

# Smart Growth and Housing Affordability

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# Focus of Analysis

- Housing tenure—rental units as % of all new units constructed
- Housing type—multifamily units as a % of all new units constructed
- Housing affordability—difference in percent of renter/owner households spending  $> 30\%$  of h.h. income on housing

# Change in Tenure, Dwelling Unit Mix, and Affordability

State	Percent of counties that were “metropolitan” in 1999	Percent counties with positive gain or no change in rental unit percent change	Percent counties with positive gain or no change in multi-family units	Percent counties with positive gain or no change in <u>owners</u> paying $\geq 30\%$ of h.h. income on housing	Percent counties with positive gain or no change in <u>renters</u> paying $\geq 30\%$ of h.h. income on housing
OR	28%	11%	<b>78%</b>	<b>94%</b>	<b>81%</b>
FL	51%	10%	30%	88%	33%
MD	63%	29%	58%	<b>96%</b>	54%
NJ	100%	<b>43%</b>	53%	67%	10%
CO	17%	38%	51%	63%	54%
IN	40%	38%	73%	<b>95%</b>	27%
TX	23%	31%	51%	46%	25%
VA	46%	39%	50%	76%	45%

## Difference in Percentage of Owners Paying 30% or More of Household Income on Housing as a Dependent Variable

Variable	Unstandard- ized Coefficient	t-value (two-tailed)
(Constant)	-.182	-.152
<b>Smart growth state</b>	<b>2.639</b>	<b>6.588</b>
Per capita county income 1989 (in 1000s)	<b>.463</b>	<b>4.162</b>
% change in per capita county income	<b>-.022</b>	<b>-1.811</b>
Total county population 1990 (in 1000s)	-.001	-1.788
% change in county population 1990-2000	-.017	-1.932
County median home value 1990 (in 1000s)	<b>-.050</b>	<b>-4.701</b>
County population density 1990	<b>.001</b>	<b>2.217</b>
% of population 25 years and over with bachelor's degree or higher 2000	.013	.478
County job density 2000 (per sq mile) (in 1000s)	-.067	-1.316

# Affordable Housing: Conclusions

- Housing markets are complex
- In general, smart growth programs not having a positive impact on affordability. Not able to overcome other causal factors.
- MF housing not necessarily Affordable Housing
- Program design matters. Aim at what you want to achieve. E.g., NJ strong planning requirement for production and retention of affordable rental housing.

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