

CURSPolicyBrief

A Long Way From Home: The Impacts of a Limited Supply of Workforce Housing

Sustainable communities are ones that pay attention to the three “e’s”: environment, economy, and equity. Historically, these issues have been addressed separately, with little consideration given to their interrelationships. There is, however, a growing national interest

in promoting collaborative planning that provides jobs, housing, and transportation options to all community members while protecting the natural environment. In 2009, the U.S. Department of Housing and Urban Development, the Department of Transportation, and the Environmental Protection Agency formed an inter-agency partnership to improve access to affordable housing, increase transportation options, and protecting the environment.

The need to address these issues in a coordinated manner is most evident in communities like Asheville, North Carolina, where high housing costs force essential workers, such as teachers, nurses, and police personnel, to seek housing in outlying areas far from where they work. The result: long commutes that have negative impacts on those workers and their families, and on local and global environments.

CURS researchers recently developed an innovative methodology for assessing how well-located workforce housing can decrease pollution, improve the local economy, and enhance the quality of life in the Asheville Metropolitan Area. This methodology and the findings of the study have important local and federal policy implications.

What are the economic, environmental, and quality of life impacts of a limited supply of workforce housing?

- There is a substantial mismatch between the location of jobs and the location of housing units in the Asheville metropolitan area.
- Sixty-two percent of a sample of lower-income employees who commute more than fifteen miles to work each way are willing to consider moving closer to work.
- Each employee in the study who moved to well-located workforce housing would, on average, reduce yearly miles driven by 8,770, save \$4,600 in transportation costs, reduce CO₂ emissions by 350 tons, and gain approximately 200 hours of time formerly spent commuting.
- High land values, neighborhood and environmental group opposition, city and county development review processes, and insufficient public subsidies are the main obstacles to developing additional workforce housing.

Recommendations:

- Assess the effectiveness of current workforce housing policies and development ordinances.
- Set yearly goals for the construction of workforce housing units.
- Increase annual contributions to affordable housing trust funds.
- Consider developing an inclusionary zoning policy or ordinance.
- Look for opportunities to redevelop areas close to major activity areas and along major transit corridors that could include workforce housing.

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The need for additional workforce housing in the Asheville metropolitan area

The analysis of U.S. Census and local housing data indicates that the Asheville Metropolitan Statistical Area (MSA), which consists of Buncombe, Haywood, Henderson, and Madison counties, is growing rapidly in terms of both people and jobs. Between 2000 and 2007 the population of the MSA grew from 369,171 to 402,801. This population increase has caused housing prices and rents in the area to increase significantly. Of particular importance to the issue of workforce housing is that during this same period the number of lower-income households jumped from 34,000 to almost 39,600. Many of those households have members who work for the city or county governments, hospitals, and private companies located in or around Asheville. These workers often have to travel long distances from work to live in affordable housing.

Turning to job growth, between 2000 and 2007 the Asheville MSA added nearly 12,400 jobs. Many of those jobs, however, offered low wages. Two of the fastest growing industry classifications were accommodation and food services, which had an average annual wage of \$15,500 in 2007, and administrative and waste services, which had an annual wage of \$22,800.

Data indicate that substantially larger percentages of households in both Buncombe County and the rest of the MSA are experiencing housing affordability problems. For example, within the \$20,000 to \$34,999 income group, the percentage of rent-burdened families in the MSA jumped from under 30% to over 50% between 2000 in 2007. The number of homeowners experiencing affordability problems has also increased. The number of owners with incomes under \$35,000 paying more than 30% of income for housing increased from 11,000 in 2000 to over 16,600 in 2007 and over the same time period, the number of cost-burdened homeowners with incomes between \$35,000 and \$50,000, increased from 2,600 to over 5,400.



Data also indicate a substantial mismatch between the location of jobs and the location of housing units in the Asheville metropolitan area. Buncombe County contains 67% of the jobs in the area, yet it only accounts for 54% of all housing units. A total of 7,774 lower-income workers commute from Madison, Haywood, and Henderson counties into a seven-mile ring around downtown Asheville each day.

Taken together these data demonstrate the substantial need for additional workforce housing close to major employers in and around Asheville.

The impact of the lack of well-located workforce housing on individuals and the community

To address this question we surveyed lower-wage employees of five major organizations in the Asheville area who live more than fifteen miles from where they work. Among other questions, respondents were asked if they would be willing to consider moving closer to work. Twenty-six percent of the respondents replied “yes” while another 36% replied “maybe.” Thus, 62% of the respondents were at least

willing to consider moving closer to work. Single people, those under forty years of age, college graduates, and people in households with incomes under \$40,000 were more willing to move, particularly if affordable housing was available in safe areas, and in areas conducive to walking and bicycling. Clearly, there is a strong demand for affordable housing located close to major employers.

Data on where survey recipients work and live, allowed us to estimate the reduction in commuting distances if they were to move to well-located workforce housing. A GIS analysis was used to identify potential locations for the development of workforce housing close to the work sites of study participants. That analysis used property values, zoning, environmental constraints, and other factors to identify ten potential areas for the development of workforce housing. Survey respondents who replied “yes” or “maybe” to the willingness to move survey question were then randomly assigned to one of those areas. Reductions in vehicular miles traveled, and the resulting pollution, commuting

costs and commuting time, were then calculated for each employee.

The results indicate that, on average, each worker in our sample would reduce his or her yearly work commute by 8,770 miles and save each worker \$4,600 in commuting costs (see Table 1). Each worker would also substantially reduce his or her production of toxic emissions and greenhouse gases. The yearly reduction in CO₂ emissions would be equivalent to turning off all street lights in the city of Asheville for ten nights. Reduced commuting times would provide workers with more time for family, friends, and community involvement. Although more difficult to quantify, moving closer to work is likely to reduce employee turnover and save businesses thousands of dollars in the replacement and training costs.

The main obstacles and facilitators to the development of additional workforce housing in Asheville and Buncombe County

Based on interviews with a wide range of representatives of public, nonprofit, and private organizations in Asheville and Buncombe County the most frequently perceived obstacles to the development of additional workforce housing in the area are: high land values due both to topographical constraints on supply and to strong demand for second homes; opposition from neighborhood and environmental groups that either want to limit new development or object to lower-priced homes; long and difficult city and county development review processes; and insufficient public subsidies to support workforce housing.

Implications for local and federal policy

Given its benefits, we recommend expanding the supply of well-located workforce housing in the Asheville Metropolitan Area by: increasing city and county contributions to their respective affordable housing trust funds; adopting inclusionary zoning ordinances that would require large developments to provide a certain percentage of affordable units in return for density bonuses; expanding the number of affordable housing providers in the area; increasing the number of public/private partnerships designed to produce more workforce housing; and looking for opportunities to redevelop areas close to major employers that could include workforce housing. The

Table 1: Summary of Direct Benefits to Households and the Environment

Benefits moving to well-located workforce housing	Savings
Yearly reduction in miles driven (per commuter)	8,770 Miles
Yearly commuting costs saved, including fuel costs (per commuter)	\$ 4,600
Yearly tailpipe emissions saved (per 100 commuters)	
Nitrogen oxides (NO _x)	117 Kg
Carbon monoxide (CO)	1,011 Kg
Carbon dioxide (CO ₂)	350 Tons
Yearly travel time saved (per commuter)	159-250 Hrs.
Yearly gasoline saved (per commuter)	397 Gallons

results of this study support the wisdom of recent federal actions to coordinate land use, transportation and environmental policy and planning. They demonstrate that the provision of workforce housing close to major employers has the potential to not only benefit individual families who live in that housing, but also benefit the larger community by reducing vehicle miles travelled, the production of pollution that negatively impacts health, and green house gasses that contribute to global warming . Thus, federal incentives to encourage and support coordinated land use, transportation and environmental planning have the potential to significantly improve the quality of life in communities across the country.

The Center for Urban & Regional Studies in the College of Arts & Sciences at the University of North Carolina at Chapel Hill conducts and supports research on urban and regional affairs—research that helps to build healthy, sustainable communities across the country and around the world.

