



Affordable Housing in the Richmond Region Fact Sheet

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Affordable Housing Interrelationships

THE ISSUES INSIDE

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THE AWARENESS OF AFFORDABLE HOUSING ISSUES IS INCREASING:

- » In the past five years housing costs have increased by as much as 68 percent in parts of the region. *(Source: Richmond Times Dispatch and local planning departments)*
- » The housing prices in the Richmond-Petersburg area increased 16.2 percent in the first quarter of 2005, making the median purchase price of a home \$180,500. *(Source: National Association of Realtors)*
- » The increase in cost of housing has significantly outpaced wages. Minimum wage has not increased since 1997. *(Source: Washington Post)*
- » Since 1999, the number of low- and middle-income working households paying more than half their income for housing has increased 76 percent nationwide. *(Source: Center for Housing Policy)*
- » Housing costs have become a burden to significantly more Richmond area households. One in four Richmond area households must use 30 percent or more of their income to cover their housing costs. *(Source: U.S. Census 2000)*



Income Levels and the Price of Affordable Housing

Table 1: HUD Income Limits in the Richmond Region in 2005

Percent of Area Median Income	Individual	2 person household	4 person household
100%	\$47,310	\$54,050	\$67,600
80% (Low Income)	\$37,850	\$43,250	\$54,100
50% (Very Low Income)	\$23,650	\$27,000	\$33,600
30% (Extremely Low Income)	\$14,200	\$16,200	\$20,300

Source: HUD Income Limits (<http://www.huduser.org/datasets/il.html>)

WHAT IS “AFFORDABLE” AND TO WHOM?

The Area Median Income (AMI) is used to determine the cost of what is considered “affordable” to different income brackets. Half of the Richmond region’s population makes more than 100 percent of the AMI, while the other half of the population makes less than 100 percent of the AMI.

According to the US Department of Housing and Urban Development (HUD) housing is affordable if it costs no more than 30 percent of the household’s income.

Table 1 shows the different income levels in the Richmond region. Affordable housing programs generally target individuals and households making below 80 percent of the AMI.

Table 2: Housing Prices based on HUD Income Limits in the Richmond Region in 2005

Percent of Area Median Income	Individual		2 Person Household		4 Person Household	
	Price of Affordable House**	Monthly Cost*	Price of Affordable House**	Monthly Cost*	Price of Affordable House**	Monthly Cost*
100%	\$134,300	\$1,180	\$153,200	\$1,350	\$191,500	\$1,690
80% (Low Income)	\$107,300	\$945	\$122,600	\$1,080	\$153,200	\$1,350
50% (Very Low Income)	\$67,000	\$590	\$76,500	\$675	\$95,200	\$840
30% (Extremely Low Income)	\$40,000	\$355	\$45,900	\$405	\$57,400	\$510

*Includes principle, interest, property tax, and insurance

**Assumes 8.125 interest rate, borrower has no debt and provides a three percent downpayment

Source: HUD Income Limits (<http://www.huduser.org/datasets/il.html>) and <http://www.mortgage101.com/Calculators/Afford.asp?p=mortgage3>

Table 2 shows the price of a house that the different household sizes in each income level could afford to purchase or rent by paying no more than 30 percent of their household income.

For example, a two person low income household making \$43,250 a year could afford a house costing no more than \$122,600 or rent of no more than \$1,080 a month.

Income Levels

In the Richmond region households and individuals in the low and very low income brackets are having an increasingly difficult time finding housing that is affordable. These are individuals or households that make between 30 percent and 80 percent of the Area Median Income. Types of occupations are illustrated in Table 3 and in the pictures below.

Table 3: 2004 State Occupational Employment Statistics Estimates

	Median Hourly Wage	Annual Salary	
Cashiers	7.59	15,790	
Waiters and waitresses	6.59	13,710	30% of AMI
Personal and home care aides	7.02	14,610	(Extremely Low Income)
Child Care Workers	7.65	15,910	
Nursing Aides, Orderlies, and Attendants	9.66	20,100	
Security Guards	10.43	21,700	40% of AMI
Switchboard Operators	10.16	21,120	
Bakers	9.54	19,850	
Tailors, Dressmakers, and Custom Sewers	10.51	21,860	
Medical Assistants	11.37	23,660	50% of AMI
Bus Drivers, Transit and Intercity	11.80	24,550	(Very Low Income)
Chefs and Head Cooks	12.64	26,300	
Hairdressers, Hairstylists, and Cosmetologists	9.79	20,370	
Secretaries	13.68	28,450	
Police, Fire, and Ambulance Dispatchers	13.49	28,060	
Fire Fighters	16.53	34,390	
Installation, Maintenance, Repair Occupations	16.77	34,890	60% of AMI
Dental Assistants	13.33	27,730	
Clergy	14.49	30,150	
Surveyors	17.60	36,660	
Child, Family, and School Social Workers	16.46	34,240	
Postal Service Mail Sorters	19.23	40,000	
Kindergarten Teachers	*	42,240	
Elementary School Teachers	*	47,200	80% of AMI
Secondary School Teachers	*	47,470	(Low Income)
Postal Service Mail Carriers	21.01	43,700	
Police and Sheriff's Patrol Officers	18.23	37,930	
Registered Nurses	23.74	49,370	
Urban and Regional Planners	25.16	52,320	100% of AMI

Source: U.S. Department of Labor, Bureau of Labor Statistics (http://stats.bls.gov/oes/oes_dl.htm#2003_m)

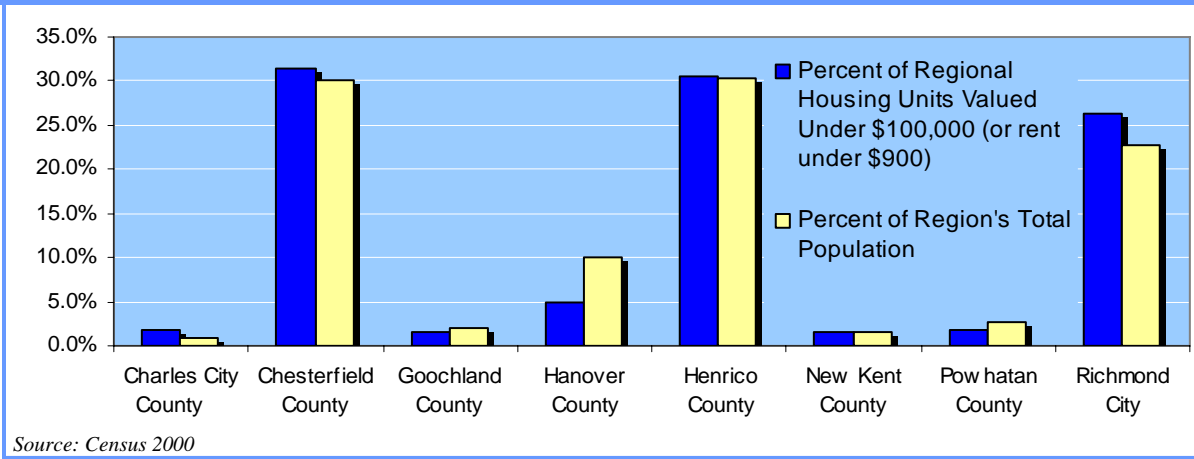
*Indicates that a wage estimate is not available



Regional Distribution in 2000

WHERE IS THE EXISTING AFFORDABLE HOUSING?

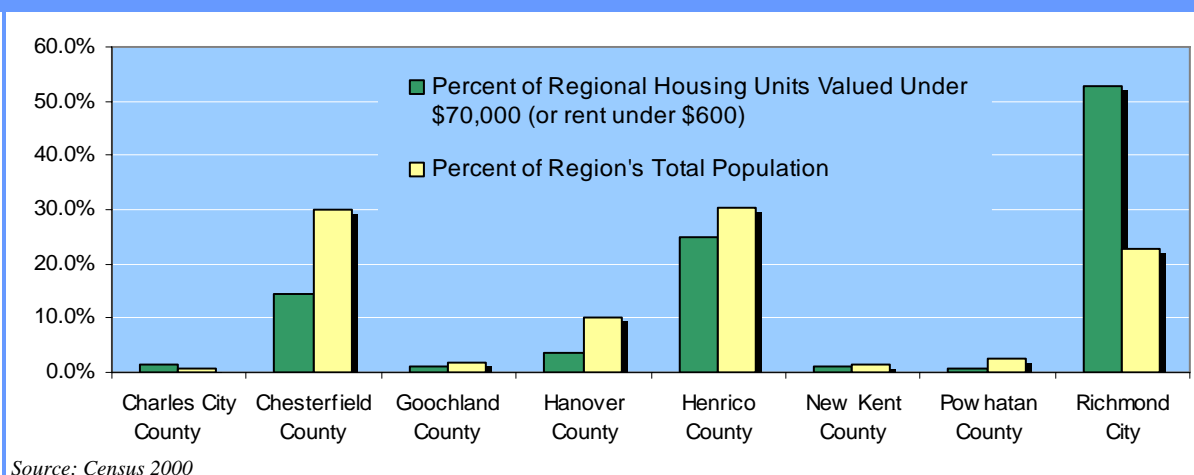
Figure 1: Percent of region's affordable housing for low income (80% AMI and below) versus percent of region's total population by jurisdiction



Low Income (80% AMI and below)

Figure 1 shows the percentage of the region's affordable housing supply in each of the localities is fairly close to the percentage of the region's population living in each locality when considering low income households. For example, Henrico County contains 30.3 percent of the region's total population and 30.5 percent of the region's housing units affordable to low income households. New Kent County contains 1.6 percent of the region's total population and 1.6 percent of the region's housing units affordable to low income households. The City of Richmond and the counties of Henrico and Chesterfield contain a majority of the region's population and a majority of the region's affordable housing.

Figure 2: Percent of region's affordable housing for very low income (50% AMI and below) versus percent of region's total population by jurisdiction



Very Low Income (50% AMI and below)

Figure 2 shows the discrepancies between the percent of the region's affordable housing supply and the percent of the region's population in each of the localities are more pronounced when looking at housing for very low income households. For example, the City of Richmond has 22.8 percent of the region's total population and 52.6 percent of the region's housing units affordable to very low income households. Chesterfield County has 30.0 percent of the region's population and 14.6 percent of the region's housing units affordable to very low income households. Over half of the region's affordable housing for very low income households is located in the City of Richmond.

Regional Distribution in 2000

WHERE IS THE EXISTING AFFORDABLE HOUSING?

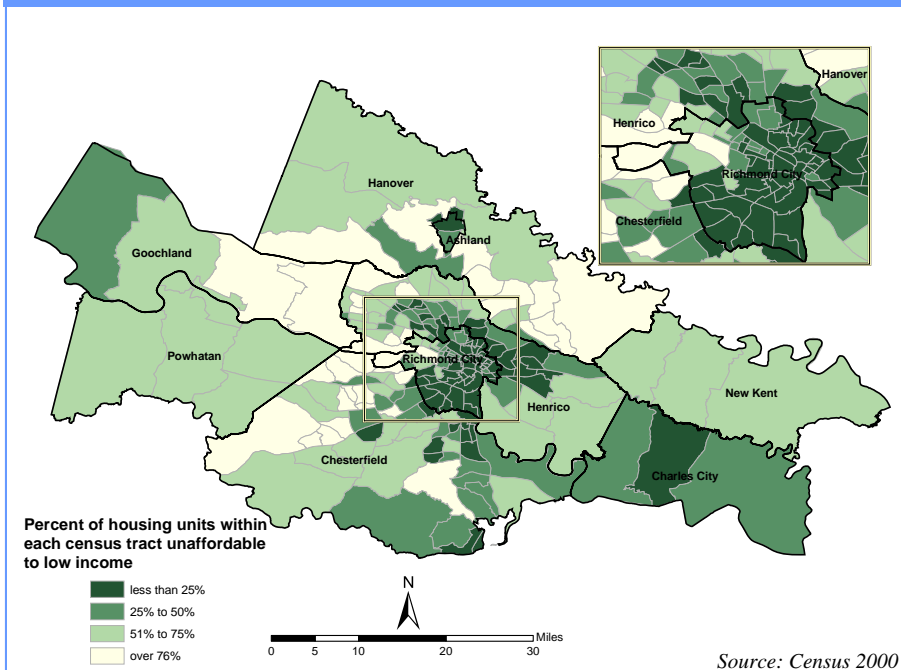
Low Income (80% AMI)

Higher percentages of the housing considered unaffordable to low income households is found in the western suburban area of the Richmond region. Map 1 shows a higher percentage of unaffordable housing for low income households in the lighter green census tracts. The darker census tracts indicate a higher percentage of affordable housing for low income households.

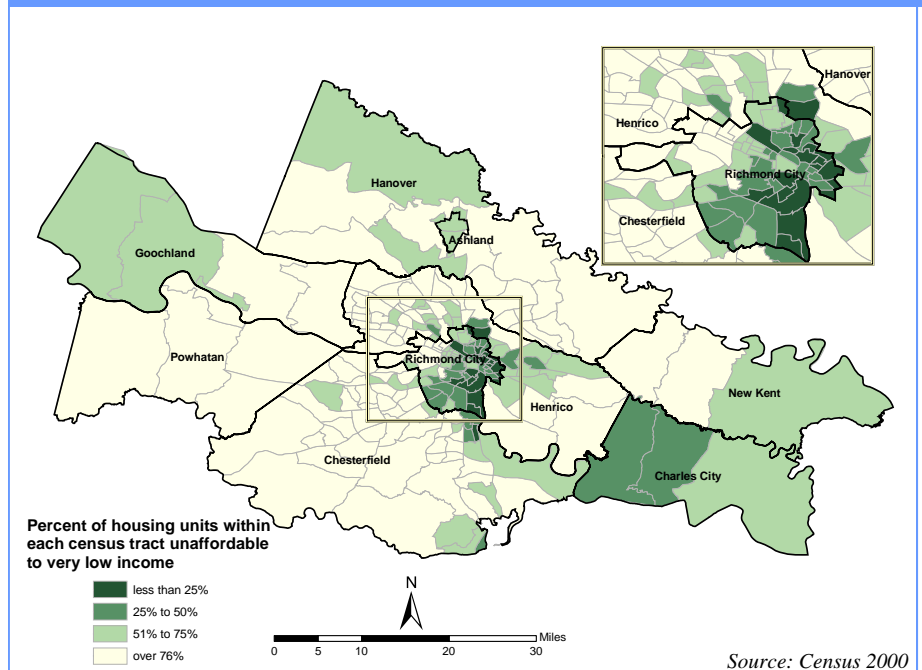
Very Low Income (50% AMI)

Over 75 percent of the housing stock in a majority of the census tracts in the Richmond region was unaffordable to very low income households in 2000. These census tracts are shown in Map 2 as the lightest green tracts. The suburban areas surrounding the city are for the most part unaffordable to very low income families, while the eastern urban areas in the region have a higher percentage of affordable housing units for very low income households. These census tracts with a higher percentage of affordable units for very low income households are depicted by the darker colored census tracts in Map 2.

Map 1: Percent of housing units by census tract unaffordable to low income (over \$100,000 or rent over \$900 a month) in 2000



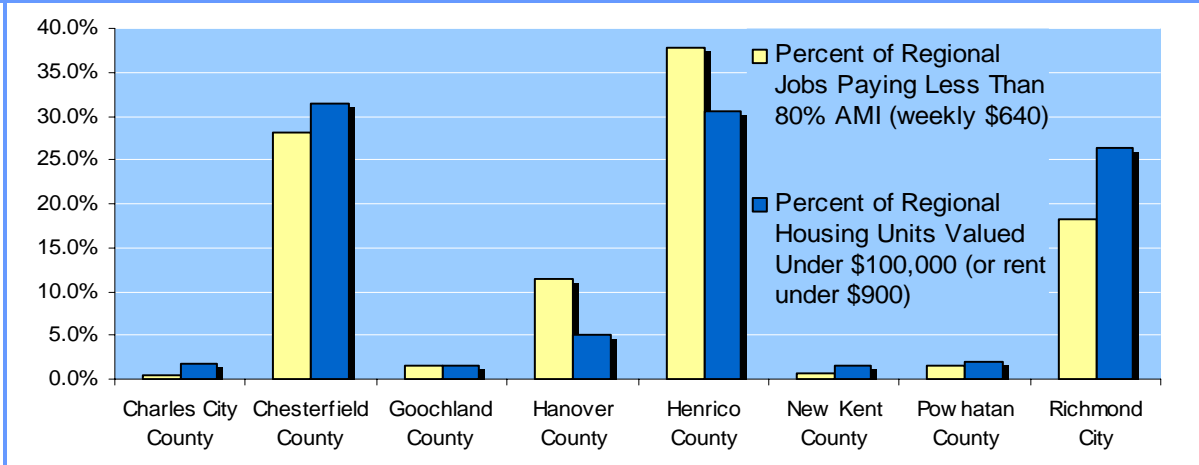
Map 2: Percent of housing units by census tract unaffordable to very low income (over \$70,000 or rent over \$600 a month) in 2000



Jobs and Housing Balance

WHERE IS THE AFFORDABLE HOUSING COMPARED TO WHERE THE JOBS ARE?

Figure 3: Percent of region's low income jobs versus percent of region's low income affordable housing units by jurisdiction

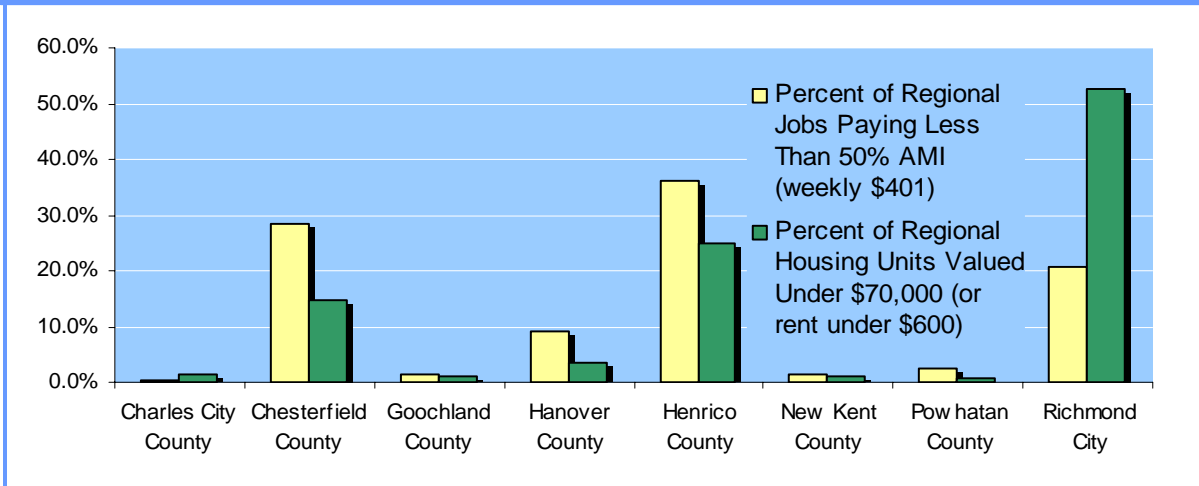


Source: Virginia Employment Commission
Census 2000

Low Income (80% AMI and below)

Figure 3 shows that there is a slight discrepancy between the percentage of the region's affordable housing supply in each of the localities and the percentage of the region's low income jobs in each locality when considering low and very low income households. For example, Henrico County contains 37.9 percent of the region's low income jobs and 30.5 percent of the region's housing units affordable to low income households. Hanover County contains 11.5 percent of the region's low income jobs and 4.9 percent of the region's housing units affordable to low income households. These discrepancies indicate a jobs to housing imbalance.

Figure 4: Percent of region's very low income jobs versus percent of region's very low income affordable housing units by jurisdiction



Source: Virginia Employment Commission
Census 2000

Very Low Income (50% AMI)

Figure 4 shows the discrepancies between the percent of the region's very low income affordable housing supply and the percent of the region's very low income jobs in each of the localities. For example, the City of Richmond has 20.6 percent of the region's very low income jobs and 52.6 percent of the region's housing units affordable to very low income households. Chesterfield County has 28.4 percent of the region's very low income jobs and 14.6 percent of the region's housing units affordable to very low income households. The City of Richmond is the only locality with a higher percentage of affordable housing for very low income than percentage of very low income jobs.

Transportation

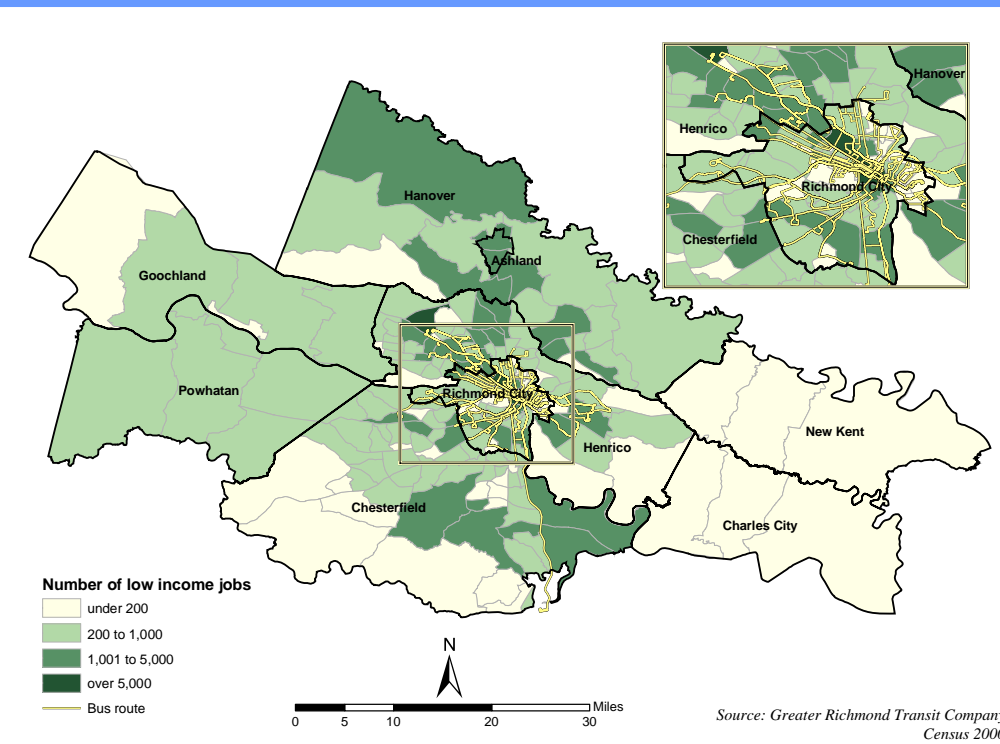
HOW DO PEOPLE GET FROM THEIR HOMES TO THEIR JOBS AND BACK AGAIN?

Transportation is a critical aspect of affordable housing. Imbalances in the jobs to housing ratio can place a higher cost burden on low income families. Transportation is second only to housing costs for household expenses for all income levels. Lower income families, however, spend twice as much as a percentage of their income on transportation than middle income families. The transportation cost burden for low income families can make homeownership unattainable.

The imbalances in the jobs to housing ratio can create excessive regional traffic, congestion, lower air quality, and other transportation problems by requiring a large number of workers to travel greater distances to work.

A lack of affordable housing in proximity to employment may also become detrimental to businesses across the region if they are unable to attract the workforce they need.

Map 4: Number of very low income jobs by census tract in 2000 overlaid with the regions public transportation network



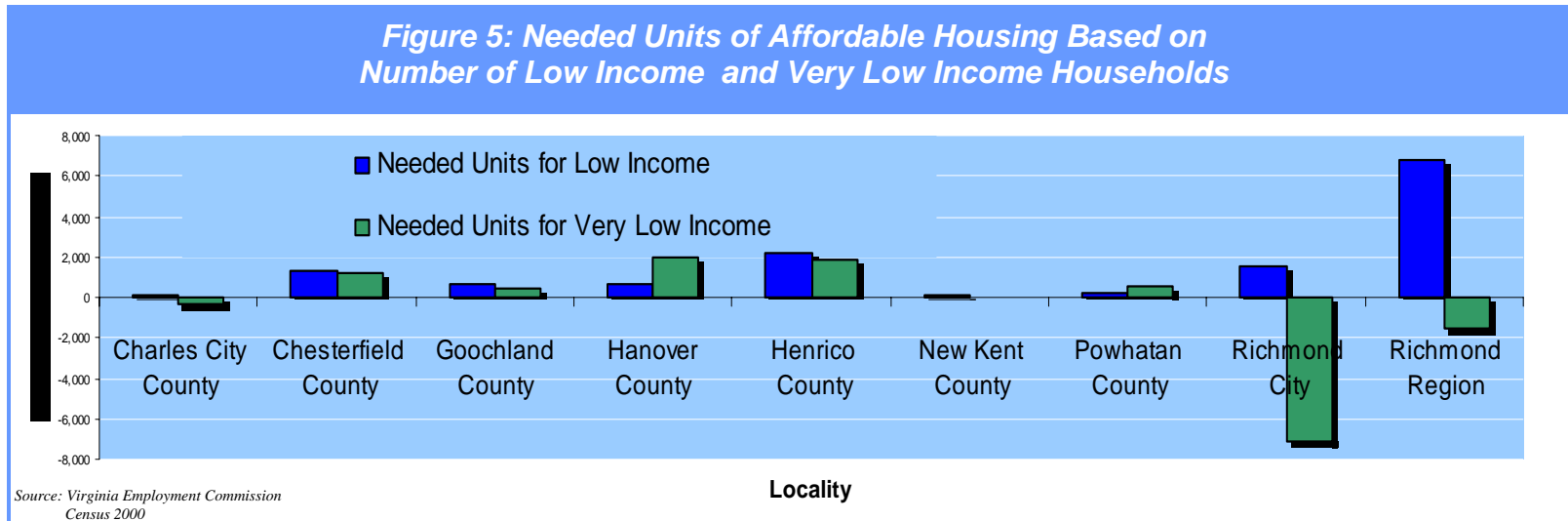
Map 4 shows the location of very low income jobs in the region. These are jobs that pay less than \$401 a week. The darkest green census tracts indicate tracts with over 5,000 very low income jobs. When the location of these very low income jobs is overlaid with the region's public transportation network (shown in yellow), one can see that many of these jobs are inaccessible or require high transportation costs for those least able to afford it.

The very low income jobs to housing imbalance in the Richmond region can be seen by comparing the location of very low income jobs, seen in Map 4, to the location of affordable housing for very low income households, seen in Map 2.

Supply and Demand in 2000

WHERE IS MORE AFFORDABLE HOUSING NEEDED?

In the Richmond region there is a disparity in most of the jurisdictions between low and very low income population size and affordable housing supply.



Low Income (80% AMI)

Figure 5 compares the number of low and very low income households to the number of houses valued at what is considered affordable to these households in each jurisdiction. Figure 5 shows there were 176,819 housing units (both rental and owner-occupied) in the Richmond region that were affordable to low income households. With 183,615 low income households in the Richmond region, there was a shortage of 6,796 units (176,819 housing units less the 183,615 households) of housing affordable for those low income households in the Richmond region. When comparing the individual localities within the Richmond region the demand for affordable housing for their low income populations is greater than the supply provided by all of the eight localities.

» When comparing the number of low income affordable units to the number of low income households, the Richmond region as a whole does not have an adequate supply of affordable housing units.

Very Low Income (50% AMI)

Figure 5 shows that there were 78,460 housing units (both rental and owner-occupied) in the Richmond region that were affordable to very low income households. With 76,922 very low income households in the Richmond region, there appeared to be a 1,538 unit surplus (78,460 housing units less 76,922 households) of affordable housing for those making a very low income in the Richmond region. When comparing the individual localities within the Richmond region the demand for affordable housing for their very low income populations is greater than the supply provided by six of the eight localities.

» When comparing the number of very low income affordable units to the number of very low income households, the Richmond region as a whole appears to have an adequate supply of affordable housing units.