Policy Brief



Transportation and Housing

February 2023

Background

Housing costs are usually the single largest expense for most households; and when combined with transportation costs, these expenses account for approximately half of the average U.S. household budget. Consideration of housing and transportation in combination has implications for living affordability and efficiencies. Combined housing and transportation costs strongly reflect aspects of the built environment, including land use density and mix and overall accessibility, which, in turn, influences public health through physical activity and access to basic amenities.

When making location decisions, housing costs are regularly accounted for; but the added transportation costs are often not adequately considered when deciding where to live in relation to work location and access to shopping and services. Jobs further away from home increase a family's transportation expenses, resulting in less disposable income for other essential needs. Consequently, housing affordability indexes that do not account for transportation costs cannot provide an accurate assessment of the cost of housing choices. Affordable housing is typically defined as housing that requires no more than 30% of a household's income¹; but this measure does not account for the transportation costs associated with home locations. True affordability is related to the cost of housing and the cost of transportation from that location². The Center for Housing and Policy has found that the tradeoff in housing savings gained at the cost of transportation is eroding, with 77 cents being spent on transportation for every dollar spent on housing³.

Federal Policy Perspective

Multiple federal departments and agencies have interest in housing, housing affordability, and land use decisions, including the U.S. Department of Housing and Urban Development (HUD) and the U.S Department of Transportation (USDOT).

Over time, the linkage between housing and transportation has received greater attention by the USDOT, especially with consideration of quality of life, affordability, efficiencies, and with the recent federal Thriving Communities initiative. Under the current federal transportation act, the Bipartisan Infrastructure Bill (2021), Metropolitan Planning Organizations (MPOs) must encourage and promote "the safe and efficient management, operation, and development of resilient surface transportation systems that will serve the mobility needs of people and freight...and better connect housing and employment, while minimizing transportation-related fuel consumption and air pollution...." MPOs are encouraged to consult with officials responsible for other types of planning activities affected by transportation, including housing, and make transportation plans and programs

available for comment by affordable housing organizations. MPOs are also encouraged to address the current and forecast distribution of population, housing, and employment.

RTC is a federal Transportation Management Area (TMA). TMAs are not currently required to have a Housing Coordination Process or a Housing Coordination Plan; but both are addressed in the federal code, which says that TMAs "may" put these in place to better integrate planning for housing, transportation, and economic development strategies. 49 USC §5303 lists the contents of a Housing Coordination Plan, a goal of which is to include better connection between housing, employment, land uses, and transportation improvements.



Source: PedBike Images by Dan Burden

Washington State Perspective

Growth Management Planning

Cities and counties planning under Washington State's <u>Growth Management Act</u> (GMA) must include land use, housing, and transportation elements in their comprehensive plans. The land use element must designate the proposed general distribution, location, and extent of land, including housing, commercial, and industrial uses. The GMA housing goal calls for promoting a variety of residential densities and housing types, planning for and accommodating housing affordable to all economic segments of the population, and preservation of existing housing stock. 2021 changes to housing laws will impact updates to the housing element because infrastructure availability will need to be addressed, including the availability of multimodal transportation options; access to transit; and provision for walking, cycling, and rolling. The transportation element is required to implement and be consistent with the land use element.



Source: Washington State Department of Commerce

Funding for Planning and Implementation

To improve the linkage between housing, transportation, and employment, comprehensive plans and transportation plans can consider increasing the amount of mixed-use land uses and developing Transit-Oriented Developments (TODs). Several sources exist that can help to fund such programs. These funding programs include:



Fisher's Landing Transit Center, Vancouver, WA

C-TRAN bus in Vancouver, WA

- ⇒ Federal Transit Administration's (FTA) Pilot Program for Transit-Oriented Development (TOD) Planning. TOD looks at the relationship among transit, housing, and land use and recognizes that better planning can help reduce costs for American families and reduce the impacts of transportation on climate and air quality.
- ⇒ U.S. HUD's Community Development Block Grant (CDBG) Program supports community development activities to build stronger and more resilient communities. The City of Vancouver receives approximately \$1.3 million annually to support projects and programs benefiting residents experiencing low income.
- ⇒ Washington State's Housing Action Plan Grants. In both the 2019-2021 and 2021-2023 biennia, \$5 million was provided to cities planning under the GMA to adopt new housing action plans (HAPs) or implement actions from adopted HAPs. Vancouver was awarded funds in the 2021-2023 biennium.
- ⇒ Washington State's Transit-Oriented Development and Implementation Grants. The 2021 Legislature appropriated \$2.5 million for cities to facilitate transit-oriented development in areas with light rail or fixed rail systems, bus rapid transit, high frequency bus service, or park and ride lots. The goal is to plan for higher levels of development in TOD areas to leverage investment in public transportation and be an efficient way to absorb the state's expanding population while minimizing traffic and costly sprawling development.

State, Regional, and Local Implementation

The following provides examples of implementation of transportation and housing plans and strategies at the state, regional, and local levels:

- Within Washington State, Puget Sound Regional Council's long-range plan for growth, VISION 2050, focuses greater amounts of growth within regional growth centers and high-capacity transit station areas, with implementation of PSRC's TOD program.
- Within the Portland-Vancouver region, Metro has a wellestablished <u>Transit-Oriented Development Program</u> that strategically invests to help more people live, work, and shop in neighborhoods served by high quality transit.
- In late 2017 C-TRAN addressed TOD by commissioning a study on TOD opportunities in the vicinity of Fisher's Landing Transit Center. C-TRAN's 2022-2027 Transit Development Program (TDP) reports that C-TRAN will continue to explore development options for implementing the Fisher's Landing TOD Master Plan.



Source: PedBike Images by Adam Coppola Photography

- On May 17, 2022, the Clark County Council approved the <u>Housing Options Study and Action Plan</u> (HOSAP), directing staff to begin work on implementing strategies. The purpose of the plan is to encourage development of housing that is affordable to a variety of household incomes through the removal of regulatory barriers and/or implementation of other initiatives. One of the study's objectives was to "Guide development of diverse housing options to areas with access to transportation corridors and transit, commercial services, schools and parks and conversely, support development of those same amenities in areas where more housing is added."
- The City of Vancouver is planning for The Heights District, envisioned as a vibrant neighborhood center that is sustainable, healthy, equitable, accessible, and safe. It includes engaging public open space; diverse housing affordable to a wide range of community members; safe, multimodal travel opportunities within the district; and transit to nearby neighborhoods.

Considerations for the RTP

⇒ In the future RTC will need to decide whether to develop a Housing Coordination Process, including a Housing Coordination Plan, currently optional for the Transportation Management Area.



Source: PedBike Images by Toole Design Group

- ⇒ RTC should support development of mixed-use land uses to allow for the proximity of jobs to housing.
- ⇒ RTC can help to support C-TRAN and local jurisdictions in developing Transit-Oriented Developments to improve efficiencies and decrease transportation costs.
- ⇒ Housing and transportation policies have a direct relationship to other policies that RTC must address in its transportation planning process, including Energy Conservation, Climate, Equity Planning, Vehicle Miles Traveled (VMT) Target Setting, Complete Streets, and Active Transportation Planning.