

# THE IMPORTANCE OF SUSTAINABLE AFFORDABLE HOUSING:



## A Story from San Buenaventura

BY NICHOLAS BIRCK AND ANDREW PATTISON, PH.D

### Introduction

**I**N SOME Public Housing Agencies (PHAs), bringing up sustainability might start a discussion about Energy Performance Contracts (EPCs), Green Physical Needs Assessments (GPNAs) or an expected byproduct of American Recovery and Reinvestment Act funding into CF grants. The same word mentioned to private-market residents might result in discussions about energy independence, high-efficiency appliances, LEED Platinum commercial developments and grey water systems. While the two markets may be very different, they share an interest in building and maintaining efficient and sustainable housing.

In particular, PHAs are often the largest landlords in their communities, with an ability to make a great impact by investing in these technologies and initiatives. Using new programs like the Rental Assistance Demonstration (RAD), in combination with rehabilitation funding such as LIHTC equity, PHAs are in a better position than ever to bring truly sustainable affordable housing into communities across America.

### The Need for Affordable Housing

According to the National Low Income Housing Coalition's 2015 *Out of Reach Report*, "[t]here is no state in the U.S. where a minimum wage worker working full

time can afford a one-bedroom apartment at the fair market rent." In 13 states and the District of Columbia, a household needs to earn over \$20 per hour in order for their rent to be affordable to them. According to Harvard's Joint Center for Housing Studies' 2015 *State of the Nation's Housing*, "Even before the Great Recession, both the number and share of US households paying more than 30 percent of income for housing were on the rise...[and] cost burdens are spreading rapidly among moderate-income households. The cost-burdened share of renters with incomes in the \$30,000–45,000 range rose 7 percentage points between 2003 and 2013, to 45 percent. The increase for

**RENTS REMAIN OUT OF REACH FOR MANY RENTERS**

Rent Affordable to a Household Relying on SSI\*

**\$220**

Rent Affordable to a Household with One Full-Time Worker Earning the Federal Minimum Wage

**\$377**

Rent Affordable to an ELI Household

**\$509**

Rent Affordable to a Household with One Full-Time Worker Earning the U.S. Mean Renter Wage

**\$788**

2015 One-Bedroom FMR

**\$806**

2015 Two-Bedroom FMR

**\$1,006**

\*SSI=Supplemental Security Income

renters earning \$45,000–75,000 was almost as large at 6 percentage points, affecting one in five of these households.”

Nationwide, rental housing markets are experiencing higher cost burdens across most income groups. According to the Harvard Joint Center report, “With demand rising and vacancies declining, rents came under increasing pressure last year. The consumer price index for contract rents climbed 3.2 percent in 2014, the largest increase since 2008 and double the overall inflation rate of 1.6 percent.” This is particularly true in California. The NLIHC *Out of Reach Report* ranks California in third place for the highest two-bedroom housing wage in the U.S., at \$26.65 per hour. In order for a household in California to afford a two-bedroom apartment without exceeding 30 percent of their income on housing, a household must earn over \$55,400 per year. With a \$9.00 per hour minimum wage, a household must work at least 3 full-time jobs or over 118 hours per week to afford a 2-bedroom unit at the

Fair Market Rent (FMR) of \$1,386.

The City of San Buenaventura, better known as Ventura, is a coastal community of approximately 110,000 between Malibu and Santa Barbara. It has an extremely urgent need for additional affordable housing resources. Ventura’s metropolitan statistical area, which includes Oxnard and Thousand Oaks, is the sixth most expensive metro area for renting by square foot based on internal apartment listings data on Apartment Guide in May 2014. According to recent market studies, the vacancy rate of Ventura rental housing is less than 2 percent and the Housing Authority Housing Choice Voucher program has received rent requests as high as 140 percent of the Fair Market Rent. The Housing Authority of the City of San Buenaventura has an annual Public Housing occupancy rate of over 98 percent for several years running. According to the City of Ventura 2015-2019 Consolidated Plan, “There is a need for affordable housing in Ventura County...Of the housing prob-

lems described above, the most common was housing cost burden.” The Ventura General Plan Housing Element indicates that Ventura has a regional housing need of over 1,450 housing units for people earning 80 percent of area median income or less.

The provision of enough decent, affordable housing represents perhaps the single greatest market failure and government failure today. But that’s not the only factor we need to consider when creating housing—whether for the nation’s most vulnerable, or for its wealthiest.

**Climate Change and Local Response**

The findings of the Intergovernmental Panel on Climate Change and the broader scientific community demonstrate unequivocally that climate change will have dramatic impacts on human communities in the near future. Despite this threat, the U.S. has yet to produce meaningful federal climate legislation<sup>1</sup>. This has provided the opportunity for climate policy innovation at the subnational level. Cities, towns, counties, and states across the U.S. have created and implemented a litany of climate and energy programs and legislation. Unsurprisingly the state leader in this policy arena is California.

The California Global Warming Solutions Act of 2006 requires the state to reduce its greenhouse gas (GHG) emission to 1990 levels by 2020, which translates to about a 15 percent reduction below projections for a “business as usual”

<sup>1</sup> At the time of writing, President Obama is attempting to advance more substantive climate policies at the national level, but political constraints on implementation have continued to slow progress.

<b>CALIFORNIA STATE FACTS</b>
Minimum Wage <b>\$9.00</b>
Average Renter Wage <b>\$18.96</b>
2-Bedroom Housing Wage <b>\$26.65</b>
Number of Renter Households <b>5,603,356</b>
Percent Renters <b>45%</b>

scenario. Included in the state's Scoping Plan to achieve this goal is a panoply of policies related to increasing energy efficiency and renewable energy generation, reducing the carbon intensity of transportation, and reducing waste. The initial Scoping Plan also included a call for local governments like ours to set municipal and communitywide GHG reduction targets below then-current levels by 2020 in order to be in alignment with, but also help to meet state goals—including the longer range state goal of reducing emissions 80 percent below 1990 levels by 2050. Building more energy-efficient buildings is in line with the City of Ventura Environmental Strategy and the County of Ventura Climate Protection Plan.

At first glance, greenhouse gas emission reduction targets would seem to have little to do with the pernicious problem of providing affordable housing in Ventura. These issues are very closely linked however, and policy alternatives exist that can provide us with win-win scenarios that can help our community address

climate change while directly improving lives.

Recognizing this nexus, the Department of Housing and Urban Development (HUD) has made efforts beyond Energy Performance Contracts and Capital Fund incentives to spur PHA investment and interest in sustainable housing practices. For example, in 2009, HUD partnered with the Department of Transportation and the Environmental Protection Agency to create the Partnership for Sustainable Communities. This effort has led to each agency aligning grant funding with consistent sustainability goals. Since 2013, the HUD became a partner in Department of Energy's Better Buildings Challenge, expanding the key initiative from the President's 2013 Climate Action Plan from commercial and industrial building to multifamily housing. This effort is aimed at helping public housing agencies to cut energy waste and help families save on their utility bills.

### **Need for Sustainable Affordable Housing**

The buildings in which we live and work are the second biggest source of greenhouse gas emissions in California. More sustainable and energy efficient building construction is a crucial pathway towards meeting local and state emission reductions. And our state standards are already high to be sure. The California Energy Code has saved billions in energy savings. Quite simply, building more sustainable homes is better for the planet, and for our pocketbooks.

If you want to learn about the many California Green Building Executive Orders to support

Climate Goals, visit the California Air Resources Board (CARB)'s California Green Building Strategy website. You'll see discussion of energy-efficient LEED and zero-net energy buildings and the claim that "no significant difference in average cost for green buildings as compared to non-green buildings. Green buildings reduce operating costs, save money over time, and are a cost effective strategy that supports California's GHG goals." And that is true.

Greater energy efficiency would also benefit those that we serve. It might not seem obvious, but individuals from lower income brackets spend a greater percentage of their income on energy. Since utilities are mostly charged by usage volume at flat rates, high-income users and low-income users consuming the same amount results in a greater burden for the low-income user. There are government and utility programs to assist low-income families (e.g., public housing/ Sec. 8 utility allowances and the Low-Income Housing Energy Assistance Program (LIHEAP)), but resources are limited and not enough to compensate the difference. It would make sense for low-income housing to heavily invest in energy saving improvement to enable low-income users to get the same living done using less energy. Also, if alternative utility generation is cheaper over the long term, low-income housing should be interested in going that direction.

It also makes sense for larger properties—such as many of those administered by PHAs—to invest in sustainability. While older buildings tend to be less energy-inefficient, multi-family



over 350 non-profit affordable rental units and more than 1,500 Section 8 vouchers. The agency is actively working to increase the supply of affordable housing and to improve the quality of life for hundreds more of the low-income residents throughout the City of Ventura, utilizing the Rental Assistance Demonstration (RAD) program, the Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) programs and numerous other initiatives. The oldest developments in the HACSB housing portfolio are the Westview Village community, just northwest of downtown Ventura. This development is currently in the process of being revitalized and HACSB is taking the opportunity to embrace and incorporate many aspect of sustainable building design. These efforts are also planned to incorporate the HACSB's commitments to participate in the DOE/HUD Better Buildings Challenge goal to reduce energy intensity in the entire portfolio 20 percent by 2020.

**Westside Revitalization Project**

The revitalized Westview community development will be home to up to 320 units of extremely, low, and low/moderate income families. It will be the first ever LEED ND (neighborhood design) development in Ventura County. LEED ND expands the idea of sustainable building design to the neighborhood scale. The Westview revitalization will include 2.5 acres of open green space on the 20-acre site.

Currently, the 180-unit Westview Village is a walkable, diverse, but aged family public housing development, a crucial affordable housing resource in the Ventura community. The HACSB

and well-constructed affordable housing has been shown to provide better in-home air quality and are also typically developed in a way that pro-

motes physical activities such as walking, biking and a variety of healthy habits.

That does not mean we all have to live in the same kind of homes and developments, and opinions regarding appropriate density levels for infill development differ of course. But what it does mean is that when are trying to provide more affordable housing, all efforts should be made to embrace the nexus between environmental and economic benefits of sustainable construction.

**A Case Study: HACSB's Westside Revitalization Project**

The Housing Authority of the City of San Buenaventura (HACSB) is the largest residential landlord in the City of Ventura, California, with 471 public housing units,

housing is usually much more energy-efficient than detached single-family homes. Also, higher density housing creates less intense utility consumption overall per unit. For example, consider installing solar for a 10-unit apartment building versus a single-family home. Initial investment is essentially the same, but 10-unit building will recoup costs from more participants quicker. It is also worth mentioning that reducing energy consumption in low-income homes can result in savings to government assistance programs, since utility reimbursements could go down.

Sustainable housing is also healthier. While this movement starts with efforts to reduce lead hazards, and asthma and mold-related air quality issues, it goes well beyond that. Well-planned

plans to demolish and rebuild the site, increasing the unit count to 320 new mixed-income homes and community spaces including replacement housing for the current 180 families and a new 50 unit affordable rental development for seniors.

**LEED-ND Features Make Lives Better**

Current design plans feature a number of goals intended to satisfy LEED-ND criteria. The current walkability and infill nature of the site will contribute to a containment of environmental impact. Improvements to walkability include a redesign based upon Complete Streets principles. Irrigation for the site will be supplied by a grey water system utilizing on-site laundry and other water collection strategies. The site design has also been heavily geared toward community food production. The site features a 'foodscaped' trail that will be gardened by residents to provide free healthy produce on site. In addition to being Ventura County's first ever LEED-ND project, the redevelopment is unique because it is leveraging the RAD program, LIHTC equity, project-based vouchers, and other state sources of funding to meet the HACSB's Better Buildings Challenge goals.

We hope this is just the first of many more projects to build sustainable, affordable housing. Though money and resources are tight, even as we work to provide safe, affordable housing in communities of quality for our residents, we must not forget to also take care of our planet and its resources.

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the Department of Policy Studies. His research focuses on public policy processes, environmental politics and policy, and social-equity issues related to sustainability and climate change policy. In 2014, he was appointed by the City Council to serve on the Commission of the Housing Authority of the City of San Buenaventura.

Nicholas Birck has served as the Policy & Community Affairs Manager for the Housing Authority of the City of San Buenaventura

since 2012. Primary responsibilities include voucher program administration, overall policy development, legislative advocacy, and public affairs support to further the agency's mission to increase the supply of affordable rental housing. He has participated as a presenter at previous NAHRO and other affordable housing conferences, and prior publication credits include the Syracuse Law Review and the National Italian American Bar Association Digest.

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