

CA | commercial architecture

Campus Design Trends
Restoring A Stone Masterpiece
Healthcare-Design Research

SERVING ARCHITECTS, CONTRACTORS, AND OWNERS IN COMMERCIAL CONSTRUCTION

OCTOBER 2018 VOL. 16 NO. 10



Build Homes Workers Can Afford

Demand for workforce housing is high but faces some challenging issues.

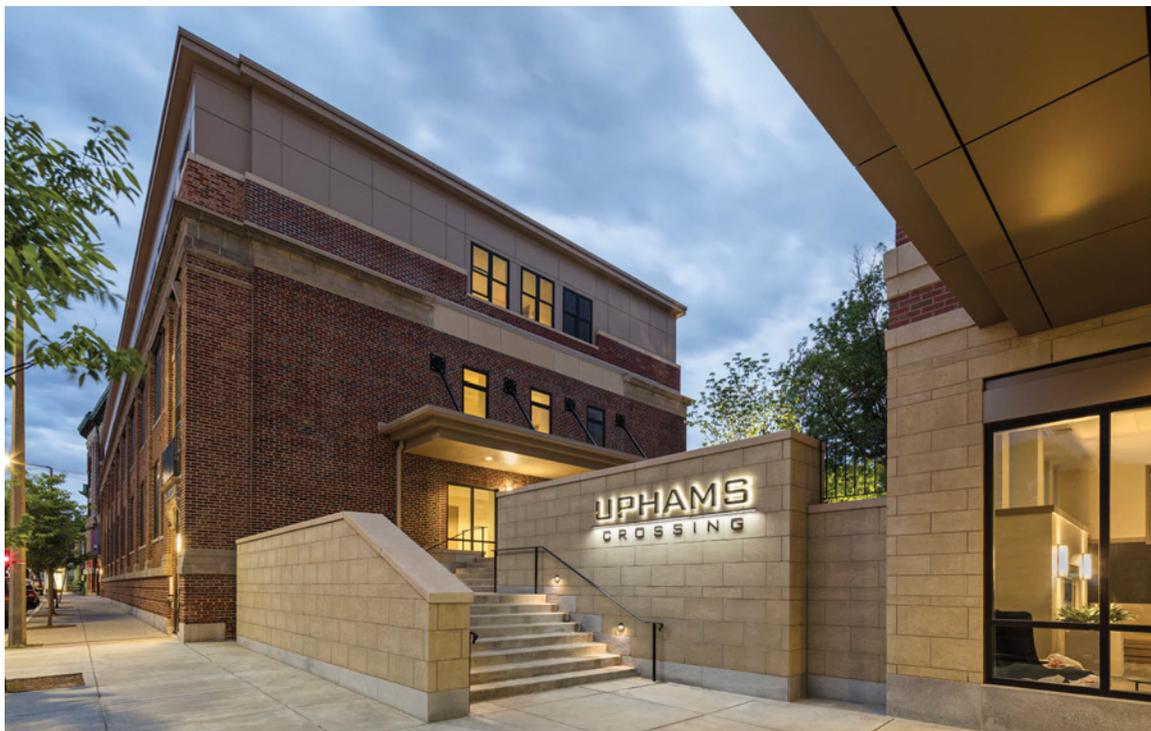
Michael E. Liu, AIA, NCARB
The Architectural Team Inc. (TAT)

One of the hottest multi-family-construction topics today is workforce housing. While subsidies exist to address affordability for low-income families, there have been few programs designed to provide housing assistance to that wide swath of the working population whose incomes are too great to qualify for housing assistance in existing programs, but too low to afford market-rate apartments or home-ownership options.

The professions of policeman, firefighter, and teacher are so often given as examples of the targeted workforce-housing resident as to have become cliché (it's interesting to note all three professions are public servants). The examples are meant to convey that any community needs a service class to function and has an implicit obligation to provide them housing within the communities they serve. Government in the United States got out of the business of directly developing housing long ago and turned instead to providing indirect subsidies to promote the private development of residential units geared to specific (low) income levels. Such subsidies come in various forms such as tax credits, mortgage insurance, Section 8 vouchers, grants, and inclusionary zoning.

These subsidies are just now being tweaked to provide housing for higher-income brackets. In Massachusetts, for example, a workforce-housing fund was inaugurated to provide subsidies targeting an 80% to 120% Area Median Income (AMI) cohort of eligibility. This program intends to create 1,000 new units of workforce housing statewide. TAT, Chelsea, MA, recently completed Gateway North Residences, the first project to receive funding under the initiative. Located in Lynn, MA, the 71-unit, transit-oriented development (TOD) is seen as an important step for the state.

However, workforce housing has come to be defined in narrow economic terms. While that may be necessary as part of a structured government-subsidy approach, the definition tends to crowd out a more holistic, historical, and perhaps, useful, perspective on the problem and its solutions.



The Uphams Crossing project in Boston is an example of modern-day workforce housing, offering 80 homes for people who work in the area and use public transit. Photo: Gustav Hoiland, courtesy TAT

The discourse around the need to provide workers with affordable housing options in convenient proximity to their jobs is not a new one. Entire building typologies sprang up in the 19th century to accommodate labor in the Industrial Revolution. Such familiar regional housing types as the Boston triple-decker, the Philadelphia trinity, or Britain's back-to-back and back-to-earth row houses are examples.

More recently, corporate-technology giants, such as Google and Facebook, have jumped into the real-estate-development world with residential-heavy mixed-use and lifestyle centers to accommodate its workforces. Last year Facebook announced plans to develop a 1,500-unit lifestyle center in Menlo Park, CA, for its employees. It has been reported that Google is working with a prefabricated housing manufacturer to develop housing for its staff in Mountain View, CA.

While these are explicit examples, the profile of residents in such corporate-sponsored ventures does not match the profiles commonly cited in the prevailing literature regarding workforce housing. One assumes that the income level of the typical tech corporate employee is such that they could afford alternate, if less convenient, housing options. It will be interesting to see if industrial corporate entities with lower employee income profiles start developing housing as well, in a clear return to the 19th-century pattern of corporate-housing sponsorship.

In evaluating what is or is not affordable to workers within any given income level, it's important to factor in the transportation costs associated with getting to and from places of employment. Facilities built in proximity to rail or other forms of rapid transit increase the affordability profile of housing products, particularly as income levels drop.

A worker who must drive 15,000 mi./year to get to and from work can easily spend an additional \$2,000

annually on fuel. Add parking fees, insurance, maintenance, and other hidden costs, and the number may escalate to \$5,000 or more. These essentially become a rent premium or discount depending on the relationship between housing and transportation and should, realistically, be factored into the affordability calculus of any given income bracket. For example, TAT's recently completed Uphams Crossing project in Boston's Dorchester neighborhood offers 80 units of TOD housing aimed at residents who work in the area and use public transit. This significantly increases affordability and the ability of residents to live near where they are employed.

These various strategies are currently approached in an ad hoc manner. What has yet to develop is an integration of zoning reform, transportation-oriented development opportunities, and incentives for industrial and corporate development of native workforce housing to further leverage the various forms of government economic-subsidy structures already in place. While hybridization of existing solutions may not entirely solve the problem, it will inevitably advance the solution. **CA**

Michael E. Liu, AIA, NCARB, is vice president and principal with The Architectural Team Inc. (TAT), Chelsea, MA (architecturalteam.com), and is a leading practitioner in areas including affordable housing and waterfront development.

Interview With Michael Liu

Learn more about developing workforce housing projects in our interview with Michael Liu at commercialarchitecturemagazine.com/architects.