

The Green Connection: More Affordable Housing = Less Traffic

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Introduction

It is an unprecedented time for affordable housing in the Bay Area. Low-income households currently face a “double whammy” in which rents are relatively high and vacancy rates relatively low; but, at the same time homeownership is increasingly out-of-reach for these households due to the risk of foreclosure and/or the difficulty of attaining a mortgage.

In addition, affordable housing developers continue to face uncertain funding sources as state and federal funding programs are in transition or proposed for cuts. To make matters worse, local governments frequently mandate traffic mitigations or excessive parking requirements that are typically unnecessary for affordable housing, which tend to generate decidedly fewer car trips than market rate developments. This can add significant costs to an affordable housing project, and may ultimately make proposed developments financially infeasible.

Meanwhile, local and regional policymakers are seeking ways to promote housing stability at a time when many communities are suffering from high unemployment rates and increased foreclosures. However, they may be unsure how to backfill for reduced federal and state financial support, or what to do to prepare for the inevitable upturn in the Bay Area real estate market before it translates into another affordable housing crisis.

This article makes the case that recognizing the transportation benefits of affordable housing can (1) strengthen existing residents’ support for affordable housing in their neighborhood, (2) help affordable housing developers include more affordable housing projects on highly-desired sites near transit, and (3) may even help Bay Area communities meet their greenhouse gas reduction goals.

Affordable housing = green housing

A wide range of recent national studies suggest that low-income households and renters are the demographic groups that are least likely to own a private vehicle and most likely to take transit (Gardenhire and Sermons, 2005; Litman, 1999; Murakami and Young, 1999; Pucher and Renne, 2003). When these groups do travel by car, on average they make fewer vehicle trips, make shorter vehicle trips, and are more likely to travel during off-peak hours when road capacity is generally unconstrained. Thus, from a transportation perspective, affordable rental housing is by definition “green housing.”

Similar to these national findings, local data show that affordable housing in the Bay Area is also “low traffic” in nature (California Department of Housing and Community Development, 2002; Marin Development Agency, 2008). East Bay Housing Organizations (EBHO), EAH Housing, and NelsonNygard are currently seeking funding to analyze a household-level data set to further demonstrate this finding on the local level.

Despite this research, however, the conventional methods used by transportation planners to estimate auto parking demand and vehicle trips can overlook the “low traffic” nature of affordable housing. As a result, (1) parking requirements are often too high for affordable developments, meaning that money that could have been spent on constructing more affordable units may be

wasted on the provision of unneeded parking, and (2) the overestimation of peak-hour vehicle trips for affordable housing tends to stoke neighborhood fears about traffic congestion, and kindle neighborhood opposition to new affordable housing projects. In addition, many communities prohibit “unbundled parking” (which allows parking to be paid for separately from the price of housing, without increasing the total cost of both), meaning that low-income households often pay for parking spaces they don’t want or need..

Maximizing the “low traffic” benefits of affordable housing

California and the Bay Area are at the forefront of prioritizing policies that make it easier for more people to get around without a car for more of their trips, thereby reducing vehicle miles traveled (VMT) and greenhouse gas emissions (GHGe). As part of this effort, the Bay Area has redoubled long-standing efforts to encourage compact land use patterns and facilitate transit-oriented development (TOD) projects near major transit nodes.

However, recent national research suggests that the *some* kinds of development near transit can actually lead to increases in the average rates of car ownership and traffic in existing neighborhoods (Pollack et al, 2010). This can result when development projects are transit *adjacent* but not transit *oriented*, are targeted exclusively at high-income households, and/or displace lower-income households most likely to take transit (Pucher and Renne, 2003).

One solution to this problem is to require TOD projects to incorporate traffic-reducing strategies like unbundled parking, on-site carsharing, and discounted transit passes to encourage residents of market-rate units to use nearby transit. But another critical strategy is to include the maximum feasible number of affordable housing units at TOD sites. This is both an ethical policy to pursue (because low-income “transportation-disadvantaged” households need good access to the regional transit network) as well as a practical one, since affordable housing units are the key to unlocking the potential traffic-reducing benefits of TOD and getting the most “bang for the buck” out of taxpayer dollars spent on public transit.

It is important to note that including market-rate housing is often critical to make many TOD projects financially viable, especially in regions with high land costs like the Bay Area. But to the extent that affordable housing is optimized at the Bay Area’s remaining TOD sites, it may be possible to reframe the debate: instead of requiring transportation and parking “mitigations” for affordable housing, it could be argued that affordable housing is in fact a mitigation itself, in that an affordable unit will generate less parking demand and fewer vehicle trips than if that same unit were market-rate.

Affordable housing as a climate change mitigation?

In response to California’s climate change policies (including AB 32 and SB 375), Bay Area cities and counties will increasingly be looking for strategies to help them meet their GHGe reduction targets.¹ Due to the “low traffic” nature of affordable housing units, Bay Area communities should consider how locating more affordable housing units within their boundaries can help them meet their climate change goals (relative to the GHGe if the same number of comparable market-rate units were developed within the jurisdiction’s boundaries).

Following that same logic, affordable housing developers should explore whether quantifying the reduced transportation-related GHGe generated by their projects over the useful life of the

¹ Communities may have established GHGe targets as part of their locally-initiated climate action plan. If not GHGe targets for local jurisdictions may be established as part of the regional Sustainable Communities Strategy currently being developed by the MTC.

building might be a sellable commodity.² For example, several voluntary cap-and-trade carbon markets already exist, and a mandatory cap-and-trade exchange is one climate change strategy being considered by the federal government. The revenue generated from selling these tradable “carbon credits” (expressed as the price of one ton GHGe that was reduced or avoided) could be a new source of funding for affordable housing. EBHO is currently seeking funding for a joint research project with EAH and Nelson\Nygaard that would explore the feasibility of this approach and its revenue potential.

Conclusion

Our research has led us to conclude the following.

- One of the most effective ways for Bay Area communities to reduce barriers to affordable housing would be to confirm that their parking requirements and traffic models are appropriate for “low-traffic” affordable housing.³ When current residents know that new affordable housing in the neighborhood will not result in “traffic Armageddon” or spillover parking problems, they are more likely to be supportive.
- The overall transportation impacts of a mixed-income project near transit will be less than if a) the same site was developed entirely with market-rate units or b) the site was left undeveloped and affordable housing units were located further away from transit.⁴ To maximize the transportation benefits of affordable housing, policymakers should seek to include the maximum feasible amount of affordable housing at TOD sites. If affordable housing units are optimized as part of mixed-income development projects at the Bay Area’s remaining TOD sites, the “low-traffic” affordable units could be considered mitigation for any potential transportation impacts of the market-rate units.
- Communities that welcome affordable housing should explore the potential to take credit for affordable housing’s reduced emissions of transportation-related greenhouse gases (relative to comparable market-rate units) to help them meet their local GHGe goals. Under some circumstances, tradable GHGe credits may be a potential new source of funding for affordable housing.

The bottom line: encouraging low-traffic affordable housing near transit must be a critical part of every Bay Area community’s efforts to reduce their traffic congestion and greenhouse gas emissions.

² The community’s reduced GHGe would be relative to a project with the same number of market-rate units developed on the same site or comparable sites within that jurisdiction’s boundaries.

³ It should be noted that there also exist more general methods beyond income restricted housing developments to create housing that is more affordable to everyone. This includes unbundling parking costs, replacing parking minimums for maximums, and encouraging smaller units by eliminating density controls or replacing minimum densities for maximums.

⁴ It should also be noted that building affordable housing in auto-dependent locations not only increases the likelihood that residents of these developments will drive, it adds to household transportation costs, virtually eliminating the benefits of subsidized affordable housing. Cities that do not create sufficient housing that is affordable for all of their workers create a transportation problem for themselves, forcing low income people to commute by motorized modes, typically by cars they cannot readily afford. This increases congestion and localized air pollution.

Further reading

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