

## **OUTLINE TO POWERPOINT PRESENTATION: MYTHS AND FACTS ABOUT AFFORDABLE HOUSING**

### 1. MYTHS AND FACTS ABOUT AFFORDABLE HOUSING

- a. Intro: There are many myths which surround the topic of affordable housing. These myths live in our neighborhoods, our churches, and our families. These myths can stymie efforts to make affordable housing reality.
- b. The way to combat these myths is with facts. This slide show has been created with the purpose of identifying some of these myths and combating them with the facts.

### 2. FACT: THERE IS A GROWING NEED FOR AFFORDABLE HOUSING

- a. While the median price in the Baltimore is approximately \$350,000, the median price of a home in Howard County is still greater. That price exceeds \$417,000.
- b. The family income necessary to purchase a \$417,000 home easily exceeds \$100,000.
- c. Assuming a 30 year mortgage at 6.5% interest, the monthly mortgage payment to purchase a \$417,000 home would be \$2,508. This analysis overstates affordability because it does not include monthly amounts for taxes and insurance. So, in actuality, the actual monthly payment is greater still.
- d. Seventy percent (70%) of Howard County workers makes less than \$50,000.
  - i. Qualified by their income to purchase no more than a \$150,000 home, these workers are virtually shut out from purchasing a home in the County.
  - ii. To make matters still worse, these workers often find it difficult to find an affordable rental unit in the County. For a household to afford the average two bedroom unit without paying more than the recommended 30% of its income for housing, that family would need an annual income exceeding \$50,000.

### 3. EXISTING HOME SALE PRICES

- a. This slide depicts the increase in existing home sale prices in select U.S. cities. The rise in Baltimore area home sale prices far exceeds the average.
- b. While home prices across the nation have been falling, so far the Baltimore area – and Howard County in particular – is bucking the trend. Prices remain steady.

### 4. PERCENT OF FAMILY AMI NEEDED . . .

- a. Using the family median income, this chart depicts the percentage of the income which is spent to rent different size apartments – from efficiency apartments to four bedroom apartments.
- b. Amazingly, even a modest two bedroom apartment can eat up more than 50% of a family's monthly income.

5. MYTH 1: AFFORDABLE HOUSING LOWERS PROPERTY VALUES

- a. Myth 1: Affordable housing lowers property values.
- b. The Facts: Studies from across the nation have shown that affordable housing which is
  - Well-designed and
  - Well-maintainedDo not lower property values.

6. FACT: AFFORDABLE HOUSING DOES NOT LOWER PROPERTY VALUES

- a. Indeed, a study in nearby Montgomery County and Fairfax County in Northern Virginia has shown that affordable housing did not have any adverse effect on property values in these areas.
  - i. The study looked to discover if there was a price difference between (1) homes sold in subdivisions without subsidized units and (2) homes sold in subdivisions without subsidized units. The finding: No difference.
  - ii. What about homes which were located closer to subsidized units? Any difference in value when compared to those farther away? The finding: no difference.
  - iii. But, what about the value of a non-subsidized home that is located right next door to a subsidized home? Surely, some may say, there must be a difference, right? Wrong. No difference.

7. MYTH 2: AFFORDABLE HOUSING DOES NOT BLEND INTO THE SURROUNDING COMMUNITY

- a. Another popular myth: Affordable housing does not blend into the surrounding community. Affordable housing has to be ugly. False.

8. FACT: WITH GOOD DESIGN, AFFORDABLE HOUSING BLENDS INTO THE COMMUNITY.

- a. The fact: With good design, affordable housing blends into the community.
- b. The issue is good design. Where good design is present, affordable housing works.

9. MULTI-FAMILY: WESTBURY; PORTSMOUTH, VA
  - a. This slide depicts multi-family units constructed in Portsmouth, Virginia.
  - b. Note that the homes appear to be one family homes. However, in actuality, some are actually two family homes.
  - c. Note the attractive porches and attractive street setting.
  
10. LOUISVILLE, KENTUCKY
  - a. This slide shows another example of a multi-family unit interspersed among market-rate homes. In this photo, you can clearly see two entrances to the building found in the middle of the photograph.
  
11. VIRGINIA
  - a. This photograph depicts a complex much like one you might see in Columbia. Again, affordable units are interspersed with market-rate units.
  
12. FIRST WARD; CHARLOTTE, NC
  - a. This photograph shows affordable housing built close to downtown Charlotte. Attractive, affordable housing.
  - b. These photographs dispel the notion that affordable housing will somehow not fit into the community.
  
13. MYTH 3: AFFORDABLE HOUSING IS ALWAYS DENSE AND DENSITY IS BAD FOR COMMUNITIES.
  - a. Another popular myth: Affordable housing is always dense and density is bad for communities. False.
  
14. FACT: GOOD DESIGN MAKE ALL THE DIFFERENCE IN SUCCESSFUL AFFORDABLE HOUSING.
  - a. The fact is that all developments vary in density depending on location.
    - i. We expect that downtown, urban locations will have the greatest density.
    - ii. We expect that locations close to bus and rail links will also have greater density.
    - iii. We expect that the more suburban locations will have a more – well – suburban feel.

- b. In addition, there is an increasing realization that density is actually good for communities. Beyond creating economies of scale, density can create real neighborhoods where people know one another; density can reduce long and wasteful commuting; and density can save open space from unnecessary development.
  - c. Again, the critical issue is design. Good design makes for good housing.
  - d. By necessity, good design has to take into account the location.
15. [PHOTO]
- a. This photograph depicts a large complex containing affordable units and an attractive common area.
16. [PHOTO]
- a. This photograph depicts affordable housing that you might expect to see in Florida or sunny California.
17. [PHOTO]
- a. This photograph depicts units similar to those now being constructed in Rockville, Maryland.
  - b. These units might look right at home in a vision for a Downtown Columbia.
18. [PHOTO]
- a. This photograph shows condominium-style homes that would not be unfamiliar in Columbia.
19. [PHOTO]
- a. This photograph shows townhouse-style homes that you might see in Elkrige, Savage or Columbia. Again, affordable units interspersed with market-rate units.
  - b. These photographs depict affordable units inter-mingled with market-rate units. In our County, some of the affordable units would be sold to purchasers; other units would belong to the County which would then make them available to rental for eligible families.
20. MYTH 4: PEOPLE WHO LIVE IN AFFORDABLE HOUSING WON'T FIT INTO MY COMMUNITY
- a. Myth 4: People who live in affordable housing won't fit into my neighborhood.

21. FACT: PEOPLE WHO NEED AFFORDABLE HOUSING ARE FROM A BROAD RANGE OF OCCUPATIONS.

- a. The usual definition of who qualifies for affordable housing is 80% of the area's median income.
- b. If the median family income in Howard County is \$91,000, this definition would include families of four with incomes up to \$72,800.
- c. The starting salary of a Howard County teacher is \$40,080. The starting salary of a firefighter is \$35,868.
- d. Thus, the public servants and other workers who make this County a great to live are the very people who are eligible to live in this affordable housing.

22. FACT: PEOPLE I SEE EVERY DAY NEED AFFORDABLE HOUSING

- a. While we may not often think about it, the fact is that people whom you and I see everyday – the people who make this County great – are the very people who need affordable housing.
- b. Their names are different from those shown here, but you know them. You see them everyday. You know how valuable and important they are.

23. ACTION STEPS

- a. What can you do?
  - i. Help debunk the myths about affordable and mixed-income housing. Fight fear with facts.
  - ii. Fight for quality design – not against density or income mixing. Good design is the key to successful affordable housing. Insist upon it.
  - iii. Good management matters. – Insist on quality developers and managers, persons and companies with the right credentials and proven track records.
  - iv. Finally, realize that inclusionary zoning is one important tool in making affordable housing a reality.
    - (1) Let's work to expand inclusionary zoning to all residential zoning districts, including the New Town Zoning District.
    - (2) Let's focus on the opportunity which the redevelopment of downtown Columbia presents. Proposals for the redevelopment of downtown Columbia call for 3,000 to 5,000 housing units. These numbers represent a substantial density bonus to General Growth Properties. In return for this enormous development bonus, we should insist that the redevelopment of downtown Columbia include a full spectrum of mixed-income housing for all income levels in the County.

24. END SLIDE SHOW

a. Questions? Comments?