the residents the flexibility to shift to different transportation modes as market prices shift. This means that families who may be able to make ends meet with low gas prices face heavy cost burdens as prices rise.

The siting of new housing ought to take into account potential economic conditions for the entire life of its existence. This means being prepared for any future increases in the price of energy.

Housing Costs
as percent of area median income

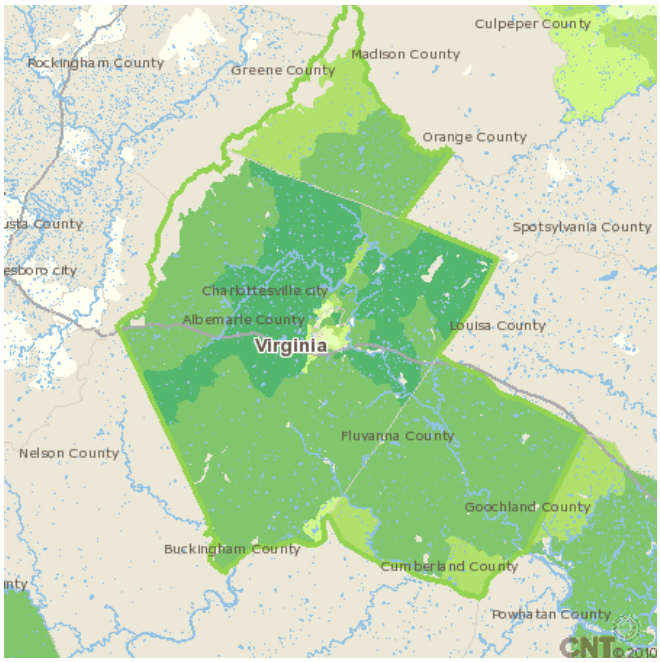


- Data Not Available
- Less than 20%
- 20 to 30%
- 30 to 40%
- 40 to 45%
- 45% and Greater

This map shows what a household earning the area median income would have to spend on housing, as a percent of their income, for median housing costs in various census blocks in Charlottesville, Albemarle County, Greene County, and Fluvanna County.

27.5% Average percent of income spent on housing in our region

Housing + Trasportation Costs
as percent of area median income



Source: Center for Neighborhood Technology

- Data Not Available
- Less than 40%
- 40 to 45%
- 45 to 50%
- 50 to 60%
- 60% and Greater

This map expands the previous map to include transportation costs associated with particular census blocks in our region. Higher levels of car ownership and use add costs to housing options located in less accessible areas.

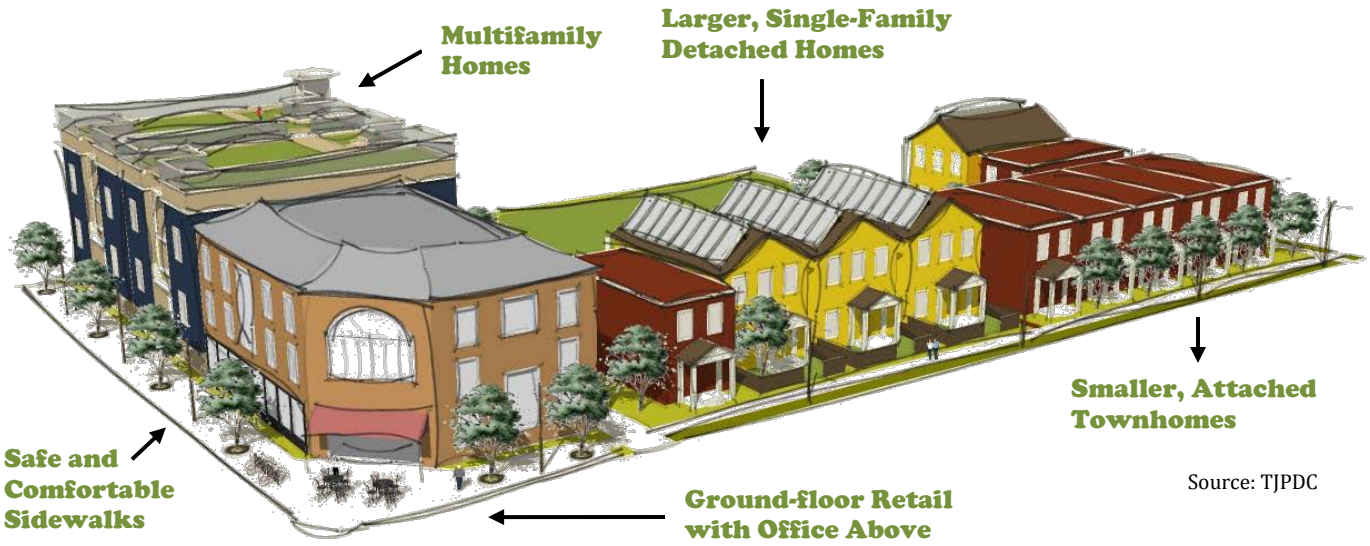
52.4% Average percent of income spent on housing and transportation in our region

The Center for Neighborhood Technology has developed a comprehensive Housing+Transportation Affordability Index. The index started in 2006 with Minneapolis/Saint Paul, and it was completed in 2010 for metro areas around the nation, including Charlottesville (with the exception of Nelson County). Just as 30% of income for housing is considered affordable, 45% of combined housing and transportation costs is considered affordable. The average household in our region exceeds this by over 7%.

Affordability of Compact, Mixed-Use Neighborhoods

When a variety of different places – residential, commercial, offices, parks, schools, religious institutions – are incorporated into a single neighborhood, it's possible for residents to walk to many everyday destinations. Having this abililty may reduce driving expenses, or, in some cases, eliminate the need for automobile ownership altogether.

All other factors being equal, higher densities are inherently more affordable because of efficiencies created in land and energy use. In fact, there is significant evidence that exclusionary zoning practices increase housing costs. Mandatory low densities in more urbanized locations lead to supply shortages. One recent study found that minimum lot size restrictions could increase prices by over 20%, with the extra cost burden only increasing in time.



Source: TJPDC

Green Building + Green Sites = Sustainability

There are many parallels between energy-efficient building practices and location-efficient land use practices. Both can lead to significant cost savings over time to households, as homeowners or tenants have reduced monthly utility bills and transportation costs. Both practices help conserve vital natural resources, whether it's energy in the form of fossil fuels or land in the rural areas of our region. Both help counteract global climate change. Buildings and transportation are the top two sources of carbon emissions in the United States. Most importantly, both practices can improve the health of the occupants, whether through enhanced indoor air quality or increased opportunities for active transportation. The U.S. Green Building Council has recognized all of these connections. Their new LEED-ND rating system takes both energy and location-efficiency into account for the design of neighborhoods.

Livability Principle #2

"Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation."

- Federal Partnership for Sustainable Communities

Prominent organizations have recently studied the combined costs of housing and transportation in American metropolitan areas, often with startling results:

Beltway Burden

Washington D.C. – Urban Land Institute (2009)

Washington area residents have faced steep housing prices for many years, prompting some to follow the real estate advice "drive til you qualify" in search of affordability. This study evaluated the results of this strategy comprehensively and found the opposite to be true. While places like Clarke County, VA have lower housing costs, they are more than swallowed up by the increased commuting costs. On the other hand, the most affordable places were determined to be Fredericksburg, VA and the District of Columbia itself, both places with greater density and transportation options. The report compared these findings to foreclosure rates to show that many households, in fact, were flexed beyond the breaking points in expenses.

A Heavy Burden

Center for Housing Policy (2006)

A few general principles can be derived from studying 28 different metro areas around the county. Areas with high housing costs tend to see a dispersal of new development, which adds extra transportation costs for those furthest out. This dispersal is closely linked to road congestion as well. Households that spend more of their budget on housing spend less on transportation, leading to a fairly steady combined total around the country. Working class families typically spend between 54% and 63% of their incomes on these two necessities.

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HOUSING VIRGINIA

Members of the Coalition

Piedmont Housing Alliance
The Arc of the Piedmont
jaba Live better. Longer.
cyfs Children, Youth & Family Services, Inc.
Skyline Community Action Partnership Helping People. Changing Lives.
Habitat for Humanity of Greater Charlottesville
Thomas Jefferson Planning District Commission
Helping Families Since 1965 MACAA Monticello Area Community Action Agency
Region Ten A Better Life. A Better Community.
Leading People Home TJACH Thomas Jefferson Area Coalition for the Homeless
AHIP Albemarle Housing Improvement Program
CRHA
NCCDF Nelson County Community Development Foundation Increasing Affordable Housing Opportunities Since 1985
Fluvanna-Louisa Housing Foundation Better Housing. Stronger Community.