



Why Invest in Affordable Housing?

Affordable housing is a vital resource for working families and is central to advancing key community goals of job creation and retention, quality education, and less congested transportation systems.

The supply of affordable housing for working families is decreasing.

- The benchmark for what constitutes “affordable” housing 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://www.hud.gov/offices/cpd/affordablehousing/#shop>
- To demonstrate the cost burden of even the most basic housing in the Washington, D.C./Arlington/Alexandria metro area, the 2011 fair market rent for a studio apartment is \$1,131 per month. To afford this level of rent and utilities without exceeding 30% of income, a person must earn at least \$3,770 per month (\$45,240 per year). To put that into perspective, a person earning \$7.25 per hour (the 2011 minimum wage in Virginia) would have to work 17 hours per day, every day of the year. http://www.huduser.org/portal/datasets/fmr/fmr2011f/FY2011F_ScheduleB_rev2.pdf
- For families, this disparity only grows. To afford a two bedroom apartment at current fair market value of \$1,461, a household must include either 3 minimum wage earners working 40 hrs per week year-round, or two persons working more than 70 hrs per week, year-round. <http://www.nlihc.org/oor/oor2011/minjobsmap.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://www.nvaha.org/pdfs/NVAH001PreservStudyWeb.pdf>

Affordable housing creates jobs and generates economic growth.

- In 2009, Virginia lost 54,800 jobs, and the Commonwealth’s total loss of jobs was 122,900 from the beginning of the recession in December 2007 through 2009. http://www.varealtor.com/portals/0/files/research/sales_reports/2009-YearEnd_Report.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 1.16 jobs and \$33,494 in taxes. <http://www.nahb.org/generic.aspx?genericContentID=103543&fromGSA=1>
- Our region has a significant deficit of housing to support the growing workforce. According to a 2011 report by the Center for Regional Analysis at George Mason University, there will be a deficit of at least 175,000 housing units in Northern Virginia to satisfy the projected demand of more than 575,000 net new jobs by 2030. To meet the needs of this future workforce, the study indicates that those units increasingly must be smaller, more affordable rental units that are closer to public transit. http://66.147.244.232/~lifeats1/cra/pdfs/studies_reports_presentations/Housing_the_Regions_Workforce_Oct_2011.pdf

- Affordable housing helps employers attract and retain employees. In a survey conducted for the Urban Land Institute by Harris Interactive before the housing crisis even hit, more than half of large companies (100+ employees) reported a lack of affordable housing near the office.
<http://vahousingcoalition.org/Legislative/ULIWorkerandCompanyreport.pdf>

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

- Annually, traffic congestion in the D.C. metro area results in an estimated 188 million hours of wasted time and 95 million gallons of wasted fuel. <http://mobility.tamu.edu/files/2011/09/washi.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://66.147.244.232/~lifeats1/cra/pdfs/studies_reports_presentations/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. For example, although a household making the area median income in western Loudoun County spends 29% of its income on housing annually, that household spends an additional 21% on transportation costs. Together, housing and transportation costs drain 50% of that household's income. <http://www.cnt.org/repository/HT2010-Fact-Sheet-Washington-DC.pdf>

Decent affordable housing supports family stability and improves a child's chances for educational advancement.

- 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://www.firstfocus.net/library/reports/the-effect-of-the-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/community-plan.htm>

