

# RICHMOND, VA – HOUSING AFFORDABILITY DATA

As of 2013, there are 84,833 households in the city of Richmond (2013 ACS, 5-year estimate). The FY2014 HUD Area Median Income (AMI) for the Richmond Metropolitan Statistical Area (MSA) is \$72,900 for a four person household. Twenty-five percent of city households have income greater than 120 percent of the Area Median Income (AMI). Fifty-nine percent of city households have incomes less than 80 percent of AMI. The remaining sixteen percent of households in Richmond have incomes between 80 and 120 percent of AMI. Figure 1 shows all households in the City of Richmond, sorted by their income and level of cost burden. Forty-seven percent of all households are cost burdened.

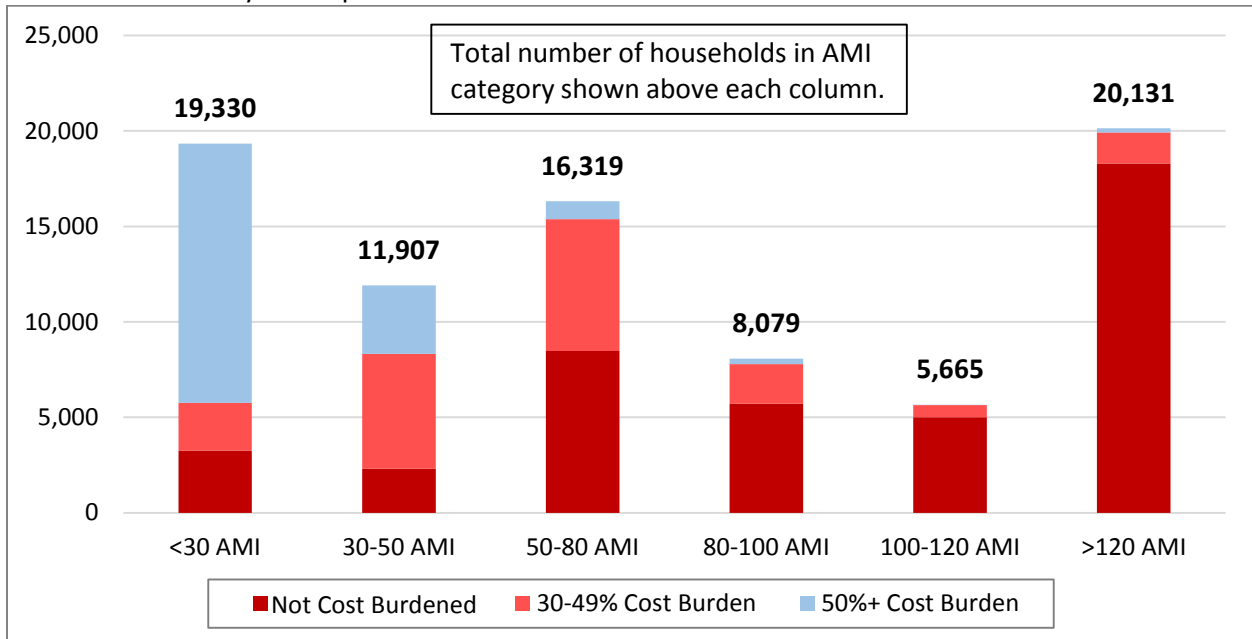
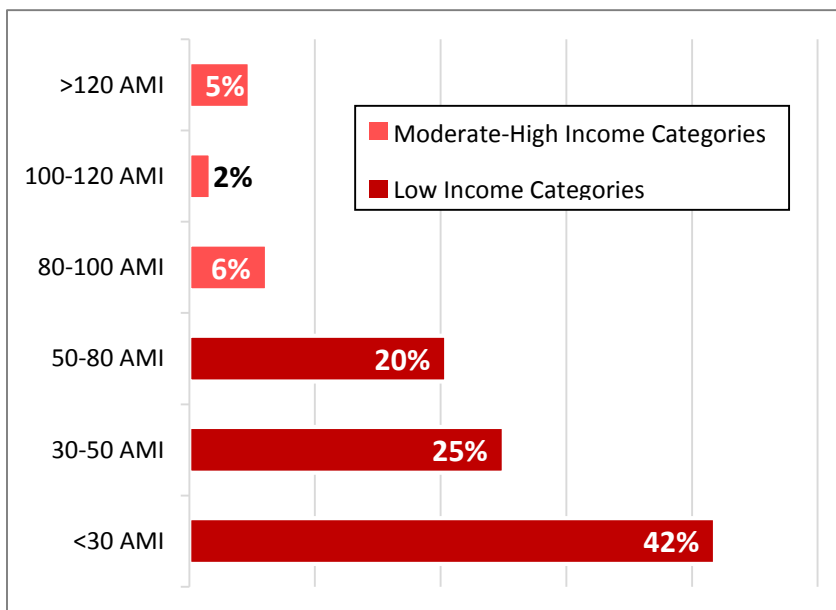


Figure 1, Households by Cost Burden and Income, 2012 PUMS



A household is cost burdened when the residents spend 30 percent or more of their income on housing costs. Figure 2 shows the portion of cost burdened households in each income category from Figure 1. Nearly half of the city's cost burdened households have extremely-low (less than 30 percent of AMI) and very-low (between 30 and 50 percent of AMI) incomes and are paying more than 50 percent of their household income for housing. Approximately 3,030 moderate-income households are cost burdened.

Figure 2, Distribution of Cost Burdened Households by Income, 2012 PUMS

Of the 37,409 homeowner households in the city of Richmond, 13,489 (36 percent) are cost burdened (2012 PUMS)<sup>1</sup>. Of the 44,745 renter households, 24,900 (56 percent) are cost burdened (ibid)<sup>1</sup>. Figure 3 compares the percent of cost burdened homeowners and renters, by income category. For both housing tenures, the majority of households that are cost burdened make less than 80 percent of AMI. More than 80 percent of both homeowners and renters making less than 30 percent of AMI are cost burdened. For households making more than 80 percent of AMI, the number of cost burdened households decreases as income increases. There are a total of 4,873 cost burdened households making more than 80 percent of AMI (ibid). Almost 90 percent of homeowners with moderate incomes are cost burdened.

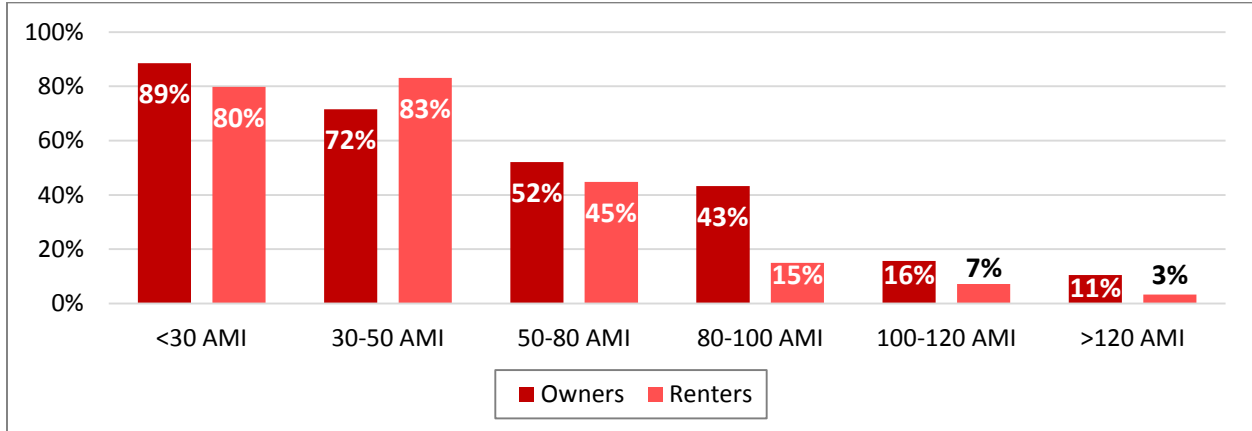


Figure 3, Percentage of Cost Burdened Households by Tenure and Income

The city of Richmond’s total annual housing affordability deficit is \$233 million, 27 percent of the total Richmond Planning District Commission’s deficit. This deficit is the amount of additional money needed to completely eliminate the city’s housing cost burdens (the gap between actual gross housing costs and 30 percent of the household’s income). Extremely low-income households bear the largest part of the city’s affordable housing income deficit with \$127,490,652 (2012 PUMS). Of this income category, 78 percent of the deficit is born by households that are severely cost burdened, as depicted in blue in Figure 4. For the city to decrease the housing affordability deficit, community members and stakeholders must commit to making affordable housing accessible to low income residents.

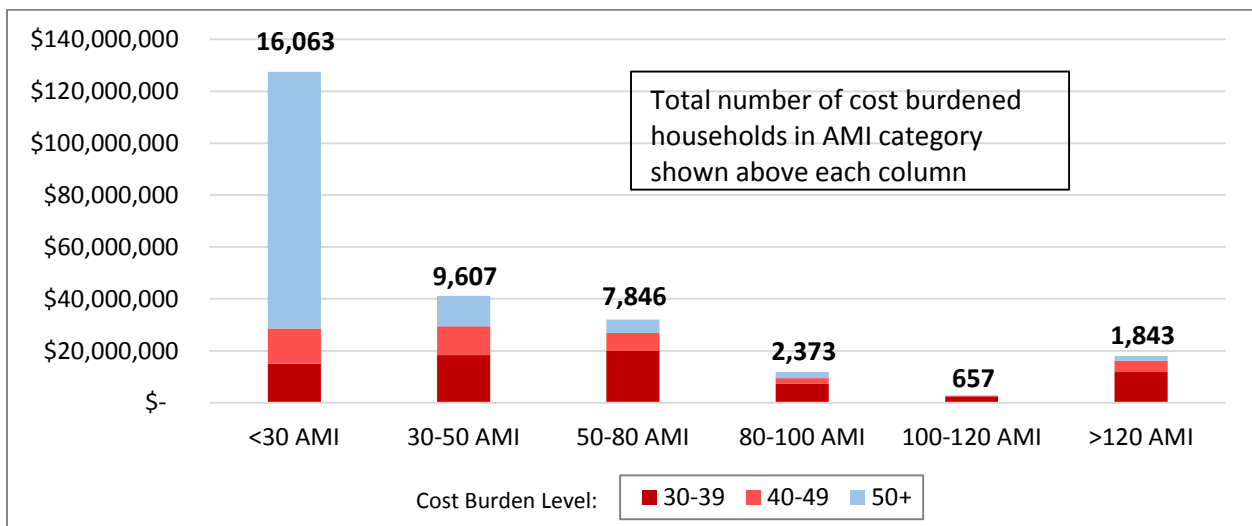


Figure 4, Affordability Deficit by Cost Burden and Income, 2012 PUMS

<sup>1</sup> Housing tenures estimated using 2012 PUMS data, so renters plus owners does not equal households on page 1.