AFFORDABLE HOUSING IN CHARLOTTESVILLE
INTRODUCTION

- Definition of affordable housing
- Effects of unaffordable housing
- Affordable housing myths vs. reality
- Affordable housing = community asset
- Local activities
AFFORDABLE HOUSING
What is it and who is it for?
WHAT IS AFFORDABLE HOUSING?

The most widely accepted definition of affordable housing:

Housing that costs no more than 30% of a household’s gross annual income.

(Department of Housing and Urban Development)
WHAT IS AFFORDABLE HOUSING? (CONTINUED)

When determining affordability you must include:

- Monthly rent/mortgage payments
- Monthly utility costs (gas, electric, water)
- Homeowner or Condominium Association fees
- Real estate taxes
- Insurance premiums

Does not include costs related to telephone or internet service, transportation, etc., but these costs should be considered by the buyer/renter.
Affordable housing serves more than just public housing and Section 8 residents:

- Senior citizens
- Young singles and families
- Service and retail workers
- Many childcare and early childhood education providers
- Police officers and fire fighters
- Healthcare workers
WHEN HOUSING COSTS ARE HIGH...
The negative effects of *unaffordable* housing
Homeowners or renters who pay more than 30% of household income for housing are considered to be housing cost burdened.

High cost housing impacts all aspects of life:
- Household budgeting – pay rent/mortgage or heating bill?
- Health – stress related diseases such as hypertension; substandard housing conditions can lead to asthma, lead poisoning, carbon monoxide poisoning, etc.
- Education – frequent moves or household overcrowding lead to lower educational achievements among children
- Employment – lower cost housing located in job poor areas or create long commute times.
Housing Wage: the annual income necessary to afford to buy or rent a median priced home.

Housing Wage = \frac{\text{annual owner costs or gross rent}}{.3}
Median Monthly Homeowner Costs February 2017: $1,617

Median Asking Rent (2BR) February 2017: $1,219

Source: Zillow
Housing Wage December 2016:
Homeowners = $64,680
Renters = $48,760

Households that are housing cost burdened:

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Percentage of total households</th>
<th>Households paying 30% or more for housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeowners</td>
<td>44%</td>
<td>25%</td>
</tr>
<tr>
<td>Renters</td>
<td>56%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: 2015 American Community Survey
HOUSING WAGE VS. ANNUAL INCOME FOR SELECT OCCUPATIONS

Homeowner Housing Wage = $64,680

Renter Housing Wage (2BR) = $48,780

AFFORDABLE HOUSING COST – PRESCHOOL TEACHER


<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Median Cost</th>
<th>Balance</th>
<th>% income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>$278</td>
<td>$2,506</td>
<td>10%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$390</td>
<td>$2,116</td>
<td>14%</td>
</tr>
<tr>
<td>Clothing</td>
<td>$84</td>
<td>$2,032</td>
<td>3%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>$167</td>
<td>$1,865</td>
<td>6%</td>
</tr>
<tr>
<td>2br gross rent*</td>
<td>$835</td>
<td>$1030</td>
<td>30%</td>
</tr>
<tr>
<td>Childcare</td>
<td>$863</td>
<td>$167</td>
<td>31%</td>
</tr>
</tbody>
</table>

*Includes cost of utilities
HOUSING COST BURDEN – RENTER

Median Rent (2016) 41%

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</tr>
<tr>
<td>2br rent*</td>
<td>$1,219</td>
<td>$646</td>
<td>44%</td>
</tr>
<tr>
<td>Childcare</td>
<td>$863</td>
<td>-$217</td>
<td>31%</td>
</tr>
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</table>

*Does not include cost of utilities

HOUSING COST BURDEN – HOMEOWNER

Median Homeowner Costs (2011) 65%

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<td>3%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>$167</td>
<td>$1,865</td>
<td>6%</td>
</tr>
<tr>
<td>Mortgage payment*</td>
<td>$1,617</td>
<td>$248</td>
<td>58%</td>
</tr>
<tr>
<td>Childcare</td>
<td>$863</td>
<td>-$615</td>
<td>31%</td>
</tr>
</tbody>
</table>

* Does not include cost of utilities

NOT IN MY BACKYARD
Affordable Housing: Myths vs. Reality
Some common myths about affordable housing are:

- Affordable housing is ugly.
- Affordable housing lowers property values.
- Affordable housing increases local traffic.
- Affordable housing causes an increase in crime.
- Affordable housing overburdens schools and infrastructure.
Myth: Affordable housing is ugly
AFFORDABLE HOUSING DESIGN

- Reality: Today, it is built to high design standards and blends in with existing architecture.
AFFORDABLE HOUSING DESIGN
PROPERTY VALUES

- Myth: Affordable housing will lower property values.

- Reality: Numerous studies have shown that affordable housing developments have no negative impacts on property values – and may even increase values of surrounding properties.
Researchers in the Furman Center for Real Estate & Urban Policy found that:

- Subsidized rental housing development was associated with a small increase in neighboring property values.
- The rehabilitation of rental housing by for-profit & non-profit developers in NYC also increased surrounding property values.

Affordable housing, itself, does not impact property values. What matters is:

- The quality of design, management & maintenance.
- The concentration of affordable units within a neighborhood.
Myth: Affordable housing developments will increase local traffic

Reality: Not necessarily so.

+ In Charlottesville, 63% of renter households own 1 or 0 vehicles, while 59% of homeowner households own 2 vehicles or more. (2011-2015 American Community Survey 5 Yr. Estimates)

+ Affordable housing located near employment centers reduces the need for long commutes, and may encourage walking/transit use.

+ A single family detached unit generates 42% more weekday automobile trips than one apartment unit.

CRIME RATES

 Myth: Crime increases with an increase in affordable housing.

 Reality: Several studies suggest there is NO direct causal relationship between affordable housing development and neighborhood crime rates.

(Sources: HUD; Urban Institute, Furman Center)
Other factors are more likely to increase neighborhood crime rates.

- Income inequality
- Social distance – lack of understanding/shared experiences between diverse groups
- Building and landscaping designs
- Blight or poorly maintained properties
Affordable housing can help **DECREASE** crime rates in struggling communities.

- Quality design of new developments to reduce physical characteristics that make crime easier – exterior lighting; individual unit entrances; reduced height of bushes/shrubs around buildings.
- Address ‘broken windows’ issues through rehab of vacant/abandoned properties.
- Occupied housing increases the numbers of ‘eyes on the street’ helping to deter criminal activity
- Inviting spaces to gather socially, such as front porches, helps overcome social distance and create a sense of community.
Myth: Affordable housing increases the number of families with children in a neighborhood, thereby overburdening schools and local infrastructure.

Reality:
- Rental housing contains fewer children than single-family housing units – 64 children per 100 new single-family detached units vs. 29 children per 100 new multifamily units
- High density residential development is more efficient than low density single-family developments.

(Source: National Multifamily Housing Council)
AFFORDABLE HOUSING AS COMMUNITY ASSET
BENEFITS FOR LOCAL & FEDERAL GOVERNMENT

- Decreases public expenditures for welfare services
- Increases local tax base/revenue
- Supports economic development
BENEFITS FOR LOCAL COMMUNITIES

- Live near your work
- Diversity
- Neighborhood stabilization and sustainability
- Jump-start community revitalization
Benefits for Individuals & Families

- Access to good quality, affordable housing improves family health.
- Children living in affordable housing perform better in school.
- Affordable housing allows families to increase household wealth, supports them as they work their way towards self-sufficiency.
- Reduces risk of homelessness.
CHARLOTTESVILLE’S AFFORDABLE HOUSING EFFORTS
AFFORDABLE HOUSING GOALS

- City’s commitment to increasing affordable housing:
  + Comprehensive Plan
  + Strategic Plan
  + 2025 Affordable Housing Goal
    - 15% of total housing stock in City to be supported affordable units by 2025
Affordable Dwelling Unit Ordinance

- Applies to developers seeking a zoning change or Special Use Permit
- Encourages developers to build affordable units on-site or:
  - Build same number of affordable units at another location
  - Contribute to the Charlottesville Affordable Housing Fund
POLICIES AND PROGRAMS

- Property tax relief for elderly or permanently disabled homeowners
- Charlottesville Housing Affordability Tax Grant Program (CHAP)
- Rent relief program for elderly or permanently disabled
- Disabled Veteran real estate tax exemption
Developed in 2008

Funded through

- Annual allocations of Capital Improvement Program funds
  - $1.699 million in FY 2017
  - $2.499 million in FY 2018
  - $3.4 million in FY 2019 and beyond (proposed)
- Affordable Dwelling Unit Ordinance payments

Grants to local non-profit organizations for a variety of affordable housing related programs

Must serve households earning less than 80% AMI
Examples of funded projects:

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Investment</th>
<th># of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Housing Preservation</td>
<td>$1,269,000</td>
<td>123</td>
</tr>
<tr>
<td>New Single Family Homes</td>
<td>$1,549,637</td>
<td>32</td>
</tr>
<tr>
<td>Down payment Assistance/Foreclosure Prevention</td>
<td>$456,125</td>
<td>31</td>
</tr>
<tr>
<td>Homeowner Rehabilitation</td>
<td>$2,476,701</td>
<td>78</td>
</tr>
<tr>
<td>New Rental Housing</td>
<td>$1,568,560</td>
<td>87</td>
</tr>
<tr>
<td>Emergency Repairs</td>
<td>$680,000</td>
<td>242</td>
</tr>
<tr>
<td>Free Paint Program</td>
<td>$45,000</td>
<td>156</td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>$1,160,000</td>
<td>58</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$9,205,023</strong></td>
<td><strong>807</strong></td>
</tr>
</tbody>
</table>
MONTICELLO VISTA

- $200,000 CAHF support
- Acquisition and preservation of affordable rental community
- 50 units
DOGWOOD HOUSING

- $850,000 loan
- Acquisition and preservation
- 57 units of affordable rental housing
CARLTON VIEWS APARTMENTS

- $950,000 CAHF grant
- New construction
- 54 affordable units (40% - 60% AMI)

- Elderly/disabled households
- Supportive services offered by Blue Ridge PACE
CURRENT PROJECTS – IN PLANNING

- Employer Assisted Housing Program
- Landlord Outreach Program
- Housing and Homelessness Symposium