



How+To

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CMAP Human Services Committee
September 10, 2012

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



Introducing the H+T Index

Conventional Wisdom

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

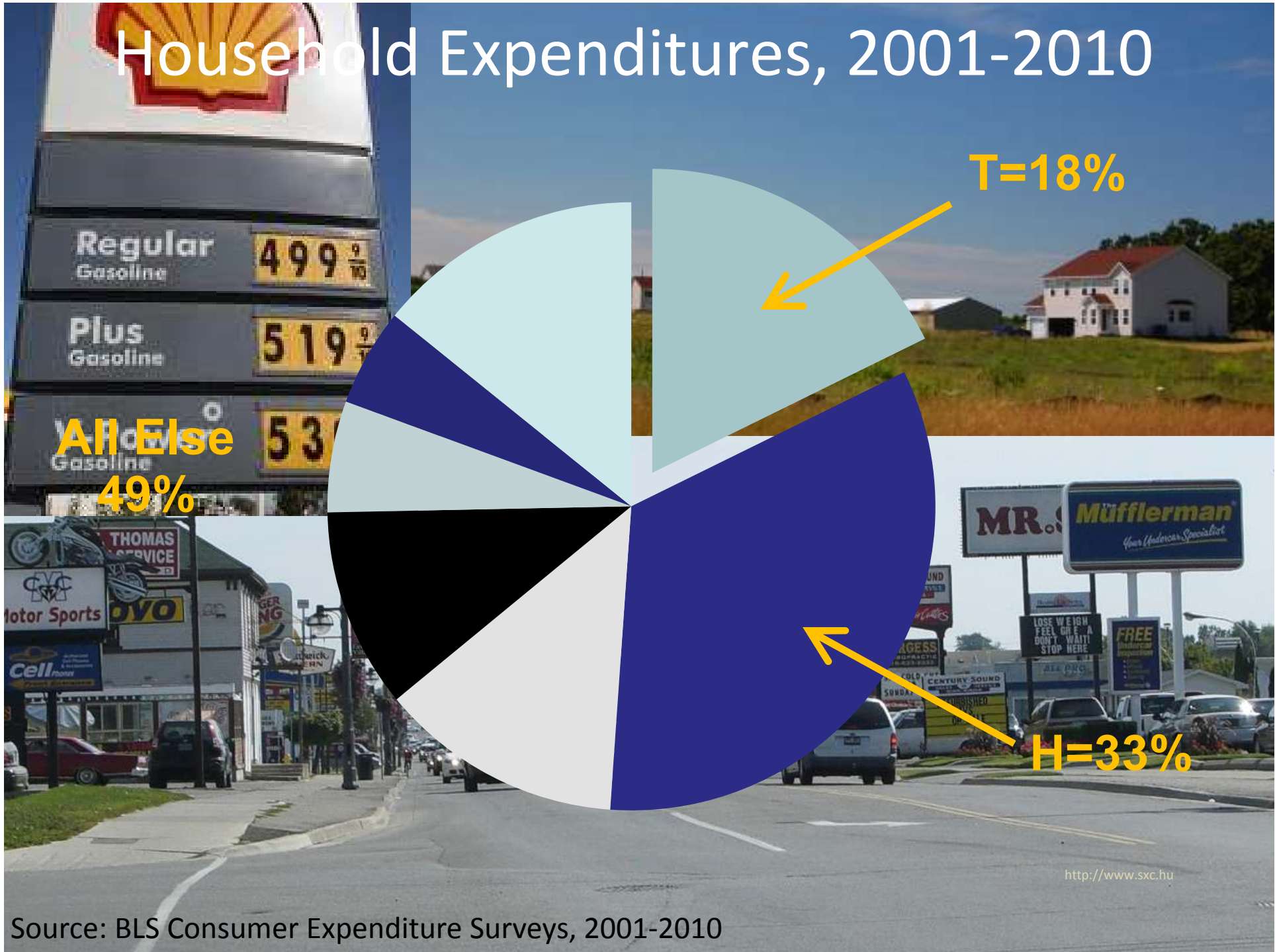


<http://www.sxc.hu>

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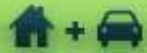


Household Expenditures, 2001-2010



Source: BLS Consumer Expenditure Surveys, 2001-2010

<http://www.sxc.hu>



TRUE AFFORDABILITY AND LOCATION EFFICIENCY

H+T[®] Affordability Index

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

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, iStockphoto.com

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

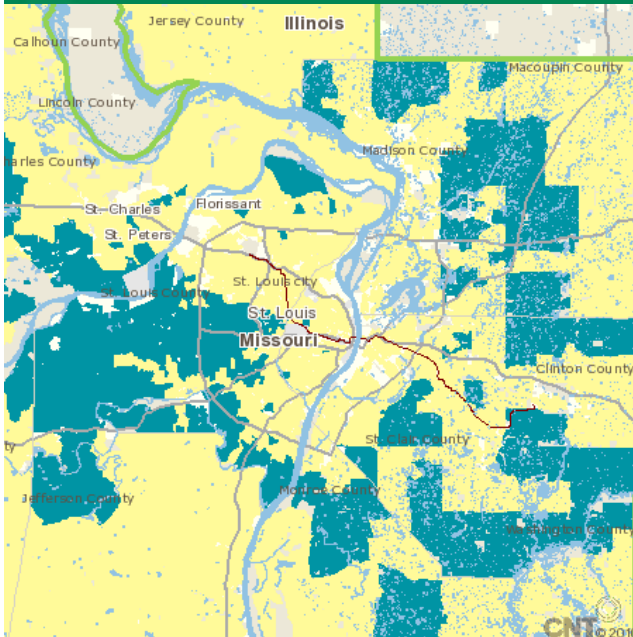
H+T Index information has implications for consumers, planners, and policy makers. Learn how the data is being used across the country.

USE THE H+T INDEX

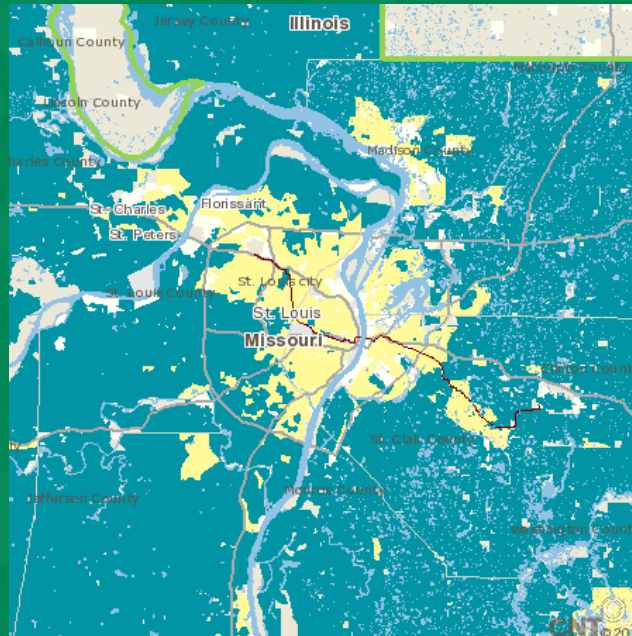
See how nearly 180,000 neighborhoods are affected when you expand the traditional measure of affordability to include transportation costs.



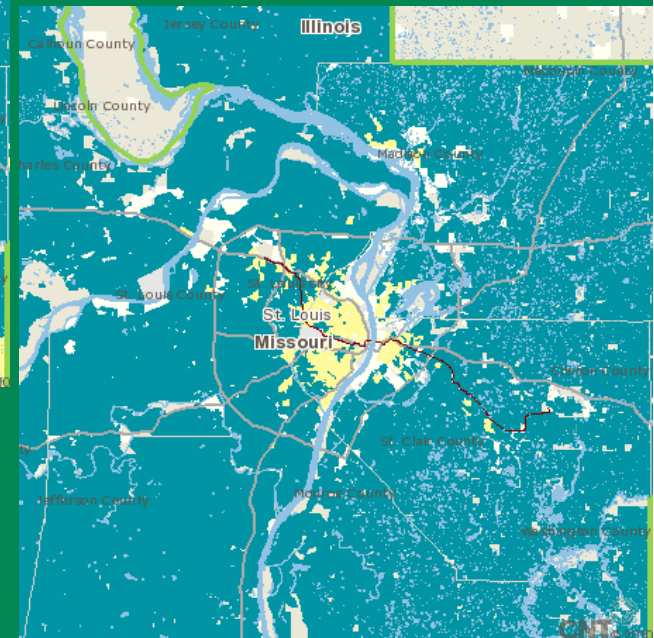
Shrinking Affordability



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



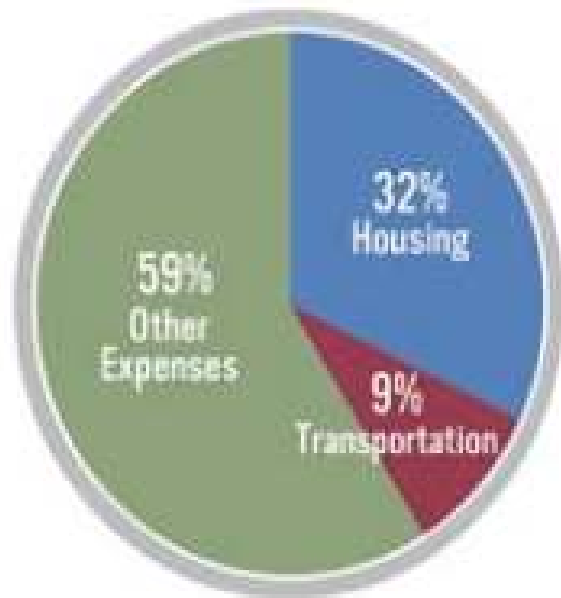
Five Applications of H+T

- Public Outreach / Education / Messaging
- Regional Planning and Performance Metrics
- Siting of Affordable Housing
- Corridor Planning / Monitoring / TOD
- Consumer Information / Decision Making

Applications of H+T:
Public Outreach / Education / Messaging

Place Impacts Household Economics

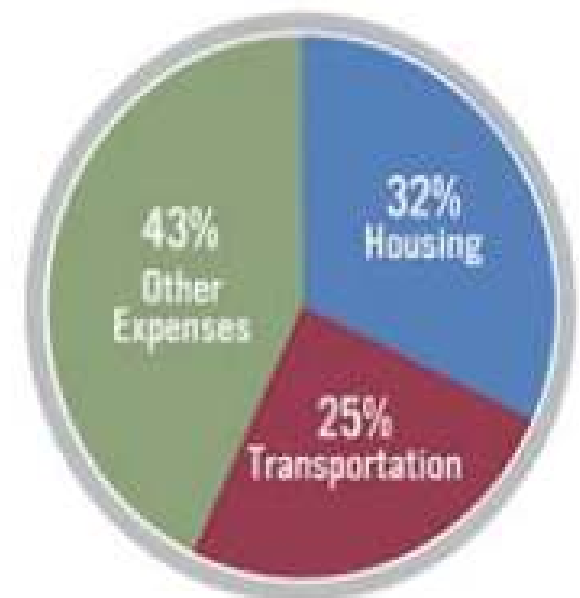
THE SAVINGS INHERENT IN LOCATION-EFFICIENCY



Transit Rich Neighborhood



Average American Family



Auto Dependent Exurbs

H+T Builds Stakeholder Consensus



Applications of H+T: Regional Planning and Performance Metrics

Regional Planning

A Closer Look

Bay Area Housing and Transportation Affordability

November 2008

BELTWAY BURDEN

The Combined Cost of Housing and Transportation in the Greater Washington, DC, Metropolitan Area

Urban Land Institute
Terwilliger Center for Workforce Housing

PENNY WISE POUND FUELISH

New Measures of Housing + Transportation Affordability

CNT
MARKET 2010

CNT

Driving: A Hard Bargain

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

Center for Neighborhood Technology

Preferred Regional Scenario

An Interim product of the 00 TO 2040 plan

Chicago Metropolitan Agency for Planning

Examining the Costs and Impacts of Housing and Transportation on Bay Area Residents, Their Neighborhoods, and the Environment

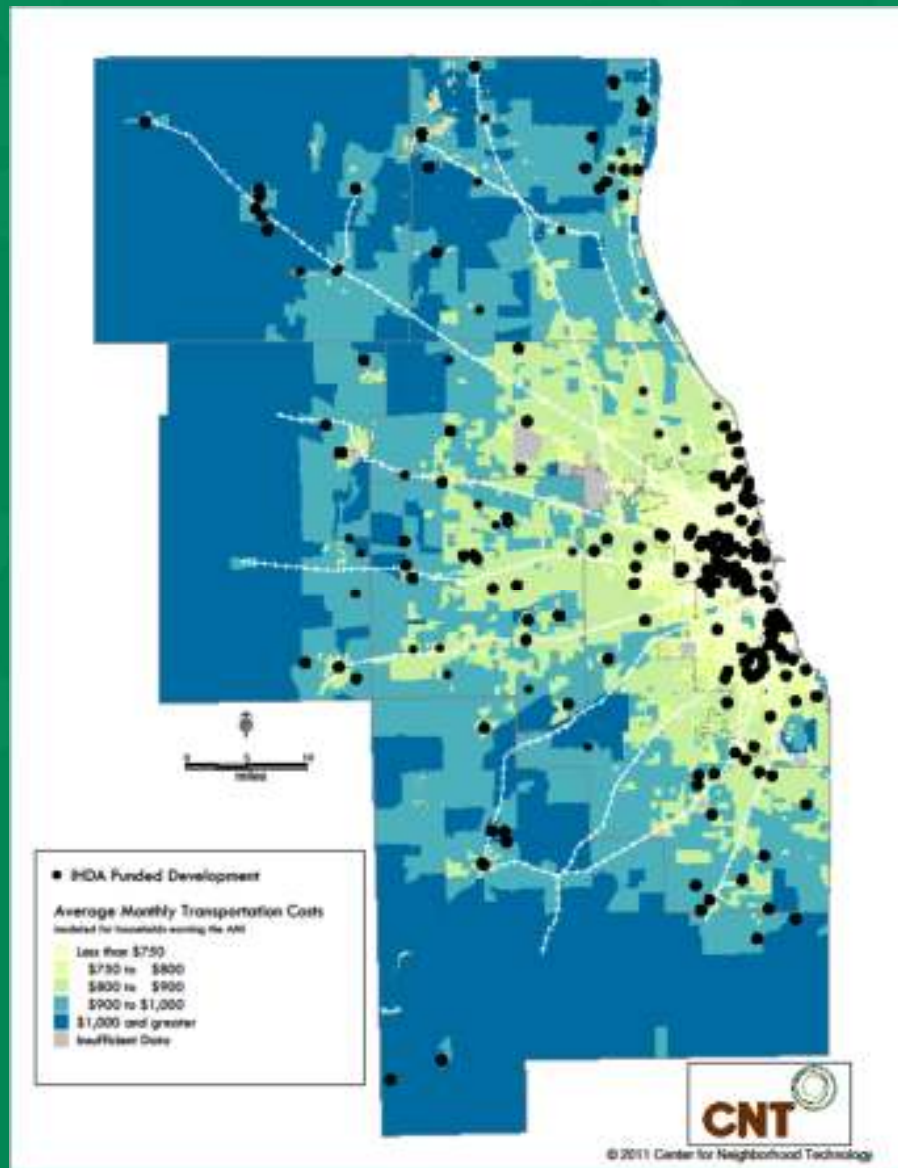
Bay Area Burden

Urban Land Institute
Terwilliger Center for Workforce Housing

Applications of H+T: Siting of Affordable Housing

Safe, Decent, and Affordable

- Analyzed IHDA investments over eight years



Where Are the Units?



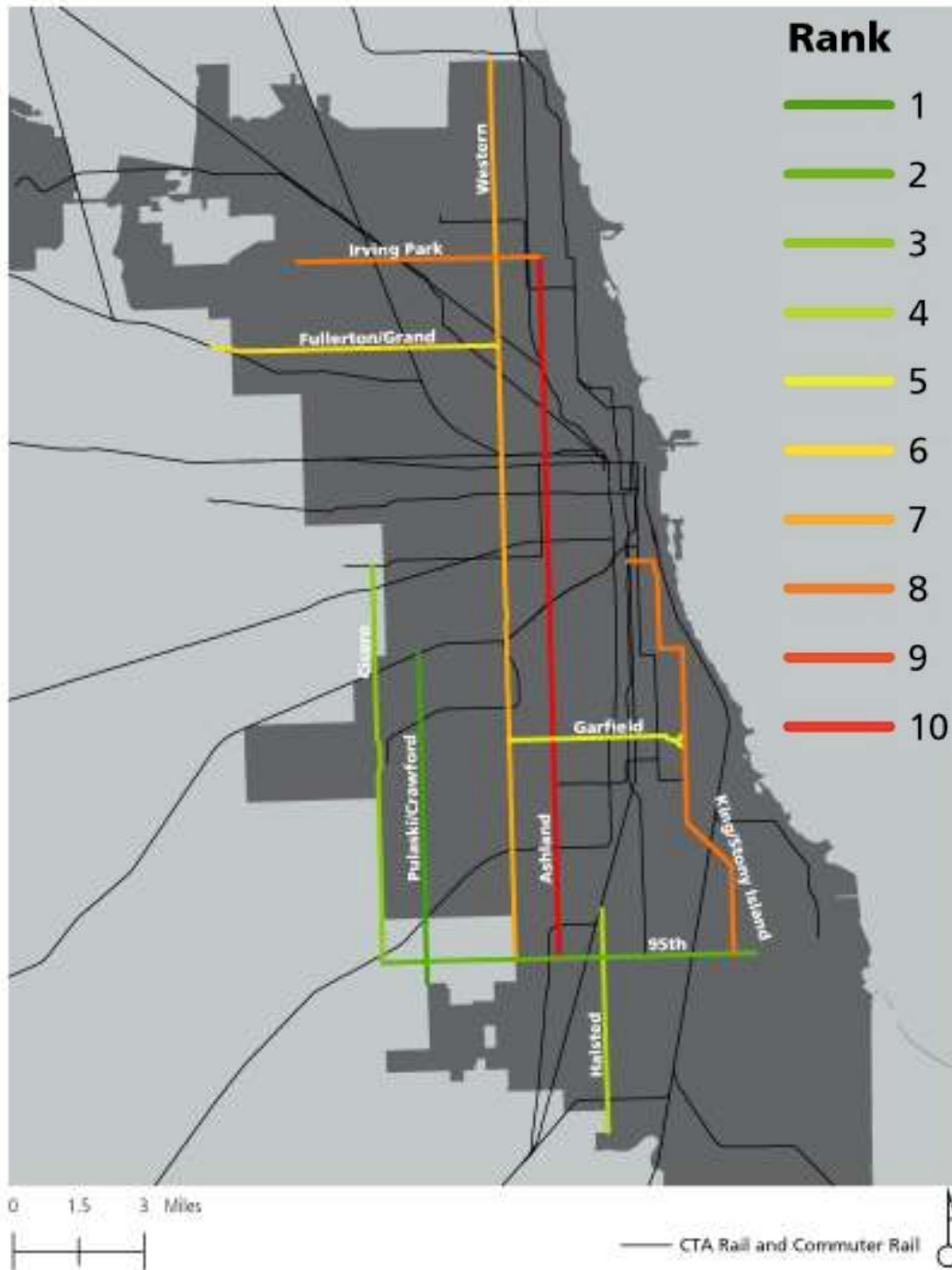
Casa Morelos Ogden Manor Westline

	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

Applications of H+T: Corridor Planning / Monitoring / TOD

BRT Corridor Selection Chicago

- MPC analysis
- 14 selection criteria
- Average T cost burden for “equity”
- 10 corridors recommended for full-scale BRT



H+T as Performance Indicator

Central Corridor Key Outcomes: 2011 Baseline Indicators

Indicator	Index	Mpls. St.Paul	Central Corridor	Of Note
Access to Affordable Housing				
1 People of all incomes live here Less than \$10,000 AGI (2007 \$) \$10,000 - \$29,999 AGI	Comparison to region	23% 28%	26% 29%	Corridor has higher concentration of very low-income households, especially in East Corridor (29%)
2 Transit helps families afford living here Low income households (60% of Area Median Income) Moderate income households (80% of Area Median Income)	Housing + Transportation <45% of income	55% 42%	46% 37%	When housing and transportation costs are taken into account, the Corridor is more affordable than the cities as a whole

Applications of H+T: Consumer Information / Decision Making

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

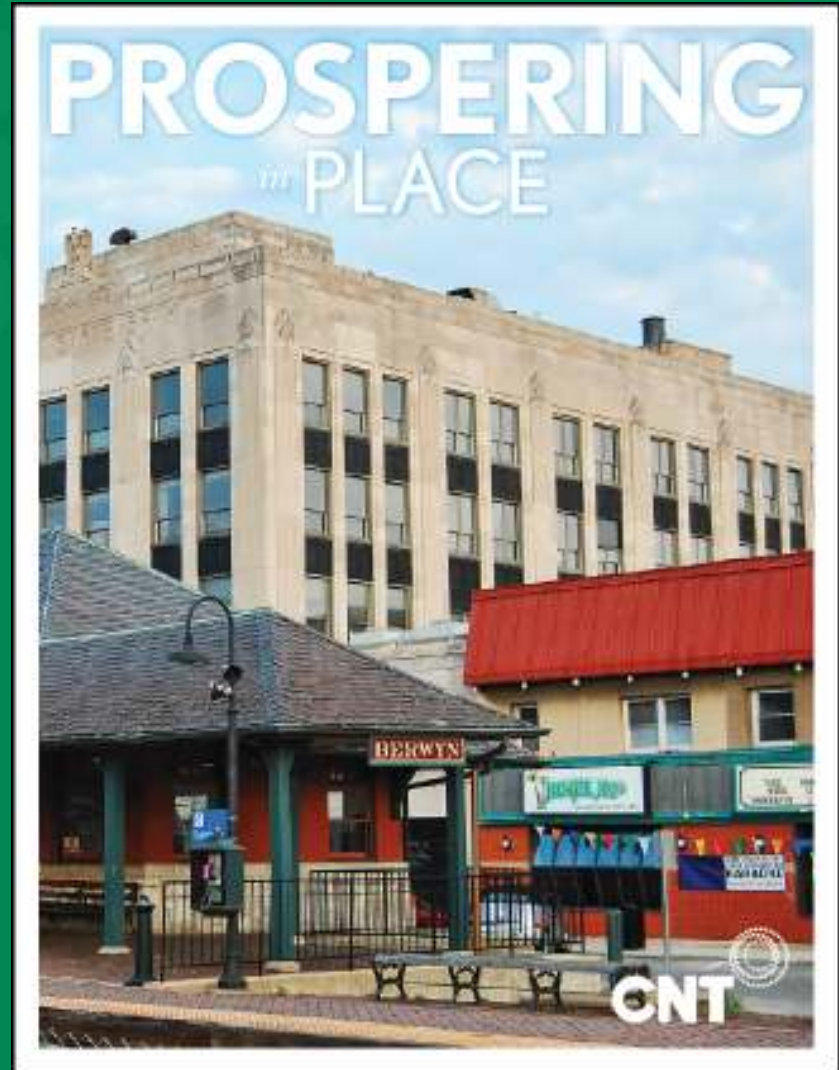
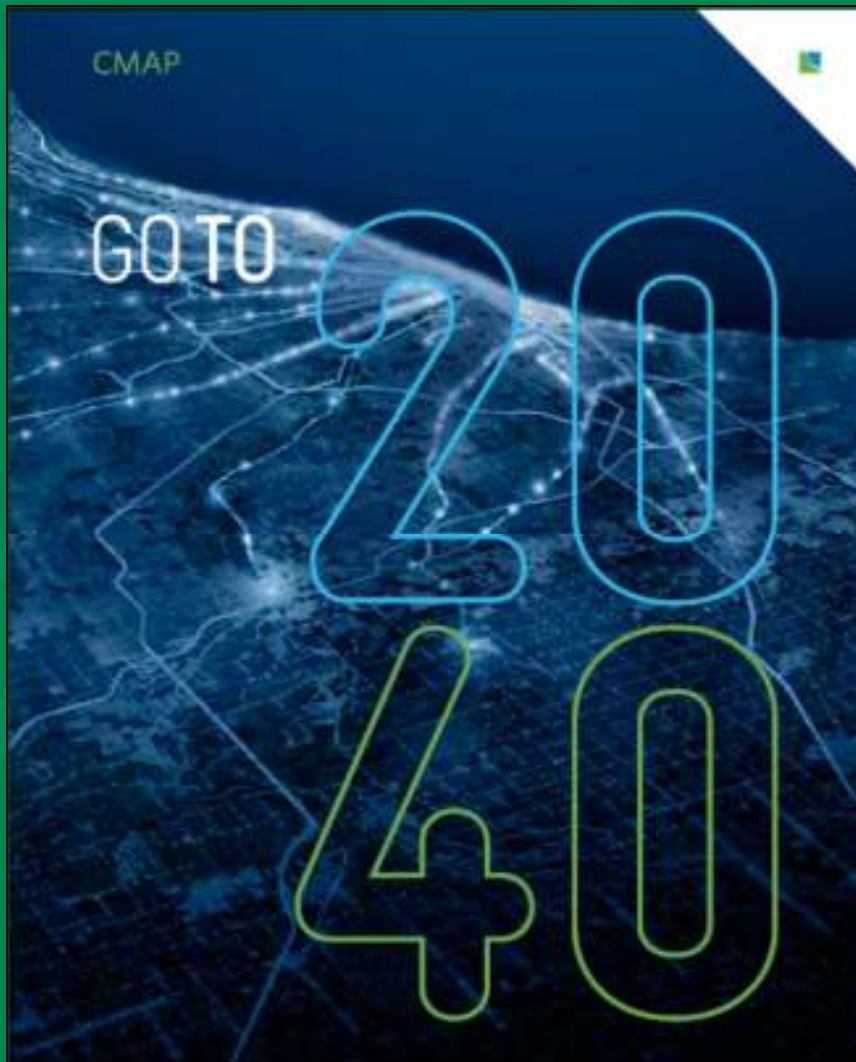


Transportation Cost Calculation Worksheet

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>	

Applications of H+T: Putting It All Together

Putting It All Together



5 Recommendations to Reinvigorate Chicago's Economy

- Set Priority Development Areas (PDA)
- Create a Regional Sustainable Communities Initiative
- Align federal, state, regional & local resources in pursuit of PDAs
- Develop new resources for & accelerate transit & freight transportation improvements
- Fund predevelopment





Thank you!

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<http://www.cnt.org>