

Workforce Housing a problem

Adhering to the old adage that, "A problem well defined is half-solved," a panel of housing researchers at the symposium examined exactly who is affected by shortages of affordable workforce housing, and the circumstances that are fueling the challenges at hand.

Barbara Lipman, research director at the Center for Housing Policy, reported that over the six-year period ending in 2003, the total number of families with critical housing needs – defined as those paying at least half their income for housing and/or living in substandard conditions – rose by 67 percent. Of that total, about 25 percent were working families with at least one full-time wage-earner.

American Housing Survey data indicates that a sizeable percentage of those with critical housing needs are immigrants, with about 2.2 million foreign-born households on the list, along with about 11.9 million native-born households. Working families account for more than half of all foreign-born households, and immigrants with critical housing needs often aren't newcomers.

"In fact, more than one-third of the 1.2 million immigrant working families with critical housing needs arrived in the U.S. between 1980 and 1989," said Lipman.

"With all the uncertainties about workforce housing, one thing we know is that the problem isn't going away by itself," said Nic Retsinas, director of Harvard's Joint Center for Housing Studies.

One reason, he said, is the job market.

"In the amount of time that the number of single-family homes affordable to working families has increased 10 percent, the number of jobs in the retail and service industries has increased almost 100percent," he noted. As lower-paying jobs proliferate, the number of those commuting will increase substantially. Citing regulatory barriers for keeping the supply of lower-priced housing at bay in close-in neighborhoods, he said, "We do not see a time when the housing market will recalibrate itself to this new labor market."

What we don't know, says Retsinas, is to what extent the absence of affordable workforce housing affects local economic competitiveness.

"There is no hard data on this, which is one reason the business community has not been as engaged as it should be" in finding solutions, he said. "The question we must try to answer is, 'If you commute 45 minutes to work, what does that do to your productivity?'"

Applying local solutions to Workforce Housing

Panelists at the symposium described approaches that have scored local success in providing affordable workforce housing through collaborations between the home building industry and the public sector, with the idea that these strategies will find wider application in communities around the country.

"We see again and again that meaningful action on workforce housing comes through dynamic partnerships involving private and public sector entities," said Marsha Elliott, an NAHB National Vice President.

"By working together, and by drawing lessons from successes from around the country, we can improve the housing opportunity for millions of low- and middle-income families," she added. "Not surprisingly, many of the most effective solutions come from local initiatives. But we can identify ideas and practices that have worked and look for opportunities to apply those ideas in other places," said Elliott, who is the president of Terrestris Development Company, a Chicago area home builder.

That advice was echoed by Carl Guardino, president and CEO of the Silicon Valley Manufacturing Group, a public policy trade association representing 180 of Silicon

"Not surprisingly, many of the most effective solutions come from local initiatives."

Marsha Elliott, NAHB National Vice President, on affordable housing opportunities

Valley's most respected private sector employers. "If you hear something you like, steal it," he said, referring to innovative public-private partnerships for providing affordable housing.

Working entirely with private financial sources, Guardino's group created the Housing Trust of Santa Clara County, which has helped more than 1,260 families buy their first homes and enabled hundreds of units of affordable rental housing to be developed.

Other examples of success-

ful efforts to make housing affordable are catalogued on the National League of Cities Web site at www.NLC.org, said Charlie Lyons, the immediate past president of that organization. Key to providing affordable housing, according to Lyons, who is also a selectman in the Town of Arlington, Mass., is to pursue non-traditional housing types; reassure suburbanites that affordably priced housing in their community is not a threat to what they have invested in their home; and convince home owners that higher densities will not lead to lower property values.

Kevin Kast, president and CEO of SSM St. Joseph Health Center in St. Charles, Mo., said that the shortage of affordable housing for hospital workers is a growing problem. More than half of the employees in his area's health care system earn less than \$40,000 per year, Kast said, and the dwindling supply of housing those workers can afford is a legitimate concern for recruiting and keeping essential staff.

While many hospital administrators worry about malpractice insurance, Kast said, he worries about having the cooks, nurses, maintenance staff and others who are so essential to a functioning hospital.

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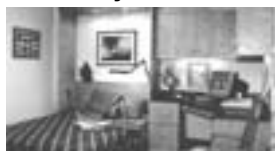
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