

Transit-Connected Affordable Homes

SECURING AND EXPANDING AFFORDABLE HOUSING OPPORTUNITIES NEAR TRANSIT



Providing affordable rental housing in areas with access to public transportation is an important economic development strategy that promotes diverse neighborhoods, ensures that low-income families have good access to jobs and services, and stabilizes transit ridership. However, hundreds of thousands of subsidized affordable apartments located close to transit are at risk of being lost from the affordable housing stock over the next five years.

Housing located far from transit places a heavy financial burden on working families.

Transit service accessible to low- and moderate-income families can mean much needed cost savings. On average, working families spend 57 percent of their incomes on housing and transportation.¹ Families who live near transit spend just 9 percent of their income on transportation, while those who live in auto-dependent neighborhoods spend an average of 25 percent of income on transportation.²

Providing affordable homes near transit generates ridership and ensures that the economic benefits of transit development are realized.

Lower income families are more likely to consistently use public transportation to access jobs, services, and shopping. Ensuring a consistent transit ridership base is important for the continued financial health of transit systems. In Denver, very low-income fami-

lies were found to be four times more likely to walk or take transit to work compared to the general population.³

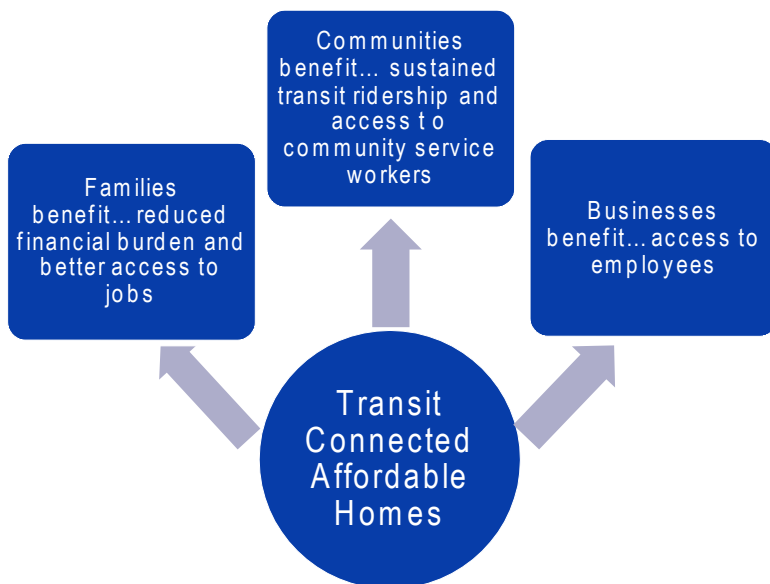
Affordable rental homes are a critical part of any community's healthy housing mix, ensuring a labor force for essential community services and needs. Affordable homes near transit are essential for employers to have access to the labor force they need.

As demand for housing near transit increases, the rising cost of land and housing threatens the continued availability of transit-connected homes affordable to working families.

Demand for housing near transit is expected to more than double nationwide by 2030. High demand for housing near transit has meant significant price premiums. Apartments near commuter rail stations in San Diego experience a 17% premium over apartments far from rail stations.⁴ In Denver, one real estate valuation report concluded that home values near certain rail stations have increased an average of nearly 4 percent a year, while the rest of Denver's housing market decreased in value an average of 7.5 percent.⁵

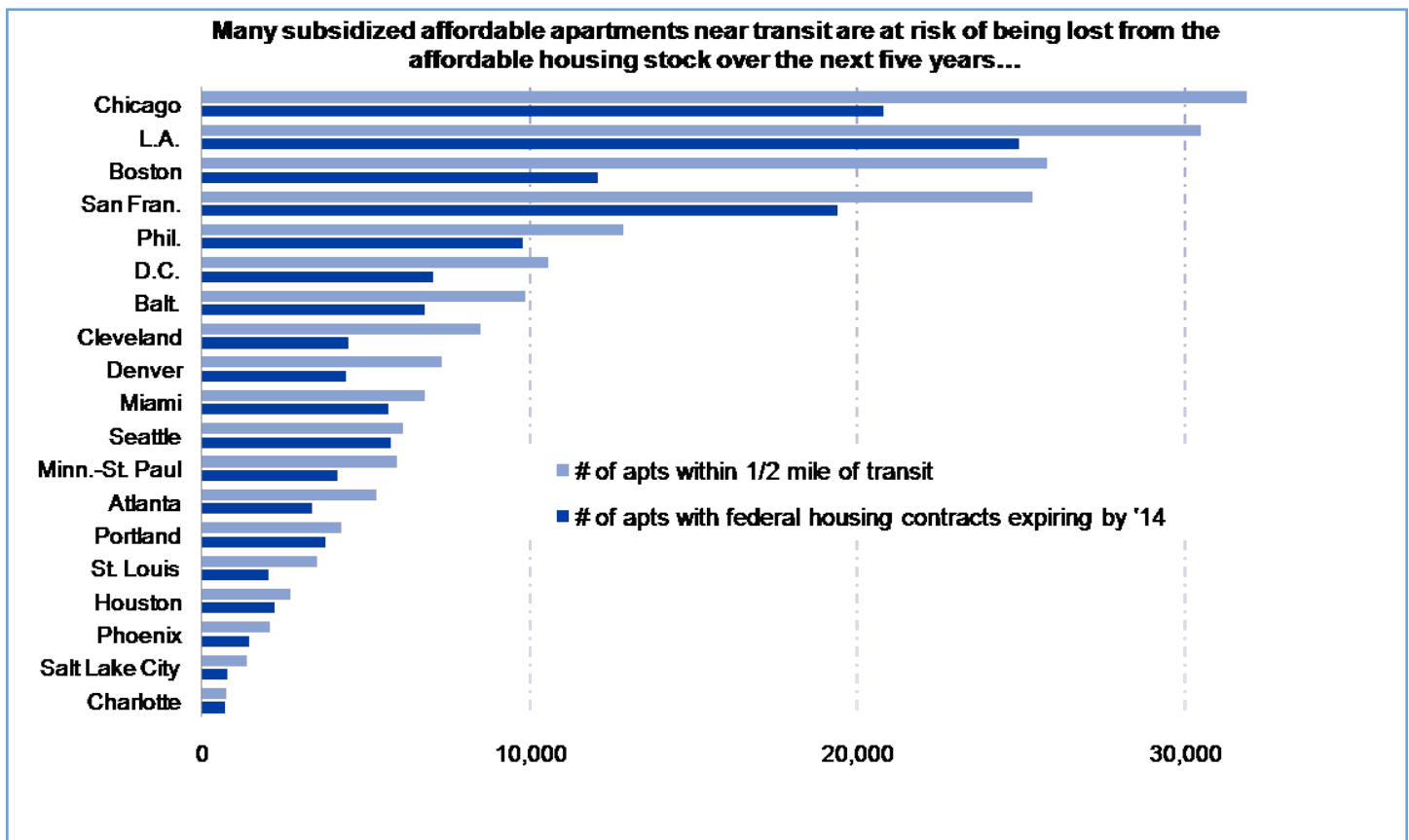
In particular, the increased desirability of living near transit raises the possibility of losing thousands of subsidized affordable apartments.

Many privately-owned, existing apartments subsidized by the federal government are located near transit and are at risk of being lost over the next five years. **The National Housing Trust and Reconnecting America have identified more than 250,000 subsidized apartments within a half mile of transit in 20 cities.**⁶ These homes are truly a unique



National Housing Trust
1101 30th Street, NW, Suite 400
Washington, D.C. 20007
202-333-8931 | www.nhtinc.org

Safeguarding Affordable Housing



and essential resource. Through programs such as the project-based Section 8 program, families and seniors pay no more than 30% of household income on rent, guaranteeing access to quality affordable housing that otherwise would not be available.

Nearly 70% of subsidized apartments near transit, however, have federal contracts expiring over the next five years. When a contract expires, the owner has the option of opting out of the government program to capitalize on higher demand and market values.

Providing affordable homes near transit can be accomplished if public and private sector leaders proactively secure land and existing affordable homes near transit before opportunities are lost.

Fortunately, state and local leaders are finding innovative ways to save housing near transit.

- In Denver, the MacArthur Foundation is helping to establish a \$15 million Transit-Oriented Development Fund. It will assist affordable housing providers acquire at risk affordable housing within one half mile of existing and new rail service and a quarter mile of frequent bus routes. The TOD Fund is a partnership among the City and County of Denver, Enterprise, and the Urban Land Conservancy.
- In Atlanta, an Affordable Housing Trust fund has been set up to ensure that affordable homes exist around the new BeltLine, a redevelopment project with 22 miles of transit, trails, and parks around downtown in Atlanta’s core neighborhoods. The primary financing mechanism for the redevelopment project is a Tax Allocation District (TAD). Community advocates and the City Council required the establishment of the BeltLine Affordable Housing Trust fund. 15% of TAD proceeds will be reserved for the trust fund.

References

¹ Lipman, B. *A Heavy Load: The Combined Housing and Transportation Burdens of Working Families*. Center for Housing Policy (Oct. '06).
² Reconnecting America’s Center for Transit-Oriented Development. *Realizing the Potential: Expanding Housing Opportunities Near Transit*.
³ Center for Transit-Oriented Development. *The Case for Mixed-Income Transit-Oriented Development in the Denver Region* (Feb 2007).
⁴ Cervero, R. and Duncan, M. *Land Value Impacts of Rail Transit Services in San Diego County* (June 2002).
⁵ Jackson, M. *Light-rail can turn into the money train*. *The Denver Post* (October 30, 2008).
⁶ Data analysis conducted by NHT and Reconnecting America as part of ongoing research funded by AARP. Analysis includes project based Section 8 and Section 202 apartments within half-mile of light rail and frequent service bus stations.