



Redefining Affordable Housing

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Workforce Housing Forum
National Association of REALTORS
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Center for Neighborhood Technology

- Non-profit applied research “think and do tank” based in Chicago
- Develop and implement strategies that benefit the environment and the economy
- Bridge information gaps
- Areas: Energy efficiency, transportation efficiency, green infrastructure



Conventional Wisdom

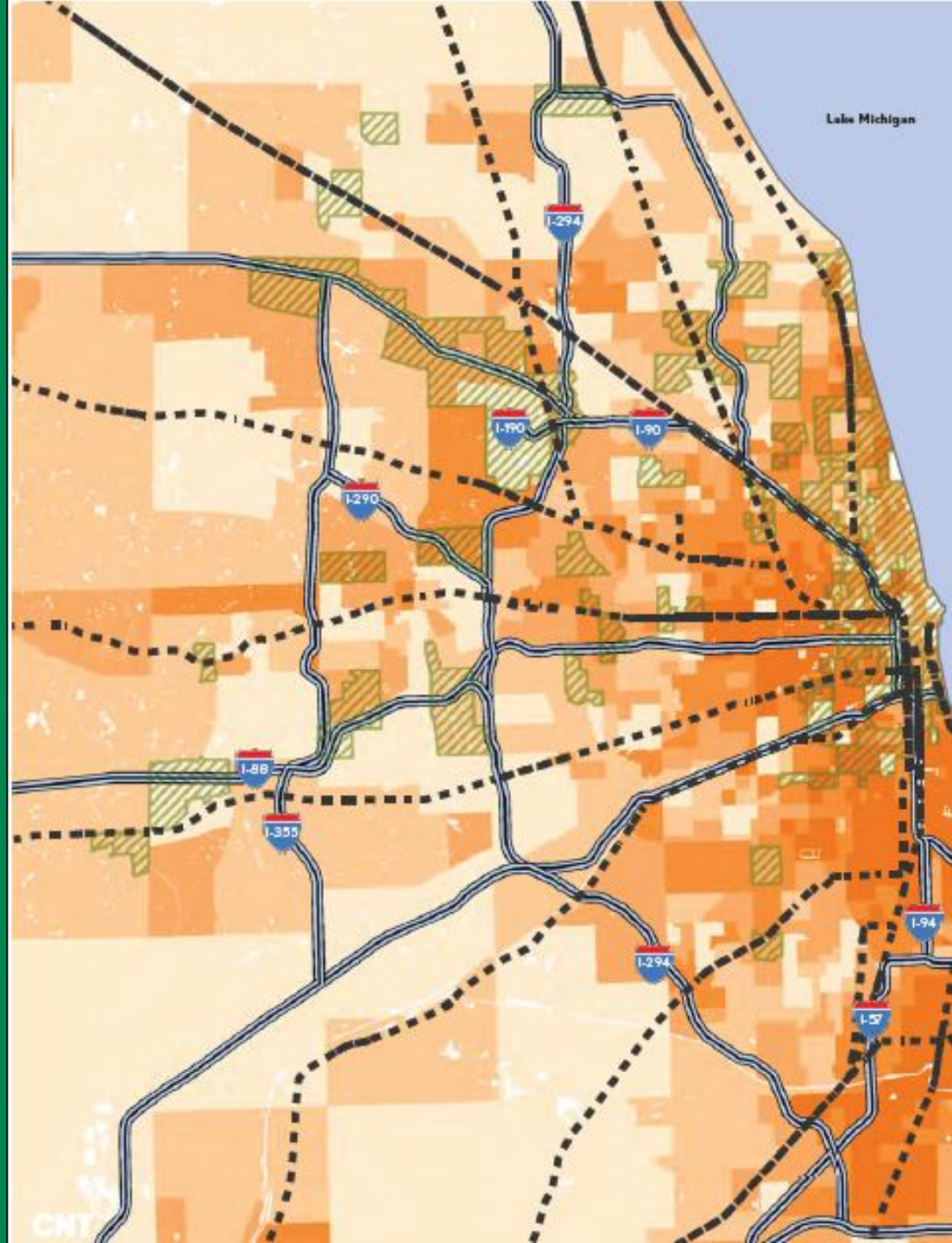


- Standard: Pay no more than 30% of income on housing
- Fuels search for lowest-cost housing
- “Drive ‘til You Qualify”

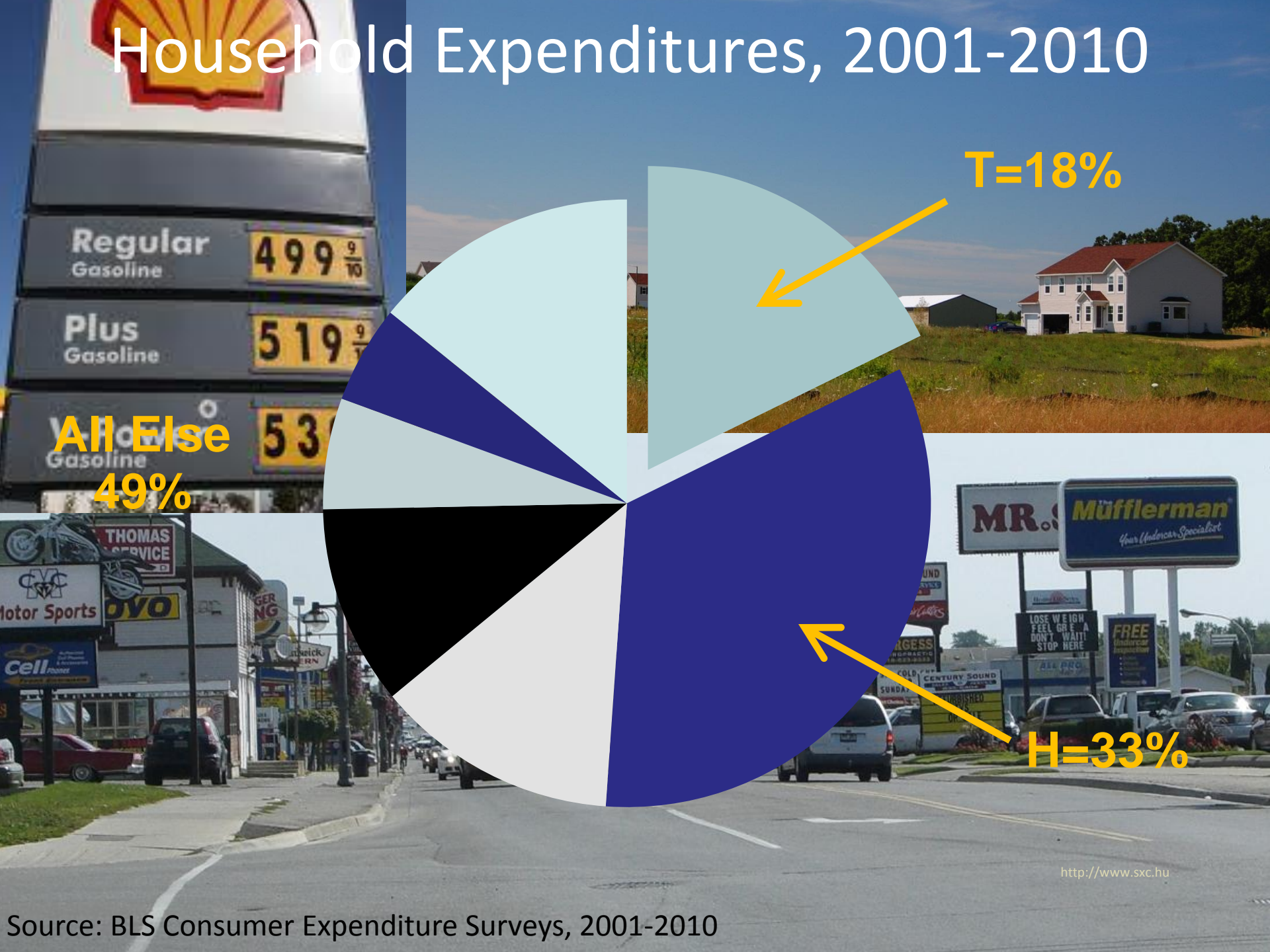
Jobs Far from Those Who Need Them

Mapped top 15 employment centers (hash marks)

Many high poverty neighborhoods (dark orange) located far from transit



Household Expenditures, 2001-2010

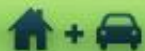


All Else
49%

T=18%

H=33%

<http://www.sxc.hu>



TRUE AFFORDABILITY AND LOCATION EFFICIENCY

H+T[®] Affordability Index

Housing is considered affordable if it costs less than 30% of a household budget. Transportation is the second largest expense for families, but few consider these costs when choosing a place to live.

GOAL:

30% housing
+ 15% transportation
= 45% H+T

$$\text{Affordability} = \frac{\text{Housing Costs} + \text{Transportation Costs}}{\text{Income}}$$

Image: Nick Thompson, nripixotos (Flickr)

The Housing + Transportation Affordability Index is an innovative tool that measures the true affordability of housing based on its location.

ABOUT THE H+T INDEX

The H+T Index provides a comprehensive view of affordability, one that includes the cost of housing and transportation at the neighborhood level. Learn more about the Index and the methods behind it.

INDEX APPLICATIONS

H+T Index information has implications for consumer planners, and policy makers. Learn how the data is being used across the country.

USE THE H+T INDEX

See how nearly 180,000 neighborhoods are affected when you expand the traditional measure of affordability to include transportation costs.



Neighborhood Characteristics

Household Density

Residential Density

Gross Density

Street Connectivity and Walkability

Average Block Size

Intersection Density

Transit Access

Transit Connectivity Index

Transit Access Shed

Job Access

Employment Access Index

Household Characteristics

Household Income

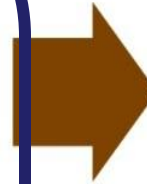
Median Income

Per Capita Income

Household Composition

Average Household Size

Average Commuters per Household

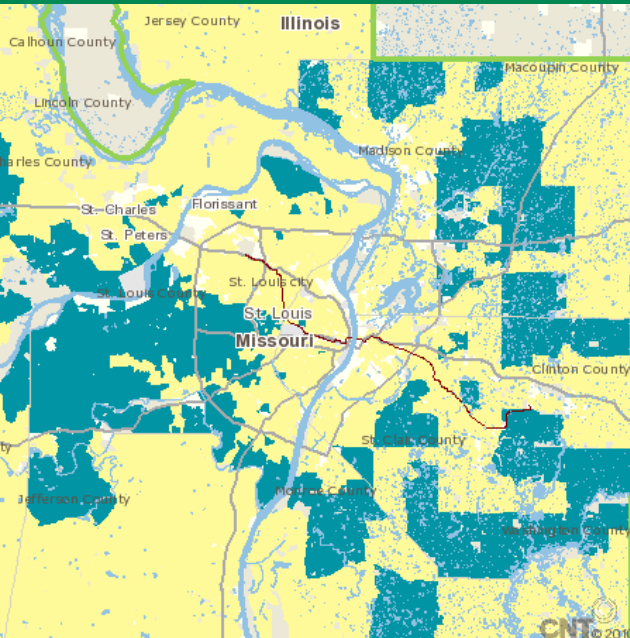


Auto Ownership
+
Auto Usage
+
Public Transit Usage

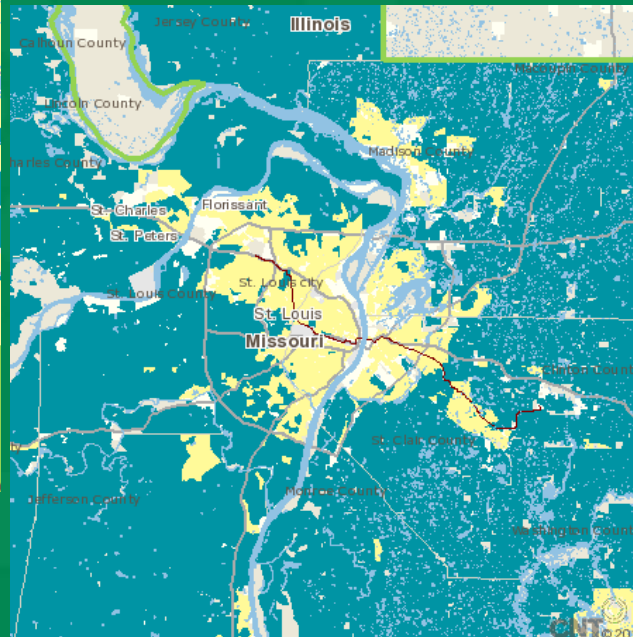


TOTAL
TRANSPORTATION
COSTS

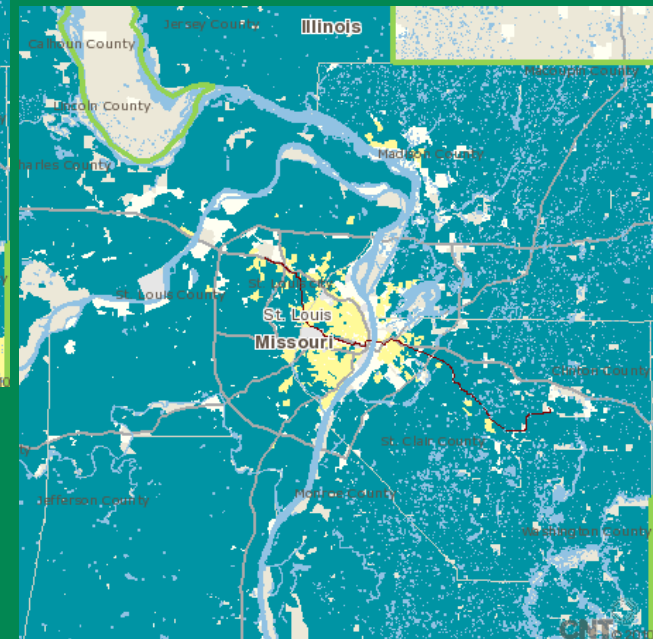
Shrinking Affordability



Housing at 30%



H+T at 45%



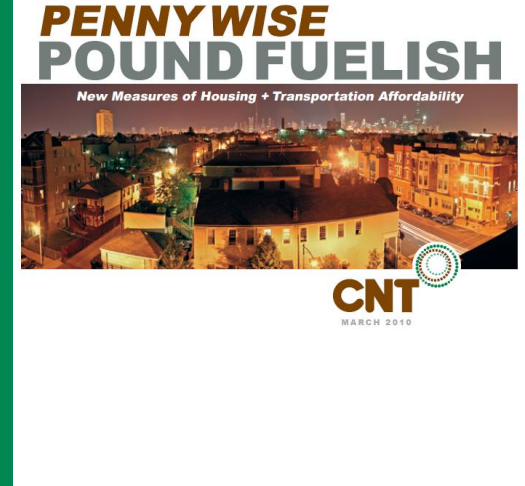
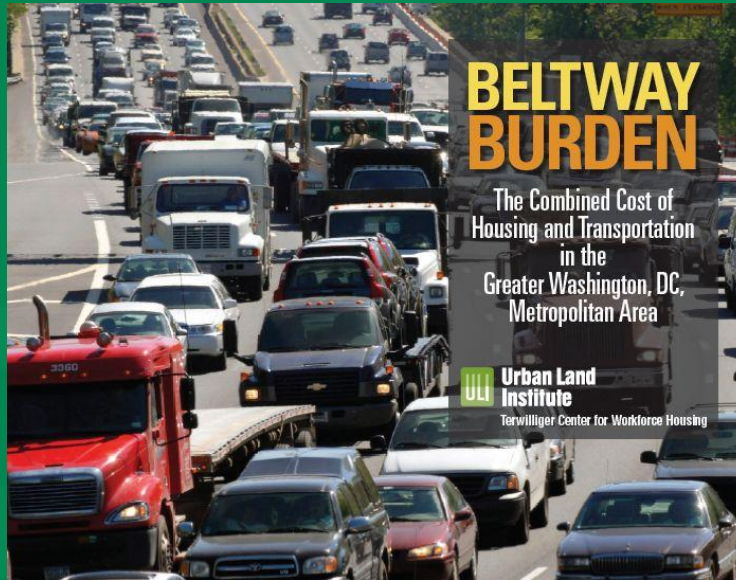
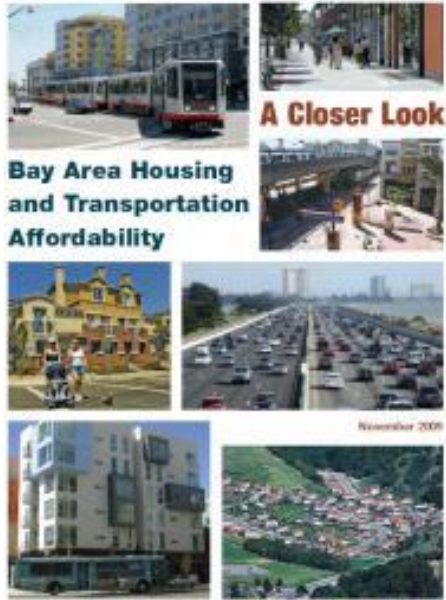
Moderate Household :
80% of RMI: \$35,550
Size: 2.5 People
Commuters: 1.2 Workers

H+T at 45%
for Moderate Household

Typical Household:
Regional Median Income (RMI): \$44,437
Size: 2.5 People
Commuters: 1.2 Workers



Applications of H+T: Regional Planning

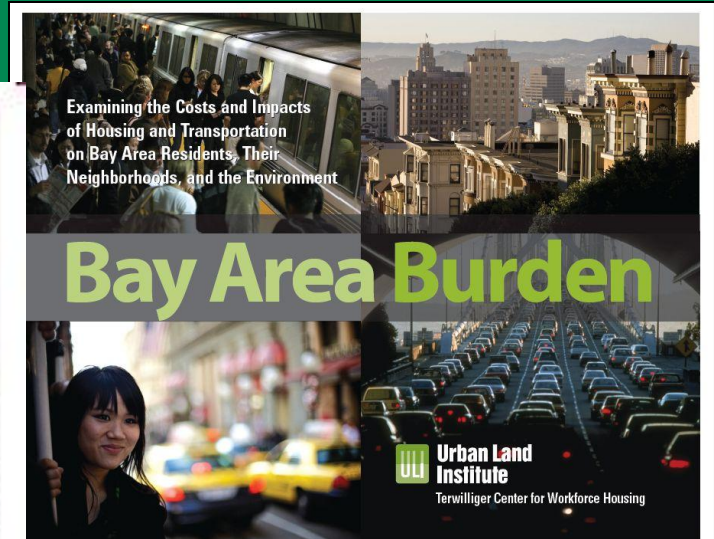
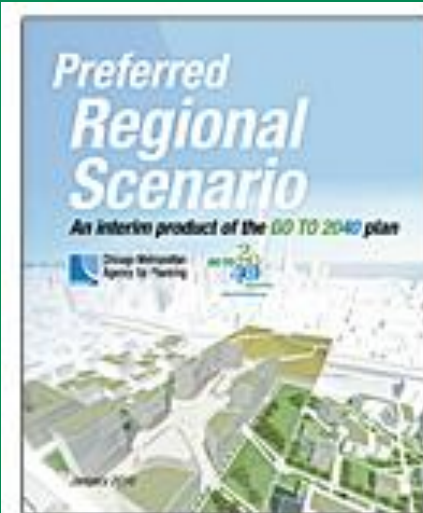


Driving: A Hard Bargain

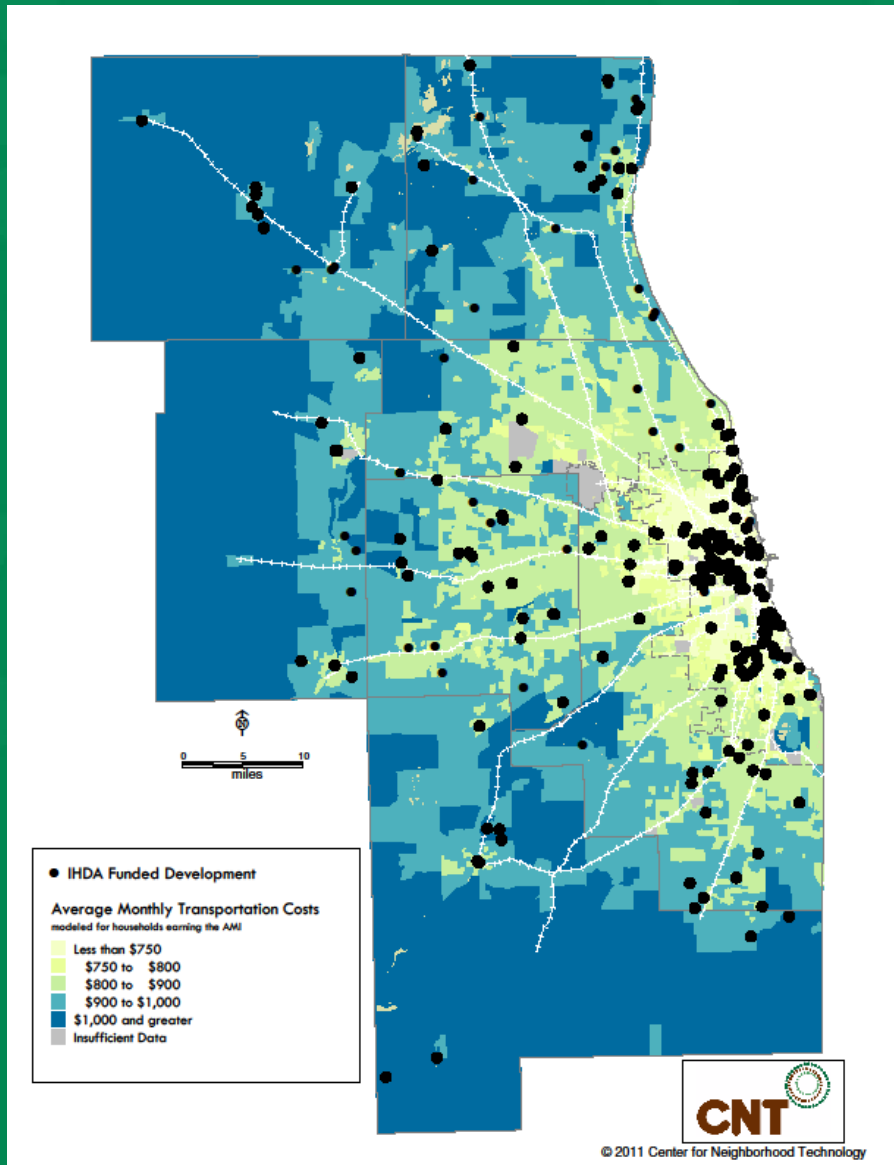
The Combined Cost of Housing & Transportation in the Chicago Metropolitan Region



Center for Neighborhood Technology
June 2010



Siting of Affordable Housing



- Housing + Transportation Affordability Index Act of 2010
 - First state to adopt Index
 - Five state agencies to consider H+T costs in siting and investment decisions
- Analyzed IHDA investments over eight years

Where Are the Units?



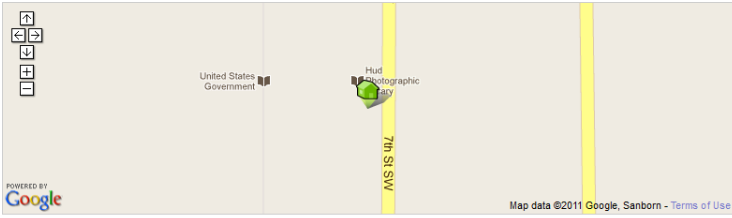
Casa Morelos Ogden Manor Westline

Avg. Transportation Cost per Year (80% AMI)	\$7,094	\$8,846	\$10,233
Median Income	\$27,361	\$49,798	\$48,625
Transit Commute Share	23%	11%	6%
Average Car Ownership	1	1.5	2
Miles Driven (VMT)	9,786	13,389	17,686
Transit Connectivity Score	4,468	180	106
Jobs w/in 10 miles (<\$40K/yr)	495,894	107,446	95,861
Jobs w/in 5 miles (<\$40K/yr)	318,563	47,607	25,062

Calculators for Consumers

Housing + Transportation Calculator

Introduction | Calculator | Help



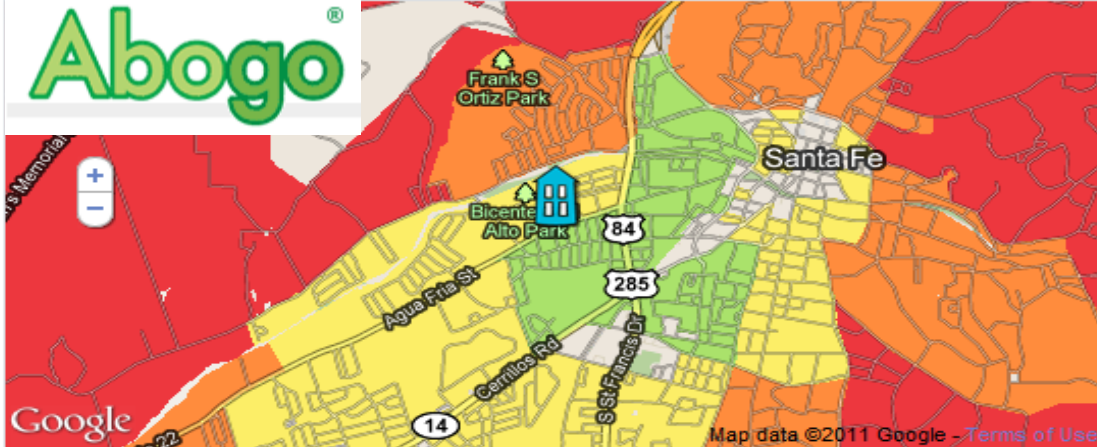
451 7th St SW, Washington, DC 20410, USA

Default Profile	Your Household
Household Size	1
Annual Household Income	\$81,184
Tenure	Not Specified
Number of Workers	1
Commute to Workplace:	25 Min.
Number of Cars	1
Total Annual Miles Driven	10,152
Gas Price	\$2.41/gal
Miles per Gallon	25 mpg
Monthly Parking and Tolls	\$0
Transit Cost per Month	\$164
Transit Trips per Day	2
Annual Transportation Costs:	\$10,067
Annual Housing Costs: (For Mix of Owners and Renters)	\$16,632
Annual Housing and Transportation Costs:	(29% of Inc.) \$26,699

Create an individualized cost profile

Enter an address to find out what a typical household would spend on transportation.

Current Address:



\$ per month: N/A, < \$730, \$730 - \$800, \$800 - \$860, \$860 - \$930, > \$930

Transportation Cost [?]
for an average household
\$810/month
Regional average: \$954 [?]

Transportation CO₂ Impact [?]
for an average household
0.49 metric tons/month [?]
Regional average: 0.81 metric tons [?]

Transportation costs are based on 2000 gas prices [?]

Homebuyer Counseling

Santa Fe, NM and El Paso, TX

- Trained counselors via a webinar and guidance materials
- Helps home seekers factor transportation costs into home buying decisions



Transportation Cost Calculation Worksheet

A. Enter the cost per year of:	YOUR COSTS
1) License, registration and taxes	
2) Insurance <i>Insurance is often paid in quarterly or 6-month installments – be sure to multiply by 4 or 2 to get the annual amount.</i>	
3) Maintenance and Tires <i>One way to calculate this is to add up what you actually spend on maintenance and tires in a typical year (or an average over several years, since these costs don't occur every year.)</i>	

HUD's "Location Affordability Index" Project



Location Affordability Portal

Understanding the Combined Cost of Housing and Transportation



[About the Portal](#)

[Location Affordability Index](#)

[My Transportation Cost Calculator](#)

[Contact](#)

The Location Affordability Portal provides information on the two biggest expenses facing American families: housing and transportation. The key to the tools you will find here is location. Everyone knows that real estate is driven by three things: "location, location, location," so it is no surprise that where a home is located determines the housing costs of the household living there. But home location is a major driver of other costs too, most notably the amount households spend getting to work, running errands, and taking care of daily business: that is, household transportation costs.

[Planners and Policymakers](#)

[Homebuyers and Realtors](#)

[Researchers](#)



Location Affordability Index

The Location Affordability Index illustrates how housing and transportation costs vary in neighborhoods across over 900 regions in the U.S. The Index features mapping and database tools that allow practitioners, researchers and other users to visualize cost variation and download selected data.



My Transportation Cost Calculator

The Cost Calculator allows individuals, whether shopping for a new home or simply curious, to explore how the location of a home affects their spending on transportation. Because every household is different, the calculator allows users to customize their characteristics and transportation choices to produce a more accurate picture of how location will impact their costs.

[Search](#)

[Privacy Policy](#)

How much does housing & transportation cost your family?





Thank you!

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<http://htaindex.cnt.org>

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