A Framework for Addressing Local Affordability Challenges

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Robert Hickey
Ratio of rent over median household income for selected metro areas, quarterly data

Source: Wall Street Journal, August 10, 2014. Based on data from Reis (monthly rental) and Zillow (metro areas ratio)
Share of Working Households Paying More than Half of Income on Housing

**Income Levels**
- Extremely Low-Income: 30% of AMI or less
- Very Low-Income: 31–50% of AMI
- Low-Income: 51–80% of AMI
- Moderate-Income: 81–120% of AMI

Various Housing Traits Matter

- Affordability
- Stability
- Location
- Quality
How does housing affect children’s education?

| Stability & Affordability | • Reduces unwanted moves & other major disruptions  
|                          | • Reduces the need for overcrowding  
|                          | • Can improve parental engagement |
| Location & Neighborhood  | • Can pair housing with strong schools or out-of-school-time programs  
|                          | • Provides access to high-quality, low-poverty schools |
| Quality                  | • Prevents cognitive damage from neurotoxins (i.e., lead)  
|                          | • Reduces absenteeism from housing-related asthma |
Affordability Strategies

- Increase Affordable Housing Options
- Reduce the Cost of Creating Affordable Housing
- Preserve Existing Assets
- Capitalize on Market Activity
- Recycle Resources
- Expand Development Opportunities
- Generate Local Capital

CENTER FOR HOUSING POLICY
NATIONAL HOUSING CONFERENCE
Expanding Development Options

• Make Publicly-Owned Land Available for Affordable Homes

• Rezone Land to Increase Overall Supply and Increase the Feasibility of Affordable Housing
Capitalizing on Market Activity

• Link Upzoning to Affordability

• Create Other Incentives or Requirements for the Private Market to Include Affordable Housing (e.g. property tax reductions)
Fairfax County (VA)

- Tysons Corner Plan
- Development proposals for nearly all available development space
- 1,000 units under construction
- If built out: 2,500 affordable units; $64.5 million in commercial contributions
Boston (MA)

- IDP applies to developer-initiated requests for zoning relief
- Also when developers opt to utilize new terms of a comprehensive rezoning
- 1,076 affordable units
- $36.3 million in fees in-lieu
Redmond (WA)

- Population of 56,000
- Incorporated on neighborhood-by-neighborhood basis
- 7 areas of city
- 308 affordable units
Reducing the Cost of Creating Affordable Housing

• Ensure Zoning Policies Support a Diversity of Housing Types

• Improve the Speed and Predictability of Review Processes

• Sync up the Requirements and Application Processes for Obtaining Financial Support

• Adopt "Rehab Codes" to Facilitate Rehabilitation of Older Homes
Preserving Existing Assets and Recycling Resources

- Extend the Affordability of Rental Housing
- Use Shared Equity Mechanisms to Preserve Affordable Homeownership Subsidies
- Recycle Downpayment Assistance
Generating Local Capital

• Create or Expand Dedicated Housing Trust Funds

• Tie Revenues to Local Real Estate Activity

• Engage Commercial Employers
Starting Questions about Needs

- How does the supply of rental and for-sale housing compare to demand (by income bracket, age, household type, service needs)?
- How are demographics projected to change?
- How stable are renters and owners?
- Is subsidized housing on the verge of expiring?
- Are homeowners facing foreclosure?
- What is the condition/health of the housing stock?
- Where is affordable housing in relation to strong schools, hazards, services, amenities, transit?
Surveying Assets and Opportunities

• Are there matching programs available at the county and state level for enhancing local resources?

• What is the condition of your land supply? Are adequately sized sites properly zoned to support multi-family housing?

• What publicly owned land is underutilized or could be redeveloped to include affordable housing?

• Could strategic land be swapped for private holdings more suitable to housing?
Surveying Assets and Opportunities (cont.)

• What neighborhood planning or large-scale redevelopment efforts are anticipated?
• What would it take to reduce the time, costs and unpredictability of getting land use permits?
• Would there appetite for a small property tax levy to support more affordable housing?
• Could volunteer networks be developed to provide supportive services to older adults to help them age in place?
Overlooked Allies?

- School administrators
- Nonprofit hospitals
- Transit operators
Follow-up Resources

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