

Comment on Jennifer Steffel Johnson and Emily Talen’s “Affordable Housing in New Urbanist Communities: A Survey of Developers”

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Abstract

A long-time criticism of New Urbanism has been that the housing it provides is affordable only to middle- and upper-income families. Johnson and Talen’s survey of New Urbanist developers and developments is intended to see whether this criticism is justified. Although the methodology is limited, the results of this survey would seem to indicate that it is.

Because Johnson and Talen’s survey is restricted to New Urbanist developments, it is not possible to compare the results with those for other, more conventional developments to see whether New Urbanist developments may actually contain more affordable units than comparable conventional projects. Also, limiting the definition of affordability to the cost of housing alone prevents the authors from seeing whether the housing New Urbanist communities provide would be considered less expensive if housing and transportation costs were combined.

Keywords: Affordability; Low-income housing; New Urbanism

Introduction

The extent to which New Urbanist developments or, for that matter, developments of all kinds do or do not include affordable housing is a central issue for U.S. housing markets. Moreover, it is an issue of growing importance since affordability continues to decline despite the current housing downturn. Johnson and Talen are to be commended for taking a thoughtful look at this issue, done with the hope of encouraging the Congress for the New Urbanism (CNU) and others to expand the availability of affordable housing, especially affordable housing mixed in with market-rate housing.

In fact, a long-time criticism of New Urbanism has been that the housing it provides is affordable only to middle- and upper-income families. This criticism dates back to 1981 and Seaside (FL), the first official New Urbanist development. Although Seaside was intended to be affordable to a wide range of households, its popularity and location on the water quickly drove prices beyond the reach of moderate- and low-income families. Today, it is a lovely middle- and upper-income resort community.

To the credit of the founders, the principle of providing housing affordable to households with a wide range of incomes is included in the *Charter of the New Urbanism* (CNU 2000), a fact noted by Johnson and Talen at the beginning of their analysis. The fact that according to their survey, the developers of New Urbanist communities find it difficult to live up to this principle would seem to be a conclusion that few would challenge. Unfortunately, however, despite the hard work the authors put in on the survey and a thoughtful analysis of its results, the article fails to offer a complete picture of New Urbanism's role in providing affordable housing.

A broader context

Johnson and Talen suggest that the amount of affordable housing included in New Urbanist developments is small. This may be true. However, New Urbanist developments may actually be including more affordable housing than traditional master-planned communities. This would be an important and useful way to judge the success of New Urbanism against its professed goals. To do this, however, Johnson and Talen would have had to survey traditional master-planned communities as well—something they unfortunately did not do.

There are also a growing number of urban infill projects in cities across the country, and this trend is likely to continue unabated once the current housing downturn has run its course. On the one hand, the definition Johnson and Talen used to select the infill developments for their survey may be broad enough that it includes most, if not all, urban infill projects. If this is the case, it would be helpful for them to say so. If, on the other hand, the infill developments they survey exclude other, more traditional ones, it would be valuable to know whether the New Urbanist developments have more affordable housing than the traditional ones. If they do, then New Urbanism is doing a better (though still limited) job of including affordable housing than traditional development.

The self-administered survey problem

Any self-administered survey has limitations, as Johnson and Talen acknowledge freely. That said, the use of this methodology for the survey means that they have not obtained an unbiased picture of affordable housing in New Urbanist communities. Despite the fact that the population of respondents reflects many of the characteristics of the entire population of projects to which surveys were sent, notably in geographic diversity, size, and median incomes, it is probable, as Johnson and Talen note, that surveys were more likely to be returned by those developers whose projects include affordable housing than by those whose projects do not.

This being the case, in my view the reported result that 55.6 percent of the survey respondents include affordable housing cannot be extrapolated to the overall survey population. And while the authors express surprise that their survey results contain what they consider a high absolute number of projects that include some affordable housing, they find the percentage of all units that are affordable, 29 percent, to be small. In fact, given that most inclusionary zoning programs require far fewer affordable units than this and that many government mixed-income financing programs require that no more than 20 percent of the units be affordable, 29 percent would seem to be rather high. Unfortunately, of course, neither the percentage of developments including affordable housing nor the percentage of affordable units is meaningful because it is probable that the 136 developers that did not respond did not, by and large, have developments that included affordable units. Nevertheless, Johnson and Talen's survey does indeed show that the number of affordable units in New Urbanist communities is low (though still possibly higher than in conventional developments).

What is an "inappropriate mix?"

One important finding from Johnson and Talen's survey was that the most common reason respondents gave for *not* including affordable units is that "it was an inappropriate mix" (14). In fact, almost 60 percent of respondents cited this as the reason. Johnson and Talen suggest that this may be largely due to architectural design issues. However, New Urbanism is an architectural design movement and encourages—in fact, requires—a broad mix of unit types and housing designs and recommends that they be intermingled throughout the community. It is unlikely that the developers that responded in this fashion, being by definition New Urbanists, could not find ways to design their developments to accommodate households with

differing incomes. Indeed, it is far more likely that the developers believed, as many conventional developers do, that including affordable housing units hurts the marketability of the market-rate units, even though this belief has been disproved over and over again around the country. Like many people, developers frequently act on the basis of their instincts or “gut feelings,” which can be based on erroneous information; this is too often the case when it comes to considering the inclusion of housing for a mix of income levels. For this reason, education about the market and the financial success of developments that include such a mix is likely to be more helpful to overcoming this issue than courses on creative design.

Adding the cost of transportation to the cost of housing

Johnson and Talen touch tangentially on the issue of the combined cost of housing and transportation. This is central to the overall affordability of housing and is one of the key advantages New Urbanist communities can have in providing housing that is affordable to lower- and moderate-income families. As research by the Center for Housing Policy has shown (Lipman 2006), families whose income is between \$20,000 and \$50,000 spend 57 percent of that income on housing and transportation. Most significant, the less a household pays for housing, the more it is likely to pay for transportation, reflecting the fact that less expensive housing is often found on the suburban fringes, far from jobs and services. Households that live there need to drive more miles for both commuting and connecting to all the other activities of life than households living in more compact communities do. (On average, households drive four miles for every mile driven to commute to a job—this is one reason the more compact New Urbanist communities tend to reduce driving even when located away from job centers.)

The combination of these two costs is a far truer gauge of the affordability of shelter than the standard, generally accepted definition cited by the authors: 30 percent of income for housing alone (U.S. Department of Housing and Urban Development 2008). Since New Urbanist communities are designed, by definition, to be compact and walkable, thereby reducing the reliance on cars and the cost of driving, housing in such a community may be more affordable if judged by this combined measure. It would be useful to know the extent to which this is true.

Conclusion

New Urbanism has made an important contribution to urban design, but its impact on the provision of affordable housing has not received enough attention. I hope Johnson and Talen's survey will lead to more research on the impact of New Urbanism on stimulating the mix of affordable housing and market-rate housing, especially because the survey—and this comment—suggest useful areas for additional research, especially as gasoline prices continue to rise.

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