This paper explores the challenges of affordable housing. Affordable housing is discussed as the relationship between housing costs and household incomes. Obstacles include site challenges, neighborhood coordination, and workable designs. Other complications include competing policy objectives and the risks of home rehabilitation. An overview of a successful historic rehabilitation in Tucson, Arizona is presented. A case study of Oro Valley, Arizona, gives consideration to the challenge of affordable housing in a robust market. The authors discuss the responsibility of planners to encourage affordable housing. A range of regulatory solutions is provided, along with non-regulatory solutions to raising a community’s consciousness.

THE CHALLENGES OF AFFORDABLE HOUSING

This discussion focuses on the challenges of providing affordable housing in our communities. Access to safe, sanitary, and affordable housing has long been an issue of public importance in the United States. Through this discussion, we hope to share some new ideas about strategies to overcome the barriers to affordable housing.

The moderator of the discussion is Don Chatfield, the executive director of Primavera Builders, a non-profit agency in Tucson, Arizona. At Primavera Builders, the homeless and the working poor are trained in the construction trades. Work crews at Primavera will produce 30 homes during this fiscal year, all of which are sold to low-income, first-time homebuyers.

Today’s panel today also includes Mr. Alan Warnock, who is a principal with the architectural firm of A.D. Warnock and Associates in Kansas City, Missouri. Alan has a proven track record in the design of affordable housing that fits well within existing neighborhoods. He believes strongly in creating "neighborhoods of choice" and the importance of revitalizing older neighborhoods through investment and neo-traditional design principles.

Rounding out our panel today is Ms. Melissa Shaw, who serves as an urban planner for the Town of Oro Valley, Arizona. Oro Valley is a suburb of Tucson and experienced rapid growth during the 1990s, growing from about 11,000 to almost 30,000 in ten years. Melissa brings her background in housing planning, development review, and ordinance writing to consider the implications of a lack of affordable housing in an affluent suburb.

Definition. When we speak about affordable housing, which definition are we using? A search of the affordable housing literature reveals many definitions. The predominant definition in federal housing programs establishes affordable housing as that which can be purchased by families earning 30% to 80% of the community’s median income.
Affordable housing for the development community, on the other hand, is largely viewed as a commodity that can be purchased by those earning the community's median income. If you review advertisements around the country for "affordable housing," they are largely geared toward those at 90 to 110 of median income.

For the purposes of today's discussion, the panel will discuss affordable housing in terms of the relationship between housing costs and household incomes. Most of the examples that we will use relate to single family dwellings, but our definition includes shared ownership and other special forms of low cost home ownership, and low cost market housing for sale.

We believe that affordability should be determined by making comparisons at the local level between the cost of housing and the incomes of households. One example of this approach is a model developed by Professor Glen Bramley that calculates the proportion of newly forming households and determines how many of them would be able to purchase a pre-owned home that is large enough for the family.

We want to make it clear that we are considering a wide range of affordable housing options, ranging from opportunities for those in poverty to homeownership for those who might simply be priced out of the market.

GROWING GAP BETWEEN INCOME AND HOUSING COSTS

In its 1999 report, the U.S. Department of Housing and Urban Development demonstrated that there is a growing gap between income and housing costs in the U.S. This isn't just a problem in robust real estate markets or those cities where housing costs have traditionally been expensive. Data from HUD's research shows that this gap exists in small and medium cities, as well as some rural areas.

The reasons for the gap are numerous. Perhaps the most troubling trend is the continuing shift in income distribution. Prior to 1980, income distribution fell along a statistically predictable bell curve. There was a minority of the poor and a minority of the rich, with most of us falling in the middle. Ever since the Reagan presidency, it looks as if a large finger has pushed down on the bell curve, creating growing numbers of the very poor and the very rich. One of the challenges of affordable housing is providing adequate shelter for the growing ranks of the poor in our nation.

Project Development and Feasibility

Siting Affordable Housing. Perhaps the most important aspect of siting affordable housing is something that should be painfully obvious to us. That is, that low-income families desire the same amenities as any other family. This includes good schools, safe streets, parks and libraries, and public transportation. Just because they are paying less for their home doesn't mean that they don't want all the positive aspects of community that we all expect. At Primavera Builders, we have two subdivisions under construction on land that was donated to the agency. The neighborhoods are troubled and the sense of community is weak. We're finding that these homes are very difficult to market.

Mr. Warnock's work demonstrates the importance of creating neighborhoods of choice. In a balanced neighborhood, with a variety of incomes and healthy public infrastructure, families find a desirable place to become a part of the community. Given a variety of income levels and the associated age differentials, a true sense of community may be developed that is quite apart from the experience in subdivisions dedicated to limited incomes.

Land costs, of course, play a major role in the affordability of a home. Given the tight margins on
building an affordable home, high land costs are a major obstacle. Melissa will share with us later about the opportunities to create affordability in a strong real estate market.

Coordination with Neighborhoods. The mere mention of affordable housing can be a lightning rod for NIMBY elements in any community. In one community, the mere fact that an apartment developer was using HUD financing created a firestorm of opposition from adjacent neighbors. Never mind that the apartments were renting for market rates, any association with HUD was seen as detrimental to property values.

After the disastrous results of large-scale public housing projects like Pruitt-Igoe, great strides have been made in the development of scattered site public housing and affordable, well-designed single family units. As is the case with any good planning effort, close coordination with affected neighbors is critical. Neighbor involvement should begin early and continue throughout the project.

Mr. Warnock holds a great deal of experience in working with existing neighborhoods in the Kansas City area. His In his presentation, he’ll share tips with you about defusing neighborhood concerns about affordable housing.

Ms. Shaw, on the other hand, works for a town that doesn’t even mention affordable housing in its General Plan. She’ll provide us with some thoughts about educating the public about the negative impact of excluding affordable housing from the community.

Errors to Avoid in Project Design. The most common errors in project design are creating neighborhoods that are too cheap to stand up to the test of time and over-designing a home that can’t be sustained by an owner with lower income. Both errors can result in long-term problems for the homeowner.

One affordable housing subdivision that avoids both errors is Habitat for Humanity’s Valley of the Sun project in Phoenix, Arizona. This 190-lot subdivision includes a 1-acre park, sidewalks, privacy walls, and a community center. The architecture is varied, with 5 floor plans (each having three elevations). The result is a subdivision that is virtually indistinguishable from its market-rate neighbors. Best of all, the homes are simple to own and maintain, ensuring the opportunity for long-term value.

DEALING WITH COMPETING OBJECTIVES

If you’ve been involved with affordable housing projects, you know that government agencies sometimes like to mix objectives. They may fund affordable housing in a targeted area in an effort to control criminal activity. Or, a project may be funded that is designed to stabilize an area and make it more attractive for economic development.

Developing Affordable Housing in Historic Districts

Another popular mixed objective is funding the rehabilitation of historic homes for affordable housing. As planners, we are supportive of the important work of historic preservation. But the high costs of historic preservation raise the question of the advisability of spending public dollars on the rehabilitation of historic homes for affordable housing. Rehabilitation work is always a gamble, particularly so in an historic home.

The added cost of working with historic commissions and ordering special materials can work against true affordability. Unless significant historic preservation funds, tax credits, or other funds are leveraged
into an historic housing project, it may not make sense. In spite of these obstacles, there are success stories. We will present one of these stories later in this discussion.

Making Scattered Site Projects Economically Feasible

Over the past few decades, great strides have been made in developing scattered site affordable housing projects. While the scattered site approach makes a great deal of sense in terms of providing housing that integrates into the overall community, it can provide significant challenges to agencies charged with efficient development. The costs of managing scattered sites, along with transportation costs, and more complex scheduling, often work against affordable housing development.

Another challenge of scattered site projects is making sure that these developments provide a coherent approach to the housing needs of those who are priced out of the market. Too many scattered site developments have settled for pieces of land that are considered undesirable or present little neighborhood opposition. While this approach yields affordable housing units, it often fails to integrate residents into the overall community.

Probably the best strategy to contain costs and ensure community vitality is the development of a targeted housing plan. Ideally, this should be done as part of a community's consolidated plan, a document that is required by the U.S. Department of Housing and Urban Development. For communities where a consolidated plan is not required, or where the consolidated plan is weak, independent agencies may choose to work with a neighborhood group or the local government to develop a housing strategy.

One of the benefits of a housing plan may be the selection of targeted homeownership zones. In Tucson, for example, the Oracle Home Ownership Zone targeted a high-stress urban neighborhood for rehabilitation and new infill development. This strategy has allowed individual agencies to efficiently develop in an area that is attractive to first-time homebuyers. The Home Ownership Zone has also encouraged the collaboration of affordable housing agencies to develop a neighborhood of choice.

Rehabilitation vs. New Construction

Not long ago, County officials asked for an evaluation of an historic home in the Menlo Park area of Tucson. The County was interested in receiving agency bids on the rehabilitation of this home. Upon our arrival, we discovered that the interior of the home needed to be gutted and completely restored. Structural analysis revealed that the home did not meet minimum building codes in a number of areas, requiring substantial reconstruction of the exterior walls and roof. After our visit, it was determined that it would cost far more to rehabilitate the home than to demolish it and build a new structure on the lot.

The evaluation of this home was a fairly straightforward assessment. But the challenges of rehabilitating homes for affordable housing are often hidden behind the walls, under the foundations, or in the roof. Even after substantial review and inspection by licensed contractors, affordable housing agencies are often surprised to find significant additional rehabilitation work beyond the original project scope.

As a result, home production at Primavera Builders has recently shifted away from rehabilitation work toward new infill construction. In cases where governmental contracts call for rehabilitation work, extensive up-front inspections are conducted and the project budget includes a contingency for unexpected problems. Even in cases where significant expenses have been avoided in the rehabilitation work, there is an effort to ensure that the homebuyer will not face extensive repairs in the future.
TUCSON’S SOUTH TENTH AVENUE ADOBE RESTORATION

A project in Tucson, Arizona illustrates a successful rehabilitation project that also involved the restoration of an historic neighborhood. Tucson’s South Tenth Avenue Adobe Project is located in the A Mountain Vistas Neighborhood in the Barrio Historico. Although the project took over a year longer to complete than was expected, the barriers of both rehabilitation and historic restoration were overcome to provide affordable housing to ten first-time, low-income homebuyers.

Project History

In 1996, the City of Tucson sold half of a city block to Primavera Builders for one dollar for the development of affordable housing. The property contained five adobe structures, dating to 1880. None of the structures was inhabited and all of the homes had sustained substantial damage due to fire, exposure, or vandalism.

Over the next four years, ten affordable housing units were developed with the use of HOME funds from the U.S. Department of Housing and Urban Development, as well as generous funding from other private foundations. A number of challenges were encountered along the way, including the lack of required foundations for some of the units, neighborhood opposition to design elements, and difficulty in locating construction materials that were appropriate to the historic setting.

Design and Approval Process

Aside from the standard municipal review process, the affordable housing project was subject to full review by the City of Tucson Historic Commission. The process required the inclusion of a number of design elements that were not typically included in our standard homes. These included a more complicated roofing system with greater articulation, the use of wooden doors and windows to match neighboring historical homes, standing-seam metal roofs to replicate the territorial construction style, a more-refined sand washed stucco treatment, and the development of an interior alleyway to hide vehicles from the street view.

The use of these design elements resulted in homes that blend with the historic neighborhood. But, the true construction costs of the homes cannot be considered affordable. The average cost to rehabilitate or construct these homes totaled $123,500 per unit. The units were sold to first time, low-income homebuyers for an average of $67,400, resulting in heavy subsidies to the homeowners. Future affordability of the units, or construction of replacement affordable units, is ensured by recording a lien on the property governing the return of the subsidy if the home is sold within a certain period of time.

Review of Site Design and Construction Techniques

Site design for the South Tenth Avenue project was sensitive to the historic character of the neighborhood and served to minimize the impact of automobile circulation in the neighborhood. Private interior roadways were developed to keep all parking in the rear of the homes, presenting a garage-free face to the avenue. Through donated landscape materials and labor, street trees were planted along the avenue to provide a consistent streetscape. The streetscape will be further enhanced through a TEA-21 grant awarded to the City of Tucson.

Construction techniques for the historic homes utilized the existing adobe construction. In cases where walls were structurally unsound, demolition took place and replacement adobe blocks were installed. As a building material, adobe provides for phenomenal insulation, dramatically reducing the need for
cooling and heating in the home. Homeowners in the adobe structures have reported significant savings on utility bills over their previous homes.

For the three new homes, the exterior walls were constructed with structural insulated panels (SIPs). These panels consist of two sheets of OSB with insulation foam between them. The SIPs are prefabricated in a factory to meet the specifications of the home’s blueprint. Using construction trainees, the exterior walls of a 1,240 square foot home can be erected in an eight-hour workday. The panels are installed with an R-value of R-29. After exterior stucco application and interior drywall installation, the R-value reaches R-34.

Other cost saving measures were provided in the homes, including the provision of evaporative cooling. Evaporative cooling is an effective cooling method in the desert southwest, with the exception of the humid monsoon period. The cost of operating an evaporative cooler, when properly maintained, can be significantly lower than an air conditioner or heat pump.

AFFORDABLE HOUSING AS A TOOL FOR NEIGHBORHOOD REVITALIZATION

Overview of the Challenges Faced in Older Neighborhoods

Older historic urban neighborhoods have many special challenges that make building new affordable housing comparatively difficult. If building in these neighborhoods were not difficult, builders would be flocking to the inner cities to build homes instead of the suburbs. Because of these difficulties, non-profit community development corporations (CDCs) have stepped up to the challenges. The following discussion provides a review of the typical difficulties encountered.

Lack of scale. Typically, when we are asked to step in to revitalize a neighborhood by building new homes, the sites are scattered. We must first take an inventory of the neighborhood, available sites determined, and a planning process is initiated. When possible, we look for areas where we can build more than one house in an effort to create a "critical mass." Ultimately, we end up building one house here, a few houses there, and so on. This infill housing lacks the scale of a typical subdivision, and without that kind of scale and volume, it is difficult to get builders or their subcontractors interested.

Lot splits. When several contiguous properties are acquired, the existing lots are often too small or too large to appropriately accommodate a new home. In many cases, it is necessary to hire a surveyor to create lot splits or lot combinations.

Underground surprises and contingencies. The lots that we are building on often had homes previously built on them. These homes had foundations that may or may not have been removed. The existing infrastructure, the gas lines, the sewer lines, and water lines are in various states of condition. These and other unforeseen conditions create uncertainties that must be accommodated for through contingency funds.

Crime and Vandalism. Unfortunately, crime and vandalism are common in distressed areas. We have heard more complaints about this from builders than all of the above-mentioned difficulties. It is rather expensive to hire a guard to watch over one house during construction. Builders experienced in working in these distressed areas will not install furnaces, kitchen cabinets, bathroom fixtures, or other appliances until just before the home is turned over to the buyer. In colder climates, this can create problems during the winter because heat is needed to install gypsum board and paint.

Appraisals and Property Values. Appraisals are primarily based on the values of recently sold similar
properties. It is no surprise that in these distressed areas, the appraisals of existing properties are comparatively low. As loans are based on the appraisals, financing for new construction is difficult to obtain, especially when construction costs exceed the appraised value.

The Role That New Homes Play in Neighborhood Revitalization

The Kansas City market does not lack housing. What Kansas City, and most cities, lacks is desirable affordable housing in decent neighborhoods. Our mission has been to revitalize urban areas by producing ownership opportunities of desirable affordable homes. Our mission has also been to create decent affordable housing by revitalizing neighborhoods. The key to this mission has been to raise the percentage of owner-occupied housing in distressed urban neighborhoods.

Typically, a distressed neighborhood will have a high percentage of single family homes with absentee landlords. The most common symptoms and causes of a distressed neighborhood are:

- a high percentage of single family homes with absentee landlords;
- a lack of property maintenance;
- comparatively low property values;
- high crime rates;
- dangerous, abandoned, or vacant buildings; and
- vacant lots.

As we build these new homes for residents in distressed neighborhoods, the symptoms and causes begin to vanish. Our experience shows the following progression:

1. The property maintenance improves as owner-occupancy rises. Proud homeowners now protect their investment, maintain their property, and influence other property owners to do the same.
2. The comparatively low property values begin to rise. Existing homeowners gain increased value of the equity in their home. With increased equity, homeowners can receive loans for capital improvements and/or repairs.
3. The high crime does not instantly disappear. However, residents put down roots and defend their investment more vigorously. The percentage of temporary occupants becomes lower and the area becomes a neighborhood, with Gladys Cravats at the kitchen window. Former residents are now neighbors with a common goal, circling the wagons to defend against crime. Criminals and miscreants soon find that this neighborhood is no longer easy prey.
4. During the process, dangerous, abandoned, or vacant structures are either torn down or renovated. Where structures are torn down, new appropriate homes are built. Because values of housing have been rising, dilapidated homes can be restored which were previously not economically feasible.
5. As property values rise, market rate homes are built, providing a balance of income levels.
6. New homes now stand where overgrown vacant lots once trash the neighborhood.
7. Private developers see the property values rise and start building additional market rate homes. Assuming that the neighborhood residents wish to maintain the historic urban ambiance of the neighborhood, it would be a good idea to create and understandable and enforceable design code, because some builders may prefer the look of a garage with a house attached to it, or they may not understand the value of a front porch.

Guidelines for Addressing Aesthetic Issues

The Challenges of Building a New Home to Look Like an Older Home. All too often we have seen houses in older urban areas that look like a two car garage with a house attached. In Kansas City,
have chosen to maintain and contribute to the existing urban neighborhood fabric by designing houses that are reasonably correct in their context.

The obvious challenges we have encountered regarding this have to do with cost. Typically, older historic homes are large and often built of masonry with tile roofs and large front porches. The lifestyles and homeowner expectations have changed significantly since most of the original urban neighborhoods were built. One of these expectations is an attached garage. The following discussion provides some tips for solving these challenges.

In many older cities, distressed urban neighborhoods have properties that are owned by quasi-municipal entities, such as a land trust. A land trust usually holds properties that are not sold at public auctions for back taxes. Since a land trust is supposed to maintain those properties (including weed control and mowing), the trust is often a motivated seller. This can provide comparatively inexpensive land upon which to build new houses. Since the land is inexpensive, we can afford to spread out the front of the house, giving the impression of a house comparably scaled to the existing historic homes.

Almost invariably, older homes have front porches. This element is important for appropriate context and to help promote neighborhood interaction through "front porch chats." Front porches are a traditional element also because they provide a transition between the outside and the inside.

Garages were originally carriage houses for horses and were detached structures. Garage doors are typically on the back or side of the house. If it is necessary for them to be on the front, the doors are recessed back from the front of the house.

Balancing Design and Materials to Produce Affordable Homes

We cannot afford to recreate the large masonry homes of the past when producing affordable housing. What we can do is create homes that contribute to the existing ambiance of the urban fabric.

Size and Scale. Land is frequently inexpensive in distressed older neighborhoods and the available lots are large. In these cases, a modest home can blend with its neighbors by spreading out parallel to the street and providing a visually substantial front elevation. A porte cochere, now known as a carport, is a traditional element of older homes that can add interest visually and imply a much larger home. We have utilized this solution in areas of high visibility and prominent locations.

Where the lot is not as large or prominent and maximum square footage is the goal, our best results have been achieved by starting with a square footprint. This allows for the maximum amount of square footage per lineal foot of exterior wall.

Landscaping. Older homes usually have mature landscaping which is expensive to emulate. Landscaping will add value to the home, help to blend in with adjacent older homes, and go a long way toward improving perceptions about the neighborhood.

Masonry. Many older urban homes are of masonry construction or have masonry detailing. Unfortunately, masonry is expensive compared to other materials. We have found that masonry detailing on the front of the home can provide visual connection to adjacent masonry homes. This masonry detailing is usually installed in highly visible areas, such as front porch column piers.

Lap siding. Lap siding is a traditional building material in many areas of the country. The look of lap siding can be achieved affordably through the use of durable products that can be installed very quickly.
We usually use these products on the front elevation of the home and resort to board and batten on the sides and back, in order to keep the homes affordable.

Strategies for Coordinating a Successful Project

Every neighborhood will present a variety of different conditions. Some areas will have few or limited symptoms of a blighted neighborhood. Yet, within a few blocks many or all of these symptoms are apparent. The question will arise: where do we start? Should we start with the worst of the neighborhood or the best? After working through several different situations, it is recommended to support the success of the residents who have managed to stem the flood of blight.

We are in favor of rewarding the residents who stabilized their area first. Sometimes existing property values area already high enough to make it economically feasible to renovate homes or adjacent homes as necessary. This also helps to insure the success of the developer. Once a bastion within the neighborhood has been established, work can continue along the perimeter until an entire neighborhood has been revitalized.

Keep in mind that it is important to change the perception of a troubled neighborhood. As a result, it is important to focus on the most highly visible parts of the neighborhood. If we are not fortunate and do not have the most attractive areas directly adjacent to highly traveled intersections, then we should focus our redevelopment activities in those areas. The redevelopment partner can establish neighborhood identification, unity, and pride by involving residents in fun projects such as planting indigenous flowers around the periphery of the neighborhood.

How to Work with Neighborhood Leaders in Troubled Areas

In many cases, a CDC will have neighborhood residents on the board. These neighborhood residents are involved because of their interest in the neighborhood. They usually have a finger on the pulse of the wishes and needs of the area.

During the process of working with neighborhood leaders, we have discovered that they are often homeowners and are excited about the prospect of increased property values. Objections, if any, usually come from long-time renters who are afraid that their rents will increase. Their attitude usually changes, however, when various programs are described to them regarding how they might be qualified to buy one of the new affordable homes.

It is always a good sign when a troubled neighborhood has leadership in place. It is a sign that residents care about their neighborhood. The work of neighborhood revitalization is always more challenging when there is no existing leadership in the area.

When the residents of a neighborhood share authorship of a revitalization plan through neighborhood meetings and their neighborhood leaders resistance is minimal and is replaced by encouragement. The importance of involving residents in the initial planning stages cannot be overstated. Without their support and enthusiasm, the ultimate goal of neighborhood revitalization is difficult to achieve.

As previously mentioned, vandalism and theft can be a major problem during construction. It can be very encouraging when residents of a neighborhood are involved in the process of looking after construction sites to discourage theft.

PROVIDING AFFORDABLE HOUSING IN A GROWING SUBURBAN COMMUNITY
In this part of the discussion, we use examples from the Town of Oro Valley, Arizona, to illustrate some of the challenges of providing affordable housing in a robust economy. A discussion is provided about the current affordable housing situation in Oro Valley and how it follows national trends. Examples of what other states and communities have done to address the issue are also provided. We also present questions and possible solutions regarding affordable housing that we hope will create additional dialogue and contemplation.

Oro Valley is a bedroom community seven miles north of Tucson, in Pima County. Incorporated in 1973, the community is still annexing, although that activity is expected to taper off in coming years. Geographically, the Town is bounded on the east by U.S. Forest Service land, on the north by Bureau of Land Management holdings and Arizona State Trust land, on the south by unincorporated Pima County, and to the west by an adjacent municipality.

The northwest part of Pima County has experienced remarkably rapid growth in the last decade, and Oro Valley has been a growth leader, with the population increasing from 6,670 in 1990 to a current estimated population of 27,350. The land area has grown commensurate with population, from 2.4 square miles in 1973 to 32 square miles today. Most of the growth has been in residential home construction, increasing from 3,576 units in 1990 to an estimated 13,181 currently. Significant retail construction has followed only recently (within the past three years).

Community Profile.

Why has Oro Valley been growing? The Town is most notably characterized for what the Town’s 1996 General Plan calls its residential/resort character. There are two major golf resorts in the Town and a third, the Ritz-Carlton, is in the planning stage. There are at least three private golf courses and two more are planned. Also, in keeping with Arizona’s overall growth trend, the Sonoran Desert climate has attracted a large migration into the area. A sizable retirement community, Sun City Vistoso, adds a seasonal population factor in Arizona as "snowbirds" come in for the winter season.

Other amenities attracting growth include the Town’s elevation, which is higher than most of surrounding area and commands impressive views of the nearby valley and the Santa Catalina Mountains. The Town’s police force is renowned for its high officer to citizen ratio (and speeding ticket ratio!). The area also enjoys good schools, and high quality development is very much a hallmark of the Town.

Cost of growth. As the Town has grown, development impact fees, high development standards and a fairly tough zoning code were put in place, including a rigorous architectural review by a citizen Development Review Board. Building activity is so strong that approximately 35% of the Town’s revenue is based on new construction fees and sales tax.

Employment trends. New job creation in Oro Valley has paralleled the national trend, whereby new jobs in the suburbs are primarily service/retail jobs, while new jobs in urban areas are professional. The 1996 General Plan recognizes that "lower income resort service employees...tend to generate lengthy work trips into Oro Valley", while "more highly paid residents commute...into Tucson." Oro Valley’s employment profile indicates by the high percentage (95%) of residents in executive, administrative and professional occupations that most residents are working outside of the Town.

Status of housing. The variety of housing in Oro Valley is increasing, with more apartments, vacation villas, and golf casitas being added to the production and custom home supply. Most of the new areas of the Town have that consistent, orderly, "planned look".
What does affordable housing mean for a community like Oro Valley? According to our definition, discussed earlier, affordable housing is relative to the community's median household income and housing prices. In Oro Valley, the 1990 median household income was $40,539. Adjusted to 1998 dollars, that becomes $47,497. For comparison, the Arizona median household income in 1998 was $34,268; in Pima County it was $31,983. The Oro Valley median sale price for housing in 1999 was $177,000 for single family residential resales. In Tucson, the median sale price was $126,081 for resales, and $143,392 for new construction.

Is housing affordable in Oro Valley? Using the generally accepted method of describing affordable housing as that in which total housing costs do not exceed 30 percent of household income, it takes an estimated annual income of $57,372 in order to finance a home costing $170,000. Based on the 1998 median income of $47,497 (considerably higher than the County average), it appears that there is an affordability gap for existing residents. This gap is particularly large for service workers.

Need for Affordable Housing. In Arizona, and in Oro Valley, service and retail industries are projected to grow the fastest. Oro Valley has a heavy emphasis on economic development, which is consistent with the General Plan vision to maintain a resort-like character. One of the most active areas of development occurring now surrounds an exclusive golf course with half-million dollar one-acre lots and corresponding house prices.

In our analysis of affordable housing, we might ask the question, is there a housing shortage? What is the demand for housing? We have seen that there is a strong demand for housing, but to what income sectors is the supply available? And ultimately, is there a need for affordable housing in the textbook definition? There are barriers in place, including the high cost of development?

Affordable housing is not identified as an issue in the Oro Valley General Plan. It is not regularly mentioned in the press, in Council or Commission meetings, staff meetings or by the public. There is not a perception of a housing shortage or a problem with affordability. We see that there will be an increase in lower-paying jobs within the Town, and that there are less expensive places to live outside of the Town boundaries (indeed, most of the municipal planners live outside of the Town!). Is this an issue that planners should raise, when there is not a perceived issue, and before it becomes one?

An Ethical Dilemma for Planners.

What can or should we as planners do to encourage affordable housing? Is it our responsibility to raise awareness of issues if there is no perception of a problem, no public pressure or clear General Plan goal? Here we want to look at a few of the APA and AICP ethical principles in planning. One is the planner's responsibility to the public and to serve the public interest. This is "formulated through continuous debate". We should "expand choice and opportunity for all persons, recognizing a special responsibility to plan for the needs of disadvantaged groups and persons, and must urge the alteration of policies, institutions and decisions which oppose such needs." We also maintain that planners have the responsibility to challenge the status quo and to raise awareness of issues in appropriate ways, and give some suggestions as to what methods might work.

We should also have special consideration for "long range consequences of present actions." What are a few of the long-range consequences of not providing affordable housing? Considering current employment and housing trends, a few of the long range consequences include the continued environmental impacts of long commuting distances, quality of life and hardship on persons who can't afford decent housing; and a more economically stratified and culturally homogenous communities.
How can we raise continuous debate, and expand choice and opportunity for all persons? And through all of this, how do we maintain our responsibility to our clients and employers?

A Range of Solutions.

Case Studies. States and municipalities have enacted a range of regulatory solutions to the lack of affordable housing. One example is the Commonwealth of Massachusetts's "anti-snob" zoning initiative. This law determines zoning ordinances that inhibit the provision of affordable housing, such as large lot zoning, to be discriminatory. Under the provisions of the initiative, such zoning may be overridden. The law applies to areas where the affordable housing supply is less than 10 percent of the total supply.

In Portland, Oregon, the Urban Growth Boundary provides guidance related to affordable housing. The UGB designation has a provision stating that, within the UGB there should be "appropriate types of land to develop housing needed for all income levels". The UGB encourages small lots and high-density housing, to preserve farmland and open space.

Loveland, Colorado tackled the affordable housing issue by forming a task force to address the issue. The result is an ordinance that institutes fast-track development review, less restrictive street and landscape standards, and provides tax credits for affordable housing projects. The ordinance also requires that a certain percentage of new units be built in the affordable range.

In Page, Arizona, a technical advisory committee was formed to lead an affordable housing study. Following a thorough review, recommendations for implementation included reducing the cost of development by fast-tracking review and encouraging additional manufactured housing.

These examples demonstrate that there is no solitary solution to the affordable housing issue. Instead, each community needs to assess its needs, the local market conditions, and the regulatory environment to determine the best strategy.

Non-Regulatory Solutions and Mitigation.

In this analysis, it became clear that there are several other approaches that can be taken at the local level to mitigate the impacts of a lack of affordable housing in a growing suburban area, short of enacting major zoning or legislative initiatives or when building affordable housing appears unlikely.

1. Raise the issue to Planning Commissions and Town Councils. This can be accomplished through regular staff reports, particularly reports for rezoning cases, General Plan amendments, and architectural review.
2. Economic Development. A lack of affordable housing may inhibit economic development because of the lack of a stable labor force. Planners may work within the framework of economic development efforts to encourage a variety of industry and businesses, working to alter the trend for creation of primarily retail and service jobs in the suburbs. Planners can also point out the need for available labor for developing service industry jobs.
3. Staff Education. Planning departments should provide ongoing education for staff members about the importance of affordable housing in developing a balanced and sustainable community. Where possible, training should be made available to other municipal departments that work closely to the housing field.
4. Citizen Education. Communities can increase the understanding of affordable housing issues through citizen leadership classes. In Oro Valley, the Citizen Planning Institute is offered to town residents who want to learn more about planning procedures and techniques. Courses like the
Citizen Planning Institute provide an opportunity to educate citizens in a non-threatening environment.

5. Cooperative Planning. By working regional planning commissions and councils of governments, planners have the ability to raise the affordable housing issue across a region to member municipalities.

6. Multi-disciplinary Planning. In cooperation with public works departments and transportation departments, planners can encourage alternate transportation modes to give options for commuters both into and out of suburban communities.

7. Raise Employer Consciousness. Resort and service industries rely on loyal employees to promote successful business. Service employers often take the lead in providing employee housing, and might be called upon to take the initiative in the area of affordable housing.

The development of affordable housing, no matter what the community’s size or political dynamic, can present formidable challenges. Through consistent and thoughtful planning, the issues of neighborhood cooperation, appropriate site design and architecture, and choices of construction materials can be overcome to provide wider housing choices to those who are priced out of the market. Resources for planners who wish to expand their knowledge of affordable housing are provided in the bibliography.

We believe that it is the responsibility of planners, under the principles of the American Planning Association and the American Institute of Certified Planners, to conscientiously raise the issue of affordable housing. The need for affordable housing is not limited to cities with poverty-stricken urban cores. Affordable housing must also be provided in rapidly growing affluent suburbs in order for these areas to continue to prosper as balanced communities.

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