H+T Affordability and IHDA Investments 2001-2008

Supported by grants from the Searle Funds at The Chicago Community Trust and the Grand Victoria Foundation

Rail~Volution
October 17, 2011
Introduction

- CNT analyzed 248 developments approved by IHDA from 2001-2008 in the Chicago region
- Evaluated how new policies have impacted transportation costs and job access of IHDA-financed developments
- Demonstrates a practical use of the H+T Index consistent with Federal Sustainable Communities Partnership
U.S. Household Expenditures

- Housing
- Transportation
- Both costs are driven in part by location
- High transportation costs can make seemingly affordable housing **unaffordable.**

Transportation Cost Model

6 Neighborhood Variables
Residential Density
Gross Density
Average Block Size in Acres
Transit Connectivity Index
Job Density
Average Time Journey to Work

3 Household Variables
Household Income
Household Size
Commuters per Household

Car Ownership +
Car Usage +
Public Transit Usage

TOTAL TRANSPORTATION COSTS

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

Americans traditionally consider housing affordable if it costs 30 percent or less of their income. The Housing + Transportation Affordability Index, in contrast, offers the true cost of housing based on its location by measuring the transportation costs associated with place.
Uneven Distribution of Affordable Housing Across Region

IHDA Production 2001-2004 and 2005-2008

<table>
<thead>
<tr>
<th>Location</th>
<th>2005-2008</th>
<th>2001-2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chicago</td>
<td>5,780</td>
<td>5,400</td>
</tr>
<tr>
<td>Suburban Cook</td>
<td>1,255</td>
<td>3,543</td>
</tr>
<tr>
<td>Collar Counties</td>
<td>3,543</td>
<td>5,780</td>
</tr>
</tbody>
</table>

Sources: Illinois Housing Development Authority, Center for Neighborhood Technology
### Family Housing Concentrated in the Collar Counties and City

#### Family Housing Production

<table>
<thead>
<tr>
<th>Location</th>
<th>Total Family Units 2001-2004</th>
<th>Total Family Units 2005-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chicago</td>
<td>3,264</td>
<td>2,528</td>
</tr>
<tr>
<td>Suburban Cook</td>
<td>816</td>
<td>341</td>
</tr>
<tr>
<td>Collar Counties</td>
<td>2,591</td>
<td>3,726</td>
</tr>
</tbody>
</table>

**Sources:** Illinois Housing Development Authority, Center for Neighborhood Technology
T Costs in IHDA Developments Outperform the Regional Average

- Average Transportation Burden for 80% AMI Households:
  - IHDA Average: 20.6% ($710 per month)
  - Regional Average: 21.7% ($748 per month)

- Average Monthly Transportation Costs for 80% AMI Households in IHDA Developments:
  - City of Chicago: $587
  - Suburban Cook: $797
  - Collar Counties: $829

Sources: Illinois Housing Development Authority, Center for Neighborhood Technology
Walkable Transit in \( \frac{3}{4} \) of Suburban Units

Sources: Illinois Housing Development Authority, Center for Neighborhood Technology
Transit Connectivity of IHDA Units Declined

Transit Connectivity 2001-2004 and 2005-2008

Sources: Illinois Housing Development Authority, Center for Neighborhood Technology
Jobs-Housing Mismatch Persists

- The mismatch between affordable housing and regional employment centers is well-recognized.
- Old QAP required jobs count at county level.
- Developers indicate that this category has not been effective at distinguishing projects in high opportunity areas.
- LED data provides a better measure of job access.
Development in Chicago is Concentrated in Poverty Areas

- Of 40 opportunity communities identified by the CHA, only five have added IHDA-financed family housing in the period.
- 2/3 of units produced in the city during the study period are located in QCTs.
T Costs and Diversity

Average Percent of Population Non-Hispanic White

- Low T Cost IHDA Neighborhoods
- Average IHDA Neighborhood
- City of Chicago

2000 Census vs. 2005-2009 ACS
T Costs and Education

Average Percent of Population with Advanced Degree

- Low T Cost IHDA Neighborhoods
- Average IHDA Neighborhood
- City of Chicago

2000 Census vs 2005-2009 ACS
<table>
<thead>
<tr>
<th>Development Name</th>
<th>Casa Morelos</th>
<th>Ogden Manor</th>
<th>Westline Apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Pilsen Neighborhood</td>
<td>Naperville</td>
<td>Hanover Park</td>
</tr>
<tr>
<td>Family Units</td>
<td>41</td>
<td>24</td>
<td>265</td>
</tr>
<tr>
<td>Average Annual Transportation Cost at 80% AMI</td>
<td>$7,094</td>
<td>$8,846</td>
<td>$10,233</td>
</tr>
<tr>
<td>Median Income</td>
<td>$27,361</td>
<td>$49,798</td>
<td>$48,625</td>
</tr>
<tr>
<td>Transit Commute Share</td>
<td>23%</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>Average Car Ownership</td>
<td>1.0</td>
<td>1.5</td>
<td>2.0</td>
</tr>
<tr>
<td>VMT</td>
<td>9,786</td>
<td>13,389</td>
<td>17,686</td>
</tr>
<tr>
<td>Transit Connectivity Score</td>
<td>4,468</td>
<td>180</td>
<td>106</td>
</tr>
<tr>
<td>Average Block Size (acres)</td>
<td>1.9</td>
<td>5.3</td>
<td>8.2</td>
</tr>
<tr>
<td>Jobs earning &lt;$3,333 per month within 10 miles</td>
<td>495,894</td>
<td>107,446</td>
<td>95,861</td>
</tr>
<tr>
<td>Jobs earning &lt;$3,333 per month within 5 miles</td>
<td>318,563</td>
<td>47,607</td>
<td>25,062</td>
</tr>
</tbody>
</table>
Key Takeaways

• New tools like the H+T Index and LED website can inform affordable housing policy and investment

• Because of multiple priorities and the complexity of affordable housing development, these tools must be used with care