

Is HUD housing affordable? New study says not when you factor in costs to commute

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Transportation costs, after housing, is the second biggest expense in the budgets of most American households, especially for those who live in suburban areas with poor transit connectivity. According to the Consumer Expenditure Survey, housing plus transportation costs consumed 43 percent of US household incomes in 2011. Credit: Florida Atlantic University

Where to live can be a dilemma for many Americans. Do you pay more for housing located near work and other destinations or do you pay less for housing that requires extensive driving? What about families with

housing subsidies? Does this tradeoff on housing and transportation expenses hold true for them?

That's what researchers from Florida Atlantic University, the University of Texas, Arlington, and the University of Utah sought to find out in the first study to evaluate the affordability of the U.S. Department of Housing and Urban Development (HUD) Section 8 Multifamily recipients. The evidence-based research, recently published in the journal *Housing Policy Debate*, is the largest sample of household travel records ever assembled for such a study outside the National Household Travel Survey.

"HUD does not factor [transportation costs](#) into how they measure affordability. Many low-income people on Section 8 are forced to live in inaccessible locations where they can find landlords willing to accept the vouchers, which are often far from their jobs or quality transit service to reach their jobs," said John Renne, Ph.D., study co-author and director and associate professor in the Center for Urban & Environmental Solutions in the School of Urban and Regional Planning within the College for Design and Social Inquiry at FAU. "Transportation costs, after [housing](#), is the second biggest expense in the budgets of most American households, especially for those who live in suburban areas with poor transit connectivity."

According to the Consumer Expenditure Survey, housing plus transportation costs consumed 43 percent of U.S. household incomes in 2011.

Using household travel models estimated with data from 15 diverse regions in the U.S., Renne and his collaborators estimated and summed automobile capital costs, automobile operating costs, and transit fare costs for households at 8,857 HUD rental assistance properties. The regions used in the study were as diverse as Boston and Portland, Ore. at

one end of the urban form continuum and Houston and Kansas City, Mo. at the other. Models in the study were specific to low-income households, a group that has received little attention in literature on travel and transportation.

Results from the study show:

- Of the 8,857 properties, households in 3,860 properties (44 percent of all properties in the study sample) spent on average 15 percent of their income on transportation costs.
- A property located in a HUD assistance program in downtown Los Angeles had the lowest transportation costs spending \$1,988 or less than 3.5 percent of its household budget on transportation. The same household in a property in a distant and inaccessible location in Wheeling, W.V.-Ohio County spent \$10,349 or 28 percent of its household budget on transportation.
- Transportation is unaffordable for all properties in 70 of the 322 metropolitan areas and divisions that supply Section 8 Multifamily rental assistance. Some of these areas are Memphis, Tenn.; Orlando, Fla.; Hickory, N.C.; and Las Vegas.
- Conversely, the more compact metropolitan areas were found to have the highest number of affordable rental assistance properties.
- San Francisco has the highest percentage of affordable properties, followed by Denver; Los Angeles; Washington, D.C.; Portland, Ore.; and New York.

"Our research suggests that these particular HUD rental assistance programs, when they subsidize housing in sprawling auto-dependent areas, are not holistically affordable," said Renne. "It also suggests that HUD can provide more affordable units to low-income families by directing subsidies to better or more compact, walkable, and transit-served locations."

Renne and his co-authors, Shima Hamidi, Ph.D., an assistant professor of planning at the University of Texas, Arlington, and Reid Ewing, Ph.D., a professor and chair of city and metropolitan planning at the University of Utah, also point out that another implication of their study could be that properties in sprawling or inaccessible areas need to include a transportation allowance in addition to the existing utility allowance, or that the housing subsidy would need to be higher in inaccessible areas to account for the added transportation costs. Similarly, analysis from the study could be used to promote small area fair market rent (FMRs) so that assisted households could access housing in more central locations.

While the study did not include data from Miami, Renne notes, "The findings from this study are applicable to South Florida, which is suffering from rapidly increasing rental prices and poor transit connectivity."

Provided by Florida Atlantic University

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