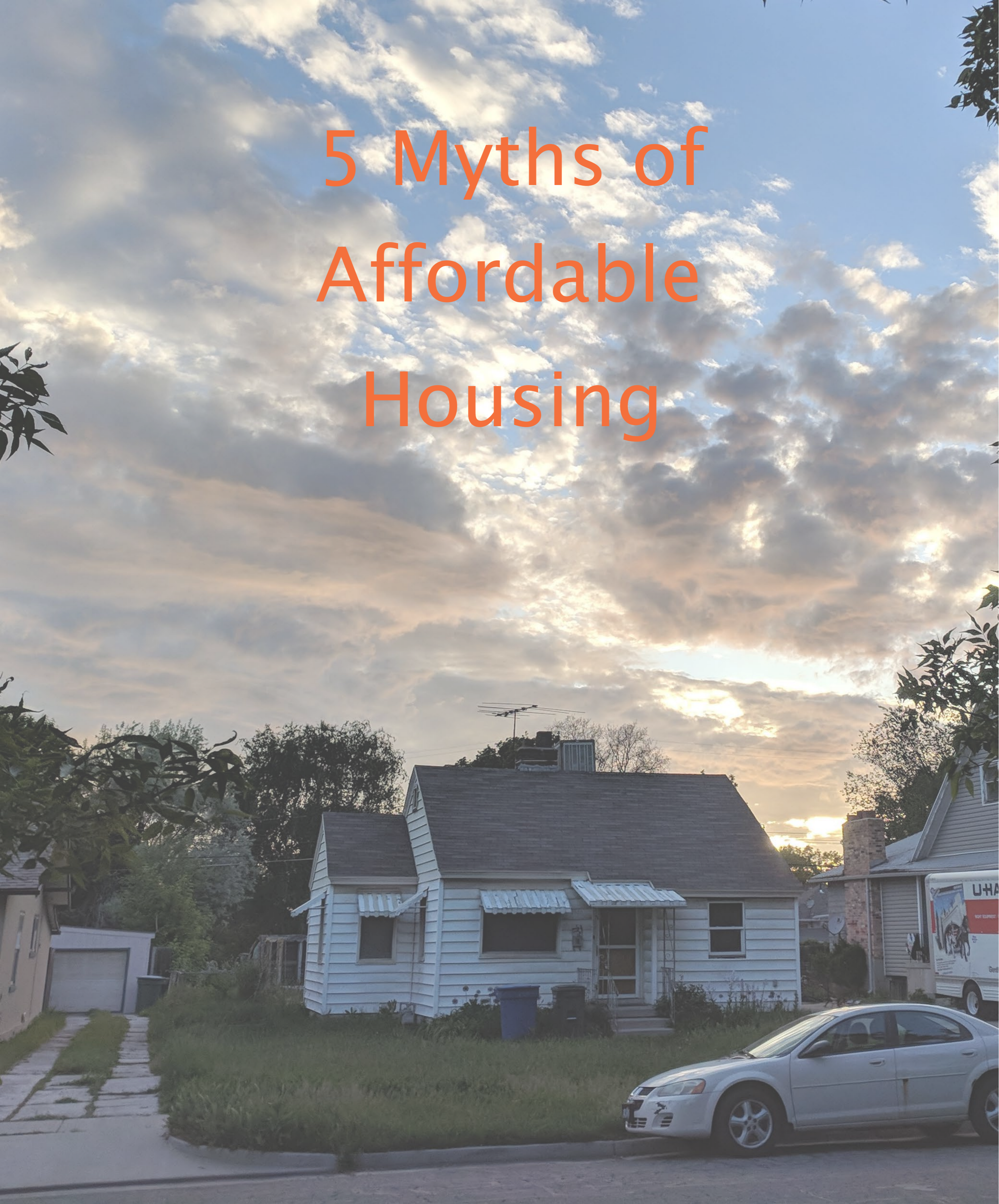


5 Myths of Affordable Housing



Everyone deserves a place to call home!

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Foot note:

- [1] George Galster, Wayne State University and HomeBase at The Center for Common Concern in San Francisco <http://www.homebaseccc.org>
- 2 https://web.stanford.edu/~diamondr/LIHTC_spillovers.pdf
- 3 https://nhts.ornl.gov/assets/2017_nhts_summary_travel_trends.pdf
- 4 *Myths and Stereotypes about Affordable Housing, Business and Professional People for the Public Interest*, June 2004.
- 5 *Myths and Stereotypes about Affordable Housing, Business and Professional People for the Public Interest*, June 2004.
- 6 2009 National Household Travel Survey, US Department of Transportation, Federal Highway Administration, February 2011.
- 7 <https://www.transformca.org/sites/default/files/Housing-Transit-Crossroads.pdf>
- 8 *Myths and Stereotypes about Affordable Housing, Business and Professional People for the Public Interest*, June 2004.
- 9 <https://www.enterprisecommunity.org/resources/positive-impact-affordable-housing-education-research-summary-13890>
- 10 <https://nche.ed.gov/downloads/data-comp-1213-1415.pdf>
- 11 https://nlihc.org/sites/default/files/2017_Advocates-Guide.pdf
- 13 https://www.nber.org/papers/w22721?utm_campaign=ntw&utm_medium=email&utm_source=ntw
- 14 http://www.jchs.harvard.edu/sites/default/files/2013_wealth_update_mccue_02-18-16.pdf
- 15 <https://www.urban.org/urban-wire/affordable-housing-safe-neighborhoods-four-lessons-success>
- 16 <https://www.sciencedirect.com/science/article/pii/S014362281500212X?via%3Dihub>
- 17 http://www.jchs.harvard.edu/sites/default/files/harvard_jchs_taylor-patterson_luberoff_creating_well-designed_housing.pdf

Myth #1-Affordable Housing lowers nearby Property Values

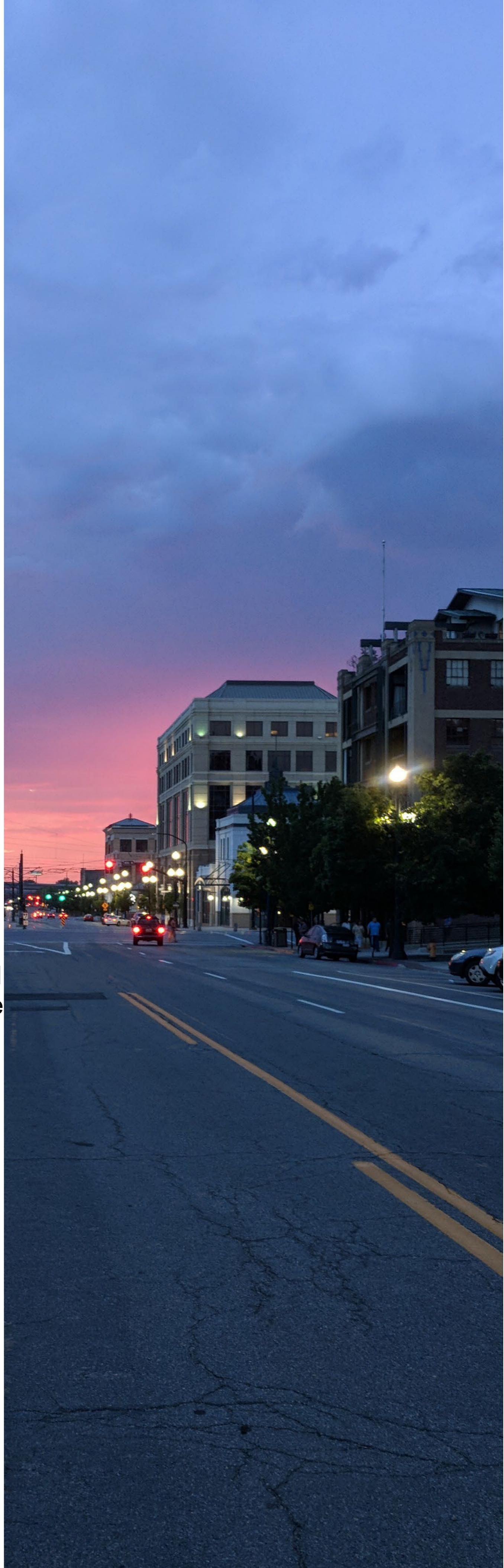
A study from Wayne State (Michigan) University, among others, tracked property values before and after affordable housing was built and found that, affordable housing often has an insignificant or positive effect on property values in higher-valued neighborhoods and improves values in lower-valued neighborhoods.

Property values are primarily determined by the condition of the particular property for sale as well as other broader, more complex forces such as overall area development and prosperity. The location of affordable housing has no significant impact on these other conditions which determine property values.

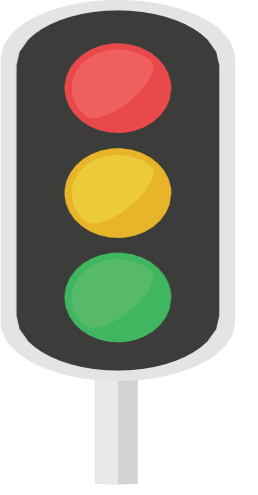
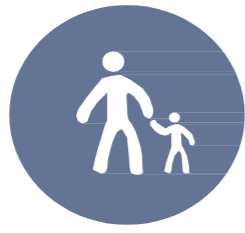
A 2016 Stanford Graduate School of Business analysis reviewed low-income housing developments nationwide that were funded through the low-income housing tax credit program. The impact of that housing on surrounding property values varied based on neighborhoods' economic state and number of minority residents.

“What the study finds is that the effects of putting one of these in a neighborhood depends on the pre-existing conditions in that neighborhood,” DeFusco said. So, he said, if low-income housing was placed in a low-income neighborhood, it would actually raise home prices in that neighborhood by about 6.5 percent over a 10-year period — a sort of neighborhood revitalization effect, which is what the tax credit program is intended to do.

However, if you put a low-income housing development in an already high-income neighborhood, the effect on prices heavily depends on whether the neighborhood has a large or small minority population. In a high-income neighborhood with a small minority population — sort of a poster child for NIMBYism, a “not in my backyard” attitude, DeFusco said — you do see declines in prices, not enormous declines, but about a 2.5 percent drop over a 10-year period.



Myth #2-Affordable housing produces more traffic while overburdening school and infrastructure.



National surveys and studies have proven that if affordable housing is planned well, it is built near jobs and other essential amenities which results in increased use of public transportation, shortens commutes, and lessens congestion.

Data from the 2017 National Household Travel Survey shows that the households in the highest income group annually produce 80 percent more person trips compared to households in the lowest income group. The NRDC has collected data which demonstrates that “residents of communities designed using smart growth strategies – such as higher density construction – drive as little as one-fifth as much as their counterparts in conventional sprawl developments.”

In addition, a public interest group in Chicago found that affordable housing residents own fewer cars and drive less often than residents of market-rate homes. The NHTS data also indicates the same facts – that lower-income households on average have 64 percent fewer vehicles per household than higher income households.

There are many smart strategies to reduce car use in new developments. Location, of course, is the most effective: if the new homes are located near jobs and high-quality transit, residents will need to drive far less. People who both live and work within a half-mile of rapid transit are 10 times more likely to use transit than people who do not. In addition, if the homes are affordable to people with extremely-low and very-low incomes, residents are much less likely to drive or own cars at all.

As far as schools are concerned, according to the 2000 U.S. Census, on average households living in rental apartments have fewer children than those living in owner-occupied, single-family homes. Households living in rental apartments are also less likely to have one or more school-aged children.

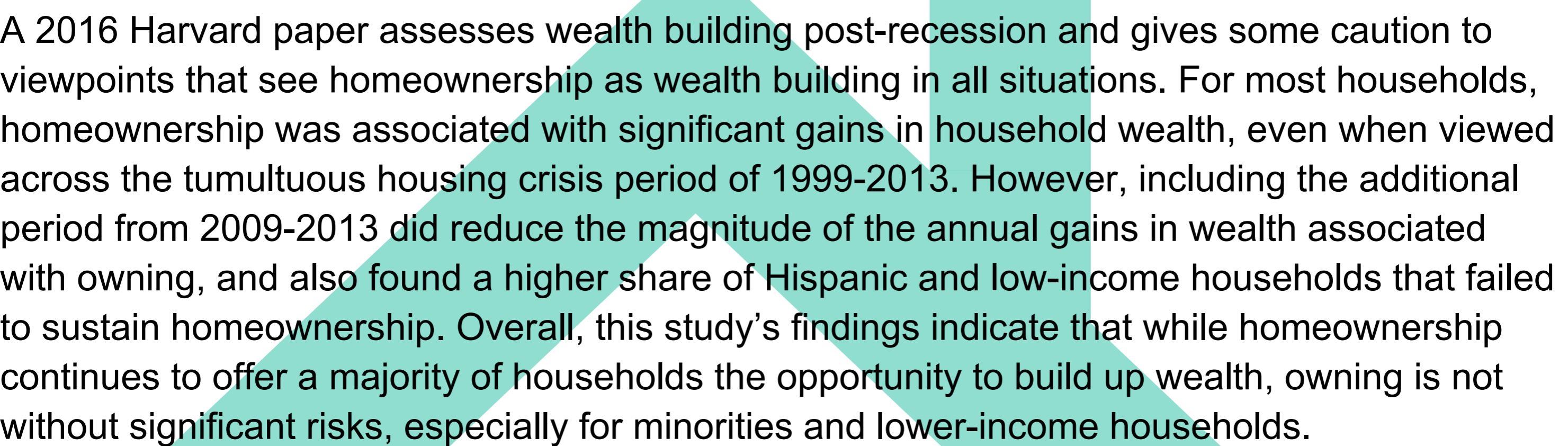
Potential explanations for the negative impacts of residential moves include disruptions in children’s instruction caused by changing schools, stress caused by the move, disruptions of peer networks (for older children) and interference with the development of close, personal relationships (for younger children). According to 2016 report from the National Center for Homeless Education and data collected through the McKinney-Vento Act, 14,999 k-12 students in the State of Utah experienced homelessness or mobility in the 2014-15 academic year. In schools with high rates of student mobility, the detrimental impact of moving extends beyond the highly mobile students to their teachers and stable classmates – perhaps because the highly mobile students require a disproportionate share of teacher attention and school resources.



Myth #3 – Affordable housing is government hand-out with little to no return on investment

Anyone who owns a home – no matter what their income bracket – has the benefit of the highest amount of federal housing subsidy in the US. The Mortgage Interest Deduction (MID) is a provision of the U.S. tax code that allows homeowners to deduct from their taxable income the interest paid for mortgages on homes they occupy.


The MID currently benefits America's highest income families who do not need help to be stably housed. According to the Congressional Budget Office, the top 20% of highest income households receive 75% of the benefits of the MID, and the top 1% get 15% of the benefits. In fact, \$59 billion a year—80% of the MID—goes to households making more than \$100,000 a year; \$30 billion—40%—goes to households earning more than \$200,000.



A 2016 Harvard paper assesses wealth building post-recession and gives some caution to viewpoints that see homeownership as wealth building in all situations. For most households, homeownership was associated with significant gains in household wealth, even when viewed across the tumultuous housing crisis period of 1999-2013. However, including the additional period from 2009-2013 did reduce the magnitude of the annual gains in wealth associated with owning, and also found a higher share of Hispanic and low-income households that failed to sustain homeownership. Overall, this study's findings indicate that while homeownership continues to offer a majority of households the opportunity to build up wealth, owning is not without significant risks, especially for minorities and lower-income households.

A 2016 National Bureau of Economic Research working paper states that household fixed-effects estimates indicate that additional years of public housing and voucher-assisted housing increase adult earnings by 4.9% and 4.7% for females and 5.1% and 2.6% for males, respectively. Childhood participation in assisted housing also reduces the likelihood of adult incarceration for males and females from all household race/ethnicity groups.

Affordable housing is a critical tool for sustainability and economic development. Employers experience less turn-over in workforce if there is sufficient stock of affordable housing in close proximity to jobs and lower income workers do not have to bear a greater cost for commuting. Some businesses will choose a community based on the availability of housing in a wide variety of price points so as to meet the housing needs of their entire workforce, from managers to front line workers...

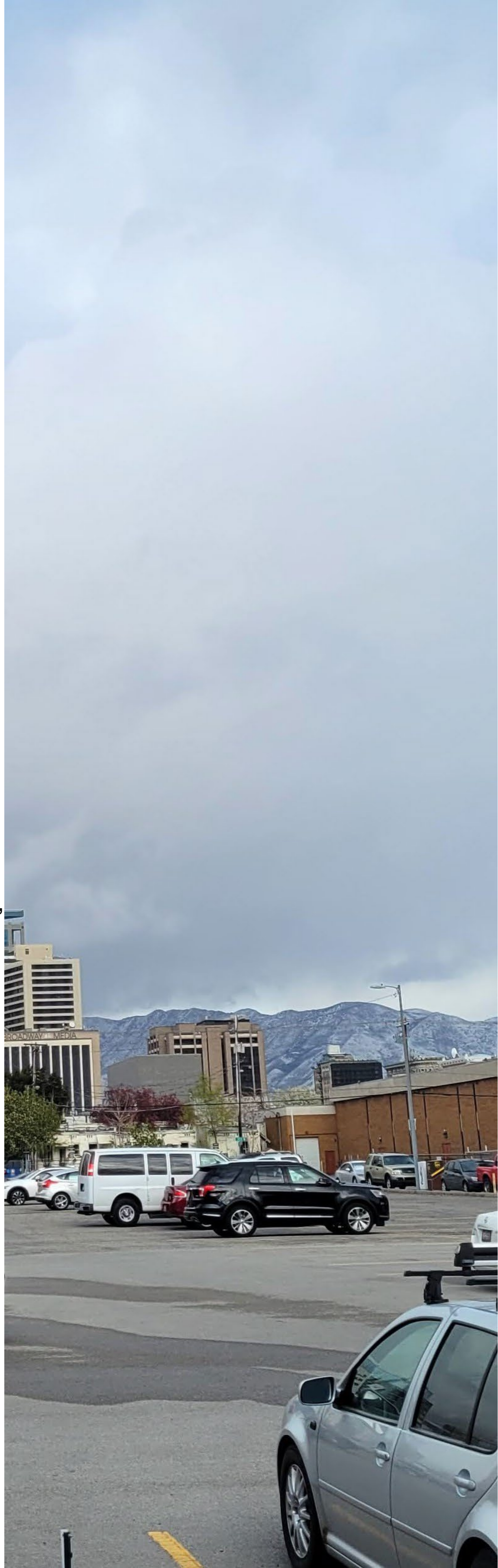


Myth #4 - Affordable Housing increases crime

Subsidized housing doesn't bring crime or disinvestment if it's well designed and managed and if the neighborhood is safe and stable to begin with. Many communities fight to exclude affordable housing developments because they fear rising crime and declining property values. Some research has found that an influx of subsidized households may affect crime rates, but only in communities that are already struggling with disinvestment and worsening crime. A much larger body of evidence confirms Massey's new findings that crime and property values are unaffected by the construction of subsidized housing.

Results show that LIHTC subsidized housing tended to be developed in neighborhoods where crime was already prevalent, and contrary to popular perception, LIHTC developments have a mitigating impact on neighborhood crime. These results suggest that LIHTC developments may be an effective tool for revitalizing distressed neighborhoods by ameliorating the "broken windows" problem and reducing neighborhood crime.

The National Crime Prevention Council calls for the construction of affordable housing to reduce crime because "neighborhood cohesion and economic stability are enhanced in areas where the continuing supply of dispersed, affordable housing is assured." Whether a development will be an asset or a detriment to a community more often turns on basic management practices: careful screening, prudent security measures, and regular upkeep.



Myth #5 - Affordable housing is ugly and looks cheap

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The Utah Housing Coalition (UHC) is a nonprofit 501(C) 3 organization founded in 1973.

The mission: Through Education, Advocacy, and Community Partnerships, the Utah Housing Coalition is dedicated to equitable and sustainable communities to ensure all Utahans have a safe and affordable place to call home.

We believe that by increasing community education of housing and financial stability, by providing a network of support for professionals in the housing industry, and by working with respected leaders in the nonprofit, for profit and public sectors, we can achieve a vision for Utah in which citizens have a decent, affordable place to live.



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