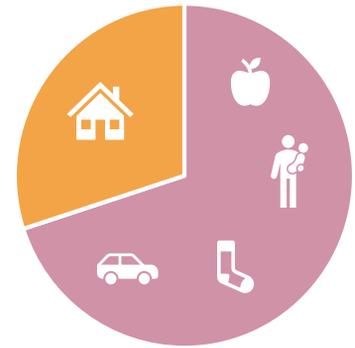


# Regional Strategy for Housing Affordability: FAQs

## What is housing affordability?

Housing is considered affordable when a household pays no more than **30%** of their income on housing costs (either rent or mortgage payments, plus utilities). When households pay more than this, research shows they are forced to make trade-offs with other necessary goods and services, like groceries and childcare.



## What is affordable in Truckee Meadows?

Anyone, no matter their income, can struggle with housing affordability. The graphic below shows the total monthly housing costs that would be affordable to different households in the region.

	<30% AMI	31%-50% AMI	51%-80% AMI	81%-100% AMI	101%-120% AMI
<b>Average rent in Truckee Meadows:</b> \$1,480					
<b>Average home sale price in Truckee Meadows:</b> \$360,336					
<b>FY16 area median income (AMI):</b> \$67,000					
<b>Median annual wage</b>	\$17,580	\$29,470	\$43,092	\$53,920	\$68,000
<b>Max affordable monthly housing costs</b>	\$440	\$737	\$1,077	\$1,348	\$1,700

Rent and home sale price data from Location Inc. as of Q4 2017. Income limits data is from the HUD FY2016 Income Limits and Fair Market Rent Documentation System for the Reno-Sparks MSA and median wage data is from the 2016 Nevada DETR Occupational Employment Statistics (OES) Survey and the 2016 QCEW from the Bureau of Labor Statistics. Salaries were compared with income limits for a 3-person household because the average household size in the region is 2.6 (per 2012-2016 American Community Survey 5-Year Estimates). Icons made by Freepik and Pause08 from flaticon.com.

## Why does the region need more housing affordability?

- Incomes throughout the region have not kept pace with home prices. As a result, many people (38 percent of all Truckee Meadows residents) are paying too much of their income on housing costs.<sup>1</sup>
- There is a shortage of affordable and available units for low-income households, particularly households earning 50% of AMI and below.<sup>2</sup> This shortage is likely to increase given current population projections, constraints on new development, and expiring affordability.<sup>3</sup>
- Recent growth throughout the region—including an influx of new employers like Tesla and the companies located at the Tahoe Reno Industrial Center (TRIC), as well as an influx of residents from surrounding areas<sup>4</sup>—has placed additional pressures on the housing market, driving increases in rents and home prices. Investing in housing affordability will not only help existing residents withstand these pressures, but will also ensure the region can grow sustainably in the long-term. *(continued on next page)*

<sup>1</sup> 2010-2014 Comprehensive Housing Affordability Strategy (CHAS) data from the U.S. Department of Housing and Urban Development (HUD).

<sup>2</sup> 2010-2014 CHAS data.

<sup>3</sup> TMRPA 2015 Housing Study and Nevada Housing Division Low Income Housing Database.

<sup>4</sup> Dougherty, Conor. March 20, 2018. California Housing Problems are Spilling Across Its Borders. New York Times. Available at: <https://www.nytimes.com/2018/03/20/business/economy/reno-growth.html?hp&action=click&pgtype=Homepage&clickSource=story-heading&module=second-column-region&region=top-news&WT.nav=top-news>

- In 2017, as many as 1,106 individuals experienced homelessness in the region and, in 2018, more than 3,500 individuals were living in weekly motels.<sup>5 6</sup> Creating more housing affordability and stability is a key strategy for reducing risk of homelessness, particularly among vulnerable populations. Strategies to increase housing affordability and protect residents from displacement will complement existing regional efforts to end homelessness.
- The lack of housing options at different price points is a barrier to the region's future growth and prosperity – more housing affordability strengthens households' purchasing power and increases tax revenues that governments rely upon to provide necessary services (plus, affordable housing has been shown to have a positive or neutral effect on surrounding property values); more housing affordability alleviates pressures on the healthcare system by reducing health risks in the built environment and by freeing up household resources for preventative healthcare instead of relying on emergency assistance; and more housing affordability creates a stable environment for children, which can reduce classroom turnover and improve educational outcomes.<sup>7</sup>

### ***Why tackle housing affordability at the regional level?***

Housing markets are not confined to jurisdictional boundaries; residents may live in Washoe County, work in Sparks, and play in Reno. Each jurisdiction plays an important role in addressing these issues through local land use controls, policies, and programs, but no jurisdiction can address these issues alone. Regional housing needs require regional solutions, including new financing tools and common policy priorities that foster more regional coordination and collaboration.

### ***What is the Regional Strategy for Housing Affordability going to accomplish?***

This strategic effort has brought together executive and staff-level leadership from each of the jurisdictions and key community partners within a single planning structure to develop a roadmap to guide the region's housing policy and investments over the next ten years. This roadmap will outline clear short-, medium-, and long-term actions along with concrete implementation steps for each of the jurisdictions and their partners to execute. These actions will be coordinated with ongoing efforts impacting housing in the region, including the Regional Plan Update and the Nevada Legislature's interim committee on affordable housing. This effort is guided by the following vision:

*All residents of Truckee Meadows should have access to a continuum of safe, accessible, and affordable housing options in neighborhoods that offer access to opportunity and a high quality of life.*

### ***What kind of recommendations will the Regional Strategy for Housing Affordability make?***

This strategy will pursue multiple approaches to increase housing affordability in the region, including but not limited to: building the region's capacity to provide and maintain a diverse supply of housing at different price points, increasing available resources for affordable housing (including land and capital), reducing costs of housing development (through policy changes and process improvements), and fostering community support for housing affordability. All recommendations will include a timeline and specific actions to support effective implementation over the next ten years.

For more information visit **[TMaffordablehousing.org](https://TMaffordablehousing.org)**

<sup>5</sup>2017 HUD Point-in-Time Homeless Persons Count (PIT).

<sup>6</sup>ACTIONN 2018 Motel Count.

<sup>7</sup>Brisson, Amy and Lindsay Duerr. (2014). Impact of Affordable Housing on Families and Communities: A Review of the Evidence Base. Enterprise Community Partners. Available at: <https://www.enterprisecommunity.org/resources/impact-affordable-housing-families-and-communities-review-evidence-base-13210>