Affordable Housing

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What is affordable housing?

Housing is considered affordable if an individual or family spends no more than 30% of their income on housing costs.

- Monthly rent/mortgage payment
- Property taxes and insurance
- Utilities
Example:

Avg. monthly social security benefit in Albemarle County | $1,594

Affordable housing costs | $478

Median Gross Rent

Affordability in our region – fair market rents

- Set annually by the Department of Housing and Urban Development (HUD)
- Represents amount needed to rent a modest home in the Charlottesville metropolitan region

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<th>Eff.</th>
<th>1 BR</th>
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<td>$1,146</td>
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<td>$1,660</td>
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Affordability in our region – income levels

Area Median Income: $89,600

<table>
<thead>
<tr>
<th># Persons in Household</th>
<th>Extremely Low-Income (30% AMI)</th>
<th>Very Low-Income (50% AMI)</th>
<th>Low-Income (60% AMI)</th>
<th>Moderate Income (80% AMI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$17,950</td>
<td>$29,900</td>
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<td>7</td>
<td>$38,060</td>
<td>$52,900</td>
<td>$63,480</td>
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Housing cost burden

Cost burdened
- paying more than 30% of income for housing

Severely cost burdened
- paying more than 50% of income for housing
Cost burdened households 2018

- <30% AMI
- 30% - 50% AMI
- >50% - 80% AMI
- >80% - 100% AMI

- # Cost Burdened Households
- # Severely Cost Burdened Households
Population 55 years and older

Urban Population - 2018
- Population 0-54 Years Urban: 77%
- Population 55+ Years Urban: 23%

Rural Population - 2018
- Population 0-54 Years Rural: 64%
- Population 55+ Years Rural: 36%

Urban Population - 2040 (estimate)
- Population 0-54 Years Urban: 76%
- Population 55+ Years Urban: 24%

Rural Population - 2040 (estimate)
- Population 0-54 Years Rural: 62%
- Population 55+ Years Rural: 38%
Barriers to affordable housing delivery
Economic barriers

- Wages
- Construction related costs
- Decreased levels of funding
Regulatory barriers

- Zoning
- Land use
Social barriers

Discrimination
- Fair housing laws
- Protected classes
- Rental assistance programs (Section 8)

NIMBY-ism
- Not in my backyard
Affordable housing developments
Perspectives - Urban v. Rural

Property Development
- Cost and availability of land/property
- Local subsidy commitment

Property Management
- Recruiting and maintaining staff
- Maintenance emergency calls + productivity

Resident
- Availability of staff (days/wk)
- Location + nearby resources/services

Challenges + Insights

• All regions are experiencing significant shortages of affordable housing
• Regions with lower “housing + transportation” costs are better economically
• Unaffordable/unstable housing negatively affects health + well-being

Ways Forward

• Proactive and decisive planning and policy
• Transportation planning + location-efficient development
• Joint planning between city and counties
• Significant local investment
Financing New Projects

Low Income Housing Tax Credits (LIHTC) is core funding tool

Virginia Housing Development Authority (VHDA) oversees Virginia LIHTC

VHDA requires local financial commitments

Cost of construction + land rises while value of LIHTC has dropped