



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.

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Every person in the City of Charlottesville and the counties of Albemarle, Greene, Louisa, Fluvanna and Nelson needs a roof over their head. Housing is the single largest component of the average family budget, and the greater Charlottesville community has a foundational need for housing for the wide variety of income levels, as well as diverse and vibrant neighborhoods. The purpose of this paper is to touch on some of the broad implications of a healthy housing supply, set in healthy neighborhoods, and chart the course for the rest of this series.



Affordability Comparison

How does the greater Charlottesville area compare in the availability of housing for all income levels? The Charlottesville metro area has the least affordable homeownership and is tied with Hampton Roads for the least affordable rents in Virginia, relative to regional median incomes. Over the last few years, rents have only gone up as middle class jobs have stagnated, putting pressure on some of the most vulnerable households in our community. **Of all households in the region, 33% spend more than 30% of income on housing and 14% spend more than 50% of their income on housing.** The gap is even wider in the City of Charlottesville and Albemarle County, indicating an undersupply of housing available to low and moderate income residents.

Housing and Public Health: the Ability to Live a Healthy Lifestyle

Of all of the line items in the household budget, housing is the most fixed in place. Families with high housing costs can cut all sorts of activities to make ends meet, but, short of a major life upheaval, the housing budget is untouchable.

When families tied to unaffordable homes start to make serious compromises in their food or health care purchases, even a temporary situation can exert a long-term negative health impact for adults and children alike.

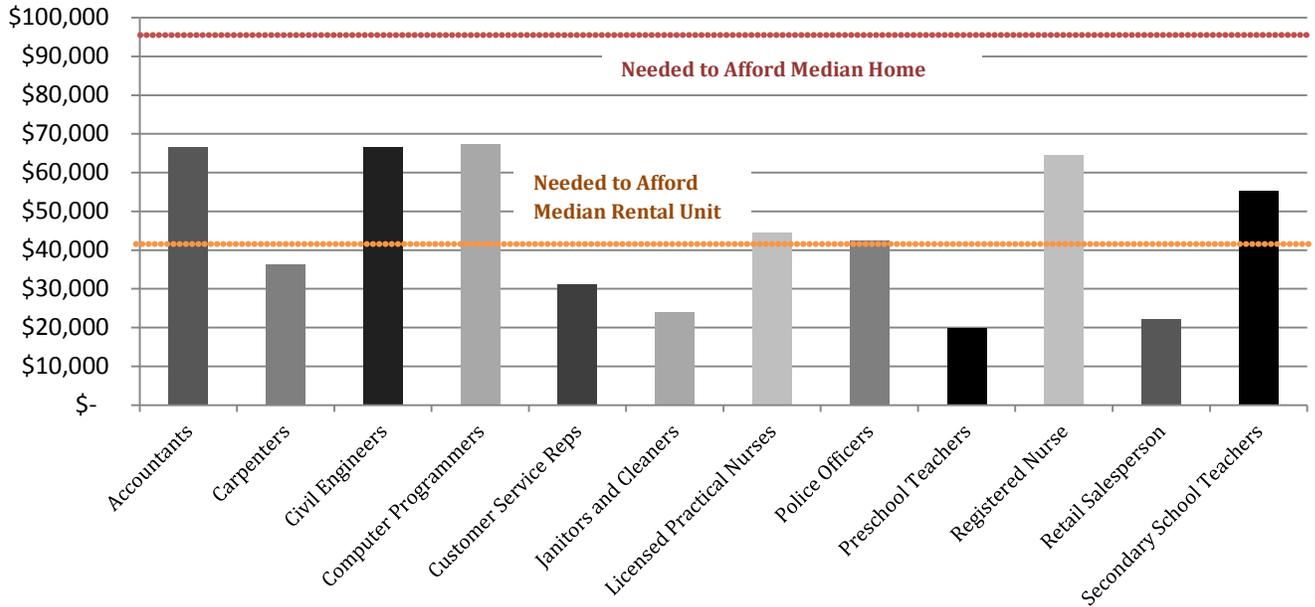
Several studies have found that children in low-income families that do not receive housing support are more likely to suffer from iron deficiencies, malnutrition and underdevelopment than children in similar families receiving housing assistance.

“Stable, affordable housing may improve health outcomes for individuals with chronic illnesses and disabilities, and the elderly, by providing a stable and efficient platform for the ongoing delivery of health care and other necessary services.”

– Center for Housing Policy
Vital Links: Impact of Affordable
Housing on Health

Sources and methods used in this series are available upon request from Daniel Nairn, dnairn@tjpd.org

Median wages compared to income needed to afford median housing unit



Sources: 2012 BLS, 2011 Census

Housing and Economic Development: a Resilient Workforce

Adequate provision of affordable housing in our community is integral to the health of existing businesses, and it's on every company's shortlist of factors to consider before deciding where to locate.

According to a survey conducted by the Urban Land Institute, **the single most important concern large companies report around the country is the lack of housing affordable to their employees within close proximity to the workplace.** Employees that are forced to commute long distances to find adequate housing are more susceptible to workplace stress and high turnover. This was especially true of the moderate-income respondents, those who compose the "mainstream" of our workforce.

Neighborhoods with a diverse selection of housing types and tenures naturally help the broad range of households in our community have equitable access to economic opportunity.

Housing and Accessibility: a Home for any Age and Ability

Many of us have special needs for our home, whether it's wider than average doorways to fit a wheelchair or a first floor bedroom. Maybe the home also should be located in a place with safe sidewalks and easy access to services. The more needs a homeowner or renter have, the harder it can be to find a place to live within the household budget. **Since people with disabilities and the elderly may already be pressed financially, a lack of affordable options can tighten the squeeze even further.**

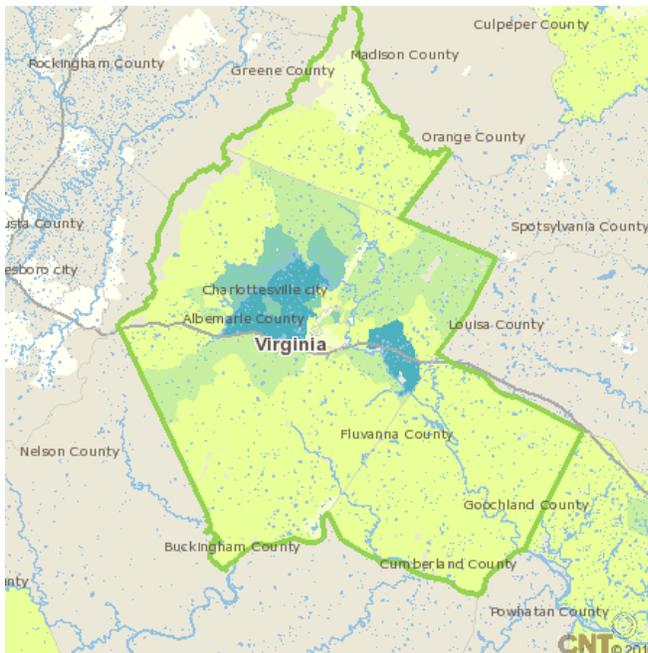
A community with a healthy housing supply will have enough options available to meet the wide variety of needs that exist. A recent study from AARP addressed this question. Their members identified the need for a greater array of multifamily rental options, smaller for-sale homes, accessory dwelling units, and housing subsidies in their communities. Providing these housing types mixed together into neighborhoods allows for a rich, multigenerational environment for all of us.

Housing and Transportation: Combining the Costs

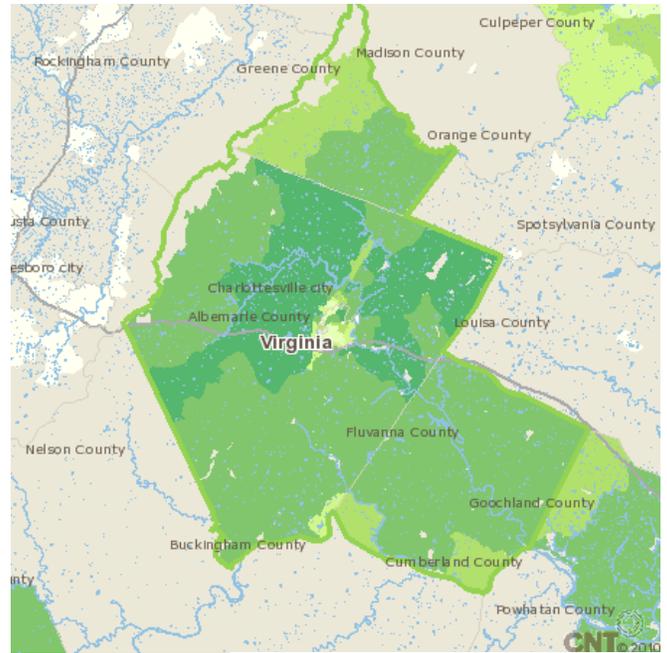
When affordable housing is not available close to jobs and services, many residents will decide to “drive to qualify” for lower cost housing on the fringes of the metropolitan area. However, much of this household cost savings simply gets shifted to cover the extra transportation costs. With the price of gas fluctuating so unpredictably, many families find themselves in a vulnerable financial situation. On the other hand, mixed-use and mixed-income neighborhoods allow residents to live within closer proximity to the services they need, alleviating excessive transportation costs while granting freedom of movement.

When housing and transportation costs are considered together, many of the communities in our region are essentially unaffordable to the median income household. The average family would have to spend more than 45% of their income to live there (represented by darker areas on the maps below).

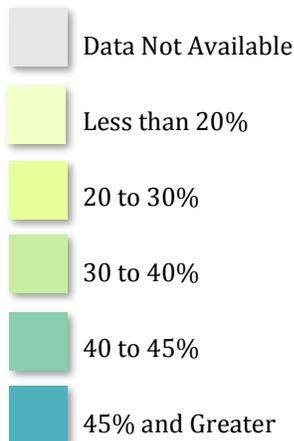
Housing Costs as Percent of Median Income



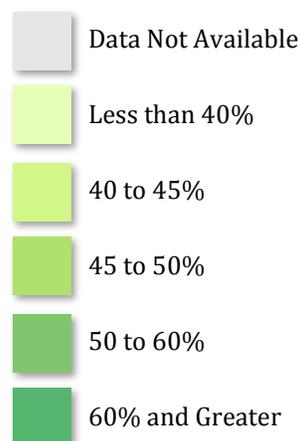
Housing + Transportation Costs to Income



Source: Center for Neighborhood Technology



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



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.

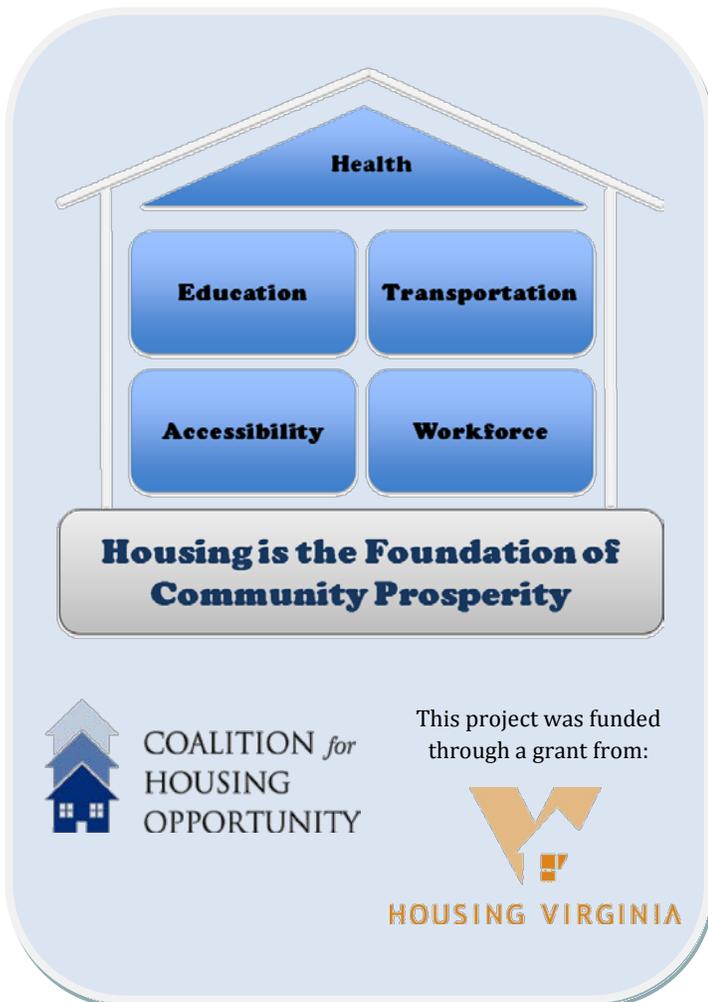
Housing and Education: an Environment for Learning

Families who have high housing cost burdens can be forced to move as rents go up or the home is foreclosed upon, sometimes doubling up into a crowded home with extended family or friends. Both of these conditions can be hard for children. A large body of research shows that children who move between houses or schools frequently have a harder time performing well in school. **The residential stability that comes with predictable, affordable housing is important for childhood development.** Additionally, an overcrowded and noisy home life can make it hard for a student to complete homework and get needed sleep.

Education is inherently wrapped up in the shape of the community. The Federal Department of Education has teamed up with other federal agencies, recognizing that many of the problems associated with schools ought to be tackled at the neighborhood level. Inadequate housing and concentration of poverty have been identified as major stumbling blocks for an effective educational system. A similar joint effort could be fruitful at the local level as well.

“By enabling families to afford decent-quality homes of their own, affordable housing can reduce overcrowding (and other sources of housing-related stress) that lead to negative developmental and educational outcomes for children.”

– Center for Housing Policy
Impacts of Affordable Housing on Education



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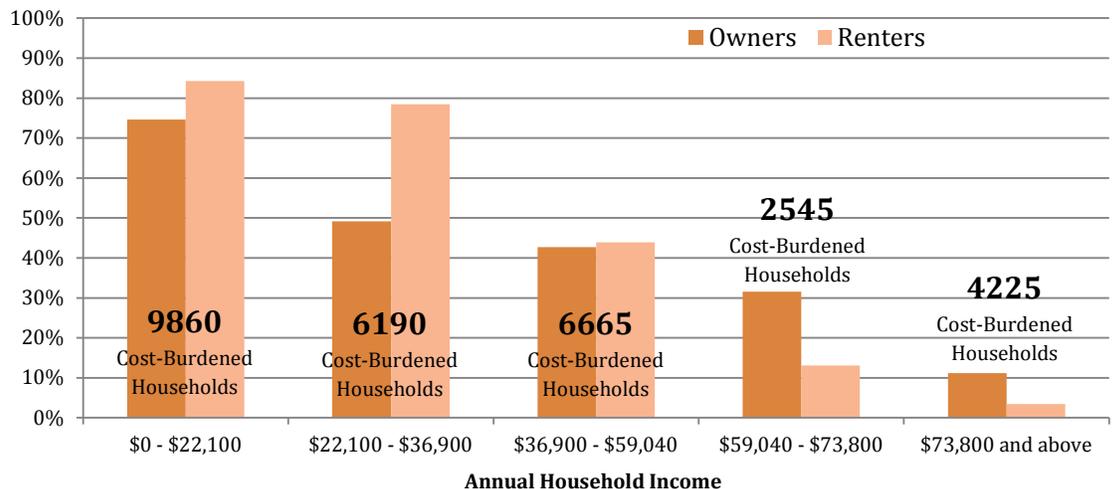
Is there an affordable housing problem in the Charlottesville region? And if so, what is the extent of it? The purpose of this paper is to estimate an answer to these questions by approaching it from two perspectives. First, the current housing cost burden felt by residents is addressed. Then, we will assess the opportunities available in the housing market for households of all income levels to improve their situation.



How Much of our Income Currently Goes into Housing ?

The U.S. Department of Housing and Urban Development recommends households spend no more than 30% of their income on housing. Those that go beyond this are generally considered cost-burdened. However, the reality of financial hardship is more complex. A wealthy household may easily be able to spend in excess of 30% of income on their home and still have enough left over to be comfortable, while a poor family with multiple children may experience extreme stress in a similar situation. For affordability, total income and other household characteristics matter.

Percentage of households in region with a housing cost burden
(Spending more than 30% of income on housing)



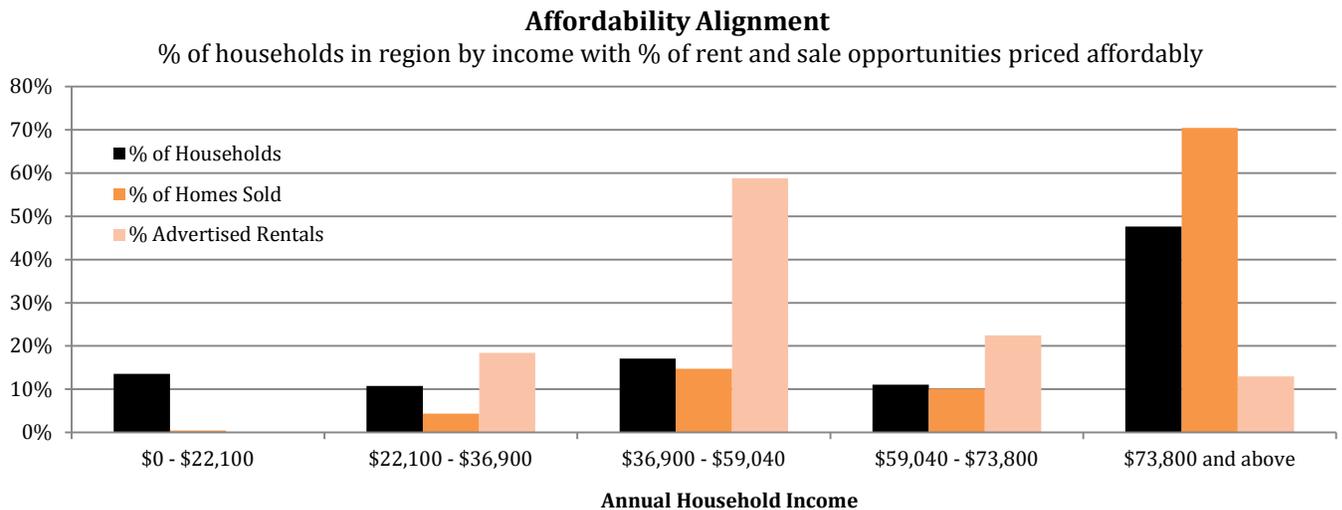
Source: 2010 CHAS Tabulation of Census ACS

Many families with the lowest incomes report spending an excessive amount on housing. In fact, there are almost 10,000 very to extremely low-income households in the community that **dedicate over half of their income to shelter**. For higher income households, homeowners are more likely cost-burdened, perhaps as a result of the recent housing boom and downturn cycle. However, among lower income ranges, **renters are more likely to have unsustainably high housing costs.**

What Housing Opportunities are Available in the Region ?

Measuring current housing cost-burden may identify a problem, but it does not tell us what opportunities are available in the region to resolve it. Housing markets are dynamic, and a well-functioning market would theoretically provide a range of housing options affordable to the full range of income levels in the region. While the amount of money an individual household wishes to spend on housing is a personal decision, the opportunity to find a decent home at an affordable price in the region is a concern for the whole community.

The following chart compares the percentage of households in the region of various incomes with the percentage of homes recently sold and advertised rentals that have an affordable price to those households. Although not shown here, higher income households can afford lower-priced homes as well.



Source: CAAR MLS®, BRAC and Craigslist, 2010 CHAS Tabulation of Census ACS



Affordability of Homes for Sale

Methods: Homeownership opportunity is based on all homes sold between Jan. 2011 and May 2013 within the Thomas Jefferson Planning District, as reported in the CAAR MLS®. The sample includes roughly 5,000 sales. Homes with less than two bedrooms and homes advertised as needing major repairs were excluded. Standard underwriting criteria is used to determine which homes would be affordable to each income group, and the ability to save at least 20% of annual income for a downpayment is assumed.



The almost 22,000 households in the region that earn less than \$37K per year are **effectively priced out of the market for homeownership altogether**. Although recent foreclosures have somewhat increased opportunities at the low-to-moderate income price range, most of the **available options come with other hidden costs**. Many require some repairs, would be too small for certain households, are less energy efficient, and are in more remote locations, which necessitate higher transportation costs.

Roughly 70% of all homes sold in the region are priced out of reach for all households earning below the median family income (this amounts to 52% of all households). This indicates that, without assistance from family or public and private-sector housing programs, **a significant number of households in the region do not have a viable option for becoming homeowners**.



Affordability of Homes for Rent



Methods: Rental opportunity is based on all rental units advertised online through either the Blue Ridge Apartment Council or Craigslist between April and May 2013. The sample includes roughly 1,000 advertisements. Unit of less than two bedrooms were excluded. A fixed cost of \$140 per month is assumed for utilities/insurance, and it is assumed that the household can pay the security deposit. A rental unit is affordable if it consumes no more than 30% of income.

There are **no affordable rental opportunities for extremely low-income households in the region.** This is true without any consideration given to housing quality, location, or safety. To put this in context, a full-time retail cashier earning the 2011 median annual wage of \$20,117 has no housing options whatsoever that will fit within a reasonable budget. Without assistance, this household must double-up with another household, find a second job, accept a cost-burden and cut other household spending, or face homelessness.

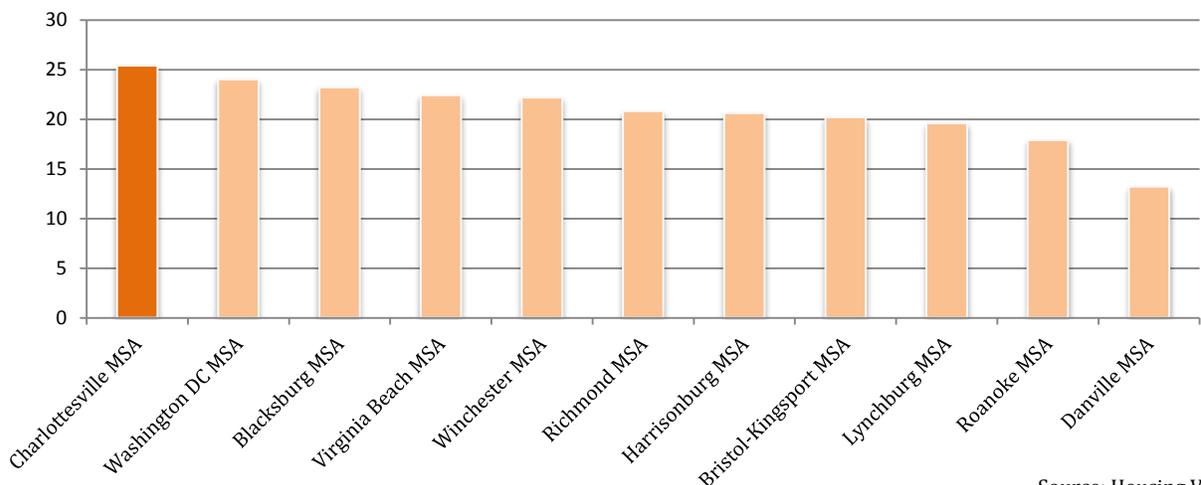
The majority of rental opportunities in the region are priced to be affordable to households earning between 50% and 80% of the Median Family Income for the region. This amounts to a rent of between \$780 and \$1,300 per month for a two-bedroom apartment or house.

How do We Compare to Other Metro Areas in the Commonwealth?

Housing Virginia has created a simple Housing Affordability Index to allow comparisons of housing affordability across the Virginia. The index compares median household incomes of an area with the median home sale price and median monthly rent, weighted by the proportion of renters to owners in the region.

Housing Affordability Index, 2012 4th Quarter

A higher index means households must spend more of their income on housing

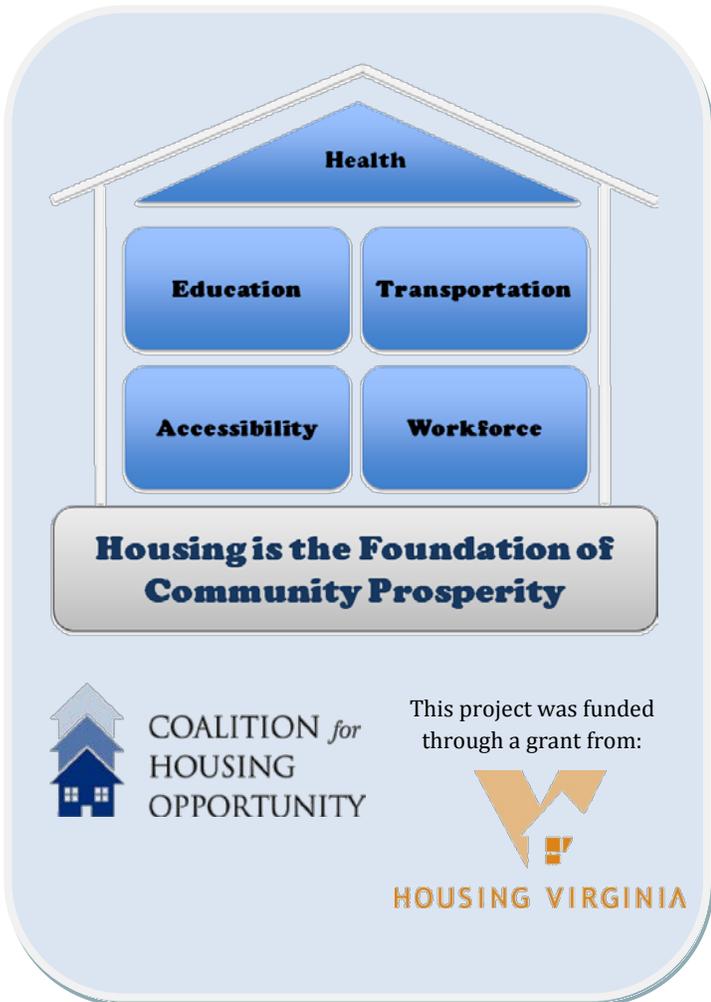
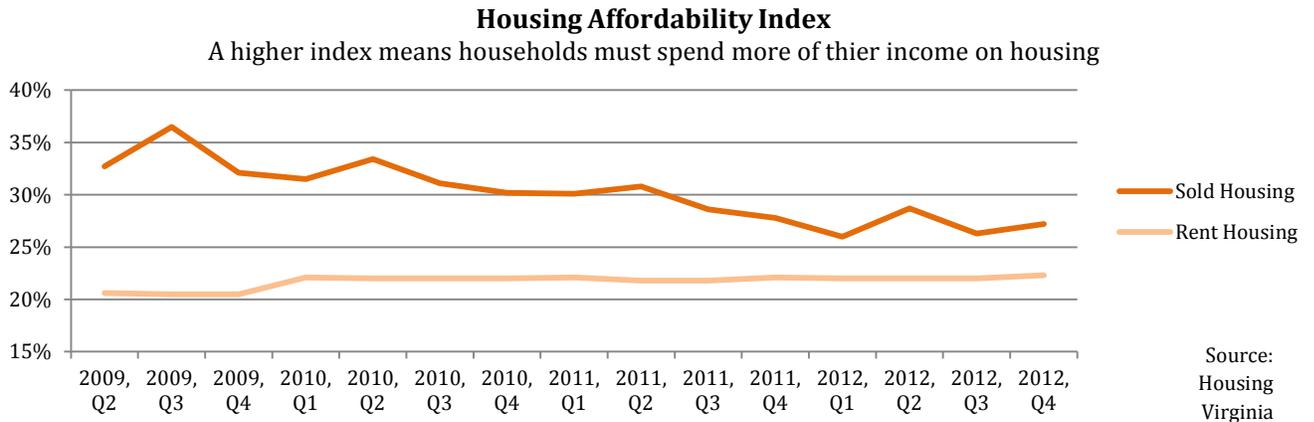


Source: Housing Virginia

The index shows that **Housing in the Charlottesville region is less affordable than in any other region in Virginia.** Charlottesville also holds the highest rank for homeownership unaffordability, considered independently, and is tied with Virginia Beach for first in rental unaffordability.

Has Housing Affordability Changed in the Last Few Years?

Using the Housing Affordability Index for the Charlottesville region, a clear trend over the last few years can be discerned. For homeownership, opportunities to purchase an affordable home have improved as a result of the market downturn (although existing homeowners face hardships, at the same time). However, renting has become slightly less affordable during this same time period.



This project was funded through a grant from:

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All communities with a high quality of life seem to persistently struggle to provide enough housing for the workforce they need to continue running. The Charlottesville metropolitan area is no exception. Businesses find that their employees can be difficult to attract and retain simply because of the prices of homes in the area. Furthermore, the home and multifamily building sector is an important part of the local economy in its own right, providing numerous jobs. The quality and diversity of housing options speaks to the economic vitality of the entire community.



A Business Case for Safe, Decent, and Affordable Housing

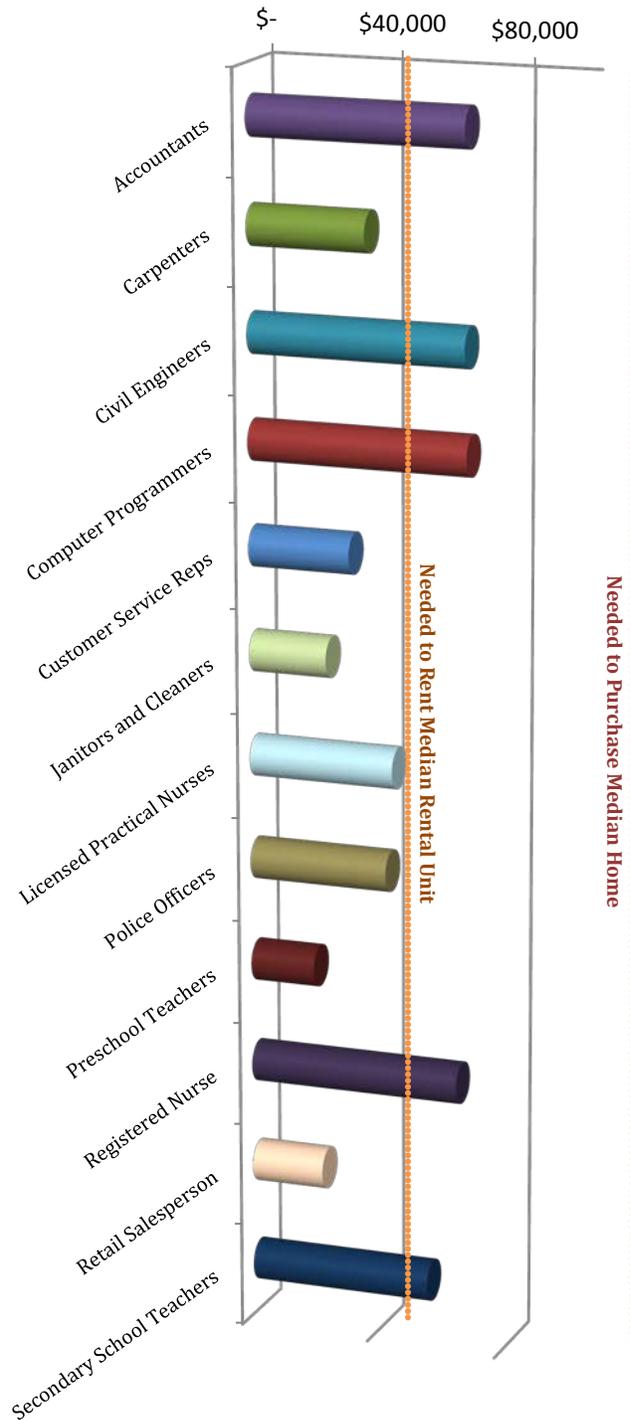
The United States has a long history of civic-minded businesses leading the way in a wide range of social issues. Even in the age of multinational corporations, many employers in our region still take this commitment seriously. The Greater Charlottesville Chamber of Commerce gives out an award every year to a company that, among other things, invests in the "economic, cultural and humanitarian advancement" of our region. The combined impact from these practices throughout the private-sector is substantial.

When it comes to housing, businesses can provide a valuable community service while looking after their own short and long-term interests at the same time. A healthy supply of safe, decent, and affordable housing not only enhances the wellbeing of many struggling families while improving the public realm, it also helps local businesses recruit and retain a reliable and content set of employees.

According to a survey of businesses around the country, **the single most important concern large companies report is the lack of housing affordable to their employees within close proximity to the workplace.** Employees that are forced to commute long distances to find adequate housing are more susceptible to workplace stress and high turnover. Businesses that operate in our region recognize this challenge as well. Every year enterprises are asked which public policy issues they "...think will have the greatest consequences on the future economic vitality and quality of life of our Greater Charlottesville region." Between 2006 and 2008, the issue of "housing costs/affordability" topped the list of concerns.

When neighborhoods have a balance of residential, commercial, and office uses, local businesses benefit significantly. The customer base is more accessible and reliable, employees can be more connected to their workplace, parking costs can be minimized, and quality of life enhancements help recruitment.

The following chart compares the income necessary to affordably purchase the median-priced home (\$246,500) or rent the median-priced unit (\$1,009 a month) in our region with the median annual wage earned by selected occupations in our area.



Sources: 2012 BLS, 2011 Census

Who Are the Workforce and Why Does it Matter?

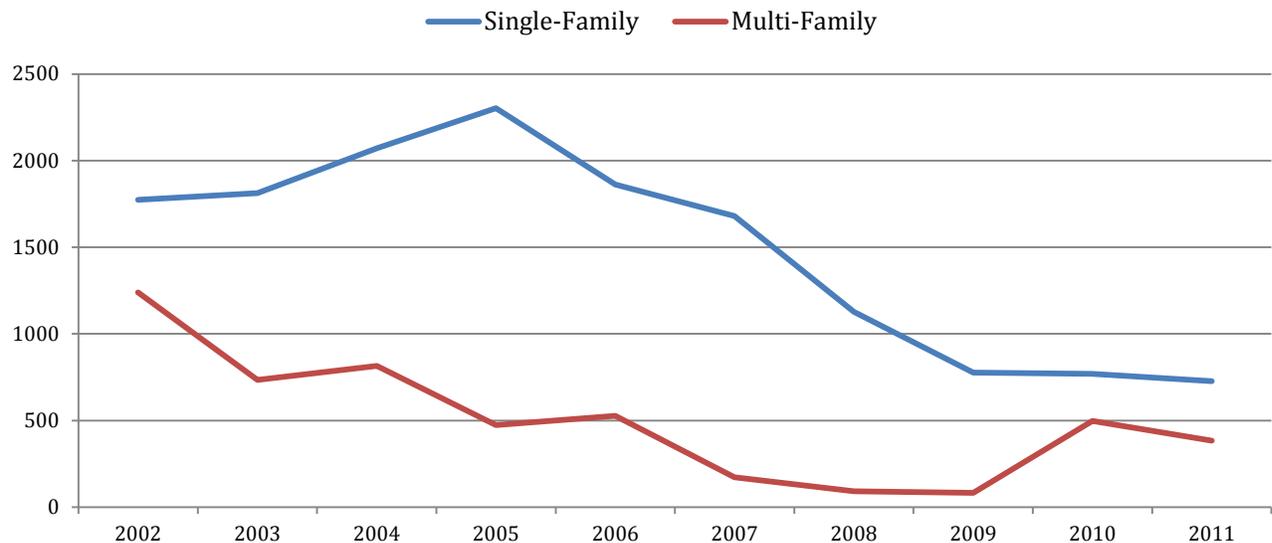
The term workforce is used to define the set of full-time workers earning a moderate wage in a community. They typically earn between 50% and 100% of the Area Median Income and are more likely to be young families. The workforce provides services that are essential to the functioning of the whole community.

Over the last several decades, many cities started to notice how these workers would be priced out of the local housing market and forced to drive in from surrounding areas. Local businesses that had always enjoyed a steady stream of high-quality employees began scratching their heads when they just couldn't find them anymore. Study upon study from around the country identified one of the main culprits as a lack of affordable housing.

It started with resort towns and places with severe limitations on construction, but gradually more and more jurisdictions had to face this challenge. **Beyond the simple locational efficiency of working near the home, there are intangible social benefits to having workers such as police officers and teachers able to be fully immersed in the community they serve.**

By 2004, many community leaders began to see these trends happening in Charlottesville. A collaborative effort between the Charlottesville Area Association of Realtors, the Piedmont Housing Alliance, and the Charlottesville Area Community Foundation created a down payment assistance fund to help teachers, nurses, police officers, and firefighters afford a home near their workplace. The remaining challenge is to **build upon this success and expand the opportunities to others who need them, particularly the low-wage service sector.**

Building Permits Issues in Thomas Jefferson PD



Sources: Weldon Cooper Center

The Housing Supply and Affordability

Research conducted for the 2006 State of Housing Report indicated an **undersupply of housing options appropriate for low to moderate income families in our region**. Previous papers in this series reiterate these findings with more current data. An undersupply naturally yields higher prices for all homes and rentals, inevitably squeezing out those with limited means.

Since the downturn in the housing market occurred, the number of homes being added to the supply through new construction has been reduced. However, an uptick in multifamily home construction has occurred in recent years and has continued into 2013 in most localities within the region.

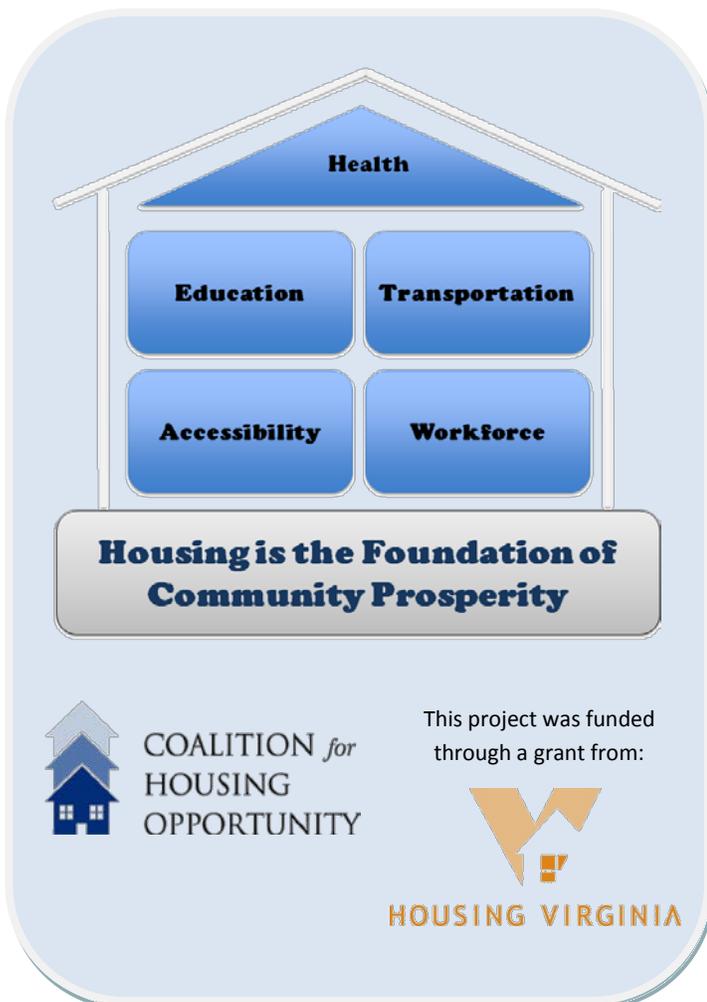
In terms of providing workforce housing, **the diversity of housing types is as important as the raw number of units available**. Townhomes and smaller houses use land and energy more efficiently, and thus inherently lend themselves to being affordable to moderate incomes. Many workforce households are beginning to choose renting over owning their own home, whether for the flexibility and lifestyle or out of necessity. This may lead to an increase in demand for appropriately priced rental units.

“Offering a more diverse mix of unit types and price points to creatively accommodate workforce households within traditional development projects will allow developers to target this pool of demand. The bottom line is that in today’s smaller, softer housing market, workforce households with three or more people offer a deep, relatively untapped market segment in close-in locations.”

– Urban Land Institute, from 2009 “Priced Out: Persistence of the Workforce Housing Gap in the Washington, D.C., Metro Area”

Some Creative Housing Solutions Generated by the Private Sector

- Employer-Assisted Housing.** Allstate Insurance Company, along with 40 other employers in the Chicago area, has been assisting their staff with housing costs since 1999 to enable them to live in their community. A regional collaborative program REACH Illinois coordinates these efforts. Allstate has found improved morale, less turnover, and more productivity among participants.
- Policy Advocacy.** Many Chambers of Commerce around the country make the provision of affordable housing a priority of their policy platforms. Aaron Nelson, Executive Director of the Chapel Hill-Carrboro Chamber of Commerce, explains the reasoning behind their campaign. “We lose out on volunteerism and retail dollars, we deal with traffic-related environmental damage, and we see wage inflation, because employers have to pay more to compensate people for their long commutes.”
- Education and Outreach.** The Silicon Valley Leadership Group has taken an active role for years in helping to provide affordable housing in their very tight market. A task force strategically selects proposed developments, typically infill, that would expand the supply of affordable housing. Then they engage with community members and elected officials in support for the proposal, and work to counteract lingering stigmas attached to affordable housing.



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When the health of a community is compromised, the health of the individuals within it also suffers. A lack of housing options or livable neighborhoods impacts public health in a number of ways. High housing costs take away from necessary food and health care expenses in the household budget. Home instability leads to stress and a fragmented health care provider relationship. Finally, a poor quality home or neighborhood can lead directly to health consequences, as well diminished personal identity and disrupted familial relationships.

In recent years, national attention has been turned to preventative actions that may alleviate the health care cost burden we share as a society. Proactively supporting a housing supply that meets the needs of all citizens could prevent more serious expenses from arising in the future - not to mention enhancing our quality of life.

“Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.

– World Health Organization, New York 1946



“It is important to acknowledge the important and complex roles that housing and neighbourhood design play in public and children's health and to promote systematic inclusion of health in the design of housing, housing technology and the urban and regional planning processes.”

– World Health Organization, Geneva 2002

Making Hard Budgetary Decisions

Every family must sit around the kitchen table to figure out how to keep spending in line with income. Those with limited incomes may respond to rising housing costs by making cuts to other essentials such as food or health care.

Housing Costs

Providing shelter is the single largest expense for families. Although it has historically hovered around 30% of expenditures, the proportion rose between 2000 and 2012. Low income families spend an even higher proportion of their income on housing. **For many, housing costs are the most fixed of all. If sacrifices are necessary, other items will be squeezed first.**

Food Costs

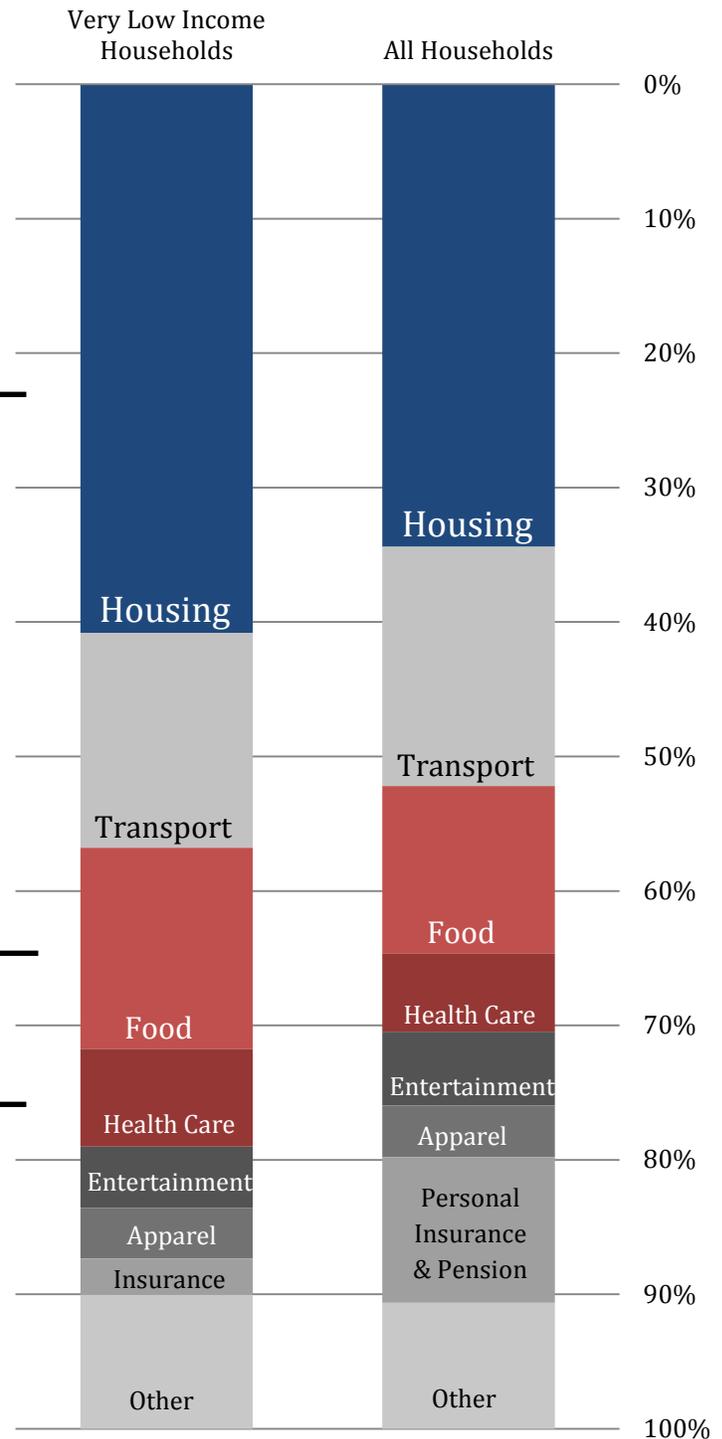
Although the proportion of income families spend on food has dropped dramatically over the years, products with high nutritional content generally still cost more. Families with housing cost burdens may choose lower-quality foods or less food quantity to make ends meet. Doctors in Boston found that **children of low-income families that lacked housing subsidies were 50 percent more likely to be iron deficient than children in comparable families that received housing subsidies.**

Health Care Costs

There is evidence to suggest that **families avoid health insurance because of high housing costs.** One study found that, even among the same low income group, the uninsured spent \$88 more per quarter on housing than the insured.

The following chart depicts the contents of the average household budget in the United States. Very low income means households in the bottom quintile of the income range.

The Average Distribution of U.S. Household Expenditures



Source: BLS 2007 Consumer Expenditure Survey

“The availability of affordable housing shapes families’ choices about where they live, often relegating lower-income families to substandard housing in neighborhoods with higher rates of poverty and crime and fewer health promoting resources.”

– Robert Wood Johnson Foundation, Commission to Build a Healthier America

Forced by Price into Substandard Housing

Without an affordable option for decent housing, those on the lower end of the income spectrum may have no choice but to occupy substandard housing. Although our country has seen remarkable improvements in housing standards, unhealthy homes are still a problem. **In 2011, there were still 411 homes in our region with incomplete plumbing facilities.** There are many potential health risks associated with poor housing.

- Lead paint poisoning can stunt brain development.
- Poor ventilation or pests can lead to molds and other allergens.
- Extreme cold or heat can trigger health risks.
- Unsafe construction leads to injuries.
- Various carcinogens can be present in homes.

Where we spend our time ...



Forced by Price into Long Commutes

Housing costs may compel some workers in search of more affordable options to drive from outside of the region to their workplace. While this may seem to be a feasible solution for many, there are health costs involved. **Automobile commutes have been linked to high blood pressure and stress levels, particularly during rush hour, which is a contributing factor for many health problems.** Constant road vibrations and sitting in the same position for a long time are bad for the neck and spine, as well as the musculatory system. Long commutes of over an hour have been linked to sleep disorders, and sedentary forms of commuting leave less time available for exercise or physical therapy. Some families may choose to trade a long commute for other lifestyle preferences, but others are priced out of more convenient locations by a lack of housing options.

Forced by Price into Overcrowding

“Doubling up” into a home with extended family and friends is another way some have sought to meet their housing needs on a tight budget. This has become common around the country as a result of the economic downturn, with an 11.6% increase in extended family households between 2008 and 2009.

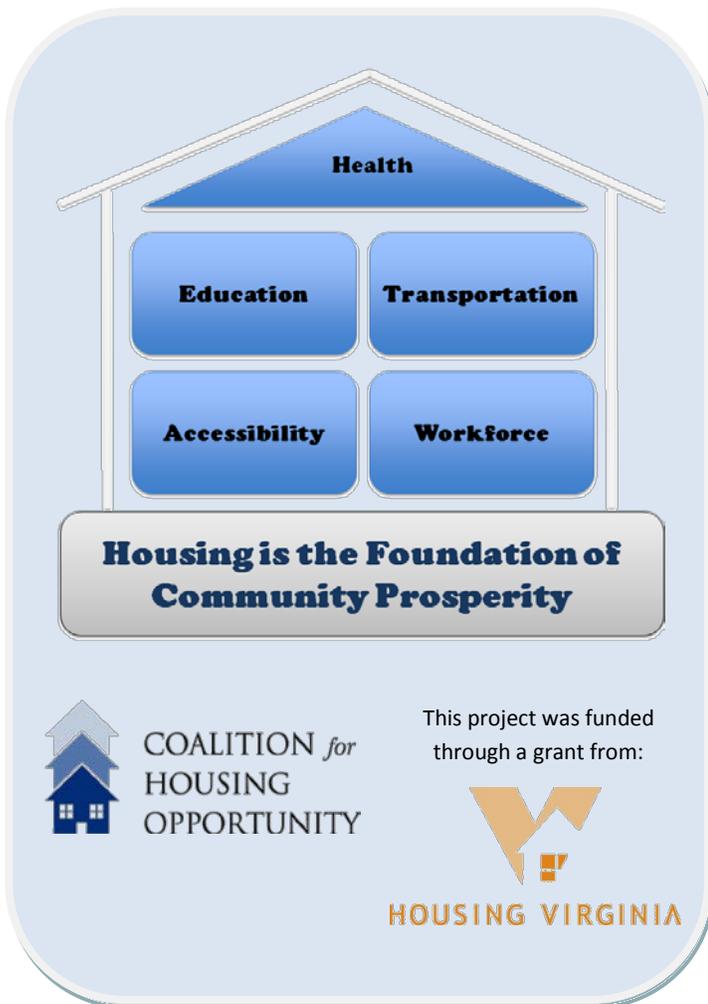
This can be a healthy living environment, but crowding into an excessively small space, usually defined as more than one person per room, may lead to sanitary and mental health problems. A lack of space has been known to strain relationships and lead to stress for individuals, possibly attributed to lack of sleep or concentration. Persons living in a crowded household may also be more exposed to infectious disease. Not all health experts agree on the extent of this problem, but many residents themselves have reported stress due to tight living quarters.

Housing and Personal Identity

Although the intersections between mental health and housing may be less quantifiable than purely physical outcomes, there is evidence that an occupant's sense of self and psychological condition are greatly influenced by his or her home. One survey of middle-income Americans found that the house "seemed to be a powerful symbol of order, continuity, physical safety, and a sense of place or physical belonging." Likewise, those who are insecure in their housing because of a lack of affordability express feelings of insecurity throughout all of life. One study evaluated low-income women who received help from a non-profit to move from inadequate housing into their own home. Psychological testing of the participants revealed less worry for their children and a greater overall sense of wellbeing as a result of the change.

A Platform for Health Care Delivery

Living in a stable home can greatly enhance ongoing health care provision for the elderly or those with chronic health conditions. One study showed that patients with HIV/AIDS who were given housing assistance were four times as likely to receive adequate medical care than those who were not assisted. The same pattern likely applies to anyone in need of scheduled and persistent medical attention.



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All facets of a student's life contribute in some way to his or her education and development. Since the home is where a significant amount of time is spent, it's hardly surprising that the nature of the housing itself has an effect on the ability to learn.

Children from families with high housing cost burdens start out with several disadvantages. They tend to have less stability, move more often, resort to overcrowding, live in substandard structures, and concentrate into neighborhoods with others in the same situation. Researchers have linked each of these conditions to lower educational achievement. The provision of safe, decent, and affordable housing can assist area educators in shaping the future of our community for the better.



Fields of Venable homes are short walk from Venable Elementary School (Piedmont Housing Alliance).

Staying in a Home, Staying in a School

Families who spend an inordinately high proportion of their income on housing may perpetually be in jeopardy of being evicted, foreclosed upon, or forced to move to a less costly home. Without much room for savings, any unexpected shift in finances can lead to dramatic life changes. In extreme cases, this may result in homelessness. Children in these families often end up being uprooted and placed into a new social and educational context very frequently.

A number of studies have **linked this volatility to difficulties performing in school**. Whether it is due to disruption of the instructional calendar, stress caused by the move, the challenge of having to meet new friends, loss of routine, or missing out on long-term relationships, there do seem to be adverse effects of high mobility for children of all ages.

Rampant housing instability can effect a whole school. It is not uncommon for some elementary schools in urban areas to have turnover rates above 50% per year, a constant level of change that can impact the ability to teach students and administer the institution. There is evidence to suggest that even students who do have stable housing are impacted by high levels of school instability. While there are many reasons families move to a new home and a new school, **a high frequency of displacement is often a direct result of a lack of affordable housing.**

Effects of Settling for Inadequate Housing

Families may find themselves forgoing even minimal standards for housing quality or size in an attempt to alleviate high housing costs. First, households may move into overcrowded homes with extended family or friends. Overcrowding is defined by HUD as more than one person per room (excepting kitchens and bathrooms), and it has been linked to poor school performance. Perhaps **a crowded and noisy home life can make it hard for a student to complete homework** and get needed sleep.

Second, families may move into lower cost housing that is unsafe. Lead paint may be present, and damp or poorly ventilated conditions could trigger asthma, both of which are linked to trouble with school.

School districts in the planning district reported **280 children homeless in 2013**, which includes in the federal definition those in shelters, doubled up, in motels, or in substandard housing. When the Thomas Jefferson Area Coalition for the Homeless asked indigents, in a separate survey, about the causes of homelessness in our area, **“lack of affordable housing” was by far the most common answer.**

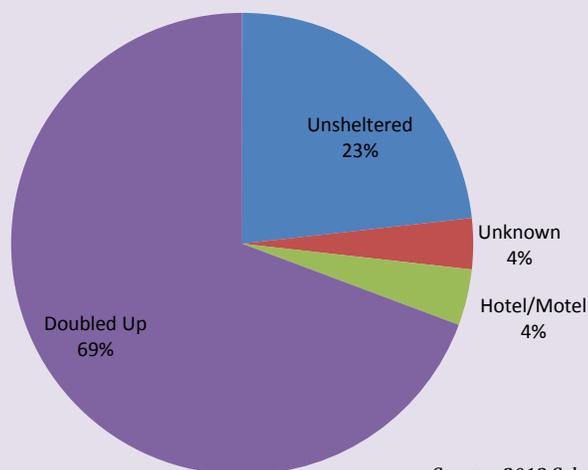
Influence of the Whole Neighborhood

Educational attainment has not only been linked to individual housing quality, but also to the condition of the entire neighborhood. **When low-income households are concentrated into a single area, the difficulties already associated with poverty can be magnified.**

Numerous studies have found that students from struggling neighborhoods tend to struggle themselves, regardless of their own family’s socioeconomic status. This early disadvantage seems to continue throughout life. One study found that for children with similar levels of family income, growing up in a neighborhood where the number of families in poverty was between 20 and 30 percent increased the chance of downward economic mobility—moving down the income ladder relative to their parents—by more than 50 percent compared with children who grew up in neighborhoods with under 10 percent of families in poverty.

The **encouragement of broadly mixed-income neighborhoods**, with housing opportunities available for a range of citizens, not only enhances the quality of life for residents but ensures that children receive a solid educational footing for future success.

Where the region's homeless children live ...



Source: 2013 School Districts in TJPD

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Gearing Up for New Federal Policies

Over the last few years, **the federal government has been actively seeking to integrate its housing and education activities into a coordinated effort.** Once separated and insulated into the Housing and Urban Development (HUD) and the Department of Education (DOE) agencies, new initiatives are broadening the scope of collaboration across these boundaries. Localities that build similar coalitions at the local level may position themselves to take advantage from this paradigm shift, and students could benefit from an education approach that considered the full spectrum of their life situation over the entire course of instruction from cradle to career.

The following are two major new federal initiatives that link education with housing. Both offer grants to localities to support future opportunities of disadvantaged students. Charlottesville's Children Youth and Family Services (CYFS) received a Promise Neighborhoods grant, and the City of Promise initiative is currently underway.



Source: Harlem Children's Zone

Promise Neighborhoods is a federal place-based initiative intended to provide opportunities to neighborhoods with concentrated poverty. The program is based off of the community organization Harlem Children's Zone, which works with children in a specific neighborhood over the entire course of their education and into a career. The program takes a comprehensive view of education that integrates the classroom with the wider environment, including housing. Awards have been granted annually from 2010 through 2012, and the program is expected to continue.



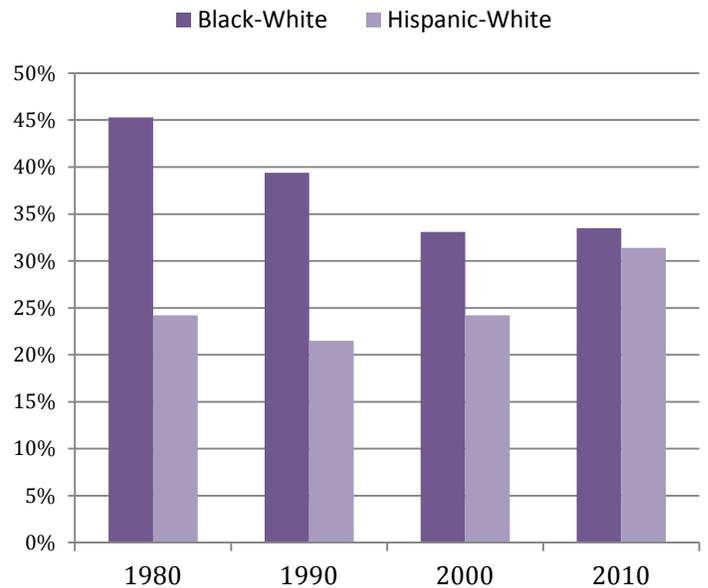
Source: Community Foundations

Choice Neighborhoods is an initiative intended to build upon the successful HOPE VI public housing redevelopment program. Like its predecessor, Choice Neighborhoods seeks to integrate income levels in a community by dispersing subsidized units and incorporating attractive design. What's new is the inclusion of education into the redevelopment process. According to HUD Secretary Shaun Donovan, one of the purposes is to challenge local partners to "link housing interventions more closely with school reform and early childhood innovation."

Trends in Integration

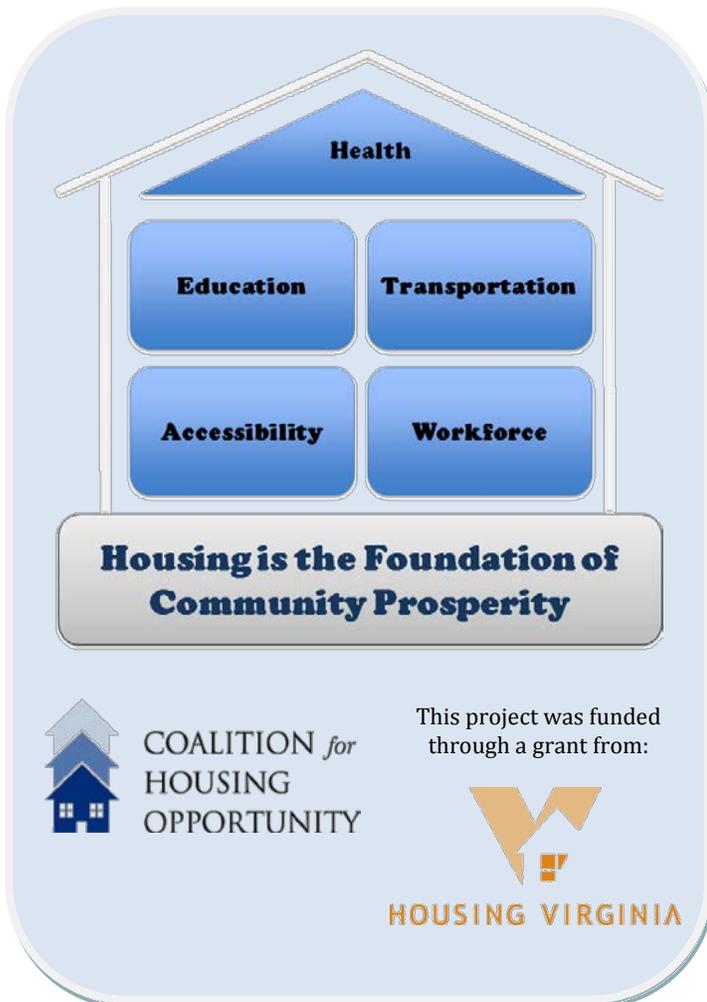
Schools have been divided by race to some extent throughout the region's history, although the racial divide is changing. Blacks and whites have slowly become more integrated with each other since 1980. On the other hand, as the Hispanic population has grown overall, the spatial divide between whites and Hispanics in the region has also grown. Diversity in the classroom is a direct result of diversity of housing choices in the neighborhood it serves. Because race and socioeconomic status are still tightly linked in the community, racial integration is one means for sharing educational opportunity more broadly.

Measurement of Neighborhood Segregation



Source: Index of Dissimilarity from Harvard Diversity Data/U.S. Census

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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.

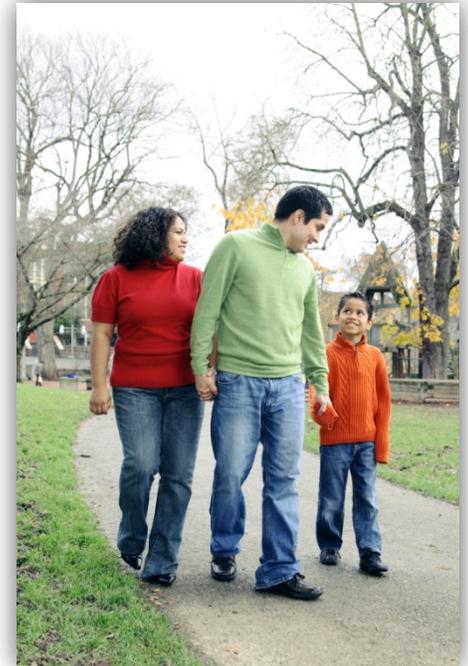
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Because the location of a home and the transportation needed to access it are inherently linked, both housing costs and transportation costs ought to be considered together when evaluating affordability. Housing that is more location-efficient, meaning 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 services. 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, families can feel pressure from living in housing that is less accessible to jobs and services and more dependant on driving alone.



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.

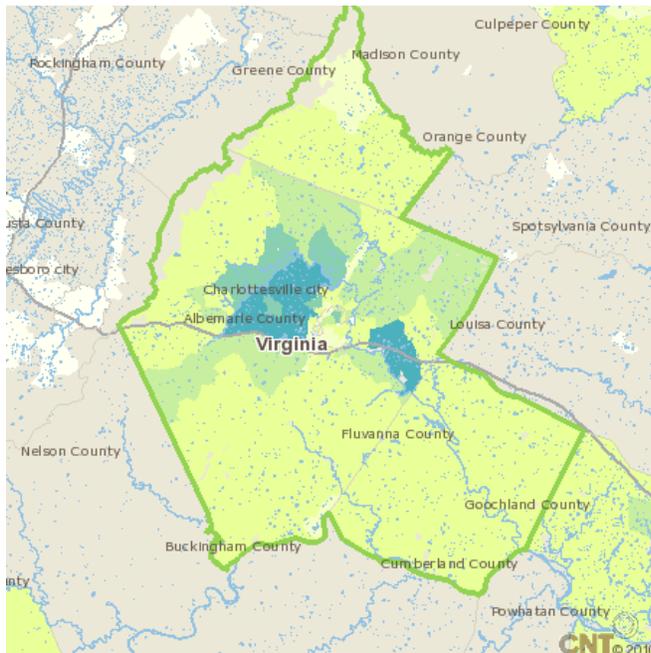
The siting of new housing ought to take into account potential economic conditions for the entire life of its existence. This means being prepared for any future increases in the price of energy.

Driving Costs for Small Sedan in 2013

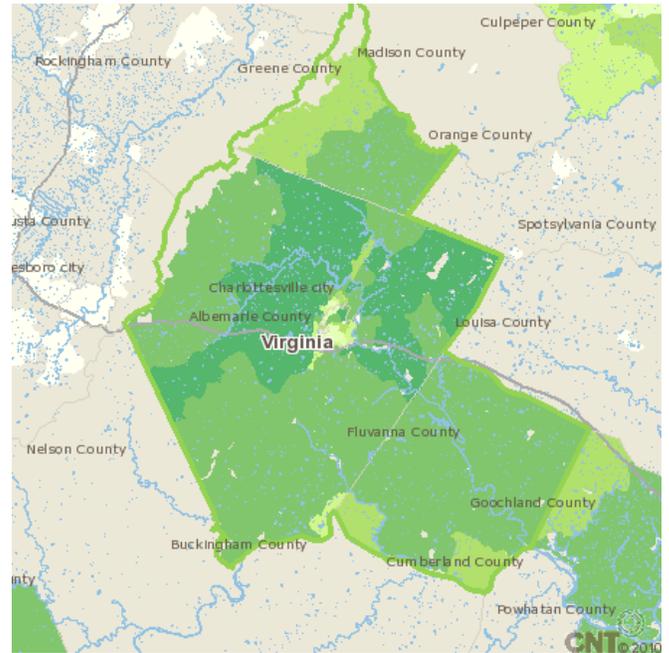
Average fixed ownership costs	\$4,642 per year
Average operating costs (based on 15,000 miles)	\$2,505 per year
Total	\$7,147 per year

Source: American Automobile Association

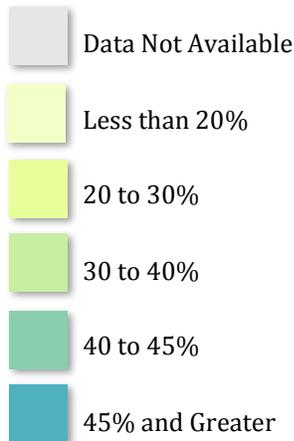
Housing Costs as percent of area median income



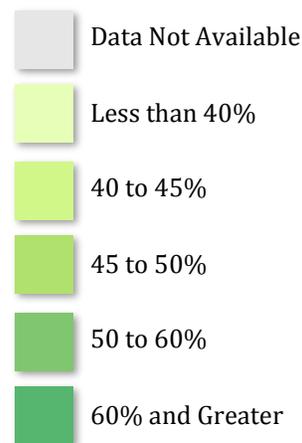
Housing + Transportation Costs as percent of area median income



Source: Center for Neighborhood Technology



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.



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.

27.5%

Average percent of income spent on housing in our region

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 ability 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.



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

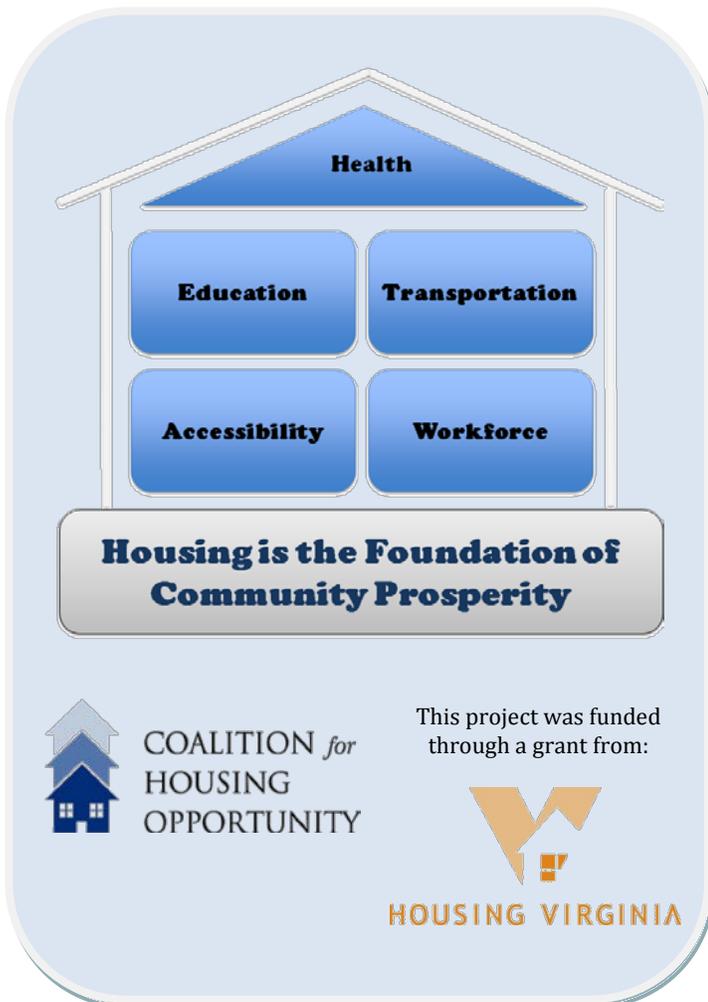
Washington D.C. – Urban Land Institute (2009)

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 country. 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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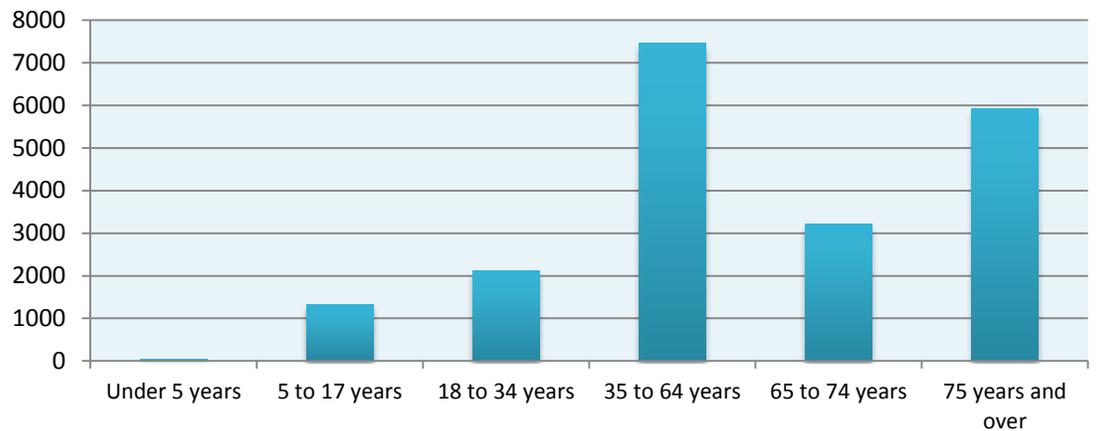
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A community needs as many different housing types and levels of affordability as there are different kinds of households living within it. Young people, families with children, seniors with varying degrees of independence all express different wishes in a home. Residents with physical or intellectual disabilities have special needs for a home as well, design features that allow them to fully function on a regular basis and truly feel at home. Furthermore, the design of the neighborhood can either grant easy and safe access to everyday needs or leave disabled individuals isolated in their own homes. The ideal of safe, decent, and affordable homes for everyone includes those with special needs as well.



Total Number of People in Charlottesville Region with a Disability



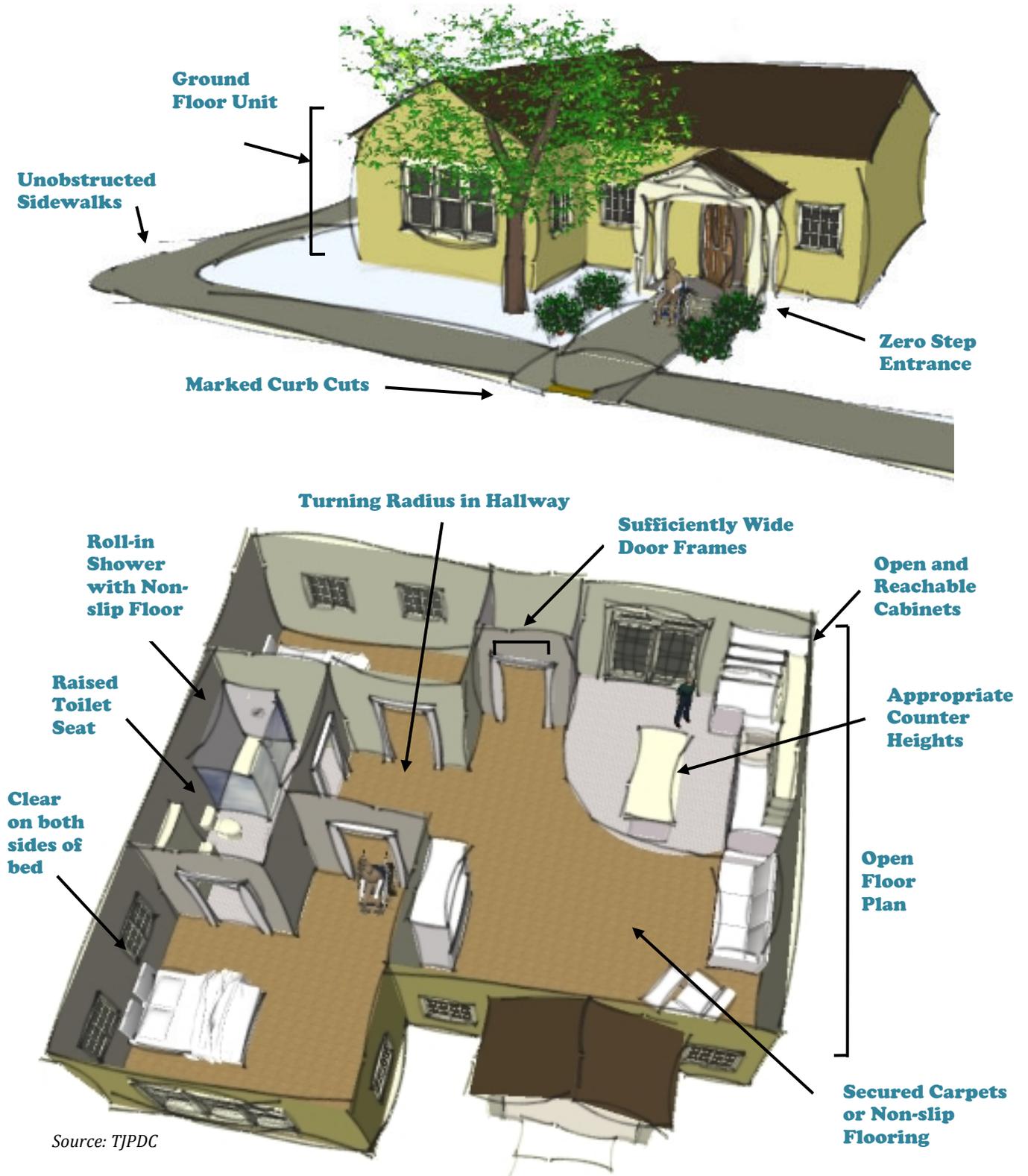
In 2011, The U.S. Census Bureau identified over 1 out of 10 people in the Charlottesville Metropolitan Area as disabled. That's 21,000 people.

Accessibility: Affordable and Prudent

An accessible home can also be an affordable home. If it is designed from the beginning to be used by people of all ages and abilities, the need to move or utilize more costly medical accommodations is minimized if it ever becomes a necessity. A home will typically last for decades, well beyond the use of a single homeowner or renter. During its lifespan it will provide shelter for many different occupants along all phases of the lifecycle. Builders can anticipate each of these diverse needs from the outset with the designs they choose.

Universal Design Means All are Welcomed

There are simple ways to build a home that provide the broadest range of function to every occupant or visitor. Universal design values flexibility, intuitive features, a minimal need for physical effort, a high tolerance for error, and, most importantly, equitable access for all. Here is a sample of some basic design features:



Source: TJPDC



A medically-equipped temporary home. Source: N2Care

Accessory Dwelling Units

An Accessory Dwelling Unit (ADU) is an extra living unit on your property, complete with kitchen, bathroom and sleeping facilities. They can be located within a home, perhaps in walk-in basement, or in a separate building. The City of Charlottesville, as well as most counties in the region, allow this arrangement, although zoning restrictions vary from place to place.

This alternative housing option enhances affordability for both the owner and the renter. By renting a unit out, homeowners have the ability to secure an ongoing revenue stream that could be applied toward their own mortgage payments, and the renter of the unit gets a small place to live, typically close to neighborhood amenities or transit service. Families may be especially drawn to this option, as multiple generations can live in close proximity to each other in homes tailored to each individual need. It can be win-win situation.

Temporary medically-equipped cottages are a new housing option approved for all residential neighborhoods by the Virginia General Assembly. The MedCottage, developed in Roanoke, is one product that can be leased to occupants who need special medical equipment and accommodations. For some families, a separate cottage for an elderly or disabled family member on the same property offers the perfect balance between independence and needed assistance.

Aging and Home Financing

Many elderly homeowners who have lived in the same place for years have unique affordability concerns. Even if the home is owned outright, when the ongoing costs of living in the home rise and income is fixed there can be considerable pressure. Older homes tend to have ever-increasing maintenance and updating costs, as well as steep energy costs. Furthermore, property taxes can be assessed upwards as the desirability of the neighborhood increases. Together, these conditions can be a real impediment to aging in place.

There are a few means for relieving this pressure. All localities in the region offer tax relief for income and wealth-qualified homeowners. This can help defray the burden of increasing property taxes. There are also energy-efficiency upgrade programs to help retrofit homes with green building features and save energy costs. When additional income is needed, there is the option of federally-insured reverse mortgage financing, that can draw on the equity of the home to help pay for monthly costs.

“Ideally, each community provides a variety of housing types (including services-oriented housing) at various levels of affordability. This is essential if a community wants to foster continued independence of its older residents.”

– AARP Livable Communities

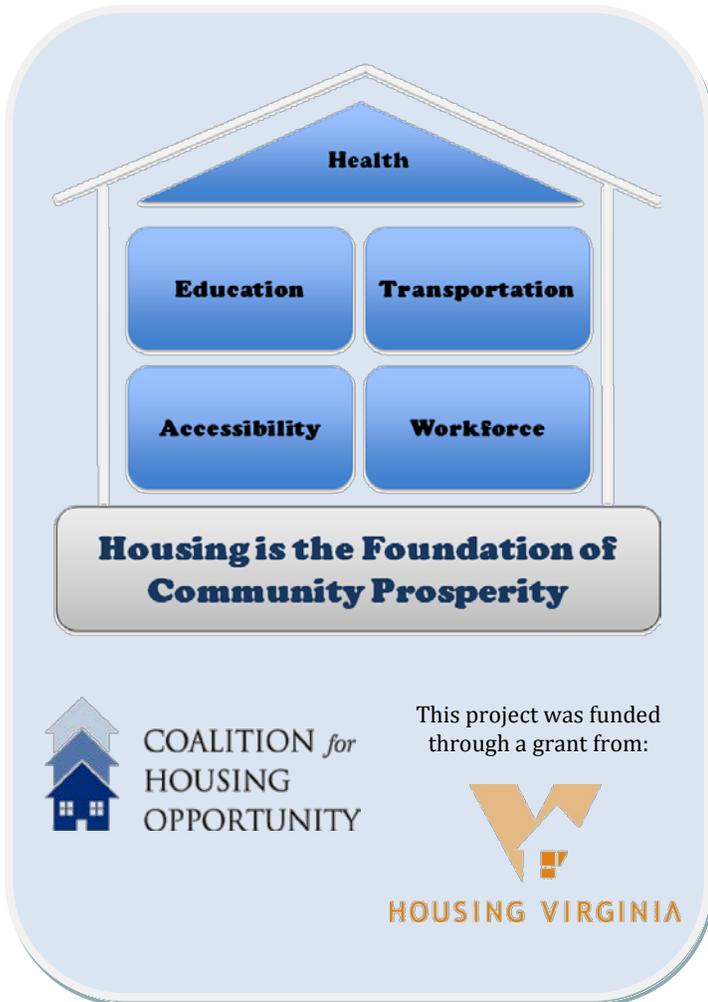
Accessibility for Renters

Around 19% of people aged 65 and older in the region are renters, and many of these residents may need to modify this home as their needs change. There are legal protections under the Fair Housing Act for elderly and disabled renters. Landlords are required to assent to any reasonable modifications needed as a result of a disability, such as a ramp to access the front door, as long as the tenant is willing to pay for it. Most multifamily dwellings built since 1991 should not have this problem, because have been required to meet accessibility standards. People with special needs may choose to rent or they may have no other options. Either way, without ownership of their surroundings they tend to be particularly vulnerable.

Not all Disabilities are the Same

Accessibility means something completely different for a person with limited mobility than it does for a blind or deaf person. For someone with an intellectual disability, an accessible place to live may be in community with others and with accommodations for a shared caretaker. Because there is no one-size-fits-all definition of an accessible home, a degree of flexibility is needed in regulations and programs to assess the specific needs on an individual basis.

Some people will choose to live independently, others nearby family, and others with more intensive assistance. The provision of a variety of housing opportunities at different affordability levels allows individuals to make this important decision for themselves.



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