HOUSING AS A SECOND LANGUAGE
LOCAL STRATEGIES TO SUPPORT YOUR COMMUNITY AND ECONOMY

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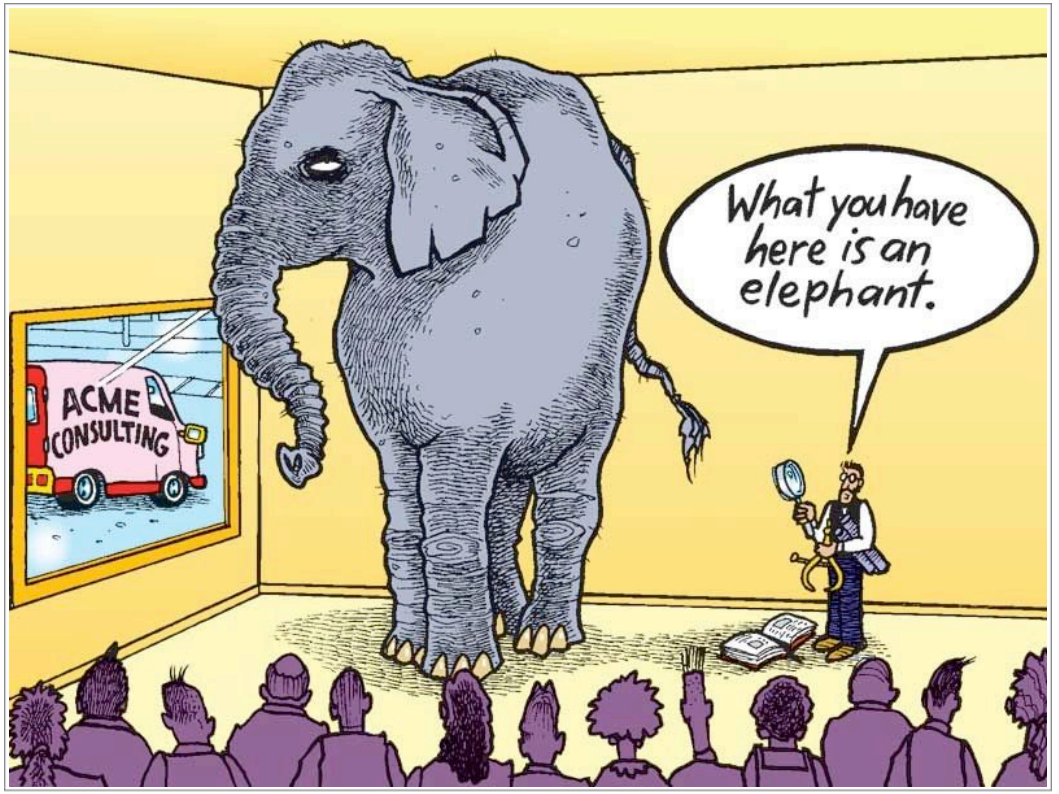
IHFA Housing Information and Referral Center

What we'll cover

- My employer
- My perspective
- Housing basics
- Housing roles, relationships
- Housing Types
- Finance



Idaho Housing and Finance Association

- Private, not-for-profit statewide HFA
- Administrator of HUD housing programs
  - HOME, Emergency Services Grant, Shelter Plus Care, Supportive Housing Program (non-entitlement areas)
  - Section 8 Housing Choice Vouchers (34/44 counties)
- First-time homebuyer program
- Bonds – Mortgage Revenue Bonds, GARVEE, industrial development, nonprofit facilities, economic development (INL/REL) and other.
- State Small Business Collateral Support Program
- Home Partnership Foundation/Avenues for Hope

How our programs impact Main Street

Flexible financing and support:

- small business retention/expansion
- live/work development
- acquisition/rehab (Whitman)
- mixed-use/adaptive re-use
- bond financing
- technical support/partnerships

- housing affordability = wage subsidy for employers
- stable housing supports economic resilience

Housing Information Referral Center

Seeking outreach and planning opportunity

- work alongside non-housing partners
- anticipate, address housing needs in broad context
- navigate housing resources/program landscape
- Be prepared to:
  - pursue common interests
  - forge productive alliances, and
  - create effective strategies that strengthen Idaho

Diverse Perspectives

- Housing Information Referral Center*
- Housing Hotline*
- Fair Housing/Accessibility
- Homelessness
- IRP/Community Reviews
- NW Community Development Institute
- Community/Economic Development
- Bike/Pedestrian Advisory Committee

**1997 Governor's Affordable Housing Advisory Task Force (30K-plus calls since 1998)*

idaho fair housing forum

RAMP UP IDAHO

IDAHO RURAL PARTNERSHIP
Strengthening Rural Idaho

CDI NORTHWEST COMMUNITY DEVELOPMENT INSTITUTE
Riverside Hotel - Boise, Idaho
Years One-Three: June 15-19, 2015
Advanced Class - June 15-17, 2015

Systems and diversity

Think of local housing markets as ecosystems…from dense and urban to sparse and rural.

Housing ecosystem

- Diverse housing types and prices should reflect the needs and incomes of local residents
- Well-distributed, mixed-income housing improves social outcomes and reduces social costs
- Allows for stable and resilient neighborhoods and communities
- Prices and locations that match local employment options increase workforce reliability
- Housing that accommodates retirees and seniors lets families, knowledge and incomes stay put

What is 'affordable' housing?

- Affordability is relative, but is less than 30% of HHI*
- >30% = cost burden; >50% = severe cost burden
- HUT Index: Housing + Utilities + Transportation = net
- Two paths to affordability:
  - Increase local wages to match prevailing rents
  - Create/retain housing within reach of prevailing wages
- Cost factors:
  - Land. Labor. Materials.
  - Financing. Taxes. Fees. Regulation.
  - Speculation. Market. Arbitrary factors.

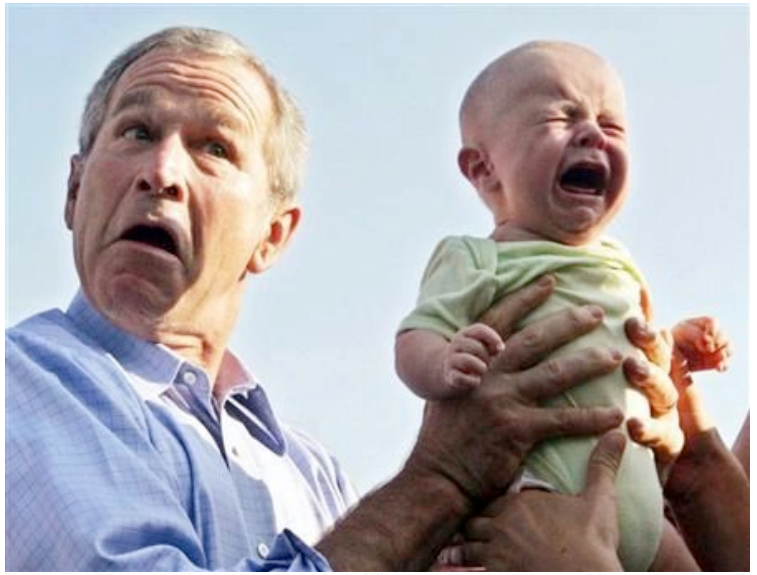
**HHI = Household Income*

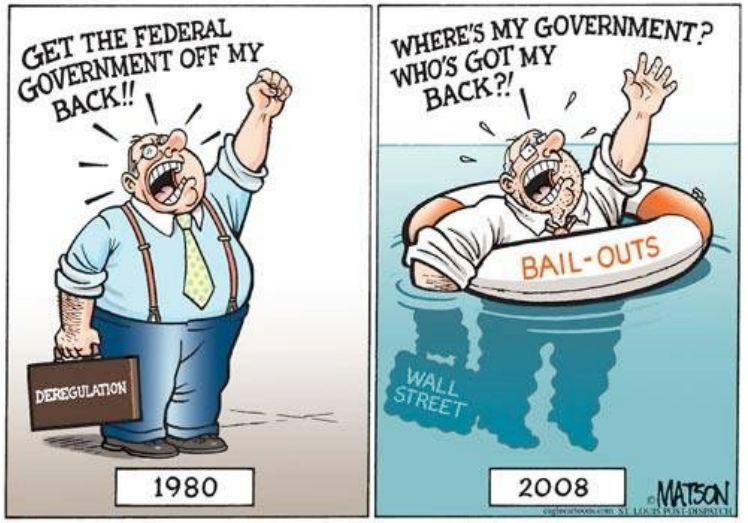
Recession: causes

- R.I.P. Glass–Steagall Act
  - Banking Act of 1933
  - Neutered during 1960s
  - Euthanized in 1999
- Greenspan: homes = ATMs
- Wants 'creative' mortgages
- Subprime lending/ERMs
- Appraisal fraud
- Chasing illusion of wealth

Recession: impacts

- Subprime meltdown
- Economy in freefall; systemic financial risk
- Increased unemployment, foreclosures, and evictions
- Underwater mortgages, credit destroyed
- Devastating ripple effects
- **Credit dries up**





Recession: impacts (cont.)

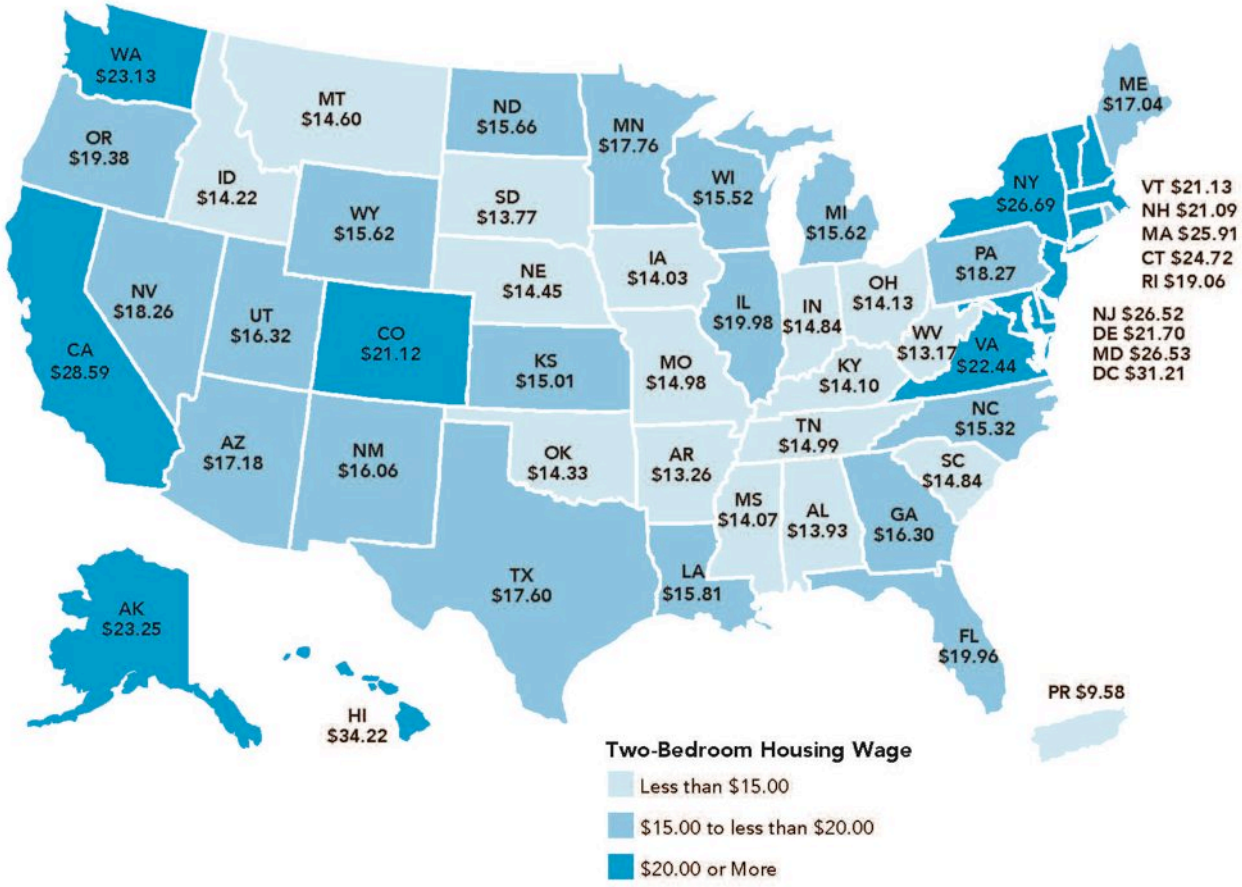
- Owners join renter ranks
- Housing starts…stop
- Vulture capitalists strip-mine distressed assets
- Tweakers strip-mine copper
- Absentee owners and abandoned properties
- Ghost neighborhoods; zombie subdivisions

Then what?

- Rental vacancy rates crash; rents increase; wages stay flat
- Homelessness spikes
- Rental coming online; but out of reach for working poor
- Home prices are climbing; but out of reach for middle class

2016 2-BDRM Unit Housing Wage

Represents the hourly wage that a household must earn (working 40 hours a week, 52 weeks a year) in order to afford the Fair Market Rent for a two-bedroom rental unit, without paying more than 30% of their income.



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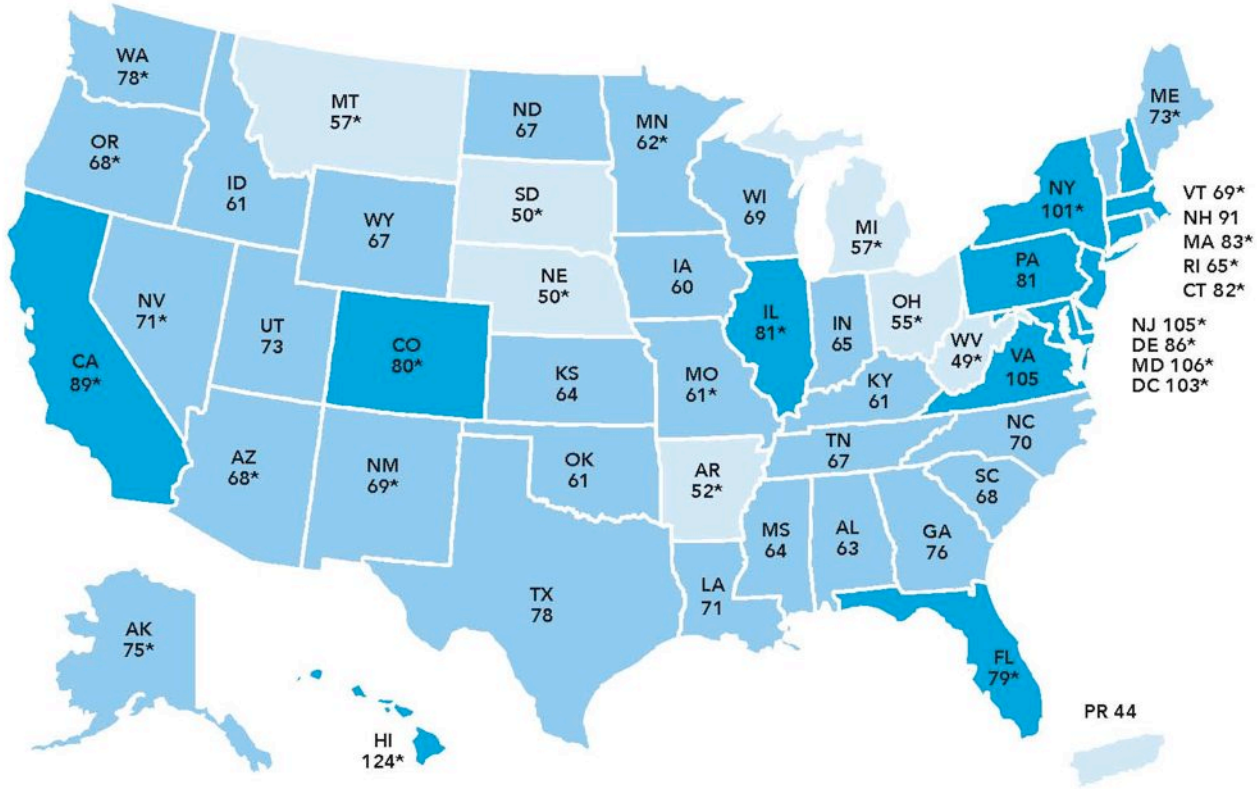
Min. Wage Hours to Afford Rent

In no state can a minimum wage worker afford a **ONE-BEDROOM** rental unit at the average Fair Market Rent, working a standard 40-hour work week, without paying more than 30% of their income.



Hours needed at minimum wage to afford a one-bedroom unit

60 hours per week or less | 61 to 78 hours per week | 79 hours per week or more

*This state's minimum wage exceeds the federal minimum wage

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Idaho example

- Single-parent HH w/ one pre-K and one K-12 child
- F/T @ $7.25/hr = $1,160

Ave. 2bdrm rent*	$600
Child care	$500
Subtotal	$1,100
Monthly balance	**$60**

Missing: Transportation. Utilities. Health care. Clothing. Food. School supplies. Household supplies. Savings. Taxes.

- Taxpayer subsidies required to cover wage gap:
  - Rent, food stamps, child care, medical, etc.

A minimum wage worker can only afford **$377/month in rent.*

Household Assistance Capacity—28,739 vs. Households in Poverty—107,808

REGION I

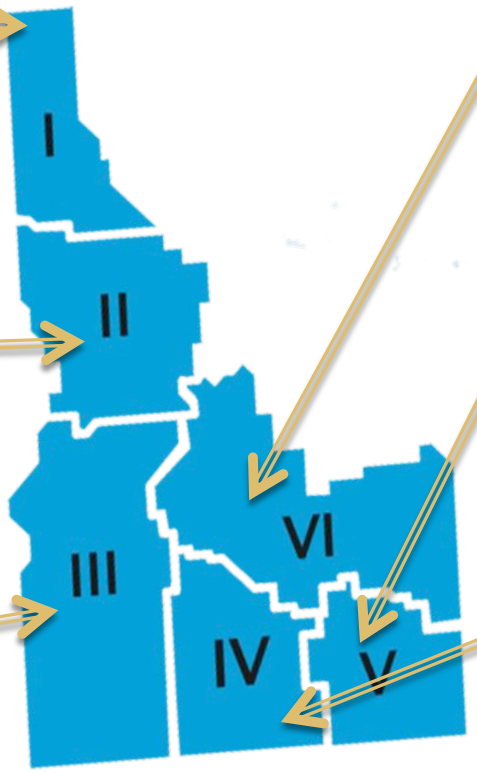
HOME/Tax Credit	2,682
Other affordable	1,143
Vouchers	863
Total units	4,688
% of resources	16.3%
HHs in poverty (#/%	14,433/12.9%

REGION II

HOME/Tax Credit	791
Other affordable	796
Vouchers	723
Total units	2,310
% of resources	8.0%
HHs in poverty (#/%	7,905/7.4%

REGION III

HOME/Tax Credit	4,743
Other affordable	4,566
Vouchers	2,376
Total units	11,685
% of resources	40.6%
HHs in poverty (#/%	44,550/42.0%



**percent of state total*

-79,069 units

REGION VI

HOME/Tax Credit	1,376
Other affordable	796
Vouchers	955
Total units	3,127
% of resources	10.8%
HHs in poverty (#/%	15,731/14.8%

REGION V

HOME/Tax Credit	761
Other affordable	1,029
Vouchers	1,319
Total units	3,109
% of resources	10.8%
HHs in poverty (#/%	11,973/11.0%

REGION IV

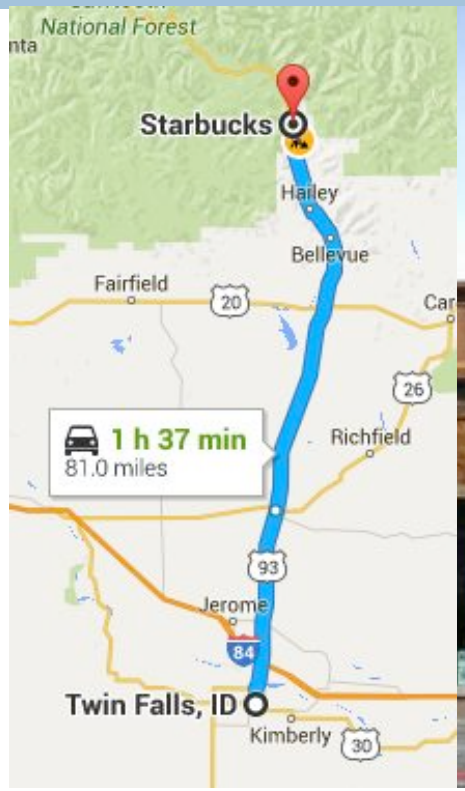
HOME/Tax Credit	1,639
Other affordable	1,534
Vouchers	647
Total units	3,820
% of resources	13.2%
HHs in poverty (#/%	13,216/10.6%

Housing deficit: social costs

- Education
- Workforce
- Health care
- Lost productivity
- Crime
- Transportation infrastructure
- Air quality
- Civic engagement

Housing deficit: personal costs

What happens when a single parent commutes from Twin Falls to Ketchum daily to work as a barista?



Workers provide a subsidy to employers and customers by commuting long distances or compromising health and safety in order to provide service… at a price we consider affordable. — *'Planning Behind'* theblueereview.org

Economic development role

- Recruitment and retention tool for employers
  - First responders, educators
  - Health care professionals
  - Private industry
- Wage subsidy for local employers
- Stable labor force
- Income circulates more broadly
- Estimated return on investment (ROI) of 8 to 1

'housing is where jobs go to sleep at night.'

Community development role

Local, stable housing supports:

- Greater civic engagement/investment
- Community volunteers and donors
- Cohesive neighborhoods
- Creative class magnet
- Increased resilience
- Reduced infrastructure costs
- Community identity

Ghost Neighborhoods

- Short-term vacation rentals (Airbnb, VRBO, etc.)
  - Source of income for homeowners
  - Lost revenue for communities and lodging industry
  - Can create or worsen local rental housing shortage
  - Some communities and countries push back:
    - Berlin's "Zweckentfremdungsverbot" levies €100K fine
    - Swiss 2012 constitutional change setting 20% limits
  - Short-term guest behavior at odds with local norms
- Second homes/vacation homes
  - Vacant homes impact surrounding neighborhoods

Workforce housing

- 80% to 140% of AMI
- Near employment centers
- Individuals and families
- 'Essential workforce'
  - First responders / Health care / Educators
  - Public Works / Utility / Construction / Grocers
  - Other (prioritized by employers or community)

Traditional urban housing types

Upper-floor residential

Traditional urban housing types

Multifamily

Townhomes

Row housing

Shared housing: urban and rural

- Multi-generational; multi-use
- Cooperative housing

Residential hotel, boarding house

- Ubiquitous housing form—global
- High-society to skid row
  - Multi-room formal suites
  - Efficiency—studio or 1bdrm
  - Single Room Occupancy (SRO with shared bath
- Day, weekly or monthly rates
- Dishwashers, longshoremen, office and retail workers, teachers, etc.

Finance/Urban Renewal Impacts

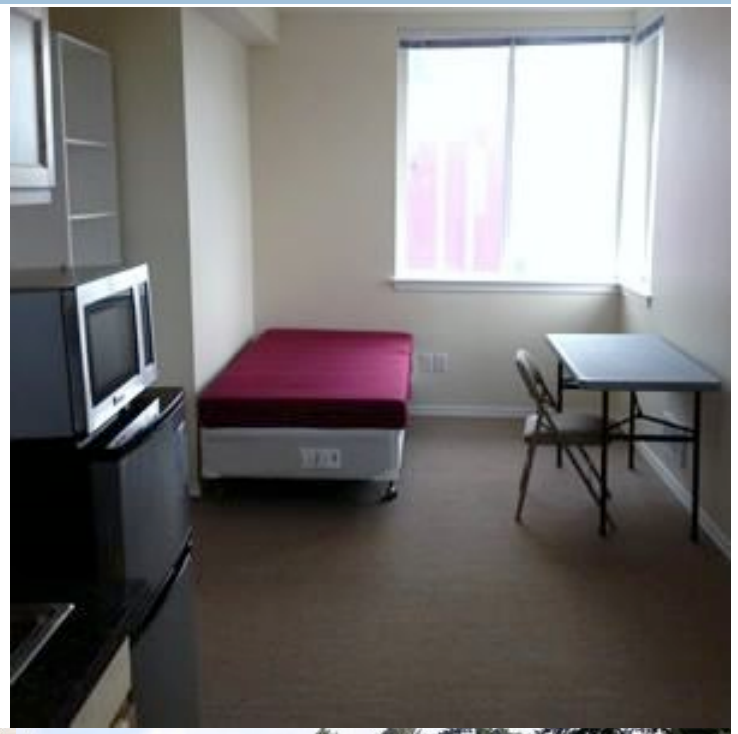
- Depression shifts federal housing finance policy
  - No more downtown residential
  - No more mixed-used retail/commercial/residential
  - Dramatically increased square ft. requirements
- Urban Renewal/Transportation policy also shifted
  - Designing for cars, not people
  - Away from mass transit
  - Pushing residential outward to suburban rings
  - Automobile infrastructure replaced neighborhoods

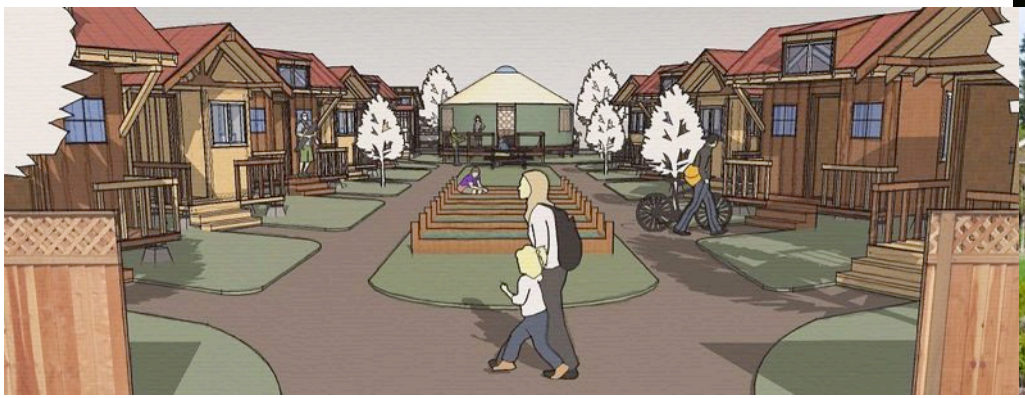
Unintended policy impacts

- Working poor find fewer options
- Forced into lengthy commutes or substandard housing
- New codes govern new construction and increase costs
- Major life/safety violations persist in existing housing stock

Get Small – Back to the Future

- Tiny home PUDs
- 'Apodments'/microhousing
- Cottage homes
- Co-housing
- SRO/Dorm
- Features reflect current needs





Local needs drive local solutions

- Needs assessment
  - Availability
  - Pricing
  - Condition
- Rental or ownership?
- Gaps?
  - Seniors/retirees/fixed-income tenants
  - Young families/students
  - Essential workforce
  - Professionals

Team effort

- City and county leadership
- Local chamber
- Schools
- Nonprofits
- Local planning organizations
- Animal clubs
- Housing professionals
- Investors!

Funding

- Public/government
- Private investment
- Employer-assisted
- Socially Responsible Investment (SRI)

Resources

- Housing needs assessment/Community housing plan
- Housing Needs and Readiness Survey
- County level data sheets

Source: *www.fairhousingforum.org* *(search: 'toolbox')*

See also:

- www.housingidaho.com
- www.usda.gov *(search 'housing assistance')*
- www.irp.idaho.gov

Or contact Erik Kingston via email at erikk@ihfa.org