



### *Why Invest in Affordable Housing?*

Affordable housing is the platform upon which working families advance, and it is central to achieving community goals of job creation and retention, quality education, social equity, and less congested transportation systems.

#### **The supply of affordable housing for working families is decreasing.**

- The benchmark for what constitutes housing that's affordable is that no more than 30% of income is spent on housing—allowing families to pay for other needs such as food, transportation, healthcare or long-term savings. From a policy perspective, affordable housing resources focus on households with incomes below 80% of AMI, because housing cost burdens are concentrated among these lower-income households. [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/affordablehousing/](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/)
- The 2015 fair market rent for an efficiency in the Washington, DC/Arlington/Alexandria metro is \$1,167 per month. To afford this level of rent and utilities without exceeding 30% of income, a person must earn at least \$3,890 per month (\$46,680 per year). That means a person earning \$7.25 per hour (the 2015 minimum wage in Virginia) would have to work over 17 hours per day, every day of the year. [http://www.huduser.gov/portal/datasets/fmr/fmrs/FY2015\\_code/2015summary.odn](http://www.huduser.gov/portal/datasets/fmr/fmrs/FY2015_code/2015summary.odn)
- For families, this disparity only grows. To afford a two bedroom apartment at current fair market value of \$1,458, a household must include 4 minimum wage earners working 40 hrs/week year-round. [http://nlihc.org/sites/default/files/oor/files/reports/state/OOR\\_2015\\_VA.pdf](http://nlihc.org/sites/default/files/oor/files/reports/state/OOR_2015_VA.pdf)
- Affordability challenges are not only concentrated among low-income renters. Increasingly, middle-income renters including teachers, first responders, health-care workers, entry level office and retail employees are affected. In the decade from 2000 – 2010, over 29,000 rental units in Alexandria, Arlington and Fairfax County that were affordable to households at or below 70% of the area's median income were lost to rising rents, redevelopment, and condo conversions. [http://nvaha.org/wp-content/uploads/2015/02/NVAH001\\_PreservStudy\\_Web.pdf](http://nvaha.org/wp-content/uploads/2015/02/NVAH001_PreservStudy_Web.pdf)
- Between 2009 and 2011 nearly half of all renter households in the D.C. Metro area, were spending more than 30% of their income each month on rent, with 150,000 of these households spending 50% or more. <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/413161-Housing-Security-in-the-Washington-Region.PDF>

#### **More Housing Needed for Expanding Workforce, Job Creation and Economic Growth.**

- Between 2011 and 2023, the D.C. Metro area is expected to add 410,380 new households, of which 149,000 are expected to be lower-income households making less than 80% of AMI. Nearly 60,000 of these lower income households are forecasted to live in Northern Virginia. 82,130 of these households are anticipated to be renter households of which nearly half will live in Northern Virginia. [http://cra.gmu.edu/pdfs/studies\\_reports\\_presentations/The\\_Regions\\_Future\\_Housing\\_Needs\\_2015.pdf](http://cra.gmu.edu/pdfs/studies_reports_presentations/The_Regions_Future_Housing_Needs_2015.pdf)

The construction and rehabilitation of affordable housing creates jobs and fuels local economies by stimulating employment in the construction trades. The National Association of Home Builders recently estimated that each new multifamily rental unit generates 1.61 jobs and \$22,112 in taxes.

[http://www.nahb.org/~media/Sites/NAHB/Economic%20studies/1-REPORT\\_local\\_20150318115955.ashx?la=en](http://www.nahb.org/~media/Sites/NAHB/Economic%20studies/1-REPORT_local_20150318115955.ashx?la=en)

- Affordable housing helps employers attract and retain employees. In an Urban Land Institute survey by Harris Interactive before the housing crisis, more than half of large companies (100+ employees) reported a lack of affordable housing near the office. Fifty-eight percent of the companies that acknowledged this deficiency reported having lost employees at least in part to long commute times. [http://realtimes.com/rtpages/20070810\\_affordnear.htm](http://realtimes.com/rtpages/20070810_affordnear.htm)

#### **Locating housing near employment and transit centers can mitigate traffic congestion.**

- Annually, traffic congestion in the D.C. metro area results in an estimated 127 million hours of wasted time and 91 million gallons of wasted fuel. [http://www.uli.org/wp-content/uploads/ULI-Documents/BeltwayBurdenDC\\_FINAL\\_COMP.pdf](http://www.uli.org/wp-content/uploads/ULI-Documents/BeltwayBurdenDC_FINAL_COMP.pdf)
- The D.C. metro area is expected to add 1.05 million households in the next two decades, a 38% increase that will adversely affect traffic congestion in the D.C. metro area. [http://cra.gmu.edu/pdfs/Housing\\_the\\_Regions\\_Workforce\\_Oct\\_2011.pdf](http://cra.gmu.edu/pdfs/Housing_the_Regions_Workforce_Oct_2011.pdf)
- Although housing costs decrease for families willing to move to the outer suburbs, transportation costs rise and quickly cancel out any savings. Affordability is best measured in combined housing and transportation costs. Based on national data, households should spend no more than 45% of AMI on the combined cost of housing and transportation. [http://www.cnt.org/sites/default/files/publications/CNT\\_HT\\_in\\_DC.pdf](http://www.cnt.org/sites/default/files/publications/CNT_HT_in_DC.pdf)
- Although a household earning the area median income in Loudoun County spends 33% of its income on housing annually, they spend an additional 18% on transportation costs. Housing and transportation costs combined drain over half of that household's income. <http://www.locationaffordability.info/lai.aspx>

#### **Energy efficient affordable housing creates energy, environmental and economic benefits.**

- Reducing energy cost increases housing affordability for single, elderly, poor and disabled persons living on social security. HUD estimates that for persons living on disability energy costs consume 19% of their total annual income. [http://www.epa.gov/statelocalclimate/documents/pdf/affordable\\_housing.pdf](http://www.epa.gov/statelocalclimate/documents/pdf/affordable_housing.pdf)

#### **Decent affordable housing supports family stability and improves a child's educational outcomes.**

- Lack of affordable housing options can cause frequent unwanted moves for low income families. Children in these households are (a) only half as likely to be proficient in reading as their peers, (b) much more likely to be held back and eventually drop out of school, *and* (c) more likely to experience behavioral problems & demonstrate violent behavior. <http://firstfocus.org/resources/report/the-effect-of-the-great-recession-on-child-well-being/>

#### **Affordable housing has a positive impact on health.**

- Spending a disproportionate amount of income on housing often leaves less money available for medical insurance and healthcare. Studies show that children in low-income families who do not receive a housing subsidy are more likely to suffer from iron deficiencies, malnutrition and underdevelopment than similar children receiving housing assistance. Homeless children are more susceptible to mental health problems, developmental delays, and depression. <http://www.nhc.org/media/documents/HousingandHealth1.pdf>

#### **Permanent affordable housing for transitional families is more cost effective than shelters.**

- The Fairfax County–Falls Church Community Partnership found that the cost of providing permanent affordable housing for homeless individuals and families is less than the cost of shelters. It costs approximately \$13,500 per year for a bed in a Fairfax County shelter compared to \$10,500 per household voucher for a two or three-bedroom apartment. [http://www.fairfaxcounty.gov/homeless/fairfax\\_strategy\\_end\\_homelessness.pdf](http://www.fairfaxcounty.gov/homeless/fairfax_strategy_end_homelessness.pdf)