



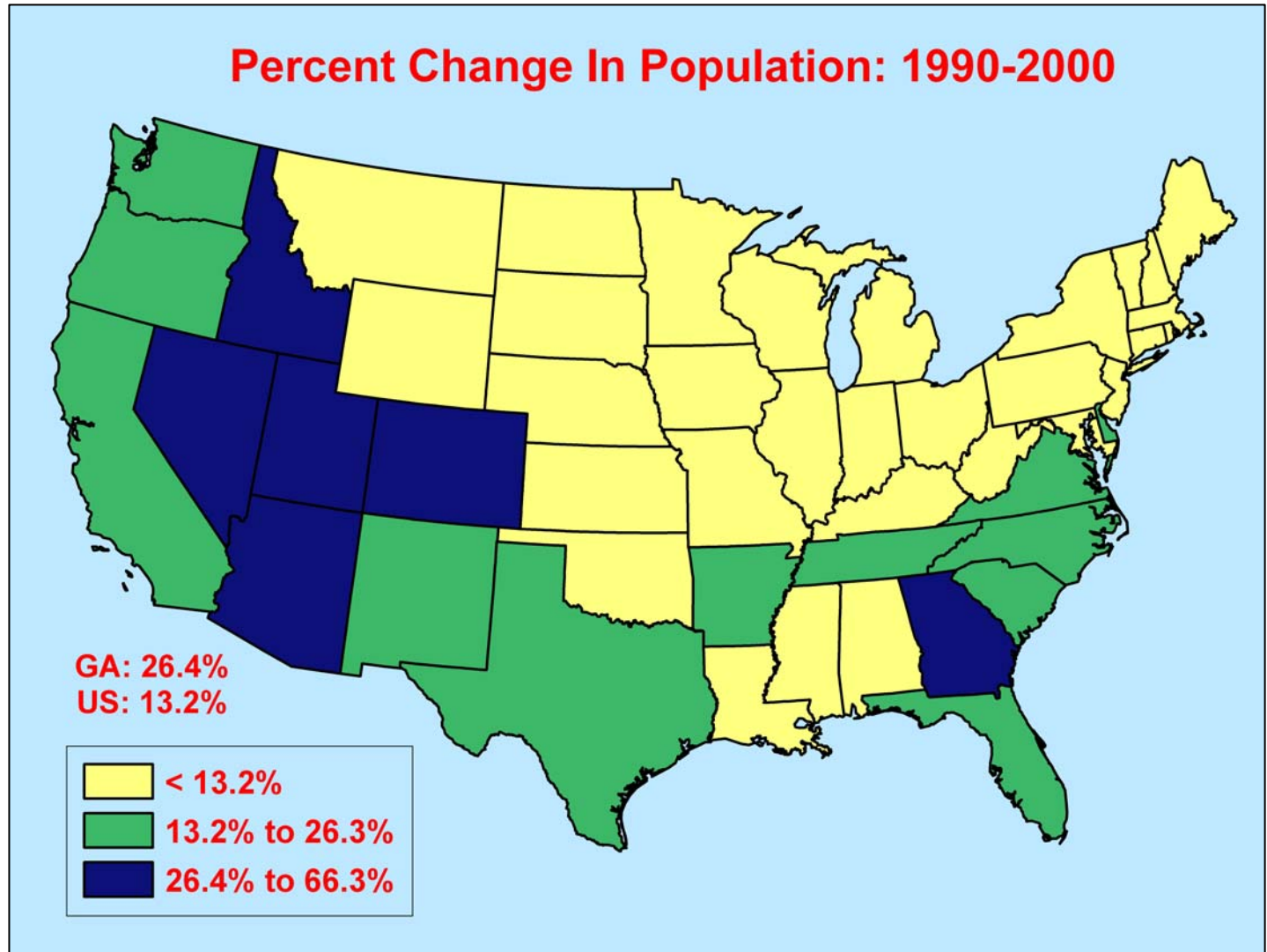
Affordable Housing: Challenges and Opportunities

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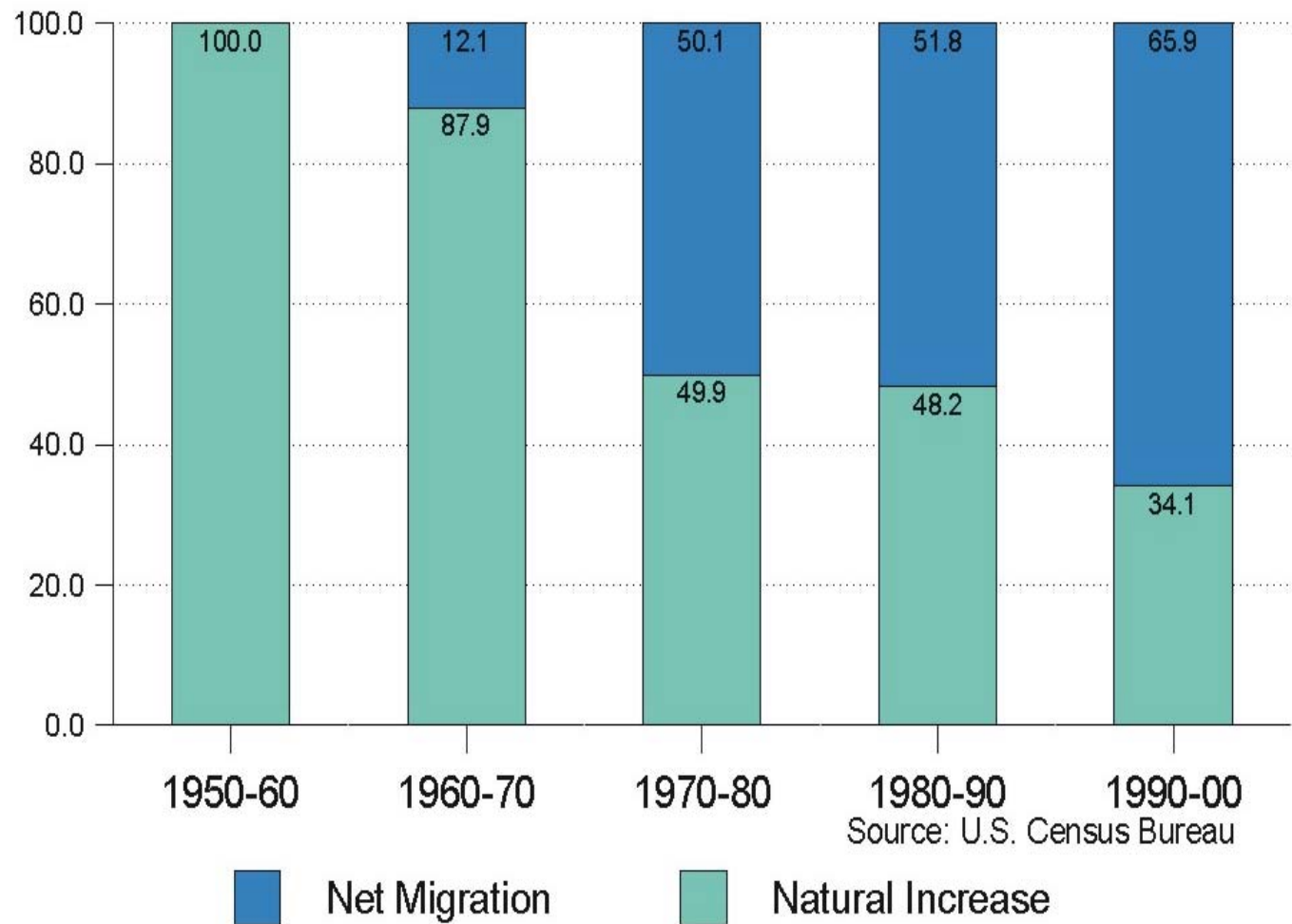
The University of Georgia
Department of Housing and Consumer Economics
Housing and Demographics Research Center

Population Changes





Population Change: Georgia





Georgia Median Household Income

- A consumer earning Georgia's median income of \$42,600 per year can afford a \$127,000 mortgage

Greater than median

Median

Less than median





Georgia Labor Categories & Earnings

JOB CATEGORY	# of Jobs	Mean Salary
Local Government	398,961	\$32,864
Accommodations & Food Service	332,887	\$14,456
Administrative & Waste Services	281,210	\$28,548
Retail Trade	460,002	\$24,596
First Year Teachers	7,500	\$30,441

A \$30,000 annual salary will qualify an individual for a \$90,000 mortgage.

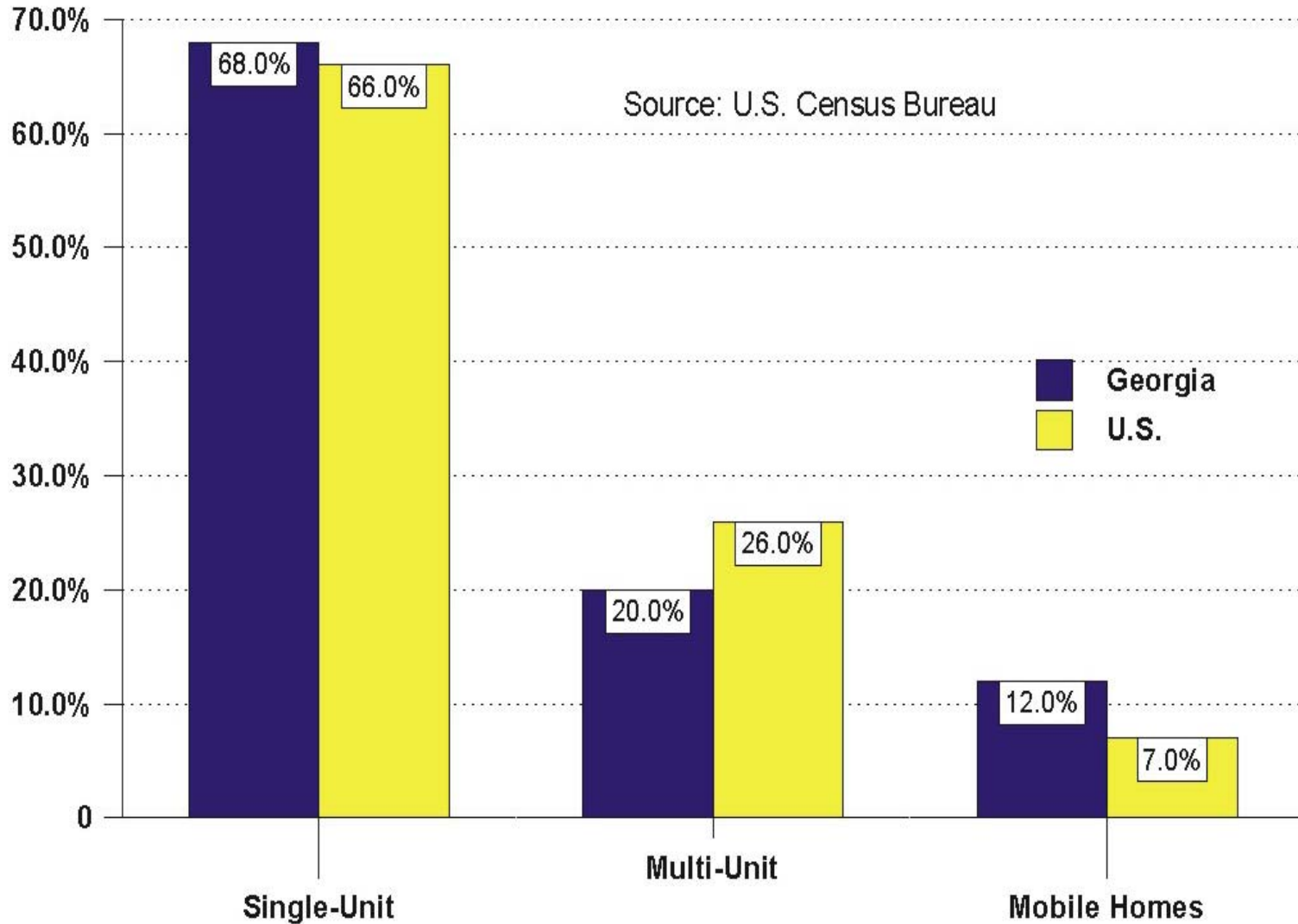
From Georgia Employment and Wages 2005

Produced by the GA Dept. of Labor and Georgia Department of Education



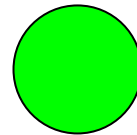
Types of Housing Units

Types of Housing Units as a Percent of Total Units

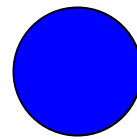




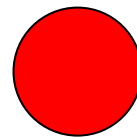
New Housing in Georgia



More than 75%
is site-built single
family



60 to 65% is
site-built
single-family



50% to 75%
is manufactured
housing



Economic Impact

National Homebuilder's Association reports that the construction of 100 homes generates:

- \$11.6 million in new income for local businesses in the first year and \$2.8 million every year thereafter
- 250 new local jobs in the first year and 65 jobs every year thereafter
- \$1.4 million in local taxes the first year and \$498,000 every year thereafter



Donald R. Haurin, Ohio State

- Wealth Effects of Homeownership
 - Savings for a down payment
 - Price appreciation for the home
 - Repayment of mortgage builds equity
- Homeownership and Mobility
 - Homeowners have a greater transaction cost for moving
 - Homeowners are less likely to relocate than renters
- Other Consequences
 - Improved self esteem and concern for neighborhood and local government



Donald R. Haurin, Ohio State

- Homeownership and School Performance
 - Math scores were 9% higher for children of homeowners compared to children of renters, holding all other family attributes equal
 - Reading scores were 7% higher
 - Behavioral problems were reduced by 3%
- Homeownership and Child Outcomes
 - Homeowners children have a lower probability of dropping out of school and having a child before age 18
 - Have a higher level of education attainment



What others say...

- Anne E. Casey Foundation Kids Count Study (2003)
 - Home equity represents more than 80% of the net worth for Black and Hispanic homeowners
- National Housing Assistance Council
 - Rural minorities are three times as likely to live in substandard housing



Sanderson Poultry Survey

- Poultry processing plant
- 515 applicants surveyed
- July - August 2005
- Spanish interpreter





Summary: Sanderson Poultry Survey

- Preferences: An estimated 30% of new hires (432) may be looking to move from their current residence
- Housing condition indicator: Another 20% (321) may be in need of a new place to live (due to overcrowding, home dissatisfaction, sharing housing, need of repairs)



Georgia Initiative for Community Housing

- Launched in 2004
- Three-year program of collaboration and technical assistance
- Partnership
 - UGA Housing and Demographics Research Center
 - GA Department of Community Affairs
 - Georgia Municipal Association





GICH: Helping Your Community Meet its Housing Needs

- Participating communities will:
 - Create a Community Housing Team
 - Develop new ideas about meeting local housing needs
 - Learn about approaches and available resources to meet housing needs
 - Produce a community housing plan
 - Begin implementation of their plan



Barriers to Affordable Housing

- HUD:
Why Not in Our Community
 - Increased complexity of environmental regulations
 - Misuse of smart growth
 - NIMBY in the suburbs
 - Impact fee expansion
 - Slow and burdensome permitting
 - Obsolete building and rehab codes



Barriers to Affordable Housing

- UGA Rural Workforce Housing:
Perceived Barriers and Incentives for
Development
 - Availability of creditworthy homebuyers
 - Cost of land
 - Availability of affordable housing builders and developers
 - Availability of land
 - Profit margin on affordable housing



Barriers Continued...

- Federal Home Loan Bank Atlanta barriers for immigrant first-time homebuyers
 - Language
 - Scarcity of affordable decent housing
 - Complexity of the home-buying process



Barriers Continued...

- Mandi Colson, Master's Thesis
- Survey of 181 GA Homebuilders Association Members:
 - Lack of affordable land 56%
 - Inconsistent interpretation of codes 39%
 - Impact fees (water, sewer, etc.) 38%
 - Inconsistent enforcement of codes 20%
 - High inspection fees 12%
 - Minimum lot size 11%
 - Exclusionary zoning 7%
 - Inflexible land use plans 7%



The Big Picture: Workforce Housing

1. There is very limited housing choice in rural Georgia and a significant proportion of Georgia's rural workforce is dissatisfied with their housing situation.
2. Housing construction is virtually nonexistent in nearly one-half of Georgia's counties.



The Big Picture: Workforce Housing

3. The mix and lack of availability of workforce housing in rural Georgia is influenced by a number of factors including:
 - Credit worthiness of potential buyers
 - Low profit margins in the development of affordable housing
 - Relatively small size of local housing markets
 - Inadequate infrastructure to support housing development
 - Lack of knowledge about housing assistance program
 - Lack of available land
 - Land development codes such as zoning and subdivisions



The Big Picture: Workforce Housing

4. Economic development in rural Georgia is suffering because of the inadequate supply and mix of workforce housing.
5. Existing market incentives alone are insufficient to attract private sector housing builders and developers.



The Big Picture: Workforce Housing

6. Consumers and employers are generally unaware of existing housing programs and resources.
7. Greater understanding and local leadership is needed at the local level to address workforce housing needs.



The Big Picture: Workforce Housing

8. There is insufficient information to address housing choice, quality, and affordability in rural Georgia.