Home prices have increased faster than incomes

Source: U.S. Census Bureau
Affordability is still a challenge for many renters

Source: U.S. Census Bureau, decennial Census and American Community Survey
Homeownership rates may be settling to historic norms

Source: U.S. Census Bureau
But homeownership has not recovered for all age groups

Homeownership Rates by Age Group
(1994=100)

Source: U.S. Census Bureau
High housing costs continue to be an obstacle

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>2017 Median Home Price ($)</th>
<th>2017 Median Rent ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston</td>
<td>452,900</td>
<td>1,397</td>
</tr>
<tr>
<td>Washington DC</td>
<td>406,700</td>
<td>1,629</td>
</tr>
<tr>
<td>Boulder</td>
<td>566,100</td>
<td>1,483</td>
</tr>
<tr>
<td>Austin</td>
<td>295,800</td>
<td>1,223</td>
</tr>
<tr>
<td>Seattle</td>
<td>465,800</td>
<td>1,443</td>
</tr>
<tr>
<td>San Jose</td>
<td>1,180,000</td>
<td>2,213</td>
</tr>
</tbody>
</table>

Source: National Association of REALTORS®, U.S. Census Bureau
Why affordable and stable housing matters

**Individual and Family Well-Being**

- Better physical & mental health
- Improved school performance
- Greater opportunities for economic self-sufficiency

Source: National Housing Conference, www.nhc.org/publication-category/research
Why affordable and stable housing matters

Communities
Equitable access to services and opportunity
Ability for all to prosper, regardless of socioeconomic background
Improved racial and economic integration

Source: Poverty & Race Research Action Council, prrac.org/prrac-publications-prrac-authors
Why affordable and stable housing matters

Local Economy

Better able to attract and retain workers

Shorter commutes, less traffic for all

Support diverse businesses and sustainable economic growth

Source: Housing Underproduction in the U.S., www.upforgrowth.org/research
We are not building enough housing to meet demand

Source: Housing Underproduction in the U.S., www.upforgrowth.org/research
What are the economic implications of an insufficient supply of housing?

Nationally, $1.6 trillion a year in lost wages and productivity

Why aren’t we building enough housing?

- Expensive **land** and/or a lack of developable land
- Rising **material and labor costs**
- Few incentives or opportunities for building **innovation**
- State and local **regulations**, including zoning that limits the construction of smaller homes, material and building specs, etc.
- Community opposition to new housing
How to increase housing supply and promote housing opportunity

- Reduce Regulation
- Support Innovation
- Coordinate Planning
- Target Costs
Reduce Regulation

By-Right Approval. Establish "by-right" higher-density residential development near transit and in other types of neighborhoods.

Parking Reductions. Study parking standards and lower parking requirements.

Greentaping. Streamline and reduce inefficiencies in the development review and approval process.
Support Innovation

**Diverse Housing Types.** Change zoning to allow for a more diverse set of housing types, including accessory dwelling units and “missing middle” housing.

**Building Standards.** Review building and materials requirements and modify to allow modular and manufactured homes.

**Adaptive Re-Use.** Create opportunities to reposition commercial properties as housing.
Coordinate Planning

Public Land. Make publicly-controlled land available to developers of mixed-income or affordable housing.

Co-Location of Housing. Establish a priority in Capital Improvement Programs to co-locate housing with new or redeveloped public facilities.

Integrated Planning. Work across public agencies to coordinate housing, land use, transportation, schools and economic development planning.
Target Costs

Impact Fee Modifications. Examine and revise impact fees to reflect actual costs of infrastructure service for higher-density development.

Property Tax Abatement. Use property tax abatement as a gap-financing tool to support more compact and affordable housing communities.

Construction Workforce. Work to expand interest and opportunities in construction trades.
Contact

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